



# BURKE SHIRE *Council*

**2022 - 2023 ANNUAL REPORT**





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# Introduction

## Purpose of the Annual Report

This Annual Report offers the public insight into the primary activities undertaken by, and the financial position of the Burke Shire Council for the past financial year.

As legislated by the *Local Government Act 2009*, the report discloses the audited financial statements for the reporting year. This disclosure, coupled with a community financial report, demonstrates Council's commitment to open and accountable governance and provides a medium by which constituents may understand the Shire's financial position and performance.

The annual report also communicates how Burke Shire Council has achieved its goals as set out in the corporate and operational plans, and highlights its major achievements during the reporting year.

## About Burke Shire

Burke Shire is characterised by great fishing, abundant sunshine and friendly people. The local government area spans more than 40,000 square kilometres, with a population of 328 living mainly in the communities of Burketown and Gregory or on vast pastoral stations. The Shire is in the North West Minerals Province, with an economic past and future linked to mining. Burke also supports a growing tourism industry as nomads seek warmer climes and greater adventure during the southern winter.

A diversity of natural attractions, stunning colours and amazing birdlife entices drive tourists. The Savannah Way, which connects Cairns to Broome, runs through Burke Shire from the lovely Leichardt River falls to Hells Gate and the Northern Territory border. The rugged country surrounding Hells Gate is one of the world's oldest landscapes, where impressive rock formations tell of the land's evolution and natural art galleries from early Indigenous peoples can be found in nearby caves.

Four mighty rivers – the Albert, Leichhardt, Nicholson and Gregory – provide habitat for waterbirds, crocodiles, barramundi and even sharks as they empty into the Gulf of Carpentaria. The towns of Burketown and Gregory are blessed to draw their drinking water from these sources. Burketown boasts hot mineral springs, abundant birdlife and the elusive, magnificent morning glory cloud formation that rolls in from the sea during mid spring. From Gregory, tourists can access idyllic Adels Grove and the beautiful Lawn Hill Gorge at Boodjamulla National Park, along with the World Heritage listed Riversleigh fossil site just outside the shire boundary.

The traditional custodians of the land as well as notable early explorers who traversed the southern gulf have helped make the Shire what it is today. We are proud of its landscape, its people and its history, and welcome all to experience this very special part of the world.



# Report from the Mayor

This past year has been a very challenging year for Burke Shire Council. Across the majority of the Shire, we suffered significant and, in some cases, record breaking flooding. because of an early March 2023 Monsoonal flood in the Burke Shire Council area and in the areas adjoining this local government area. High rainfall in late December, January and February meant Burke Shire catchments, and those of our neighbouring Council areas, already had a high level of water saturation. Then in early March these same regions were inundated by a strong monsoonal event resulting in major flooding occurring in the Albert, Gregory, Leichhardt, Nicholson and Lower Flinders Rivers, while moderate flooding occurred in the Georgina River and Eyre Creek to the South.

As flood waters rose and rose and rose some more in early March, several cattle stations found themselves compelled to evacuate, as were many Burketown residents. In many cases helicopters were used as the Burketown Airport and the main access roads were flooded. Thankfully, despite the catastrophic flooding and the harrowing conditions, no lives were lost.

I wish to acknowledge, during the response and recovery phases of this massive flooding event, the great work of the Local Disaster Management Group, District Disaster Management Group, CLCAC Rangers, Queensland Police Service, QFES, including the rapid response teams, Burketown Health Clinic, helicopter pilots, Council staff and the community members who volunteered to assist wherever and whenever they could.

The Shire also received many donations as a result of the flood, and these are still coming in 9 months after the event. Donations came from many sources – NFP groups, community service groups, private individuals, businesses



**Ernie Camp**  
Mayor

mainly from within Queensland but also some from outside Queensland. GIVIT were also significantly involved with donations of household goods and items. The trucks coordinated by Cattle King bringing goods for property owners and later a large donation of items from Riverina and a group of graziers Julia Creek, facilitated by Elders Julia Creek, were also most welcomed.

Several homes in Burketown and Bidunggu were flooded during the event with considerable damage occurring. Fortunately, the majority of residents' homes have been repaired, and those affected have now returned to their homes. Some of Council's housing assets are still requiring repairs, however. Fortunately, flood damage to town businesses was limited but Council is mindful that some of our business community are still recovering from damage sustained during the event.

We cannot forget our rural ratepayers many of whom suffered severe damage to homes and infrastructure such as sheds, roadhouse and accommodation buildings, generators/solar equipment, fences, yards, vehicles, roads etc. Stock losses were also significant for many. In combination these not only have affected their lives but their livelihoods. Recovery for many of our affected rural ratepayers will take years.

Roads around the Shire were severely impacted and due to the amount and level of damage, will take some years to be fully restored. The costs to repair roads is still being



quantified. Safety of roads is the highest priority. It is vital signage directions on roads Shire wide are followed and that you remain alert to the changing road conditions and drive accordingly to ensure your destination is reached safely.

Noticeably, tourism numbers post flood have been impacted, being well down on previous years. Impacts include:

- Massive damage to Boodjamulla National Park, Adel's Grove and Miyumba camping areas, the Gorge itself, and the Riversleigh World Heritage Area. No doubt, aside from the intense rainfall experienced, the Gregory River at Riversleigh Station, near Boodjamulla, reaching 18 meters high, surpassing the 1971 flood record of 10.8 meters contributed mightily to this unfortunate scenario.
- Environmental impacts are massive with the park's emerald waters and the flora along the gorge frontage as well as the outlying lush bushland decimated by floodwater. Rangers are concerned about the damage of cultural heritage sites of the Waanyi people representing 30,000 years of Aboriginal history on the land. The Park is not anticipated to open until the middle of next year.
- The Yagurli Tours campsites have been impacted by erosion.
- Post COVID international travel is well and truly back on the cards which has impacted domestic tourism.
- The flooding has also severely impacted accommodation facilities at Adel's Grove, Tirranna and Burketown Caravan Park.

Visits to Canberra and Brisbane with, Cr John Clarke, and the CEO, accompanied by Troy Frazer CEO Doomadgee Aboriginal Shire Council to Canberra and Cr Tonya Murray to Brisbane, occurred as soon as possible after the event. Our purpose was to lobby for more flood resistant infrastructure (including roads, flood ways and bridges), energy, telecommunications and airports to minimise

the disruption to usual business, community and personal activities across both Shires during severe weather and flood events.

Burke Shire and Doomadgee residents were cut off by flooding from late December 2022 to beyond the major March flood. The duration of the communities' isolation was excessively prolonged, emphasising the critical need for significant resilience funding, as detailed above. Unfortunately, to date no fiscal support to deliver the projects outlined in our visits to government has been forthcoming.

As a further result of the extended road closures, a number of resupplies had to be made across the Shire. Due to road outages in Carpentaria and freight logistics, in combination with shortage of food and goods supplies in Mt Isa, these had to be arranged out of Townsville.

Council has been instrumental in seeking delivery of mental health support for our resident, and business owners. In support of positive mental health, Council initiated the second stage of its \$75,000 grant with another Health and Wellbeing Expo held in Burketown and Gregory.

Other Council initiated events during the year included the Order of the Outback Ball (very early July), Senior's event, Remembrance Day, RACQ Get Ready, Community Christmas Event Burketown and Gregory, ANZAC Day, Photo Competition, Christmas Lights Competition, and a Community Recovery Day at both Burketown and Gregory.

Despite many community group members being impacted by the catastrophic Wet Season flooding, several community events were also held lifting the spirits of all who attended. Due to water levels, the Annual Canoe Race had to be cancelled for the safety of competitors. Several events were also held prior to the Wet Season and were well supported, as always. Council expresses deep appreciation for the dedication and hard work invested by volunteers in crafting successful

events and projects. On behalf of all our residents, I offer a heartfelt thank you for the unwavering support and commitment to the community.

Council continues to have a major focus on improving its financial sustainability. Sustainability is an enormous, ongoing challenge for smaller councils, such as Burke, who have a limited rate base (21.55% of total council revenues in Burke's case) and therefore a significant, but necessary, reliance on grants and subsidy funding.

As in the two preceding years, Council implemented a very tight operating budget for 2022/2023. Key points for the Financial Year Ended 30 June 2023 result were as follows:

- Budgets adopted the last two years have been extremely tight with actual decreases in cash operating budgets in both years even though costs have been under pressure with Local Government CPI increases and EBA increases. To enable this to happen Council continues to look at smarter ways to operate and business improvement is always on the Executive Team agenda.
- Although a number of rate increases around Queensland were at least 4%, Council was conscious of the impacts of costs of living on its rate payers and the rate increase for 2022/23 was 2.6% for residential properties and 3.7% for industrial/commercial and rural properties.
- A major positive impact on Councils future sustainability was the increase in Council's Federal Assistant Grant which increased from \$3.307M to \$4.754M over the previous financial year (43.74% increase).
- Council is pleased to advise an operating surplus of \$874,193 on operating budget. This compares with an operating surplus of \$202,421 the previous year.

Completed capital works during the year are detailed below:

Gregory Dongas	\$ 166,554
SES Shed Upgrade	\$ 50,878
Donga for Waanyi Rangers	\$ 12,303
FWIN Flood Camera Network	\$ 128,728
Gregory Landfill Fence	\$ 67,306
150 Motor Grader	\$ 540,000
Generator Upgrades - Airport	\$ 33,958
F'ville Rd Culvert sites 3,6,11	\$ 701,385
F'ville Rd Culvert sites 2A&2B	\$ 775,536
STP Access Road Upgrade	\$ 979,193
F'ville Culvert site 10	\$ 396,506
<b>Total</b>	<b>\$ 3,852,347</b>

The emphasis on flood response and recovery has affected the completion of capital works. There was a further \$2.379M allocated to be spent on capital works yet to be capitalised, as the projects are still in progress. Within operations \$2.841M was spent on DDRF flood recovery, relating to previous floods.

Attracting staff to this small, remote region poses challenges, not just because of our location but also because remote areas, in general, lack the metro comparable services and facilities potential employees (and their family) may be seeking such as schooling, specialist healthcare and recreational activities. Consequently, Council must, as do many smaller Councils in a similar position, offer significantly above market rates to attract and secure crucial staff.

I am pleased to advise the Regional Biosecurity Plan was adopted by Council. The purpose of the Northwest Queensland Regional Biosecurity Plan (NWQRBP) is to establish a Local Government planning framework that will address the impacts of current and potential pests within the Burke Shire boundaries.



Given the negative impact there has been on tourist numbers, a revitalised tourism brochure was also completed and sent to various Visitor Information Centres in other areas.

Council continues to roll out its Housing Strategy to divest its housing stock to staff with \$295,000 realised to date. Four Council houses have been sold and the aim is to have nine realised by 30 June 2024. This strategy creates a powerful platform for local personal, communal and economic empowerment whilst also contributing to the growth of the rating base. Council also adopted Local Housing Action Plan 2021-2025.

Council has also been selling residential blocks in Gregory, generating \$325,000 in sales revenue to date. Funds from the sales are earmarked for the construction of a new depot at Gregory, strategically located near the Water Treatment Plant.

Burke Shire Council continues to strive to, and succeeds in, punching well above its weight. It suffers regular climatic events as well as the ongoing challenges of financial sustainability and above average staff turnover in conjunction with a limited rate base. But it does not wilt in the face of those challenges: it stands tall, it thinks outside the box, it develops relationships of mutual benefit, it innovates and remains positive, tenacious, and steadfast in its resolution to not just survive but sustain and strengthen.

I would like to thank the CEO, Management Group and all staff who work together with Council, standing tall and steadfast, adapting, and adopting to achieve a strong customer service for the Burke Shire community in what has been a very challenging year.

**Mayor Ernest Camp**

# Report from the Chief Executive Officer



**Daniel McKinlay - CEO**

The financial year presented significant challenges, notably due to the severe impact of the early March monsoonal flood. This record-breaking flood not only tied up Council resources for an extended period following the event but also hindered the timely delivery of capital works projects. In response, a comprehensive Flood Recovery Plan was diligently completed.

Ensuring financial sustainability remains a consistent priority for Burke Shire Council, and its position has markedly improved. Council has maintained its commitment to prudent financial management by presenting a tightly controlled budget, thoroughly reviewing expenditures. Consequently, Council has once again adopted a budget that falls below the Consumer Price Index (CPI). The substantial increase in Council's Federal Assistant Grant, rising from \$3.307M to \$4.754M in the previous financial year (a 43.74% increase), was also a very positive development. It's noteworthy that Council did not utilise the entire grant, prioritising the enhancement of its long-term cash position. Additionally, there was an annual budgeted surplus improvement of \$671,771.

Significant Operating and Capital Grants were received during the financial year as follows:

## Operational Grants

• General Purpose Grants	\$8,329,341
• Flood Restoration Funding	\$2,644,570
• Other Government Subsidies and Grants	\$1,034,397
	<b><u>\$12,008,308</u></b>

## Capital Grants

• Specific Purpose Government Subsidies and Grants	\$5,424,607
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Financial stimulus from the State and Federal Government by way of Works 4 Queensland (W4Q) (State) money and Local Roads and Community Infrastructure (LRCI) (Federal) continued during the reporting period.

## Workplace Health and Safety

Council continues to have a strong focus on Workplace Health and Safety performance. Staff recorded safety related training attendance totalled 563. There were 434 days since a Lost Time Injury and 1,143 days since a Medically Treated Injury. Scheduled hazard inspections as per Hazard Inspection Matrix were 87%. These statistics reflects Councils strong commitment to WH&S.

There were also continued improvements in governance as follows:

- Many policies were reviewed – Statutory, HR and Administration.
- Continued regular communication updates to staff through the CEO's weekly communication to staff.
- Risk Management Strategic Risk Register was adopted by Council.
- Website continues to be updated.



There were several strategic documents developed during the reporting period as follows:

- The Local Housing Action Plan (LHAP) in conjunction with the 23 member Councils of the Western Queensland Alliance of Councils.
- The Regional Biosecurity Plan which was developed for the member councils of the NWQROC with Southern Gulf NRM.

Council continued to maintain its active role in the Gulf Savannah Development (GSD). Mayor Ernie Camp is the Chairman and Shaun Jorgensen, Finance and Technology Manager is the Treasurer. Kimberly Chan, Economic Development Manager also provides support.

Other key initiatives were as follows:

- Tourism Branding completed.
- Tourism Brochure developed and circulated to a range of Visitor Information Centres.
- Second year of the Health and Wellbeing Expo was held with a focus on mental health.
- Continued drive to have dogs desexed in the shire.
- Asset Management Strategy and Policy finalised.
- 7 further house blocks were sold in Gregory = \$118,120.
- Adoption and implementation of a new Strategic ICT Management Framework.
- Enhancement and upgrade of council ICT Manage Services and Systems.
- Enhancement of council's compliance with the ACSC essential 8 security and cyber risk requirements and notifiable data breach management.
- Ensuring continued effectiveness of the Burke Shire Council audit committee.

The very good outputs that were achieved above would not have been possible if it wasn't for the hard work and dedication of our Mayor, Councillors, Management, and staff.

**Daniel McKinlay**  
**Chief Executive Officer**

# The Council

## Elected Representatives

Burke Shire Council has an elected body of five Councillors, with specific powers, responsibilities, and duties set out in the *Local Government Act 2009* (the Act). Under the Act elections for the Mayor and Councillors are undertaken every four years, with the last election held on Saturday 28 March 2020.





# The Council

## Elected Representatives

### Meet the Councillors

#### Mayor

##### **Councillor Ernie Camp**

Cr Ernie Camp was re-elected Mayor at the 2020 elections having served as Mayor for the previous two terms, Deputy Mayor for the two terms prior to those and before that as a Councillor. In all, Cr Camp has been involved in Local Government for over 20 years. He is Chair of Gulf Savannah Development. As a grazier, he is a member of three agricultural representative groups: Agforce, Cattle Producers' Australia and Gulf Cattlemen's Association. Cr Camp is a member of the Gregory Downs Jockey Club and has been a race starter for many years. He is also a member of the Isolated Children's Parents Association (ICPA), Gregory Downs Sporting Association and Southern Gulf NRM. He is a committee member of the Queensland Government appointed North West Minerals Province Stakeholder Advisory Committee, Southern Gulf NRM's Regional Technical Advisory Group (focused on biosecurity and pest management) and the State-wide Oversight Group which oversees the development, alignment and implementation of projects that are funded through the Land Protection Fund. He represents Council on the NWQ Regional Organisation of Councils (NWQROC), NW Regional Roads Group (NWRRG) and the Western Queensland Alliance of Councils. As Mayor, he has observer status on all Council groups and committees.



#### Deputy Mayor

##### **Councillor Tonya Murray**

Cr Tonya Murray is a descendant of the Gangalidda people, one of the Traditional Owner groups in the Burke Shire. She has a keen interest in providing opportunities for young people, ensuring we minimise environmental impacts in our area and providing services & opportunities for locals. Cr Murray is also involved in various community organisations including the Burketown Rodeo & Sporting Association, Volunteer Marine Rescue, Burketown Fishing Club, Burketown Kindergarten Association and the Burketown State School P & C. Cr Murray represents Council on the audit committee.



# The Council

## Elected Representatives

### Meet the Councillors

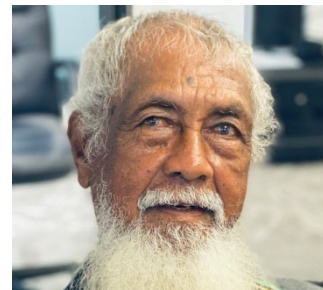
#### **Councillor John Clarke**

Cr Clarke was elected in the March 2016 elections. His interest in being a Councillor was driven through his belief in the importance of contributing to community. Cr Clarke wants to keep Council and governments connected to volunteers, the backbone of our communities. He has an interest in land management, as pest and weeds are becoming an increasingly big problem. Cr Clarke is President of the Gregory Downs Jockey Club, and member of the Gregory District Sporting Association and Planet Downs Fire Brigade. He represents Council on the NWROC and WQAC.



#### **Councillor John Yanner**

After spending 20 years employed by Burke Shire Council as rural foreman, Cr Yanner put his hat in the ring and was elected as Councillor in the 2016 election. Along with his extensive knowledge and interest in the road network, Cr Yanner's interest in becoming a Councillor was driven by his desire to improve relationships between Council and community. He represents Council on the NWRRG.



#### **Councillor Rosita Wade**

Councillor Wade was selected as a Councillor in the 2020 election. She and her husband own the Morning Glory restaurant in Burketown. She has a passion for the community and has an interest in the finance side of council as she had previously worked in the finance section of council for approximately 6 years. Cr Wade represents Council on the audit committee.





# Burke Shire Council

## 2022/23 Results at a Glance

This community financial report shows a summary of the Council's Financial Statements with the aim of providing understandable information to members of our community. The use of graphs allows readers to easily evaluate Council's financial performance and financial position. In addition, this report includes key financial statistics and ratios that can be useful indicators of Council's performance.

### Summary of Operations for 2022/23

	\$'000
Operating Revenue	17,442
Operating Expenses	18,554
<b>Operation Position</b>	<b>(1,112)</b>
Capital Income	5,424
Capital Expenses	169
<b>Net Result</b>	<b>(4,143)</b>
Total Assets	192,141
Total Liabilities	16,779
<b>Net Community Assets</b>	<b>175,362</b>



# Burke Shire Council

## 2022/23 Results at a Glance

The Financial Statements in this report cover a 12-month period ending 30 June 2023. The Financial Statements contained in this report include:

- **Statement of Comprehensive Income** - displays Council's revenue and expenses with the resulting profit or loss amount known as the net result attributable to Council. This also displays Council's other comprehensive income.
- **Statement of Financial Position** - displays the assets (what we own), liabilities (what we owe) and community equity (total assets minus total liabilities). Community equity can be a reflection of how healthy the position of Council is at any given point in time.
- **Statement of Cash Flows** - reports how revenue received and expenses paid impact on Council's cash balances.
- **Statement of Changes in Equity** - presents a summary of transfers to and from equity accounts including retained surplus, capital and other reserves.
- **Notes to the Financial Statements** - provides a detailed breakdown of all significant items in the Financial Statements and what these items represent.

## Background

### Assumption and Principles

Under the requirements of the *Local Government Regulation 2012*, Council is required to prepare general purpose Financial Statements for the 2022-23 financial year. This report has been prepared in accordance with Australian Accounting Standards and complies with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council controls and manages infrastructure assets that are largely unique to the public sector. These infrastructure assets include roads, bridges, footpaths, water and sewerage treatment and network assets, which generally have very long useful lives and can only be used for providing local government services. The costs associated with the maintenance, depreciation and replacement of these assets form a material part of Council's annual expenditure.

Burke Shire Council, like many smaller Councils, does not generate enough self-funding revenue with a limited rates base and a significant reliance on grant and subsidy funding.

Irrespective of the above, Council has seen a noticeable improvement in the level of funded depreciation over the past year with council achieving an asset sustainability ratio of 103.3% when compared to the local government annual target of 90%.

# Burke Shire Council

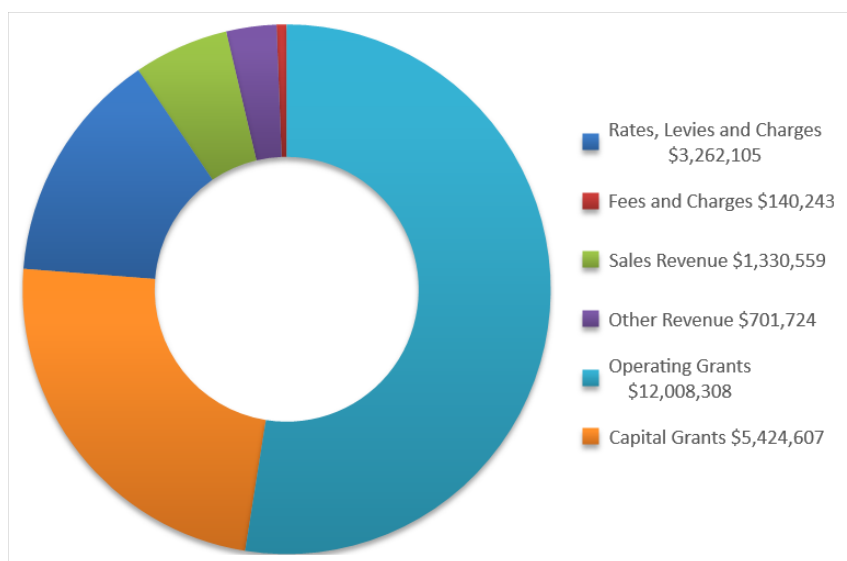
## Community Financial Report

### Statement of Comprehensive Income

#### Revenue

Revenue for the 2022/23 financial year is sourced from various items as shown in the graph on the right.

The majority of Council's revenue (52.51%) is sourced from operating grants, much of this revenue is specifically tied to DRFA flood damage maintenance funding for roads. Another significant source of council revenue (14.27%) is from rates and levies.

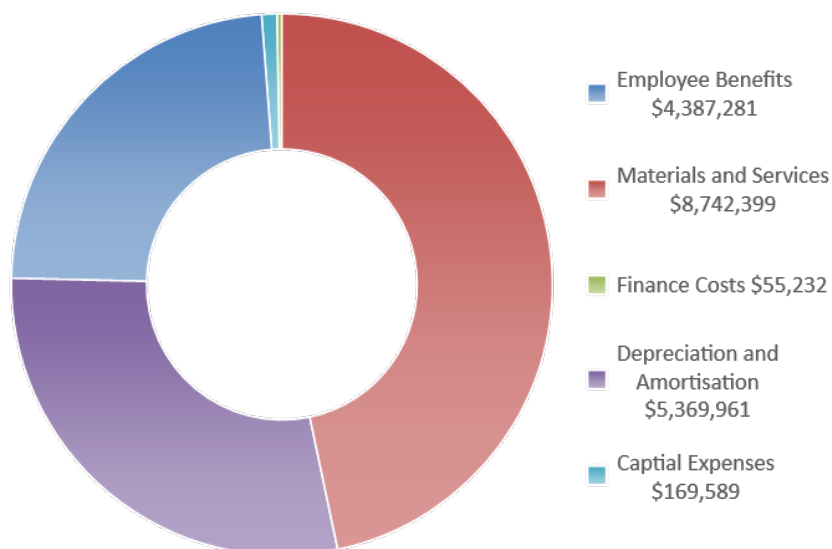


**Total Revenue \$22.8 million**

#### Expenses

Materials and services and employee costs make up 70.12% of the total expenditure for Council. Council has a strong labour workforce to provide maintenance, water and waste services, community, sport and cultural services and capital infrastructure for the community.

Materials and services expenditure includes advertising, audit fees, communication and IT, grants to community groups, electricity, garbage collection services, flood damage roads maintenance and repairs and maintenance. Refer to note 6 of the Financial Statements for further details.



**Total Expenses \$18.7 million**

# Burke Shire Council

## Community Financial Report

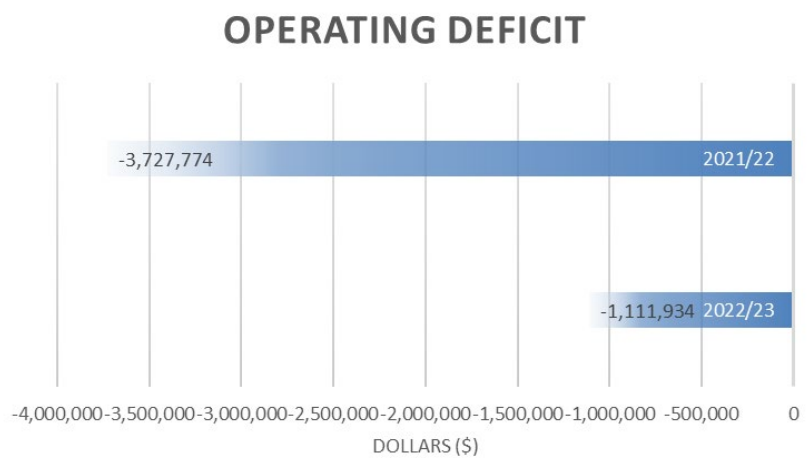
### Operating Position

Council’s operating position reflects the organisation’s ability to meet its day-to-day running costs from operating revenue.

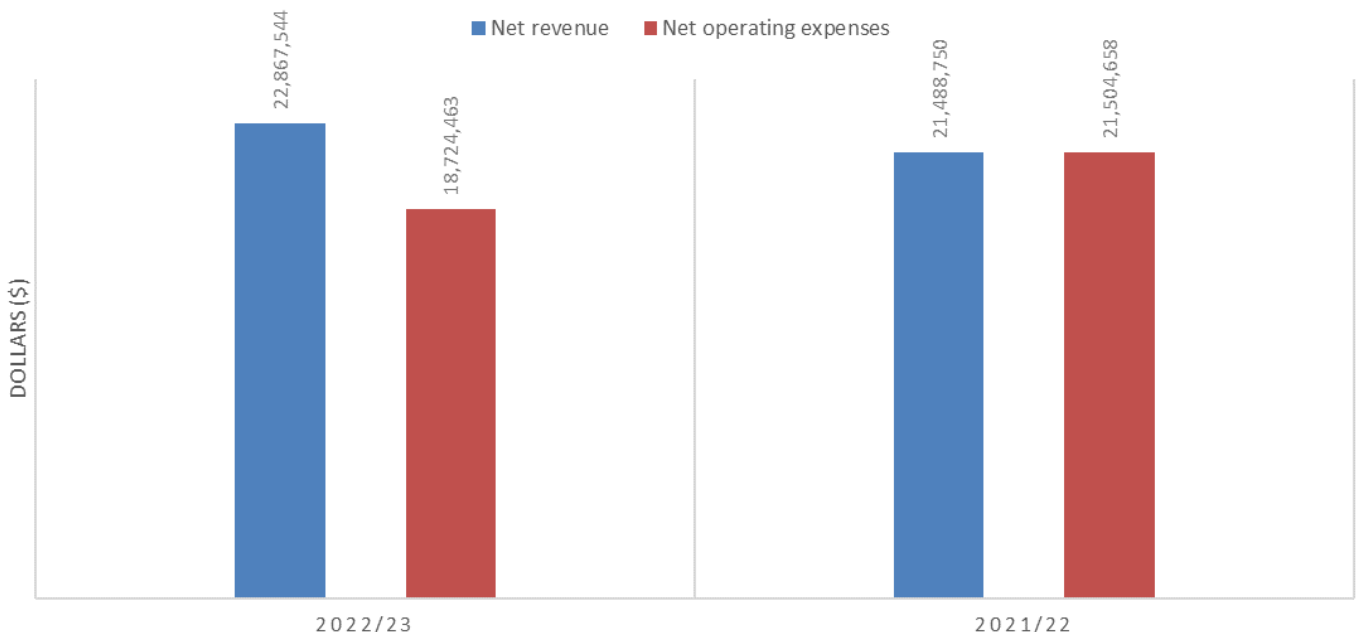
The operating position is calculated by taking total operating expenses (\$18.55) from total operating revenue (\$17.44M) and does not include revenue or expenditure amounts for capital projects.

Council’s operating position as at 30 June 2023 is a deficit of \$1.1M which has improved from a deficit of \$3.72M in the 2021/22 financial period.

This graph shows the operating position for 2022/23 compared to the operating position for the 2021/22 period.



Council’s net result reflects the operating position above plus capital revenue and expenses.





# Burke Shire Council

## Community Financial Report

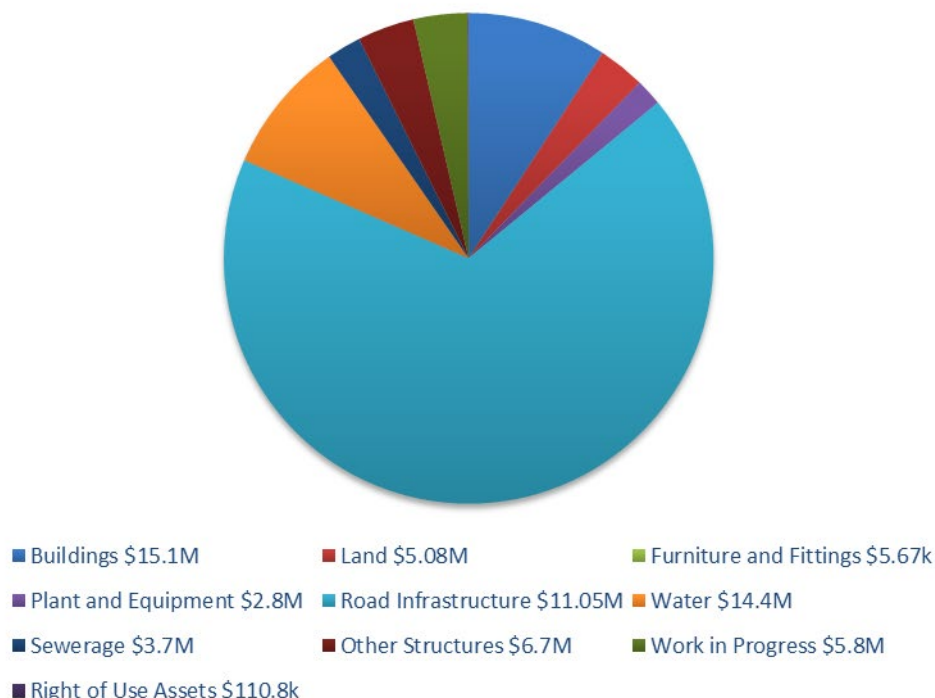
### Statement of Financial Position

#### Assets

	2022/23	2021/22
	\$ Million	\$ Million
Current assets	27.6	14.4
Non-Current assets	164.5	164.1
<b>Total assets</b>	<b>192.1</b>	<b>178.5</b>

Council assets as at 30 June 2023 total just over \$192.1M. This includes \$27.6M of current assets (liquid assets or amounts due to be received within 12 months) and \$164.5M of non-current assets. Property, plant and equipment make up 85.65% of total assets. It should be noted that Council report approximately \$10.4M in non-current asset impairment at 30 June 2023 as a result of the March 2023 Flood Event.

The following graph shows a breakdown of property, plant and equipment by asset category.



**Total Property, Plant and Equipment \$164.56M**

# Burke Shire Council

## Community Financial Report

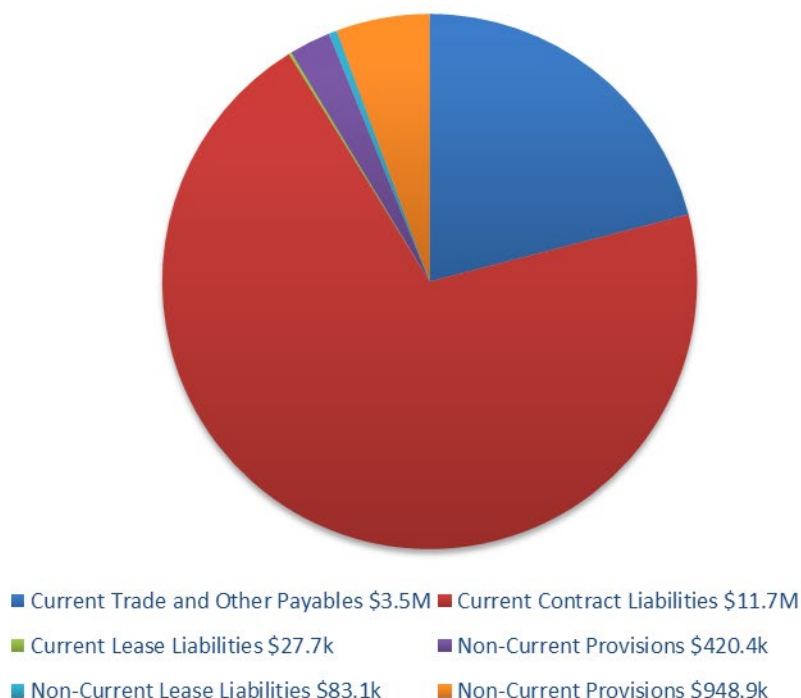
### Statement of Financial Position

#### Liabilities

	2022/23	2021/22
	\$ Million	\$ Million
Current liabilities	15.8	6.8
Non-Current liabilities	1.0	0.8
<b>Total liabilities</b>	<b>16.8</b>	<b>7.6</b>

Total liabilities as at 30 June 2023 are \$16.8M. This includes \$15.8M of current liabilities (due to be paid out within 12 months) and \$1.1M of non-current liabilities. Liabilities mostly consist of contract liabilities, amounts owing to suppliers and amounts owing to employees for leave entitlements.

The following graph shows a breakdown of liabilities by category.



**Total Liabilities \$16.8M**

# Burke Shire Council

## Community Financial Report

### Statement of Financial Position

#### Sustainability Ratio

The following ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which should be met to ensure the prudent management of financial risks in accordance with Chapter 5, Part 3 Division 1 of the *Local Government Regulation 2012*. The benchmarks used for the prescribed ratios are per the Department of Local Government, Racing and Multicultural Affairs (DLGRMA) guidelines.

Sustainability Ratio					
Ratio	Description	Formula	Benchmark	2022/23	2021/22
Asset sustainability ratio	This is an approximation of the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.	Capital Expenditure on Renewals / Depreciation expense	Greater than 90%	103.3%	82.3%
Net financial liabilities ratio	This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.	Total Liabilities less Current Assets / Total Operating Revenue	Not greater than 60%	-61.9%	-38.6%
Operating surplus ratio	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes.	Net Operating Surplus / Total Operating Revenue	Between 0 and 10%	-6.4%	-21.2%

#### Conclusion

Council has finished the 2022/23 financial year with a \$1.11M operating deficit though it has continued investment in community infrastructure through the delivery of a capital works program in excess of \$6.22M for the year. A critical factor for the deficit was Councils depreciation for the financial year of \$5.34M. For the last three years the level of unfunded depreciation has been decreasing significantly.

Further details and breakdowns of all of the above items can be found in the Financial Statements and the detailed notes to the Financial Statements.



# Burke Shire Council

## Grants to Community Organisations

### Grants

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 has a commitment to building strong, vibrant and robust communities. To assist in achieving this goal, Council's Grant Program provides financial and in-kind assistance to community-based groups, individuals and organisations. These groups are providing programs, activities, events and projects that enrich the diversity of cultural, social, sport and economic development opportunities available to the residents of the Burke Shire region.

The desired outcome is to support more creative, innovative and self-reliant communities, where participation in community life is enabled and encouraged.

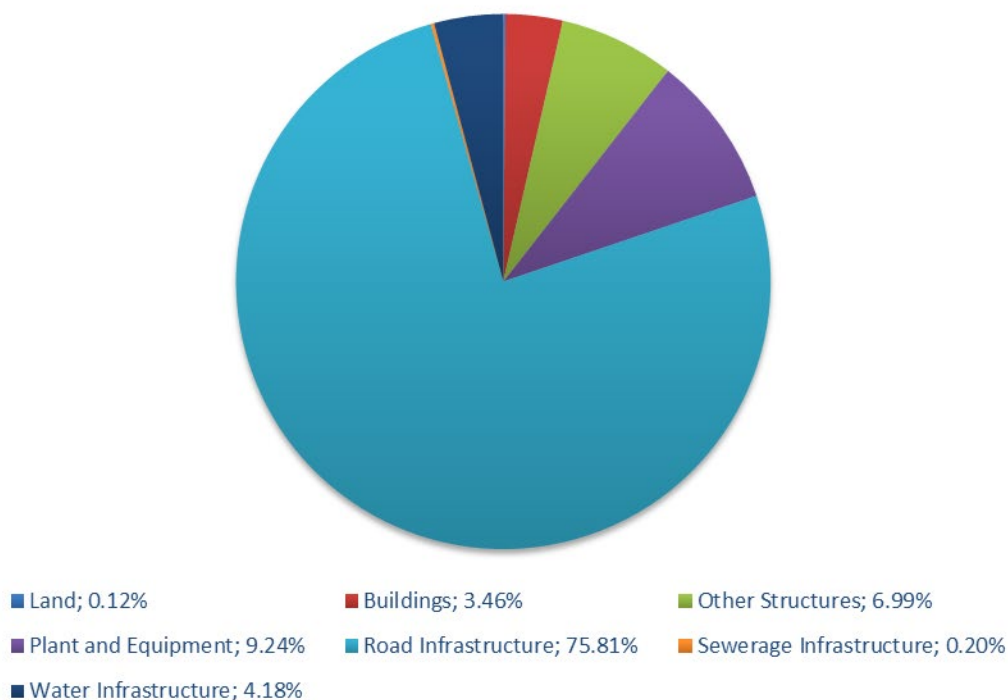
Grants allocated for 2022/23 were up in line with budgeted expectations as a result of COVID related restrictions being lifted during the year.

Organisation	Project and rationale	In-kind donation \$	Cash donation \$
QCWA Gregory Branch	Support for QCWA	-	2,500
Burketown State School	Support for BSS	848	
Gregory Sporting Association	Support for GSA	-	3,000
Royal Flying Doctors Service	Support for RFDS	-	5,000
Sundry Donations	Various	1,143	-
<b>TOTAL</b>		<b>1,991</b>	<b>10,500</b>

# Burke Shire Council

## Capital Works Projects

During the 2022/23 financial year, expenditure on capital works was \$6.22M. The following graph provides a breakdown of the capital works for 2022/23 by asset category.



### Capital Works Projects Detailed

Council incurred expenditure on the following capital works projects during the period 1 July 2022 to 30 June 2023.

	Amount \$
<b>LAND</b>	
22-23 Crimson Edge Development	7,446
	<b>7,446</b>
<b>BUILDINGS</b>	
WIP - Gregory Dongas	19,774
PYMO - Renewal of Changeroom	230
22-23 SES Shed Upgrade	28,834
22-23 Donga for Waanyi Rangers	11,982
22-23 Health & Wellbg Precnct	152,476
22-23 GRG Depot Worker Accom.	1,913
	<b>215,208</b>

# Burke Shire Council

## Capital Works Projects

### Capital Works Projects Detailed (continued.)

OTHER STRUCTURES (Cont.)	
WIP - Waste Mgmt	131,084
PYMO Erosion Control	70
21-22 FWIN Flood Camera Netrk	128,510
BKT Wharf Recreational Grounds	26,432
21-22 Gregory Landfill Fence	67,251
Savannah Way Arts Trail	32,546
21-22 BKT Aerodrome Fence relo	4,821
22-23 Albert River Brdge Light	17,525
22-23 BKT Cemetry Fencing	2,478
22-23 Bkt Waste Landfill Rehab	24,446
	<b>435,164</b>
PLANT AND EQUIPMENT	
CAT 150 Motor Grader	540,000
22-23 White Fleet Placements	885
Generator Upgrades - Airport	33,958
Water Tank	121
	<b>574,964</b>
ROAD INFRASTRUCTURE	
21-22 Fville Rd Culvert 3,6,11	38,459
Cycleway Netw'k, Beame&Musgrav	45,846
Fl'ville Rd Culvert sites2A&2B	288,548
21-22 Doom Est Flood Immunity	457
21-22 Gregory Rvr Ped Bridg	39,032
21-22 Archie Creek - des & con	1,427,829
21-22 Shadforth Creek drainage	462,604
21-22 STP Access Road Upgrade	400,026
21-22 Florvil Culvt Rep st35	1,445,942
21-22 Florvil Culvt Rep 12&18	8,613
21-22 Triganini Culv Rep St 1	104,341
21-22 Florvil Culvt Rep st10	396,378
22-23 Air/p Rd Embankment	15,000
22-23 Bkt A/port Road Upgrade	44,000
	<b>4,717,074</b>

# Burke Shire Council

## Capital Works Projects

### Capital Works Projects Detailed (continued.)

SEWERAGE INFRASTRUCTURE	
Firefly Sewerage Upgrade	66
Sewer Network - Inflow & Infil	12,218
22-23 Sewer Netwk Repair & Upg	56
	<b>12,340</b>
WATER INFRASTRUCTURE	
21-22 Intel. Water Ntwk/SWMs	14,304
21-22 Sluice Valves (Brkt&Grg)	722
BKT Raw Water Supply	- 9,074
21-22 Gregory WTP - replacemt	58,375
21-22 SCADA Upgrade	185,871
20-21 Wtr Srce Inflow Upgrade	377
22-23 Raw Water Valves & Meter	9,293
	<b>259,867</b>
<b>TOTAL</b>	<b>6,222,062</b>



# Burke Shire Council

## Corporate Plan

### Assessment of Progress Towards Corporate Plan

In 2019 Council adopted the Corporate Plan 2019-2024. This document provides strategic direction for all activities to be undertaken by Council over the five (5) financial years ended 30 June 2024. Based on this Corporate Plan, Council will ensure that key services and projects will be delivered in current and future financial years through an Annual Operating Plan. Specifically, each Operational Plan activity is linked to the Corporate Plan's strategic goals. The Chief Executive Officer's assessment of Council's progress in 2022-23 towards the five-year Corporate Plan and Annual Operational Plan is detailed below.





# 1. GOOD GOVERNANCE

Council is committed to financial, asset, environmental and community sustainability and secures these ends through efficient and effective decision-making processes. This, in turn, promotes community confidence, employee pride and stakeholder satisfaction with the organisation.

## Key outcomes/progress

- Detailed Strategic Risk Register was adopted.
- Asset management planning continues to be enhanced which was supported by a comprehensive external review of asset valuations, which is ongoing.
- Council satisfactorily met its finance requirements across the year. Finance outcomes included:
  1. Submission of audited financial statements within the prescribed audit timeframe;
  2. Auditor General issuing an unqualified audit opinion on Council's financial statements; and
  3. Meeting all external financial reporting targets and deadlines.
- A number of Governance Policies were reviewed and implemented:
  - Competitive Neutrality Complaints Policy
  - Procurement Policy
  - Portables and Attractive Items Policy
  - Related Party Disclosure Policy
  - Asset Disposal Policy
  - Financial Hardship Policy
  - Asset Management Policy
  - Debt Recovery Policy
  - Computer and Telecommunications Resource Usage Policy
  - Strategic ICT Management Framework & Associated plans and policies
- Website redesign continuing.





## 2. HEALTHY, INCLUSIVE, SUSTAINABLE COMMUNITIES

Council acts, directly, or through facilitation or advocacy, to promote healthy, inclusive and sustainable communities in the Burke Shire.

### Key outcomes/progress

- Council made a range of donations to local charities, organisations and community groups to support the Burke Shire community with services and events. This included a \$5,000 donation to the RFDS Mount Isa Base.
- Council delivered a series of successful events over the course of the year including the Order of the Outback Ball, Remembrance Day, Community Christmas – Burketown and Gregory, ANZAC Day, Family and Friends Community Recovery Fun Day – Burketown and Gregory.
- Council adopted the Local Housing Action Plan (LHAP) in conjunction with the 23 member Councils of the Western Queensland Alliance of Councils.
- Council is still progressing with the divestment of housing to current tenants with a view to use funds raised to build further housing. To date 3 properties have been sold to Council employees and Council is in the final stages of negotiating sales with other interested lenders to 4 other Council employees. Council hope to meet our target to have 9 Council properties sold to employees by the end of the 23/24 FY.
- Council have been working hard to execute projects for which we successfully received funding for in the 21/22 financial year. These projects included lighting at the Albert River Bridge, upgrades at the SES Training and Storage Facility – Burketown, purchase of the new SES vehicle – Burketown, upgrades to cenotaph and flag poles.
- We continued to source and secure funding for some of the items identified in our corporate plan that was put together in 2019.
- The March 2023 Flood event was devastating to our Shire and residents with many losses unquantifiable. Properties were submerged in water, livestock lost and many homes inundated with flood waters. Residents were displaced temporarily and some on a more permanent basis. Through the GIVIT program and donations from some very generous organisations and individuals, residents throughout the Burke Shire were gifted items to assist them in getting back on their feet. From white goods through to clothing, furniture, school supplies, food, vouchers, and cleaning supplies. All the assistance was greatly appreciated and certainly assisted to expedite the recovery process.
- The Move It Burke program was initiated through funding received from the North Queensland Sports Foundation and Move It NQ. This community-based program aims to promote physical activity and healthy eating among the residents of Burke Shire.



## 3. ASSET SUSTAINABILITY

Council is committed to effectively managing its assets on behalf of the community within its limited resources. Council invests in infrastructure and services to ensure the community receives the benefits of improved and relevant facilities with the appropriate levels of service. These decisions are reached by having a vision for the future that will improve the whole community while at the same time maintaining financial, asset and community sustainability.

### Key outcomes/progress

- Key infrastructure projects completed for the financial year include:
  - Culvert replacement program over multiple sites – ongoing into 23/23 Financial Year.
  - Burketown Water Treatment Plant chemical dosing upgrade.
  - New Burketown water quality testing facility.
  - Doomadgee East Rd Floodway upgrades – ongoing into 23/23 Financial Year.
  - Upgrade of the Burketown Sewerage Treatment Plant access road.
  - Albert River Bridge fishing lighting installation
- Council undertook work to the value of approximately \$1.1m as part of Council’s Road Maintenance Performance Contract (RMPC) with Qld Department of Transport and Main Roads (DTMR). This work was completed on the Wills Developmental Rd and the Gregory-Camooweal Rd.
- Finalised the design for the upgrade of Trugannini Rd.
- Commenced the design work for the Burketown Wharf Recreational Area.
- Commenced the design work for the Burketown Health and Wellbeing precinct (Splash Park component).
- Progressed the planning for the new Burketown Waste Management Facility.
- Finalised the flood impact study for Doomadgee East Rd enabling the staged design work to begin.
- Completed major flood restoration works on multiple roads.
- Archie Creek and Dinner Creek culvert upgrade.
- Floraville Rd culvert replacements.
- Progressed the detailed design of the Burketown cycleway as a part of the Queensland Government’s Principal Cycle Network initiative.
- Progressed the detailed design work for the major upgrade of Beames St and Musgrave St.
- Major clean-up after the flood event.





## 4. SUSTAINABLE ENVIRONMENT

Council acts, directly, or through collaborative facilitation and/or advocacy, to promote positive environmental outcomes that strike a balance between built and natural forms for the benefit of current and future generations.

### Key outcomes/progress

- Council finalised the Coastal Hazard Adaption Strategy (as part of the QCoast 2100 Program) with the strategy document now available on Council's website.
- Finalised the Flood Warning Infrastructure Network project as a part of the wider Northwest Queensland Regional Initiative.
- Adoption of the Regional Biosecurity Plan which was developed through collaboration between member councils of the NWQROC with Southern Gulf NRM.
- Progressed a new 10-year Waste Management Strategy with the primary aim being a Waste Reduction Recycling Plan. The strategy also includes:
  - Commencing discussions with Department of Environment and Science regarding the requirements for the closure of the Burketown landfill prior to the end of 2026.
  - Initiating, through a collaborative effort between Burke Shire Council and Doomadgee Aboriginal Shire Council a regional based waste management solution for the future.
- Completed installation of the Burketown Sewerage Treatment Plant - Treated Effluent Irrigation System, to maintain compliance with our environmental license.



## 5. ECONOMY

This pertains to maintaining a strong, diverse and sustainable economy that provides employment and business opportunities for current and future generations.

### Key outcomes/progress

- The first steps to developing a new Economic Development Strategy (EDS) have commenced. The Economic Development Manager will be working in collaboration with the Department of State Development, Infrastructure, Local Government and Planning team to execute this. Community consultation has occurred in both Gregory and Burketown, as well as via online surveys. There was a reasonable response from the community. The finalisation and endorsement of the EDS will occur in early 2024.
- Burke Shire Council has continued to assist Gulf Savannah Development (GSD) with project and administration support. This financial year GSD completed the Regional Electricity and Energy Supply Report and a Gregory-Bidunggu Feasibility study on central power sources which will now be utilised to progress further development in the area.
- Burke Shire Council has continued to support the Visitor Information Centre Operations which is operated by staff from Yagurli Tours. Tourist data collected from the information centre shows that while the end of the 2022 tourist season was reasonably steady, due to flooding in 2023, the tourist season was severely impacted. Tourist numbers for the first half of 2023 were significantly below average. There were a significant number of tourism-based individuals and businesses severely affected by the flooding. Many businesses were unable to open until later in the season and, most notably, a jewel in Queensland's National Park crown-Boodjamulla National Park - is unlikely to open well into next year's tourist season further impacting this key economic activity within Burke Shire.
- The commissioning of the 'z-cards' in the 2022 tourist season proved to be a great success with positive feedback from tourists and businesses alike. In 2023, it was decided that due to the closure and uncertainty of the tourist season brochures would not be produced. However, marketing planning for the next tourism season has been very active. Most notably, Council will commission a new tourism website that will modernise and update the current source of tourism information available for the Shire. Branding for Burke Shire tourism was also completed.
- The use of grant funding to support the tourism sector in Burke Shire has continued to be a priority with planning, preparation submission of grants continuing to grow. This financial year we were successful in funding to install new solar lighting for night fishing at the Albert River Fishing Bridge and to develop the Burketown Hot Water Bore Recreation Area. The next financial year will have a strong focus on funding for signage.
- Burke Shire Council has continued its partnership with Peak Services to assist with grants for Council and the community. They offer services such as searching for appropriate grants, writing of grants, and providing other grant support related activities to Council. This supports a variety of projects that require external funding from large capital projects to community

events. Some of the community projects sources with assistance from Peak Services this financial year include upgrades to Burketown Gym, funding to run a sports program in Gregory, funding for the Australia Day Event held in Gregory and funding to do restoration works to the Burketown Cenotaph. We have continued to support community organisation with grant applications and letters of support.

- Council continues to support our local businesses with local works and services providers utilised heavily for Council works. In the 2022 – 2023 financial year approximately \$4.4 million was spent on local supplier goods and services.
- This financial year Council also sought to renew our Register of Prequalified Suppliers (RoPS) to ensure local suppliers would continue to be utilised for work required. The RoPS will be finalised early in the next financial year.
- An annual Burke Shire Business Event was held in November, with the invitation extended to community groups. The event gave local businesses the opportunity to network, collaborate and provide feedback to Council on areas where we could assist. The Council grants writer also held a grants writing session. Due to the flooding event in 2023, further visits from the Queensland Rural and Industry Development Authority were organised to help businesses with Extraordinary Disaster Assistance Recovery Grants available to businesses in Burke Shire.





## 6. PEOPLE AND CULTURE

Our workforce is skilled, engaged, valued and productive. Council strives to be the employer of choice by encouraging career development, regularly offering opportunities for training and maintaining a healthy work-life balance.

### Key outcomes/progress

- Notable progress occurred in learning and development in the 2022-2023 financial year, including 43 professional development opportunities such as:
  - Cert IV Government Investigations
  - Health and Safety Representative training
  - Musculoskeletal and manual handling workshop
  - Various machine operator certifications
  - Mental Health training including Mental Health First Aid
  - Traffic Management Implementation
- Comprehensive review of numerous HR Policies, including Council's Fit for Work Policy.
- Employment Hero, our Human Resources Management System, has been effectively implemented and integrated with additional features.
- Introduction of the Learning Management System Go1 through Employment Hero, providing access to a diverse range of high-quality training resources.
- Conversion of several HR Induction modules into interactive training, including Council's Code of Conduct.
- Our team's values are depicted in the figure below:



#### LOYAL

We ride for the brand as dedicated team players

#### PROUD

We take pride in ourselves, our work and our community

#### CARING

We look out for each other and go home safe to our families.

#### SMART

We find solutions and take opportunities to improve ourselves.

#### DEPENDABLE

We are honest, ethical and do what we say we will do.





## 7. WORKPLACE HEALTH AND SAFETY

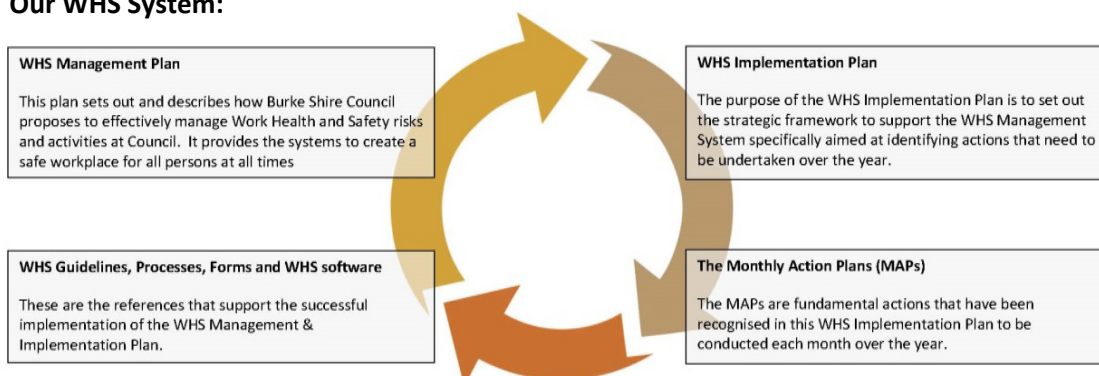
Burke Shire Council's vision for a safe workplace: to create a Target Zero Harm culture.

The Burke Shire objective is to establish a work environment with Zero Harm to its employees, contractors, and visitors. It is the policy of Burke Shire Council to provide and ensure that the workplace and its working environment is safe for all people visiting or working within the Shire or any area controlled by Burke Shire Council. "Work Safe, Home Safe" and "Safer, healthier workplaces for everyone, every day" are our two main messages.

### Key outcomes/progress

- Increase in hazard identification and reporting.
- Workcover premium cost below industry average.
- Mental health and wellbeing programs implemented.
- Significant reduction in workplace incidents.
- 2023 Safety Management Plan developed to align to AS/NZ ISO 45001 standards.
- 2023 Internal Safety Management System and implementation audit scored 81.25% against a benchmark of 70%.
- 90% of reported hazards actioned and closed out prior to deadline.
- Embedded culture that all tasks can be completed safely without risk of harm.
- Empowering workers to stop work if they believe there may be a risk of harm.
- All stakeholders can effectively manage workplace risks.
- As of 30/06/2023 434 days worked without a lost time accident.
- WHS Statistics 12 month rolling average LTIFR 0.00, MTIFR 0.00, RWIFR 0.00.

### Our WHS System:



# Burke Shire Council

## Internal Audit Function

Section 105 of the *Local Government Act 2009* requires the local government to establish an efficient and effective internal audit function. Division 1 of the *Local Government Regulation 2012* sets out the requirements for the internal audit function including to prepare an internal audit plan, carry out an internal audit, prepare a progress report, and assess compliance with the internal audit plan. Burke Shire Council has accordingly re-established an internal audit function.

The annual report for a financial year must contain a report on the internal audit for the financial year. Council's internal audit function provides independent, objective assurance activities in accordance with an approved strategic, risk-based internal audit plan. The role, scope and purpose of the internal audit function is understood and supported by the organisation.

The internal audit function works collaboratively with management to implement recommended improvements to systems, processes, work practices, compliance and business effectiveness. The internal audit activities are performed by an appropriately qualified internal audit consultant on a wholly outsourced basis for the year ended 30 June 2023.

The Internal Audit Plan is reviewed annually by management and the Audit Committee to ensure it remains relevant to the organisation's needs and the key underpinning document is the Corporate Risk Register. Council's 2022/23 Internal Audit Plan covered all Departments and included reviews of Fraud Prevention and Management Risk and Cash Management Controls. These internal audits were carried out by Altius Advisors during this financial year. Council's governance documents for the internal audit function include:

Internal audit instrument	Purpose	Last review
Audit committee Charter FIN-POL-010	Provides the framework including establishment of roles and responsibilities for the conduct of the internal audit function   Review cycle: 3 years.	24 March 2023
Internal Audit Plan FIN-PLA-001	Sets out the internal audit plan for the current financial year, with a three-year rolling strategy   Review cycle: annual.	23 March 2023

# Burke Shire Council

## Statutory Requirements

The following information includes the legislative disclosure requirements of the *Local Government Act 2009* and related regulations for the reporting period of the Annual Report.

### *Local Government Act 2009*

The *Local Government Act 2009* requires the local government to include in its annual report information about certain business activities during the financial year. These are detailed below for the reporting year.

Division	Report
Division 1 Beneficial enterprises (s41)	N/A - Nil beneficial enterprises conducted during the reporting year.
Division 2 Business reform, including competitive neutrality (s45 and 46)	N/A - Council did not commence or conduct a significant business activity during the financial year therefore there is nothing to report under section 45 or 46.
Division 3 Common provisions (s201)	Section 201 requires the annual report to state the total of all remuneration packages that are payable to the senior management of the local government and the number of employees in senior management who are being paid each band of remuneration. A senior contract employee is the Chief Executive Officer; and any other local government employee who is employed on a contractual basis and in a position that reports directly to the Chief Executive Officer. At the Burke Shire Council during the 2022-23 financial year there were two senior contract employees with a total remuneration package in the range of \$200,000 - \$300,000 and eight senior contract employees with a total remuneration package in the range of \$100,000 - \$200,000.

### Local Government Regulation 2012

Division 3 of the *Local Government Regulation 2012* defines the required contents for the annual report. These particulars are reported by subheading below with the exception of the following matters that appear earlier in the Burke Shire Council annual report document under separate headings:

- *S184 Community financial report*
- *S189 Grants to community organisations*
- *S190 (1) (a) Corporate and operational plan progress report*
- *S190 (1) (h) Internal audit report*

# Burke Shire Council

## Statutory Requirements

### Financial Statements (s183)

Refer to **Appendix A** of this annual report for the financial statements including the following requirements:

- (a) general purpose financial statements for the financial year, audited by the auditor-general; and
- (b) current-year financial sustainability statement for the financial year, audited by the auditor-general; and
- (c) long-term financial sustainability statement for the financial year; and
- (d) auditor-general's audit reports about the general-purpose financial statement and the current-year financial sustainability statement.

### Particular Resolutions (s185)

The annual report for a financial year must contain:

- (a) Expenses Reimbursement Policy – a copy of the resolutions made under section 250 (1); and
- (b) Valuation of non-current physical assets - a list of any resolutions made during the financial year under section 206(2).

Section	Resolution/s made in reporting year
250 (2) A local government may, by resolution, amend its expenses reimbursement policy at any time.	230720.02
206 (2) The local government must, by resolution, set an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense	Nil

# Burke Shire Council

## Councillors

### Councillor Meeting Attendance

The following table displays the Councillors' attendance at Council meetings for the period 1 July 2022 – 30 June 2023.

	Mayor Camp	Deputy Mayor Murray	Councillor Clarke	Councillor Wade	Councillor Yanner
<b>Ordinary Meetings</b>					
<b>(12 held)</b>	12	11	12	12	11
<b>Special Meetings</b>					
<b>(4 held)</b>	4	3	4	4	4



# Burke Shire Council

## Councillors

### Councillor Remuneration

The following table shows the total Councillors' remuneration (excluding superannuation contributions), expenses and meeting attendance for the period from 1 July 2022 to 30 June 2023.

Councillor	Expenses	Remuneration (ex Superannuation)
Cr Ernie Camp	-	\$101,187
Cr Tonya Murray	-	\$58,377
Cr John Yanner	-	\$50,592
Cr John Clarke	\$3,001	\$50,592
Cr Rosita Wade	-	\$50,592

*Councillor remuneration is established each year by the Local Government Remuneration and Discipline Tribunal. Each year Council is invited to accept or review the remuneration recommendations of this Tribunal.*

### Facilities Provided to Councillors Under the Expense Reimbursement Policy

Councillor	Laptop/iPad	Mobile Phone	Vehicle & Fuel	Secretarial Assistance	Expenses Conference & Workshops	Travel/Accom
Cr Ernie Camp	✓	✓	✓	✓	✓	✓
Cr Tonya Murray	✓			✓	✓	✓
Cr John Yanner	✓			✓	✓	✓
Cr John Clarke	✓			✓	✓	✓
Cr Rosita Wade	✓			✓	✓	✓

# Burke Shire Council

## Councillors

### Complaints About the Conduct and Performance of Councillors

In accordance with section 186(1)(d) - (f) of the Local Government Regulation 2012, orders and complaints about Councillors during the financial year are as shown below.

Section and requirement		Number
150P(2)(a)	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.	0
150P(3)	Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission.	0
150R(2)	Notices given to the assessor when a local government official becomes aware of information indicating a councillor may have engaged in conduct that would be inappropriate conduct or misconduct under section 150R(2) of the Act.	0
150S(2)(a)	Notices given to the assessor under section 150S(2)(a) of the Act when a local government decides under section 150AG to take action to discipline the councillor for inappropriate conduct on 3 occasions during a period of 1 year; or the local government has previously made an order that a particular type of conduct engaged in by a councillor will be dealt with as misconduct and reasonably suspects the councillor has engaged in the same type of conduct again.	0
150W (1)(a)	Decisions made by the assessor to dismiss the complaint about the conduct under section 150X.	0
150W (1)(b)	Decisions made by the assessor to refer the suspected inappropriate conduct to the local government to deal with.	0
150W (1)(e)	Decisions made by the assessor to take no further action in relation to the conduct under section 150Y.	0
150AC(3)(a)	Referral notices accompanied by a recommendation that the conduct should be referred to another entity for consideration as mentioned in section 150AC(3)(a) of the Act.	0
150AF(4)(a)	Occasions information was given by the local government to the assessor under section 150AF(4)(a) of the Act.	0

Section and requirement		Number
Chapter 5A, part 3, division 5	Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor.	0
Chapter 5A, part 3, division 6	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.	0
150I(2)	Orders made by the chairperson under section 150I(2) of the Act.	0
150AH(1)	Orders made by the local government under section 150AH(1) of the Act.	0
150AR(1)	Decisions, orders and recommendations made by the conduct tribunal under section 150AR(1) of the Act.	0

# Burke Shire Council

## Other Matters

### Administrative Action Complaints

Burke Shire Council is committed to the principles of natural justice and fairness in all administrative complaint dealings. Burke Shire Council assesses all complaints, including anonymous complaints.

Section 187 (1) of the *Local Government Regulation 2012* requires the local government to include in its annual report a statement about the local government's commitment to dealing fairly with administrative action complaints; and how the local government has implemented its complaints management process including an assessment of the local government's performance in resolving complaints under the process.

Burke Shire Council is committed to dealing fairly and promptly with administrative action complaints. It has in place a formal administrative action complaints management policy along with a corresponding procedure, to ensure that council has a complaint framework to receive, resolve and report upon any administrative action complaints. This policy is available in the policies section of Council's website.

The following particulars of complaints are reported in accordance with Section 187 (2):

Number	Section 187 (2) Matters pertaining to administrative action complaints during the financial year
7	The number of Administrative Action Complaints made in the reporting period.
7	The number of Administrative Action Complaints resolved in the reporting period.
0	The number of Administrative Action Complaints outstanding at 1 July 2023.
5	<p>The number of Administrative Action Complaints that were made in a previous financial year and resolved in 2022/23.</p> <p>Reasons for the Administrative Action Complaints were due to:</p> <ul style="list-style-type: none"><li>- animal control</li><li>- water leaks</li><li>- various – rates, bins, vegetation and roads.</li></ul>

# Burke Shire Council

## Other Matters

### Overseas Travel Undertaken by Councillors or Employees

Section 188 of the *Local Government Regulation 2012* requires the annual report to contain the following information about overseas travel made by a councillor or local government employee in an official capacity during the financial year.

Purpose (1) (d) and other information that council considers relevant (2)	Councillor: name (1) (a)	Employee: name & position (1) (b)	Destination (1) (c)	Cost (1) (e)
N/A – nil overseas travel				

### Summary of Investigation Notices

The annual report for a financial year must contain a summary of investigation notices given in the financial year, under section 49 of the *Local Government Regulation 2012*, for competitive neutrality complaints and any responses made by the Local Government in response to the Queensland Productivity Commission's recommendations on any competitive neutrality complaints.

During the 2022/23 financial year Council was not in receipt of any Queensland Productivity Commission notices of investigation under section 49. During the same period Council was not in receipt of any Queensland Productivity Commission recommendations on any competitive neutrality complaints under section 52(3) of the *Local Government Regulation 2012*.

### Beneficial Enterprises

Burke Shire Council does not have any beneficial enterprises.



# Burke Shire Council

## Other Matters

### Other Compliance Items

As required by the *Local Government Regulation 2012*.

Section and particulars	Annual report
190 (1) (c) annual operations report for each commercial business unit;	N/A – Council did not operate any commercial business units
190 (1)(d) details of any action taken for, and expenditure on, a service, facility or activity— (i) supplied by another local government under an agreement for conducting a joint government activity; and (ii) for which the local government levied special rates or charges for the financial year;	N/A – Council did not operate any joint government activities
190 (e) number of invitations to change tenders under section 228 (7) during the financial year	Nil
190 (1) (f) list of registers kept by the local government  Council keeps a broad range of operational registers. The list at right discloses the statutory registers kept by Burke Shire Council under the <i>Local Government Act 2009</i> and <i>Local Government Regulation 2012</i> .	<ul style="list-style-type: none"> <li>➤ Assets   <i>LGA s104 (5) (b) (ii)</i></li> <li>➤ Complaints - including administrative action complaints   <i>LGR s 306 (4) (a)</i></li> <li>➤ Contractual Arrangements &gt; \$200,000   <i>LGR s287</i></li> <li>➤ Cost-recovery fees   <i>LGA s98</i></li> <li>➤ Delegations Council to CEO or Mayor, and CEO to officers   <i>LGA s260</i></li> <li>➤ Local Laws   <i>LGA s31</i></li> <li>➤ Pre-qualified Suppliers   <i>LGR s232</i></li> <li>➤ Registers of Interest   <i>s290</i></li> <li>➤ Roads Map and Register   <i>LGA s74</i></li> </ul>

# Burke Shire Council

## Other Matters

### Other Compliance Items (continued.)

Section and particulars	Annual report
190 (1) (g) summary of all concessions for rates and charges granted by the local government	<p>Pursuant to Section 120 and 122 of the <i>Local Government Regulation 2012</i> Council granted the following concessions for rates and charges</p> <ul style="list-style-type: none"><li>➤ Pensioner Concession - a concession of 20% of the general rate and utility charges, excluding water consumption and Emergency Management Levy (EML) to a maximum of 500.00 per year.</li><li>➤ 100% concession on general rates and 75% concession on sewerage and waste management charges for 2022-23 for Burketown Kindergarten.</li></ul>
190 (1) (i) and (j) Competitive neutrality	<p>(i) NA - Nil notices given in the financial year under section 49 for competitive neutrality (i)</p> <p>(j) NA – nil competitive neutrality complaints under section 52(3)</p>

# Burke Shire Council

## Other Matters

### Other Compliance Items (continued.)

Burke Shire Council is required to include in its Annual Report a list of all registers kept and maintained by Burke Shire Council. Council's registers take different forms to align with various corresponding legislative requirements and to provide for operational functionality. Where required, Council's registers are published and made available for purchase.

Registers kept and maintained by Council are presented below:

#### Registers

#### A

Airport Visitor Identification Card Register  
Animal Registration Register  
Asset Register

#### C

Cemetery Register  
Community Grants Register  
Complaint Register  
Contracts Register  
Corporate Risk Register

#### D

Delegations Register  
Development and Planning Register

#### F

Food Business Licence Register

#### G

Grants Register

#### P

Policy and Procedure Register  
Public Interest Disclosure Register

#### R

Register of Cost- Recovery Fees and Schedule of Fees and Charges  
Registers of Interests  
Right to Information Disclosure Register

#### W

WHS-REG-005 Rectification Corrective Action Plan Register  
WHS-REG-006 Haz Subs and D G Register  
WHS-REG-019 HSR Register  
WHS-REG-023 WHS Risk Register

# Burke Shire Council

## Excluded Reporting

The following reporting requirements, as prescribed by the *Local Government Act 2009* and *2012 Regulation* are not applicable to Burke Shire Council:

### List of Business Activities

During the 2022–23 financial year Council undertook no significant business activities.

*Section 45 Local Government Act 2009*

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### Discretionary Funds

During the 2022–23 financial year Councillors were not provided with a budget for discretionary funds.

*Section 189(2)(c) Local Government Regulation 2012*

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### Commercial Business Units

During the 2022–23 financial year Council did not maintain any commercial business units.

*Section 190(1)(c) Local Government Regulation 2012*

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### Joint Local Government Activity

During the 2022–23 financial year Council undertook no joint local government activity.

*Section 190 (1)(d) Local Government Regulation 2012*

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### Change to Tenders

Burke Shire Council issued no requests for tenders to be changed during the 2022–23 financial year.

*Section 190 (1)(e) Local Government Regulation 2012*

# Burke Shire Council

## Finance Plans and Reporting

One of the driving forces behind local government reform in 2008 was the need for councils to ensure long-term financial sustainability. Through Section 183 of the *Local Government Regulation 2012*, the State Government has legislated that Council must include in its Annual Report, a long-term financial sustainability statement inclusive of relevant measures of financial sustainability for the year the annual report has been prepared. In addition, Council is required to provide an explanation of how its financial management strategy is consistent with the long-term financial forecasts.

Council has developed a long-term financial forecast to help monitor and guide its decision-making to ensure the financial sustainability of council and limit further future rate price shocks on the community. The long-term financial forecast provides for the anticipated growth in the Burke Shire region and funds renewal and new capital infrastructure to maintain service levels and support growth with millions of dollars invested in infrastructure in recent years. Cash balances are maintained at a level to provide sufficient liquidity to cover working capital requirements. Expenditure is forecast to grow in line with the increases to Council's asset base with an expectation for ongoing efficiency gains from Council's operations.

Council has in place various policies, some of which are legislated, to support the management of its finances and the achievement of the long-term financial forecast. These include but are not limited to:

- Revenue Policy
- Investment Policy
- Budget Policy
- Debt Policy
- Procurement Policy
- Asset & Services Management Plan

Please see Appendix A for Council's Financial Statements and Long-Term Financial Sustainability Statement for the reporting period.





**BURKE SHIRE**  
*Council*

**Financial Statements**  
**for the year ended 30 June 2023**

# Burke Shire Council

# Financial Statements

## For the Year Ended 30 June 2023

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**Burke Shire Council**  
**Statement of Comprehensive Income**  
For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent Revenue</b>			
Rates, Levies and Charges	3(a)	3,262,105	3,101,308
Fees and Charges	3(b)	140,243	112,623
Rental Income	18	216,962	197,332
Interest Received		359,868	66,618
Sales Revenue	3(c)	1,330,559	1,296,640
Other Revenue		124,894	(2,207)
Grants, Subsidies, Contributions and Donations	4(a)	12,008,308	12,801,886
<b>Total Recurrent Revenue</b>		<u>17,442,938</u>	<u>17,574,199</u>
<b>Capital Revenue</b>			
Capital Income		-	-
Grants, Subsidies, Contributions and Donations	4(b)	5,424,607	3,914,550
<b>Total Capital Revenue</b>		<u>5,424,607</u>	<u>3,914,550</u>
<b>Total Income</b>		<u>22,867,544</u>	<u>21,488,750</u>
<b>Expenses</b>			
<b>Recurrent Expenses</b>			
Employee Benefits	5	(4,387,281)	(4,225,267)
Materials and Services	6	(8,742,399)	(12,192,842)
Finance Costs		(55,232)	18,736
Depreciation and Amortisation			
Property, Plant and Equipment	10	(5,342,256)	(4,856,350)
Right of Use Assets	18	(27,705)	(46,250)
		<u>(18,554,874)</u>	<u>(21,301,973)</u>
<b>Capital Expenses</b>	7	(169,589)	(202,685)
<b>Total Expenses</b>		<u>(18,724,463)</u>	<u>(21,504,658)</u>
<b>NET RESULT</b>		<u><u>4,143,081</u></u>	<u><u>(15,907)</u></u>
<i>Net Operating Result</i>		(1,111,936)	(3,727,774)
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Net Result</b>			
Increase / (Decrease) in Revaluation Surplus	10	224,947	9,830,307
<b>Total Other Comprehensive Income for the Year</b>		<u>224,947</u>	<u>9,830,307</u>
<b>Total Comprehensive Income for the Year</b>		<u><u>4,368,028</u></u>	<u><u>9,814,400</u></u>

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

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

	2023	2022
Note	\$	\$
<b>Current Assets</b>		
Cash and Cash Equivalents	8 24,460,577	10,146,891
Trade and Other Receivables	9 841,960	1,803,007
Inventories	254,812	264,499
Contract Assets	11(a) 2,021,515	2,197,913
<b>Total Current Assets</b>	<u>27,578,864</u>	<u>14,412,310</u>
<b>Non-Current Assets</b>		
Property, Plant and Equipment	10 164,452,115	164,046,500
Right of Use Assets	18 110,820	138,525
<b>Total Non-Current Assets</b>	<u>164,562,935</u>	<u>164,185,025</u>
<b>Total Assets</b>	<u>192,141,799</u>	<u>178,597,335</u>
<b>Current Liabilities</b>		
Trade and Other Payables	12 3,518,509	2,608,452
Contract Liabilities	11(b) 11,780,857	3,791,849
Lease Liabilities	18 27,705	33,955
Provisions	13 420,416	370,490
<b>Total Current Liabilities</b>	<u>15,747,487</u>	<u>6,804,746</u>
<b>Non-Current Liabilities</b>		
Lease Liabilities	18 83,115	104,570
Provisions	13 948,969	711,561
<b>Total Non-Current Liabilities</b>	<u>1,032,084</u>	<u>816,131</u>
<b>Total Liabilities</b>	<u>16,779,571</u>	<u>7,620,877</u>
<b>Net Community Assets</b>	<u><u>175,362,230</u></u>	<u><u>170,976,458</u></u>
<b>Community Equity</b>		
Revaluation Surplus	14 103,541,131	103,316,184
Retained Surplus	71,821,099	67,660,275
<b>Total Community Equity</b>	<u><u>175,362,230</u></u>	<u><u>170,976,458</u></u>

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

**Burke Shire Council**  
**Statement of Cash Flows**  
For the Year Ended 30 June 2023

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
		<u>                    </u>	<u>                    </u>
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		5,818,848	3,353,022
Payments to Suppliers and Employees		(11,618,435)	(16,404,078)
		<u>(5,799,587)</u>	<u>(13,051,055)</u>
Finance Costs		(55,232)	18,736
Interest Received		359,868	66,618
Rental Income		216,962	197,332
Operating Grants and Contributions		20,896,717	11,448,546
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	17	<u>15,618,727</u>	<u>(1,319,824)</u>
<b>Cash Flows from Investing Activities</b>			
Payments for Property, Plant and Equipment	10	(6,222,062)	(5,268,609)
Proceeds from Sales of Property, Plant and Equipment	7	215,417	329,127
Capital Grants, Subsidies and Contributions		4,701,603	5,875,958
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>		<u>(1,305,041)</u>	<u>936,476</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents Held</b>		<u>14,313,686</u>	<u>(383,348)</u>
<b>Cash and Cash Equivalents at the Beginning of the Financial Year</b>		10,146,891	10,530,239
<b>Cash and Cash Equivalents at End of the Financial Year</b>	8	<u><u>24,460,577</u></u>	<u><u>10,146,891</u></u>

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



**Burke Shire Council**  
**Statement of Changes in Equity**  
For the Year Ended 30 June 2023

	Revaluation Surplus	Retained Surplus	TOTAL
	\$	\$	\$
<b>Balance as at 1 July 2022</b>	103,316,184	67,660,274	170,976,458
Net Result	-	4,143,081	4,143,081
Other Comprehensive Income for the Year	-	17,744	17,744
Increase / (Decrease) in Revaluation Surplus	224,947	-	224,947
<b>Total Comprehensive Income for the Year</b>	224,947	4,160,825	4,385,772
<b>Balance as at 30 June 2023</b>	<b>103,541,131</b>	<b>71,821,099</b>	<b>175,362,230</b>
<b>Balance as at 1 July 2021</b>	93,485,877	67,676,182	161,162,058
Net Result	-	(15,907)	(15,907)
Increase / (Decrease) in Revaluation Surplus	9,830,307	-	9,830,307
<b>Total Comprehensive Income for the Year</b>	9,830,307	(15,907)	9,814,400
<b>Balance as at 30 June 2022</b>	103,316,184	67,660,274	170,976,458

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

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**1 Information About These Financial Statements**

**1.A Basis of Preparation**

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

These general purpose financial statements are for the period 1 July 2022 to 30 June 2023. They are prepared in accordance with the Local Government Act 2009 and the Local Government Regulation 2012. Burke Shire Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with the Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment. Expenses are recorded on an accruals basis as Council receives the goods and services.

**1.B Statement of Compliance**

Because Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

**1.C Date of Authorisation**

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

**1.D Currency**

Burke Shire Council uses the Australian dollar as its functional currency and its presentation currency.

**1.E New and Revised Accounting Standards Adopted During the Year**

Council adopted all Standards which became mandatorily effective for annual reporting periods beginning on 1 July 2022. None of the Standards had a material impact on Council's reported position, performance, and cash flows.

**1.F Standards Issued by the AASB Not Yet Effective**

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, these Standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the Standard is expected to have a significant impact for Council then further information has been provided in this note. The Standards that may have a material impact upon Council's future financial statements are:

	<b>Effective Periods Beginning on or After:</b>
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated Standards	1 January 2023
AASB 2022-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2022-6)	1 January 2023
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	1 January 2023
AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	1 January 2024

**1.G Estimates and Judgements**

Council made 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 items and specific information is provided in the relevant note:

Revenue Analysis	Note 3
Doubtful Debts	Note 9
Valuation and Depreciation of Property, Plant and Equipment	Note 10
Provisions	Note 13
Contingent Liabilities	Note 15
Leases	Note 18
Financial Instruments and Financial Risk Management	Note 21

**1.H Rounding and Comparatives**

The financial statements have been rounded to the nearest \$1. Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new accounting standard.

**1.I Volunteer Services**

Council has not recognised volunteer services provided to Council during the financial year as they have been determined to be immaterial in value.

**1.J Taxation**

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

**1.K Inventories**

Stores and raw materials held for consumption 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. 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 and are adjusted when applicable for any loss of service potential.

**Burke 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:

#### **Revenue Raising**

Relates to the management of all cash obtained through rates and charges, secured grants and financial assistance grants. The primary objective of this programme is to maintain a level of revenue sufficient for the delivery of local government services at an appropriate level and standard.

#### **Governance**

Includes oversight of key governance frameworks, ensuring Council has a strong voice in the region and with the State Government, ensures Council connects with the community and Council's disaster management responsibilities.

#### **Finance and Community Services**

Includes revenue (rates and general grants), purchasing and budgeting. The effective and efficient administration of general operations is the primary objective of this programme.

#### **Planning and Building**

Includes strategic (town) planning, building services and tourism. Facilitating sustainable infrastructure and economic development within the Shire is the primary objective of this programme.

#### **Engineering Services**

Includes road construction and maintenance, airport operation, boat ramps, drainage and footpaths. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this programme.

#### **Environmental Services**

Includes animal control, pest control, environmental health and cemeteries. Promoting environmental and community health is the primary objective of this function.

#### **Community and Cultural**

Includes libraries, civic buildings, ablution facilities, housing, sport and recreation, and parks and gardens. The primary objective of this programme is to promote well-being through the provision of a range of services, support, events and venues for community and volunteer activities / organisations.

#### **Garbage Utility**

Includes refuse collection, refuse disposal and recycling. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this programme.

#### **Sewerage Utility**

Includes sewerage services. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this programme.

#### **Water Utility**

Includes water services. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this programme.

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**2 (b) Analysis of Results by Function (continued)**  
**Income and expenses defined between recurrent and capital are attributed to the following functions:**

**For the Year Ended 30 June 2023**

Functions	Gross Programme Income						Total Income	Gross Programme Expenses		Total Expenses	Net Result from Recurrent Operations	Net Result	Assets
	Recurrent			Capital				Recurrent	Capital				
	Grants	Other		Grants	Other								
	2023	2023	2023	2023	2023	2023							
Revenue Raising	\$ 7,090,171	\$ 2,507,503	-	\$ -	\$ -	\$ 9,597,674	\$ (47,292)	\$ -	\$ (47,292)	\$ 9,550,383	\$ (886,099)	\$ 24,917,900	
Governance	-	-	-	-	-	-	(886,099)	-	(886,099)	(886,099)	(886,099)	-	
Finance and Community Services	9,500	456,982	-	-	-	466,482	(3,144,526)	-	(3,144,526)	(2,678,045)	(2,678,045)	2,411,825	
Planning and Building	-	611	-	-	611	611	(235,776)	-	(235,776)	(235,164)	(235,164)	-	
Engineering Services	4,772,645	1,436,049	2,082,197	-	-	8,290,891	(9,585,148)	(169,589)	(9,754,737)	(3,376,454)	(1,463,847)	118,931,581	
Environmental Services	-	3,872	279,683	-	-	283,555	(28,143)	-	(28,143)	(24,271)	255,411	-	
Community and Cultural	100,992	241,912	2,713,001	-	-	3,055,904	(2,807,994)	-	(2,807,994)	(2,465,091)	247,910	27,195,484	
Garbage Utility	-	116,789	-	-	116,789	116,789	(394,216)	-	(394,216)	(277,427)	(277,427)	-	
Sewerage Utility	-	179,110	349,726	-	-	528,836	(204,577)	-	(204,577)	(25,467)	324,259	3,764,141	
Water Utility	35,000	491,803	-	-	526,803	526,803	(1,221,103)	-	(1,221,103)	(694,300)	(694,300)	14,920,871	
<b>TOTAL</b>	<b>12,008,308</b>	<b>5,434,630</b>	<b>5,424,607</b>	<b>-</b>	<b>22,867,544</b>	<b>22,867,544</b>	<b>(18,554,874)</b>	<b>(169,589)</b>	<b>(18,724,463)</b>	<b>(1,111,936)</b>	<b>4,143,081</b>	<b>192,141,799</b>	

**For the Year Ended 30 June 2022**

Functions	Gross Programme Income						Total Income	Gross Programme Expenses		Total Expenses	Net Result from Recurrent Operations	Net Result	Assets
	Recurrent			Capital				Recurrent	Capital				
	Grants	Other		Grants	Other								
	2022	2022	2022	2022	2022	2022							
Revenue Raising	\$ 3,912,937	\$ 2,385,230	-	\$ -	\$ -	\$ 6,298,167	\$ (44,040)	\$ -	\$ (44,040)	\$ 6,254,127	\$ (858,315)	\$ 10,461,722	
Governance	-	-	-	-	-	-	(858,315)	-	(858,315)	(858,315)	(858,315)	-	
Finance and Community Services	156,585	83,673	-	-	240,258	240,258	(2,915,135)	-	(2,915,135)	(2,674,877)	(2,674,877)	3,693,466	
Planning and Building	-	-	-	-	-	-	(66,908)	-	(66,908)	(66,908)	(66,908)	-	
Engineering Services	8,611,303	1,339,433	2,405,067	-	-	12,355,802	(13,716,032)	(202,685)	(13,918,717)	(3,765,297)	(1,562,915)	117,633,355	
Environmental Services	13,000	1,800	354,793	-	-	369,593	(504,158)	-	(504,158)	(489,358)	(134,566)	-	
Community and Cultural	108,061	220,286	1,154,691	-	-	1,483,038	(1,873,928)	-	(1,873,928)	(1,545,581)	(390,890)	29,193,121	
Garbage Utility	-	112,262	-	-	112,262	112,262	(100,864)	-	(100,864)	11,398	11,398	-	
Sewerage Utility	-	172,717	-	-	172,717	172,717	(200,320)	-	(200,320)	(27,602)	(27,602)	3,595,400	
Water Utility	-	456,914	-	-	456,914	456,914	(1,022,272)	-	(1,022,272)	(565,358)	(565,358)	14,020,266	
<b>TOTAL</b>	<b>12,801,886</b>	<b>4,772,314</b>	<b>3,914,550</b>	<b>-</b>	<b>21,488,750</b>	<b>21,488,750</b>	<b>(21,301,973)</b>	<b>(202,685)</b>	<b>(21,504,658)</b>	<b>(3,727,773)</b>	<b>(15,907)</b>	<b>178,597,333</b>	

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**3 Revenue**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Rates, Levies and Charges</b>		
General Rates	2,536,213	2,422,947
Water	491,798	456,914
Sewerage	179,110	172,717
Garbage Charges	116,768	112,262
Total Rates and Utility Charge Revenue	<u>3,323,889</u>	<u>3,164,839</u>
less: Discounts	(53,992)	(58,695)
less: Pensioner Remissions	(4,250)	(4,500)
less: Rates Write-Off	(3,542)	(336)
	<u><u>3,262,105</u></u>	<u><u>3,101,308</u></u>

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.

**(b) Fees and Charges**

Revenue arising from fees and charges is 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 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 pools. 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.

Airport Fees and Charges	105,626	85,649
Facilities Hire	14,273	21,727
Other Fees	20,344	5,246
	<u>140,243</u>	<u>112,623</u>

**(c) Sales Revenue**

Sale of goods revenue is recognised at the point in time when the customer obtains control of the goods. 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 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 material contracts in progress at year end. The contract work carried out is not subject to retentions.

**Recoverable Works**

Contract and Recoverable Works	1,330,559	1,296,640
<b>Total Sales Revenue</b>	<u><u>1,330,559</u></u>	<u><u>1,296,640</u></u>

**4 Grants, Subsidies, Contributions and Donations**

*Grant Income Under AASB 15*

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

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

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

*Grant Income Under AASB 1058*

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



**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**4 Grants, Subsidies, Contributions and Donations** (continued)

*Capital Grants*

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control, and which is enforceable, are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

*Donations and Contributions*

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

*Financial Assistance Grant (General Purpose Grants)*

The annual Financial Assistance Grant, received from the Federal Government, is customarily paid in four equal quarterly installments. Since 2008 an advance payment has been received by all local governments in late June of a portion of the following year's allocation. This has varied between 25%, 50% and 75%. In June 2023 the advance payment was for 100% of the 2023/24 financial year proposed grant allocation. This has resulted in a temporary distortion of the operating result given the requirement to recognise the grant revenue on receipt due to its untied nature. The general purpose grants relating to the 2023 financial year are \$4,754,250 (2022: \$3,307,555)

		<b>2023 Financial Year</b>	
		<b>AASB 15</b>	<b>AASB 1058</b>
		<b>\$</b>	<b>\$</b>
<b>(a) Recurrent</b>			
	General Purpose Grants	-	8,329,341
	Flood Restoration Funding	2,644,570	-
	Other Government Subsidies and Grants	-	1,034,396
		<u>2,644,570</u>	<u>9,363,738</u>
		<b>2022 Financial Year</b>	
		<b>AASB 15</b>	<b>AASB 1058</b>
		<b>\$</b>	<b>\$</b>
<b>Recurrent</b>			
	General Purpose Grants	-	4,532,372
	Flood Restoration Funding	7,969,210	-
	Other Government Subsidies and Grants	-	300,304
		<u>7,969,210</u>	<u>4,832,676</u>
		<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Recurrent</b>			
	General Purpose Grants	8,329,341	4,532,372
	Flood Restoration Funding	2,644,570	7,969,210
	Other Government Subsidies and Grants	1,034,396	300,304
		<u>12,008,308</u>	<u>12,801,886</u>
<b>(b) Capital</b>			
	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. All capital grants are recognised under AASB 1058.		
	Specific Purpose Government Subsidies and Grants	5,424,607	3,914,550
		<u>5,424,607</u>	<u>3,914,550</u>

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

(c) **Timing of Revenue Recognition for Grants, Subsidies, Contributions and Donations**

	<b>2023 Financial Year</b>	
	<b>AASB 15</b>	<b>AASB 1058</b>
	<b>\$</b>	<b>\$</b>
Grants, Subsidies, Donations and Contributions - Operating (Point in Time)	-	1,034,396
Grants, Subsidies, Donations and Contributions - Operating (Over Time)	2,644,570	8,329,341
Grants, Subsidies, Donations and Contributions - Capital (Point in Time)	-	-
Grants, Subsidies, Donations and Contributions - Capital (Over Time)	-	5,424,607
	<u>2,644,570</u>	<u>14,788,344</u>

(c)

	<b>2022 Financial Year</b>	
	<b>AASB 15</b>	<b>AASB 1058</b>
	<b>\$</b>	<b>\$</b>
Grants, Subsidies, Donations and Contributions - Operating (Point in Time)	-	300,304
Grants, Subsidies, Donations and Contributions - Operating (Over Time)	7,969,210	4,532,372
Grants, Subsidies, Donations and Contributions - Capital (Point in Time)	-	-
Grants, Subsidies, Donations and Contributions - Capital (Over Time)	-	3,914,550
	<u>7,969,210</u>	<u>8,747,227</u>

**5 Employee Benefits**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
Total Staff Wages and Salaries		2,809,410	2,813,982
Councillors' Remuneration		344,073	335,248
Annual, Sick and Long Service Leave Entitlements		548,047	532,850
Superannuation	16	416,710	399,574
		<u>4,118,239</u>	<u>4,081,654</u>
Other Employee Related Expenses		307,189	227,175
		<u>4,425,428</u>	<u>4,308,829</u>
<i>less: Capitalised Employee Expenses</i>		<u>(38,146)</u>	<u>(83,563)</u>
		<u>4,387,281</u>	<u>4,225,267</u>

Employee benefit expenses are recorded when the service has been provided by the employee. Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.

Council Full-Time Equivalent employees at the reporting date:

	<b>FTE</b>	<b>FTE</b>
Elected Members	5	5
Indoor Staff	21	21
Outdoors Staff	22	22
Total Full-Time Equivalent Employees	<u>48</u>	<u>48</u>

**6 Materials and Services**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Audit Fees *	125,939	92,857
Communications and IT	498,953	438,263
Consultants	673,845	180,131
Donations	12,258	31,296
Operating Expenses	4,047,204	3,459,538
Repairs and Maintenance	1,819,708	1,358,117
Recoverable Works	758,499	804,449
Roads - Flood Damage	805,993	5,828,190
	<u>8,742,399</u>	<u>12,192,842</u>

\* Total audit fees quoted by the Queensland Audit Office relating to the 2022/23 financial statements are \$85,800 (2022: \$71,400).

**7 Capital Expenses**

**Loss on Disposal of Non-Current Assets**

Proceeds from the Sale of Property, Plant and Equipment	215,417	329,127
<i>less: Carrying Value of Property, Plant and Equipment Disposed of</i>	<u>(385,006)</u>	<u>(531,812)</u>

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**8 Cash and Cash Equivalents**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank and On-Hand	8,666,743	872,184
Deposits at Call	15,793,833	9,274,707
Balance per Statement of Cash Flows	<u>24,460,577</u>	<u>10,146,891</u>

Council's activities expose it to a variety of financial risks including interest rate risk, credit risk and liquidity risk. Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council.

Cash and deposits at call are held at both Westpac Banking Corporation (WBC) and Queensland Treasury Corporation (QTC) in deposit at call and business cheque accounts. Deposits with the QTC Cash Fund are capital guaranteed. WBC currently has a short term credit rating of A1+ and long term rating of AA- (*Standard & Poor's*). QTC is currently rated at 'AA+' (*Standard & Poor's*) (Australian Government Guaranteed) with a stable outlook.

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. Council does not invest in derivatives or other high risk investments.

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.

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

Contract Liabilities	11,780,857	3,791,849
Total Unspent Restricted Cash	<u>11,780,857</u>	<u>3,791,849</u>

**Trust Funds Held for Outside Parties**

Monies held on behalf of other entities yet to be paid out	136,610	173,564
	<u>136,610</u>	<u>173,564</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 (e.g. wages). Council performs only a custodial 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 statements since Council has no control over the assets.

**9 Trade and Other Receivables**

**Current**

Rateable Revenue and Utility Charges	406,288	308,651
Trade Debtors	498,811	1,397,275
less: Impairment	(166,690)	(134,295)
GST Receivable	-	127,592
Prepayments	103,551	103,785
	<u>841,960</u>	<u>1,803,007</u>

Trade receivables are amounts owed to Council at year-end and are recognised at the time of sale or service delivery i.e. the agreed purchase price / contract price. Receivables are measured at amortised cost which approximates fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. All known bad debts were written-off at 30 June. The impairment loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income.

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**9 Trade and Other Receivables** (continued)

Where Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts and the debt is less than the value of the property, Council does not impair rate receivables unless the situation indicates that Council may choose not to exercise its right of recovery.

Council has provided for a specific rate debtor at 30 June 2023 due to such circumstances arising, resulting in \$164,123 being provided for within the impairment loss balance.

Council has robust policies and procedures in place for the provision of credit to any debtor to minimise the risk of default. As Council performs collectability assessments on 100% of outstanding amounts, both progressively and at balance date, an expected credit loss table has not been required to be prepared.

Interest is charged on outstanding rates at a rate of 8.17% per annum compounding daily. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Movement in accumulated impairment losses is as follows:		
Opening Balance at 1 July	134,295	112,955
Impairment Debts written off during the year	-	(6,370)
Increment / (Decrement) of Provision for Impairment of Debts	32,394	27,710
Closing Balance at 30 June	<u>166,690</u>	<u>134,295</u>

**Burke Shire Council**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**10 Property, Plant and Equipment**  
**30 June 2023**

Basis of Measurement  
**Asset Values**  
 Opening Gross Value as at 1 July 2022  
 Transferred from WIP  
 Additions  
 Prior Year WIP Written-Off  
 Disposals  
 Revaluation Adjustment to Revaluation Surplus  
**Closing Gross Value as at 30 June 2023**  
**Accumulated Depreciation and Impairment**  
 Opening Balance as at 1 July 2022  
 Depreciation Expense  
 Depreciation on Disposals  
 Transfers Between Classes  
 Revaluation Adjustment to Revaluation Surplus  
 Impairment Adjustment to Revaluation Surplus  
**Accumulated Depreciation as at 30 June 2023**  
**Total Written Down Value as at 30 June 2023**

Note

	Buildings		Land	Furniture and Fittings		Plant and Equipment	Road Infrastructure		Water	Sewerage		Other Structures		Work in Progress	TOTAL
	Fair Value	Cost		Fair Value	Cost		Fair Value	Cost		Fair Value	Cost	Fair Value	Cost		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	25,359,570	193,903	6,344,700	193,903	6,883,515	167,590,136	20,901,647	5,707,347	9,697,116	229,992	3,811,685	246,489,618			
	229,735	-	-	540,000	2,852,620	-	-	-	-	-	(3,852,347)	-			
	-	-	-	-	-	-	-	-	-	-	6,222,062	6,222,062			
	-	-	-	-	-	-	-	-	-	-	(314,129)	(314,129)			
	(124,916)	-	(263,000)	-	-	-	-	-	-	-	-	(387,916)			
	4,849,408	-	(1,001,700)	-	-	16,278,265	1,600,732	280,478	35,036	-	-	22,042,219			
	<b>30,313,796</b>	<b>193,903</b>	<b>5,080,000</b>	<b>193,903</b>	<b>7,423,515</b>	<b>186,721,021</b>	<b>22,502,379</b>	<b>5,987,825</b>	<b>9,962,144</b>	<b>5,867,271</b>	<b>5,867,271</b>	<b>274,051,853</b>			

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Opening Balance as at 1 July 2022  
 Depreciation Expense  
 Depreciation on Disposals  
 Transfers Between Classes  
 Revaluation Adjustment to Revaluation Surplus  
 Impairment Adjustment to Revaluation Surplus  
**Accumulated Depreciation as at 30 June 2023**  
**Total Written Down Value as at 30 June 2023**

	9,591,332	186,523	-	4,256,723	55,705,068	7,144,324	2,172,117	3,387,034	-	-	-	82,443,118			
	725,710	1,707	-	271,969	3,538,992	352,870	80,725	370,282	-	-	-	5,342,256			
	(2,910)	-	-	-	-	-	-	-	-	-	-	(2,910)			
	62,092	-	-	-	-	-	-	(62,092)	-	-	-	-			
	4,776,824	-	-	-	7,017,467	525,724	15,001	82,256	-	-	-	12,417,271			
	-	-	-	-	9,400,000	-	-	-	-	-	-	9,400,000			
	<b>15,153,049</b>	<b>188,230</b>	<b>-</b>	<b>4,528,692</b>	<b>75,661,527</b>	<b>8,022,918</b>	<b>2,267,843</b>	<b>3,777,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109,599,736</b>			
	<b>15,160,747</b>	<b>5,673</b>	<b>5,080,000</b>	<b>2,894,823</b>	<b>111,059,494</b>	<b>14,479,461</b>	<b>3,719,982</b>	<b>6,184,664</b>	<b>5,867,271</b>	<b>5,867,271</b>	<b>5,867,271</b>	<b>164,452,115</b>			

25

Range of Estimated Useful Life in Years

10 - 60	3 - 10	2 - 20	15 - Unlimited	20 - 100	15 - 150	-	-	-	-	-	-	-	-	-	-
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Additions Comprise:

Renewals  
 Other Additions  
 Total Additions

\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
29,064	-	574,964	4,717,074	12,340	230,152	-	-	-	5,808,435	-	-	413,627	-	-	-
186,144	7,446	-	15,025	-	205,012	-	-	-	-	-	-	-	-	-	-
215,208	7,446	574,964	4,717,074	12,340	435,164	-	-	-	6,222,062	-	-	-	-	-	-

**30 June 2022**

Basis of Measurement  
**Asset Values**  
 Opening Gross Value as at 1 July 2021  
 Transferred from WIP  
 Transfers Between Classes  
 Additions  
 Prior Year WIP Written-Off  
 Disposals  
 Revaluation Adjustment to Revaluation Surplus  
**Closing Gross Value as at 30 June 2022**  
**Accumulated Depreciation and Impairment**  
 Opening Balance as at 1 July 2021  
 Depreciation Expense  
 Depreciation on Disposals  
 Transfers Between Classes  
 Revaluation Adjustment to Revaluation Surplus  
**Accumulated Depreciation as at 30 June 2022**  
**Total Written Down Value as at 30 June 2022**

	Buildings		Land	Furniture and Fittings		Plant and Equipment	Road Infrastructure		Water	Sewerage		Other Structures		Work in Progress	TOTAL
	Fair Value	Cost		Fair Value	Cost		Fair Value	Cost		Fair Value	Cost	Fair Value	Cost		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	23,302,400	193,903	6,586,754	193,903	6,905,754	158,054,508	19,216,012	5,044,556	8,451,898	230,142,353					
	-	-	-	-	27,610	1,152,059	978,616	281,914	954,799	(3,394,997)	-	-	-	-	-
	112,970	-	-	-	-	-	(112,970)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(619,000)	-	(219,000)	-	(49,850)	-	-	-	-	-	-	-	-	-	-
	2,563,200	-	(23,054)	-	-	8,363,570	819,989	380,877	290,419	-	-	12,415,001			
	<b>25,359,570</b>	<b>193,903</b>	<b>6,344,700</b>	<b>193,903</b>	<b>6,883,515</b>	<b>167,590,136</b>	<b>20,901,647</b>	<b>5,707,347</b>	<b>9,697,116</b>	<b>3,811,685</b>	<b>3,811,685</b>	<b>246,489,618</b>			

Opening Balance as at 1 July 2021  
 Depreciation Expense  
 Depreciation on Disposals  
 Transfers Between Classes  
 Revaluation Adjustment to Revaluation Surplus  
**Accumulated Depreciation as at 30 June 2022**  
**Total Written Down Value as at 30 June 2022**

	9,842,161	181,964	-	3,992,489	50,394,082	6,218,201	1,954,137	2,775,080	338,537	75,358,112					
	519,149	4,559	-	281,901	3,292,001	337,668	82,535	4,856,350	-	-	-	4,856,350			
	(338,371)	-	-	(17,667)	-	-	-	(356,038)	-	-	-	-			
	1,918	-	-	-	-	(1,918)	-	-	-	-	-	-			
	(433,525)	-	-	-	2,018,985	590,374	135,445	273,416	-	-	-	2,564,694			
	<b>9,591,332</b>	<b>186,523</b>	<b>-</b>	<b>4,256,723</b>	<b>55,705,068</b>	<b>7,144,324</b>	<b>2,172,117</b>	<b>3,387,034</b>	<b>3,811,685</b>	<b>3,811,685</b>	<b>3,811,685</b>	<b>164,046,500</b>			
	<b>15,768,238</b>	<b>7,380</b>	<b>6,344,700</b>	<b>2,626,793</b>	<b>111,885,068</b>	<b>13,757,323</b>	<b>3,535,230</b>	<b>6,310,082</b>	<b>6,310,082</b>	<b>6,310,082</b>	<b>6,310,082</b>	<b>164,046,500</b>			



**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**10 Property, Plant and Equipment (continued)**

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by Council are:

Land	Sewerage	Furniture and Fittings
Buildings	Water	Plant and Equipment
Other Structures	Road Infrastructure	Work in Progress

Acquisition of Assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Capital and Operating Expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

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

Valuation

Land, buildings and all infrastructure assets are measured on a revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant & Equipment* and AASB 13 *Fair Value Measurement*. Plant and equipment, furniture and fittings and work in progress are measured at cost. Note the current replacement cost method is the revaluation method applied. A comprehensive valuation for Land, Sewerage, Buildings, Water, Other Structures and Road Infrastructure was carried out in 2022/23 by Asset Val Pty Ltd.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council uses valuation consultants (AssetVal), along with internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with an appropriate cost index for the region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and buildings asset classes in the intervening years, management engage independent, professionally qualified valuers (AssetVal) to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are appropriate. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed below.

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

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

Capital Work in Progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, plant hire, plant hire overheads, direct labour and an appropriate proportion of labour overheads.

Depreciation

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

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

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to Council or the unexpired period of the lease, whichever is the shorter.

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.

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

10 **Property, Plant and Equipment (continued)**

Land Under Roads

Land under the roads and reserve land which falls under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to relevant legislation and not recognised by Council. Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a lease over the asset. Burke Shire does not have any such holdings.

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

Impairment of Non-Current Assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, 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.

As a result of the significant flooding event Council was subject to in March 2023, the external comprehensive valuers of Burke Shire Council identified an approximate impairment amount of \$9.4mil across all non-current asset categories. This balance of impairment has been reflected within the stated fair value of non-current assets for 30 June 2023 as part of the revaluation movements for the year.

**Fair Value Measurements**

**Recognised Fair Value Measurements**

Council measures and recognises the following assets at fair value on a recurring basis:

**Property, Plant and Equipment**

Land	Sewerage	Water
Buildings	Road Infrastructure	Other Structures

Council does not measure any liabilities at fair value on a recurring basis. Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (Level 2).

In accordance with AASB 13 *Fair Value Measurements* are categorised on the following basis:

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

Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

Fair values of assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more significant inputs are not based on observable market data, the asset is included in level 3. This is the case for infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

There were no transfers between levels of the hierarchy during the year. Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

**Valuation techniques used to derive fair values for level 2 and level 3 valuations**

**Land and Buildings (Level 2)**

Valuations have been based on sales of land in the locality and standard valuation principles have been adopted whereby the direct comparison method for each individual parcel has been utilised. Where necessary, adjustments are made to the sales evidence to account for differences between sold properties and the subject property.

Due regard has also been given to zoning, size, shape, location, topography and exposure characteristics for each lot, as well as overall market conditions as at the date of valuation. Research of the various submarkets within the asset locations has been undertaken through the analysis of sales evidence and market data derived from real estate agents.

It should be noted that there is often a lack of appropriate comparable sales evidence in certain geographic locations and also for properties of certain specific comparable land use and/or area classification. In such cases, regard is given to the closest comparable sales and the subject properties' characteristics in relation to those sales.

**Buildings (Level 3)**

The fair value of buildings was determined by AssetVal Pty Ltd effective on 30 June 2023. Where there is a market for Council building assets they are categorised as non-specialised buildings and the fair value has been derived from market based evidence of sales prices for non-specialised buildings.

Where Council's buildings are of a specialised nature and there is no active market for the assets, the fair value has been determined on the basis of current replacement cost. The current replacement cost for specialised buildings have been derived from the following sources:

- Recent construction data (observable)
- Rawlinson's cost data and cost indices with regional indexations applied to allow for the remote location (observable / publicly available). The Rawlinson's cost data selected is then subject to review by engineers and valuers taking into account site specifics
- Consideration of building size, material, type, and structure (observable)
- Condition assessment (unobservable / subjective)
- Restrictions associated with each site (unobservable)
- Valuer's professional judgement (unobservable / subjective)
- Useful life and remaining useful life (unobservable / subjective)

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**10 Property, Plant and Equipment (continued)**

In determining the level of accumulated depreciation, assets have been componentised to clearly separate and depreciate each component that is significant in relation to the total cost of the item, and has a useful life or depreciation method that differs from other components. For the purposes of this exercise we have limited the number of components to 11. The valuer has adopted a single useful life for each component that we believe most closely represents, the building and component type, the environment within which each asset stands, its pattern of consumption and economical, physical and technological obsolescence.

**Other Structures (Level 3)**

Generally the nature of other structures requires that they are valued using the application of unit rates. Unit rates are developed by summing each component which goes into producing a unit (be it metres, square metres, tonnes, etc.) of an asset. The major components of any asset are the raw materials, plant, labour and intangibles. These unit costs are then applied to known measurements of the assets to produce a replacement cost, which is then depreciated to estimate the Fair Value.

As an example, in relation to a fence, the cost per metre is the sum of the raw cost of the fencing materials delivered to site, the cost of installation and various intangibles such as design, survey, administration, management and contingency.

The raw cost of material, as well as plant and labour hire rates, are established through communicating directly with suppliers and obtaining quoted prices and by using cost guides such as the Rawlinson's' Construction handbook. Intangibles are estimated using industry standards as a starting point; these rates are then tailored to suit Burke Shire Council's requirements.

**Infrastructure Assets (Level 3)**

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

Current replacement cost was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within Council's planning horizon.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. The CRC was determined using methods relevant to the asset class as described under individual asset categories below.

**Roads Infrastructure (Level 3)**

Council categorises its roads and stormwater infrastructure into road and street networks. All assets are then componentised into formation pavement, seal, kerb and channel, and floodways (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each road or street. Council also assumes an asset is designed and constructed to the same standards and uses a consistent amount of labour and materials.

Current replacement cost (CRC) was calculated by reference to asset linear area specifications, estimated labour and material inputs, service costs, and overhead allocations. Council also assumes that all raw materials can be sourced locally. For internal construction estimates, materials and services prices were based on existing supplier contract rates of supplier price lists.

As an example, in relation to road pavement, the cost per square metre is the sum of the raw cost of the gravel delivered to site, the cost to lay and compact, the cost of any geotechnical testing and various intangibles such as design, survey, administration, management and contingency.

In determining the level of physical obsolescence, the road and stormwater networks were disaggregated into significant components which exhibit different useful lives. The straight line depreciation method has been used to calculate accumulated depreciation based on the age of each road.

**Water and Sewerage (Level 3)**

In determining the level of physical obsolescence, the water and sewerage network were disaggregated into significant components which exhibit different useful lives. The straight line depreciation method has been used to calculate accumulated depreciation based on the age of each component.

In relation to a length of pipe, the cost per metre is the sum of the raw cost of the pipe, the cost to deliver the pipe to site, the cost to lay the pipe, the cost of excavation and backfilling and various intangibles such as design, survey, administration, management and contingency.

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**10 Property, Plant and Equipment (continued)**

Some assets are complex assets that are required to be split into sub components due to varying useful lives or consumption patterns, additional componentisation also assists with asset management and replacement cost development. Examples of these assets include: sewerage pump stations and sewerage treatment plants. These assets are valued by determining the current cost to replace the required service capacity i.e. modern replacement asset.

The raw cost of material, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using cost guides such as the Rawlinson's Construction Handbook and through reviewing prices supplied by Burke Shire Council. Intangibles are estimated using industry standards as a starting point; these rates are then tailored to suit Council.

Where there is an active and liquid market as evidenced by sales transactions of similar asset types, the Market Approach by Direct Comparison, Income or Summation methods can be utilised, and is an accepted valuation methodology under AASB 13. If a Market Approach is adopted, the valuation is deemed to be a Level 2 input.

The Fair Value should represent the highest and best use of the asset, i.e. the use of the asset that is physically possible, legally permissible, financially feasible, and which results in the highest value. Opportunities that are not available to the agency or entity are not considered. In this case we have assumed the current use is the highest and best use due to the specialist nature of the assets.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, an accepted valuation methodology under AASB 13. The cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:

Where there is no market, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees. This is considered a Level 2 input.

- A condition assessment is applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.
- In determining the level of accumulated depreciation for major assets, council has disaggregated them into significant components which exhibit different patterns of consumption (useful lives). The condition assessment is applied on a component basis.
- While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life, and asset condition) were also required (level 3).

To calculate the appropriate amount of accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted, the assets were allocated a condition assessment, which was used to estimate remaining useful life. For assets maintained within the Gregory township, as weather conditions prohibited access to valuers during site inspections, an engineering qualified member of the Burke Shire Council management team was engaged to perform the assessment on behalf of the valuers to ensure assets were appropriately inspected and valued.

The valuation techniques used in the determination of fair values maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of fair values.

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**11 Contract Balances**

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

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable. When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Contract Assets</b>		
Contract Assets	2,021,515	2,197,913
	<u>2,021,515</u>	<u>2,197,913</u>
<b>(b) Contract Liabilities</b>		
Deposits received in advance of services provided (including flood restoration funding)	9,843,938	1,394,223
Funds received upfront to construct Council controlled assets	1,936,919	2,397,627
	<u>11,780,857</u>	<u>3,791,849</u>
Revenue recognised in 2022/23 that was included in the contract liability balance at the beginning of the year.		
Funds to construct Council controlled assets	1,604,456	-
Deposits received in advance of services provided	508,469	2,728,746
	<u>2,112,925</u>	<u>2,728,746</u>

*Significant Changes in Contract Balances*

There was a significant advance payment of flood restoration funds received by Council to facilitate the swift conduct of repairs to the road network, as well as some grants received in advance of the services and constructions being complete.

*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 liability as income in the 2024 financial year.

**Contract Liability Summary**

Other	1,088,520	1,526,512
Prepaid Rates	10,275	8,284
Flood Damage	10,682,062	2,257,054
	<u>11,780,857</u>	<u>3,791,849</u>

**12 Trade and Other Payables**

**Current**

Creditors and Accruals	2,892,825	2,578,654
GST Payable	588,666	-
Other Employee Entitlements	37,018	29,798
	<u>3,518,509</u>	<u>2,608,452</u>

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase / contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms. A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

**Sick Leave**

Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**13 Provisions**

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Long Service Leave	100,943	62,191
Annual Leave	319,473	308,299
	<u>420,416</u>	<u>370,490</u>
<b>Non-Current</b>		
Long Service Leave	160,531	150,147
Refuse Restoration	788,438	561,415
	<u>948,969</u>	<u>711,561</u>
<b>Refuse Restoration</b>		
Balance at Beginning of Financial Year	561,415	620,650
Increase / (Decrease) in Provision due to Unwinding of Discount	227,024	(59,235)
Balance at End of Financial Year	<u>788,438</u>	<u>561,415</u>

A provision is made for the cost of restoration of refuse dumps where it is probable Council will be liable, or required, to incur cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of restoration. The refuse restoration closing balance of \$788,438 is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life.

The 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. The calculation of this provision requires assumptions such as 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. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the site will close in 2029 and that the restoration will occur progressively over the subsequent four years.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Long Service Leave</b>		
Balance at Beginning of Financial Year	212,337	183,242
Long Service Leave Entitlement Arising	49,136	29,095
Long Service Entitlement Paid	-	-
Balance at End of Financial Year	<u>261,473</u>	<u>212,337</u>

A liability for long service leave is measured as 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 value of 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 Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

**Annual Leave**

A liability for annual leave is recognised. As Council does not have an unconditional right to defer this liability beyond twelve months annual leave is classified as a current liability.



**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**14 Revaluation Surplus**

**Revaluation Surplus Analysis**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
The closing balance comprises the following asset categories:		
Land	6,970,818	5,209,668
Buildings	8,175,838	7,012,434
Road Infrastructure	74,930,122	77,724,218
Water	5,950,608	4,983,299
Sewerage	4,120,696	3,855,476
Other Structures	3,393,050	4,531,090
	<u>103,541,131</u>	<u>103,316,184</u>

The revaluation surplus comprises adjustments relating to changes in value of assets 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 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 revaluation surplus in respect of that class. Any excess is treated as an expense.

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

**15 Contingent Liabilities**

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

**Local Government Mutual**

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

As at 30 June 2022 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

**Local Government Workcare**

Council is a member of the Queensland local government workers' compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers' compensation authority may call on any part of the guarantee should the above arise. Council's maximum exposure to the bank guarantee is \$99,830.

**16 Superannuation**

Council contributes to the LGIA super Regional Defined Benefits Fund (the scheme), at the rate of 12.5% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIA super 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 LGIA super trustee as trustee for LGIA super trading as Brighter Super. The scheme is a pooled defined benefit plan and 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 benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of Council.

Burke Shire Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIA super trust deed, changes to Council's obligations will only be made on the advice of an actuary.

**Burke Shire Council**  
**Notes to the Financial Statements**  
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**16 Superannuation** (continued)

The last completed actuarial assessment of the scheme 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." 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. The next triennial actuarial review is not due until 1 July 2024.

No changes have been made to prescribed employer contributions and there are no known requirements to change the rate of contributions.

The most significant risks that may result in LGIA super 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.

	Note	2023 \$	2022 \$
Superannuation contributions made to the Regional Defined Benefits Fund		416,710	399,574
Total superannuation contributions paid by Council	5	<u>416,710</u>	<u>399,574</u>
<b>17 Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities</b>			
Net Result		4,143,081	(15,907)
Non-Cash Items:			
Depreciation - Property, Plant and Equipment	10	5,342,256	4,856,350
Depreciation - Right of Use Assets	18	27,705	46,250
Lease Write-off Costs		-	(46,250)
Loss on Disposal of Assets	7	169,589	202,685
		<u>5,539,551</u>	<u>5,059,035</u>
Investing and Development Activities:			
Write-Off of Brought Forward WIP Balances	10	314,129	448,494
Capital Grants and Contributions	4	(5,424,607)	(3,914,550)
		<u>(5,110,477)</u>	<u>(3,466,056)</u>
Changes in Operating Assets and Liabilities:			
(Increase) / Decrease in Receivables		1,399,741	(1,655,952)
(Increase) / Decrease in Inventory		9,687	(6,494)
(Increase) / Decrease in Contract and Other Assets		27,705	990
Increase / (Decrease) in Payables / Contract Liabilities		9,349,811	(1,256,232)
Increase / (Decrease) in Other Liabilities		(27,705)	(990)
Increase / (Decrease) in Other Provisions		287,334	21,782
		<u>11,046,574</u>	<u>(2,896,896)</u>
Net Cash Inflow / (Outflow) from Operating Activities		<u>15,618,728</u>	<u>(1,319,824)</u>

**18 Leases**

*Council as a Lessee*

Where Council assesses that an agreement contains a lease, a right of use asset and a lease liability are recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the Impairment of Asset Accounting Policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then Council's incremental borrowing rate for a similar term with similar security is used.

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**18 Leases** (continued)

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whenever there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI). Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

*Terms and Conditions of Leases*

Council leases commercial space in Cairns which is used to maintain a remote work office for an initial period of five years. The lease contains a renewal option which is not reasonably certain to be exercised and therefore has not been included in the lease term. The lease is subject to annual increases.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Right of Use Assets</b>		
Opening Balance	138,525	139,515
Depreciation Charge	(27,705)	(46,250)
Write-off of Lease (Lake Street Property)	-	(93,265)
Establishment of Lease (Aplin Street Property)	-	138,525
Closing Balance	<u>110,820</u>	<u>138,525</u>

**Lease Liabilities**

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts may not be the same as the recognised lease liability in the Statement of Financial Position.

	<b>&lt; 1 Year</b>	<b>1 to 5 Years</b>	<b>&gt; 5 Years</b>	<b>Total</b>	<b>Carrying Amount</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023</b>	33,955	101,866	-	135,822	110,820
<b>2022</b>	33,955	135,822	-	169,777	138,525

**Amounts included in the Statement of Comprehensive Income related to leases**

The following amounts have been recognised in the Statement of Comprehensive Income for leases where Council is the lessee:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Interest on Lease Liabilities	6,250	983
Depreciation of Right to Use Assets	27,705	46,250
<b>Total Outflows for Leases</b>	<u>33,955</u>	<u>47,234</u>

*Exceptions to Lease Accounting*

Under AASB 16, all leases which meet the definition of a lease are recognised on the Statement of Financial Position (except for short-term leases and leases of low-value assets).

Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Statement of Comprehensive Income on a straight-line basis.

*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 asset 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.

Rent from Council's building assets is recognised as income on a periodic straight-line basis over the lease term.

*Operating Leases:*

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. Where Council retains the risks and rewards relating to a lease, the lease is classified as an operating lease.

The minimum lease receipts arising from operating leases are as follows:

**Not Later Than One Year**

Property Income (excluding variable lease payments not dependant on an index of rate)	216,962	197,332
	<u>216,962</u>	<u>197,332</u>

The assets are included in the Statement of Financial Position as Property, Plant and Equipment where the asset is held to meet Council's service delivery objectives (refer note 10).

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**19 Events After the Reporting Period**

There were no material adjusting events after the balance date.

**20 Related Parties**

**(a) Transactions with Key Management Personnel (KMP)**

KMP includes the Mayor, Councillors, Chief Executive Officer, and the Director of Engineering. The compensation paid to KMP comprises:

Details of Transactions	2023	2022
	\$	\$
Short-Term Employee Benefits	675,434	779,369
Post-Employment Benefits	78,202	86,165
Long-Term Benefits	-	-
Termination Benefits	23,801	-
<b>TOTAL</b>	<b>777,437</b>	<b>865,534</b>

**(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 Transactions	Additional Information	2023	2022
		\$	\$
Purchase of materials and services from entities controlled by KMP	20(b)(i)	1,266,853	1,476,849
Employee expenses for close family members of KMP	20(b)(ii)	522,697	474,149
<b>TOTAL</b>		<b>1,789,550</b>	<b>1,950,999</b>

(i) Council purchased the following material and services from entities that are controlled by KMP. All purchases were at arm's length and were made in the normal course of Council operations:

	2023	2022
	\$	\$
Contracting services (machinery hire and trade services)	862,474	1,241,235
Goods / supplies	404,379	235,614
<b>Total</b>	<b>1,266,853</b>	<b>1,476,849</b>

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

Council employs 43 staff of which only 5 are close family members of key management personnel.

**(c) Outstanding Balances**

Council notes an outstanding balance of \$21,718 was due to Council as at 30 June 2023 from a former staff member.

**(d) Loans and Guarantees to / from Related Parties**

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

**(e) Commitments to / from Other Related Parties**

KG Booth (a business owned by the father of Cr. Tonya Murray and father-in-law of Clinton Murray (Works Manager)) and CM Contracting (Clinton Murray's personal business) are on Council's register of Pre-Qualified Suppliers for the Hire of Plant and Equipment for the 2022/23 construction season. The use of this register may give rise to tenders and/or contracts and no set value is available until the scope of the work is established. This pre-qualified register of suppliers is assessed and approved by Council representatives to ensure there are no conflicts of interests. Cr Tonya Murray and Clinton Murray were not involved in the decision to include KG Booth or CM Contracting on the Register of Pre-qualified Suppliers.

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

- Payment of rates and utility charges
- Use of Community Halls
- Borrowing of books from the Council libraries
- Pet registration

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

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**21 Financial Instruments and Financial Risk Management**

Burke Shire Council has the following financial assets and liabilities:

- Cash
- Receivables
- Payables

Burke Shire Council has exposure to the following risks:

- Credit Risk
- Liquidity Risk
- Market Risk

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

**Financial Risk Management**

Burke 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.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks, and adherence against limits. Council aims to manage volatility to minimise potential adverse effects on the financial performance of Council. Council does not enter into derivatives, cryptocurrency, or non-fungible tokens.

Council's audit committee oversees how management monitors compliance with 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. The Council audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**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 Council's investments and receivables. Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets at the end of the reporting period represents the maximum risk.

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 Burke Shire Council.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	2023 \$	2022 \$
<b>Financial Assets</b>			
Cash and Cash Equivalents	8	24,460,577	10,146,891
Receivables - Rates	9	406,288	308,651
Receivables - Other	9	332,121	1,390,571
<b>Other Credit Exposures</b>			
Guarantees	15	99,830	83,188
<b>Total Financial Assets</b>		<u>25,298,815</u>	<u>11,929,302</u>

*Cash and Cash Equivalents*

Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is extremely strong.

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**21 Financial Instruments and Financial Risk Management (continued)**

*Trade and Other Receivables*

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts. In effect this power protects Council against credit risk in the case of defaults.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Council's operations, there is a geographical concentration of risk in the local Burketown area. Because the area is largely agricultural and mining, there is also a concentration in those sectors.

<b>Financial Assets</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Ageing of past due receivables and the amount of any impairment is disclosed in the following table:		
Not Past Due	441,555	1,361,864
Past Due 31-60 Days	513	73,047
Past Due 61-90 Days	1,413	20,393
More than 90 Days	461,617	320,065
Recognised Impairment	(166,690)	(134,295)
	<u>738,409</u>	<u>1,641,073</u>

**Liquidity Risk**

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

Council is exposed to liquidity risk through its normal course of business. Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk in relation to financial liabilities held by Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	<b>0 to 1 Year</b>	<b>1 to 5 Years</b>	<b>Over 5 Years</b>	<b>Total Contractual Cash Flows</b>	<b>Carrying Amount</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023</b>					
Trade and Other Payables	3,518,509	-	-	3,518,509	3,518,509
	<u>3,518,509</u>	<u>-</u>	<u>-</u>	<u>3,518,509</u>	<u>3,518,509</u>
<b>2022</b>					
Trade and Other Payables	2,608,452	-	-	2,608,452	2,608,452
	<u>2,608,452</u>	<u>-</u>	<u>-</u>	<u>2,608,452</u>	<u>2,608,452</u>

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 Council's income or the value of its holdings of financial instruments.

*Interest Rate Risk*

Burke Shire Council is exposed to interest rate risk through investments with QTC and other 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.



**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**21 Financial Instruments and Financial Risk Management (continued)**

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.

	Note	Carrying Amount \$	Effect on Net Result		Effect on Equity	
			1% increase \$	1% decrease \$	1% increase \$	1% decrease \$
<b>2023</b>						
QTC Cash Fund	8	15,793,833	157,938	(157,938)	157,938	(157,938)
<b>Net Total</b>		<u>15,793,833</u>	<u>157,938</u>	<u>(157,938)</u>	<u>157,938</u>	<u>(157,938)</u>
<b>2022</b>						
QTC Cash Fund	8	9,274,707	92,747	(92,747)	92,747	(92,747)
<b>Net Total</b>		<u>9,274,707</u>	<u>92,747</u>	<u>(92,747)</u>	<u>92,747</u>	<u>(92,747)</u>

**22 Changes in Accounting Policies**

There were no changes in accounting policies during the year ended 30 June 2023 that would have a material impact on current or future financial statements.

**23 Investment in Gulf Savannah Development**

Gulf Savannah Development (GSD) registered as a public company limited by guarantee on May 2000. Burke Shire Council is one of the founding members along with the Shire of Carpentaria. Each founding member holds voting rights in the Company and is entitled to nominate directors based on the level of membership held.

The principal place of business of GSD is Lot 65 Musgrave Street, Burketown QLD 4830. Gulf Savannah Development is the facilitating organisation for the Gulf Savannah Region that drives economic development projects and initiatives for the benefit of its stakeholders. It is also the central representation body that actively advocates for the people, businesses and organisations in the area. GSD's primary goal is to bring together people, ideas and resources to deliver impactful projects that ensure the future sustainability of the Gulf Region.

The current Board of Management are Mayor Ernie Camp Burke - Shire Council, Deputy Chair Bradley Hawkins, Doomadgee Aboriginal Shire Council CEO Troy Fraser, Yagurli Tours Operator Peter Ridley and Paul Poole - a Burketown resident. A CEO controls all operations under the supervision of the Board as noted above.

The board is supported by Dan McKinlay - CEO Burke Shire Council - Secretary (resigned October 2022), and Shaun Jorgensen - Finance and Technology Manager Burke Shire Council - Treasurer.

Burke and Carpentaria Shires have Gulf Council Seats on the board and pay an annual membership of \$30,000 with 4 voting rights. Indigenous councils pay \$15,000 with a Seat on Board and 4 voting rights. There are eight levels of membership. A non-payment period of 12 months for all members was implemented by former GSD CEO Mark Forbes for 2022/23 effectively allowing 'free' membership for all members for that year.

Council does not receive minutes of the GSD meetings and has no input. Effectively Burke Shire Council has one person on the Management Board. Burke Shire Council does not receive any income from GSD and at no stage has provided any funding to GSD.

As each members' individual voting entitlement is small, it is considered that none of the individual members has power or significant influence over GSD (as defined by AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*). GSD's constitution prevents any income or property of the company being transferred directly or indirectly to or amongst the members. Each member must pay annual membership fees as determined by the board of GSD. As GSD is not controlled by Burke Shire Council and is not considered a joint operation or an associate of Burke Shire Council, financial results of GSD are not required to be disclosed in these statements.

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**24 Commitments**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Purchase of New Grader	-	594,000
Purchase of New White Fleet	520,299	-
Purchase of New Mayor Vehicle	70,626	-
	<u>590,925</u>	<u>594,000</u>

**25 Flood Disaster Event 2023**

The monsoonal flooding of February/March 2023 had a significantly negative impact on communities across parts of the northern Gulf in Queensland. This monsoonal flooding event led to very significant and (in some cases) record breaking flooding in the Burke Shire Council area and in the areas adjoining this local government area. As flood waters rose during early March, a number of cattle stations were required to be evacuated as were the majority of Burketown residents. Resupply for the region has had to occur by air due to multiple road closures. Major flooding has occurred in the Albert, Gregory, Nicholson and Lower Flinders Rivers and moderate flooding has occurred in the Georgina River and Eyre Creek.

The range and extent of the flooding in the northern Gulf region is not as widespread and significant as the 2019 flooding event, however those areas most severely impacted were in, and adjacent to, the Burke Shire Council area. Damage and losses were greater than those experienced in the 2019 event in the Burke region.

	<b>2023</b>
	<b>\$</b>
Reported costs of damages experienced across the Burke Shire region as a result of the flooding event	
Direct counter disaster costs associated with the event	843,435
Flood donation costs to support community	1,269
Estimated impairment over Council owned non-current assets	9,400,000
	<u>10,244,705</u>

**26 Cyber Risk and Information Technology**

Council operates in an increasingly digital environment and relies heavily on information technology (IT) systems and networks to carry out its day-to-day operations. Given the inherent risks associated with cyber threats and the potential impact on the Council's financial position. Council recognises the importance of disclosing pertinent information related to cyber risk and IT in its financial statements.

*Cyber Risk Management*

Council maintains a robust ICT Strategic Management Framework to safeguard its IT systems and protect sensitive data. This framework includes comprehensive policies, procedures, and controls designed to identify, assess, and mitigate cyber risks. Council regularly reviews and updates its cyber risk management practices to align with industry best practices and emerging threats.

*Cybersecurity Infrastructure*

To mitigate cyber risks, Council employs adequate controls across its IT infrastructure. These controls include firewalls, encryption technologies, intrusion detection systems, and access controls. Additionally, Council maintains an ongoing programme to update and patch software, hardware, and other systems to address newly identified vulnerabilities.

*Incident Response and Business Continuity*

Council has established an incident response plan to swiftly respond to and recover from any cyber incidents. The plan outlines the roles and responsibilities of designated personnel, communicates the escalation process, and provides guidance on crisis management.

**Burke Shire Council**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

26 **Cyber Risk and Information Technology** (continued)

*Third-Party Risk Management*

Council works with various third-party service providers to support its IT infrastructure and operations. To manage the inherent cyber risks associated with these relationships, the Council regularly assesses the security controls and practices of these providers. Contracts with third-party providers include provisions that require adherence to specific cybersecurity standards and data protection measures (essential 8 in accordance with the ACSC).

*Data Privacy*

Council is committed to protecting the privacy of personal information it collects and processes. Appropriate security measures, including encryption and access controls, are implemented to ensure the confidentiality, integrity, and availability of personal data in accordance with applicable data protection laws and regulations.

*Future Developments*

While Council maintains a comprehensive cyber risk management programme, it recognises that the nature of cyber threats is constantly evolving. Council remains vigilant in monitoring emerging risks and will continue to enhance its cybersecurity measures to ensure the protection of its IT systems and data. Council has adopted and has implemented both a 3 year Strategic ICT Management Plan and a 3 year ICT Fleet Renewal and Management Plan.

**Burke Shire Council  
Financial Statements  
For the Year Ended 30 June 2023**

**Management Certificate  
For the Year Ended 30 June 2023**

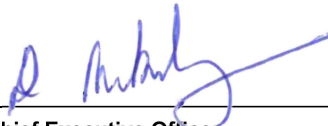
These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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 2 to 30, 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  
Ernest Camp

Date: 27 / 11 / 23

  
\_\_\_\_\_  
Chief Executive Officer  
Daniel Alexander McKinlay

Date: 27 / 11 / 23

## INDEPENDENT AUDITOR'S REPORT

To Councillors of Burke Shire Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Burke 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 Burke Shire Council's annual report for the year ended 30 June 2023 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

### **Prescribed requirements scope**

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



Sri Narasimhan  
as delegate of the Auditor-General

30 November 2023

Queensland Audit Office  
Brisbane

**Burke Shire Council  
Current-Year Financial Sustainability Statement  
For the Year Ended 30 June 2023**

**Measures of Financial Sustainability**

Council's performance at 30 June 2023 against key financial ratios and targets:

	How the measure is calculated	Actual	Target
Operating Surplus Ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-6.4%	Between 0% and 15%
Asset Sustainability Ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	103.3%	greater than 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-61.9%	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 Council's audited general purpose financial statements for the year ended 30 June 2023.

**Burke Shire Council  
Financial Statements  
For the Year Ended 30 June 2023**

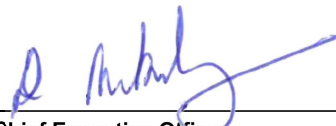
**Certificate of Accuracy  
For the Year Ended 30 June 2023**

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  
Ernest Camp

Date: 27 / 11 / 23

  
\_\_\_\_\_  
Chief Executive Officer  
Daniel Alexander McKinlay

Date: 27 / 11 / 23

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Burke Shire Council

### Report on the Current-Year Financial Sustainability Statement

#### Opinion

I have audited the accompanying current year financial sustainability statement of Burke 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 Burke 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 Burke Shire Council's annual report for the year ended 30 June 2023 was the general purpose financial statements and long-term financial sustainability.

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.



Sri Narasimhan  
as delegate of the Auditor-General

30 November 2023

Queensland Audit Office  
Brisbane

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

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2023	Projected for the Years Ended									
				30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033
Operating Surplus Ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 15%	<b>-6.4%</b>	-18.2%	-17.8%	-20.0%	-20.1%	-20.2%	-21.3%	-21.1%	-20.9%	-22.0%	-21.8%
Asset Sustainability Ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	<b>103.3%</b>	347.0%	58.9%	44.6%	46.1%	47.7%	48.4%	50.0%	51.5%	52.2%	53.8%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	<b>-61.9%</b>	-49.1%	-92.0%	-109.2%	-124.4%	-138.0%	-150.2%	-160.8%	-170.4%	-179.1%	-186.0%
<b>New Sustainability Ratios Applicable to 2024 Financial Year Onwards</b>													
Financial Capacity	Council Controlled Revenue	N / A	<b>20%</b>	16%	27%	27%	27%	27%	28%	28%	28%	28%	29%
Operating Performance	Population Growth	N / A	<b>0.70%</b>	0.69%	0.69%	0.68%	1.13%	1.12%	1.11%	1.09%	1.08%	0.86%	0.85%
Liquidity	Operating Surplus Ratio	> 0%	<b>-5.13%</b>	-18.17%	-17.78%	-20.00%	-20.09%	-20.16%	-21.32%	-21.08%	-20.87%	-22.00%	-21.79%
Asset Management	Operating Cash Ratio	> 0%	<b>27%</b>	10%	27%	25%	24%	23%	22%	21%	21%	20%	19%
Debt Servicing Capacity	Unrestricted Cash Expense Cover Ratio	> 4 Months	<b>1.0</b>	0.6	1.3	1.5	1.7	1.9	2.0	2.1	2.2	2.3	2.4
	Asset Sustainability Ratio	> 90%	<b>83.2%</b>	385.5%	65.5%	49.6%	51.3%	53.0%	53.8%	55.5%	57.3%	58.0%	59.8%
	Asset Consumption Ratio	> 60%	<b>67.2%</b>	67.7%	66.0%	67.0%	65.2%	63.4%	64.6%	62.8%	61.0%	62.4%	60.7%
	Leverage Ratio	0 - 3 Times	<b>N / A</b>	1/4	1/7	1/7	1/7	1/7	1/8	1/8	1/8	1/9	1/9

**Burke 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 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.



**Burke Shire Council  
Financial Statements  
For the Year Ended 30 June 2023**

**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).

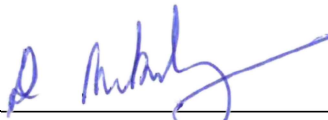
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



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**Mayor  
Ernest Camp**

Date: 27 / 11 / 23



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**Chief Executive Officer  
Daniel Alexander McKinlay**

Date: 27 / 11 / 23