



BURKE SHIRE *Council*

2023-2024 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 marks my first Annual Report with the new Council following the elections in March. I'm pleased to report our Councillors have quickly settled into their roles and are working effectively as a team.

Once again, the year has been incredibly challenging for the Burke Shire, as we continue to recover from the effects of a severe weather event in 2023 and another in the 2024 Summer. Additionally, we still needed to manage other business as usual activities and emerging issues whilst prioritising our ongoing recovery and rebuilding communal resilience projects

The first half of the 2023/2024 financial year was dominated by recovery efforts as a result of the catastrophic monsoonal floods that struck our region in early March 2023. These floods, which were amongst the most severe on record, caused significant damage, particularly to our roads infrastructure as well as the lives and livelihoods of our local businesses and communities.

Unfortunately, 2024 wet season saw a repeat of this severe weather with the Shire experiencing three flood events, though over a small footprint than last year. Again, we were faced with road closures for extended periods isolating the Shire's residents, keeping the window of trade firmly shut and requiring recurring resupplies to both the town and rural residents/businesses. The back-to-back nature of these severe weather events and the effects of the wet weather, resulting in even greater repair needs, financial challenges to businesses and a further drain on our personal and communal resilience tanks.

Towards the end of 2023, Council held community consultation focused on the preparation, response and recovery efforts associated with the floods. Council was joined by representatives from, the Local Disaster Management Group, Queensland Police, and Queensland Fire and Emergency Services as well as local emergency service



Ernie Camp
Mayor

group representatives. This well-attended meeting was an opportunity for the community to discuss lessons learned and identify improvements for future flood responses.

The North West Flood Relief Group generously donated \$100,000 to support the recovery efforts. In turn, Council issued \$50 vouchers to all those aged 18 and over who were residing in Burketown during the recovery period (March to September 2023) and who were directly impacted by the Northern and Central Monsoon events. These vouchers were able to be redeemed at local businesses – providing a much needed boost to the local economy and were well received by residents and businesses alike.

The cost of repairing flood-damaged infrastructure is, unsurprisingly, very significant. An estimated \$350 million will be required over the next three years to return assets to a safe and functional state. To end of June 2024, nine flood restoration packages have been initiated, with a total value of over \$30 million. Many of these projects are either complete or nearing practical completion.

Three additional major projects that have progressed past the Design stage with work commencing post 30 June 2024 are:

- Burketown Wharf Recreational Grounds
- Burketown Airport Road Culvert Replacement
- Burketown Truganini Road Culvert

Tourism numbers have yet to recover from the multiple blows of the 2023 floods and associated damage to key tourism assets such as Boodjamulla National Park, Adel's Grove, and the Riversleigh World Heritage Area, as well as the ever-spiralling cost of living crisis. Council continues to work with tourism stakeholders to promote our Shire and the wider Gulf region in order to assist our local businesses to mitigate the recent impacts and to sustain and grow their products.

Despite the impact of flooding, a number of Council led community events were successfully held throughout the year, including:

An annual Senior's event, Remembrance Day, RACQ Get Ready Community Information Day and BBQ, Community Christmas Event in Burketown and Gregory, ANZAC Day, Annual Photo Competition, and the Christmas Lights Competition.

Despite community group members, again, being impacted by the Wet Season flooding, several community events were also held and were well supported, lifting the spirits of all who attended. Council is extremely grateful for the dedication of, and extends thanks to, our volunteers, whose hard work and commitment have been essential in ensuring these events are successful and provide a much needed opportunity to socialise and were also a temporary reprieve from recovery efforts.

In response to the challenges faced by local businesses due to natural disasters, Council facilitated several free small business development initiatives, including:

- A Mentoring for Growth (M4G) Event for assistance with business growth sessions, investment, pitching, export, or recovery.
- A Business Improvement Workshop was also held, focussing on social media, cash flow and finance, as well as grant and tender writing.
- Information session covering opportunities in the agriculture sector with the Department of Agriculture

and Fisheries and the option for a one-to-one meeting requested.

- Council also provided significant in-kind support to the Carpentaria Land Council Aboriginal Corporation (CLCAC) who hosted the Northern Australian Emergency Management Forum in Burketown.

As in the three previous years, Council continued to implement a very tight operating budget for 2023/2024 in response to ongoing and increasing financial pressures. Key points for the Financial Year Ended 30 June 2024 result were as follows:

Council worked diligently to absorb inflationary costs whilst maintaining existing services and keeping this year's rates rise as low as possible. Council continues to face the same inflationary challenges as everyone else including, but not limited to, supply chain issues, accommodation and housing issues and labour shortages. Nevertheless, despite our responsible, effective, and efficient efforts, ongoing financial sustainability is a continued major challenge for Burke Shire Council, as it is with many smaller Councils and even more so if in a remote location. The challenge is compounded by a very limited rates base (16% of total council recurrent revenues for 2023/2024) and a significant reliance on Federal and State grant and subsidy funding (67% of total council revenues).

- Our major focus on improving the Shire's financial sustainability sees Council experiencing the positive benefits of measures and controls implemented in previous years. For example, our level of funded depreciation has increased significantly, from 4% in 2021/22 to 66% in 2023/24. This, in turn, enables us to allocate \$3.9 million in capital expenditure from depreciation.

Although a number of rate increases around Queensland were at least 4-5%, Council, conscious of the impacts of costs of living on its rate payers, resolved to set the rate increase for 2023/24 at 3.5% for residential

properties, industrial/commercial and rural properties.

- Pensioners will continue to receive a rate concession of 20% of the general rate and utility charges, excluding water consumption, and Emergency Management Levy, to a maximum of \$500.00 per year.
- Council continues to advocate for increased grants from both Federal and State Government to ensure we can

deliver the services and programs they are shifting onto our shoulders. A major positive impact on Councils future sustainability was the increase in the Australian Government's Federal Assistant Grant which increased from \$4.754M to \$6.544M over the previous financial year (27.4% increase). This increase is sorely needed and most welcomed.

Annual Capital Project Breakdown

Capitalised Projects 2023-24	Amount
21-22 BKT Aerodrome Fence Relocation	\$ 151,979.84
22-23 Albert River Bridge Light	\$ 17,524.64
22-23 Bkt Cenotaph Restoration	\$ 9,143.92
22-23 BKT Cemetery Fencing	\$ 124,397.04
23-24 Greg. SES Power Supply	\$ 58,769.61
22-23 White Fleet Replacements	\$ 463,404.10
22-23 SES White Fleet Replacements	\$ 45,401.88
Mayor Vehicle Replacement	\$ 137,725.76
21-22 Doom Est Flood Immunity	\$ 632,619.30
21-22 Gregory River Ped Bridge	\$ 171,747.62
21-22 Archie Creek - design & construct	\$ 4,947,984.40
21-22 Shadforth Creek drainage	\$ 966,858.89
21-22 Floraville Culvert Rep site 35	\$ 1,615,152.68
21-22 Floraville Culvert Rep sites 12&18	\$ 700,561.27
21-22 Floraville Culvert Rep site 10	\$ 59,894.58
22-23 Bowthorn Culvert Upgrade	\$ 128,593.84
21-22 Sluice Valves (Brkt & Greg)	\$ 80,579.94
Total	\$10,312,339.31

As mentioned above, the emphasis on flood response and recovery has affected the completion of capital works. There was a further \$3.8M allocated to be spent on capital works, yet to be capitalised, as the projects are still in progress. Within operations, \$11.316M was spent on DDRF flood recovery, relating to previous floods.

Attracting and retaining staff in a remote area like Burke Shire continues to be a challenge. To address this, Council offers competitive salary packages and incentives, but we also recognize

the broader challenges that remote locations pose, such as limited access to healthcare, schooling, and recreational activities. Nevertheless, we are committed to securing the talent needed to serve our community.

In response to the constant draw on personal and communal resilience and focus, Council has initiated a number of health and wellbeing activities Shire wide as follows:

- A \$31,850.00 grant funding was received for sports equipment for the

Burketown Gym. Our gym can be considered an envy of many smaller communities. During the year the gym was, once repaired, utilised daily by the Burketown Community.

- A number of boot camps and other group fitness activities were held in Burketown and Gregory.
- Council released the tender for the Burketown Health and Wellbeing Precinct Stage 1-Splash Park and Playground> This project has a value of \$4.552 million. Council continues to chase apply for funding for this project to allow proceed.
- Burketown Wharf Recreational Area. Should be completed by Christmas.

Council continues to roll out its Housing Strategy which to date has seen the sale of six houses to staff raising \$325,000 to 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 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.

Despite the significant challenges we face Burke Shire Council continues to strive to, and succeeds in, punching well above its weight. It suffers regular severe weather events as well as the ongoing challenges of financial sustainability and above-average staff turnover together 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 consistently and constantly advocates with stakeholders, it develops relationships of mutual benefit, it innovates and remains positive, tenacious, and steadfast in its resolution to not just survive but to strengthen and grow.

I would like to take this opportunity to express my thanks to our CEO, management team and all the staff and volunteers for their hard work and commitment, and who work together with Councillors, standing tall and steadfast, adapting and adopting to make such a difference to our community in what has been another very challenging year.

Mayor Ernest Camp

Report from the Chief Executive Officer



Daniel McKinlay - CEO

The past financial year has been one of resilience and progress, despite the significant challenges faced. The first half of the year was particularly demanding due to the impact of Flood Recovery initiatives as a result of the severe impact of the early March monsoonal flood.

This was further exacerbated by the three minor floods that occurred in the 2024 wet season. Both year’s floods significantly tied up Council resources for an extended period of time. These events also hindered the timely delivery of capital works projects. Nevertheless, there was some good progress on the DRFA flood recovery packages.

Despite these difficulties, ensuring financial sustainability remains a continuing priority for Burke Shire Council. This focus has paid off, with council’s financial position showing marked improvement. Council has maintained its commitment to prudent financial management by presenting a tightly controlled budget and thoroughly reviewing expenditures. Consequently, Council has once again adopted a budget that falls below the Consumer Price Index (CPI). A positive development was the substantial increase in Council’s Federal Assistant Grant, rising 27.4% from \$4.754M to \$6.544M in the previous financial year. It’s worth noting that Council is prioritising the improvement of its long-term cash position and un-restricted cash holdings.

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

Grants Breakdown

Grants Breakdown	
Operational Grants	
General Purpose Grants	\$213,473
Flood Restoration Funding	\$11,316,510
Other Government Subsidies and Grants	\$2,137,624
Capital Grants	
Specific Purpose Government Subsidies and Grants	\$6,170,759

Additionally, 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 attended 716 safety-related training sessions, well up on last year. Council has gone 770 days without a Lost Time Injury and 1,479 days since a Medically Treated Injury. Scheduled WHS Inspections totalled 97.

Since 30 June there was an Qld Self Insurance Audit Report completed by an external consultant. Burke Shire Council achieved an overall score of 55.8%. This score falls short of the benchmark of 70%, and therefore achieving this target is a major focus of the management team.

Council has also continued to make progress in governance initiatives including:

- Reviewing 13 Statutory and 11 General Policies alongside a number of HR and Administrative Policies.
- Continuing regular communication updates to staff through the CEO's weekly communication to staff.
- Adopting a new Project Management Framework.
- Enhancing and adopting the Risk Management Operational Risk Register.
- Updating the Council's Website with new content.
- Conducting internal audits over both ICT Cyber-Risk Management Controls and Grant Management Controls.

Other key initiatives:

- The Local Housing Action Plan (LHAP) in conjunction with the 23 member Councils of the Western Queensland Alliance of Councils.
- A total of six Council houses were sold to staff helping support local housing.
- A continued drive to have dogs desexed in the shire with vet visits.
- Ensuring continued effectiveness of the Burke Shire Council audit committee with the appointment of a new external member.

None of these achievements would have been possible without the unwavering dedication and hard work of our Mayor, Councillors, Management Team, and staff. I thank each and every one of them for their ongoing commitment to the success of Burke Shire Council.

Daniel McKinlay

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 16 March 2024.



The Council

Elected Representatives

Meet the Councillors

Mayor

Councillor Ernie Camp

Cr Ernie Camp was re-elected unopposed at the March 2024 elections. He's served as Mayor for the past 12 years and has served previously as Deputy Mayor for the two terms before 2012 and before that as a Councillor. He is a member of Agforce, a member of Cattle Australia and a director of Cattle Producers Australia.

Cr Camp is a member of the Gregory Downs Jockey Club and has been race starter for many years. He is also a member of the Isolated Children's Parents Association (ICPA), Gregory Downs Sporting Association, Southern Gulf NRM and Burketown SES.

As the chair of Gulf Savannah Development, he also is a member of the Qld Government's North West Mineral Province (NWMP). He is a representative on the Statewide Oversight Group (Biosecurity) and Southern Gulf Regional Technical Advisory Group (Biosecurity) on behalf of NWQROC.



Deputy Mayor

Councillor John Clarke

Cr Clarke was elected in the March 2016 elections. He was appointed Deputy Mayor at the 2024 post-election meeting. 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.



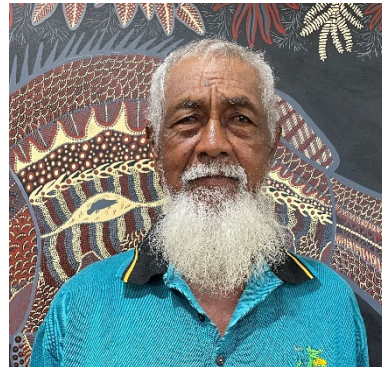
The Council Elected Representatives

Meet the Councillors

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. He was reelected at the 2024 elections.

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 Clinton Murray

Cr Clinton Murray was elected Councillor at the March 2024 elections. He has spent his entire life in the Lower Gulf. He was born and raised in neighboring Normanton, however moved to Burketown 25 years ago to build a life his wife, a Ganalidda Traditional Owner and Burketown local. They have 3 young children and over the years have been involved in many facets of the Burke Shire community including organizing & running community events, coordinating sporting teams, fundraising initiatives, emergency response, running local businesses and he has also been an employee of the Burke Shire Council in various roles supporting our workshop, roads & community infrastructure maintenance and improvements.

Over the years Cr Murray has developed strong connections & relationships with Stakeholders in the region and across the State. He is currently actively involved in the Burketown Rodeo & Sporting Association and Volunteer Marine Rescue with keen interest supporting all events across the Shire. He is determined to improve livability in the Burke shire By strengthening the local economy and supporting industry growth, improved infrastructure, increasing housing and advocating for better connected health and community services. Cr Murray is committed to working with neighboring Councils



and Government representatives to improve road access across the shire and building better disaster resilience.

Councillor Paul Poole

Cr Paul Poole was re-elected as a Councillor at the 2024 elections, having also served previously as a Councillor and Deputy Mayor. He has been a resident of Burke Shire for almost 30 years. Cr Poole’s interest is to maintain a financially viable shire with economic growth and infrastructure expansion along with providing services to residents and employees. He has a great interest in marine safety.



Former 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 and the Burketown Kindergarten Association. Cr Murray did not stand at the 2024 elections.



Former 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.





Burke Shire Council

2023/24 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 2023/24

	\$'000
Operating Revenue	20,265
Operating Expenses	30,240
Operation Position	(9,975)
Capital Income	6,170
Capital Expenses	96
Net Result	(3,901)
Total Assets	226,410
Total Liabilities	54,948
Net Community Assets	171,462

Burke Shire Council

2023/24 Results at a Glance

The Financial Statements in this report cover a 12-month period ending 30 June 2024. 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 2023-24 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 136.64% when compared to the local government annual target of 90%.

Burke Shire Council

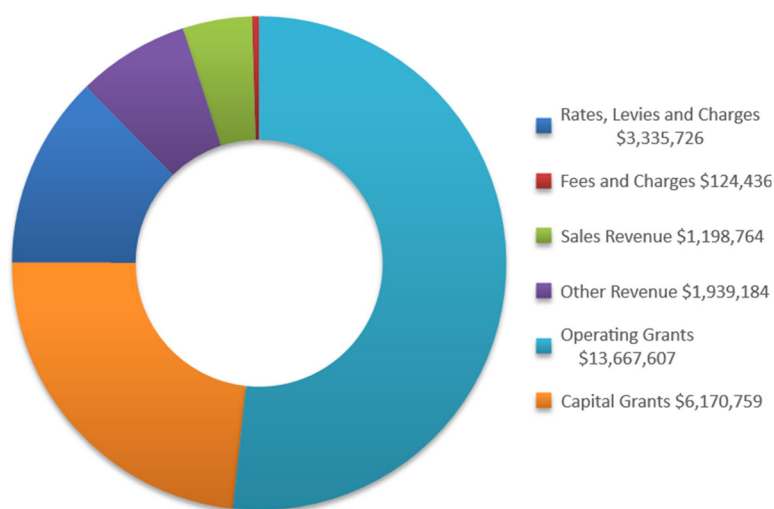
Community Financial Report

Statement of Comprehensive Income

Revenue

Revenue for the 2023/24 financial year is sourced from various items as shown in the graph on the right.

The majority of Council's revenue (51.70%) 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 (12.62%) is from rates and levies. No Financial Assistance Grant was received in 2023/24 due to payment timing. This significantly impacted council reporting at 30 June 2024.

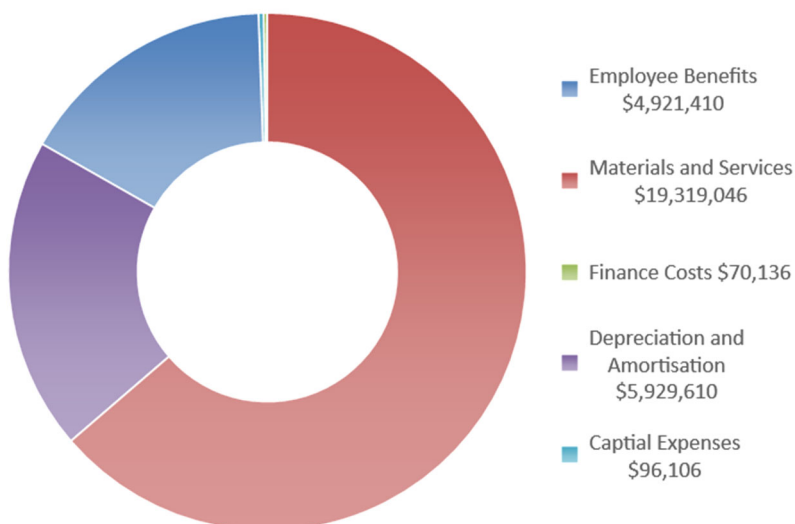


Total Revenue \$26.4 million

Expenses

Materials and services and employee costs make up 79.91% 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 \$30.3 million

Burke Shire Council

Community Financial Report

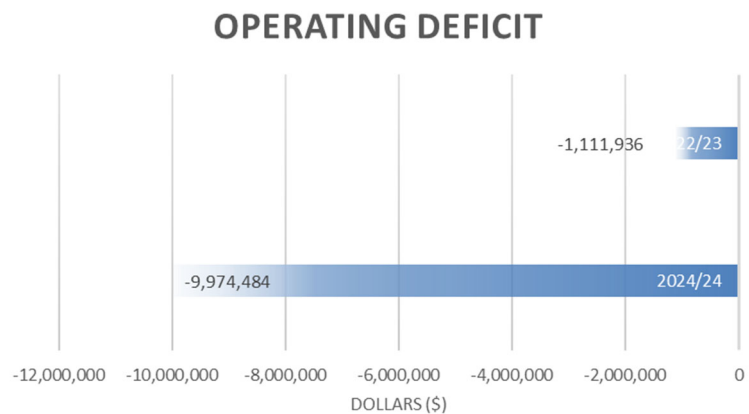
Operating Position

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

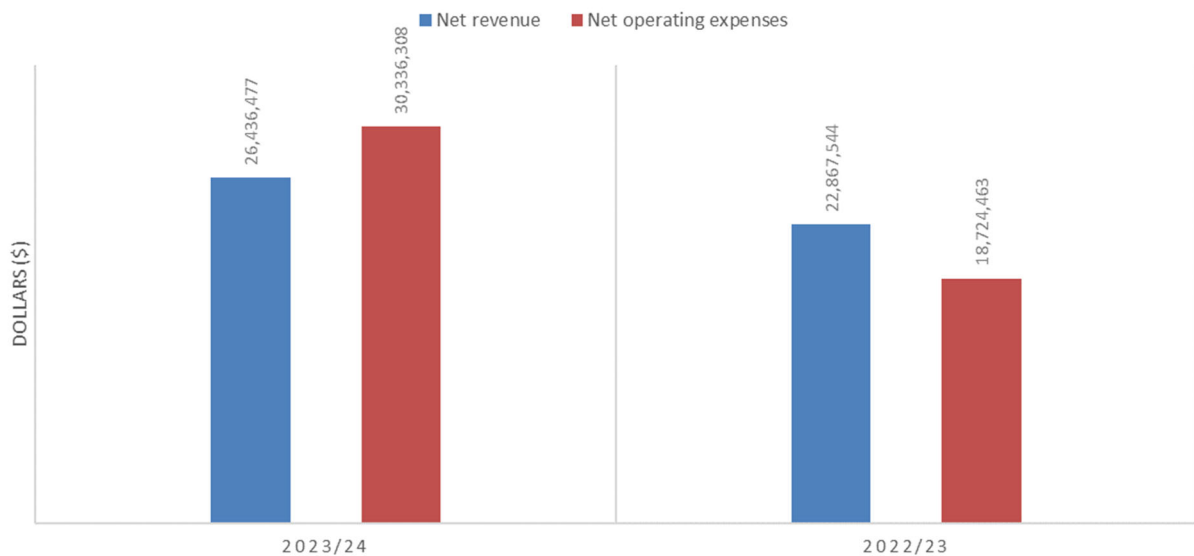
The operating position is calculated by taking total operating expenses (\$30.24) from total operating revenue (\$20.26M) and does not include revenue or expenditure amounts for capital projects.

Council’s operating position as at 30 June 2023 is a deficit of \$9.9M. This position has been impacted by the payment timing of the Financial Assistance Grant to council for July 2024 instead of June 2024.

This graph shows the operating position for 2023/24 compared to the operating position for the 2022/23 period.



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



Burke Shire Council

Community Financial Report

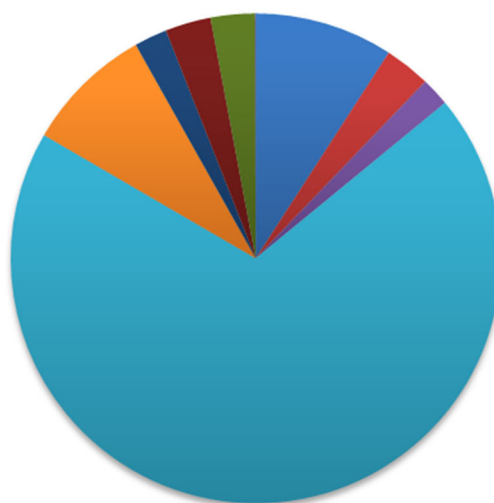
Statement of Financial Position

Assets

	2023/24	2022/23
	\$ Million	\$ Million
Current assets	58.7	27.6
Non-Current assets	167.6	164.5
Total assets	226.3	192.1

Council assets as at 30 June 2024 total just over \$226.3M. This includes \$58.7M of current assets (liquid assets or amounts due to be received within 12 months) and \$167.6M of non-current assets. Property, plant and equipment make up 74.06% of total assets. It should be noted a majority of the current asset balance consists of restricted cash committed to flood damage works.

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



- Buildings \$15.3M
- Land \$5.08M
- Furniture and Fittings \$3.96k
- Plant and Equipment \$3.1M
- Road Infrastructure \$116.28M
- Water \$14.1M
- Sewerage \$3.6M
- Other Structures \$5.0M
- Work in Progress \$4.9M
- Right of Use Assets \$83.1k

Total Property, Plant and Equipment \$167.68M

Burke Shire Council

Community Financial Report

Statement of Financial Position

Liabilities

	2023/24	2022/23
	\$ Million	\$ Million
Current liabilities	54.0	15.8
Non-Current liabilities	1.0	1.0
Total liabilities	55.0	16.8

Total liabilities as at 30 June 2024 are \$55M. This includes \$54M of current liabilities (due to be paid out within 12 months) and \$1.0M 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.



- Current Trade and Other Payables \$4.4M
- Current Contract Liabilities \$48.9M
- Current Lease Liabilities \$27.7k
- Non-Current Provisions \$520.2k
- Non-Current Lease Liabilities \$55.4k
- Non-Current Provisions \$891.3k

Total Liabilities \$54.9M

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 Housing, Local Government, Planning and Public Works guidelines in accordance with section 178 of the *Local Government Regulation 2012*.

Sustainability Ratios				
Ratio	Description	Actual Current Year	Actual 5 Year Average	Target
Current-year Financial Sustainability Statement				
Operating Performance	Operating Surplus Ratio	-49.05%	-27.90%	N/A
	Operating Cash Ratio	-19.76%	0.05%	> 0%
Liquidity	Unrestricted Cash Expense Cover Ratio	2.85	N / A	> 4 Months
Asset Management	Asset Sustainability Ratio	136.64%	103.1%	> 90%
	Asset Consumption Ratio	58.49%	63.90%	> 60%
Debt Servicing Capacity	Leverage Ratio	N / A	N / A	0 - 3 Times
Current-year Financial Sustainability Statement - Contextual Ratios				
Financial Capacity	Council Controlled Revenue	20.0%	-	N / A
	Population Growth	0.7%	-	N / A

Burke Shire Council

Community Financial Report

Conclusion

For the 2023/24 financial year, Council recorded an operating deficit of \$9.97 million. Despite this deficit, Council continued to invest in community infrastructure, completing a capital works program exceeding \$9.41 million for the year.

A primary factor in the operating deficit was the timing of the 2024/25 Financial Assistance Grant, which was received in July 2024 instead of June 2024. This shift resulted in minimal funding being accounted for under the Financial Assistance Grant program for the 2023/24 financial year due to specific accounting requirements under AASB 1058.

Council recognises that, while the financial statements provided are accurate, fair, and free from material error, the results for 2023/24 are not directly comparable to previous years due to this timing discrepancy.

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.

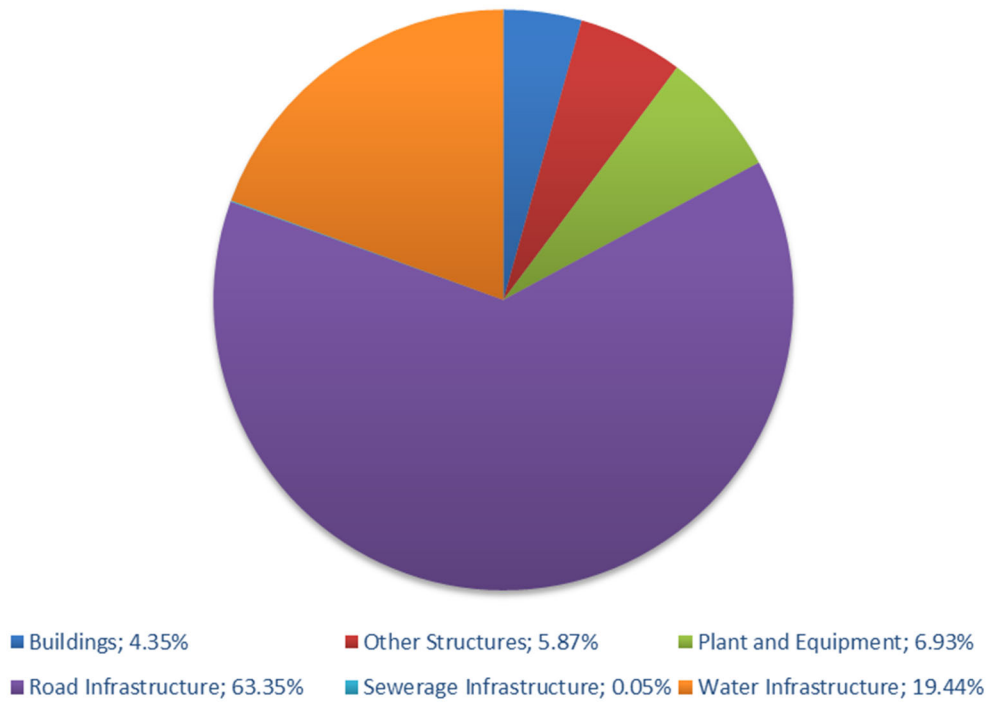
The desired outcome is to support more creative, innovative and self-reliant communities, where participation in community life is enabled and encouraged.

Organisation	Project and rationale	In-kind donation \$	Cash donation \$
QCWA Gregory Branch	General Support	-	2,500
Burketown Rodeo and Sporting Association	General Support	1,367.05	7,500
Sundry Donations	General Community Support	6,032.96	-
Mt Isa School of the Air	General Support	-	150
Burketown Barramundi Fish Org	General & Event Support	803.23	2,500
Gregory Downs Jockey Club	General Support	-	6,000
Gregory Sporting Association	General Support	-	3,000
Royal Flying doctors Service	General Support	-	5,000
Gulf Savannah Development	Event Support	294.88	0
TOTAL		8,498.12	26,650

Burke Shire Council

Capital Works Projects

During the 2023/24 financial year, expenditure on capital works was \$9.11M. The following graph provides a breakdown of the capital works for 2023/24 by asset category.



Capital Works Projects Detailed

Council incurred expenditure on the following capital works projects during the period 1 July 2023 to 30 June 2024.

	Amount \$
BUILDINGS	
22-23 SES Shed Upgrade	1,818
22-23 Health & Wellbg Precnct	404,859
22-23 GRG Depot Worker Accom.	3,127
	409,804

Burke Shire Council

Capital Works Projects

Capital Works Projects Detailed (continued.)

OTHER STRUCTURES	
21-22 FWIN Flood Camera Netrk	297
21-22 BKT Wharf Recreational Grounds	71,979
21-22 BKT Aerodrome Fence relo	145,627
22-23 Bkt Cenotaph Restoration	9,144
22-23 BKT Cemetry Fencing	121,919
22-23 BKT Offstreet Parking	1,637
22-23 GRG Offstreet Parking	1,132
22-23 GRG Public Amenities	37,327
22-23 Bkt Wharf Deck Cln	427
22-23 Bkt Waste Landfill Rehab	19,501
23-24 Greg. SES Power Supply	58,770
23-24 Hot Wtr Bore Rec Area	3,247
23-24 Bkt Rodeo Bar Shade	1,381
23-24 FWI Doom Wst Rd & B Crk	80,175
	552,563
PLANT AND EQUIPMENT	
22-23 White Fleet Placements	468,741
22-23 SES White Fleet Replacem	45,402
23-24 Mayor Vehicle Replacement	137,846
23-24 White Fleet Replacements	631
	652,620
ROAD INFRASTRUCTURE	
WIP - Doomadgee East Road	408
Cycleway Netw'k, Beame&Musgrav	5,325
21-22 Gregory Rvr Ped Bridg	119,884
21-22 Archie Creek - des & con	3,520,155
21-22 Shadforth Creek drainage	504,255

Burke Shire Council

Capital Works Projects

Capital Works Projects Detailed (continued.)

ROAD INFRASTRUCTURE (Continued)	
21-22 Florvil Culvt Rep st35	168,996
21-22 Florvil Culvt Rep 12&18	691,949
21-22 Triganini Culv Rep St 1	108,985
21-22 Florvil Culvt Rep st10	59,895
22-23 Bowthorn Culvt Upgd	128,594
22-23 Air/p Rd Embankment	195,392
22-23 Bkt A/port Road Upgrade	394,311
23-24 Bkt/Grg ftpth & Culv. Im	63,394
	5,961,542
SEWERAGE INFRASTRUCTURE	
Sewer Network - Inflow & Infil	3,882
23-24 STP Pumps 2&3	1,204
	5,086
WATER INFRASTRUCTURE	
21-22 Intel. Water Ntwk/SWMs	271,757
21-22 Sluice Valves (Brkt&Grg)	79,794
23-24 Grg Park Irrigat. System	1,379
21-22 Gregory WTP - replacemt	165,094
21-22 SCADA Upgrade	1,310,509
20-21 Wtr Srce Inflow Upgrade	614
22-23 Raw Water Valves & Meter	312
	1,829,459
TOTAL	9,411,073

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 2023-24 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

- Operational risk register was reviewed during Financial year. 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:

Statutory Policies

- Procurement Policy
- Reimbursement of Expenses and Provision of Facilities for Council
- Debt Recovery Policy
- Related Party Disclosure Policy
- Grants to Community Organisations Policy
- Advertising Policy
- Investment Policy
- Competitive Neutrality Complaints Policy
- Business Activities Policy
- Councillors Remuneration Policy 2024/2025

General Policies

- Accommodation Policy
- Workplace Health & Safety Policy
- AI (Arterial Intelligence) Usage Policy
- Cyber Incident Response Policy

- Data Breach Response Policy
 - Backup and Restoration Policy
 - Budget Policy
 - Financial Hardship Policy
 - Asset Disposal Policy
 - Portable and attractive assets Policy
-
- Website redesign continuing.
 - Project Management Framework Adopted
 - Delegations from Council to the CEO were readopted
 - Food premisses have been inspected and compliance issues promptly followed up



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. We also supported a number of key community events including the Gregory Paddles and Saddles, Burketown Rodeo and the Mougibi Fishing Competition.
- Council delivered a series of successful events over the course of the year including Remembrance Day, Community Christmas – Burketown and Gregory, ANZAC Day, and Australia Day.
- 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 six properties have been sold to Council employees. We are continuing to work on implementing actions from the Local Housing Action Plan completed in 2023.
- Sport and Recreation Strategy outcomes were reported to Council on a quarterly basis.
- In the 2023/24 financial year we were successful for several grants to the community's benefit. This included funding from the Tackling Regional Adversity through Connected Communities program to bring workshops to the community and funding from the Foundation for Rural and Regional Renewal to construct a small community garden. Both projects will be completed in 2024/25 financial year.
- We received further funding for physical activity including funding from Active Women's and Girls Grants and North Queensland Move it program. We were also successful for a \$31,000 upgrade in gym facilities, under the Gambling Community Benefit Fund, which was welcomed after equipment was damaged due to flooding. We also utilised funds from the Regional Arts Development fund to bring a theatrical performance to town for the children in the shire to enjoy.
- The tender for the new Health & Wellbeing stage 1 project was approved subject to successful grant funding.
- The March 2023 Flood event was devastating to our Shire and residents with many losses unquantifiable. QRIDA visited the shire several times to assist with our businesses and stations that were severely affected by the flooding. We also had visits from the Department of Communities and various other agencies such as Services Australia and Public housing, who assisted individuals with recovery. We received many generous donations including \$100,000

from the Mount Isa North west Flood Relief Group, which we distributed back to residents in the form of four, fifty dollar gift vouchers to each resident to be spent on the local businesses in the area. The 2024 flood also affected the Burke Shire community. Again, this was particularly hard on residents that had previously been affected by flooding. With the QRA's announcement of their Mental Health Recovery Program for the region and the Tackling Regional Adversity through Connected Communities program we aim to utilise this funding to help our community recover.

- Council continues to support the SES services in the Burke Shire. This year we purchased a new vehicle for the Burketown group and were also successful in obtaining funding for a new admin building for the Gregory group. This work ensures our community is ready for all emergencies and disasters.



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 2024/25 Financial Year.
 - Burketown Water Treatment Plant SCADA system upgrade.
 - Gregory Water Treatment Plant SCADA system upgrade.
 - Doomadgee East Rd culvert replacement.
- Council undertook work to the value of approximately \$1.2m 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 and tendered the work for the upgrade of Truganini Rd culvert replacement.
- Finalised the design and tendered the work for the Burketown Wharf Recreational Area.
- Finalised the design and tendered the work for the Burketown Health and Wellbeing precinct (Splash Park component).
- Continued to progress the planning for the new Burketown Waste Management Facility.
- Completed major flood restoration works on multiple roads.
- Completed the Archie Creek and Dinner Creek culvert replacement.
- Completed two 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

- A number of actions from the Regional Biosecurity Plan were completed..
- Draft governance framework is in place for the Planning & Development function of Council

The Waste Management Strategy was presented to Council. This included the options for a Transfer Station in Burketown and upgraded Landfill in Gregory. Other options for Landfill are being considered. A Waste Reduction Recycling Plan is also being considered as part of the options. Planning has started on the designs for the Transfer Station and Landfill options.



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 development of the new Economic Development Strategy has continued throughout 2023/24 with the adoption of the strategy scheduled for the new financial year, alongside the new council.
- Burke Shire Council has continued to assist Gulf Savannah Development (GSD) with project and administration support. We continue to be active financial members of the organisation and its activities.
- Burke Shire Council has continued to support the Visitor Information Centre Operations which is operated by staff from Yagurli Tours. The tourism data for the 2024 season has shown only a slight increase in numbers from the previous year. Several negative factors including floods once again seeing delayed road openings, the extended closure of Boodjamulla National Park and the higher cost of living, has seemed to continue to hamper our tourism industry. Despite this, early discussions took place to begin planning for the proposed 2025 Balloon Festival to be held in Burketown.
- The Burke Tourism Website was completed this financial year with the website officially going live in early 2024 before the tourism season. We also updated and distributed 'z-cards' once again. In 2024 we also designed a new tri-fold brochure which gave a high-level overview of the shire's tourism offerings. We distributed these brochures to areas outside the shire including stops between Cairns and Borroloola.
- 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 develop the Wharf Precinct area. We also submitted for funding this year to fund new town entry statements. The next financial year will have a strong focus on funding for additional interpretive 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 funding for Health and Wellbeing Precinct build, funding to upgrade the wharf precinct, Disaster Ready Funding, Seniors Day fundings etc. We have continued to support community organisations 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 2023/24 financial year approximately \$6 million was spent on local supplier goods and services.
- In the 2023/24 financial year we finalised our RoPS to ensure local suppliers would continue to be utilised for work required.
- An annual Burke Shire Business Event was held in May, 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. We had the Department of Employment, Small business, and Training representatives, Digi Grow digital solutions program, Local buy and The procurers, who did tender advice sessions.



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

- Employee statistics:
 - Headcount average of 45.
 - 16 Employees recruited.
 - 12 Employee terminations.
 - 8 Vacancies as of 30 Jun 2024.
- Notable progress occurred in learning and development in the 2023/24 financial year, including 59 professional development opportunities such as:
 - Attendance at 5 difference conferences.
 - Aerodrome Reporting Officer training.
 - Bridge Inspection training.
 - Health and Safety Representative training.
 - Various machine operator certifications.
 - 6 employees currently completing senior certificates.
- Comprehensive review of numerous HR Policies and procedures, including the development of Councils Managing Psychosocial Hazards in the Workplace Procedure in conjunction with the WHS team.
- 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

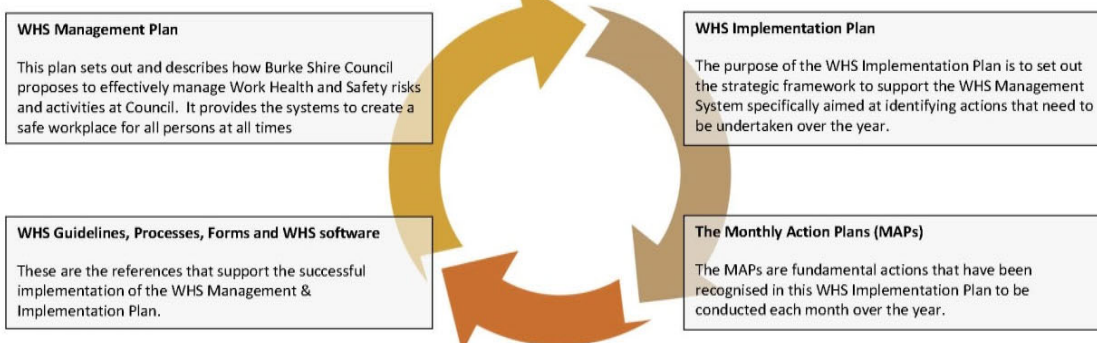
Burke Shire Council’s vision for a safe workplace: to create a Target Zero Harm culture.

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.
 - 2023 Safety Management Plan developed to align to AS/NZ ISO 45001 standards.
 - 2024 External Safety Management System and implementation audit scored 55.8% against a benchmark of 70%.
 - 13 Non-conformances were identified.
 - 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. Drug and alcohol; testing occurred on a regular basis.
- 800 days since last lost time injury, 124 days since last medical treatment injury, 1,509 days since last restricted work injury.

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 2024.

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 2023/24 Internal Audit Plan covered all Departments and included reviews of Information and Communication Technology (ICT) Processes and Grant Managements. 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 2024
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.	27 April 2024

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 2023-24 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 240424.20
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 – previous term

The following table displays the Councillors' attendance at Council meetings for the period 1 July 2023 – 16 March 2024.

	Mayor Ernie Camp	Deputy Mayor Tonya Murray	Councillor John Clarke	Councillor Rosita Wade	Councillor John Yanner
Ordinary Meetings					
(9 held)	9	9	9	8	9
Special Meetings					
(3 held)	3	3	3	2	3

Councillor Meeting Attendance – current term

Local Government Elections were held on 16 March 2024 and the following table depicts Councillor attendance at Council Meetings for the new Council.

The following table displays the Councillors' attendance at Council meetings for the period 16 March 2024 – 30 June 2024.

	Mayor Ernie Camp	Deputy Mayor John Clarke	Councillor Clinton Murray	Councillor Paul Poole	Councillor John Yanner
Ordinary Meetings					
(3 held)	3	3	3	3	3
Special Meetings					
(1 held)	1	1	1	1	1

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 2023 to 30 June 2024 (excluding amounts accrued).

Councillor	Expenses	Remuneration (ex Superannuation)
Cr Ernest Camp	-	\$114,433
Cr John Clarke	\$1,379	\$58,687.8
Cr John Yanner	-	\$57,215
Cr Clinton Murray	-	\$9,566
Cr Paul Poole	-	\$9,566
Cr Tonya Murray (Former)	-	\$54,980
Cr Rosita Wade (Former)	-	\$47,649

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 John Clarke	✓			✓	✓	✓
Cr John Yanner	✓			✓	✓	✓
Cr Clinton Murray	✓			✓	✓	✓
Cr Paul Poole	✓			✓	✓	✓
Cr Tonya Murray (Former)	✓			✓	✓	✓
Cr Rosita Wade (Former)	✓			✓	✓	✓

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
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

Section and requirement		Number
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
17	The number of Administrative Action Complaints made in the reporting period.
8	The number of Administrative Action Complaints resolved in the reporting period.
9	The number of Administrative Action Complaints outstanding at 1 July 2024.
5	<p>The number of Administrative Action Complaints that were made in a previous financial year and resolved in 2023/24.</p> <p>Reasons for the Administrative Action Complaints were due to:</p> <ul style="list-style-type: none">- animal control- water leaks- various – vegetation and roads.

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 2023/24 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"> ➤ Assets <i>LGA s104 (5) (b) (ii)</i> ➤ Complaints - including administrative action complaints <i>LGR s 306 (4) (a)</i> ➤ Contractual Arrangements > \$200,000 <i>LGR s287</i> ➤ Cost-recovery fees <i>LGA s98</i> ➤ Delegations Council to CEO or Mayor, and CEO to officers <i>LGA s260</i> ➤ Local Laws <i>LGA s31</i> ➤ Pre-qualified Suppliers <i>LGR s232</i> ➤ Registers of Interest <i>s290</i> ➤ Roads Map and Register <i>LGA s74</i>

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">➤ 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.➤ 100% concession on general rates and 75% concession on sewerage and waste management charges for 2023-24 for Burketown Kindergarten.
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 2023–24 financial year Council undertook no significant business activities.

Section 45 Local Government Act 2009

Discretionary Funds

During the 2023–24 financial year Councillors were not provided with a budget for discretionary funds.

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

Commercial Business Units

During the 2023–24 financial year Council did not maintain any commercial business units.

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

Joint Local Government Activity

During the 2023–24 financial year Council undertook no joint local government activity.

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

Change to Tenders

Burke Shire Council issued no requests for tenders to be changed during the 2023–24 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
- Hardship Policy

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 2024

Burke Shire Council

Financial Statements

For the Year Ended 30 June 2024

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Current Year Financial Sustainability Statement

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Certificate of Accuracy - for the Current Year Financial Sustainability Statement - Contextual Ratios

Unaudited Long Term Financial Sustainability Statement

Certificate of Accuracy - for the Long-Term Financial Sustainability Statement

Burke Shire Council
Statement of Comprehensive Income
For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
Income			
Revenue			
Recurrent Revenue			
Rates, Levies and Charges	3(a)	3,335,726	3,262,105
Fees and Charges	3(b)	124,436	140,243
Rental Income	18	214,680	216,962
Interest Received		1,473,637	359,868
Sales Revenue	3(c)	1,198,764	1,330,559
Other Revenue		250,868	124,894
Grants, Subsidies, Contributions and Donations	4(a)	13,667,607	12,008,308
Total Recurrent Revenue		<u>20,265,718</u>	<u>17,442,938</u>
Capital Revenue			
Capital Income		-	-
Grants, Subsidies, Contributions and Donations	4(b)	6,170,759	5,424,607
Total Capital Revenue		<u>6,170,759</u>	<u>5,424,607</u>
Total Income		<u>26,436,477</u>	<u>22,867,544</u>
Expenses			
Recurrent Expenses			
Employee Benefits	5	(4,921,410)	(4,387,281)
Materials and Services	6	(19,319,046)	(8,742,399)
Finance Costs		(70,136)	(55,232)
Depreciation and Amortisation			
Property, Plant and Equipment	10	(5,901,905)	(5,342,256)
Right of Use Assets	18	(27,705)	(27,705)
		<u>(30,240,202)</u>	<u>(18,554,874)</u>
Capital Expenses	7	(96,106)	(169,589)
Total Expenses		<u>(30,336,308)</u>	<u>(18,724,463)</u>
NET RESULT		<u>(3,899,831)</u>	<u>4,143,081</u>
<i>Net Operating Result</i>		(9,974,484)	(1,111,936)
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Increase / (Decrease) in Revaluation Surplus	10	-	224,947
Total Other Comprehensive Income for the Year		<u>-</u>	<u>224,947</u>
Total Comprehensive Income for the Year		<u>(3,899,831)</u>	<u>4,368,028</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 2024

	Note	2024 \$	2023 \$
Current Assets			
Cash and Equivalents	8	54,749,881	24,460,577
Trade and Other Receivables	9	1,014,137	841,960
Inventories		485,978	254,812
Contract Assets	11(a)	2,477,663	2,021,515
Total Current Assets		<u>58,727,658</u>	<u>27,578,864</u>
Non-Current Assets			
Property, Plant and Equipment	10	167,600,121	164,452,116
Right of Use Assets	18	83,115	110,820
Total Non-Current Assets		<u>167,683,236</u>	<u>164,562,935</u>
Total Assets		<u>226,410,894</u>	<u>192,141,799</u>
Current Liabilities			
Trade and Other Payables	12	4,487,678	3,518,509
Contract Liabilities	11(b)	48,966,067	11,780,857
Lease Liabilities	18	27,705	27,705
Provisions	13	520,278	420,416
Total Current Liabilities		<u>54,001,729</u>	<u>15,747,487</u>
Non-Current Liabilities			
Lease Liabilities	18	55,410	83,115
Provisions	13	891,356	948,969
Total Non-Current Liabilities		<u>946,766</u>	<u>1,032,084</u>
Total Liabilities		<u>54,948,494</u>	<u>16,779,571</u>
Net Community Assets		<u>171,462,400</u>	<u>175,362,230</u>
Community Equity			
Revaluation Surplus	14	103,541,131	103,541,131
Retained Surplus		67,921,268	71,821,099
Total Community Equity		<u>171,462,400</u>	<u>175,362,230</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 2024

	Note	2024	2023
		\$	\$
Cash Flows from Operating Activities			
Receipts from Customers		4,737,617	5,818,848
Payments to Suppliers and Employees		(23,414,415)	(11,618,435)
		<u>(18,676,798)</u>	<u>(5,799,586)</u>
Finance Costs		(70,136)	(55,232)
Interest Received		1,473,637	359,868
Rental Income		214,680	216,962
Operating Grants and Contributions		51,296,244	20,896,717
Net Cash Inflow / (Outflow) from Operating Activities	17	<u>34,237,626</u>	<u>15,618,727</u>
Cash Flows from Investing Activities			
Payments for Property, Plant and Equipment	10	(9,411,073)	(6,222,062)
Proceeds from Sales of Property, Plant and Equipment	7	191,565	215,417
Capital Grants, Subsidies and Contributions		5,271,186	4,701,603
Net Cash Inflow / (Outflow) from Investing Activities		<u>(3,948,322)</u>	<u>(1,305,041)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents Held		<u>30,289,304</u>	<u>14,313,686</u>
Cash and Equivalents at Beginning of the Financial Year		24,460,577	10,146,891
Cash and Equivalents at End of the Financial Year	8	<u><u>54,749,881</u></u>	<u><u>24,460,577</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 2024

	Revaluation Surplus \$	Retained Surplus \$	TOTAL \$
Balance as at 1 July 2023	103,541,131	71,821,099	175,362,230
Net Result	-	(3,899,831)	(3,899,831)
Other Comprehensive Income for the Year	-	-	-
Increase / (Decrease) in Revaluation Surplus	-	-	-
Total Comprehensive Income for the Year	-	(3,899,831)	(3,899,831)
Balance as at 30 June 2024	103,541,131	67,921,268	171,462,400
Balance as at 1 July 2022	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
Total Comprehensive Income for the Year	224,947	4,160,825	4,385,772
Balance as at 30 June 2023	103,541,131	71,821,099	175,362,230

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 2024

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 2023 to 30 June 2024. 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 2023. None of the Standards had a material impact on Council's reported position, performance, and cash flows.

Due to the changes to AASB 101, will need further disclosure such as:

Burke Shire Council adopted all standards which became mandatory effective for annual reporting periods beginning on 1 July 2023, none of the standards had a material impact on reported position, performance and cash flows. The adoption of the revisions to AASB 101 Presentation of Financial Statements resulted in disclosure of material accounting policy information only rather than significant accounting policies. This means that accounting policy information is disclosed only if it relates to material transactions, other events or conditions and:

- a) Council has changed accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements.
- b) Council chose (or was mandated to use) the accounting policy from one or more options permitted by Australian Accounting Standards.
- c) the accounting policy was developed in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors in the absence of an Australian Accounting Standard that specifically applies.
- d) the accounting policy relates to an area for which a Council is required to make significant judgements or assumptions in applying an accounting policy, and the Council discloses those judgements or assumptions in the financial statements.
- e) the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions.

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 2024, 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 material 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:

	Effective Periods Beginning on or After:
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
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2021-6 and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants)	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 2024

2 Analysis of Results by Function

(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 2024

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 2024

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							
	2024	2024	2024	2024		2024	2024				
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Revenue Raising	187,887	2,608,579	-	-	2,796,466	(48,422)	-	(48,422)	2,748,044	2,748,044	55,497,050
Governance	-	-	-	-	-	(948,351)	-	(948,351)	(948,351)	(948,351)	-
Finance and Community Services	130,074	1,691,977	-	-	1,822,052	(3,341,010)	-	(3,341,010)	(1,518,959)	(1,518,959)	2,748,596
Planning and Building	-	-	-	-	-	(270,532)	-	(270,532)	(270,532)	(270,532)	-
Engineering Services	11,491,555	1,298,808	2,872,165	-	15,662,528	(19,098,142)	(96,106)	(19,194,248)	(6,307,779)	(3,531,720)	121,315,247
Environmental Services	-	2,965	53,296	-	56,261	(39,971)	-	(39,971)	(37,006)	16,290	-
Community and Cultural	1,858,091	228,702	2,808,448	-	4,895,241	(5,071,248)	-	(5,071,248)	(2,984,455)	(176,007)	26,789,429
Garbage Utility	-	120,096	-	-	120,096	(201,974)	-	(201,974)	(81,878)	(81,878)	-
Sewerage Utility	-	185,378	436,851	-	622,229	(135,633)	-	(135,633)	49,746	486,596	3,686,358
Water Utility	-	461,604	-	-	461,604	(1,084,919)	-	(1,084,919)	(623,314)	(623,314)	16,374,213
TOTAL	13,667,607	6,598,110	6,170,759	-	26,436,477	(30,240,202)	(96,106)	(30,336,308)	(9,974,484)	(3,899,831)	226,410,894

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	9,550,383	24,917,903
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)	2,411,823
Planning and Building	-	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)	118,931,586
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	27,195,480
Garbage Utility	-	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	3,764,140
Water Utility	35,000	491,803	-	-	526,803	(1,221,103)	-	(1,221,103)	(694,300)	(694,300)	14,920,870
TOTAL	12,008,308	5,434,630	5,424,607	-	22,867,544	(18,554,874)	(169,589)	(18,724,463)	(1,111,936)	4,143,081	192,141,799

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

3 Revenue	2024	2023
	\$	\$
(a) Rates, Levies and Charges		
General Rates	2,627,206	2,536,213
Water	461,604	491,798
Sewerage	185,378	179,110
Garbage Charges	120,096	116,768
Total Rates and Utility Charge Revenue	3,394,285	3,323,889
less: Discounts	(53,448)	(53,992)
less: Pensioner Remissions	(3,500)	(4,250)
less: Rates Write-Off	(1,611)	(3,542)
	<u>3,335,726</u>	<u>3,262,105</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	100,045	105,626
Facilities Hire	14,023	14,273
Other Fees	10,369	20,344
	<u>124,436</u>	<u>140,243</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	1,198,764	1,330,559
Total Sales Revenue	<u>1,198,764</u>	<u>1,330,559</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 2024

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 prior to year end by all local governments in late June which represents a portion of the following year's allocation. The advance payment has varied between 25%, 50%, 75% and 100%. In June 2024 the advance payment was not received prior to end of year, but instead on 2nd July 2024 for 85% of Council's allocation. This has resulted in a significant 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 2024 financial year are \$6,544,188 (2023: \$4,754,250)

	2024 Financial Year	
	AASB 15	AASB 1058
	\$	\$
(a) Recurrent		
General Purpose Grants	-	213,473
Flood Restoration Funding	11,316,510	-
Other Government Subsidies and Grants	-	2,137,624
	<u>11,316,510</u>	<u>2,351,097</u>
	2023 Financial Year	
	AASB 15	AASB 1058
	\$	\$
Recurrent		
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>
	2024	2023
	\$	\$
Recurrent		
General Purpose Grants	213,473	8,329,341
Flood Restoration Funding	11,316,510	2,644,570
Other Government Subsidies and Grants	2,137,624	1,034,396
	<u>13,667,607</u>	<u>12,008,308</u>
(b) Capital		
Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and / or investment in new assets. All capital grants are recognised under AASB 1058.		
Specific Purpose Government Subsidies and Grants	6,170,759	5,424,607
	<u>6,170,759</u>	<u>5,424,607</u>

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

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

	2024 Financial Year	
	AASB 15	AASB 1058
	\$	\$
Grants, Subsidies, Donations and Contributions - Operating (Point in Time)	-	2,137,624
Grants, Subsidies, Donations and Contributions - Operating (Over Time)	11,316,510	213,473
Grants, Subsidies, Donations and Contributions - Capital (Point in Time)	-	-
Grants, Subsidies, Donations and Contributions - Capital (Over Time)	-	6,170,759
	<u>11,316,510</u>	<u>8,521,856</u>

	2023 Financial Year	
	AASB 15	AASB 1058
	\$	\$
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>

	Note	2024	2023
		\$	\$
5 Employee Benefits			
Total Staff Wages and Salaries		3,282,466	2,809,410
Councillors' Remuneration		356,719	344,073
Annual, Sick and Long Service Leave Entitlements		684,246	548,047
Superannuation	16	484,085	416,710
		<u>4,807,517</u>	<u>4,118,239</u>
Other Employee Related Expenses		294,443	307,189
		<u>5,101,960</u>	<u>4,425,428</u>
<i>less: Capitalised Employee Expenses</i>		(180,550)	(38,146)
		<u>4,921,410</u>	<u>4,387,281</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:

	FTE	FTE
Elected Members	5	5
Indoor Staff	22	21
Outdoors Staff	22	22
Total Full-Time Equivalent Employees	<u>49</u>	<u>48</u>

	2024	2023
	\$	\$
6 Materials and Services		
Audit Fees *	124,165	125,939
Communications and IT	534,567	498,953
Consultants	273,743	673,845
Donations	74,118	12,258
Operating Expenses	3,735,377	4,047,204
Repairs and Maintenance	2,507,664	1,819,708
Recoverable Works	870,112	758,499
Roads - Flood Damage	11,199,301	805,993
	<u>19,319,046</u>	<u>8,742,399</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2023/24 financial statements are \$98,400 (2023: \$95,255).

7 Capital Expenses

Loss on Disposal of Non-Current Assets

Proceeds from the Sale of Property, Plant and Equipment	191,565	215,417
<i>less: Carrying Value of Property, Plant and Equipment Disposed of</i>	(287,671)	(385,006)
Total Capital Expenses	<u>(96,106)</u>	<u>(169,589)</u>

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

8 Cash and Equivalents

Cash and 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.

	2024	2023
	\$	\$
Cash at Bank and On-Hand	1,355,778	8,666,743
Deposits at Call	53,394,103	15,793,833
Balance per Statement of Cash Flows	<u>54,749,881</u>	<u>24,460,577</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(b)	48,966,067	11,780,857
Total Unspent Restricted Cash		<u>48,966,067</u>	<u>11,780,857</u>

Trust Funds Held for Outside Parties

Monies held on behalf of other entities yet to be paid out	371,445	136,610
	<u>371,445</u>	<u>136,610</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	543,265	406,288
Trade Debtors	549,822	498,811
/ess: Impairment	(193,759)	(166,690)
Loans and advances to community organisations	-	-
GST Receivable	-	-
Prepayments	114,809	103,551
	<u>1,014,137</u>	<u>841,960</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 2024

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 continued to provide for a specific rate debtor at 30 June 2024 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.

	2024	2023
	\$	\$
Movement in accumulated impairment losses is as follows:		
Opening Balance at 1 July	166,690	134,295
Impairment Debts Written Off During the Year	-	-
Increment / (Decrement) of Provision for Impairment of Debts	27,069	32,394
Impairments Reversed	-	-
Closing Balance at 30 June	<u>193,759</u>	<u>166,690</u>

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Property, Plant and Equipment

Note

30 June 2024

Basis of Measurement

Asset Values

Opening Gross Value as at 1 July 2023

Correction to Opening Balances

Transferred from WIP

Transfers Between Classes

Additions

WIP Write-Offs

Contributed Assets

Disposals

Revaluation Adjustment to Revaluation Surplus

Closing Gross Value as at 30 June 2024

Accumulated Depreciation and Impairment

Opening Balance as at 1 July 2023

Correction to Opening Balances

Depreciation Expense

Depreciation on Disposals

Transfers Between Classes

Revaluation Adjustment to Revaluation Surplus

Impairment Adjustment to Revaluation Surplus

Accumulated Depreciation as at 30 June 2024

Total Written Down Value as at 30 June 2024

Range of Estimated Useful Life in Years

Additions Comprise:

Renewals

Other Additions

Total Additions

	Buildings	Land	Furniture and Fittings	Plant and Equipment	Road Infrastructure	Water	Sewerage	Other Structures	Work in Progress	TOTAL
	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	30,313,796	5,080,000	193,903	7,423,516	186,721,020	22,502,379	5,987,825	9,962,144	5,867,271	274,051,853
	-	-	-	-	-	-	-	-	-	-
	-	-	-	646,532	9,223,413	80,580	-	361,815	(10,312,339)	-
	1,192,145	-	-	(1)	-	-	-	(1,192,144)	-	(0)
	-	-	-	-	-	-	-	-	9,411,073	9,411,073
	-	-	-	-	-	-	-	-	(73,494)	(73,494)
	-	-	-	-	-	-	-	-	-	-
7	(1,069,000)	-	-	(123,318)	-	-	-	-	-	(1,192,318)
	-	-	-	-	-	-	-	-	-	-
	30,436,941	5,080,000	193,903	7,946,728	195,944,432	22,582,959	5,987,825	9,131,815	4,892,511	282,197,115

	15,153,048	-	188,230	4,528,692	75,661,526	8,022,918	2,267,844	3,777,481	-	109,599,737
	1	-	-	(1)	-	-	-	(0)	-	-
	796,483	-	1,707	339,112	4,001,659	372,247	82,811	307,885	-	5,901,905
7	(831,329)	-	-	(73,318)	-	-	-	-	-	(904,647)
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	15,118,202	-	189,937	4,794,485	79,663,185	8,395,166	2,350,655	4,085,365	-	114,596,994
	15,318,739	5,080,000	3,966	3,152,243	116,281,248	14,187,793	3,637,170	5,046,450	4,892,511	167,600,121

10 - 60	Land: Not Depreciated.	3 - 10	2 - 20	15 - Unlimited	20 - 120	20 - 100	15 - 150	N / A	
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	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	1,818	-	-	652,620	5,832,948	1,477,908	5,086	333,518	-	8,303,898
	407,986	-	-	-	128,594	351,551	-	219,045	-	1,107,176
	409,804	-	-	652,620	5,961,542	1,829,459	5,086	552,563	-	9,411,073

30 June 2023

Basis of Measurement

Asset Values

Opening Gross Value as at 1 July 2022

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 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

	Buildings	Land	Furniture and Fittings	Plant and Equipment	Road Infrastructure	Water	Sewerage	Other Structures	Work in Progress	TOTAL
	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	25,359,570	6,344,700	193,903	6,883,515	167,590,136	20,901,647	5,707,347	9,697,116	3,811,685	246,489,619
	229,735	-	-	540,000	2,852,620	-	-	229,992	(3,852,347)	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	6,222,062	6,222,062
	-	-	-	-	-	-	-	-	(314,129)	(314,129)
7	(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
	30,313,796	5,080,000	193,903	7,423,516	186,721,020	22,502,379	5,987,825	9,962,144	5,867,271	274,051,853
	9,591,332	-	186,523	4,256,723	55,705,068	7,144,324	2,172,117	3,387,034	-	82,443,119
	725,710	-	1,707	271,969	3,538,992	352,870	80,725	370,282	-	5,342,256
7	(2,910)	-	-	-	-	-	-	-	-	(2,910)
	62,092	-	-	-	-	-	-	(62,092)	-	-
	4,776,824	-	-	-	7,017,467	525,724	15,001	82,256	-	12,417,271
25	-	-	-	-	9,400,000	-	-	-	-	9,400,000
	15,153,048	-	188,230	4,528,692	75,661,527	8,022,918	2,267,843	3,777,481	-	109,599,736
	15,160,747	5,080,000	5,674	2,894,823	111,059,494	14,479,461	3,719,982	6,184,664	5,867,271	164,452,116

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

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 with a Desktop Review conducted in 2023/24 by Marsh Valuation Services (formerly Asset Val Pty Ltd). No valuation movement was adopted for 2023/24 as a result of this desktop review.

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 2024

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. There has been no change to the level of assessed impairment for 30 June 2024.

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. 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 2024

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 2024

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 2024

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.

	2024	2023
	\$	\$
(a) Contract Assets		
Contract Assets	2,477,663	2,021,515
	<u>2,477,663</u>	<u>2,021,515</u>
(b) Contract Liabilities		
Deposits received in advance of services provided (including flood restoration funding)	47,752,327	9,843,938
Funds received upfront to construct Council controlled assets	1,213,741	1,936,919
	<u>48,966,067</u>	<u>11,780,857</u>
Revenue recognised in 2024 that was included in the contract liability balance at the beginning of the year.		
Funds to construct Council controlled assets	1,477,240	1,604,456
Deposits received in advance of services provided	7,975,465	508,469
	<u>9,452,705</u>	<u>2,112,925</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 2025 financial year.

Contract Liability Summary

Other	1,738,711	1,088,520
Prepaid Rates	14,209	10,275
Flood Damage	47,213,147	10,682,062
	<u>48,966,067</u>	<u>11,780,857</u>

12 Trade and Other Payables

Current

Creditors and Accruals	4,136,207	2,892,825
GST Payable	317,942	588,666
Other Employee Entitlements	33,529	37,018
	<u>4,487,678</u>	<u>3,518,509</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 2024

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.

	2024	2023
	\$	\$
Current		
Long Service Leave	181,716	100,943
Annual Leave	338,563	319,473
	<u>520,278</u>	<u>420,416</u>
Non-Current		
Long Service Leave	159,885	160,531
Refuse Restoration	731,471	788,438
	<u>891,356</u>	<u>948,969</u>
Refuse Restoration		
Balance at Beginning of Financial Year	788,438	561,415
Increase / (Decrease) in Provision due to Unwinding of Discount	(56,967)	227,024
Balance at End of Financial Year	<u>731,471</u>	<u>788,438</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 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.

	2024	2023
	\$	\$
Long Service Leave		
Balance at Beginning of Financial Year	261,473	212,337
Long Service Leave Entitlement Arising	80,127	49,136
Long Service Entitlement Paid	-	-
Balance at End of Financial Year	<u>341,600</u>	<u>261,473</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 2024

14 Revaluation Surplus

Revaluation Surplus Analysis	2024	2023
	\$	\$
The closing balance comprises the following asset categories:		
Land	6,970,818	6,970,818
Buildings	8,175,838	8,175,838
Road Infrastructure	74,930,122	74,930,122
Water	5,950,608	5,950,608
Sewerage	4,120,696	4,120,696
Other Structures	3,393,050	3,393,050
	<u>103,541,131</u>	<u>103,541,131</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 2023 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. As at 30th June 2024 Council's maximum exposure to the bank guarantee is \$103,355 (2023: \$98,830).

16 Superannuation

Council contributes to the Brighter 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 Brighter 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 Brighter super trustee as trustee for Brighter 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 Brighter 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
For the Year Ended 30 June 2024

16 Superannuation (continued)

The last completed triennial actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. 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 Brighter 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	2024 \$	2023 \$
Superannuation contributions made to the Regional Defined Benefits Fund		484,085	416,710
Total Superannuation Contributions Paid by Council	5	<u>484,085</u>	<u>416,710</u>

17 Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities

Net Result		(3,899,831)	4,143,081
Non-Cash Items:			
Depreciation - Property, Plant and Equipment	10	5,901,905	5,342,256
Depreciation - Right of Use Assets	18	27,705	27,705
Loss on Disposal of Assets	7	96,106	169,589
		<u>6,025,716</u>	<u>5,539,551</u>
Investing and Development Activities:			
Write-Off of Brought Forward WIP Balances	10	73,494	314,129
Capital Grants and Contributions	4	(6,170,759)	(5,424,607)
		<u>(6,097,266)</u>	<u>(5,110,477)</u>
Changes in Operating Assets and Liabilities:			
(Increase) / Decrease in Receivables and Contract Assets		(451,929)	1,427,446
(Increase) / Decrease in Inventory		(231,166)	9,687
Increase / (Decrease) in Payables / Contract Liabilities		38,877,557	9,349,811
Increase / (Decrease) in Other Liabilities		(27,705)	(27,705)
Increase / (Decrease) in Other Provisions		42,250	287,333
		<u>38,209,007</u>	<u>11,046,572</u>
Net Cash Inflow / (Outflow) from Operating Activities		<u>34,237,626</u>	<u>15,618,727</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 2024

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.

	2024	2023
	\$	\$
Right of Use Assets		
Opening Balance	110,820	138,525
Depreciation Charge	(27,705)	(27,705)
Impairment of Right-of-Use Assets	-	-
Establishment of Lease (Aplin Street Property)	-	-
Closing Balance	<u>83,115</u>	<u>110,820</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.

	< 1 Year	1 to 5 Years	> 5 Years	Total	Carrying Amount
	\$	\$	\$	\$	\$
2024	33,955	101,866	-	135,822	83,115
2023	33,955	135,822	-	169,777	110,820

	2024	2023
	\$	\$
Current Lease Liability	27,705	27,705
Non-Current Lease Liability	55,410	83,115
	<u>83,115</u>	<u>110,820</u>

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:

Interest on Lease Liabilities	6,250	6,250
Depreciation of Right to Use Assets	27,705	27,705
Total Outflows for Leases	<u>33,955</u>	<u>33,955</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.

Rental Income

Property Income	214,680	216,962
	<u>214,680</u>	<u>216,962</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 2024

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	2024	2023
	\$	\$
Short-Term Employee Benefits	809,046	675,434
Post-Employment Benefits	87,974	78,202
Long-Term Benefits	-	-
Termination Benefits	3,361	23,801
TOTAL	900,381	777,437

(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	2024	2023
		\$	\$
Purchase of materials and services from entities controlled by KMP	20(b)(i)	91,737	1,266,853
Employee expenses for close family members of KMP	20(b)(ii)	361,298	522,697
TOTAL		453,035	1,789,550

(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:

	2024	2023
	\$	\$
Contracting services (machinery hire and trade services)	-	862,474
Goods / supplies	91,737	404,379
Total	91,737	1,266,853

(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 44 staff of which only 3 are close family members of key management personnel.

(c) Outstanding Balances

Council notes an outstanding balance of \$17,719 was due to Council as at 30 June 2024 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 (former) and father-in-law of Cr Clinton Murray) 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 2023/24 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 (former) and Cr 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 available to the general public.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

21 Financial Instruments and Financial Risk Management

Burke Shire Council has the following financial assets and liabilities:

- Cash
- Lease Liabilities
- 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	2024 \$	2023 \$
Financial Assets			
Cash and Equivalents	8	54,749,881	24,460,577
Receivables - Rates	9	543,265	406,288
Receivables - Other	9	356,063	332,121
Other Credit Exposures			
Guarantees	15	103,355	99,830
Total Financial Assets		<u>55,752,564</u>	<u>25,298,815</u>

Cash and 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 2024

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.

Financial Assets	2024	2023
	\$	\$
Ageing of past due receivables and the amount of any impairment is disclosed in the following table:		
Not Past Due	492,815	441,555
Past Due 31-60 Days	1,631	513
Past Due 61-90 Days	2,613	1,413
More than 90 Days	596,028	461,617
Recognised Impairment	(193,759)	(166,690)
	<u>899,328</u>	<u>738,409</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:

	0 to 1 Year	1 to 5 Years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2024					
Trade and Other Payables	4,487,678	-	-	4,487,678	4,487,678
	<u>4,487,678</u>	<u>-</u>	<u>-</u>	<u>4,487,678</u>	<u>4,487,678</u>
2023					
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>

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 2024

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 \$
2024						
QTC Cash Fund	8	53,394,103	533,941	(533,941)	533,941	(533,941)
Net Total		<u>53,394,103</u>	<u>533,941</u>	<u>(533,941)</u>	<u>533,941</u>	<u>(533,941)</u>
2023						
QTC Cash Fund	8	15,793,833	157,938	(157,938)	157,938	(157,938)
Net Total		<u>15,793,833</u>	<u>157,938</u>	<u>(157,938)</u>	<u>157,938</u>	<u>(157,938)</u>

22 Changes in Accounting Policies

There were no changes in accounting policies during the year ended 30 June 2024 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 - Carpentaria Shire Council and Paul Poole - Burke Shire Council. A CEO controls all operations under the supervision of the Board as noted above.

The board is supported by 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.

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 2024

24 Commitments for Expenditure

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

	2024	2023
	\$	\$
Purchase of New White Fleet	-	520,299
Purchase of New Mayor Vehicle	-	70,626
	<u>-</u>	<u>590,925</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.

	2023
	\$
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>

**Burke Shire Council
Financial Statements
For the Year Ended 30 June 2024**

**Management Certificate
For the Year Ended 30 June 2024**

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


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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 29, 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: 31 / 10 / 24



Chief Executive Officer
Daniel Alexander McKinlay

Date: 31 / 10 / 24

INDEPENDENT AUDITOR'S REPORT

To the councillors of Burke Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Burke Shire Council.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows or 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.

In my opinion, the financial report:

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

Basis for opinion

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

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

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

Other information

The councillors are responsible for the other information.

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

At the date of this auditor's report, the available other information in Burke Shire Council's annual report for the year ended 30 June 2024 was the current-year financial sustainability statement, current-year financial sustainability statement - contextual ratios and unaudited long-term financial sustainability statement.

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 audited.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



Sri Narasimhan
as delegate of the Auditor-General

31 October 2024

Queensland Audit Office
Brisbane

Burke Shire Council
Current-Year Financial Sustainability Statement
For the Year Ended 30 June 2024

Current-year Financial Sustainability Statement

	Actual Current Year	Actual 5 Year Average	Target	Council Narrative
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Audited Ratios

Operating Performance	Operating Surplus Ratio	-49.05%	-27.90%	N/A	Noted FA Grant timing has significantly distorted this ratio for 2023/2024.
	Operating Cash Ratio	-19.76%	0.05%	> 0%	Noted FA Grant timing has significantly distorted this ratio for 2023/2024.
Liquidity	Unrestricted Cash Expense Cover Ratio	2.85	N / A	> 4 Months	Council is working toward improving this ratio however the payment timing of FA grant funding has impacted this ratio.
Asset Management	Asset Sustainability Ratio	136.64%	103.1%	> 90%	Council maintains an extensive capital works program attributing to the noted ratio outcome.
	Asset Consumption Ratio	58.49%	63.90%	> 60%	Council's consumption of assets is inline with industry targets.
Debt Servicing Capacity	Leverage Ratio	N / A	N / A	0 - 3 Times	Council has nil debt as at 30 June 2024.

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2024.

**Burke Shire Council
Certificate of Accuracy
For the Year Ended 30 June 2024**

**Certificate of Accuracy
For the Year Ended 30 June 2024**

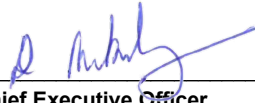
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation)

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: 31 / 10 / 24



**Chief Executive Officer
Daniel Alexander McKinlay**

Date: 31 / 10 / 24

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 2024, 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 2024 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2024 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other information

The councillors are responsible for the other information.

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

At the date of this auditor's report, the available other information Burke Shire Council annual report for the year ended 30 June 2024 was the general-purpose financial report, current-year financial sustainability statement - contextual ratios, and the unaudited long-term financial sustainability statement.

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

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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



Sri Narasimhan
as delegate of the Auditor-General

31 October 2024
Queensland Audit Office
Brisbane

Burke Shire Council
Current-Year Financial Sustainability Statement
For the Year Ended 30 June 2024

Current-year Financial Sustainability Statement - Contextual Ratios

Actual Current Year Actual 5 Year Average Target Council Narrative

Contextual ratios (unaudited)

	Actual Current Year	Actual 5 Year Average	Target	Council Narrative	
Financial Capacity	Council Controlled Revenue	20.0%	-	N / A	Council has minimum capacity to generate self sustaining revenues outside of rating and minimal private works opportunities.
	Population Growth	0.7%	-	N / A	Population growth in the Burke region is minimal according to national statistics.

Note 1 - Basis of Preparation

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2024.

**Burke Shire Council
Certificate of Accuracy
For the Year Ended 30 June 2024**

**Certificate of Accuracy
For the Year Ended 30 June 2024**


This current-year financial sustainability statement - contextual ratios 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: 31 / 10 / 24



**Chief Executive Officer
Daniel Alexander McKinlay**

Date: 31 / 10 / 24

Burke Shire Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2024

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2024	Projected for the Years Ended									
				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	30 June 2034
Financial Capacity	Council Controlled Revenue	N / A	20%	16%	27%	27%	27%	27%	28%	28%	28%	28%	29%
	Population Growth	N / A	0.70%	0.69%	0.69%	0.68%	1.13%	1.12%	1.11%	1.09%	1.08%	0.86%	0.85%
Operating Performance	Operating Surplus Ratio	> 0%	-49.05%	-18.17%	-17.78%	-20.00%	-20.09%	-20.16%	-21.32%	-21.08%	-20.87%	-22.00%	-21.79%
	Operating Cash Ratio	> 0%	-20%	10%	27%	25%	24%	23%	22%	21%	21%	20%	19%
Liquidity	Unrestricted Cash Expense Cover Ratio	> 4 Months	2.85	0.6	1.3	1.5	1.7	1.9	2.0	2.1	2.2	2.3	2.4
Asset Management	Asset Sustainability Ratio	> 90%	136.64%	385.5%	65.5%	49.6%	51.3%	53.0%	53.8%	55.5%	57.3%	58.0%	59.8%
	Asset Consumption Ratio	> 60%	58.49%	67.7%	66.0%	67.0%	65.2%	63.4%	64.6%	62.8%	61.0%	62.4%	60.7%
Debt Servicing Capacity	Leverage Ratio	0 - 3 Times	N / A	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 that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Burke Shire Council
Unaudited Long-Term Financial Sustainability Statement
For the Year Ended 30 June 2024

Certificate of Accuracy
For the Unaudited Long-Term Financial Sustainability Statement prepared as at 30 June 2024

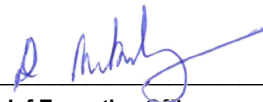
This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

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



Mayor
Ernest Camp

Date: 31 / 10 / 24



Chief Executive Officer
Daniel Alexander McKinlay

Date: 31 / 10 / 24