




2021-2022 ANNUAL REPORT



Livingstone
SHIRE COUNCIL

TABLE OF CONTENTS

Message from the Mayor.....	1
Councillors.....	2
Livingstone at a Glance.....	3
Council Activities and Performance.....	5
Corporate Plan and Operational Plan Annual Progress.....	5
Corporate Plan and Operational Plan Scorecard.....	5
Council Activities.....	6
Audit, Risk and Improvement Committee.....	6
Council Remuneration, Expenses & Attendance.....	8
Councillor Remuneration.....	8
Attendance at Council Meetings.....	8
Code of Conduct for Councillors.....	9
Statutory Information.....	10
Senior Management Remuneration Packages.....	10
CEO Remuneration.....	10
Administrative Action Complaints.....	10
Human Rights Complaints.....	11
Financial Assistance to Community Organisations.....	11
Community Grants Scheme.....	12
Mayor's Discretionary Fund.....	13
Regional Arts Development Fund (RADF).....	14
Concession, Special Rates and Charges.....	14
Tenders.....	14
Registers kept by Council.....	15
Legislative Requirements Not Applicable.....	16
Legislative Requirements - Nil to Report.....	16
Workplace Health and Safety.....	16
Overseas Travel.....	16
Community Financial Report.....	17
Statement of Comprehensive Income.....	17
Statement of Financial Position.....	19
Relevant Measures of Financial Sustainability.....	21
Statement of Changes in Equity.....	22
Statement of Cash Flows.....	22
Looking to the Future.....	22
General Purpose Financial Statements.....	23



Council acknowledges and pays respect to the Darumbal and Woppaburra people as Traditional Custodians of the land within Livingstone and recognise their continuing connection to land, waters and culture.

We pay our respects to Elders past, present and emerging.

MESSAGE FROM MAYOR



Greetings from paradise!

It has certainly been a dynamic year for Livingstone Shire Council, with growth and change being the normal order of business for us.

Having said that, council continues to follow the basic tenets of its Community Plan which encourage growth while maintaining Livingstone's environmental credentials and ensuring liveability is at the forefront of our minds.

Council took the unusual step this year of not introducing a rate increase in any of its rating categories in an attempt to counteract the effects of COVID-19 within the community, as well as to assist local business to recover from what have been challenging times across our entire nation. The decision appears to have been well-received although council cannot guarantee that rate increases will not happen in the future.

Council also continues to pay down the high debt levels that it inherited at the beginning of this term. When the current term commenced around two years ago, council's debt was approximately \$85 million. As of the 30th June 2022, the debt level will be at \$60 million approximately.

This has required a good deal of monetary prudence and is the reason council may have said "No" to certain community requests. We are determined to reduce our debt levels even lower by minimising borrowings going forward and taking advantage of funding programs that match projects that are already planned. Clearly it will also require tight control over our spending as well.

The major unknown for Livingstone going forward is the outcome of the boundary challenge from Rockhampton Regional Council. Although Livingstone has been experiencing significant growth in residential and commercial investment, plans relating to the development of the northern corridor of the shire through Glenlee, Glendale, and Rockyview through to The Caves have been in hiatus until the outcome of the boundary challenge has been decided by the Minister for State Development, Infrastructure, Local Government, and Planning.

Irrespective of the outcome, Livingstone has always said it will abide by the Minister's decision, and we will move forward with the best interests of the shire at heart.

This report outlines the achievements of Livingstone Shire Council over the past year, as well as some of the not so good things, so please take a look for yourself and take the time to learn more about your council.

A handwritten signature in black ink that reads "Andy Ireland". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Andy Ireland
Mayor

COUNCILLORS

The role of Councillors is to represent the community. They make decisions that benefit the whole of Livingstone Shire, now and into the future. Livingstone Shire Council is represented by the Mayor and six (6) Councillors. Our Councillors represent all areas of the Shire as Livingstone is an undivided local government area.



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

Mayor Andrew Ireland

Portfolio: Economic Development and Regional Advocacy and Intergovernmental Relations

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

Deputy Mayor Adam Belot

Portfolio: Organisational Performance

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

Councillor Pat Eastwood

Portfolio: Healthy and Inclusive Community

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Councillor Rhodes Watson

Portfolio: Vibrant Community (Tourism, Events and Culture)

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

Councillor Nigel Hutton

Portfolio: Planning and Strategic Infrastructure

nigel.hutton@livingstone.qld.gov.au | Mobile 0427 269 248

Councillor Glenda Mather

Portfolio: Transport (Roads, Drainage, Pathways)

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

Councillor Andrea Friend

Portfolio: Water, Waste Management and the Environment

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

LIVINGSTONE AT A GLANCE

POPULATION GROWTH



+7.69%

(2017 - 2021)
LIVINGSTONE

+6.53%
(2017 - 2021)
CENTRAL QLD

+7.47%
(2017 - 2021)
QLD

55,740 estimated residents by 2041



1.6% per year
(2017 - 2041)



AGING POPULATION



RESIDENTS AGED

65+ (2021)

LIVINGSTONE **20.2%**
QLD **17%**

42 **51**

2021
LIVINGSTONE
MEDIAN AGE

2041
LIVINGSTONE
MEDIAN AGE

INCOME & HOME OWNERSHIP

69%

HOME OWNERSHIP



\$1,733

per month

LIVINGSTONE
MEDIAN MORTGAGE
REPAYMENTS

\$1,733

per month

QUEENSLAND
MEDIAN MORTGAGE
REPAYMENTS

\$1,641

per week

LIVINGSTONE
MEDIAN
INCOME

\$1,675

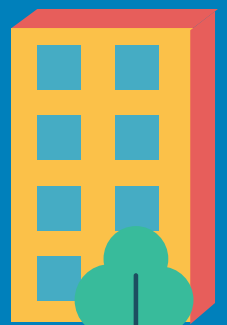
per week

QUEENSLAND
MEDIAN
INCOME

\$490,000

MEDIAN SALE PRICE

LIVINGSTONE



EMPLOYMENT



COMMON OCCUPATIONS LIVINGSTONE | 2021

- Sales Assistance and Salespersons
- Educational Professionals
- Automotive, Engineering and Trade Workers
- Machine and Stationary Plant Workers

CULTURAL MAKEUP

81.1%

PEOPLE BORN
IN AUSTRALIA

5%

PEOPLE
IDENTIFYING AS
ABORIGINAL OR
TORRES STRAIT
ISLANDER

89.8%

PEOPLE SPEAK
ENGLISH AS THEIR
FIRST LANGUAGE

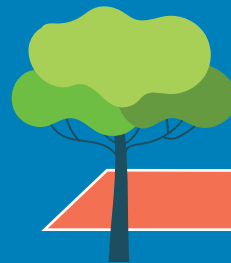


EDUCATION



73.9%

WERE ATTENDING
AN EDUCATIONAL
INSTITUTION IN 2021



ENVIRONMENT

Total protected area (State Forests,
Conservation Parks, Resources Reserves
and National Parks) in Livingstone

754.6km²

FAMILY COMPOSITION



- COUPLES WITHOUT CHILDREN 46%
- COUPLES WITH CHILDREN 38%
- ONE PARENT FAMILIES 15%
- OTHER FAMILIES 1%



Council Activities and Performance

Corporate Plan and Operational Plan Annual Progress

The Corporate Plan 2030 is structured around the five themes of the Community Plan being Thriving Livingstone, Natural Livingstone, Leading Livingstone, Future Livingstone and Liveable Livingstone. For each theme the Corporate Plan nominates goals, what we will do and performance indicators.

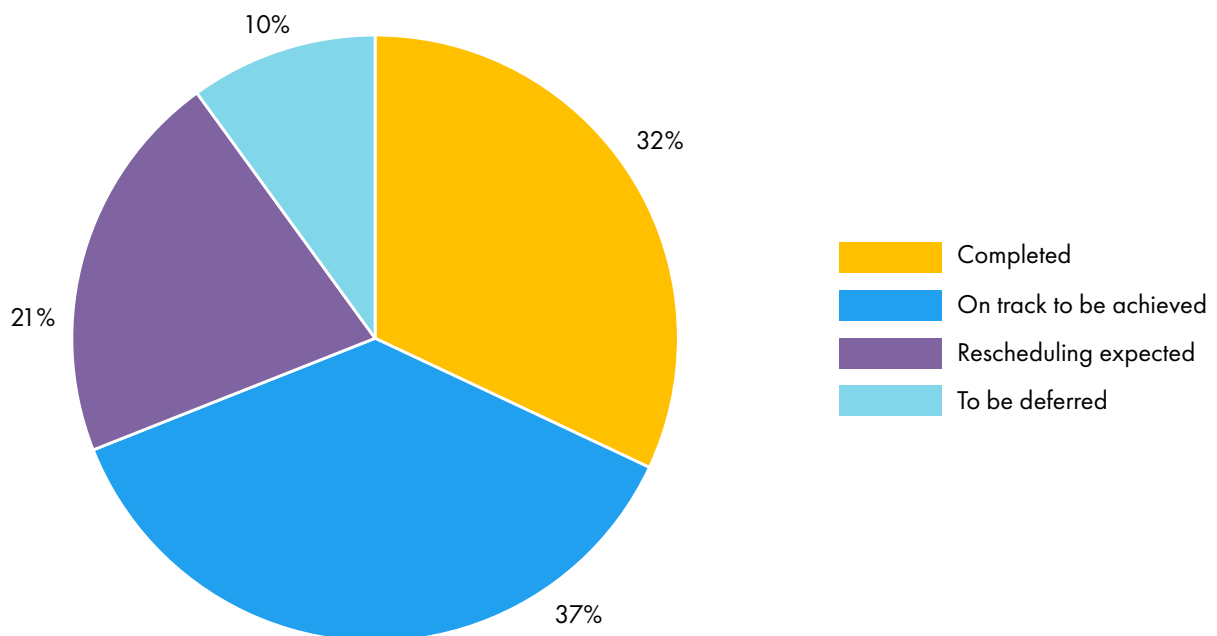
The Plan assists Council to monitor performance, remain on track and meet Council's legislative requirements of the *Local Government Act 2009*.

The Corporate Plan is implemented over its ten year lifespan through annual operational plans and budgets. Livingstone Shire Council's Operational Plan 2021-2022 identified programmes, activities and targets for Council to deliver within the financial year in order to progress implementation of the Corporate Plan's goals and strategies and established priorities.

Of the 100 Operational Plan targets:

- » 32 (32%) were completed;
- » 37 (37%) are on track to be achieved;
- » 21 (21%) have rescheduling expected; and
- » 10 (10)% are to be deferred.

Corporate Plan and Operational Plan Scorecard



Refer to [Ordinary Council Meeting 16 August 2022](#) for the 4th Quarter Operational Plan 2021-2022 Performance Report.

Council Activities

Pursuant to sections 45 and 47 of the *Local Government Act 2009*, each financial year Council is required to identify those activities that are business activities and determine whether competition reform needs to be applied to assist in removing anti-competitive conduct, encourage greater transparency in the operation of Council's business activities and improve the allocation of Council's limited resources. Activities of Council will be identified as business activities if they trade in goods and services to clients and could potentially be delivered by a private sector firm for the purposes of earning profits in the absence of Council's involvement. They do not include activities of Council considered non-competitive.

Council reviewed its operations in the lead up to the 2021-2022 financial year and applied the Code of Competitive Conduct during the year to the following three (3) Business Activities:

- » Water and sewerage services;
- » Waste and recycling services; and
- » Building certification.

Audit, Risk & Improvement Committee

The primary objective of the Audit, Risk & Improvement Committee (Committee) is to provide independent assurance and assistance to Livingstone Shire Council (Council) through oversight of accounting, auditing, governance, risk and control activities, and reporting requirements imposed under the *Local Government Act 2009* and other relevant legislation.

The membership and meeting attendance of the Committee for the 2021 - 2022 financial year was:

Member	Role	Term Started	Term Ends	Meetings Attended
CURRENT MEMBERS				
Ms Kerry Phillips	Independent Chair	18 February 2019 (Member) 22 February 2021 (Interim Chair) 21 June 2021 (Chair/Member Reappointment)	June 2023 (Chair) February 2024 (Member)	6
Mayor Andrew Ireland	Council Member Representative	April 2021	Minimum 18 Months Maximum 6 Years	6
Councillor Adam Belot	Council Member Representative	April 2020	Minimum 18 Months Maximum 6 Years	4
Mr Stephen Coates	Independent Member	18 February 2019 28 February 2022 (12 month extension)	February 2023	6
Ms Melissa Jacobs	Independent Member	18 May 2021	May 2024	6

The Committee is well supported by Council including the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Executive Leadership Team, Governance Team, Pacifica Pty Ltd (Internal Auditors) and the Queensland Audit Office (External Auditors).

During 2021 - 2022 a quorum was reached for all meetings which were held in August 2021, November 2021, March 2022 and June 2022. Flying minutes were also facilitated on the 16th July 2022 (to endorse the Internal Audit Services Provider for the 2021-2024 Financial Years), and the 11th October 2021 (to review the 2021 - 2022 General Purpose Financial Statements, CFO Assurance Statement 2021 - 2022, and 2021-2022 Closing Report). The Committee also participated in a Strategic Planning Workshop on the 13th – 14th June 2022, with site visits undertaken on Council's projects for the Yeppoon Landfill Resource Recovery Centre and Stange Bay Road Upgrade.

The Committee performed its functions and responsibilities as outlined in the Audit, Risk & Improvement Committee Charter.

The Committee reviewed the draft 2022 Statutory Financial Statements, making appropriate enquiries of management to satisfy itself that compliance has been achieved in accordance with the *Local Government Act 2009* and *Local Government Regulation 2021*.

The Committee provides oversight to Council's Control Framework and cites those key internal controls operated soundly during 2021-2022 and no serious unresolved weaknesses reported by the Internal or External Auditors.

The Committee notes the incomplete 2021-2022 Annual Work Plan, however acknowledges the concerted efforts of Pacifica Pty Ltd to deliver the plan within the timeframe since their appointment in late 2021. Additionally, the Committee did continue to monitor the performance of the Internal Audit function and reviewed internal audit reports associated with Fraud and Corruption Prevention, Customer Request Management Practices, Capital Works Programme (Development Budget and Monitoring), Developer Contributions (Infrastructure Charges, Agreements, Developer Credits and Inspection Regime), Data Analytics and Reporting, and Validation of the Audit Response Action Plan.

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

The Committee assumes responsibility for providing assurance that Council is effectively identifying, evaluating and managing its key risks. The Enterprise Risk Management (ERM) framework continued to evolve during the year and the ERM Maturity and Risk Management Plan continues to be monitored.

The Department of Treasury - Audit Committee Guidelines recommend audit committees conduct an annual self-assessment of the effectiveness and efficiency of performance against the Charter. The Committee undertook a self-assessment of the performance and achievements for the 18-month period (January 2021 to June 2022) to ensure objectives were met efficiently and effectively, and to confirm that all responsibilities outlined in the Terms of Reference had been performed. This year the Committee assessment was extended to obtain feedback from Council's Elected Members, the Executive Leadership Team and Reporting Officers. Upon completion of the assessments the Committee confirmed its overall effectiveness, however it did identify seven (7) recommendations for improvements across the Committee responsibilities which have subsequently been actioned, implemented or noted for future consideration.

Focus Areas for 2022-2024

- » Provision of strategic guidance on Council's 3 Year Strategic Internal Audit Program, in conjunction with the Annual Internal Audit Plan;
- » Continued monitoring of evolving risks including the COVID-19 Pandemic, cyber security and climate change;
- » Ongoing assessment of the maturity of the enterprise risk management framework in line with the 2020 Risk Management Maturity Advance Project;
- » Continued oversight of Project Merlin progress;
- » Continued monitoring of Council's strategic asset management maturity and asset accounting practices;
- » Increased scrutiny of Council's fraud and corruption management framework and monitoring of reportable activities via quarterly reviews;
- » Ongoing assessment of the maturity of the conflict of interest framework and related party disclosure management practices;
- » Review of the maturity of Council's work health & safety/ safety management systems;
- » Ongoing monitoring of Council's legislative compliance framework and maturity; and
- » Continued review and feedback of Council's Shell General Purpose Financial Statements in accordance with Council's External Audit Plan/s.

Councillor Remuneration, Expenses and Attendance

Councillor Remuneration

In accordance with section 250 of the *Local Government Regulation 2012*, Council must prepare and adopt by resolution an expenses reimbursement policy for the reimbursement of reasonable expenses incurred by Councillors when discharging their duties and responsibilities as Councillors and the provision of facilities necessary to undertake their roles.

There were minor amendments made to the Councillor Facilities and Expenses Policy during 2021-2022. Council resolved to adopt the amended Policy at its ordinary meeting on 21 September 2021.

A copy of the resolution and policy is available online at www.livingstone.qld.gov.au

Councillor	Gross Salary \$	Superannuation \$	Total Remuneration \$	Home Office Allowance \$	Motor Vehicle Allowance & Car Klm's Claimed \$	Expense Reimbursements	Remuneration Period
Mayor Cr Andrew Ireland	\$133,814	\$16,202	\$150,016	\$1,200	\$20,000	\$11,836	1 July 2021 - 30 June 2022
Deputy Mayor Cr Adam Belot	\$83,600	\$10,176	\$93,776	\$1,200	\$3,000	\$4,221	1 July 2021 - 30 June 2022
Cr Andrea Friend	\$71,060	\$8,671	\$79,731	\$1,200	\$4,957	\$5,813	1 July 2021 - 30 June 2022
Cr Rhodes Watson	\$71,060	\$8,671	\$79,731	\$1,200	\$3,454	\$6,342	1 July 2021 - 30 June 2022
Cr Nigel Hutton	\$71,060	\$8,671	\$79,731	\$1,200	\$3,000	\$4,571	1 July 2021 - 30 June 2022
Cr Pat Eastwood	\$71,060	\$8,671	\$79,731	\$1,200	\$3,000	\$4,273	1 July 2021 - 30 June 2022
Cr Glenda Mather	\$71,060	\$8,671	\$79,731	\$1,200	\$13,926	\$2,170	1 July 2021 - 30 June 2022
TOTAL	\$572,714	\$69,733	\$642,447	\$8,400	\$51,337	\$39,226	

Attendance at Council Meetings

Councillor	Ordinary Meetings 1 July 2021 - 30 June 2022 (12 Held)	Special Meetings 1 July 2021 - 30 June 2022 (6 Held)	Total
Mayor Cr Andrew Ireland	11	6	17
Deputy Mayor Cr Adam Belot	12	6	18
Cr Nigel Hutton	12	5	17
Cr Glenda Mather	12	6	18
Cr Pat Eastwood	11	5	16
Cr Andrea Friend	12	6	18
Cr Rhodes Watson	10	6	16

Code of Conduct for Councillors

Council is committed to the ethical principles and obligations contained in the *Local Government Act 2009* and *Public Sector Ethics Act 1994*.

Orders made under section 150I(2) of the Act – (dealing with unsuitable meeting conduct)	0
Orders made under section 150AH(1) of the Act – (disciplinary action against a Councillor by local government)	0
Decisions, orders and recommendations made under section 150AR(1) of the Act – (decisions on misconduct by a Councillor determined by the conduct tribunal)	3
Complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government, a councillor of the local government or the Chief Executive Officer of the local government	5
Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission	0
Notices given under section 150R(2) of the Act - (complaint referred to independent assessor by local government official about inappropriate conduct or misconduct)	0
Notices given under section 150S(2)(a) of the Act – (inappropriate conduct 3 times in 1 year)	0
Decisions made under section 150W(1)(a), (b) and (e) of the Act – (decision by Independent Assessor about conduct)	12
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act – Suspected inappropriate conduct should be referred to another entity for consideration	3
Occasions information was given under section 150AF(4)(a) of the Act	3
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
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	3



Statutory Information

Senior Management Remuneration Packages

Under section 201 of the *Local Government Act 2009* Council is required to report the total number of remuneration packages that are payable to the senior management and the number of employees in senior management positions who are paid each band of remuneration (in increments of \$100,000). For the 2021-2022 financial year, the total remuneration packages paid to Council's senior management amounts to \$1,545,145.00.

Number of Senior Management Employees	Band of Remuneration \$ per annum
1	\$100,000 - \$200,000
4	\$200,000 - \$300,000
1	\$300,000 - \$400,000

CEO Remuneration

The Chief Executive Officer remuneration package payable for the 2021-2022 financial year was as follows:

Gross Salary (Payable)	\$254,412
Motor Vehicle Allowance	\$20,588
Superannuation	\$33,000
Professional Memberships	\$605
CEO Total Remuneration Package Payable 2021-2022	\$308,605

Administrative Action Complaints

An Administrative Action Complaint is defined in the *Local Government Act 2009* as a complaint that is about an administrative action of a local government and is made by a person who is apparently directly affected by an administrative action of Council.

Council is committed to providing a high level of service in relation to complaint management by recognising the importance of receiving community feedback on its services as a valuable tool to identify avenues for continuous improvement.

Council has a Complaint Management System in place and it is recognised as an essential part of good quality and governance practices. The assessment of a complaint has three stages, including:

Stage 1 - Initial Complaint

Council will make every effort to resolve the complaint at the point of first contact however if this cannot be achieved the initial complaint will be investigated by a Council officer.

Stage 2 - Internal Review

If the Complainant is not satisfied with the outcome of Stage 1, they may request an internal review.

Stage 3 - External Review

If the Complainant is not satisfied with the outcome of Stage 2, they may lodge a complaint with the Queensland Ombudsman or use other external review processes through the courts where appropriate.

Council has adopted an Administrative Action Complaints Policy and Procedure to effectively deal with complaints in a fair, confidential, prompt and respectful manner. Information about the process, including how to lodge a complaint can be found on Council's website: <https://www.livingstone.qld.gov.au/complaints-management/administrative-action-complaints>

The table below provides key statistics in relation to administrative action complaints for the 2021-22 financial year.

Item	Number
Administrative action complaints made to the local government	211
Administrative action complaints resolved by the local government under the complaints management process (including complaints received in previous year)	213
Administrative action complaints not resolved by the local government under the complaints management process	14
Number of administrative action complaints that were made and not resolved in a previous financial year	0

As per the Administrative Action Complaint Procedure below is a summary of administrative action complaints received by complaint category.

Complaint Category	Percentage of complaints made to the local government
TIME: Dissatisfaction over time taken for Council to provide a service	18%
QUALITY: Dissatisfaction over the quality of service provided by Council	3%
PERSON: Dissatisfaction over the actions of a Council Officer	1%
SAFETY: Dissatisfaction over an issue related to safety or risk	2%
COMMUNICATION: Dissatisfaction over the communication (or lack thereof) of Council	4%
EXPECTATION: Dissatisfaction over expectation of the service of Council	5%
INFRINGEMENT: Dissatisfaction over a penalty infringement notice received	67%

Human Rights Complaints

Public entities (including Local Governments) are required to act and make decision compatible with human rights, as well as take into consideration human rights when making a decisions.

The *Human Rights Act 2019* protects 23 Human Rights. Public entities, such as Council, must uphold these rights when they make decisions, create laws, set policies and provide services.

Council recognises that it has an important role in complying with Queensland's *Human Rights Act 2019* through its actions, decisions, proposals and recommendations.

Under the *Human Rights Act 2019* when individuals believe a public entity has breached their human rights obligations they have the right to complain and seek remedies. There are a number of different ways that people can complain and seek a remedy in relation to their human rights under the Act.

In the 2021-2022 financial year, Council received one complaint referred from the Human Rights Commission alleging an unreasonable limitation of human rights under the *Human Rights Act 2019*. As at 30 June 2022, the matter was still under review by the Human Rights Commission.

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

Financial Assistance to Community Organisations

During the 2021-2022 financial year, Council supported a number of community organisations by granting financial assistance. Under section 189 of the *Local Government Regulation 2012*, Council must provide a summary of such contributions. During 2021-2022, Livingstone Shire Council provided financial assistance totalling \$152,750.50 as per the following funding initiatives.

Community Grants Scheme

In 2021-2022, the Livingstone Shire and The Real Group Community Grants Scheme, sponsored by Livingstone Shire Council (\$60,000), The Real Group (\$10,000), and M Cranny Investments (\$10,000) provided local not-for-profit community and sporting groups and opportunity for funding up to \$5,000 for initiatives which support the local community and build the capacity and resilience of the groups. A total of \$79,719.50 was awarded to twenty (20) not-for-profit community and sporting groups across Livingstone Shire in 2021-2022.

Round One - 2021-2022 Livingstone Community Grants (Successful Applicants) August 2021

Applicant	Initiative Description	Amount \$
Emu Park Swimming Club	Fence	\$4,290.00
Cawarral Cricket Club Inc.	Awning	\$5,000.00
Yeppoon Junior Rugby League Inc.	Cabinetry	\$3,500.00 (partial)
Cawarral School of Arts Association Inc.	Stainless Steel Benches	\$5,000.00
Yeppoon Men's Shed	Electrical Equipment	\$2,596.00
Yeppoon State Primary School P&C Association	Thermomix for Tuckshop	\$2,734.00
Keppel Coast Country Music Club Inc.	Chairs and Pole Saw	\$4,000.00 (partial)
Yeppoon Swimming Club Inc.	Marquees	\$3,197.00 (partial)
Emu Park Historical Museum Society Inc.	Shade Sail	\$2,557.50 (partial)
Bat Care Capricornia Inc.	Vaccines	\$1,845.00 (partial)
TOTAL		\$34,719.50

Round Two - 2021-2022 Livingstone Community Grants (Successful Applicants) February 2022

Applicant	Initiative Description	Amount \$
Australian South Sea Islanders Movement QLD Inc.	Electrical Upgrades - Lighting and Power Points	\$4,851.00
Ogmore Community and Recreation Committee Inc.	Installation of Water Tank, Pump and Fan. Purchasing of Tables, Chairs and Shelving	\$5,000.00
North Keppel Island Environmental Education Centre P&C Association	Purchase and Installation of Mobi-Mat (Accessible Beach Matting)	\$4,715.00
RSL Emu Park	Upgrade of CCTV System	\$5,000.00
Yeppoon Rotary	Purchase of New Generator for Food Van	\$5,000.00
Capricorn Coast Crocs Rugby Union Club Inc.	Purchase and Installation of Shade Shelter	\$5,000.00
Yeppoon Rugby League Club Inc.	Upgrade of Ladies Toilets including New Flooring	\$5,000.00
Capricorn Coast Netball Association	Purchase of iPads for Club Administration, Scheduling and Scoring	\$4,390.00
Emu Park Golf Club Inc.	Upgrade Toilets to Accessible Standards	\$5,000.00
Yeppoon Golf Club Inc.	Purchase of Grounds Maintenance Equipment	\$1,044.00 (partial)
TOTAL		\$45,000.00

Mayor's Discretionary Fund

Date	Organisation/Individual	Purpose of Donation	Amount \$
7 July 2021	Capricorn Coast Netball Association	Players to compete in Nissan State Age Championships	\$500.00
4 August 2021	Emu Park Veteran's Golf Club	Open Golf Championships 2021	\$500.00
29 September 2021	St Brendan's College	Local Mayor Award for Community Service	\$250.00
6 October 2021	Yeppoon State High School	Awards for Excellence Awards Ceremony	\$200.00
6 October 2021	Emu Park Swimming Club	Medals/Cash Prizes for Meet - Spectacular Skins	\$500.00
3 November 2021	Rockhampton Wildlife Rescue	Support for Injured Animals in Capricorn Coast	\$500.00
1 December 2021	Paul Mitchell	Christmas Lunch and Presents for Domestic and Family Violence Victims	\$499.00
22 February 2022	Central Queensland District Ladies Bowling Association	Prize Money for CQ Ladies Fours Carnival	\$250.00
30 March 2022	Marlborough State School P&C	Playground Repairs	\$500.00
12 April 2022	Gawula Aboriginal Land Trust	Contribution towards the boulder being placed on site at Gawula acknowledging the handover of land to the GALT by the Minister of Department Natural Resources	\$200.00
13 April 2022	Woppaburra Memorial Project	Contribution towards stonemason cost for Memorial Headstone	\$1,000.00
TOTAL			\$4,899.00



Regional Arts Development Fund (RADF)

The Regional Arts Development Fund is a partnership between state and local governments which invests in quality arts and cultural experiences across Queensland based on locally determined priorities. The Regional Arts Development Fund 2021-2022 promotes the significance and value of arts, culture and heritage as the key to:

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

The budget available for the 2021-2022 rounds of Regional Arts Development Fund was \$68,132, comprising \$34,500 from the State Government Arts Queensland, \$30,000 from Livingstone Shire Council and \$3632 rolled over from returned funds from the 2020-2021 round.

Community Group/Individual Professional Development	Amount \$
Kate Leahy	\$6,000.00
Sandy Krak Reef Festival	\$7,400.00
Emu Park Art Gallery	\$7,040.00
Capricorn Film Festival	\$5,040.00
Keppel Sands Community Advancement League	\$6,000.00
Yeppoon Little Theatre	\$3,040.00
Allegra Studios Pty Ltd	\$7,700.00
QWCA Emu Park	\$735.00
Alexandra Darnley-Stuart	\$1,000.00
Cockscomb Veterans Bush Retreat Inc.	\$4,967.00
Yeppoon Choral Society Inc.	\$1,100.00
Brad Butcher	\$6,250.00
Keppel Coast Arts Council Inc.	\$3,400.00
Allegra Studios Pty Ltd	\$3,960.00
Capricorn Film Festival Inc.	\$4,500.00
TOTAL	\$68,132.00

Concessions, Special Rates and Charges

Rebates and Remissions are provided to approved Government Pensioners, Not-For-Profit/Charitable Organisations and land holders with approved Nature Refuge Agreements under the [Rates, Rebates and Remissions Policy](#). Further concessions are provided to water consumers in accordance with the [Concealed Leak Refund Procedure](#) and [Water Consumption Charge Refund – Health Related Uses Procedure](#).

Full details of these rebates and concessions are available on Council's website at www.livingstone.qld.gov.au/concessions-charges-3/concessions-charges-1

Tenders

Under section 228(4) or (7)(b) of the *Local Government Regulation 2012*, a local government may invite all tenderers to change their tenders to take account of a change in the tender specifications. Within the 2021-2022 financial year there was one invitation to change tenders under section 228(8) of the *Local Government Regulation 2012*.

The following tender specification was changed:

- » Livingstone Shire Council – 1001T Yeppoon Town Hall Façade Refurbishment

Registers kept by Council

Section 190(1)(f) of the *Local Government Regulation 2012*, requires a local government to provide a list of registers maintained by Council in its annual report, details of which are provided as follows:

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

Legislative Requirements Not Applicable

The following list provides legislative requirements of a local government annual report in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012* that do not apply to Livingstone Shire Council for the 2021-2022 financial year:

- » Identifying beneficial enterprises (section 41 of the *Local Government Act 2009*);
- » Other contents (section 190 of the *Local Government Regulation 2012*)
 - (1)(c) An annual operations report for each commercial business unit
 - (1)(d) Details of any action taken for, and expenditure on, a service, facility or activity -
 - (i) Supplied by another local government under an agreement for conducting a joint government activity;
 - (ii) For which the local government levied special rates or charges for the financial year; and
 - (2) An annual operations report.

Legislative Requirements - Nil to Report

The following list provides legislative requirements of a local government annual report in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012* which Livingstone Shire Council has no information to report for the 2021-2022 financial year:

- » Other contents (section 190 of the *Local Government Regulation 2012*)
 - (1)(i) A summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;
 - (1)(j) The local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52(3).

Workplace Health and Safety

Of particular importance to Council is the safety and wellbeing of our people. Keeping our Council employees safe and healthy is a priority, with mental health a key focus.

Our commitment to safety and wellbeing in all its forms, must be embedded in every aspect of our operations and become an ingrained consideration within the culture of our organisation. The workplace Safety Team, Health and Safety Representatives, leaders and employees work together to continuously improve our systems and culture.

Council drives safety performance through reviewing key performance indicators, targeting key areas of improvement and developing proactive hazard and risk management strategies that will eliminate or reduce risks to employees in the workplace.

Council actively participates and promotes a safety culture free from injury and illness and is committed to managing workplace related injuries through proactive rehabilitation and return to work programs as well as offering a diverse range of health and wellbeing programs to support and educate employees on the importance of maintaining a healthy lifestyle.

There is more for us to do in this space and efforts in embedding improvements to promote a positive health and safety culture at Council will continue to be our focus.

Overseas Travel

No overseas travel was made during this financial year by Councillors or officers.

Community Financial Report

For the Year Ended 30 June 2022

Interpreting formally presented financial statements prepared in accordance with relevant accounting standards can often be a difficult process for all stakeholders, especially those with limited or no financial knowledge. The aim of the Community Financial Report is to assist readers to evaluate Council's financial performance and financial position without the need to interpret the financial statements. In this way the financial operations of Council can be clearly understood by members of our community and other interested stakeholders.

Councils are driven by community service obligations rather than profit. It is Council's responsibility to provide residents with services such as roadworks, street lighting, stormwater drainage, water supply, sewerage and garbage collection and disposal. Therefore, ratepayers need to be satisfied that funds are being used wisely for the benefit of the community, now and for the benefit of future generations.

Council's General Purpose Financial Statements are a record of our financial performance for the year ended 30 June 2022 and are subject to an independent audit process to verify the accuracy of the reports, as well as the systems Council has in place to record financial transactions. The three primary reports are the Statement of Comprehensive Income, the Statement of Financial Position, and the Statement of Cash Flows.

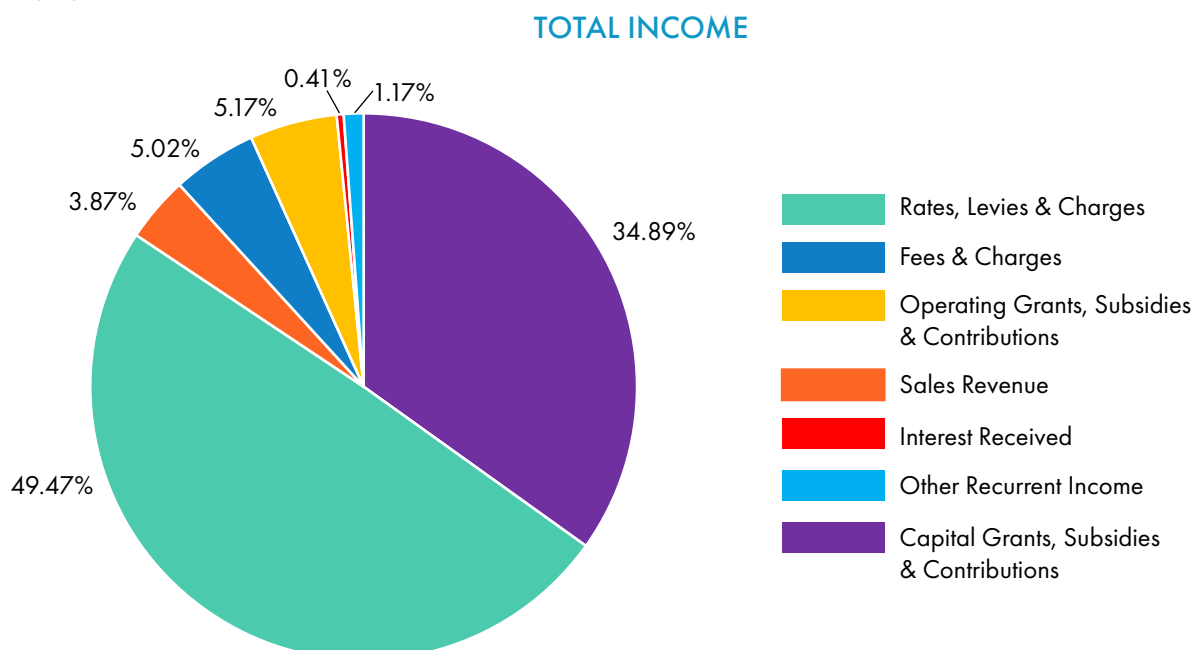
Statement of Comprehensive Income

The Statement of Comprehensive Income details total income and total expenses, and the net result attributable to Council as a result of Council's activities for the financial year.

Sources of Income - Where our money comes from...

The majority of Council's income comes from rates, levies and charges, fees and charges, interest, sales revenue, grants, subsidies and contributions. To provide services to the community, Council must collect revenue. Rates and utility charges are Council's principal source of revenue. Council also charges fees to developers and receives funding in the form of grants and subsidies from other levels of government and in some cases the private sector, to help construct and maintain our extensive infrastructure.

A total of approximately \$157.4 million in revenue was recognised for the year. This was comprised of \$102.5 million in operating revenues and \$54.9 million in capital revenue. Capital revenue is derived from grants, contributions and the revaluation of Council's non-current assets. Capital revenue fluctuates each reporting year and is dependent largely on the monetary value attributed to assets contributed by developers and government grants received as funding for capital works projects.



Expenses - Where our money is spent...

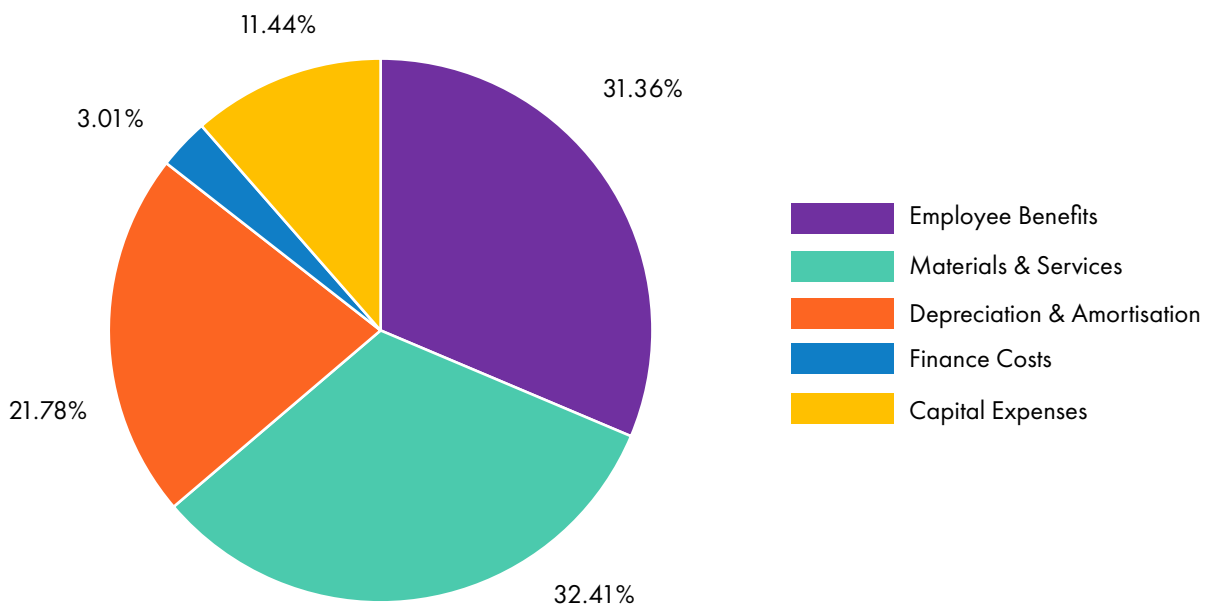
Overall operating expenses for the year totalled approximately \$100.5 million with the three largest items of Council's expenditure being employee benefits, materials and services, and depreciation. The level of expenditure is constantly monitored via a rigorous budget process. Detailed estimates are prepared prior to the start of the financial year and are then constantly monitored throughout the year as part of a quarterly budget review process to ensure that funds are utilised efficiently. Council requires a diversified workforce to provide the many and varied services to our community. Council also needs to plan and monitor the future of the shire in respect to developments, so that our existing lifestyle is maintained and improved.

Council spends considerable funds on materials and services to operate effectively. In accordance with Council's procurement policy, some preference is given to local businesses when work needs to be tendered to external suppliers. As well as being a large employer in the community, it makes sound economic sense to keep our money circulating in the region for the benefit of all who live here.

Depreciation is a way of allocating the cost of an asset over the asset's estimated useful life. Through the accurate calculation and allocation of depreciation, Council is confident that it will have the necessary funds to renew existing assets.

In addition to operating expenditure, capital expenses totalled approximately \$13.0 million. This amount related to assets written off for disposal as part of our investment in renewing existing assets, and changes in value from the ongoing review of Council's asset registers.

TOTAL EXPENDITURE



Total Comprehensive Income for the Year

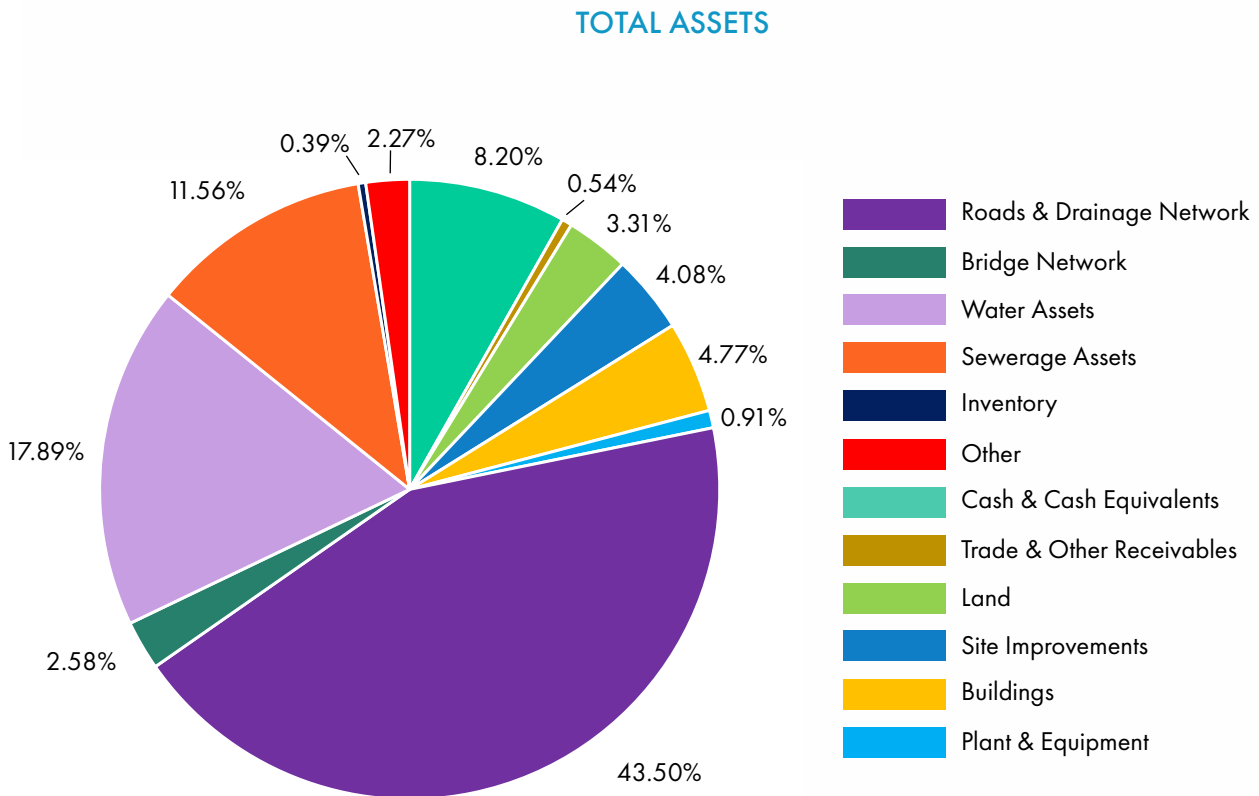
Total comprehensive income for the year was approximately \$103.4 million, which is the difference between total income and total expenses and measures the change in Council's net community assets. Total comprehensive income includes the increase in Council's asset revaluation surplus of \$59.5 million resulting from the revaluation of Council's non-current assets in accordance with Australian Accounting Standards.

Statement of Financial Position

The Statement of Financial Position lists Council's assets and liabilities. The result of these two components determines the net worth of Council.

What Do We Own?

Council controls a broad range of current and non-current assets of which approximately 88.6% is attributed to property, plant and equipment assets. This is a significant investment for the community and requires astute management to ensure the level of service provided by these assets is maintained over the long-term.



Total assets are approximately \$1.2 billion as at 30 June 2022.

Capital Works

Capital works undertaken for the year totalled approximately \$29.0 million. These capital works were funded from different sources including grants and subsidies, loans and cash holdings. Contributed assets of \$6.1 million were also received from new developments within the region.

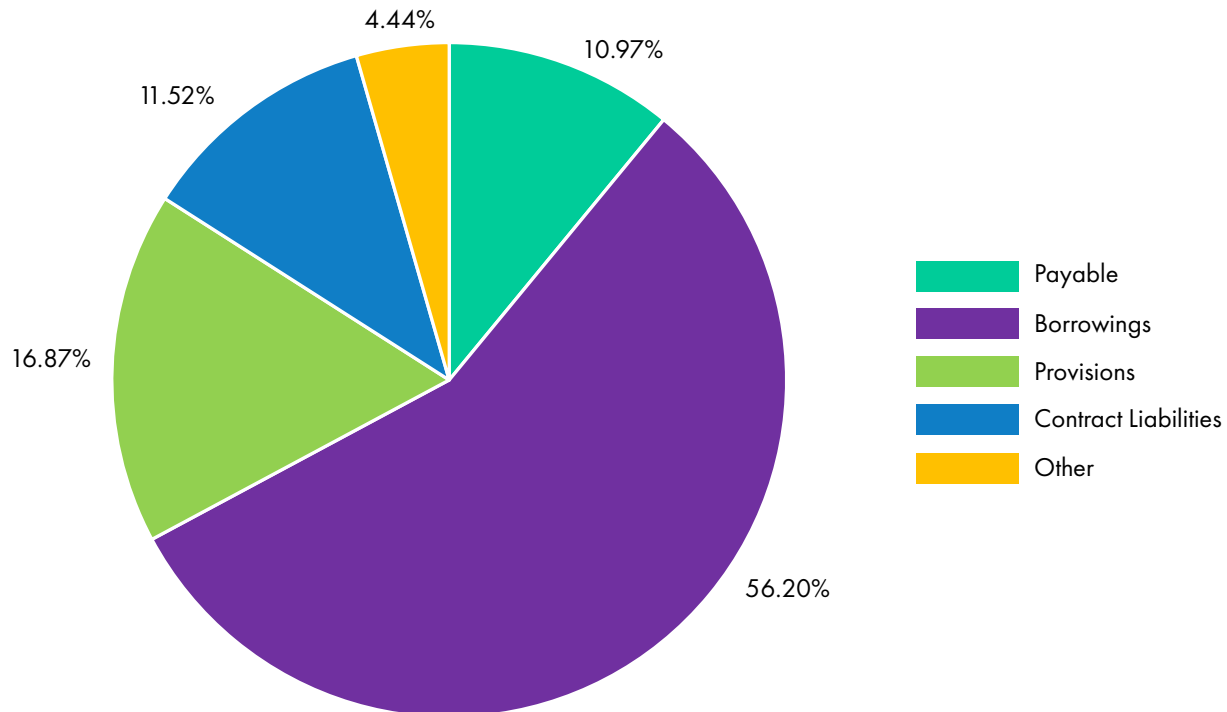
Significant projects undertaken in 2021-22 were:

- Solar farm at the Yeppoon Sewerage Treatment Plant
- Resource Recovery Centre at Yeppoon Landfill
- Remedial works to Kelly's Dam Water Storage
- Progression on a number of major roadworks projects including:
 - » Stange Bay Road Upgrade
 - » Full reconstruction of Matthew Flinders Drive (Stage 1&2)
 - » Carige Boulevard Intersection Upgrade

What Do We Owe?

Council's borrowings as at 30 June 2022 totalled approximately \$60.0 million. The level of Council's long-term debt is regularly reviewed as a component of the long-term financial forecast.

Interest expense on all loans, totalled 2.8% of total operating income.



Total liabilities were approximately \$106.7 million at 30 June 2022 of which approximately 56.2% are borrowings with the Queensland Treasury Corporation, which are used to pay for Council's capital works.

Financial Sustainability Ratios

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

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

Council's Long Term Financial Forecast has been developed and adopted by Council and shows a continued high level of investment into assets. Council has budgeted for a small operational surplus of approximately \$94,000 for the 2022-2023 financial year. The long-term financial forecast outlines that Council anticipates achieving a small operational budget surplus through all forecast years to the conclusion of the forecast period in the 2031-2032 financial year. Council anticipates that the net financial liabilities ratio to be within the target range in all future financial years in the 10-year forecast period.

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

Relevant Measures of Financial Sustainability

		FORECAST										
	Target	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030	30/06/2031	30/06/2032
1 Operating Surplus Ratio												
Net Result (excluding capital items) / Total Operating Revenue (excluding capital items) (%)	Between 0% and 10%	1.9%	0.1%	0.1%	1.6%	1.0%	0.8%	0.8%	1.3%	1.2%	1.2%	2.4%

This ratio indicates the relationship between Councils operational result and total operating income, expressed as a percentage. It is an indication of Councils ability to fund its day-to-day operations. A targeted result of up to 10% means that surplus income is available after Council has paid for the cost of delivering all services to the community. Councils result of (0.2%) indicates that Council had a small operational deficit for the 2019-20 financial year. Council's long-term financial forecast indicates that Council anticipates achieving an operational budget surplus through all future forecast years.

2 Asset Sustainability Ratio												
(Capital Expenditure on the Replacement of Assets(renewals) / Depreciation Expense) (%)	Greater than 90%	45.0%	108.2%	89.2%	66.7%	73.3%	61.5%	75.0%	68.6%	58.8%	57.4%	55.8%

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

3 Net Financial Liabilities Ratio												
(Total Liabilities - Current Assets) / Total Operating Revenue (excluding capital items) (%)	Not Greater than 60%	(3.0)%	(8.3)%	(15.2)%	(16.5)%	(12.2)%	(16.1)%	(16.0)%	(21.4)%	(26.9)%	(33.4)%	(40.6)%

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

Statement of Changes in Equity

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

What Are We Worth?

Community equity is equal to total assets less total liabilities and at 30 June 2022 is approximately \$1.1 billion. Over the long-term Council's adopted long term financial forecast outlines that Council is holding adequate reserves of cash, has substantial equity in its assets and is substantially reducing total debt over the course of the next 10 years through to the conclusion of the forecast period in the 2031-2032 financial year.

The healthy financial position of Council combined with sound budgeting practices and forward planning, provides capacity for Council to meet its objectives as well as provide a degree of flexibility if strategic directions change.

Statement of Cash Flows

The Statement of Cash Flows reports the cash flows in and out of Council for the financial year. This statement is useful in assisting readers to assess Council's sources and uses of cash whilst indicating that Council has the capacity to meet all of its financial commitments as and when they fall due. Cash flows are classified into operating, investing and financing activities. In regard to financing activities, Council did not need to borrow any funds to pay for capital works undertaken in 2021-2022.

Council pools and invests ratepayer's funds throughout the year in low-risk short to medium term investments in accordance with Council's investment policy. The net movement in cash for the 2021-2022 financial year was an increase of approximately \$31.6 million mainly as a result of grants funds received in advance, land sales and other timing related issues.

Looking to the Future

Council is well placed to provide the necessary financial resources to address the land use, natural resource, environmental, economic and social challenges associated with the developing growth across the shire. Council's financial strategies are aligned to its community plan and corporate plan which were originally adopted during the 2019-2020 financial year. Both of these plans are important forward planning documents to enable the effective and efficient delivery of services to the community. Council will continue to build on its management of infrastructure assets. This will permit more informed decisions about the renewal and replacement of assets and associated funding.

To further strengthen Council's ongoing commitment to responsible financial management, in February 2022 Council adopted four financial guiding principles in developing its future budgets and long-term financial forecasts:

1. The community's finances will be managed responsibly to enhance the well-being of residents;
2. Council will maintain community wealth to ensure that the wealth enjoyed by today's generation may also be enjoyed by tomorrow's generation;
3. Council's financial position will be robust enough to recover from unanticipated events, absorb the volatility inherent in revenues and expenses; and
4. Resources will be allocated to those activities that generate community benefit.

Council also aims to continue to maintain its strong financial base through the prudent use of rates collected, grants and subsidies, developer's contributions, borrowings and the use of cash reserves. Ongoing cash flow planning, adhering to sound budgeting principles, the implementation of Council's long term asset management plans, quarterly budget reviews and long-term financial planning will assist Council in achieving its strategic objectives.

Livingstone Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



General Purpose Financial Statements

for the year ended 30 June 2022

Contents	Page
1. Understanding Council's Financial Statements	3
2. Primary Financial Statements:	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
3. Notes to the Financial Statements	
1 Information about these financial statements	8
2a Council functions – component descriptions	9
2b Council functions – analysis of results by function	10
3 Revenue	11
4 Interest and other income	14
5 Capital income	14
6 Employee benefits	15
7 Materials and services	15
8 Finance costs	16
9 Capital expenses	16
10 Cash and cash equivalents	17
11 Trade and Other Receivables	17
12 Inventories	18
13 Other assets	19
14 Property, plant and equipment	20
15 Contract balances	29
16 Trade and Other Payables	30
17 Borrowings	30
18 Provisions	31
19 Other liabilities	32
20 Asset revaluation surplus	33
21 Commitments for expenditure	34
22 Contingent liabilities	34
23 Superannuation	35
24 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	36
25 Reconciliation of liabilities arising from finance activities	37
26 Events after the reporting period	37
27 Financial instruments	37
28 National competition policy	39
29 Transactions with related parties	40
Additional Council disclosures (unaudited)	
30 Council information and contact details	42

General Purpose Financial Statements
for the year ended 30 June 2022

Contents	Page
4. Management Certificate	43
5. Independent Auditor's Report	44
6. Current Year Financial Sustainability Statement	45
Certificate of Accuracy	46
Independent Auditor's Report - Current Year Financial Sustainability Statement	47
7. Unaudited Long Term Financial Sustainability Statement	48
Certificate of Accuracy - Long Term Financial Sustainability Statement	50

General Purpose Financial Statements for the year ended 30 June 2022

Introduction

Each year, individual Local Governments across Queensland are required to present a set of audited Financial Statements to their Council and Community.

What you will find in the Statements

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

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

About the Management Certificate

The financial statements must be certified by both the Mayor and the Chief Executive Officer as presenting a true and fair view Council's financial results for the year and are required to be adopted by Council; ensuring both responsibility for and ownership of the financial statements.

About the Primary Financial Statements

The Financial Statements incorporate four "primary" financial statements:

1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income and expenses. The combined Other Comprehensive Income records items such as changes in the fair values of Council's property, plant and equipment and financial instruments.

2. A Statement of Financial Position

A 30 June snapshot of Council's Financial Position including its assets and liabilities.

3. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. The Statement of Cash Flows

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

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the four Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by the Queensland Audit Office.

The Auditor provides an audit report which gives an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

Who uses the Financial Statements?

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

Statement of Comprehensive Income

for the year ended 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
Income			
Recurrent revenue			
Rates, levies and charges	3a	77,855	77,262
Fees and charges	3b	7,897	6,875
Sales revenue	3c	6,095	2,923
Grants, subsidies, contributions and donations	3i	8,131	7,174
Total recurrent revenue		99,978	94,234
Capital revenue			
Grants, subsidies, contributions and donations	3ii	30,410	26,985
Total capital revenue		30,410	26,985
Other income			
Interest received	4a	653	604
Other income	4b	1,836	1,225
Capital income	5	24,488	1,561
Total other income		26,977	3,390
Total income		157,365	124,609
Expenses			
Recurrent expenses			
Employee benefits	6	35,588	33,331
Materials and services	7	36,783	31,891
Finance costs	8	3,413	4,238
Depreciation and amortisation:			
- Property, plant and equipment	14	24,634	23,009
- Intangible assets		87	85
Total recurrent expenses		100,505	92,554
Other expenses			
Capital Expenses	9	12,977	15,839
Total other expenses		12,977	15,839
Total expenses		113,482	108,393
Net Result		43,883	16,216
Other comprehensive income			
Amounts which will not be reclassified subsequently to the operating result			
Increase / (decrease) in asset revaluation surplus	14	59,515	12,840
Total other comprehensive income for the year		59,515	12,840
Total comprehensive income for the year		103,398	29,056

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

Statement of Financial Position

as at 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
Assets			
Current assets			
Cash and cash equivalents	10	98,651	67,077
Receivables	11	6,554	5,490
Inventories	12	929	3,630
Contract assets	15a	1,471	1,389
Other assets	13	2,165	3,887
Total current assets		109,770	81,473
Non-current assets			
Inventories	12	3,819	3,812
Property, plant and equipment	14	1,089,997	1,011,514
Intangible assets		131	171
Total non-current assets		1,093,947	1,015,497
Total Assets		1,203,717	1,096,970
Liabilities			
Current liabilities			
Payables	16	11,706	10,483
Contract liabilities	15b	12,293	8,739
Borrowings	17	5,672	5,403
Provisions	18	9,413	7,224
Other liabilities	19	1,262	133
Total current liabilities		40,346	31,982
Non-current liabilities			
Borrowings	17	54,286	59,837
Provisions	18	8,586	11,520
Other liabilities	19	3,470	–
Total non-current liabilities		66,342	71,357
Total Liabilities		106,688	103,339
Net community assets		1,097,029	993,631
Community equity			
Asset revaluation surplus	20	104,526	45,011
Retained surplus		992,503	948,620
Total community equity		1,097,029	993,631

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

Statement of Changes in Equity

for the year ended 30 June 2022

	Notes	Asset revaluation surplus \$ '000	Retained surplus \$ '000	Total equity \$ '000
2022				
Balance as at 1 July		45,011	948,620	993,631
Net result		–	43,883	43,883
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	14	59,515	–	59,515
Other comprehensive income		59,515	–	59,515
Total comprehensive income for the year		59,515	43,883	103,398
Balance as at 30 June		104,526	992,503	1,097,029
2021				
Balance as at 1 July		32,171	932,404	964,575
Net result		–	16,216	16,216
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	14	12,840	–	12,840
Other comprehensive income		12,840	–	12,840
Total comprehensive income for the year		12,840	16,216	29,056
Balance as at 30 June		45,011	948,620	993,631

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

Statement of Cash Flows

for the year ended 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
Cash flows from operating activities			
Receipts from customers		96,928	89,389
Payments to suppliers and employees		(76,299)	(73,082)
		<u>20,629</u>	<u>16,307</u>
Receipts			
Waste levy received in advance		4,610	–
Interest received		653	604
Non capital grants and contributions		8,131	7,696
Other		5,758	3,488
Payments			
Borrowing costs		(3,301)	(4,147)
Net cash inflow (outflow) from operating activities	24	<u>36,480</u>	<u>23,948</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property, plant and equipment		1,674	1,072
Grants, subsidies, contributions and donations		27,785	21,938
Payments			
Payments for property, plant and equipment		(29,036)	(25,753)
Payments for intangible assets		(47)	–
Net cash inflow (outflow) from investing activities		<u>376</u>	<u>(2,743)</u>
Cash flows from financing activities			
Payments			
Repayment of borrowings		(5,282)	(10,280)
Net cash flow inflow (outflow) from financing activities		<u>(5,282)</u>	<u>(10,280)</u>
Net increase (decrease) in cash and cash equivalent held		<u>31,574</u>	<u>10,925</u>
Cash and cash equivalents at the beginning of the financial year		67,077	56,152
Cash and cash equivalents at the end of the financial year	10	<u>98,651</u>	<u>67,077</u>

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

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1. Information about these financial statements

(a) Basis of preparation

Livingstone Shire Council (council) is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

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

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

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

(b) 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 2021. None of the standards had a material impact on reported position, performance and cash flows.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. None of the standards are expected to have a material impact for Council's financial statements.

(d) Estimates and Judgements

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

- Revenue recognition - Note 3
- Valuation and depreciation of Property, Plant and Equipment - Note 14
- Provisions - Note 18
- Contingent Liabilities - Note 22
- Financial instruments - Note 27

(e) Rounding and Comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero. Comparative information is generally restated for reclassifications, errors and changes in accounting policies. Unless permitted otherwise by transition rules in a new accounting standard, comparative information is prepared on the same basis as prior year.

(f) Volunteer Services

Voluntary services have been engaged by council during the reporting period but are of an immaterial value. Council management have indicated that voluntary services would not be purchased if they had not been donated.

(g) Taxation

Council is exempt from income tax; however, is subject to Fringe Benefits Tax, Goods and Services Tax (GST) and payroll tax on certain activities. The net amount of GST recoverable from the Australian Taxation Office is disclosed as a current asset. The Statement of Cash Flows has been grossed up for GST where applicable.

(h) COVID-19

Council's operations for the year ended 30 June 2022 have not been materially impacted by the ongoing COVID-19 pandemic.

(i) Adjustments for Assets Not Previously Recognised and Duplicate Assets

During the year, Council undertook a further review of its asset procedures and the data contained in the asset register. Additionally, Council undertook a comprehensive revaluation of its site improvement asset class. The review and revaluation have identified assets that had commission dates prior to 1 July 2020 comprising of existing assets not previously recognised, assets previously derecognised incorrectly, duplicate assets, and assets that are no longer in service but not derecognised.

The initial recognition and derecognition of non-current assets relates to assets that should have been included or excluded in previous years' financial statements but have only been identified and placed into (or removed from) the financial asset register during the current reporting period. The net written down value impact of the errors detailed above are not considered material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, therefore, have not been presented in a restated prior period position. Council has brought the adjustments to account in the current year through profit and loss at Note 5(d) other capital income and Note 9(c) other capital expenses respectively resulting in a net impact of \$1.38 million to property, plant and equipment.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 2a. Council functions – component descriptions

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

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

Office of the Chief Executive Officer

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

Infrastructure services

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

Liveability and wellbeing

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

Waste services

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

Water and sewerage services

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

Central funds

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

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 2b. Council functions - analysis of results by function

Functions	Gross program income		Total income \$ '000	Total expenses \$ '000	Net result \$ '000	Total assets \$ '000
	Grants \$ '000	Other \$ '000				
2022						
Office of the Chief Executive Officer	91	304	395	(15,607)	(15,212)	862
Infrastructure services	16,029	39,245	55,274	(40,008)	15,266	680,040
Liveability and wellbeing	947	8,968	9,915	(22,344)	(12,429)	10,274
Waste services	304	9,931	10,235	(8,169)	2,066	8,696
Water and sewerage services	42	29,704	29,746	(29,936)	(190)	361,455
Central funds	8,271	43,529	51,800	2,582	54,382	142,390
Total	25,684	131,681	157,365	(113,482)	43,883	1,203,717
2021						
Office of the Chief Executive Officer	35	70	105	(13,746)	(13,641)	652
Infrastructure services	9,640	19,165	28,805	(44,552)	(15,747)	628,514
Liveability and wellbeing	3,854	4,258	8,112	(18,883)	(10,771)	10,285
Waste services	290	8,774	9,064	(6,946)	2,118	9,337
Water and sewerage services	29	29,766	29,795	(23,356)	6,439	335,164
Central funds	4,422	44,306	48,728	(910)	47,818	113,018
Total	18,270	106,339	124,609	(108,393)	16,216	1,096,970

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue

	2022	2021
	\$ '000	\$ '000
(a) Rates, levies and charges		
Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
Garbage charges	7,378	7,132
General rates	34,879	34,527
Separate rates	11,859	11,724
Sewerage charges	11,703	11,385
Special rates	377	377
Water access charges	10,584	10,700
Water consumption charges	7,780	8,011
Total rates and utility charge revenue	84,560	83,856
Less: discounts	(5,808)	(5,713)
Less: pensioner remissions	(897)	(881)
Total rates, levies and charges	77,855	77,262

(b) Fees and charges

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

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

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

Building, plumbing and development fees	2,981	2,711
Infringements	112	116
Irrigation and commercial water fees	938	773
Local laws and health licencing fees	509	580
Venues, events, tourism, and cultural fees	210	199
Waste fees	2,565	2,067
Other fees and charges	582	429
Total fees and charges	7,897	6,875

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue(continued)

(c) Sales revenue

The amount recognised as revenue from contract works during the financial year is the amount received or receivable in respect of the contract work services rendered. The contract work carried out is not subject to retentions.

Proceeds of the sale of land held as inventory are recognised once the sale contract has settled. The cost of the land sold is disclosed in Note 7 Materials and services and the value of the remaining stock in hand in Note 12 Inventories. For 2022, the net profit on sale was \$189,000 (2021: \$45,000 profit).

	2022 \$ '000	2021 \$ '000
Rendering of services		
Contract and recoverable works	3,265	2,490
Total sale of services	<u>3,265</u>	<u>2,490</u>
Sale of goods		
Sale of land held as inventory	2,830	433
Total sale of goods	<u>2,830</u>	<u>433</u>
Total sales revenue	<u>6,095</u>	<u>2,923</u>

(d) Grants, subsidies, contributions and donations**Grant income under AASB 15**

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

The performance obligations vary in each agreement but include providing community development activities, engagement of trainees, and community events. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Councils considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with the project schedule.

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

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue(continued)

Donations and contributions

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

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

Physical assets contributed to council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets, and those below the thresholds (outlined in Note 14.a.) are recorded as expenses.

	2022 \$ '000	2021 \$ '000
(i) Operating		
Contributions	38	37
General purpose grants	5,816	4,422
Government subsidies and grants	2,277	2,715
Total operating grants, subsidies, contributions and donations	8,131	7,174
(ii) Capital		
Assets contributed at fair value	6,097	9,700
Government subsidies and grants	17,591	11,133
Infrastructure contributions	6,722	6,152
Total capital grants, subsidies, contributions and donations	30,410	26,985

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

	2022		2021	
	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000
Grants, subsidies, contributions and donations	20,950	17,591	23,827	10,332
	20,950	17,591	23,827	10,332

Notes to the Financial Statements

for the year ended 30 June 2022

Note 4. Interest and other income

	2022 \$ '000	2021 \$ '000
(a) Interest and investment income		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest received from investments	522	439
Interest received from overdue rates and utility charges	131	165
Total interest and investment income	653	604
(b) Other income		
Car wash income	284	264
Commission and collection fees	66	66
Insurance recoveries	–	17
Payroll recoveries	–	8
Property related recoveries	–	1
Rental / lease income	460	468
Other operating income	1,026	401
Total other income	1,836	1,225

Note 5. Capital income

	Notes	2022 \$ '000	2021 \$ '000
(a) Gain / loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment		1,674	1,072
Less: book value of property, plant and equipment disposed	14	(1,182)	(837)
Gain on disposal of non-current assets		492	235
(b) Provision for restoration of quarries			
Change in discount rate	18	38	12
		38	12
(c) Revaluations			
Revaluation increment of property, plant and equipment reversing previous revaluation decrement	14	15,076	1,311
		15,076	1,311
(d) Other capital income			
Other capital income		–	3
Gain from assets not previously recognised		8,882	–
		8,882	3
Total capital income		24,488	1,561

Notes to the Financial Statements

for the year ended 30 June 2022

Note 6. Employee benefits

	Notes	2022 \$ '000	2021 \$ '000
Employee benefit expenses are recorded when the service has been provided by the employee.			
Total staff wages and salaries		33,177	31,568
Annual, sick and long service leave entitlements		428	481
Superannuation	23	3,672	3,539
Councillors' remuneration		741	714
		<u>38,018</u>	<u>36,302</u>
Other employee related expenses		1,017	1,008
		<u>39,035</u>	<u>37,310</u>
Less: capitalised employee expenses		(3,447)	(3,979)
Total Employee benefits		<u>35,588</u>	<u>33,331</u>

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

	2022 Number	2021 Number
Additional information:		
Total Council employees at the reporting date:		
Elected members	7	7
Administration staff	246	249
Depot and outdoors staff	128	126
Total full time equivalent employees	<u>381</u>	<u>382</u>

Note 7. Materials and services

	2022 \$ '000	2021 \$ '000
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Administration supplies and consumables	431	498
Advertising, marketing and promotion	272	285
Audit of annual financial statements	173	166
Bulk water purchases	4,137	4,138
Communications and information technology	2,974	2,238
Consultants	2,709	2,705
Contractors	7,653	7,169
Donations and subscriptions paid	928	905
Electricity	2,219	2,138
Insurance	1,641	1,452
Repairs and maintenance	7,841	7,065
Security	564	514
Waste levy payment	2,150	1,817
Waste levy refund	(1,057)	(941)
Cost of goods sold - Land held as inventory	2,641	388
Other materials and services	1,507	1,354
Total materials and services	<u>36,783</u>	<u>31,891</u>

Notes to the Financial Statements

for the year ended 30 June 2022

Note 7. Materials and services(continued)

Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$170,000 (2021: \$168,090).

The Queensland State Government rebated \$1,056,945 (2021: \$940,851) of the state waste levy to mitigate the direct impacts on households.

The Cost of goods sold - Land held as inventory, represents the cost of the land sold during the year. The proceeds of sales is recognised as sales revenue once the contract has settled. The value of the stock on hand is disclosed in Note 12 *Inventories*.

Note 8. Finance costs

	2022 \$ '000	2021 \$ '000
Bank charges	152	160
Unwinding of discount on landfill and quarry provisions due to a change in present value over time	112	91
Finance costs charged by the Queensland Treasury Corporation	3,140	3,968
Impairment of receivables	9	19
Total finance costs	3,413	4,238

Note 9. Capital expenses

	Notes	2022 \$ '000	2021 \$ '000
(a) Provision for restoration of land			
Change from revision of future restoration expense		14	39
	18	<u>14</u>	<u>39</u>
(b) Revaluation decrement			
Revaluation decrement of property, plant and equipment	14	–	13,871
		<u>–</u>	<u>13,871</u>
(c) Other capital expenses			
Loss on write-off of assets		2,697	1,927
Other		–	2
Assets previously recognised incorrectly		10,266	–
		<u>12,963</u>	<u>1,929</u>
Total capital expenses		<u>12,977</u>	<u>15,839</u>

Notes to the Financial Statements

for the year ended 30 June 2022

Note 10. Cash and cash equivalents

	2022 \$ '000	2021 \$ '000
Cash and cash equivalents in the statement of cash flows include cash on hand, cash at bank and other cash equivalents which are readily convertible to cash and are used in the cash management function on a day-to-day basis.		
Due to significant reductions in medium term interest rates, council has withdrawn all of its short term deposits and placed the amount in its operating account which is providing a higher level of return that what would otherwise be available.		
Cash and cash equivalents		
Cash in operating bank account	36,079	51,184
Cash on hand	1	1
Deposits at call with the Queensland Treasury Corporation	62,571	15,892
Total cash and cash equivalents	98,651	67,077
Restricted cash and cash equivalents		
Cash and cash equivalents	98,651	67,077
Less: externally imposed restrictions on cash	(40,111)	(26,452)
Unrestricted cash	58,540	40,625

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

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

Unspent government grants and subsidies	12,293	8,739
Unspent developer contributions	23,208	17,713
Waste levy refund received in advance	4,610	-
Total externally imposed restrictions on cash assets	40,111	26,452

Trust funds

In accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*, a separate trust bank account and separate trust accounting records are maintained for funds held in trust on behalf of third parties. Funds held in council's trust account include deposits lodged to guarantee performance and unclaimed monies.

Council performs only a custodian role in respect of these monies and because these monies cannot be used for council purposes, they are not considered revenue nor brought to account in the financial statements since council has no control over the assets. Council held \$478,372 in trust funds as at 30 June 2022 (2021: \$781,533).

Note 11. Trade and Other Receivables

Receivables are due for settlement within 30 days after the invoice is issued and are recognised at the amounts due. Debts are assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off by 30 June 2022. If an amount is recovered in a subsequent period it is recognised as revenue.

Under the *Local Government Act 2009* Council has the power to sell an owners' property to recover outstanding rates debts. Council impairs rates receivables when outstanding debts exceed unimproved capital values or when a state lease has been cancelled and it is likely that the outstanding rates cannot be received from the debtor.

Interest is charged on outstanding rates at a rate of 7% per annum compounded monthly (2021: 7%). No interest is charged on other debtors. There is no concentration of credit risk for rates and charges or other debtors receivable.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Trade and Other Receivables

	2022 \$ '000	2021 \$ '000
Current		
Rates and charges	4,821	3,545
Other debtors	1,983	2,187
Total	<u>6,804</u>	<u>5,732</u>
less: Loss allowance		
Rates and charges	(243)	(234)
Other debtors	(7)	(8)
Total loss allowance - receivables	<u>(250)</u>	<u>(242)</u>
Total current receivables	<u>6,554</u>	<u>5,490</u>

Note 12. Inventories

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

	2022 \$ '000	2021 \$ '000
Current Inventories		
(a) Inventories held for distribution		
Quarry and road materials	499	581
Stores and materials	430	408
	<u>929</u>	<u>989</u>
(b) Other		
Land held as inventory	–	2,641
Total current inventories	<u>929</u>	<u>3,630</u>

Non-current inventories

Land held as inventory	3,819	3,812
Total non-current inventories	<u>3,819</u>	<u>3,812</u>

During the year ended 30 June 2022, no interest was capitalised to land purchased for sale.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Other assets

	2022	2021
	\$ '000	\$ '000
Current		
GST recoverable	936	748
Prepayments	1,229	1,205
Water charges not yet levied	–	1,934
Total current other assets	2,165	3,887

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. Property, plant and equipment

	Notes										Total \$ '000	
	Land \$ '000	Site improvements \$ '000	Buildings \$ '000	Plant and equipment \$ '000	Road and drainage network \$ '000	Bridge network \$ '000	Water \$ '000	Sewerage \$ '000	Work in progress \$ '000	Cost		
2022												
Measurement basis	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Cost
Opening gross balance	39,002	67,080	79,654	23,933	621,077	45,219	321,078	173,743	13,842	1,384,628	10,588	1,384,628
Additions - renewal	-	184	85	336	2,850	1	409	329	6,394	10,588	6,394	10,588
Additions - other	1	474	1,482	1,562	2,558	-	2,198	938	9,247	18,460	9,247	18,460
Contributed assets	18	-	22	-	4,526	-	1,085	446	-	6,097	-	6,097
Disposals	(748)	-	-	(1,505)	-	-	-	-	-	(2,253)	-	(2,253)
Write-offs	-	(672)	(308)	-	(3,020)	-	(491)	(98)	(56)	(4,645)	-	(4,645)
Revaluation increments to equity (ARS)	1,545	9,325	7,880	-	25,316	2,746	31,554	16,463	-	94,829	-	94,829
Transfers from/(to) Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress transfers	40	420	1,606	13	1,799	-	1,109	966	(5,953)	43	-	43
Adjustments and other transfers	-	1,913	5	(328)	797	(197)	(277)	(6,124)	-	(4,211)	-	(4,211)
Increase/(decrease) in landfill rehabilitation asset due to change in discount rate	-	(1,344)	-	-	-	-	-	-	-	(1,344)	-	(1,344)
Reversal of prior period reval. decrements to P/L	-	-	-	-	14,178	-	-	-	-	-	-	-
Total Gross Value - Property, Plant and Equipment	39,858	77,380	90,426	24,011	670,081	47,769	356,665	186,663	23,517	1,516,370	1,516,370	1,516,370
Opening accumulated depreciation and impairment	-	20,329	27,913	12,544	130,352	15,011	125,279	41,686	-	373,114	24,634	373,114
Depreciation expense	-	2,850	2,453	1,873	9,637	755	4,410	2,656	-	24,634	-	24,634
Reversal of prior period reval. decrements to P/L	-	-	-	-	(897)	-	-	-	-	(897)	-	(897)
Revaluation increments to equity (ARS)	-	5,396	2,864	-	9,382	947	12,540	4,185	-	35,314	-	35,314
Adjustments and other transfers	-	-	(8)	(266)	(1,051)	(40)	(538)	(924)	-	(2,827)	-	(2,827)
Disposals	-	-	-	(1,073)	-	-	-	-	-	(1,073)	-	(1,073)
Write-offs	-	(278)	(171)	-	(1,005)	-	(379)	(59)	-	(1,892)	-	(1,892)
Total Accumulated Depreciation - Property, Plant and Equipment	-	28,297	33,051	13,078	146,418	16,673	141,312	47,544	-	426,373	-	426,373
Total net book value of property, plant and equipment	39,858	49,083	57,375	10,933	523,663	31,096	215,353	139,119	23,517	1,089,997	1,089,997	1,089,997
Other information												
Range of estimated useful life (years)	Not depreciated	6 - 137	8 - 114	3 - 40	5 - 300	11 - 120	8 - 198	9 - 160	Not depreciated	-	-	-

Notes to the Financial Statements
for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

2021	Notes	Measurement basis	Land	Site	Buildings	Plant and	Road and	Bridge network	Water	Sewerage	Work in progress	Total
			\$ '000	improvements \$ '000	\$ '000	equipment \$ '000	drainage network \$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
			Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost
		Opening gross balance	37,260	64,695	79,028	23,758	615,798	40,220	318,297	171,239	10,991	1,361,286
		Additions - renewal	-	179	55	1,909	4,374	297	573	275	7,520	15,182
		Additions - other	-	614	756	220	6,632	-	241	68	2,110	10,641
		Contributed assets	-	169	3	-	6,233	366	1,442	1,486	-	9,699
		Disposals	(251)	(86)	(389)	(1,978)	-	-	-	-	-	(2,704)
		Write-offs	-	-	-	-	(2,329)	-	(655)	(194)	(72)	(3,250)
	9	Revaluation decrements to P/L	-	-	-	-	(23,196)	-	-	-	-	(23,196)
		Revaluation increments to equity (ARS)	1,993	-	-	-	-	12,344	-	-	-	14,337
		Work in progress transfers	-	187	201	24	4,161	85	1,180	869	(6,707)	-
		Adjustments and other transfers	-	-	-	-	9,404	(9,404)	-	-	-	-
		Increase/(decrease) in landfill rehabilitation asset due to change in discount rate	-	-	-	-	-	-	-	-	-	1,322
	5	Reversal of prior period reval. decrements to P/L	-	1,322	-	-	-	-	-	-	-	1,311
		Total Gross Value - Property, Plant and Equipment	39,002	67,080	79,654	23,933	621,077	45,219	321,078	173,743	13,842	1,384,628
		Opening accumulated depreciation and impairment	-	18,505	25,758	12,005	128,517	15,807	121,509	38,953	-	361,054
		Depreciation expense	-	1,881	2,359	1,931	8,988	774	4,337	2,739	-	23,009
	9	Revaluation decrements to P/L	-	-	-	-	(9,325)	-	-	-	-	(9,325)
		Revaluation increments to equity (ARS)	-	-	-	-	-	1,497	-	-	-	1,497
		Adjustments and other transfers	-	-	-	-	3,067	(3,067)	-	-	-	-
		Disposals	-	-	-	-	-	-	-	-	-	(1,392)
		Write-offs	-	(57)	(204)	(1,392)	(895)	-	(567)	(6)	-	(1,729)
		Total Accumulated Depreciation - Property, Plant and Equipment	-	20,329	27,913	12,544	130,352	15,011	125,279	41,686	-	373,114
		Total net book value of property, plant and equipment	39,002	46,751	51,741	11,389	490,725	30,208	195,799	132,057	13,842	1,011,514
		Other information	Not depreciated	4 - 134	8 - 144	3 - 40	5 - 300	10 - 120	3 - 198	6 - 160	Not depreciated	-
		Range of estimated useful life (years)										

Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. Property, plant and equipment(continued)

Recognition and measurement

(a) Recognition

Items of plant and equipment with a total value of less than \$5,000 and infrastructure, buildings and site improvement assets with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised and included in the relevant asset class.

A complex asset is a physical asset capable of disaggregation into significant components, such as road infrastructure, where the components may include initial earthworks, formation, pavement, seal, kerb and channel, road furniture and footpaths.

Land under roads and reserve land which falls under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. As such this land is not recognised in these financial statements.

(b) Capital and operating expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

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

(c) Acquisition

Acquisitions of property, plant and equipment are initially recorded at cost plus costs incidental to the acquisition, including freight in, architect's fees, engineering design fees and all other establishment costs. Donated items of property, plant and equipment, except reserve land, are recognised as assets and revenue at fair value.

(d) Depreciation

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. Property, plant and equipment(continued)

(e) Accumulated Depreciation

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

(f) Valuation

Non-current physical assets measured at fair value are revalued as necessary so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. Plant and equipment and work in progress are measured at cost. Independent, professionally qualified valuers are engaged to determine the fair value for each class of property, plant and equipment assets measured at fair value at least once every five years. This process involves the valuer physically sighting a representative sample of council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection. A full revaluation was undertaken of the Site Improvement asset class as at 1 July 2021.

In the intervening years, council uses internal staff resources to assess the condition and cost assumptions associated with property, plant and equipment assets. These results are considered in combination with the Australian Bureau of Statistics indices for Queensland and other measures deemed suitable, which may include professional advice from appropriate qualified external valuers. Together this information is used to form the basis of a management valuation for property, plant and equipment asset classes in each of the intervening years or periods to 30 June 2022. Further details in relation to valuers, the methods of valuation and the key assumptions and in valuing each different asset class are disclosed below.

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

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

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

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. Property, plant and equipment(continued)

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

	Date of latest valuation	Fair value measurement using			Total
		Level 1	Level 2	Level 3	
		Quoted prices in active mkts	Significant observable inputs	significant unobservable inputs	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2022					
Property, plant and equipment					
Land	31/03/21	–	13,399	26,459	39,858
Site improvements	01/07/21	–	–	49,083	49,083
Buildings	01/07/19	–	–	57,375	57,375
Road and drainage infrastructure	01/07/20	–	–	523,663	523,663
Bridge infrastructure	01/07/20	–	–	31,096	31,096
Water infrastructure	01/07/19	–	–	215,353	215,353
Sewerage infrastructure	01/07/19	–	–	139,119	139,119
Total property, plant and equipment		–	13,399	1,042,148	1,055,547
2021					
Property, plant and equipment					
Land	31/03/21	–	13,578	25,424	39,002
Site improvements	01/07/18	–	–	46,751	46,751
Buildings	01/07/19	–	–	51,741	51,741
Road and drainage infrastructure	01/07/20	–	–	490,724	490,724
Bridge infrastructure	01/07/20	–	–	30,208	30,208
Water infrastructure	01/07/19	–	–	195,799	195,799
Sewerage infrastructure	01/07/19	–	–	132,057	132,057
Total property, plant and equipment		–	13,578	972,704	986,282

Notes to the Financial Statements for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

(2) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
- Land (Level 2)	Fair Value	31/03/21	Herron Todd White	- Current zoning - Sales evidence from market transactions involving comparable assets. - No impact from environmental issues including contamination.	4% from Herron Todd White applied from 1 April 2021 to 31 March 2022	Nil
- Land (Level 3)	Fair Value	31/03/21	Herron Todd White	- Current zoning - Sales evidence from market transactions involving comparable assets. - Adjustments for any restrictions or constraints of ownership or special purpose usage. - No impact from environmental issues including contamination.	4% from Herron Todd White applied from 1 April 2021 to 31 March 2022	Nil
- Buildings (Level 3)	Fair Value	01/07/19	AssetVal Pty Ltd	- Fair values are estimated using unit rates for each component which are derived from externally available and internally generated civil works and published building cost data. - Components derived from council hierarchy or industry accepted percentages.	9.70% from AssetVal index assessment report applied from 1 July 2019 to 31 March 2022	Nil

Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
- Site Improvements (Level 3)	Fair Value	01/07/21	AssetVal Pty Ltd	<ul style="list-style-type: none"> - Unit rates were developed using a first principles approach taking into account current plant, labour and material costs as well as productivity considerations and current modern equivalent infrastructure. - The raw costs of materials, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using costs guides such as the Rawlinson's Construction Handbook, and through reviewing actual costs incurred. - Remaining useful lives are calculated using the age and condition of the asset. 	<ul style="list-style-type: none"> - Nil - Comprehensive Revaluation undertaken. 	<ul style="list-style-type: none"> - Index of 5.10% was applied as at 31 March 2022. This was on top of the Comprehensive undertaken as at 1 July 2021
- Roads and Drainage Infrastructure (Level 3)	Fair Value	01/07/20	AssetVal Pty Ltd	<ul style="list-style-type: none"> - Unit rates were developed using a first principles approach taking into account current plant, labour and material costs as well as productivity considerations and current modern equivalent infrastructure. - The raw costs of materials, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using costs guides such as the Rawlinson's Construction Handbook, and through reviewing actual costs incurred. - Remaining useful lives are calculated using the age and condition of the asset. 	<ul style="list-style-type: none"> - 6.10% for Roads and 6.80% for Drainage from AssetVal index assessment report applied from 1 July 2020 to 31 March 2022 	<ul style="list-style-type: none"> - Nil

Notes to the Financial Statements
for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
- Bridges (Level 3)	Fair Value	01/07/20	Forcecor Infrastructure Consultants	<ul style="list-style-type: none"> - The current replacement value for each structure was determined by componentising the bridges and major drainage structures into surface, substructure, superstructure, waterway, deck and miscellaneous assets to reflect the different useful lives of each. - Costs are established by using published or available market data for recent projects, and published cost guides. - A condition assessment is applied based on the age and condition of the asset, and economic or functional obsolescence. 	6.10% from AssetVal index assessment report applied from 1 July 2020 to 31 March 2022	Nil
- Sewerage Infrastructure (Level 3)	Fair Value	01/07/19	AssetVal Pty Ltd	<ul style="list-style-type: none"> - Unit rates were developed using a first principles approach taking into account current plant, labour and material costs as well as productivity considerations and current modern equivalent infrastructure. - The raw costs of materials, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using costs guides such as the Rawlinson's Construction Handbook, and through reviewing actual costs incurred. - Remaining useful lives are calculated using the age and condition of the asset. 	9.80% from AssetVal index assessment report applied from 1 July 2019 to 31 March 2022	Nil

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
- Water Infrastructure (Level 3)	Fair Value	01/07/19	AssetVal Pty Ltd	<ul style="list-style-type: none"> - Unit rates were developed using a first principles approach taking into account current plant, labour and material costs as well as productivity considerations and current modern equivalent infrastructure. - The raw costs of materials, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using costs guides such as the Rawlinson's Construction Handbook, and through reviewing actual costs incurred. - Remaining useful lives are calculated using the age and condition of the asset. 	9.80% from AssetVal index assessment report applied from 1 July 2019 to 31 March 2022	Nil

Notes to the Financial Statements

for the year ended 30 June 2022

Note 15. Contract balances

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

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

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

	2022 \$ '000	2021 \$ '000
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(a) Contract assets

Contract assets	1,471	1,389
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(b) Contract liabilities

Funds received upfront to construct Council controlled assets	12,293	8,739
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Council has contract liabilities in relation to a number of construction projects as at the reporting date. These contract liabilities have arisen as a result of council receiving advanced capital grants payments to fund the construction of road & drainage and site improvement assets. The contract liability will be released and recognised as revenue when the obligation to construct has been completed.

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

Funds to construct Council controlled assets	2,607	1,869
Total revenue recognised	2,607	1,869

(c) Significant changes in contract balances

The increase in contract assets and liabilities are as a result of a significant increase in the amount of grants and subsidies being provided by the State and Federal Governments. For these grants, a majority of the funding is provided in advance, often for multiple years, with the balance being paid as milestones are achieved or on completion of the funded project. The bulk of the balance of the contract liability account relates to the Stanage Bay project which is a large, multi-phase project which will be completed over several financial years.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 16. Trade and Other Payables

	2022 \$ '000	2021 \$ '000
Trade creditors are recognised as a liability at the time the amount owed can be measured reliably and when it is probable the amount will be paid, or when the goods are received or the service is performed. Amounts owing are unsecured and are generally settled on 7 or 30 days terms.		
Current		
Creditors and accruals	6,696	5,781
Prepaid rates	4,665	4,371
Other entitlements	345	331
Total current payables	11,706	10,483

Note 17. Borrowings

	2022 \$ '000	2021 \$ '000
Current		
Loans - Queensland Treasury Corporation	5,672	5,403
Total current borrowings	5,672	5,403
Non-current		
Loans - Queensland Treasury Corporation	54,286	59,837
Total non-current borrowings	54,286	59,837

Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	65,240	75,520
Loans raised	-	-
Principal repayments	(5,282)	(10,280)
Book value at end of financial year	59,958	65,240

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears. The loan market value at the reporting date was \$61,608,855. This represents the value of the debt if council repaid it at that date. As it is the intention of council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by council for any liabilities, however all loans are guaranteed by the Queensland State Government. Expected final repayment dates vary from 15 September 2029 to 15 June 2038.

Council currently has an approved working capital facility with the Queensland Treasury Corporation. This facility has a limit of \$10 million which is approved on a permanent basis subject to an annual review by the Queensland Treasury Corporation and Department of State Development, Infrastructure, Local Government and Planning. Council has not utilised the facility during 2021-22.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 18. Provisions

Employee provisions

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

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

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months from reporting date, long service leave is classified as a current liability. Otherwise long service leave is classified as non-current. The 2021 Certified Agreement now provides for the payment of long service leave on a pro-rata basis after five years of continuous service, whereas the entitlement was previously available after seven years. For the 2022 financial year, the current and non-current balances have been calculated by taking into account this change in entitlement.

The provision for sick leave represents a new obligation arising out of the 2021 Certified Agreement which now provides for the vesting of unused sick leave and payment of up to \$6,500 per employee on termination subject to meeting certain eligibility criteria, such as ten years continuous service. The entitlement is subject to a sunset clause which expires on 30 September 2025. As set out in the Certified Agreement, the liability is calculated using the amount of available leave in weeks multiplied by \$250 up to the maximum amount of \$6,500. The estimates are adjusted for the probability of the employee remaining in the council's employment that would result in council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates published on the Reserve Bank of Australia website.

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

Quarry restoration

The provision for quarry restoration represents the present value of the anticipated future costs associated with the closure and restoration of quarry sites. The calculation of the provision use assumptions including application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provision recognised for quarry restoration is reviewed at least annually and is updated based on the facts and circumstances available at the time. The projected cost is \$276,820 (undiscounted) and this cost is expected to be incurred over the period 2023 to 2042.

Landfill restoration

Obligations for future landfill restoration work are determined annually, estimating the nature and extent of work associated with the closure of the landfill facilities, monitoring of historical residues and leaching on these sites. As council has a present obligation, it is probable that restoration work will be undertaken and a reliable estimate of the amount can be made, it is recognised as a provision. The calculation of the provision use assumptions including application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The projected cost is \$12,867,098 (undiscounted) and this cost is expected to be incurred over the period 2023 to 2055.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 18. Provisions(continued)

	2022 \$ '000	2021 \$ '000
Current		
Annual leave	3,198	3,223
Long service leave	4,229	3,981
Sick leave	474	–
Quarry restoration	20	20
Landfill restoration	1,492	–
Total current provisions	9,413	7,224
Non-current		
Long service leave	629	853
Sick leave	50	–
Quarry restoration	174	206
Landfill restoration	7,733	10,461
Total non-current provisions	8,586	11,520

Details of movements in non-employee provisions

Quarry rehabilitation

Balance at beginning of financial year	226	198
Amounts used	(11)	–
Increase in provision due to unwinding of discount	3	2
Decrease in provision due to change in discount rate	(38)	(12)
Increase in estimate of future cost	14	38
Balance at end of financial year	194	226

Landfill restoration

Balance at beginning of financial year	10,461	9,049
Increase in provision due to unwinding of discount	109	90
Decrease in provision due to change in discount rate	(1,400)	(451)
Increase in estimate of future cost	55	1,773
Balance at end of financial year	9,225	10,461

Note 19. Other liabilities

	2022 \$ '000	2021 \$ '000
Current		
Waste levy refund received in advance	1,140	–
Unearned revenue	122	133
Total current other liabilities	1,262	133
Non-current		
Waste levy refund received in advance	3,470	–
Total non-current other liabilities	3,470	–

The State Government made an advance payment to Council in June 2022 to mitigate the impacts on households for the following four financial years of the State Waste Levy. As the receipt from the State in June 2022 is for a refund of Council's future Levy expenses, the full amount has been recognised as a liability at 30 June 2022 and split between current and non-current in accordance with the State's calculations of the estimated annual charges.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 20. Asset revaluation surplus

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

Revaluation decrements to the Road and Drainage infrastructure class in previous historical years have fully utilised the asset revaluation surplus for that class of assets. Current year decrements have been expensed through profit and loss as a capital expense.

Movements in the asset revaluation surplus were as follows:

	Notes	2022 \$ '000	2021 \$ '000
Balance at beginning of financial year		45,011	32,171
Net adjustment to non-current assets at end of year to reflect a change in:			
Land	14	1,545	1,993
Buildings	14	5,016	-
Roads & drainage	14	15,934	-
Sewerage	14	12,278	-
Site improvements	14	3,929	-
Water	14	19,014	-
Bridge network	14	1,799	10,847
Balance at end of financial year		104,526	45,011

Asset revaluation surplus analysis

	2022 \$ '000	2021 \$ '000
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land	4,519	2,974
Buildings	9,184	4,168
Roads & drainage	15,934	-
Sewerage	16,354	4,076
Site improvements	7,076	3,147
Water	38,813	19,799
Bridge network	12,646	10,847
	104,526	45,011

Notes to the Financial Statements

for the year ended 30 June 2022

Note 21. Commitments for expenditure

	2022 \$ '000	2021 \$ '000
(a) Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Waste services	8,422	10,725
Water and sewerage services	3,818	4,581
ICT Services	7,234	8,015
Other	584	275
	20,058	23,596
(b) Capital Commitments		
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:		
Property, plant and equipment		
Road, drainage and bridge network	9,207	3,365
Buildings	–	331
Water	4,869	3,195
Other	–	407
Waste	1,149	–
	15,225	7,298
Total commitments		
These expenditures are payable as follows:		
Within the next year	15,225	7,298
Later than one year and not later than 5 years	–	–
Later than 5 years	–	–
	15,225	7,298
Total payable		

Note 22. Contingent liabilities

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

Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. The latest audited financial statements dated 30 June 2021 reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. At 30 June 2022, Council's maximum exposure to the bank guarantee is \$900,407.72.

Legal Claims

Council is a defendant in a number of legal actions that have arisen as a result of the operations of council and its ownership of public assets as at the reporting date. All liability claims are subject to review and are only provided for when genuine and not contingent on a future event. Information in respect of individual claims has not been disclosed on the basis that council considers such disclosures would seriously prejudice the outcome of these claims.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 23. Superannuation

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

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

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

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

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. The council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due until 1 July 2024.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - the risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - the risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

Notes	2022 \$ '000	2021 \$ '000
Superannuation contributions made to the Regional Defined Benefits Fund	90	110
Other superannuation contributions for employees	3,582	3,429
Total superannuation contributions paid by Council for employees	3,672	3,539

6

Notes to the Financial Statements

for the year ended 30 June 2022

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

	2022 \$ '000	2021 \$ '000
Net operating result from statement of comprehensive income	43,883	16,216
Non-cash items		
Depreciation and amortisation	24,721	23,094
Reversal of prior period property, plant and equipment revaluation decrements costed direct to the income statement	(15,076)	(1,311)
Other net asset adjustments	1,383	–
Capital Expenses	–	2
	<u>11,028</u>	<u>21,785</u>
Losses/(gains) recognised on fair value re-measurements through the income statement		
Unwinding of discount rates on restoration provisions	(24)	27
Write-offs relating to the fair valuation of property, plant and equipment	–	13,871
	<u>(24)</u>	<u>13,898</u>
Investing and development activities		
Net (profit)/loss on disposal of assets	(492)	(235)
Loss on write-off of assets	2,697	1,927
Capital grants and contributions	(30,410)	(26,985)
Other capital income	–	(2)
	<u>(28,205)</u>	<u>(25,295)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(1,072)	(11)
Increase/(decrease) in provision for doubtful debts	8	16
(Increase)/decrease in inventories	60	116
(Increase)/decrease in contract assets	(82)	–
(Increase)/decrease in other assets	1,722	(1,293)
Increase/(decrease) in payables	915	(2,554)
Increase/(decrease) in contract liabilities	82	194
Increase/(decrease) in employee leave entitlements	523	(190)
Increase/(decrease) in other provisions	101	91
Increase/(decrease) in other liabilities	4,907	587
(Increase)/decrease in land held for sale	2,634	388
	<u>9,798</u>	<u>(2,656)</u>
Net cash provided from operating activities from the statement of cash flows	<u>36,480</u>	<u>23,948</u>

Notes to the Financial Statements

for the year ended 30 June 2022

Note 25. Reconciliation of liabilities arising from finance activities

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

	as at 30/06/20		as at 30/06/21
	Opening Balance \$ '000	Cashflows \$ '000	Closing balance \$ '000
2021			
Borrowings	75,520	(10,280)	65,240
	<u>75,520</u>	<u>(10,280)</u>	<u>65,240</u>

Note 26. Events after the reporting period

There were no material adjusting events after the reporting period.

Note 27. Financial instruments

(a) Financial assets and financial liabilities

Council has the following categories of financial assets and financial liabilities:

- Cash and cash equivalents
- Receivables
- Payables
- Borrowings

Council has exposure to the following risks arising from financial instruments; (i) credit risk, (ii) liquidity risk, and (iii) market risk.

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

(b) Financial risk management

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

Council's Audit Risk and Improvement Committee (ARaIC) oversees and provides guidance on the development of policies for overall risk management, as well as specifically for managing market, liquidity and credit risk.

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

Notes to the Financial Statements

for the year ended 30 June 2022

Note 27. Financial instruments(continued)

The ARaIC oversees how management monitors compliance with Council's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by council. This committee is assisted in its oversight role by internal audit. Council has outsourced its internal audit function to undertake the planned internal audit work program, the results of which are reported to the ARaIC.

(c) Credit risk

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

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

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

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

(d) Liquidity risk

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

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

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

	0 to 1 year \$ '000	1 to 5 years \$ '000	Over 5 years \$ '000	Total contractual cash flows \$ '000	Carrying amount \$ '000
2022					
Payables	6,696	–	–	6,696	6,696
Loans - QTC	8,422	33,687	32,651	74,760	59,958
	<u>15,118</u>	<u>33,687</u>	<u>32,651</u>	<u>81,456</u>	<u>66,654</u>
2021					
Payables	5,781	–	–	5,781	5,781
Loans - QTC	8,422	33,687	41,072	83,181	65,240
	<u>14,203</u>	<u>33,687</u>	<u>41,072</u>	<u>88,962</u>	<u>71,021</u>

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

Notes to the Financial Statements

for the year ended 30 June 2022

Note 27. Financial instruments(continued)

(e) Market risk

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

Interest rate risk

Interest rate risk refers to the possible fluctuations caused by changes in the value of interest bearing financial instruments as a result of market rates. Council is exposed to interest rate risk through investments and borrowings with QTC.

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

Council does not account for any fixed-rate financial assets or financial liabilities at fair value through the profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Council's interest rate sensitivity to an expected 1% fluctuation in interest rates, if all other variables were held constant, is as follows:

	Net carrying amount \$ '000	Net result		Equity	
		1% increase \$ '000	1% decrease \$ '000	1% increase \$ '000	1% decrease \$ '000
2022					
Financial assets	98,651	987	(987)	987	(987)
Financial liabilities	(59,958)	(600)	600	(600)	600
Net	38,693	387	(387)	387	(387)
2021					
Financial assets	67,077	671	(671)	671	(671)
Financial liabilities	(65,240)	(652)	652	(652)	652
Net	1,837	19	(19)	19	(19)

Note 28. National competition policy

Council applies the competitive code of conduct to the following activities:

Water and Sewerage Services
Waste Services
Building Certification

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO value is determined by council, and represents an activities costs which would not be incurred if the primary objective of the activities was to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by council.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 28. National competition policy

The following activity statements are for activities subject to the competitive code of conduct:

	Water and Sewerage Services \$ '000	Waste Services \$ '000	Building Certification \$ '000
Revenue for services provided to the Council	28	650	–
Revenue for services provided to external clients	29,959	9,895	663
Community service obligations	–	599	–
	<u>29,987</u>	<u>11,144</u>	<u>663</u>
Less : expenditure	(24,185)	(9,438)	(306)
Surplus/(deficit)	5,802	1,706	357

Description of CSO's provided to business activities:

Activities	CSO description	Actual \$'000
Waste Services	Waste vouchers	589
Waste Services	Charity waste disposal	10

Note 29. Transactions with related parties

(a) Subsidiaries

Council has no interests in any subsidiaries.

(b) Associates

Council has no interests in any associates.

(c) Joint ventures

Council has no interests in any joint ventures.

(d) Key management personnel

Transactions with key management personnel

Key management personnel (KMP) include the positions of Mayor, Councilors, Chief Executive Officer, Executive Directors, Chief Financial Officer, Chief Technology Officer and Chief Human Resources Officer.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 29. Transactions with related parties(continued)

The compensation paid to KMP comprises:

	2022 \$ '000	2021 \$ '000
The compensation paid to key management personnel for comprises:		
Short-term employee benefits	2,015	2,198
Post-employment benefits	270	319
Long-term benefits	33	34
Termination benefits	–	445
Total	2,318	2,996

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

(e) Other Related Parties

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

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

Transactions with other related parties

Details	Amount of transactions during year \$ '000
2022	
Purchase of materials and services from entities controlled by key management personnel or their close family members	86
	86
2021	
Purchase of materials and services from entities controlled by key management personnel or their close family members	56
	56

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

Catering supplies of \$1,102 were purchased from Whisk Tappas Pty Ltd during 2021-22. Total purchases in 2020-21 were \$3,160. During both financial years the spouse of the Mayor had control over the operations of this company.

Catering supplies of \$5,095 were purchased from Creative Cater Pty Ltd during 2021-22. There were no purchases in 2020-21. Close family members of the Mayor had control over the operations of this company.

Professional photography services of \$72,762 were purchased from Levi Appleton Studios during 2021-22. Total purchases in 2020-21 were \$47,066. During both financial years a close family member of the Deputy Mayor had control over the operations of this entity.

Magazine and newspaper supplies of \$7,140 were purchased from Capricorn News (McClelland Investments (QLD) Pty Ltd) during 2021-22. Total purchases in 2020-21 were \$6,279. During both financial years a close family member of the Chief Executive Officer had control over the operations of this company.

All purchases were at arm's length and were in the normal course of council's operations.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 29. Transactions with related parties(continued)

(f) Outstanding balances

There were no material outstanding balances owing from related parties at reporting date.

(g) Loans and guarantees to/from related parties

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

(h) Commitments to/from other related parties

Council had commitments with Levi Appleton Studios pertaining to photography services as at 30 June 2022 totaling \$5,321.

(i) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the Livingstone Shire Council region. Therefore on a regular basis ordinary citizen transactions occur between council and its related parties. Some examples include:

- Borrowing books from council's libraries
- Dog registration
- Lodgement of development applications
- Payment of rates and/or utility charges
- Use of council's swimming pools

Council has not disclosed transactions of this type, where they are made on the same terms and conditions available to the general public.

Note 30. Council information and contact details

Principal place of business:

4 Lagoon Place
YEPPOON QLD 4703

Mailing address:

PO Box 2292
YEPPOON QLD 4703

Telephone: 1300 790 919

Facsimile: 07 4836 4776

Chief Executive Officer

Cale Dendle

AUDITORS

Queensland Audit Office
Level 14, 53 Albert Street
BRISBANE QLD 4000

Opening hours:

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

Internet: www.livingstone.qld.gov.au

Email: enquiries@livingstone.qld.gov.au

Mayor

Andrew Ireland

Councillors

Adam Belot
Andrea Friend
Glenda Mather
Nigel Hutton
Patrick Eastwood
Rhodes Watson

ABN: 95 399 253 048

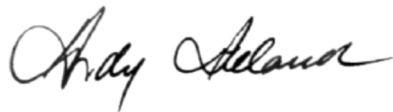
General Purpose Financial Statements
for the year ended 30 June 2022

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


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

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

(ii) the general purpose financial statements, as set out on pages 3 to 42, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Andrew Ireland
Mayor
28 October 2022



Cale Dendle
Chief Executive Officer
28 October 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Livingstone Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Livingstone Shire Council.

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



David Adams
as delegate of the Auditor-General

31 October 2022

Queensland Audit Office
Brisbane

General Purpose Financial Statements
for the year ended 30 June 2022

General Purpose Financial Statements

for the year ended 30 June 2022

Current Year Financial Sustainability Statement

	Actual 2022	Target 2022
Measures of financial sustainability		
1. Operating surplus ratio		
Net result (excluding capital items) ¹	1.91%	0% - 10%
Total operating revenue (excluding capital items) ²		
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
2. Asset sustainability ratio		
Capital expenditure on the replacement of assets (renewals) ³	45.04%	> 90.00%
Depreciation expense		
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		
3. Net financial liabilities ratio		
Total liabilities less current assets	(3.01)%	< 60.00%
Total operating revenue (excluding capital items) ²		
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

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

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

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

Note 1 - basis of preparation

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

General Purpose Financial Statements
for the year ended 30 June 2022

Certificate of Accuracy

Certificate of Accuracy
for the year ended 30 June 2022

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

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



Andrew Ireland
Mayor
28 October 2022



Cale Dendle
Chief Executive Officer
28 October 2022

General Purpose Financial Statements
for the year ended 30 June 2022

Current Year Financial Sustainability Statement

Independent Auditor's Report - Current Year Financial Sustainability Statement

INDEPENDENT AUDITOR'S REPORT

To the councillors of Livingstone Shire Council

Report on the current-year financial sustainability statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

At the date of this auditor's report, the available other information in Livingstone Shire Council's annual report for the year ended 30 June 2022 was the general purpose financial statements and 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 expressed a separate opinion on the general purpose financial report.

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

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

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

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

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

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

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

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

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

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

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.



David Adams
as delegate of the Auditor-General

31 October 2022

Queensland Audit Office
Brisbane

Livingstone Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Unaudited Long Term Financial Sustainability Statement

	Target 2022	Actual 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Measures of financial sustainability												
1. Operating surplus ratio												
Net result (excluding capital items) ¹		1.91%	0.10%	0.10%	1.60%	1.00%	0.80%	0.80%	1.30%	1.20%	1.20%	2.40%
Total operating revenue (excluding capital items) ²	0% - 10%											
An indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
2. Asset sustainability ratio												
Capital expenditure on the replacement of assets (renewals) ³	> 90.00%	45.04%	108.20%	89.20%	66.70%	73.30%	61.50%	75.00%	68.60%	58.80%	57.40%	55.80%
Depreciation expense												
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
3. Net financial liabilities ratio												
Total liabilities less current assets	< 60.00%	(3.01)%	(8.30)%	(15.20)%	(16.50)%	(12.20)%	(16.10)%	(16.00)%	(21.40)%	(26.90)%	(33.40)%	(40.60)%
Total operating revenue (excluding capital items) ²												
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.												

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

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

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

General Purpose Financial Statements
for the year ended 30 June 2022

Livingstone Shire Council Financial Management Strategy

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

General Purpose Financial Statements
for the year ended 30 June 2022

Certificate of Accuracy - Long Term Financial Sustainability Statement

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

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



Andrew Ireland
Mayor
28 October 2022



Cale Dendle
Chief Executive Officer
28 October 2022