



CARPENTARIA SHIRE

Outback by the Sea

***SPECIAL MEETING
BUSINESS PAPER***

07 NOVEMBER, 2024

BUSINESS PAPERS

NOTICE OF MEETING

COUNCILLORS:

Mayor Jack Bawden	Mayor
Cr Bradley Hawkins	
Cr Andrew Murphy	
Cr Glenn Smerdon	
Cr Cherie Schafer	
Cr Leslie Henry	
Cr Johnty O'Brien	

Please find attached the Agenda for the Special Council Meeting to be held in the Council Chambers, Haig Street, Normanton commencing at 9:00am.

Anne Andrews
CHIEF EXECUTIVE OFFICER

BUSINESS PAPERS

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BUSINESS PAPERS

- 1 OPENING OF MEETING**
- 2 RECORD OF ATTENDANCE**

BUSINESS PAPERS

3 CONFIDENTIAL BUSINESS – ADJOURNMENT INTO CLOSED SESSION

In accordance with the *Local Government Act 2009*, and the *Local Government Regulation 2012*, in the opinion of the General manager, the following business is of a kind as referred to in clause 254J(3) of the Regulation, and should be dealt with in a Confidential Session of the Council meeting closed to the press and public.

RECOMMENDATION

That Council adjourn into Closed Session and members of the press and public be excluded from the meeting of the Closed Session, and access to the correspondence and reports relating to the items considered during the course of the Closed Session be withheld unless declassified by separate resolution. This action is taken in accordance with clause 254J(3) of the Local Government Regulation 2012 as the items listed come within the following provisions

3.1 Offer for Deed of Grant over land described as Lot 9 on SP329434 being part of Reserve for Township (Extension) purposes

This item is classified CONFIDENTIAL under the provisions of clause 254J(3)(g) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government.:

BUSINESS PAPERS

4 REPORTS FROM DIRECTOR OF CORPORATE SERVICES

4.1 2023/2024 ANNUAL REPORT

Attachments: 4.1.1. Carpentaria Shire Annual Report 2023 2024

Author: Jade Nacario - Manager Finance and Administration

Date: 31 October 2024

Key Outcome: A well governed, responsive Council, providing effective leadership and management, and respecting community values

Key Strategy: Maintain a focus on integrity, Accountability and Transparency in all that we do

Executive Summary:

Pursuant to Section 182 of the *Local Government Regulation 2012*, a local government must prepare an annual report and it must be presented to Council for adoption. The Annual Report must provide information about how Council progressed the implementation of the five-year corporate plan during the period, its financial performance and other specific information required by legislation is presented for adoption.

RECOMMENDATION:

That Council adopt the Carpentaria Shire Council Annual Report for 2023/2024.

Background:

The *Local Government Act 2009* and *Local Government Regulation 2012* details the required information that must be included in Council's Annual Report. Section 182 Preparation of Annual Report states:

1. *A local government must prepare an annual report for each financial year.*
2. *The local government must adopt its annual report within 1 month after the day the auditor-general gives the auditor-general's audit report about the local government's financial statements for the financial year to the local government.*
3. *However, the Minister may, by notice to the local government, extend the time by which the annual report must be adopted.*
4. *The local government must publish its annual report on its website within 2 weeks of adopting the annual report.*

The Annual Report is an essential source of information to the community, and includes:

- Council's progress toward achieving its goals and objectives as detailed in the five year Corporate Plan;
 - Council's Audited Financial Statements;
 - A Community Financial Report that assists community members to obtain a greater understanding of Council's Audited Financial Statements;
 - Other information about Council's operations.
-

BUSINESS PAPERS

Queensland Audit Office (QAO) have issued Council with an unmodified audit opinion confirming that Council's financial statements meet all necessary legislative requirements and compliance. The Annual Report is attached for review and adoption.

Consultation (Internal/External):

- Anne Andrews - Chief Executive Officer
- Mark Crawley – Former Chief Executive Officer
- Michael Wanrooy - Director of Engineering
- Julianne Meier – Former Director Corporate Services
- Managers and Staff
- External – Crowe Horwath (QAO appointed auditors)

Legal Implications:

- In compiling the Annual Report, staff have utilised the checklist provided by the Department of Local Government, Racing and Multicultural Affairs to ensure compliance with the *Local Government Act 2009* and *Local Government Regulation 2012*.

Financial and Resource Implications:

- As provided in the Annual Report.

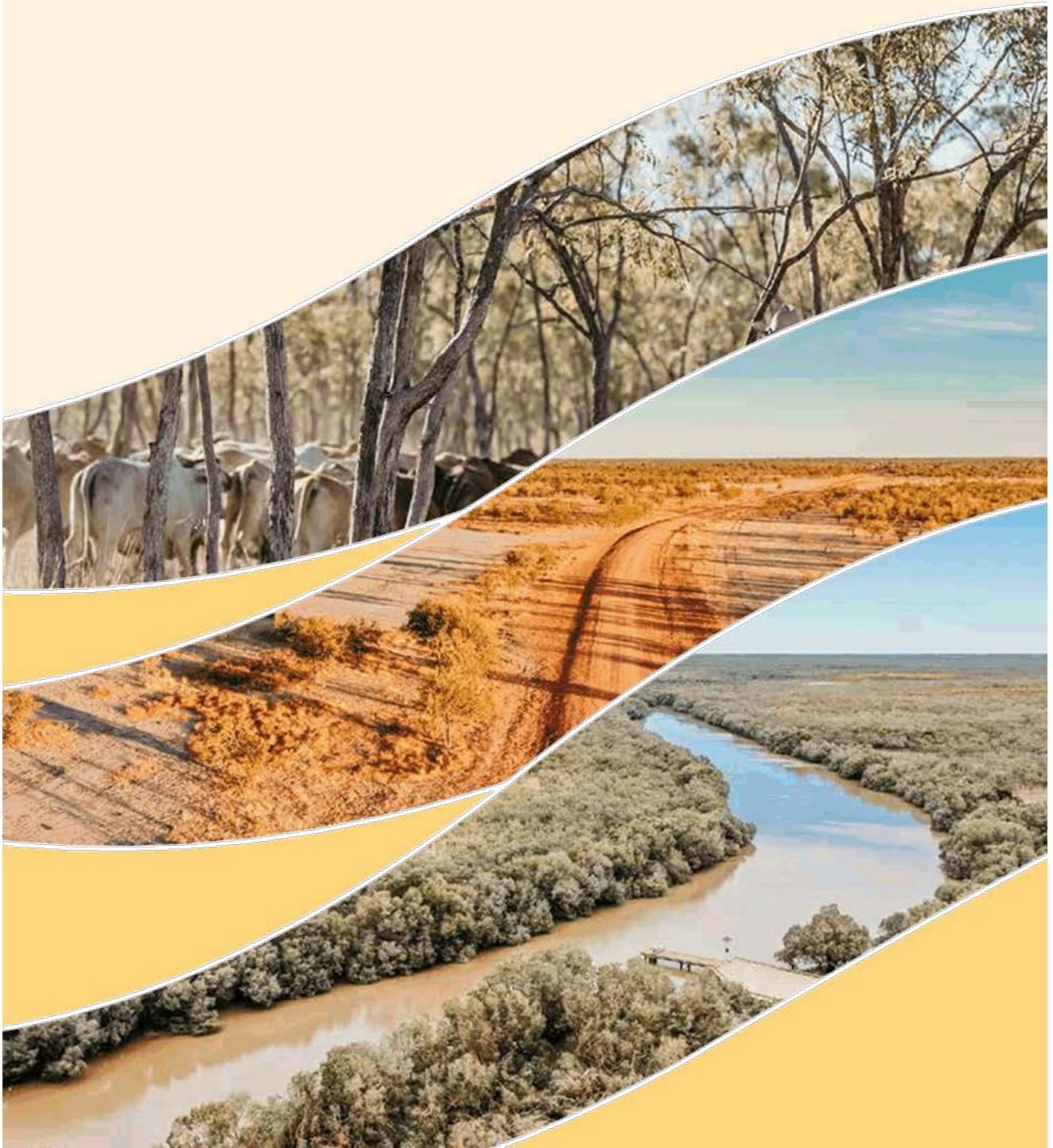
Risk Management Implications:

- Risk is considered low and Council will work through identified matters outlined in the audit report.



CARPENTARIA SHIRE
Outback by the Sea®

Annual Report 2023-2024



Each year, Carpentaria Shire Council produces an annual report as required by the State Government. This report has been prepared in accordance with Chapter 5, Part 3 of the *Local Government Regulation 2012*. The annual report is an important document by which Council is transparently accountable for its financial and operational performance throughout the year. It contains important information for all stakeholders (residents, Councillors, staff, community groups, other levels of government, developers/investors and other interested parties) on Council's operations, achievements, challenges, culture, purpose and plans for the future.

To request a copy of this report, please contact Council or, alternatively, you can download a copy from our website www.carpentaria.qld.gov.au

Normanton Administration Centre:

29-33 Haig Street, Normanton

Karumba Civic Centre:

Walker Street, Karumba

Postal Address: PO Box 31 Normanton QLD 4890

Email: council@carpentaria.qld.gov.au

Phone: (07) 4745 2200

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www.carpentaria.qld.gov.au

www.facebook.com/CarpentariaShireCouncil





Welcome to Country

Carpentaria Shire is the traditional country of many Indigenous groups and the townships of Normanton and Karumba are the traditional land of the Gkuthaarn, Kukatj and Kurtijar people. Carpentaria Shire Council would like to respectfully acknowledge the traditional owners of the lands and waters that form the region.

Council pays its respect to Elders past, present and emerging and welcomes the ongoing role that Indigenous people play within the Carpentaria community.

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Mayor's message

I am very happy and humbled to be yet again, be presenting Carpentaria Shire Council's Annual Report for the last financial year of 2023-2024.

As Mayor I am still committed to working with my fellow Councillors and our Staff, serving the people of the Shire to the best of our ability. We finished the year with a relatively new team of four new Councillors but are already committed to working hard together at all levels to be strong, respectful representatives of our rate payers, and community in general.

Advocacy will always be the single most important part of a Councillors role.

I am happy to be part of this team who believe in themselves and believe in the Shire, because believing in yourself and your Shire sends a positive message to our State and Federal politicians.

The end of year figures did not do us any favors and caused quite a few palpitations, but as is the case when you are almost totally reliant on funding, capital expenditure projects always have you chasing your tail trying to keep up with acquittals and contractor/material expenses etc. Financial Assistance Grants have fortunately increased over the last couple of years, albeit at the expense of the large councils who aren't entirely happy with the situation.

Advocating for an increase in the Federal Governments total contribution will be an ongoing battle for a long time yet. We are fortunate to still have Works 4 Qld funding agreements ongoing, but the Feds have discontinued the LRCIP grants, which is a shame.

These forms of funding are non-competitive and really are a godsend to small Shires such as ourselves. We have been warned for some time now that there is a financial cliff looming on the horizon but just how close, is anyone's guess.

There has been a lot of capital expenditure in roadworks this past year with our flood damage works remaining as the largest contributor to employment in the Shire by far. When tied in with Betterment Projects such as the Karumba seawall that had not long begun before end of June and various other road improvements such as gravel sheeting problem parts of our road network, it's easy to see why the Mayor and Councillors call Carpentaria the "Land of Opportunity". People young and old can and do enjoy the benefits of seasonal work in some of the best country in Australia.

Councils' "Look after Locals" with fairness and equity has proven to be a winner time after time and lets the younger ones who want to have a go, prosper very well for their commitment to residing in our Shire.

Again, full credit needs to go to our staff, contractors and most importantly our patient and understanding ratepayers. Without you guys there would be no Carpentaria Shire.

Carpentaria is and always will be a great Shire. We know there are things that can be done better to make it even greater, and I am looking forward to the continuing challenge of serving as your Mayor for the next four years.

All the best and stay safe.
Jack Bawden



From the CEO's desk

It is with pleasure that I present this report for inclusion in the 2023-2024 Annual Report. As I prepare this report it is done with some mixed emotions as it is the last report I will provide as a Chief Executive Officer working full time in Local Government, I do so with a sense of accomplishment, achievement, and some sadness.

Working in local government at a variety of Councils across this great State, including the past 5+ years here at Carpentaria Shire Council, has provided me with many fond memories and as I look back over some projects and initiatives that have been achieved it provides a definite sense that working at the local government level can be the most rewarding.

Over the past 12 months at Carpentaria Shire Council I am particularly proud of the work we were able to accomplish in relation to the mental health messaging for our staff with the introduction of the new uniforms and the recognition and compliments that our staff received from others at meetings and conferences. We really look like we are a genuine team and people wanted to know where they could get one of our shirts. The only response was "if you want one of these shirts you have to come and work for us".

Getting out to the camps and spending time with the road crews was another one of the highlights of the 2023-2024 year for me. It was an opportunity to spend time with the roadcrews in their workspace and I wish to thank the teams for accepting me into their environment and making my time onsite one that I will remember for many years to come.

Since adopting the Local Housing Action Plan (LHAP) in December 2022, work has continued identifying opportunities to address the Housing needs faced throughout the Region. Based on the Housing and Land Development document which was prepared and presented to the LHAP Advisory Committee to provide an update on what Council was doing in relation to housing and land development the Council completed the Housing Strategy mentioned further below, we made application to purchase additional residential land for development and sought plans for the Unit Development in Gough Street for additional staff housing.

2023-2024 saw us deliver Stage One of the Lilyvale Rural Residential Estate providing fourteen (14) parcels of land to market, concept drawings and planning for the Gough Street Unit Development that was identified in the Housing Strategy and the Local Housing Action Plan. Council also made application during the 2023-2024 year to purchase land from the State Government to develop further land for residential development near Ellis Street. This land development is planned to be developed and released to

market over four separate stages as part of the initiatives contained in the Local Housing Action Plan and Local Housing Strategy. Council continued to work with others over the reporting period as we progressed other housing initiatives including the Rent-to-Buy scheme for our staff.

A copy of these documents is available on the Council website.

Financial stimulus from the State and Federal Government by way of Works 4 Queensland (State) money and Local Roads and Community Infrastructure (LRCI) (Federal) stimulus money continued throughout the reporting period. These programs have been well received by Councils and we thank the other levels of Government as many projects would not be possible without this financial support. As reported last year, the LRCI program will not be continued past Phase 4.

Council started the 2023-2024 period with a budgeted capital works program of \$58,546m, a significant increase over previous years. This was to be allocated across the following assets: -

Roads	\$45,478,942.00
Plant and Equipment	\$2,852,404.00
Land	\$0.00
Sewerage	\$1,614,600.00
Water	\$3,251,449.00
Other Infrastructure	\$4,317,034.00
Buildings	\$1,032,000.00
Total	\$58,546,529.00

Expenditures on the Capital Works Program were concentrated on delivery of upgrades (\$33.631m) and renewal of assets (\$20.985m) with only a slightly higher percentage of the overall spend being on new assets (\$3.930m). Council's continued focus on reducing the depreciation expense by increasing useful life rather than adding to the depreciation expense by just building new assets continued during the 2023-2024 reporting period.

Actual expenditures are contained in the financial statements that are attached to the Annual Report. In the advocacy space the Mayor, Deputy Mayor and Chief Executive Officer continued their attendance at the North West Queensland ROC meetings, Western Queensland Alliance of Councils, the LGAQ ROC Assembly, Annual Conferences, and attended Regional Forums and Workshops.

Council continued its work in developing strategic documents during the reporting period and adopted the Housing Strategy in October 2023, we adopted a Governance Framework, Communications Strategy and

Communications Action Plan. Also, during the reporting period, we adopted a Brand Strategy for the Council as was identified in the Actions in the Workforce Plan.

Grant revenue accounts for 78.8% of the overall revenue for the 2023-2024 budget period and making the best use of grant funds is significant to Council to complete the capital works and major operational works on behalf of the community. To assist with this the Council continued the service provided by Peak Services to undertake and assist Council with a grant writing service. As part of this service, we also receive advice in relation to Grants as they become available that may suit the projects that are on the Council "wish list" and these are further reviewed, and applications prepared.

Work continued with the development of a new Planning Scheme for the Council to replace the old planning scheme which dates to 2008. During the reporting period we completed the public consultation and receiving the Minister's sign off on the Scheme. The new Scheme will assist in facilitating development across the Shire.

A project that I was pleased to witness commencement in this reporting period was the delivery of the foreshore protection works at Karumba Point through funding made available by the federal government through the Preparing Australian Communities funding. This was not before time as the foreshore continues to be eroded and this is now a very timely project for that community. The tides experienced in March 2024 certainly had an impact, as is evidenced in the pictures below.

As this is my last period with Council, during the last 300 days in the role a Strategic Intent for the last 300 days was released so the Council, staff and the Community could hold me accountable in those last days as your Chief Executive Officer. Each month since the release of the document a regular update was provided on the progress against each of the actions identified and undertaken, copies of those updates are included in the Council Agendas as part of the CEO Officers Report.

Local Government elections were held on 16th March 2024 and while it took some time for the poll to be declared we saw Mayor Jack returned for a further

term and his Councillor team is made up of Crs. Johnty O'Brien, Bradley Hawkins, Cherie Schafer, Glenn Smerdon, Andrew Murphy and Leslie Henry, following the declaration of the poll on Thursday 4th April 2024. Congratulations to those councillors returned to office and welcome and congratulations to the new councillors who commence their civic responsibility to serve the people of Carpentaria Shire for the next four years.

2024-2025 will continue to be a busy time for Council and staff as we undertake and deliver another large capital works program. Thank you for the experience and hospitality during my 5+years employment with the Carpentaria Shire Council.

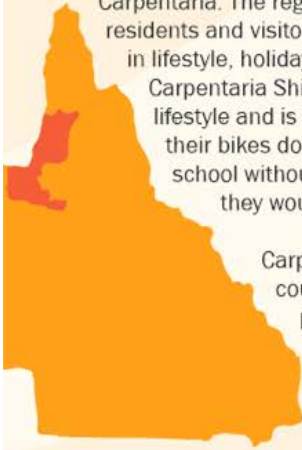
I would like to place on the public record my appreciation and thanks for the work the Leadership Team and all staff have undertaken on your behalf over the past year. I would also like to thank the Mayor and Councillors, past and present, for their support and wish everyone the very best as you all continue the good work on behalf of the ratepayers, residents, and visitors to the Carpentaria Shire.

Mark Crawley
Chief Executive Officer



SHIRE PROFILE

Carpentaria Shire is located on the Savannah Way in North West Queensland in the south eastern region of the Gulf of Carpentaria. The region is uniquely placed to offer residents and visitors opportunities and experiences in lifestyle, holidays, employment and investment. Carpentaria Shire has a friendly, laid-back lifestyle and is a place where children still ride their bikes down to the river to go fishing after school without parents having to worry as they would in larger towns and cities.



Carpentaria Shire is the traditional country of many First Nations people and the townships of Normanton and Karumba are the traditional land of the Gkuthaarn, Kukatj and Kurtijar people.

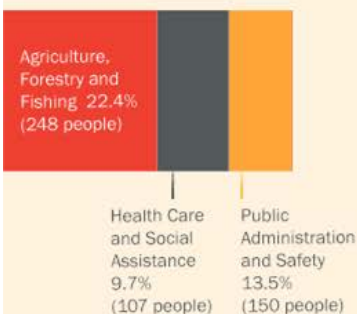
The Shire covers an area of approximately 65,000 square kilometres and has a population of 2,212. The countryside ranges from vast inland plains to mangrove forests, deltas and salt pans along the coastal areas of the Gulf.

Carpentaria Shire has a diverse industry base with agriculture, fishing, mining, tourism and government administration providing the majority of the Shire's income. Normanton is the region's government and administrative centre.

Much of the Shire's commercial activity comes through Karumba, which has an active port based around export of zinc and lead. It also has a substantial fishing industry that targets prawns, barramundi, Spanish mackerel, salmon and mud crabs.

Some statistics on the major industries are:

- ⦿ Agriculture, Forestry and Fishing (248 people or 22.4%)
- ⦿ Public Administration and Safety (150 people or 13.5%)
- ⦿ Health Care and Social Assistance (107 people or 9.7%)



In combination these three industries accounted for 505 employees in total or 45.6% of the local workers. In comparison, Regional Queensland employed 4.1% in Agriculture, Forestry and Fishing; 5.7% in Public Administration and Safety and 16.1% in Health Care and Social Assistance.

The major differences between the jobs held by local workers of the Carpentaria Shire and Regional Queensland were:

- ⦿ A larger percentage of local workers employed in the field of Agriculture, Forestry and Fishing (22.4% compared to 4.1%)
- ⦿ A larger percentage of local workers employed in the field of Public Administration and Safety (13.5% compared to 5.7%)
- ⦿ A smaller percentage of local workers employed in the field of Health Care and Social Assistance (9.7% compared to 16.1%)
- ⦿ A smaller percentage of local workers employed in the field of Manufacturing (1.5% compared to 6.0%)

The number of local workers in the Carpentaria Shire increased by 196 between 2016/17 and 2022/23.

- ⦿ Agriculture, Forestry and Fishing (+55 local workers)
- ⦿ Public Administration and Safety (+33 local workers)
- ⦿ Transport, Postal and Warehousing (+25 local workers)
- ⦿ Professional, Scientific and Technical Services (+25 local workers)

The region offers good infrastructure and facilities, with sealed access roads, well-serviced airports, developed freight routes, primary and secondary schools, medical services, recreational and sporting facilities and the standard infrastructure expected in a modern community.

HISTORY

The Carpentaria Divisional Board was constituted on 11 January 1883 and amalgamated with the Shire of Carpentaria in 1903. The Council of the Shire of Carpentaria was constituted in 1903. The Municipality of Normanton was constituted on 6 February 1886, and amalgamated with Shire of Carpentaria in 1910.

POPULATION (2021 Census)

Normanton 1,437 Karumba 487

Distance to major centres		
	Normanton	Karumba
Mount Isa	484 km	556 km
Cairns	707 km	779 km
Townsville	938 km	1,010 km

ABOUT COUNCIL

OUR VISION

We are unique in Queensland.

We are the only place where the 'Outback meets the Sea'[®]. We are the only place in the Gulf where it is possible to drive on a bitumen road to a major port that has ready access to Asian markets.

We are the only place where tourists can experience both the Outback and the majesty of sunsets over the Gulf. It is a place where residents can still go down to the river after work and catch a fish. It is a place that our children can grow up still experiencing the safe lifestyle that we enjoyed in earlier generations while still accessing modern town facilities.

***'Outback by the Sea'[®] –
It's a great place to work, live and play.'***

OUR VALUES

Our key values that will govern our behaviour as a Council are:

COMMUNITY

Service provision for the community, for it is why we are here

RESPECT

We respect one another's views, not all of us have the same view and we respect that

INTEGRITY

We always act with integrity of local government.

SAFETY FIRST

Safety is for everyone, staff, residents, visitors and the general community

PROFESSIONALISM

We remain professional in all that we do

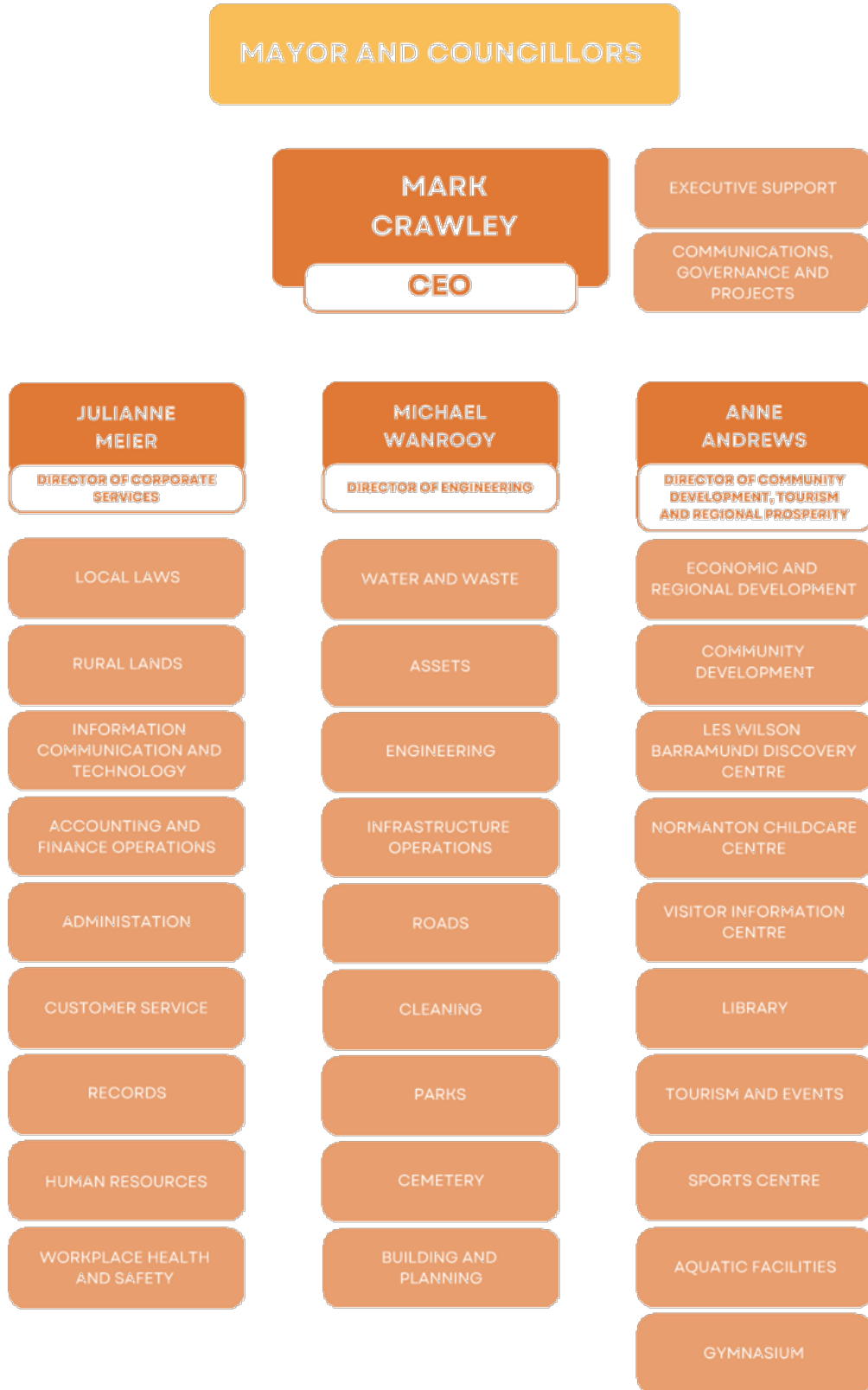
OUR MISSION

In particular:

- ⦿ We will work hard for our community.
- ⦿ We will provide strong leadership to our community.
- ⦿ We will provide open and transparent governance for our community.
- ⦿ We will ensure that we are accountable to our community.

'Working for our community.'

ORGANISATION STRUCTURE AND EXECUTIVE LEADERSHIP TEAM



THE COUNCIL

Council operates under the *Local Government Act 2009* (the Act), and Councillors are elected to provide leadership and good governance to the Carpentaria Shire.

Our 7 elected members together form the Council. The Mayor and 6 Councillors were elected on 19 March 2020 for a 4-year term. Due to the resignation of Councillor Wells, a by-election was held on the 8 May 2021. Councillor Doug Thomas was elected to office.

Council does not have divisions, and therefore the Mayor and Councillors are elected representatives of all residents and ratepayers across the region.

Council has a duty to ensure the system of local government is accountable, effective, efficient and sustainable in accordance with the principles under the Act.

The local government principles are:

- ⦿ transparent and effective processes, and decision-making in the public interest
- ⦿ sustainable development and management of assets and infrastructure, and delivery of effective services
- ⦿ democratic representation, social inclusion and meaningful community engagement
- ⦿ good governance of, and by, local government
- ⦿ ethical and legal behaviour of councillors and local government employees.

Collectively, the Councillors set the strategic direction for Council, identifying service standards and monitoring performance of the organisation.

Front Row (left to right): Cr Bradley Hawkins (Deputy Mayor), Mayor Jack Bawden, Cr Ashley Gallagher
Back Row (left to right): Cr Amanda Scott, Cr Craig Young, Cr Andrew Murphy, Cr Doug Thomas



ROLE OF COUNCILLORS

A Councillor must represent the current and future interests of the residents of the local government area. In summary, all Councillors, including the Mayor, are responsible for:

- a. ensuring the local government:
 - i. discharges its responsibilities under this Act
 - ii. achieves its corporate plan
 - iii. complies with all laws that apply to local governments
- b. providing high quality leadership to the local government and the community
- c. participating in Council meetings, policy development, and decision making, for the benefit of the local government area
- d. being accountable to the community for the local government's performance.

Each Councillor participates in the process of formulating, adopting and reviewing our corporate and operational plans. Councillors have regular meetings to make decisions and to discuss local issues.

Councillors focus on the policy directions of the local government area, not the internal day-to-day administration. The Councillors' role is to collectively make decisions that the Chief Executive Officer and employees then implement on behalf of the Council.

ROLE OF THE MAYOR

The Mayor has the duties of a Councillor with the added responsibility of:

- a. leading and managing meetings of the local government at which the Mayor is the chairperson, including managing the conduct of the participants at the meetings
- b. leading, managing, and providing strategic direction to the Chief Executive Officer in order to achieve the high quality administration of the local government
- c. directing the Chief Executive Officer of the local government under Section 170.
- d. conducting a performance appraisal of the Chief Executive Officer, at least annually, in the way that is decided by the local government (including as a member of a committee, for example)
- e. ensuring that the local government promptly provides the Minister with the information about the local government area, or the local government, that is requested by the Minister
- f. being a member of each standing committee of the local government
- g. representing the local government at ceremonial or civic functions.



STATUTORY INFORMATION IN RELATION TO COUNCILLORS

In accordance with (Section 186 Local Government Regulation 2012) the following information is presented in the tables below:

- (a) for each councillor, the total remuneration, including superannuation contributions, paid to the councillor during the financial year.
- (b) the expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government's expenses reimbursement policy; and
- (c) the number of local government meetings that each councillor attended during the financial year.

Total Remuneration Paid to Councillors				
Councillor	Remuneration	Superannuation	Expenses Incurred	Total
Jack Bawden	114,801.00	13,786.10	0	128,587.10
Bradley Hawkins	66,231.00	7,953.43	0	74,184.43
Amanda Scott	43,756.31	5,622.88	122.40	49,501.59
Ashley Gallagher	43,756.31	5,622.88	608.60	49,987.79
Craig Young	43,756.31	5,622.88	2,703.35	52,082.54
Andrew Murphy	57,399.95	6,866.71	244.80	64,511.46
Douglas Thomas	43,756.31	5,622.88	122.40	49,501.59
Cherie Schafer	13,879.51	1,526.76	0	15,406.27
Glenn Smerdon	13,879.51	1,526.76	0	15,406.27
Johnty O'Brien	13,879.51	1,526.76	0	15,406.27
Les Henry	13,879.51	1,526.76	0	15,406.27

Council meetings are held on the third Wednesday and Thursday of each month (subject to alteration in special circumstances). Members of the public are welcome to attend all Council meetings.

During the year Council held 12 General Meetings, as well as other special meeting that Councillors attended.

Meeting Attendances				
Councillor Name	Councillor Position	Ordinary Meeting	Special Meeting	Post election
Jack Bawden	Mayor	12	2	1
Bradley Hawkins	Deputy Mayor	12	2	1
Amanda Scott	Councillor	9	0	0
Ashley Gallagher	Councillor	8	0	0
Craig Young	Councillor	9	0	0
Andrew Murphy	Councillor	11	0	1
Douglas Thomas	Councillor	8	0	0
Cherie Schafer	Councillor	3	2	1
Glenn Smerdon	Councillor	3	2	1
Johnty O'Brien	Councillor	3	2	1
Leslie Henry	Councillor	3	2	1

Councillor Thomas granted Leave of Absence for 20 September 2023 Ordinary Meeting Resolution No. 0923/001

Councillor Gallagher granted Leave of Absence for 15 November 2023 Ordinary Meeting. Resolution No. 1123/001

Councillor Scott's last meeting was 13 March 2024. She did not stand for re-election at the Local Government Elections held 16 March 2024.

Councillor Young's last meeting was 13 March 2024. He did not stand for re-election at the Local Government Elections held 16 March 2024.

Councillor Thomas's last meeting was 13 March 2024. He stood for re-election for the position of Councillor at the Local Government Elections held 16 March 2024 but was unsuccessful.

Councillor Gallagher's last meeting was 13 March 2024. He stood for re-election for the position of Mayor at the Local Government Elections held 16 March 2024 but was unsuccessful.

The Post-Election Meeting was held on 8 April 2024 commencing at 9:00am.

The Special Meeting was held on 8 April 2024 commencing at 10:30am.

Councillor Murphy granted Leave of Absence for 19 June 2024 Ordinary Meeting Resolution No. 0624/001

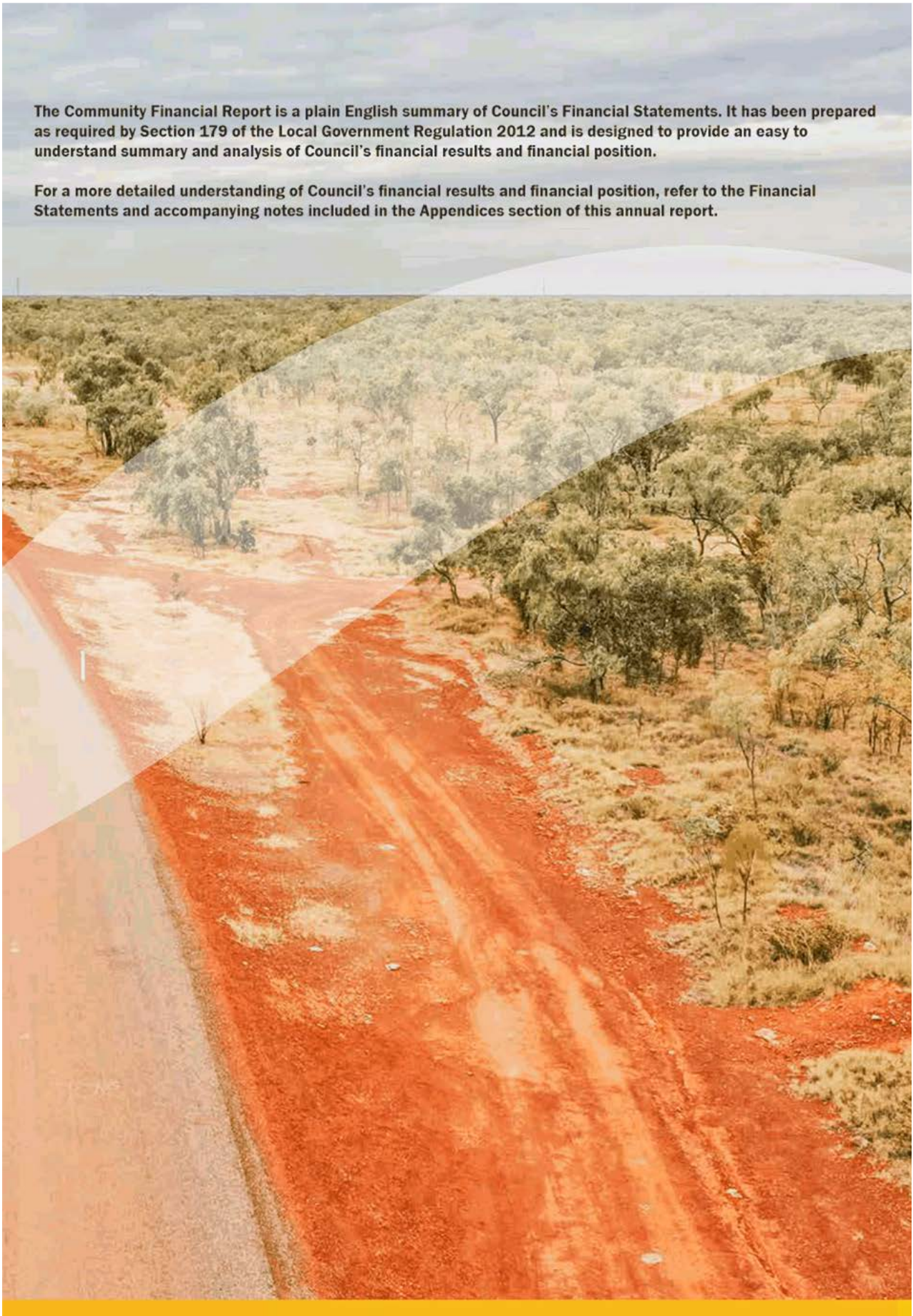
Councillor Murphy granted Leave of Absence for 20 June 2024 Special Budget Meeting Resolution No. SM0624/001

Councillor	Facilities provided
Jack Bawden	Vehicle, (Surface Pro), Mobile Phone
Craig Young	Surface Pro
Amanda Scott	Surface Pro
Ashley Gallagher	Nil
Bradley Hawkins	iPad / Surface Pro
Craig Young	Surface Pro
Andrew Murphy	Surface Pro
Douglas Thomas	Surface Pro
Cherie Schafer	Surface Pro
Glenn Smerdon	Surface Pro
Johnty O'Brien	Surface Pro
Les Henry	Surface Pro



The Community Financial Report is a plain English summary of Council's Financial Statements. It has been prepared as required by Section 179 of the Local Government Regulation 2012 and is designed to provide an easy to understand summary and analysis of Council's financial results and financial position.

For a more detailed understanding of Council's financial results and financial position, refer to the Financial Statements and accompanying notes included in the Appendices section of this annual report.



FINANCIAL PERFORMANCE

The finances of Carpentaria Shire Council were again very strong at year end, even though we funded the bulk of capital projects through our cash reserves.

Council is and will continually be looking at alternative revenue streams to provide the services our community needs and expects.

Key highlights of the financial year include:

- ⦿ unqualified audit
- ⦿ low risk sustainability

SIMPLIFIED INCOME STATEMENT		\$'000
Operating revenue		58,689
- less discounts and remissions		(525)
- less expenses		(73,057)
- less Interest and finance charges		(320)
Surplus/(deficit) from operations		(15,213)
Add capital grants and contributed assets		13,933
Less capital expenses		0
Net result for the period		(1,280)

SIMPLIFIED BALANCE SHEET		\$'000
What we have in the bank		38,484
What we own		324,852
What we are owed		23,722
Our total assets		387,058
What we owe our suppliers and employees		45,640
What we have borrowed		5,902
Our total liabilities		51,542
Net community assets (wealth)		335,516

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income (often referred to as the Profit and Loss Statement) shows how Council has performed for the past 12-month period. The Income Statement illustrates what we have earned (revenue) and what we have spent (expenses) on maintaining and operating the community services and assets Council provides.

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position (often referred to as the Balance Sheet) summarises the financial position of Council at the end of the Financial Year. The statement measures what Council owns (assets) and what Council owes (liabilities) at the end of the financial year, with the difference between these two components being the net community wealth (equity) of Council.

OUR OPERATING REVENUE

Council achieved an operating income of \$58m (after discounts and remissions) during the financial year.

Operating revenue	%	\$'000
Net Rates & Charges	15.3%	8,735
Fees & Charges	1.5%	837
Sales Revenue	24.2%	13,841
Grants & Subsidies	55.1%	31,517
Rental Income	0.9%	515
Interest Received	2.7%	1,555
Other Income	0.4%	213
Total	100.0%	57,213

How we earned our operating revenues

Council endeavours to maximise its revenue from sources other than rates by actively pursuing grants and subsidies and seeking appropriate contributions from the property development sector (where applicable).

A significant portion of Council's sales revenue \$11m relates to main roads maintenance performance contracts and other recoverable works. Road re-construction resulting directly from flood damage, represents 50.9% of Council's operating revenue in the financial year and provided an opportunity for Council to utilise its plant and staff across funded operations. Whilst there has been a drop in sales revenue compared to the 2022 year, there has been an increase in the number of projects of a capital nature.

Of the total operating grants and subsidies \$32.46m, or more than 97% was related to flood damage restoration works. Council engages consultants to assist with the management of flood damage works, as it is additional to normal operations. Contractors are then engaged to perform most of the reconstruction work.

There was a increase in childcare fees due to the challenges faced by Council in attracting and retaining suitably qualified staff. The staffing numbers had increased, and this had a flow and effect on the operations. The plan has made several recommendations to improve operations over the coming years with a view to becoming cost neutral.

Fees and charges and utility charges are generally applied on a full cost recovery basis to ensure the user pays for the service they are using as much as possible. These strategies help to minimise the reliance on the general rate to fund Council's operations.

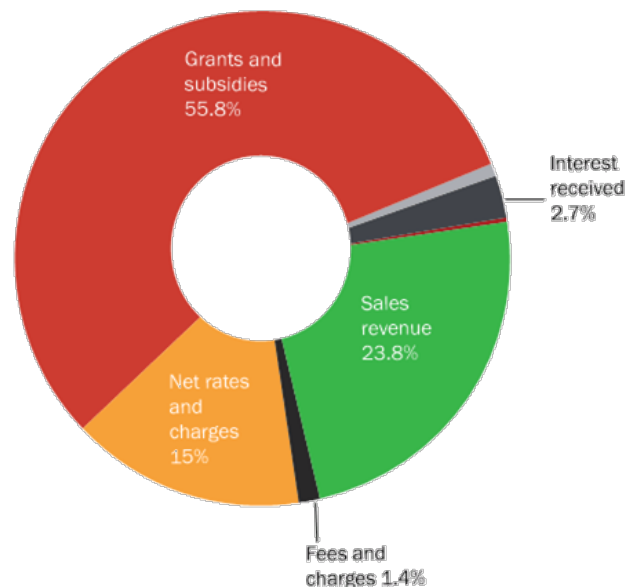
During the year Council outsourced its swimming pool

operations to an external contractor, so it no longer collects revenue from swimming pool operations.

Interest received during the year was much higher than anticipated, and increased from \$979k in 2023 to \$1,555k at the end of 2024.

The increased interest has resulted from:

- ⦿ funding for projects where Council receives advance payments
- ⦿ an increase in the interest rates payable for cash
- ⦿ improvements in budgeting and cash management, therefore maintaining a higher cash balance than in previous years.

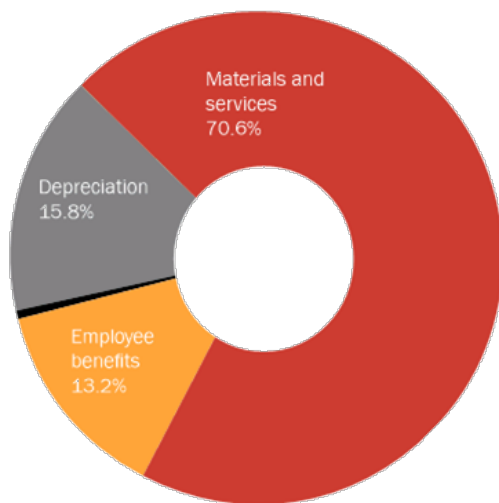


OUR OPERATING EXPENSES

The operating expenses represent the cost to Council of providing services, operating facilities, and maintaining assets.

'Materials and services' are the goods and services required for operational and maintenance purposes. These make up almost 69% of Council's expenses. 'Employee and labour hire costs' are part of the costs Council incurs in operating and maintaining the services and assets of the region. Depreciation represents the true cost of Council's assets over time. These assets include buildings, roads, stormwater drains, and water and sewerage infrastructure.

Operating expenses	%	\$'000
Materials & Services	70.6%	51,799
Employee Benefits	13.2%	9,657
Finance & Other Costs	0.4%	320
Depreciation	15.8%	11,601
Total	100.0%	73,377

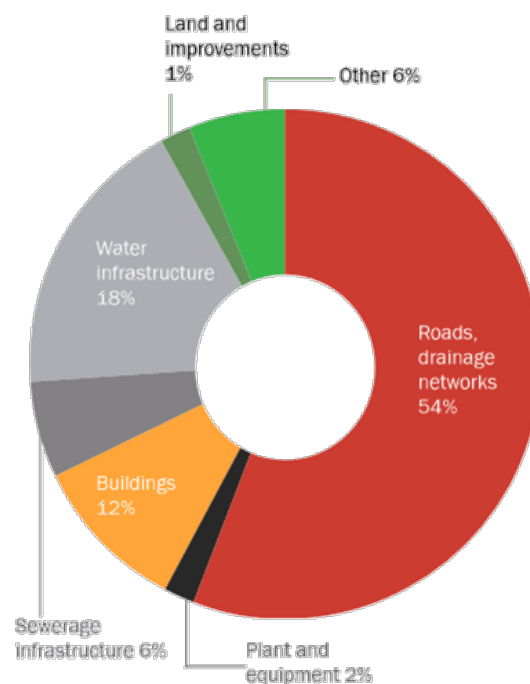


COMMUNITY INFRASTRUCTURE WE MANAGE

Council owns and manages more than \$292m worth of infrastructure that provide benefits directly to the community.

Accounting standards require Council to ensure its infrastructure assets are recorded at fair value. Council's progressive approach to asset management ensures our assets are optimised and the community benefits from the greatest value possible.

Our Community Infrastructure	%	\$'000
Roads	54%	167,742
Plant & Equipment	2%	7,202
Buildings	12%	38,278
Sewer	6%	18,232
Water	18%	55,729
Land	1%	4,625
Other	6%	18,200
Waste	1%	2,152
Total	100.00%	312,160



FINANCIAL PLANNING

Council's total borrowing costs for year ending 30 June 2024 was less than 5% of total net rates and charges. Council's total loan liability as at 30 June 2024 was \$5.9m, compared to \$6.4m as at June 2023. Council's loan liabilities have been borrowed for works only associated with capital infrastructure and not operating activities. The graph below illustrates Council has been paying down debt for several years. There are no new borrowings forecast, and Council expects to continue to pay down borrowings.



The term to repay outstanding debt is between 2 and 20 years. Expected final repayment dates vary from June 2030 to March 2035.

Council's existing debt management strategy is to restructure its budget so that there is less emphasis on external borrowing for works such as road plant and to fund these recurring type capital expenditures from general rates and grants. In so doing, Council will be in a good financial position to provide for major community and recreational infrastructure in the future years.

FINANCIAL SUSTAINABILITY RATIOS

Council monitors its financial trend and sustainability by using financial ratios. These indicate whether Council is on the right track in terms of its financial performance and future. It acts as a guide to assist Councillors and management on the best course for budgeting for the future.

FINANCIAL CAPACITY COUNCIL-CONTROLLED REVENUE

Calculation: Net Rates, Levies and Charges add Fees and Charges divided by Total Operating Revenue

Description: This is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks. A higher council-controlled revenue ratio indicates a stronger ability to generate operating revenue without relying on external sources. Councils with a high ratio generally have a healthy rate base and are better able to respond to unexpected financial obligations such as natural disaster recovery. A lower council-controlled revenue ratio indicates that a council has limited capacity to influence

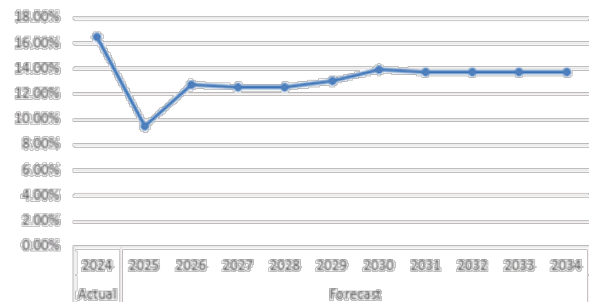
its operating revenue and that it is more reliant on external (and usually less reliable) sources of income such as operational grant funding, sales and recoverable works contracts, and rental income.

Target: As council-controlled revenue is a contextual measure, there are no targets specified for this ratio.

2023/2024 result: 16.46% = This result indicates Council has limited opportunity on generating its own source revenue and is reliant to grant funded projects.

5-Year Average: 14.5%

Council Controlled Revenue



POPULATION GROWTH

Calculation: Prior year estimated position divided by Previous year estimated position

Description: This is a key driver of a council's operating income, service needs, and infrastructure requirements into the future.

A growing council population indicates a greater capacity to generate its own source revenue through rates as well as statutory charges. Population growth also puts additional pressure on councils to invest in new community infrastructure to support service needs.

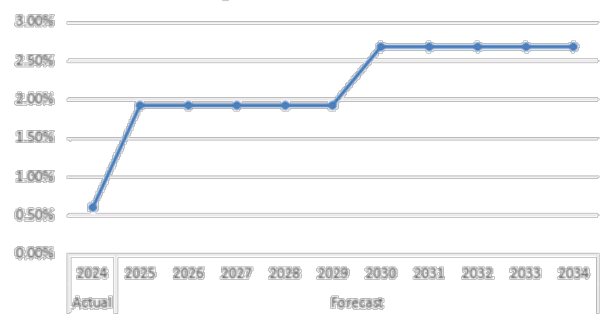
Conversely, a council with a shrinking population base will have increasingly limited opportunities to generate operating revenue through its rateable property base, and over time will need to adjust its capital and operating spending decisions to reflect the reducing utilisation of its infrastructure and community assets.

Target: As population growth is a contextual measure, there are no targets specified for this measure.

2023/2024 result: 0.60%

5-Year Average: 1.3%

Population Growth



OPERATING PERFORMANCE
OPERATING SURPLUS RATIO

Calculation: Operating Result divided by Total Operating Revenue

Description: This is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.

An operating surplus ratio above 0% is an indication that council is managing its finances within its existing funding envelope and generating surplus funds for capital funding or other purposes.

An operating surplus ratio below 0% is an indication that a council's operating expenses exceed its revenue. An operating deficit in any one year is not a cause for concern if, over the long term, a council achieves a balanced operating result or small surplus. Operating deficits over the long term affect a council's ability to internally fund its capital requirements and other initiatives as and when they fall due, potentially requiring external funding support.

Target: 0-10%

2023/2024 result: -25.3% = This result indicates Council is below the target range. At the adoption of the council budget for the financial year 2023-24, Council already faced challenges on achieving a positive operating surplus ratio with continued reliance on grant funding and limited opportunity to generate own source revenue. The timing of the Financial Assistance Grants had also had contributed to the unfavourable ratio.

5-Year Average: -11%



OPERATING CASH RATIO

Calculation: Operating Result add Depreciation and Amortisation add Finance costs divided by Total Operating Revenue

Description: This ratio is a measure of a council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs. A positive operating cash ratio indicates that a council is generating surplus cash from its core operations, which suggests that council has the ability to self-fund its capital expenditure requirements.

A negative operating cash ratio is a significant indicator of financial sustainability challenges and potential future liquidity issues as, all other things being equal, a negative result means that a council's cash position is declining, and revenues are not offsetting the cost of core operational requirements

Target: - Greater than 0%

2023/2024 result: -4.82% = Council is below the target range. This ratio is impacted by the Financial Assistance Grant not being received until July 2024.

5-Year Average: 6.3%



DEBT SERVICING CAPACITY
LEVERAGE RATIO

Calculation: Book Value of Debt divided by Operating Results add Depreciation and Amortisation and Finance Costs

Description: This is an indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance.

A higher leverage ratio indicates an increasingly limited capacity to support additional borrowings due to already high debt levels and/or decreasing operational performance, while a lower ratio indicates the opposite.

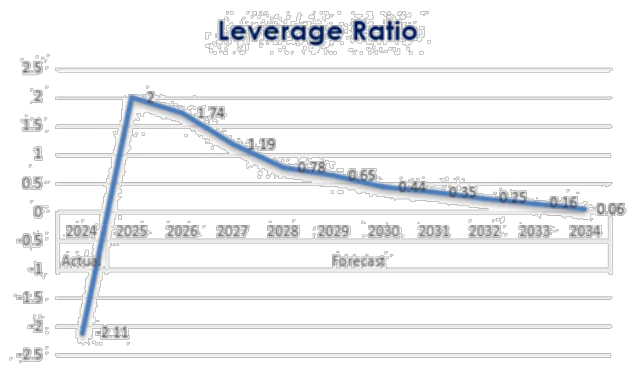
Note: Council borrowings are assessed and approved through a separate process coordinated jointly by the Department and QTC, which takes multiple factors and metrics into consideration.

A lower leverage ratio is not itself a guarantee that further debt will be approved for a council, while councils with higher leverage ratios are not necessarily precluded from having additional borrowings approved due to other mitigating circumstances.

Target: 0 - 3 times

2023/2024 result: -2.11 = This result indicates that Council is below the target ratio. Council has achieved the 5-year average. The timing of the Financial Assistance Grant has contributed to this result.

5-Year Average: 0.94



ASSET MANAGEMENT
ASSET SUSTAINABILITY RATIO

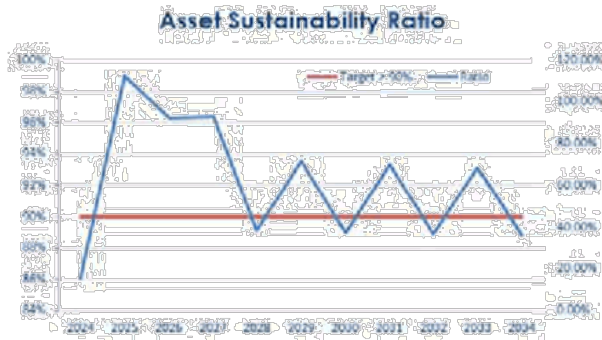
Calculation: Capital expenditure on replacement of infrastructure assets (renewals) divided by Depreciation expenditure on infrastructure assets

Description: This approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives. An asset sustainability ratio close to 100% suggests that a council is spending enough on the renewal of its assets to compensate for the deterioration in its asset base as loosely proxied by its reported depreciation, with outcomes too far below this level being potentially indicative of underspending against capital replacement requirements. However, as this measure uses depreciation in lieu of more rigorous asset planning data, it does not account for councils with large investments in new capital assets such as those with strongly growing population bases. In these instances, a lower asset sustainability ratio is not of concern provided a council is meeting the capital needs of its current and future community.

Target: > 90%

2023/2024 result: 15.36% - This indicates Council is below the target range. Most of Council renewal on roads were done through DRFA projects which are accounted as operating expenditures as per Council Essential Assets Policy.

5-Year Average: 33.5%



ASSET CONSUMPTION RATIO

Calculation: Written down replacement cost of depreciable infrastructure assets divided by current replacement cost of depreciable infrastructure assets

Description: This approximates the extent to which council's infrastructure assets (see Definitions) have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

The minimum target of 60% indicates that a council's assets are being broadly consumed in line with their estimated useful lives.

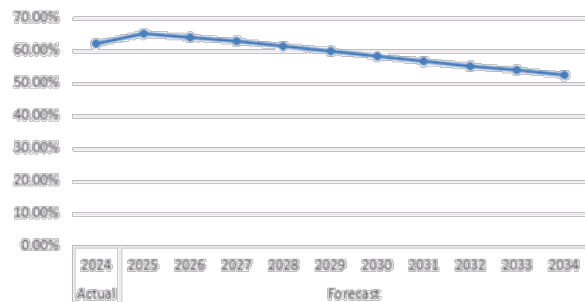
Councils with lower than target ratio will need to invest more in those assets (in terms of replacement or maintenance) to ensure they are maintained at a standard that will meet the needs of their communities. On the other hand, if the ratio is much higher than the target ratio, councils may need to revisit their asset management plans to assess their current service levels or whether their estimates of the assets' useful lives are appropriate.

Target: > 60%

2023/2024 result: 62.19% - Council is above the target ratio. Council has achieved the target ratio in the last five years. Council manages the consumption rate of assets appropriately.

5-Year Average: 73.2%

Asset Consumption Ratio



ASSESSMENT OF THE CORPORATE AND OPERATIONAL PLANS

The Local Government Regulation 2012 requires Council to prepare and adopt an annual operational plan for each financial year and a 5-year corporate plan for each period of five financial years.

The operational plan must state how the local government will progress the implementation of the 5-year corporate plan during the period and manage operational risks. Council's operational plan is aligned with the following strategic themes identified in the corporate plan.

Information on the organisation's progress in achieving the strategies outlined in the operational plan was provided to Council through regular reporting each quarter as required by legislation.

Reports are provided quarterly in arrears for the end of the September, December, March and June quarters. The following is a review of the 2023-2024 achievements against the 5-year corporate plan 2021-2025.



KEY STRATEGIC THEMES

Council's vision for the future is focused on the following strategic themes:

CARPENTARIA COMMUNITY

A safe, healthy, and equitable community that celebrates diversity and enjoys a quality lifestyle.

CARPENTARIA ENVIRONMENT

The region's environmental assets including natural areas and resources, open space, and agricultural land, are conserved and enhanced for future generations.

CARPENTARIA ECONOMY

A dynamic and diverse economy creating industry development and employment opportunities.

CARPENTARIA GOVERNANCE

A well governed, responsive Council, providing effective leadership and management, and respecting community values.





Carpentaria Community

Outcomes	Strategic actions	2023-2024 Review
<p>A safe, healthy, and equitable community that celebrates diversity and enjoys a quality lifestyle.</p>	<p>Implementation of the Youth Strategy recommendations.</p>	<p>Government funding has allowed the sport centre to be open two afternoons a week for basketball.</p> <p>The Community Development Officer is working in collaboration with partners to deliver activities in school holidays.</p> <p>Youth activities included in Outback By The Sea Festival programming.</p> <p>Funding secured for 1 x permanent part time and 1 x casual youth project officers.</p>
	<p>Load all standard leases into the Monitor Computer System and monitor the use in accordance with Agreements.</p>	<p>Current leases and agreements have been recorded in Monitor. Some overdue licences are awaiting approvals from DNRME.</p> <p>When final agreements are endorsed by Council these will be loaded into system.</p>
	<p>Implementation of the outstanding actions from the review of the 2010 Carpentaria Sport and Recreation Plan.</p>	<p>Letters to be sent to each of the sporting and community organisations to ascertain if actions are still relevant.</p>
	<p>Seek funding to commence development of a Community Health and Wellbeing Plan for the Shire.</p>	<p>Peak Services to monitor suitable grant opportunities as part of Grant Management Service. Funding requested in 2024/25 budget.</p>
	<p>Undertake an annual review of the Local Disaster Management Plan.</p>	<p>A desktop review has been undertaken following the transition from QFES to QPS. Updates provided to CEO.</p>





Carpentaria Environment

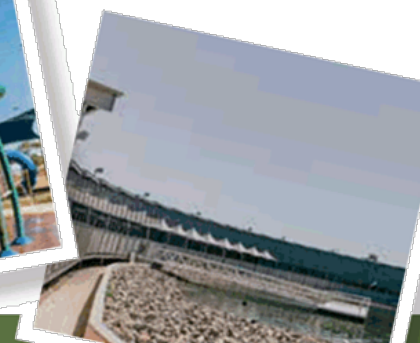
Outcomes	Strategic actions	2023-2024 Review
<p>The region's environmental assets including natural areas and resources, open spaces, and agricultural land, are conserved and enhanced for future generations.</p>	<p>Implementation of funded initiatives identified in the Coastal Hazard Adaptation Strategy.</p>	<p>PACP funding approved to undertake foreshore protection works.</p> <p>An extension of time has been applied for in relation to the PACP funding.</p> <p>Applications are being prepared for additional works identified in the CHAS</p>
	<p>Prepare a map and Fact Sheet of the Flyway Site Network Areas along the Gulf Coastline.</p>	<p>Carry over project for the 2024-2025 Financial Year.</p>
	<p>Commence discussions with Bynoe CACS regarding the former Bynoe Tours to the Mutton Hole Wetlands.</p>	<p>Following community consultation undertaken as part of Queensland Connects project there may be an opportunity to progress this with the Indigenous Groups within Carpentaria Shire. Carry over to 2024-2025 financial year.</p>
	<p>Implementation of the recommendations in the Regional Biosecurity Plan.</p>	<p>Regional Biosecurity Plan was adopted by Council, December 2023.</p> <p>Weed spraying program has commenced, and planning for round two of the baiting program is underway. The program is ongoing.</p>



Carpentaria Economy



Outcomes	Strategic actions	2023-2024 Review
<p>A dynamic and diverse economy creating industry development and employment opportunities.</p>	<p>Incorporate the outstanding initiatives from the Community Plan 2012-2022 into the Economic Development Strategy.</p>	<p>The outstanding actions from the Community Plan have been captured and are included in the Economic Development Strategy.</p>
	<p>Update and implement initiatives contained in the Economic Development Strategy.</p>	<p>Work is progressing on the outstanding items contained in the Economic Development Strategy. Committee Terms of Reference have been completed and an advisory committee has been established. The first meeting is to be held in June.</p>
	<p>Continued participation in the North West Minerals Province with other councils and state government.</p>	<p>Monitoring the opportunities to attend various Regional and local meetings.</p> <p>Meetings attended by Mayor and CEO as required as part of SAG.</p>
	<p>Implementation of the initiatives in the Tourism Strategy.</p>	<p>An Advisory Committee has been established.</p> <p>Advertising campaign in key media including REX Magazine, Caravan and Camping, updated north Qld map, Black Star radio.</p> <p>Expression of Interest for new destination visitor guide.</p> <p>Discover Carpentaria website maintained.</p> <p>Planning for new Ocean and Outback Film Festival and Outback by The Sea tickets on sale.</p>
	<p>Commence discussions with the Traditional Owner groups within the Carpentaria Shire to introduce Cultural Tourism product into the visitor experience.</p>	<p>Following community consultation undertaken as part of Queensland Connects project there may be an opportunity to progress this with the Indigenous Groups within Carpentaria Shire. Carry over to 2024-2025 financial year.</p>
	<p>Development of Business Cases and Project Plans for the projects identified by Council from the MIPP2 Report.</p>	<p>Carry over to 2024-2025. Council is lacking detailed Business Cases for projects that should be shovel ready.</p>





Carpentaria Governance

Outcomes	Strategic actions	2023-2024 Review
A well governed, responsive Council, providing effective leadership and management, and respecting community values.	Complete the Local Law Review of the relevant Local Laws.	It was decided a full review was not necessary. Individual matters shall be addressed on a case-by case basis as they arise, and minor amendments will be made if required.
	Undertake a review of the Corporate and Operational Risk Registers and update where necessary.	A workshop has been held with the management team to review current registers. This work is ongoing and will carry over.
	Implementation of the transition plan for Enterprise Finance System.	Presentations have been provided to staff by software providers, and a business case is expected to be finalised next quarter.
	Implementation of individual asset class management plans.	Asset Management Plans have been adopted in June 2024.
	Undertake a review of the most utilised forms and implement an online version for ease of access and completion by members of the public.	The business case being prepared for the Enterprise Finance System incorporates this function, so this matter will be resolved on implementation.
	Implementation of the recommendations and actions contained in the Workforce Strategy and Workforce Plan.	Work has progressed on a number of the recommendations and actions identified in the Workforce Plan.
	Adoption and implementation of the long-term financial management plan.	To be finalised in the new financial year.
	Regional representation on the NWQROC and WQAC.	CEO, Mayor and Deputy Mayor attended ROC and WQAC meetings as scheduled



PROJECT HIGHLIGHTS

Our workforce delivered considerable works during the year, including major flood damage restoration works on Council and Department of Transport and Main Roads-controlled roads.

Along with maintenance and operations of key Council assets, additional capital works jobs were completed by Council during the financial year. Many capital projects Council works on carry on over financial years, so not all capital works jobs are listed, only those jobs completed.

The table below shows some of the capital works completed at the end of June 2024. Some of these projects were either fully funded, or jointly funded with a contribution from Council. The Lilyvale Subdivision has been in the planning stages for many years, and Stage 1 will be ready for sale in the new year.

PROJECT	PROJECT COST
Culvert works on Dunbar - Kowanyama Road	1,790,154
Normanton - Burketown Road	1,712,679
Road realignment and culvert upgrade at Armstrong Creek on Normanton - Burketown Road	1,468,359
Culvert Normanton - Burketown Road	960,348
Culvert and concrete causeway on Normanton - Burketown Road	740,379
Design and approval applications for the Karumba Point Revetment Wall and Groyne projects	487,063
Drainage works for the Armstrong Creek Causeway	369,882
Normanton and Karumba town street reseals	327,417
BMX Pump Track, Walking and Biking Tracks, and Shelters at the Normanton School Dam	322,004
Replacement Eone pump Karumba sewerage network	299,191
Reseal Normanton - Burketown Road	296,511
Design Glenore Weir Pipeline Duplication	218,867
Kerb and Channel corner of Thompson and Ellesmere Street	177,369
Water Treatment Plant Controls/Monitoring	163,217
Bronze soldiers war memorial Normanton	156,260
Internal refit 72 Thompson Street, Normanton	132,259
Internal renovation 16 Henrietta Street, Normanton	128,778
Artificial reefs off the coast near Karumba Point	114,540
Roof replacement 2 Norman Street, Normanton	79,229

STATUTORY INFORMATION

Beneficial enterprises (Section 41 LGA 2009)

A local government's annual report must contain a list of all beneficial enterprises that the local government conducted during the financial year.

There was no beneficial enterprise activity identified throughout the year

Significant Business Activities (Section 45 LGA 2009)

A local government's annual report for each financial year must:

- (a) contain a list of all the business activities that the local government conducted during the financial year
- (b) identify the business activities that are significant business activities
- (c) state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied
- (d) state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.

Council did not conduct any significant business activities during the reported financial year and, as such, the competitive neutrality principle is not applicable.

Remuneration for Senior Contract Employees (Section 201(1) LGA 2009)

A local government's annual report for each financial year must state:

- (a) the total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government
- (b) the number of employees in senior management who are being paid each band of remuneration

The total of all remuneration package payable to the senior management for the financial year 2023/2024 was \$xxx,xxx.

Remuneration packages includes salary, housing, vehicle use and other expenses and entitlements under a contract of employment.

Band of remuneration	Number of senior management employees
Under \$100,000	0
\$100,000 to \$200,000	0
\$200,000 to \$300,000	4

Each band of remuneration is an increment of \$100,000.

The senior management, of Council, consists of the chief executive officer and three Directors.

Financial Statements (Section 183 LGR 2012)

The annual report for a financial year must contain:

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

Included at Appendix B

Community Financial Report (Section 184 LGR 2012)

The annual report for a financial year must contain the Community Financial Report for the financial year.

Included in Chapter 3.

Particular Resolutions (Section 185 LGR. 2012)

The annual report for a financial year must contain:
 (a) a copy of the resolutions made during the financial year under section 250(1)
 (b) a list of any resolutions made during the financial year under section 206(2).

Expenses Reimbursement Policy

Section 250 of the Local Government Regulation 2012 requires that Council adopt an expenses reimbursement policy. Council may, by resolution, amend its expense reimbursement policy at any time. The following resolution under section 250 was made during the 2021/2022 financial year:

Meeting date	Resolution number	Resolution
18/8/2021	0821/010	That Council: 1. adopt the following Policies as presented and make available on the Council website: <ul style="list-style-type: none"> ⦿ Advertising and Spending Policy ⦿ Code of Conduct for Councillors ⦿ Complaints about the Public Official ⦿ Councillor's Expenses Reimbursement and Provision of Resources Policy ⦿ Entertainment and Hospitality Policy ⦿ Investigations Policy; and 2. Council acknowledge that regular reviews of policies will not be undertaken, and future policies will be amended following changes to legislation or guidelines provided by the Department or at Council's discretion.

A copy of Council policy CSA_005 (Councillor Expenses Reimbursement & Provision of Resources) is attached at Appendix A. No resolutions under section 250 were made during the 2023/2024 financial year.

Valuation of non-current physical assets

Section 206 of the Local Government Regulation 2012 requires that Council must, by resolution, set an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.

Council's Non-Current Asset Policy was adopted on 19th June 2024 by Council resolution 0624/021 and sets the following amounts below which the asset must be treated as an expense:

Asset type	Amount
Road infrastructure	\$10,000
Water infrastructure	\$10,000
Sewerage infrastructure	\$10,000
Buildings	\$10,000
Waste Assets	\$10,000
Other infrastructure assets	\$10,000
Plant and equipment	\$5,000
Land and improvements	\$1

Councillors (Section 186 LGR 2012)		
<p>The annual report for a financial year must contain particulars of:</p> <p>(a) for each councillor, the total remuneration, including superannuation contributions, paid to the councillor during the financial year; and</p> <p>(b) the expenses incurred by, and the facilities provided to, each Councillor during the financial year under the local government's expenses reimbursement policy; and</p> <p>(c) the number of local government meetings that each Councillor attended during the financial year; and</p>	Included in About Council Section.	
(d) the total number of the following during the financial year	(i) Orders and recommendations made under section 150I(2) of the LGA	Nil
	(ii) Orders made under section 150AH(1) of the LGA	Nil
	(iii) Decisions, orders and recommendations made under 150AR(1) of the LGA	Nil
(e) each of the following during the financial year	(i) The name of each councillor for whom a decision, order or recommendation under section 150(I)(2), 150AH(1) or 150 AR(1) of the LGA was made	Nil
	(ii) A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors	Nil
	(iii) A summary or the order or recommendation made for each Councillor	Nil
(f) the number of each of the following during the financial year	(i) Complaints referred to the assessor under section 150P(2)(a) of the LGA by local government entities for the local government	Nil
	(ii) Matters, mentioned in section 150P(3) of the LGA, notified to the Crime and Corruption Commission	Nil
	(iii) Notices given under section 150R(2) of the LGA	Nil
	(iv) Notices given under section 150S(2)(a) of the LGA	Nil
	(v) Decisions made under section 150W(1)(a), (b) and (e) of the LGA	Nil
	(vi) Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LGA	Nil
	(vii) Occasions information was given under section 150AF(4)(a) of the LGA	Nil
	(viii) Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the LGA for the local government, the suspected inappropriate conduct of a councillor	Nil
	(ix) Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the LGA about whether a councillor engaged in misconduct or inappropriate conduct	Nil

Administrative Action Complaints (Section 187(1) and (2) LGR. 2012)

The annual report must contain:
 (a) a statement about the local government's commitment to dealing fairly with administrative actions complaints
 (b) a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.

Implementation of Complaints management process

Council has adopted a formal policy (CSA_002 – Complaints Policy) to deal with administrative action complaints. The policy provides a statement of council's commitment to providing an open and accountable local government and details the process that council will follow to facilitate the effective management of complaints.

Council will ensure that all complaints are treated confidentially and with due respect. Complainants will not suffer any reprisal from Council or staff for making a complaint. All complaints will be investigated in a timely manner with the primary aim of reaching a resolution acceptable to both Council and the complainant.

Complaints received by Council are viewed as an opportunity for improvement, providing feedback to Council about service delivery or decisions made by Council.

A new electronic system has been implemented during the year to capture, record and manages Administrative Action Complaints received by Council whether they are received verbally, in writing or via electronic means.

Staff are provided with the necessary training in relation to the Administrative Action Complaints Policy and Complaints Management Process. Training is provided to staff in the use of the electronic system on an ongoing basis.

Further information on Council's administrative complaints management process is available at from council's website.

Assessment of performance in dealing with complaints

No administrative action complaints were received during the year.

Number of complaints received S187(2)(a)(i)	Number of complaints resolved S187(2)(a)(ii)	Number of complaints not resolved S187(2)(a)(iii)	Number of complaints not resolved that were made in a previous year S187(2)(b)
Nil	Nil	Nil	Nil

Overseas Travel (Section 188 LGR 2012)

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

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

(2) The annual report may also contain any other information about the overseas travel the local government considers relevant.

There was no overseas travel undertaken by a Councillor or local government employee in an official capacity during the financial year.

Expenditure on Grants to Community Organisations (Section 189(1) LGR 2012)

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

Council has adopted a Grant to Community Organisations Policy, which prescribes the types of grants given to community organisations.

The grants provided are:

- ☉ direct cash grants to community organisations
- ☉ assets given to community organisations
- ☉ concessions (e.g. rates remitted) for community organisations.

During the 2023/2024 financial year, Council made grants and provided assistance totalling \$65,753.03 to community organisations.

Refer below for details of grants made to community organisations.

Non-cash grants (concessions/fee waivers)

In Kind - Bynoe	5,136.36
In Kind - Carpentaria Kindergarte	527
In Kind - Gidgee Healing	181
In Kind - Gulf Christian College	6,423
In Kind - Karumba Recreation Club	2,746
In Kind - Karumba State School	346
In Kind - Normanton Rodeo	13,111
In Kind - Normanton State School	6,509
In Kind - Normanton Stingers	8,997
In Kind - Cairns to Kba bike ride	80
In Kind - Ntn Barra Classic	972
In Kind - Normanton Cricket Club	768
In Kind - Kurtjar Aboriginal Corporation	182
In Kind - Riverside Christian College	80
In Kind - Carpentaria Kindergarten Association	580
In Kind - Normanton Athletics Club	77
In Kind - Normanton Christian Centre	355
In Kind - Ventacare NQ	3,900
In Kind - Aspire Cairns Community	1,205
In Kind - Deadly Choices	10,591
In Kind - NAIDOC Dinner/Ball	800
In Kind - Heels & Reels	409
In Kind - Doomadgee State School	709
In Kind - Lynette Russell	229
In Kind - The Border Collie Boogie	136
TOTAL	65,053

Cash Donations

Organisation	Amount \$
Cash Donations - KBA Senior Lunch	700
TOTAL	700

Discretionary Funds (Section 189(2) LGR 2012)	
<p>The annual report must contain the following information about the local government's discretionary funds</p> <p>(a) the total amount budgeted for the financial year as the local government's discretionary funds</p> <p>(b) the prescribed amount (0.1% of the local government's revenue from general rates for the previous financial year) for the local government for the financial year</p> <p>(c) the total amount of discretionary funds budgeted for the financial year for councillors to allocate for each of the following purposes</p> <ul style="list-style-type: none"> (i) capital works of the local government that are for a community purpose (ii) other community purposes <p>(d) the amount of discretionary funds budgeted for use by each councillor for the financial year</p> <p>(e) if a councillor allocates discretionary funds in the financial year</p> <ul style="list-style-type: none"> (i) the amount allocated (ii) the date the amount was allocated (iii) the way mentioned in section 202(1) in which the amount was allocated (iv) if the amount was allocated to a person or organisation – the name of the person or organisation to whom the allocation was made (v) the purpose for which the amount was allocated, including sufficient details to identify how the funds were, or are to be, spent. 	<p>Not applicable as Carpentaria Shire Councillors do not have discretionary funds.</p>
Assessment of Corporate and Operational Plans (Section 190(1)(a) LGR. 2012)	
<p>The annual report must contain the Chief Executive Officer's assessment of the local government's progress towards implementing its 5 year-corporate and annual operational plans</p>	<p>Included in Chapter 4.</p>
Issues relevant to the assessment of Councils operations and performance (Section 190(1)(b) LGR. 2012)	
<p>The annual report must contain particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year.</p>	<p>Nil</p>
Annual Operations Report for Each Commercial Business Unit (Section 190(1)(c) LGR. 2012)	
<p>The annual operations report for each commercial business unit, which means a document that contains the following information for the previous financial year:</p> <ul style="list-style-type: none"> ⦿ information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan ⦿ particulars of any changes made to the unit's annual performance plan for the previous financial year, including the impact the changes had on the unit's financial position, operating surplus or deficit and prospects. ⦿ Particulars of any directions the local government gave the unit. 	<p>There were no commercial business units to report for the 2023/2024 financial year.</p>
Joint Government Activity (Section 190(1)(d) LGR. 2012)	
<p>The annual report must contain details of any action taken for, and expenditure on, a service, facility or activity:</p> <ul style="list-style-type: none"> (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. 	<p>Nil</p>
Invitations to change tenders (Section 190(1)(e) LGR. 2012)	
<p>The annual report must contain details of the number of invitations to change tenders under section 228(7) of the LGR during the financial year.</p>	<p>Nil</p>

List of Registers & Public Documents (Section 190(1)(f) LGR. 2012)

The annual report must contain a list of registers kept by the local government.

The Chief Executive Officer holds the following registers. Except where otherwise indicated, they are open to inspection at the Council Administration Centre.

Registers held	Open to inspection
Register of Local Laws	Yes
Register of Roads	Yes
Register of Cost-Recovery Fees	Yes
Asset Register	No
Register of Delegations	Yes
Registers of Interests of Councillors	Yes
Registers of Interests Chief Executive Officer	No
Registers of Interests Senior Executive Employees	No
Registers of interests of a person who is related to a Councillor, Chief Executive Officer or senior executive employee and senior contract employees	No
Register of Pre-qualified Suppliers	No
Register of Food Business Licences	Yes

Summary of Concessions for Rates and Charges (Section 190(1)(g) LGR. 2012)

The annual report must contain a summary of all concessions for rates and charges granted by Council for the financial year.

Pensioner Rates Remission

Council provides a rates remission to eligible pensioners.

- ⦿ Council's remission is 30% on all rates and charges (except excess water charges) with a qualifying residency period of at least 10 years within the Shire boundary.
- ⦿ The applicant must hold a Pensioner Concession Card and be of pensionable age for the purposes of qualifying for an aged pension under the Australian Government guidelines.
- ⦿ Otherwise the applicant may be a self-funded retiree and be of pensionable age for the purposes of qualifying for an aged pension under the Australian Government guidelines.
- ⦿ Any arrears of rates and charges associated with the residential allotment must be paid in full before a pensioner becomes entitled to receive the rates remission. This policy is in accordance with State Government Pension Remission Guidelines.

Rate Remission / Concessions (Other Than Pensioners)

Council considers applications for remission of rates lodged with Council where it considers the circumstances warrant such action as provided under the Local Government Act. Council may also consider the deferral of rates until a specified time if the circumstances warrant.

Summary of Rates Concessions

Description	No. of Concessions Provided	Amount \$
Rates Based Financial Assistance	14	\$32,416.49
Total concessions	14	\$32,416.49

Report on Internal Audit (Section 190(1)(h) LGR. 2012)

The annual report must contain a summary on the internal audit for the financial year.

Section 105(1) of the Local Government Act 2009 requires that each local government must establish an efficient and effective internal audit function.

The purpose of the internal audit function is to:

- ⦿ provide a systematic and proactive assessment of the effectiveness and reliability of Council's internal controls and processes
- ⦿ help ensure Council is achieving its desired outcomes
- ⦿ ensure compliance with legislation, Council policy and procedures
- ⦿ identify and document those areas of significant operational risk to Council with a view to finding practical recommendations for improvements.

The scope of works for each financial year is set out in an Internal Audit Plan, which is endorsed by the Chief Executive Officer and the Internal Audit Committee.

In 2022/2023 Council adopted an Internal Audit Plan for 2023-2025. Council Internal Auditors (Pacifica) had assisted Council carry out the Plan. During the 2023/2024 financial year internal audits were conducted in the following areas:

- ⦿ Procurement compliance
- ⦿ Fraud Risk and Ethical Conduct; and
- ⦿ Records Management Practices

The review consisted of a number of staff workshops to conduct a full review and update of the existing procedure. The review of purchase requisitioning and goods receipting practices had commenced just prior to June 30 and had not been fully finalised by then.

A considerable amount of work was also carried out to finalise prior year internal audit work.

Investigation Notices for Competitive Neutrality Complaints (Section 190(1)(i) LGR. 2012)

The annual report must contain a summary of investigation notices given in the financial year under S49 of the LGR for competitive neutrality complaints.

Nil

Responses to QCA's Recommendations (Section 190(1)(j) LGR. 2012)

The annual report must contain the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under S52(3) of the LGR.

Nil

Carpentaria Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Carpentaria Shire Council

Financial Statements 2024

General Purpose Financial Statements

for the year ended 30 June 2024

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Carpentaria Shire Council

Financial Statements 2024

Statement of Comprehensive Income for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	8,735	8,654
Fees and charges	3b	837	820
Sales revenue	3c	13,841	8,293
Grants, subsidies, contributions and donations	3d(i)	32,468	44,284
Total recurrent revenue		<u>55,881</u>	<u>62,051</u>
Capital revenue			
Grants, subsidies, contributions and donations	3d(ii)	13,933	3,424
Total capital revenue		<u>13,933</u>	<u>3,424</u>
Other income			
Rental income		515	547
Interest received	4a	1,555	979
Other income	4b	201	75
Capital income		12	-
Total other income		<u>2,283</u>	<u>1,601</u>
Total income		<u>72,097</u>	<u>67,076</u>
Expenses			
Recurrent expenses			
Employee benefits	5	9,657	9,249
Materials and services	6	51,799	45,975
Finance costs		320	345
Depreciation and amortisation:			
Depreciation of property, plant and equipment	10	11,601	11,010
- Right of use assets		-	70
Total recurrent expenses		<u>73,377</u>	<u>66,649</u>
Total expenses		<u>73,377</u>	<u>66,649</u>
Net Result		<u>(1,280)</u>	<u>427</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus		21,381	11,782
Total other comprehensive income for the year		<u>21,381</u>	<u>11,782</u>
Total comprehensive income for the year		<u>20,101</u>	<u>12,209</u>

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

Carpentaria Shire Council

Financial Statements 2024

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	7	38,484	47,416
Receivables	8	11,378	3,175
Inventories		786	675
Contract assets	11	12,344	9,013
Other financial assets	9	179	663
		<u>63,171</u>	<u>60,942</u>
Non-current assets held for sale		489	489
Total current assets		<u>63,660</u>	<u>61,431</u>
Non-current assets			
Receivables	8	-	26
Property, plant and equipment	10	323,398	292,768
Total non-current assets		<u>323,398</u>	<u>292,794</u>
Total Assets		<u>387,058</u>	<u>354,225</u>
Liabilities			
Current liabilities			
Payables	13	8,353	5,397
Contract liabilities	11	35,223	24,294
Borrowings	14	580	527
Provisions	15	1,036	1,500
Other liabilities		-	100
Total current liabilities		<u>45,192</u>	<u>31,818</u>
Non-current liabilities			
Borrowings	14	5,322	5,916
Provisions	15	1,028	1,076
Total non-current liabilities		<u>6,350</u>	<u>6,992</u>
Total Liabilities		<u>51,542</u>	<u>38,810</u>
Net community assets		<u>335,516</u>	<u>315,415</u>
Community equity			
Asset revaluation surplus		222,070	200,689
Retained surplus		113,446	114,726
Total community equity		<u>335,516</u>	<u>315,415</u>

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

Carpentaria Shire Council

Financial Statements 2024

Statement of Changes in Equity for the year ended 30 June 2024

\$ '000	Notes	Asset revaluation surplus	Retained surplus	Total equity
Balance as at 1 July 2023		200,689	114,726	315,415
Net result		-	(1,280)	(1,280)
Other comprehensive income for the year				
- Increase in asset revaluation surplus	10	21,381	-	21,381
Total comprehensive income for the year		<u>21,381</u>	<u>(1,280)</u>	<u>20,101</u>
Balance as at 30 June 2024		<u>222,070</u>	<u>113,446</u>	<u>335,516</u>
Balance as at 1 July 2022		188,907	114,299	303,206
Net result		-	427	427
Other comprehensive income for the year				
- Increase in asset revaluation surplus	10	11,782	-	11,782
Total comprehensive income for the year		<u>11,782</u>	<u>427</u>	<u>12,209</u>
Balance as at 30 June 2023		<u>200,689</u>	<u>114,726</u>	<u>315,415</u>

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

Carpentaria Shire Council

Financial Statements 2024

Statement of Cash Flows

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Cash flows from operating activities			
Receipts from customers		21,121	23,949
Payments to suppliers and employees		<u>(64,423)</u>	<u>(63,604)</u>
		(43,302)	(39,655)
Rental income		515	547
Interest received		1,555	979
Operating grants and contributions		37,086	47,830
Borrowing costs		<u>(320)</u>	<u>(345)</u>
Net cash inflow (outflow) from operating activities	19	<u>(4,466)</u>	<u>9,356</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property, plant and equipment		771	-
Grants, subsidies, contributions and donations		16,912	3,805
Payments			
Payments for property, plant and equipment		<u>(21,608)</u>	<u>(5,829)</u>
Net cash outflow from investing activities		<u>(3,925)</u>	<u>(2,024)</u>
Cash flows from financing activities			
Payments			
Repayment of borrowings		(541)	(514)
Repayments made on leases (principal only)		<u>-</u>	<u>(72)</u>
Net cash outflow from financing activities		<u>(541)</u>	<u>(586)</u>
Net increase (decrease) in cash and cash equivalents held		<u>(8,932)</u>	<u>6,746</u>
Cash and cash equivalents at the beginning of the financial year		<u>47,416</u>	<u>40,670</u>
Cash and cash equivalents at end of the financial year	7	<u>38,484</u>	<u>47,416</u>

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

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

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Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Information about these financial statements

(a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2023 to 30 June 2024. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

(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 2023. None of the standards had a material impact on reported position, performance and cash flows.

The adoption of the revisions to AASB 101 *Presentation of Financial Statements* resulted in disclosure of material accounting policy information only rather than significant accounting policies. This means that accounting policy information is disclosed only if it relates to material transactions, other events or conditions and:

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

(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 2024, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these statements that could be applicable to Council.

Effective for reporting periods beginning on or after 1 January 2024

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2021-6 and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants)
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

Council has assessed all the standards / interpretations which are not yet effective and have determined that there is no expected material impact on the reported financial position or performance.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Information about these financial statements (continued)

(d) Estimates and Judgements

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

- Revenue recognition - Note 3
- Valuation and depreciation of property, plant and equipment - Note 10
- Provisions - Note 15
- Contingent liabilities - Note 17

(e) Rounding and Comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000, unless otherwise stated.

(f) Taxation

Council is exempt from income tax, however Council 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 ATO or payable to the ATO is shown as an asset or liability respectively.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Analysis of results by function

(a) Components of Council functions

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

Governance

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money community outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in corporate governance.

Economic

The objective of this function is to ensure the community is serviced by a high quality and effective road network. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network. It also facilitates the shire's growth and prosperity through well planned and quality development. The objective of planning and development is to ensure that Carpentaria Shire is well designed, efficient and facilitates growth yet also preserves the character and natural environment of the Shire. This function includes activities and services related to town, neighbourhood and regional planning, and management of development approval processes.

Environment

The goals of this program are to protect and support a healthy, safe community through sustainable water services and includes all activities relating to water including flood and waterways management. This program also protects and supports the health of our community by sustainably managing sewerage infrastructure. The program also facilitates waste management to protect and support our community and natural environment by sustainably managing refuse. The function provides refuse collection and disposal services, mosquito and other pest management programs.

Social

The goal of social is to ensure a healthy, vibrant, contemporary and connected community. The function provides well managed and maintained community facilities, and ensures the effective delivery of cultural, welfare and recreational services.

Carpentaria Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Analysis of results by function (continued)

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Functions \$ '000	Gross program income			Capital other	Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Total assets
	Recurring grants	Recurring other	Capital grants			Recurring	Capital				
2024											
Governance	195	6,448	773	12	7,428	(6,191)	-	(6,191)	452	1,237	46,255
Economic	31,521	17,656	13,205	-	62,382	(60,527)	-	(60,527)	(11,350)	1,855	207,991
Environment	86	929	-	-	1,015	(1,601)	-	(1,601)	(586)	(586)	76,113
Social	666	652	(46)	-	1,272	(5,058)	-	(5,058)	(3,740)	(3,786)	56,699
Total	32,468	25,665	13,932	12	72,097	(73,377)	-	(73,377)	(15,224)	(1,280)	387,058
2023											
Governance	11,498	5,683	302	-	17,483	(5,820)	-	(5,820)	11,361	11,663	56,039
Economic	32,433	12,206	3,028	-	47,667	(54,953)	-	(54,953)	(10,314)	(7,286)	178,633
Environment	86	792	-	-	860	(1,323)	-	(1,323)	(443)	(443)	72,134
Social	265	687	94	-	1,046	(4,553)	-	(4,553)	(3,601)	(3,507)	47,419
Total	44,284	19,368	3,424	-	67,076	(66,649)	-	(66,649)	(2,997)	427	354,225

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Revenue

\$ '000	2024	2023
(a) Rates, levies and charges		
Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	5,203	5,074
Water access charge	1,228	1,204
Water consumption charge	500	655
Sewerage	1,550	1,485
Waste management	779	771
Total rates and utility charge revenue	9,260	9,189
Less: Discounts	(474)	(486)
Less: Pensioner remissions	(47)	(48)
Less: Rates write-off	(4)	(1)
Total rates, levies and charges	8,735	8,654

(b) Fees and charges

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

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

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

\$ '000	2024	2023
Airport landing fees	334	292
Animal control fees	3	5
Barra hatchery tours	132	190
Building and development fees	39	30
Cemeteries	24	39
Child care	100	70
Gym	49	38
Halls	53	53
Libraries	1	1
Licences and registrations	8	8
Other fees and charges	94	94
Total fees and charges	837	820

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Revenue (continued)

(c) Sales revenue

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

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

The contract work carried out is not subject to retentions.

\$ '000	2024	2023
Rendering of services		
Road maintenance performance contract (RMPC) works	2,557	2,703
DTMR recoverable works	11,099	5,414
Other works (Barra Hatchery, Boat Ramps, Visitor Information Centre etc)	185	176
Total sales revenue	13,841	8,293

(d) Grants, subsidies, contributions and donations

Grant income under AASB 15

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

Performance obligations vary in each agreement but include events, restoration of road damage, purchase of materials and supplies etc. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Grant income under AASB 1058

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

Capital grants

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

Donations and contributions

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

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

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

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Revenue (continued)

\$ '000	2024	2023
(i) Operating		
General purpose grants	391	10,984
State government subsidies and grants	280	63
Donations	4	19
Specific purpose government subsidies and grants	276	819
Shire roads flood damage (DRFA)	31,517	32,399
Total recurrent grants, subsidies, contributions and donations	32,468	44,284

In June 2023, the Council received an amount of \$8,701,550 equating to 100% of the 2023-24 Commonwealth Financial Assistance Grant allocation. As these grants are considered untied grants, they were recognised upon receipt in the 2022-23 financial year. In the 2023-24 financial year, the Council did not receive any such advance grant funding and as such, there is a decrease in the Council's revenue.

\$ '000	2024	2023
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(ii) Capital

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

State government subsidies and grants	409	258
Commonwealth government subsidies and grants	4,136	8
Specific purpose government subsidies and grants	9,388	3,158
	13,933	3,424

Total capital grants, subsidies, contributions and donations	13,933	3,424
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(iii) Timing of revenue recognition for grants, subsidies, contributions and donations

\$ '000	Notes	2024		2023	
		Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	3d	1,137	44,756	11,770	35,920
Donations and contributions	3d	508	-	18	-
		1,645	44,756	11,788	35,920

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. Interest and other income

\$ '000	2024	2023
(a) Interest received		
Interest from overdue rates and utility charges	88	73
Other interest and investment revenue	1,467	906
Total interest received	1,555	979
(b) Other income		
Sponsorships, refunds and other miscellaneous income are recognised upon receipt.		
Other	201	75
Total other income	201	75

Note 5. Employee benefits

\$ '000	Notes	2024	2023
Staff wages and salaries		7,081	6,826
Councillors' remuneration		468	450
Annual, sick and long service leave entitlements		1,110	1,180
Superannuation	18	927	884
		9,586	9,340
Other employee related expenses		271	258
		9,857	9,598
Less: capitalised employee expenses		(200)	(349)
Total Employee benefits		9,657	9,249

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

Total Council employees (number) at the reporting date:

Elected members	7	7
Administration staff	29	38
Depot and outdoors staff	44	54
Total full time equivalent employees	80	99

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Materials and services

\$ '000	2024	2023
Audit of annual financial statements by the Auditor-General of Queensland*	88	69
Airport operations	384	273
Child care centre operations	179	82
Community services	1,631	1,379
Council road works	697	477
Donations paid	102	152
Flood damage maintenance works	30,828	30,034
Pest management	136	129
Public facilities	1,744	1,192
Quarry expenses	8	2
Recoverable Works	12,282	6,189
Sewerage operations	666	687
Tourism	611	534
Waste operations	957	746
Water operations	898	1,106
Other materials and services	588	2,924
Total materials and services	51,799	45,975

*Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$97,500 (2023: \$69,000).

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. Cash and cash equivalents

\$ '000	2024	2023
Cash and cash equivalents		
Cash at bank and on hand	187	1,500
Deposits at call	38,297	45,916
Balance per Statement of Financial Position	<u>38,484</u>	<u>47,416</u>
Balance per Statement of Cash Flows	<u>38,484</u>	<u>47,416</u>

Restricted and internally allocated cash and cash equivalents

Council is exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Cash and cash equivalents	38,484	47,416
Less: Externally imposed restrictions on cash	(23,874)	(24,294)
Unrestricted cash	14,610	23,122

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

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

Unspent government grants and subsidies	23,874	24,294
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(ii) Internal allocations of cash at the reporting date:

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

Future capital works and replacement	8,056	7,528
Total unspent restricted cash	<u>31,930</u>	<u>31,822</u>

Trust Funds

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

Funds held in trust for outside parties

Security deposits	98	132
	<u>98</u>	<u>132</u>

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Receivables

Settlement of receivables is required within 30 days after the invoice is issued. Terms for loans and advances are usually a maximum of five years with interest charged at non-commercial rates. Security is not normally obtained. Receivables are measured at amortised cost which approximates fair value at reporting date.

\$ '000	2024	2023
Current		
Rates and charges	505	816
Trade debtors	3,189	865
Loans to community organisations	25	33
ATO - net GST receivable	1,182	450
Accrued income	6,507	1,033
Total	11,408	3,197
Less: Loss Allowance	(30)	(22)
Total current receivables	11,378	3,175
Non-current		
Loans to community organisations	-	26
Total	-	26
Total non-current receivables	-	26

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Receivables (continued)

Accounting policies

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

Council has identified 3 groupings of its receivables: Rates and charges, trade debtors and loans to community organisations and relevant judgements in relation to expected credit loss have been made for each group.

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

Loans to community organisations: Loans were made to various sporting bodies. These loans arise from time to time and are subject to negotiated interest rates which are below market rates. The credit risk on these loans is considered low. The loans in place are at call.

Trade debtors: Council has applied the simplified approach for trade receivables and contract assets and the loss allowance is measured at an amount equal to lifetime expected credit losses. Debtors includes payable by State and Commonwealth governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the State and Commonwealth governments have high credit ratings, accordingly Carpentaria Shire Council determines the level of credit risk exposure to be immaterial and therefore does not record an Expected Credit Loss for these counterparties.

Interest is charged on outstanding rates. No interest is charged on other debtors.

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

\$ '000	2024	2023
Rates, levies and charges	505	816
State and Commonwealth Government	10,634	2,250
Community organisations	70	95
Other debtors	169	62
Total	11,378	3,223

Movement in accumulated impairment losses is as follows:

Opening balance at 1 July	(22)	(14)
Less: Debts written off during the year		
Add: Impairment during the year	(8)	(8)
Closing Balance at 30 June	(30)	(22)

Note 9. Other assets

\$ '000	2024	2023
Current		
Water charges not yet levied	179	663
Total current other assets	179	663

Carpentaria Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Property, plant and equipment

2024 Measurement basis Fair value category	Capital work in progress		Land and improvements		Buildings		Plant and equipment		Road, drainage and bridge network		Water		Sewerage infrastructure		Waste infrastructure		Other infrastructure assets		Total
	Cost	Fair Value Level 2 & 3	Fair Value Level 2 & 3	Fair Value Level 2 & 3	Fair Value Level 2 & 3	Fair Value Level 3	Cost	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	
Opening gross balance as at 1 July	4,087	4,469	55,377	13,551	243,631	92,831	29,262	—	—	—	—	—	—	—	—	—	—	31,777	474,985
Additions*	21,609	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21,609
Disposals	—	—	(360)	(1,973)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,333)
Revaluation increments to equity (ARS)	—	156	13,010	—	8,386	3,320	1,290	—	—	—	—	—	—	—	—	—	—	(432)	25,786
Transfers between classes	(14,458)	—	622	2,981	8,060	1,160	18	—	—	—	—	—	—	—	—	—	—	(568)	—
Closing gross value as at 30 June	11,238	4,625	68,649	14,559	260,077	97,911	30,570	2,241	—	—	—	—	—	—	—	—	—	30,777	520,047
Opening accumulated depreciation and impairment as at 1 July	—	—	27,041	7,758	84,063	38,657	11,301	—	—	—	—	—	—	—	—	—	—	13,397	182,217
Depreciation expense	—	—	2,049	1,026	5,213	1,489	491	—	—	—	—	—	—	—	—	—	—	1,316	11,601
Depreciation on disposals	—	—	(147)	(1,427)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,574)
Revaluation increments to equity (ARS)	—	—	1,428	—	3,059	1,436	546	—	—	—	—	—	—	—	—	—	—	(2,084)	4,405
Transfer between classes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(54)	—
Total accumulated depreciation as at 30 June	—	—	39,371	7,957	92,335	41,582	12,338	89	—	—	—	—	—	—	—	—	—	12,577	196,649
Carrying amount as at 30 June	11,238	4,625	38,278	7,202	167,742	55,729	18,232	2,152	—	—	—	—	—	—	—	—	—	18,200	323,398
Other information																			
Range of estimated useful life in years			15-150	2-40	10-1000	5-80	5-100	30-40	10-100										
*Asset additions comprise																			
Asset renewals	—	—	310	—	660	384	261	—	—	—	—	—	—	—	—	—	—	—	1,625
Other additions	—	—	299	3,109	12,778	438	51	—	—	—	—	—	—	—	—	—	—	3,299	19,985
Total asset additions	—	—	609	3,109	13,438	822	312	20	—	—	—	—	—	—	—	—	—	3,299	21,609

Carpentaria Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Property, plant and equipment (continued)

\$ '000	Capital work in progress		Land and improvements		Buildings		Plant and equipment		Road, drainage and bridge network		Water		Sewerage infrastructure		Waste infrastructure		Other infrastructure assets		Total
	Cost	Fair Value Level 2 & 3	Fair Value Level 2 & 3	Cost	Fair Value Level 2 & 3	Cost	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3		
2023																			
Measurement basis																			
Fair value category																			
Opening gross balance as at 1 July	1,675	4,396	52,513	13,021	227,174	84,819	27,590	-	-	-	29,225	440,413	5,827	-	-	-	-	-	
Additions*	5,827	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	-	-	2,363	-	15,782	6,475	1,672	-	-	-	2,453	28,745	-	-	-	-	-	-	-
Transfers between classes	(3,415)	73	501	530	675	1,537	-	-	-	99	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June	4,087	4,469	55,377	13,551	243,631	92,831	29,262	-	-	31,777	474,985	-	-	-	-	-	-	-	-
Opening accumulated depreciation and impairment as at 1 July	-	-	23,823	6,812	67,714	34,486	10,209	-	-	11,200	154,244	-	-	-	-	-	-	-	-
Depreciation expense	-	-	2,054	946	4,938	1,432	480	-	-	1,160	11,010	-	-	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	-	-	1,164	-	11,411	2,739	612	-	-	1,037	16,963	-	-	-	-	-	-	-	-
Total accumulated depreciation as at 30 June	-	-	27,041	7,758	84,063	38,657	11,301	-	-	13,397	182,217	-	-	-	-	-	-	-	-
Carrying amount as at 30 June	4,087	4,469	28,336	5,793	159,568	54,174	17,961	-	-	18,380	292,768	-	-	-	-	-	-	-	-
Other information																			
Range of estimated useful life in years		Land not depreciated	10-100	2-40	10-1000	5-80	5-100												
*Asset additions comprise																			
Asset renewals	-	-	1	-	2,341	87	89	-	-	16	2,534	-	-	-	-	-	-	-	-
Other additions	-	73	372	114	967	871	-	-	-	896	3,293	-	-	-	-	-	-	-	-
Total asset additions	-	73	373	114	3,308	958	89	-	-	912	5,827	-	-	-	-	-	-	-	-

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Property, plant and equipment (continued)

(a) Recognition

The asset capitalisation thresholds for all asset classes is \$5,000.

Land under roads and reserve land under the *Land Act 1994* or *Land Title Act 1994* is controlled by Queensland State Government and not recognised in the Council financial statements.

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

(c) Depreciation

Land and work in progress are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Key judgements and estimates:

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of certain infrastructure assets.

(d) Impairment

During the year a staff house owned by the Council was burned down and was assessed to be fully impaired, therefore the relevant asset was de-recognised in the asset register.

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Property, plant and equipment (continued)

(e) Valuation

Key judgements and estimates:

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

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

(i) Valuation

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

In the intervening years, Council undertakes:

- Management valuation using internal engineers and external valuer to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.
- A "desktop" valuation for land and improvements, buildings and infrastructure assets (road, drainage and bridge network, water, sewerage and other) classes which involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

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

Fair values are classified into three levels as follows:

Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability.

Level 3: Fair value based on unobservable inputs for the asset and liability.

There were no transfers between levels during the year.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Property, plant and equipment (continued)

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in Index recognised this year)	Other Interim revaluation adjustment
Land and Improvements (level 2) - \$2,194,500 (2023: \$3,925,200)	Market value	30/06/2024	AssetVal Pty Ltd Group	Not applicable	N/A

Key assumptions and estimates (related data sources)

Utilises prices gathered by way of market transaction evidence involving similarly comparable assets. Approaches under this methodology may include Direct Comparison, Summation or Income Capitalisation, all of which are accepted under the Australian Accounting Standards and Australian Property Institute guidelines.

Land and Improvements (level 3) - \$2,430,537 (2023: \$543,737)	Market value	30/06/2024	AssetVal Pty Ltd Group	Not applicable	N/A
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Key assumptions and estimates (related data sources)

Lack of appropriate comparable sales evidence in certain geographic locations and for properties of certain specific comparable land use and/or area classification. In such cases, regard is given to the closest comparable sales and the subject properties' characteristics in relation to those sales.

For land parcels with significantly compromised shape, size and/ or zoning, a nominal land value has been applied.

Buildings (level 2) - \$4,729,120 (2023: \$6,165,940)	Market value	30/06/2024	AssetVal Pty Ltd Group	Not applicable	N/A
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Key assumptions and estimates (related data sources)

Sales of similar assets in the locality and standard valuation principles have been considered whereby the direct comparison method for each asset has been utilised.

Due regard has been given to zoning, size, shape, location, topography and exposure characteristics for each asset; as well as overall market conditions as at the date of valuation.

Lack of appropriate comparable sales evidence in certain geographic locations and also for properties of certain specific comparable land use and/or area classification. In such cases, regard is given to the closest comparable sales and the subject properties' characteristics in relation to those sales.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in Index recognised this year)	Other Interim revaluation adjustment
Buildings (level 3) - \$33,545,273 (2023: \$22,170,424)	Current replacement cost	30/06/2024	AssetVal Pty Ltd Group	Not applicable	N/A

Key assumptions and estimates (related data sources)

Valuer have utilised data from contemporary cost databases including Rawlinsons Construction Cost Handbook 2024 and AIQS by applying a \$/m2 unit rate to the gross building area (GBA) to determine the current cost of a modern substitute and where necessary adjustments for excess utility and any other obsolescence factors are considered.

Road Drainage and Bridge Network (level 3)	Current replacement cost	30/06/2021	AssetVal Pty Ltd Group	The Index applied for Roads, Drainage and Bridge Network ranges from 3.0% to 3.4%. This was sourced from the Australian Bureau of Statistics (ABS) producer price indices March 2024 quarter. A linear extrapolation was used in order to determine the June quarterly indices. The Index is developed by analysing the road and bridge construction index Queensland from the Australian Bureau of Statistics.	N/A
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Key assumptions and estimates (related data sources)

Where there was no depth of market as determined for the assets, the net current value of an asset was considered as the gross value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides were utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life and asset condition) were also required (level 3).

- Source of raw material, most has been sourced locally from gravel pits for unsealed roads.
- Source of water available at low to moderate cost for rural road works (<15km).
- Contract crushing utilised for road sealing aggregate and aggregation of sealing projects and renewals to reduce low quantity works and increase economies of scale.
- Quality of material utilised in pavement construction and extent of compaction of formation varied based on road type and hierarchy.

Road asset were componentised where required with unit rates applied to the individual components in order to determine the replacement cost.

The unit rates applied were based on recent project costs and include all materials, labour and overheads. The unit rates were estimated in consultation with Council's Technical Services staff using information collated from recent project costs.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in Index recognised this year)	Other Interim revaluation adjustment
Water (level 3)	Current replacement cost	30/06/2020	AssetVal Pty Ltd Group	The Index applied for Water Infrastructure assets ranges from 3.4% to 9.6%. This was sourced from the Australian Bureau of Statistics (ABS) producer price indices March 2024 quarter. A linear extrapolation was used in order to determine the June quarterly indices.	N/A

Key assumptions and estimates (related data sources)

Where there was no depth of market as determined for the assets, the net current value of an asset was considered as the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides were utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.

The method used to value Council's water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation.

Sewerage (level 3)	Current replacement cost	30/06/2020	AssetVal Pty Ltd Group	The Index applied for Sewerage Infrastructure assets ranges from 3.0% to 9.6%. This was sourced from the Australian Bureau of Statistics (ABS) producer price indices March 2024 quarter. A linear extrapolation was used in order to determine the June quarterly indices.	N/A
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Key assumptions and estimates (related data sources)

Where there was no depth of market as determined for the assets, the net current value of an asset was considered as the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides were utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.

The method used to value Council's water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in Index recognised this year)	Other Interim revaluation adjustment
Waste Infrastructure (level 3)	Current replacement cost	30/06/2019	AssetVal Pty Ltd Group	The Index applied for Waste Infrastructure assets is 3.1%. This was sourced from the Australian Bureau of Statistics (ABS) producer price indices March 2024 quarter. A linear extrapolation was used in order to determine the June quarterly indices.	N/A

Key assumptions and estimates (related data sources)

Current Replacement Cost Approach determines the cost to a market participant (buyer) to acquire or construct a substitute asset of comparable utility/service potential, adjusted (depreciated) for obsolescence. Depreciation adjustments to measure the Fair Value of an asset typically take into account Physical Deterioration, Functional and Economic Obsolescence.

The Current Replacement Cost can be determined as the cost per unit of service potential of the most appropriate modern replacement asset (adjusted for any difference in future service potential), or as the cost of reproducing or replicating the future service potential of the asset.

Other Infrastructure Assets (level 3)	Current replacement cost	30/06/2024	AssetVal Pty Ltd Group	Not applicable	N/A
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Key assumptions and estimates (related data sources)

Current Replacement Cost Approach determines the cost to a market participant (buyer) to acquire or construct a substitute asset of comparable utility/service potential, adjusted (depreciated) for obsolescence. Depreciation adjustments to measure the Fair Value of an asset typically take into account Physical Deterioration, Functional and Economic Obsolescence.

The Current Replacement Cost can be determined as the cost per unit of service potential of the most appropriate modern replacement asset (adjusted for any difference in future service potential), or as the cost of reproducing or replicating the future service potential of the asset.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Property, plant and equipment (continued)

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Roads, Drainage and Bridge Network

Significant Inputs:

- Economic Useful Life (EUL) Assessment
- Remaining Service Potential (RSP) Assessment
- Optimised Replacement Cost (ORC) Analysis

Economic Useful Life (EUL) Assessment

The economic useful life has been assessed based on the aforementioned asset hierarchy, road type segregation and componentisation. These lives were initially measured utilising historical renewal data, regional aggregated data, published failure rates, and supplied data, these inputs were then supplied to Council engineering staff for input and review.

Hierarchy	Component	EUL (Years)
Sealed	Top seal	10
Sealed	Base seal	60
Sealed	Pavement	180
Sealed	Formation	1000
Gravel	Pavement	60
Gravel	Gravel (surface)	20
Gravel	Formation	1000
Formed	Formation	1000

Remaining Service Potential (RSP) Assessment

A condition assessment was applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.

Accumulated Depreciation

Optimised Replacement Cost (ORC) Analysis

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life and asset condition) were also required (level 3).

Infrastructure assets were componentised where required with unit rates applied to the individual components in order to determine the replacement cost.

Water and Sewerage - Calculation of Current Replacement Cost

Significant Inputs:

- Economic Useful Life (EUL) Assessment
- Remaining Service Potential (RSP) Assessment
- Optimised Replacement cost (ORC) analysis

Economic Useful Life (EUL) Assessment

The economic useful life has been assessed based on the aforementioned asset hierarchy, water and sewerage type segregation and componentisation. These lives were initially measured utilising historical renewal data, regional aggregated data, published failure rates, and supplied data, these inputs were then supplied to Council engineering staff for input and review.

Hierarchy	Component	EUL (Years)
Reticulation	Main	80
Reticulation	Water Meters	25
Reticulation	Point Assets (Valves, manholes)	20-80
Active Water Assets	Structures, Pumps, Electrical	5-80
Active Sewer Assets	Structures, Pumps, Electrical	10-80

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Property, plant and equipment (continued)

Remaining Service Potential (RSP) Assessment

A condition assessment was applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.

Accumulated Depreciation

To calculate the appropriate amount of accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for sampled visible assets), the assets were allocated a condition assessment, which was used to estimate remaining useful life.

Optimised Replacement Cost (ORC) Analysis

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life and asset condition) were also required (level 3).

The optimised replacement cost has been calculated by the valuer with reference to unit rates for network assets calculated in consultation with the council, and lump sum figures for complex assets. The rates assume an incremental Greenfields approach and exclude Brownfield cost components. The valuers have involved the Council's engineering team as much as possible when developing the unit rates and relied on a combination of sources, cost guides, historical costs, contractor rates, future works and regional information.

Infrastructure assets were componentised where required with unit rates applied to the individual components in order to determine the replacement cost.

The unit rates applied were based on Greenfields project costs and include all materials, labour and overheads. The unit rates were estimated in consultation with Council's Technical Services staff using information collated from recent project costs.

Water and Sewerage - Unobservable Inputs

The method used to value Council's water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 11. Contract balances

\$ '000	2024	2023
(a) Contract assets		
Contract assets	12,344	9,013
Total current contract assets	12,344	9,013
(b) Contract liabilities		
Funds received upfront to construct Council controlled assets	9,464	3,146
Non-capital performance obligations (including deposit received in advance)	25,759	21,148
Total current contract liabilities	35,223	24,294

Contract liabilities consist of funding received in advance for maintenance and restoration of road, sewerage, building improvements and signages.

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

Funds to construct Council controlled assets	2,355	678
Non-capital performance obligations	10,822	14,114
Total revenue included in the contract liability	13,177	14,792

Satisfaction of contract liabilities

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

(c) Significant changes in contract balances

Significant movements in contract assets and contract liabilities that have occurred during the year were due to the change in the timing of the work and monies received in advance for various projects. As a result of the the significant weather event in 2023 and 2024, Council's QRA project approved have consistently increased. Contract liabilities at 30 June 2024 increase due to funding received at end of the financial year on recently approved project while increase in contract asset was due to the accumulated costs of previously approved projects still awaiting acquittal submission.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 12. Leases

Council as a lessee

Council had leases in place over plant and equipment in previous years.

Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model and is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for short-term leases (i.e. leases with a term of less than or equal to 12 months). Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has a number of leases at significantly below market for Land and Buildings which are used for the following purposes:

- Community halls and
- Sports and recreation

Council does not believe that any of the leases in place are individually material.

Terms and conditions of leases

Plant and equipment

Council leased a refuse compactor from North West Services Pty Ltd with a term of 3 years. The lease payments were fixed for the term of the lease. During the year, the contract expired and was not renewed.

\$ '000	Plant and equipment	Total
Right of use assets		
2024		
Depreciation charge	-	-
Balance at 30 June	-	-
2023		
Opening balance at 1 July	70	70
Depreciation charge	(70)	(70)
Balance at 30 June	-	-

Amounts included in the statement of comprehensive income related to leases

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee.

\$ '000	2024	2023
Depreciation of right of use asset	-	70
Expenses relating to short-term leases	3,523	2,102
Total cash outflows for leases	3,523	2,172

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 12. Leases (continued)

Amounts included in the statement of cash flows related to leases

The following amounts have been recognised in the statement of cash flows for leases where Council is the lessee.

\$ '000	2024	2023
Operating lease	(3,523)	(2,030)
Cash flows from financing activities		
Repayments made on leases (principal only)	-	(72)
Expenses relating to short term leases	<u>(3,523)</u>	<u>(2,102)</u>

Council as a lessor

Operating leases

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

Rent from property is recognised as income on a periodic straight line basis over the lease term.

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

	2024 \$'000	2023 \$'000
Not later than one year	22	52
Between one and two years	21	19
Between two and three years	17	18
Between three and four years	17	16
Between four and five years	17	16
Later than five years	130	132
	<u>224</u>	<u>254</u>

Note 13. Payables

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

\$ '000	2024	2023
Current		
Creditors and accruals	8,255	5,255
Prepaid rates	76	102
Other creditors	22	40
Total current payables	<u>8,353</u>	<u>5,397</u>

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 14. Borrowings

Interest is expensed as accrued, no interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2030 to 15 March 2035.

Council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's (QTC) borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

\$ '000	2024	2023
Current		
Loans - QTC	580	527
Total current borrowings	580	527
Non-current		
Loans - QTC	5,322	5,916
Total non-current borrowings	5,322	5,916

Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	6,443	6,957
Principal repayments	(541)	(514)
Book value at end of financial year	5,902	6,443

The QTC loan market value at the reporting date was \$5,827,655. 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.

The following table sets out the Council's liquidity risk of borrowings in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cashflows at the balance date:

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying \$'000
2024					
Loans - QTC	842	3,369	3,042	7,253	5,902
2023					
Loans - QTC	842	3,369	3,884	8,095	6,443

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

No assets have been pledged as security by the council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2024 or 2023 financial years.

Carpentaria Shire Council is exposed to interest rate risk through its borrowings from 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. QTC Fixed Rate Loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 15. Provisions

Long service leave

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

Refuse dump restoration

A provision is made for the cost of restoring refuse dumps where it is probable the Council will be liable, or required, to incur cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of restoration. The refuse restoration closing balance of \$891,955 (2023:\$1,028,589) is the present value of the estimated cost of restoring the refuse disposal sites to a useable state at the end of their useful lives. The projected cost at closing date of 2036 is \$1,147,546 (2023:\$1,121,197)

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the remaining operating site will close in 2036 and that the restoration will occur progressively over the subsequent four years.

As refuse dumps are on state reserves which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

\$ '000	2024	2023
Current		
Annual leave	643	839
Long service leave	232	542
Sick leave	59	59
Other employee entitlements	79	37
Refuse restoration	23	23
Total current provisions	1,036	1,500
Non-current		
Long service leave	159	70
Refuse restoration	869	1,006
Total non-current provisions	1,028	1,076

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 15. Provisions (continued)

\$ '000	2024	2023
Refuse restoration		
Balance at beginning of financial year	1,029	947
Increase/(decrease) in provision due to unwinding of discounts and change in estimate	<u>(137)</u>	<u>82</u>
Balance at end of financial year	<u>892</u>	<u>1,029</u>

Note 16. Commitments for expenditure

\$ '000	2024	2023
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(a) Contractual commitments

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

Flood damage works	217	1,158
Other operating expenditures	<u>4,274</u>	<u>3,499</u>
	<u>4,491</u>	<u>4,657</u>

(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	119	-
Water assets	69	357
Plant and equipment	960	1,397
Others	<u>3,423</u>	<u>575</u>

Total commitments **4,571** **2,329**

These expenditures are payable as follows:

Within one year	<u>4,571</u>	<u>2,329</u>
Total payable	<u>4,571</u>	<u>2,329</u>

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 17. Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2023 the LGM financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$304,943.

Note 18. Superannuation

Council contributes to LGIASuper. LGIASuper is a Multiemployer Plan as defined in Australian Accounting Standard AASB 119 Employee Benefits. The scheme has a number of elements including defined benefits funds and an accumulated benefits fund. Council does not have any employees who are members of the defined benefits funds and so is not exposed to the obligations, assets or costs associated with these funds. Council has employees who are members of the accumulated benefits fund. The scheme is managed by the LGIASuper trustee as trustee for LGIASuper trading as Brighter Super.

\$ '000	Notes	2024	2023
Other superannuation contributions for employees		927	884
Total superannuation contributions paid by Council for employees	5	927	884

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 19. Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

\$ '000	2024	2023
Net result	<u>(1,280)</u>	<u>427</u>
Non-cash items		
Depreciation and amortisation	11,601	11,080
	<u>11,601</u>	<u>11,080</u>
Investing and development activities (non-cash):		
Net (profit)/loss on disposal of non-current assets	(12)	-
Capital grants and contributions	(13,933)	(3,424)
	<u>(13,945)</u>	<u>(3,424)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(8,185)	311
Increase/(decrease) in loss allowance	8	(32)
(Increase)/decrease in inventories	(111)	42
(Increase)/decrease in contract assets	(6,729)	(3,209)
(Increase)/decrease in other assets	484	(143)
Increase/(decrease) in payables	2,956	(2,404)
Increase/(decrease) in contract liabilities	11,347	6,730
Increase/(decrease) in employee leave entitlements	(375)	-
Increase/(decrease) in other provisions	(137)	78
Increase/(decrease) in other liabilities	(100)	(100)
	<u>(842)</u>	<u>1,273</u>
Net cash inflow (outflow) from operating activities	<u>(4,466)</u>	<u>9,356</u>

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 20. Reconciliation of liabilities arising from financing activities

\$ '000	As at 30/06/23			As at 30/06/24	
	Opening Balance	Cashflows	Non-cash changes (new leases)	Closing balance	
Borrowings	6,443	(541)	–	5,902	
Lease liability	–	–	–	–	
	<u>6,443</u>	<u>(541)</u>	<u>–</u>	<u>5,902</u>	

\$ '000	As at 30/06/22			As at 30/06/23	
	Opening Balance	Cashflows	Non-cash changes (new leases)	Closing balance	
Borrowings	6,957	(514)	–	6,443	
Lease liabilities	72	(72)	–	–	
	<u>7,029</u>	<u>(586)</u>	<u>–</u>	<u>6,443</u>	

Note 21. Events after the reporting period

There has not been any event that occurred after the end of the reporting period that has significantly affected, or may significantly affect, the current or future financial results of the Council.

Note 22. Transactions with related parties

(a) Key management personnel (KMP)

KMP are the Mayor, Deputy Mayor, Councillors, Chief Executive Officer, Director of Corporate Services, Director of Engineering and Director of Community Development, Tourism & Regional Prosperity.

\$ '000	2024	2023
The compensation paid to key management personnel comprises:		
Short-term employee benefits	935	856
Post-employment benefits	173	121
Long-term benefits	12	13
Total	<u>1,120</u>	<u>990</u>

Detailed remuneration disclosures are provided in the annual report.

Carpentaria Shire Council

Financial Statements 2024

Notes to the Financial Statements

for the year ended 30 June 2024

Note 22. Transactions with related parties (continued)

(b) Other Related Parties

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

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

	Additional information	2024 \$'000	2023 \$'000
Purchase of materials and services from entities controlled by KMP	22(b)(i)	2,359	9,700
Employee expenses for close family members of KMP	22(b)(ii)	329	410
Total		2,688	10,110

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

	2024 \$'000	2023 \$'000
Contracting services (machinery hire and trade services)	15,228	9,674
Goods/services	16	12
Total	15,244	9,686

(ii) All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. Council employed during the year 98 (2023: 99) full-time equivalent employees of which only 6 (2023: 6) are close family members of key management personnel.

(c) Loans and guarantees to/from related parties

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

(d) Commitments to/from other related parties

Council has an existing contract with entities controlled by Councillors as Pre-Qualified Supplier for the Hire of Plant and Equipment for each Construction Season. A tender was conducted on each contract and this is a continual contract with no total contract value available until completion of each season. The contract was the result of a tender process in accordance with the Council's normal procedures and policies. Relevant Councillors were not involved in the decision of awarding the contract. Currently, Council has renewed pre-qualified suppliers of the plant for 2025 construction season.

As of 30 June 2024, Council had outstanding payables to related entities of \$112,815 (2023: \$872,519).

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

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

- Payment of rates
- Use of the Normanton and Karumba Pools and Gyms
- Borrowing of books from the Council libraries

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

Carpentaria Shire Council

Financial Statements 2024

General Purpose Financial Statements for the year ended 30 June 2024

Management Certificate for the year ended 30 June 2024

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 2 to 38, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor

Jack Bawden

Date: 18/10/2024



Chief Executive Officer

Anne Andrews

Date: 18/10/2024



INDEPENDENT AUDITOR'S REPORT

To the councillors of Carpentaria Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Carpentaria Shire Council.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In my opinion, the financial report:

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

Basis for opinion

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

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

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

Other information

The councillors are responsible for the other information.

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

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



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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

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

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



Prescribed requirements scope

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



Sri Narasimhan
as delegate of the Auditor-General

23 October 2024

Queensland Audit Office
Brisbane

Carpentaria Shire Council

Current-year Financial Sustainability Statement

Type	Measure	Target (Tier 7)	Actual Current Year	5-Year Average	Council Narrative
Audited Ratios					
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	2.88	N/A	Council is below the target range. This ratio is impacted by the Financial Assistance Grant not being received until July 2024 and delayed in the claims of recoverable works.
Operating Performance	Operating Surplus Ratio	0% to 10%	-25.3%	-11.0%	Council is below the target range. At the adoption of the council budget for the financial year 2023-24, Council already faced challenges on achieving a positive operating surplus ratio with continued reliance on grant funding and limited opportunity to generate own source revenue. The timing of the Financial Assistance Grants had also had contributed to the unfavourable ratio.
	Operating Cash Ratio	Greater than 0%	-4.8%	6.3%	Council is below the target range. This ratio is impacted by the Financial Assistance Grant not being received until July 2024.
Asset Management	Asset Sustainability Ratio	Greater than 90%	15.4%	33.5%	Council is below the target range. Most of Council renewal on roads were done through DRFA projects which are accounted as operating expenditures as per Council Essential Assets Policy.
	Asset Consumption Ratio	Greater than 60%	62.2%	73.2%	Council is above the target ratio. Council has achieved the target ratio in the last five years. Council manages the consumption rate of assets appropriately.
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	(2.11)	0.94	Council is below the target ratio. Council has achieved the 5-year average. The timing of the Financial Assistance Grant has contributed to this result.

The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 6 reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2024.

Carpentaria Shire Council

Financial Statements 2024

Certificate of Accuracy (audited ratios)

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

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



Mayor

Jack Bawden

Date: 18/10/2024



Chief Executive Officer

Anne Andrews

Date: 18/10/2024



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Carpentaria Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Carpentaria Shire Council for the year ended 30 June 2024, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Carpentaria Shire Council for the year ended 30 June 2024 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

The councillors are responsible for the other information.

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

At the date of this auditor's report, the available other information in [name of council]'s annual report for the year ended 30 June 2024 was the general purpose financial statements, current-year financial sustainability statement - contextual ratios - unaudited, and the unaudited long-term financial sustainability statement.



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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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



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

A handwritten signature in blue ink, appearing to read "Sri Narasimhan".

Sri Narasimhan
as delegate of the Auditor-General

23 October 2024

Queensland Audit Office
Brisbane

Carpentaria Shire Council

Current-year Financial Sustainability Statement - Contextual Ratios - Unaudited

Type	Measure	Target (Tier 1)	Actual Current Year	5-Year Average	Council Narrative
Contextual ratios (unaudited)					
Financial Capacity	Council-Controlled Revenue*	N/A	16.5%	14.5%	Council has limited opportunity on generating its own source revenue and is reliant to grant funded projects.
	Population Growth*	N/A	0.6%	1.3%	N/A

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 2 reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2024.

Carpentaria Shire Council

Financial Statements 2024

Certificate of Accuracy (contextual ratios - unaudited)

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

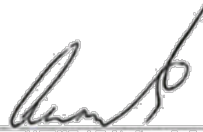
In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability statement has been accurately calculated.



Mayor

Jack Bawden

Date: 18 / 10 / 2024



Chief Executive Officer

Anne Andrews

Date: 18 / 10 / 2024

Carpentaria Shire Council

Unaudited Long-Term Financial Sustainability Statement

Type	Measure	Target (Tier 7)	Actuals as at 30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033	30 June 2034
Financial Capacity	Council-Controlled Revenue	Greater than 60%	16.46%	9.46%	12.76%	12.56%	12.56%	13.04%	13.93%	13.71%	13.71%	13.71%	13.71%
	Population Growth	N/A	0.60%	1.93%	1.93%	1.93%	1.93%	1.93%	-2.69%	-2.69%	-2.69%	-2.69%	-2.69%
Operating Performance	Operating Surplus Ratio	0% to 10%	-25.32%	-7.77%	-10.30%	-9.27%	-8.00%	-8.46%	-8.51%	-8.27%	-7.79%	-7.32%	-7.16%
	Operating Cash Ratio	Greater than 0%	-4.82%	2.61%	3.52%	4.40%	5.49%	5.37%	6.07%	6.15%	6.47%	6.76%	6.78%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months							N/A for long-term sustainability statement				
Asset Management	Asset Sustainability Ratio	Greater than 90%	15.36%	112.39%	92.55%	92.63%	38.29%	71.46%	37.53%	70.05%	36.79%	68.67%	36.07%
	Asset Consumption Ratio	Greater than 60%	62.19%	65.36%	64.15%	63.10%	61.41%	60.04%	58.38%	57.04%	55.41%	54.11%	52.49%
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	(2.11)	2.00	1.74	1.19	0.78	0.65	0.44	0.35	0.25	0.16	0.06

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

Certificate of Accuracy - 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.



Mayor

Jack Bawden

Date: 18/10/2024

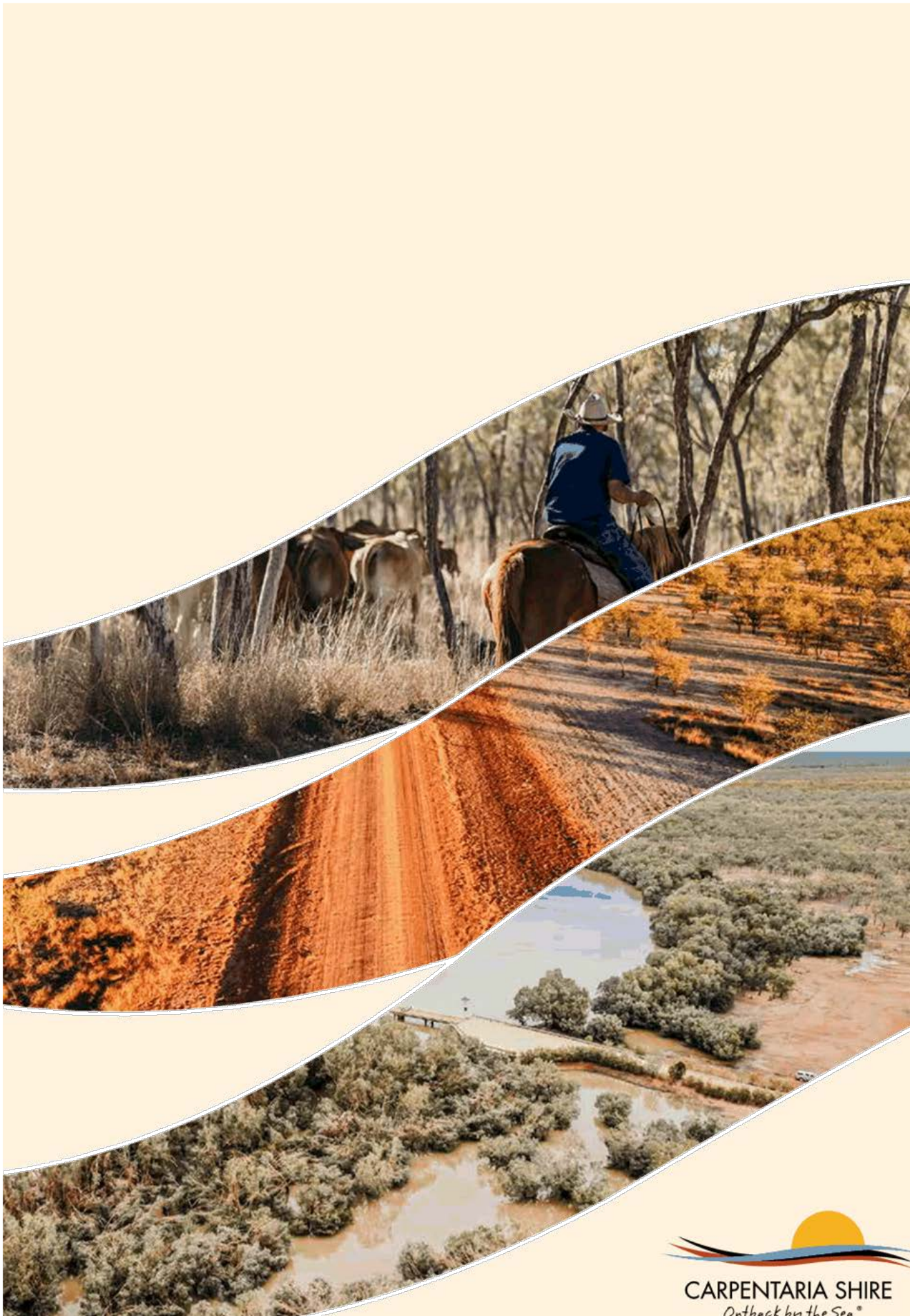


Chief Executive Officer

Anne Andrews

Date: 18/10/2024





BUSINESS PAPERS

5 CLOSURE OF MEETING