



Blackall-Tambo **Regional Council**



Blackall-Isisford Road Rehabilitation

ANNUAL REPORT

1 JULY 2022 – 30 JUNE 2023

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Audited Annual Financial Statements for the year ended 30 June 2023

QAO Auditor's Report for year ended 30 June 2023

Acronyms used in this report.

LGA	Local Government Act 2009
LGR	Local Government Regulation 2012

Message from the Mayor

Each year our council continues its drive to make the region and communities as liveable as they can be. This year has seen the completion of several projects. Tambo projects include the Tambo Trucking Museum and depot fence. Blackall projects include Banks Park play equipment and 4 Mile waterhole shade structure.

Council appreciates funding assistance from the State Government's Works for Queensland program and the grants received from the Commonwealth, such as \$1.75 million for the Heavy Vehicle Bypass upgrade linking the Blackall Saleyards and Roads to Recovery funding for Emmet road rehabilitation.

The Works for Queensland funding enabled substantial progress on the renewal of sewerage pipe relining for Blackall. This has seen the rehabilitation of pipelines that were old and in disrepair. The rehabilitation of these assets will reduce the number of blockages and leaks that had previously occurred.

The 2022-2023 financial year saw a more positive year for our graziers with most of the region enjoying a better wet season. Council is continuing to improve the Blackall Saleyards to ensure its reputation as one of the best facilities is maintained. The Heavy Vehicle Bypass and additional loading facility is an example of how we have persisted in working towards this.

It has been pleasing to see an increase in building and development activity in the region. We are working with the Department of Public Works to increase available government employee housing in both communities. Additional accommodation will assist with the local housing shortage.

As Mayor, I have continued to work with groups such as the Remote Area Planning & Development Board, Western Queensland Alliance of Councils, and on a larger scale, the Local Government Association of Queensland. This ensures the matters relevant to local governments of Central Western Queensland are not ignored. Working as a united front enables lobbying of state and federal governments for services comparative to the metropolitan centres. You can be assured that while I am in this role, I will continue to ensure we are recognised. We do matter.

I would like to thank my fellow Councillors, Council staff and the community for the efforts that have been put in over the past 12 months. I still advocate that the best asset of the Blackall-Tambo region are the people, thank you.



Cr. Andrew Martin
Mayor



Chief Executive Officer's Report

The 2022-2023 Annual Report is a snapshot of what Blackall-Tambo Regional Council has achieved over the last 12 months.

Every day our staff deliver outstanding service to our region. Here is a small sample of what our people did in the last 12 months:

- Our Works Department maintained 2394km of roads.
- Our service team received and processed 178 customer requests.
- Library borrowings totaled 8719.
- Visitor Information Offices had 19,464 customers for the year.

Events such as Opera Queensland, Christmas events, Queensland Music Trails, and the inaugural Circus Carnivale were support by Blackall-Tambo Regional Council. There were many competitions run by Council which included Australia Day, Christmas Light competition, and the Annual Bloomin' in the Bush Garden competition. The garden competition was judged by Jerry Coleby-Williams and saw a record number of nominations.

Council also continued the support of community groups through in-kind totalling \$73,075; encouraged and supported local spending with the continuation of the Be Local campaign and engagement of local businesses through contracting and purchasing, keeping the economy in the region.

In alignment with one of the goals in the 2020-2025 Corporate Plan, Council has continued to work with health providers by facilitating visits from Outback Futures, the Heart Bus, True Outreach Clinic and working jointly with Central West Hospital and Health Service to recruit the services of a permanent doctor. This saw the development and launch of a promotional video "We need a GP" highlighting the benefits of working and living in the region.

Council has continued working to improve the road networks through various funding opportunities. Major road projects include the Barcoo River Bridge roadworks and resheeting of Springsure Road in Tambo, upgrades to the Blackall-Isisford Road and widening of the Blackall-Jericho Road.

However, it's more than just the large projects; Council has a range of small improvement initiatives to ensure developments occur throughout the whole region.

I congratulate the Councillors, staff, and community on making the Blackall-Tambo region an enjoyable place to live.

D A Howard
Chief Executive Officer

Community Financial Report (LGR section 184)

The total income received for the year is \$38.5M while total expenditure is \$31.3M giving a net result of \$7.2M.

Rates, levies, and charges received are \$5.2M up from \$4.9M in the previous year in line with the budgeted increase.

Recurrent grants, subsidies, contributions, and donations are \$19.7M compared to \$17.8M for the previous year.

Fees and charges are \$1.7M compared to \$2.1M for the previous year. Overall, the fees and charges income was down primarily from reduction in saleyard fees which is subject to seasonal and market variations.

Sales revenue including recoverable road work contracts with the Department of Transport and Main Roads is \$7.4M down from \$13.6M last year. The reduction is due to reduced minor works performance contracts for maintenance expenditure on highways and state controlled roads.

The Federal Government funded \$1.75M for the heavy vehicle bypass road linking to the Blackall saleyards. The Roads to Recovery funding of \$0.8M contributed to the rehabilitation of Emmet Road. Another significant grant was through Local Roads & Community Infrastructure Program which funded the reseal of main streets in Blackall and Tambo costing \$0.7M.

The State Government funded \$0.38M through the Works for Queensland program for relining of sewer lines extending the useful life. The Tambo Truck Museum was completed in 2023 funded by the Building our Regions program with a grant of \$0.45M.

Council continues to seek external funds as well as tendering for external roadwork contracts to supplement local funds. Works currently being undertaken by Council under contract to the Department of Transport and Main Roads include the widening of the Blackall-Jericho Road, replacement of the Tambo Barcoo River Bridge, and the re-sheeting of Springsure Road.

The council road network continues to be maintained through funding from the Financial Assistance Grant, Transport Infrastructure Development Scheme, Department of Transport and Main Roads, Local Road and Community Infrastructure Program, Heavy Vehicle Safety and Productivity Program, Remote Roads Upgrade Program and the Roads to Recovery program. Council has funded \$1.1M (net) for the renewal of plant and equipment. Water and sewerage infrastructure assets are maintained and renewed to meet service delivery demands.

Recurrent expenses total \$34.2M; employee costs have reduced from \$9.3M to \$9.2M, materials and services have decreased to \$16.5M from \$20.3M due to the decrease in roadwork activity; depreciation at \$5.2M an increase from \$4.9M in the previous year. Finance cost of \$22,344 has gone down from \$66,307 in the previous year due to the repayment in full of all Council borrowings. Employee costs include staff and related employee expenses while materials and services include such items as general operating costs to maintain and operate services in the region.

Council's Enterprise Bargaining Agreement 2021–2024 was signed off by the Queensland Industrial Commission on 22 February 2022. This agreement will expire 30 June 2024.

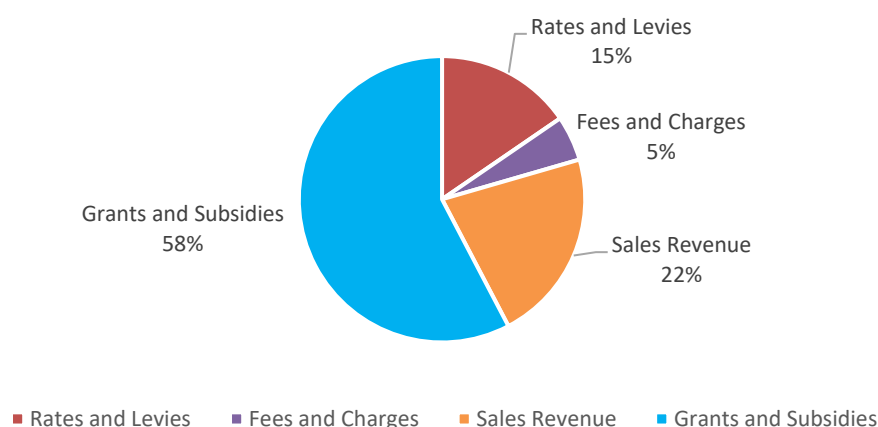


Emmet Road Reseal

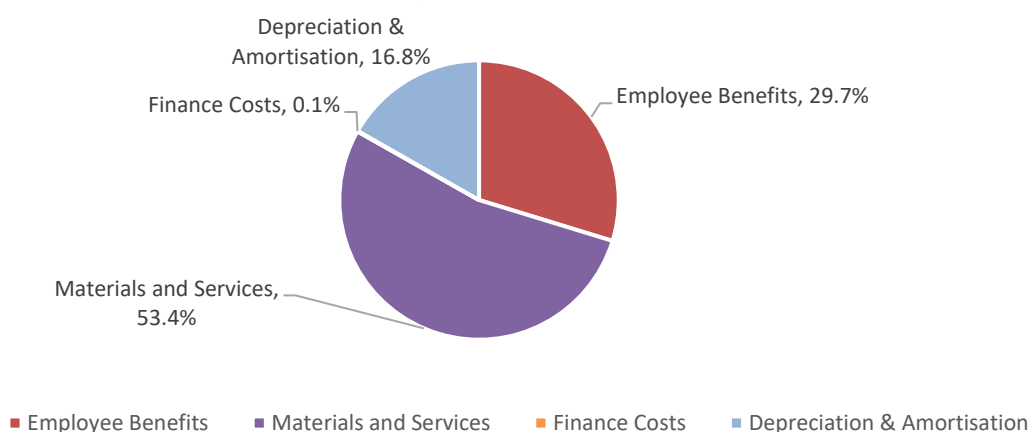
Council’s policy on the valuation of non-current assets requires indexation to take place on categories where there is movement in the relevant indexes greater than 5%. All categories of non-current assets were indexed in the 2022/2023 fiscal year. While depreciation is a non-cash item, it is used as a guide to help Council retain enough funds to meet the costs of future asset renewals.

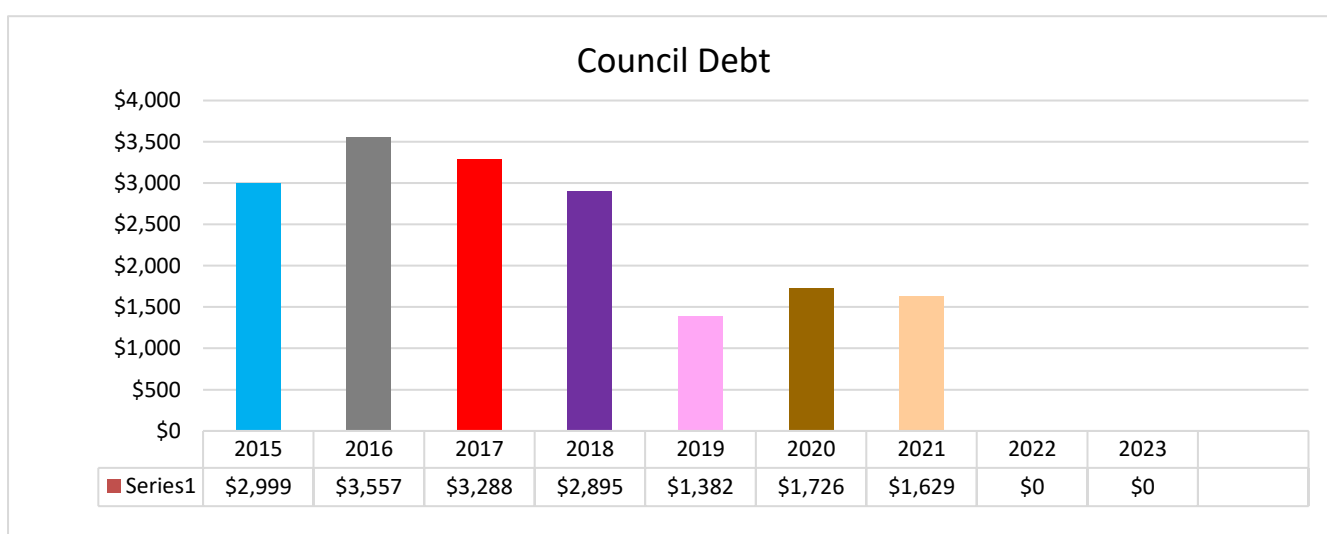
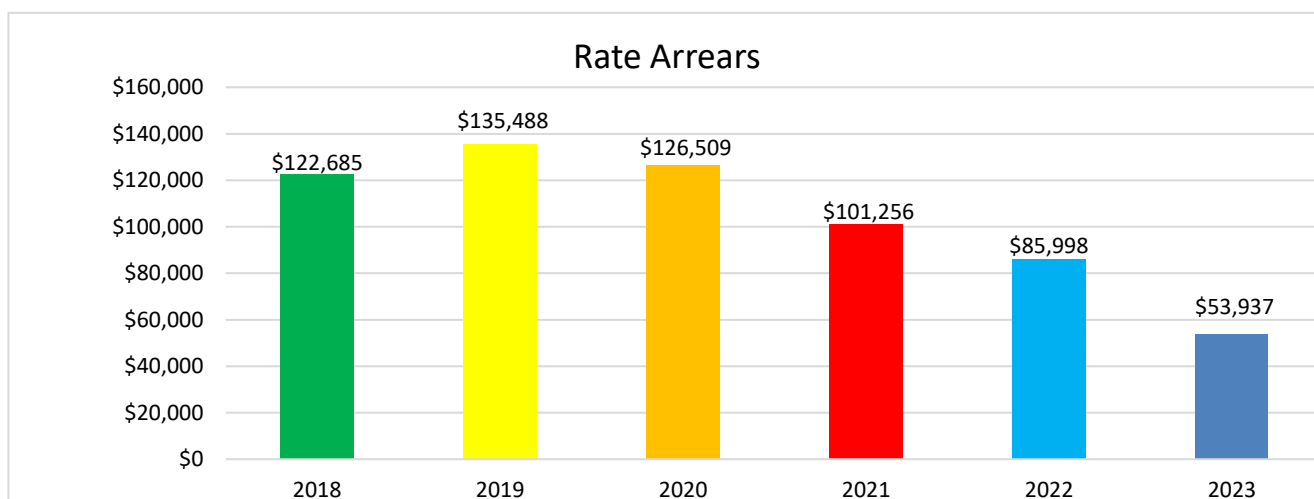
Borrowing of funds is used for long term assets to reduce inter-generational inequity and is applicable for new assets and the major upgrade of existing assets. Council repaid all debt in June 2022 and accordingly is debt free.

Recurrent Revenue 2022/2023



Recurrent Expenditure 2022/2023





Resolutions (LGR section 185)

Council reviewed both policies referred to in sections 250(1) and 206(2) of the Local Government Regulation 2012 during the 2022-2023 fiscal year. The policies referred to are the expense reimbursement policy and the asset and services management strategy. Council adopted both policies on 15 June 2022.



***Assistant Minister for Local Government,
Nikki Boyd opening the Blackall-Jericho
Road***

Councillors (LGR section 186)

(i) Remuneration schedule

The Local Government Remuneration Commission sets the maximum levels of remuneration that can be paid to Councillors annually.

Position	Annual Remuneration*	Meeting Allowance**	Total Allowance
Mayor Allowance	\$110,385.96	Nil	\$110,385.96
Deputy Mayor Allowance	\$63,684.00	Nil	\$63,684.00
Councillor Allowance	\$36,794.64	\$18,397.32	\$55,191.96

* The allowance is paid in twelve equal instalments at the end of each calendar month.

** One twelfth of the meeting allowance is paid for each monthly meeting attended.

(ii) Councillor remuneration, Superannuation, Expenses and Facilities Provided and Meeting Attendance (LGR section 186 (c))

Councillor	General Meeting Attendance	Special Meeting Attendance	Remuneration	Superannuation Expenses Incurred*	Total Remuneration
Cr A Martin	11	1	\$110,385.96	\$0	\$110,385.96
Cr L Russell	12	1	\$63,684.00	\$0	\$63,684.00
Cr G Schluter	11	1	\$53,658.85	\$0	\$53,658.85
Cr B Johnstone	12	1	\$55,191.96	\$0	\$55,191.96
Cr P Pullos	12	1	\$55,191.96	\$0	\$55,191.96
Cr J Scobie	12	1	\$55,191.96	\$0	\$55,191.96
Cr D Hardie	10	1	\$52,125.74	\$0	\$52,125.74

No superannuation payments were made to Councillors in the 22/23 financial year.

(iii) Conduct and Performance of Councillors (LGR section 186)

Section	Details	Number
186(1)(d)(i)	Total number of orders made under section 150I (2) of the Act.	Nil
186(1)(d)(ii)	Total number of orders made under section 150AH (1) of the Act.	Nil
186(1)(d)(iii)	Total number of decisions, orders and recommendations made under section 150AR (1) of the Act.	Nil
186(1)(e)(i)(ii)(iii)	The name of each Councillor for whom a decision, order or recommendation was made under section 150I (2), section 150AH (1) or section 150AR (1) of the Act, a description of unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each	Nil

	Councillor, and a summary of the decision, order or recommendation made for each Councillor.	
186(1)(f)(i)	Complaints referred to the assessor under section 150 P(2)(a) of the Act – government entity must refer complaint to the assessor.	Nil
186(1)(f)(ii)	Matters, mentioned in section 150 P (3) of the Act, notified to the Crime and Corruption Commission.	Nil
186(1)(f)(iii)	Notices given under section 150 R (2) of the Act – local government. official must give the assessor a notice about councillor’s conduct.	Nil
186(1)(f)(iv)	Notices given under section 150 S (2)(a) of the Act – inappropriate. conduct on three occasions during a period of 1 year.	Nil
186(1)(f)(v)	Decisions made under section 150 W(1)(a)(b)(e) of the Act – assessors. - action after investigating conduct of a councillor.	2
186(1)(f)(vi)	Referral notices accompanied by a recommendation mentioned in section 150 AC(3)(a) of the Act – referral by assessor to council	Nil
186(1)(f)(vii)	Occasions information was given under section 150 AF(4)(a) of the Act. – information provided to the assessor while investigating.	Nil
186(1)(f)(viii)	Occasions the Council asked another entity to investigate the suspected inappropriate conduct of a councillor.	Nil
186(1)(f)(ix)	Applications heard by the conduct tribunal about the alleged misconduct or inappropriate conduct of a councillor.	Nil

Administrative complaints (LGR section 187)

Council has adopted a policy “General Complaints (Administrative Actions) Policy” and a “General Complaints (Administrative Actions) Procedure”.

The procedure is broken down into three stages:

- (i) Complaints are initially managed and resolved by the CEO. The CEO can refer a complaint to a head of department (HOD).
- (ii) Unresolved complaints are referred to council for review and response.
- (iii) People who are not happy with the way council has managed their complaint can contact the Queensland Ombudsman for help.

It is the Council’s intent to provide a level of customer service that does not attract complaints, but acknowledges the rights of persons to provide feedback, both positive and negative, on its services and / or to lodge a complaint about a decision or other action Council takes.

The complaints process has been instituted to ensure that, to the greatest practical extent, any complaint is dealt with fairly, promptly, professionally, in confidence subject to any legal requirement, and in a manner respectful to both parties.

Administrative complaints made during the 2022/2023 financial year.	1
Number of complaints resolved under the complaint's management process.	1
Number of complaints not resolved under the complaint's management process.	Nil
Number of administrative complaints not resolved by Council under the complaints management process that were made in a previous financial year.	Nil

Human Rights (Section 97 Human Rights Act 2019)

During the financial year 2022/2023 Council did not receive any complaints from the Queensland Human Rights Commission where a response was required.

The Recruitment and Selection, Equal Employment Opportunity and Privacy Policies were updated during the 2022/2023 financial year.

Overseas travel (LGR section 188)

No overseas travel was undertaken during the financial year.

Grant Expenditure to Community Groups (LGR section 189)

In accordance with section 189 of the *Local Government Regulation 2012*, the following information is provided concerning expenditure on grants to community organisations. The Council does not operate a discretionary fund.

Description	Amount
Expenditure on grants and sponsorships to community organisations	\$98,516
In-kind support to community organisations	\$73,075
Total	\$171,591

Corporate and Operational Plans (LGR section 190)

Council adopted its Corporate Plan for 2020 to 2025 on 16 December 2020 to guide Council's decision making. This document establishes the framework and identifies goals, objectives, and strategies to be pursued by Council to meet the aspirations and needs of the community. The plan is developed in consultation with the community and can be revised at any time during the life of the plan to ensure council is following its strategic direction.

The Operational Plan is prepared annually and outlines Council's work program for the next financial year including costs and completion timelines. This document is subject to quarterly reviews and must be consistent with the Council's Corporate Plan.

In accordance with legislative requirements, Council reviewed the operational plan each quarter and considered the assessment of its progress in the implementation of the operational plan as being on target. Council receives a written assessment of the implementation of the operational plan at the end of each quarter.

List of Registers Kept by Blackall-Tambo Regional Council (LGR section 190)

Item	Description	Access
Register of personal interests of Councillors	To record certain financial and other personal interests of Councillors.	Councillor's interests are available on Council's website.
Register of Interest of Councillors related party.	To record certain financial and other personal interests of Councillors related parties.	Available only to the Chief Executive Officer or a person permitted by law.
Register of personal interest of Chief Executive Officer and other specified employees and their related parties.	To record certain financial and other personal interests of the Chief Executive Officer and certain other employees.	Available only to Councillors, the Chief Executive Officer or a person permitted by law.
Register of Delegations of Authority by Council.	To record all powers delegated by the Local Government or the Chief Executive Officer's delegated powers.	Available on Council's website.
Register of Delegations by the Chief Executive Officer	To record all delegations made by the CEO.	The register is held in the office of the CEO.
Register of Local Laws	To record all local laws set by Council.	Available on Council's website.
Register of Roads	To show details of roads in the Shire.	Available to any person.
Register of Land Record	To record details of every parcel of rateable land in the Shire.	
Register of Policies	To record the current policies as set by Council.	Available on Council's website.

Item	Description	Access
Register of Legal Documents	To hold a record of all legal documents.	Available to any person.
Register of Fees and Charges	To record all fees and charges levied by Council.	Available on Council's website.
Cemetery Register	To record all burial sites.	Available to any person.
Register of non-current physical assets.	Register of non-current physical assets.	Available to appropriate Council officers.
Operational Plan	To document the goals and strategies set by Council for the period specified in each plan.	Available on Council's website.
Annual Report	To document the financial position and report on attainment of goals specified in the Corporate Plan and Operational Plan.	Available on Council's website.

Summary of all Concessions and Rates and Charges Granted by Council (LGR section 190)

- (i) A 15 % discount on general rates if paid within 30 days after the issue of the rates notice and 7.5% discount on general rates if paid within 45 days after the issue of the rates notice.
- (ii) Eligible pensioners in receipt of a full pension and having a State Government Concession Card receive a Council pensioner rate remission up to a maximum of \$340.00 per annum.
- (iii) Council also provides administrative support to the State Government Pensioner Rate Subsidy Scheme.
- (iv) Council considered rate remissions for eligible community organisations for the 2022/2023 fiscal year. Total rate remissions were \$52,783.
- (v) Council considers requests from Community organizations for the waiver of fees for the use of community facilities.

Internal Audit (LGR section 190)

During 2022/2023 the Audit and Risk Management Committee met four times to:

- (i) review internal audit reports on stores, debtors, rates, grant revenue, and information technology systems.
- (ii) review draft annual financial statements 30 June 2023, and position papers.
- (iii) review audited 30 June 2022 annual financial statements and the closing auditor's report.
- (iv) review external and internal audit plans for 2023/2024.
- (v) physical inspection of stores at the Blackall Depot.

Competitive Neutrality (LGR section 190)

Council has not been required to issue any investigation notices in the financial year under section 49 of the competitive neutrality complaints procedures.

Council has not been required to respond to any Queensland Competition Authority recommendations as per section 52 (3).

Beneficial Enterprises and Business Activities (LGR section 190)

There were no significant business activities during the financial year ended 30 June 2023.

There was no commercialisation, or full cost pricing of a significant business activity in the financial year ended 30 June 2023.

Senior Staff Remuneration (LGA section 201)

Total of all remuneration packages payable of senior management employees is \$1,142,916.

Two (2) senior contract employees with a total remuneration package in the range of \$200,000 - \$300,000.

Four (4) senior contract employees with a total remuneration package in the range of \$100,000 - \$200,000.

Public Service Ethics 1994 (section 23)

Council has implemented the code of conduct and undertaken regular education, training, and review of procedures.

The Employee Code of Conduct was amended and adopted by Council on the 20 February 2019.



Ravensbourne Road Pave and Seal

Blackall-Tambo Regional Council

Financial Statements

For the year ended 30 June 2023

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Management Certificate

Independent Auditor's Report (General Purpose Financial Statements)

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

Independent Auditor's Report (Current Year Financial Sustainability Statement)

Unaudited Long Term Financial Sustainability Statement

Certificate of Accuracy - for the Long Term Financial Sustainability Statement

Blackall-Tambo Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2023

		2023	2022
	Note	\$	\$
Income			
Recurrent revenue			
Rates, levies and charges	3(a)	5,283,608	4,970,597
Fees and charges	3(b)	1,741,037	2,138,624
Sales revenue	3(c)	7,462,900	13,627,910
Grants, subsidies, contributions and donations	3(d)	19,742,650	17,815,714
Total recurrent revenue		<u>34,230,195</u>	<u>38,552,845</u>
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	3,229,985	2,616,543
Total capital revenue		<u>3,229,985</u>	<u>2,616,543</u>
Rental income	15	180,346	159,603
Interest received	4	652,578	101,481
Other income		276,348	387,375
Total income		<u>38,569,452</u>	<u>41,817,847</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(9,212,829)	(9,344,612)
Materials and services	7	(16,560,477)	(20,302,218)
Finance costs	8	(22,344)	(66,307)
Depreciation and amortisation			
Property, plant and equipment	12	(5,180,591)	(4,903,851)
Intangible assets	13	(11,397)	(11,397)
		<u>(30,987,638)</u>	<u>(34,628,385)</u>
Capital expenses	5	(395,680)	(863,776)
Total expenses		<u>(31,383,318)</u>	<u>(35,492,161)</u>
Net result		<u>7,186,134</u>	<u>6,325,686</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	18	23,689,044	11,495,211
Total other comprehensive income for the year		<u>23,689,044</u>	<u>11,495,211</u>
Total comprehensive income for the year		<u>30,875,178</u>	<u>17,820,897</u>

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

Blackall-Tambo Regional Council
Statement of Financial Position
As at 30 June 2023

		2023	2022
	Note	\$	\$
Current assets			
Cash and cash equivalents	9	36,970,125	26,574,055
Trade and other receivables	10	188,819	295,216
Contract assets	14	1,015,350	2,070,298
Other assets	11	135,825	31,390
Inventories		371,244	282,937
Total current assets		38,681,363	29,253,896
Non-current assets			
Property, plant and equipment	12	310,979,838	288,627,487
Intangible assets	13	157,367	168,764
Total non-current assets		311,137,205	288,796,251
Total assets		349,818,568	318,050,147
Current liabilities			
Contract liabilities	14	911,822	2,088,151
Trade and other payables	16	3,622,750	1,594,759
Provisions	17	2,534,659	2,450,722
Total current liabilities		7,069,231	6,133,632
Non-current liabilities			
Provisions	17	355,840	398,196
Total non-current liabilities		355,840	398,196
Total liabilities		7,425,071	6,531,828
Net community assets		342,393,497	311,518,319
Community equity			
Asset revaluation surplus	18	212,156,450	188,467,406
Retained surplus		130,237,047	123,050,913
Total community equity		342,393,497	311,518,319

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

Blackall-Tambo Regional Council
Statement of Changes in Equity
For the year ended 30 June 2023

	Note	Asset revaluation surplus 18 \$	Retained surplus \$	Total \$
Balance as at 1 July 2022		188,467,406	123,050,913	311,518,319
Net result		-	7,186,134	7,186,134
Other comprehensive income for the year				
Increase in asset revaluation surplus		23,689,044	-	23,689,044
Total comprehensive income for the year		23,689,044	7,186,134	30,875,178
Balance as at 30 June 2023		212,156,450	130,237,047	342,393,497
Balance as at 1 July 2021		176,972,195	115,409,548	292,381,743
Opening balance adjustment		-	1,315,679	1,315,679
Restated balance as at 1 July 2021		176,972,195	116,725,227	293,697,422
Net result		-	6,325,686	6,325,686
Other comprehensive income for the year				
Increase in asset revaluation surplus		11,495,211	-	11,495,211
Total comprehensive income for the year		11,495,211	6,325,686	17,820,897
Balance as at 30 June 2022		188,467,406	123,050,913	311,518,319

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

Blackall-Tambo Regional Council
Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		16,836,269	24,249,112
Payments to suppliers and employees		<u>(25,868,786)</u>	<u>(32,264,132)</u>
		(9,032,517)	(8,015,020)
Interest received		652,578	101,481
Rental income		180,346	159,603
Non capital grants and contributions		21,045,459	14,739,850
Borrowing costs		-	(47,890)
Net cash inflow from operating activities	22	<u>12,845,866</u>	<u>6,938,024</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(4,901,448)	(5,694,202)
Proceeds from sale of property plant and equipment		645,856	505,871
Capital grants, subsidies, contributions and donations		<u>1,805,796</u>	<u>3,272,017</u>
Net cash outflow from investing activities		<u>(2,449,796)</u>	<u>(1,916,314)</u>
Cash flows from financing activities			
Repayment of borrowings		-	(1,629,859)
Net cash outflow from financing activities		<u>-</u>	<u>(1,629,859)</u>
Net increase in cash and cash equivalents held		<u>10,396,070</u>	<u>3,391,851</u>
Cash and cash equivalents at beginning of the financial year		26,574,055	23,182,204
Cash and cash equivalents at end of the financial year	9	<u>36,970,125</u>	<u>26,574,055</u>

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

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

1 Information about these financial statements

(a) Basis of preparation

Blackall-Tambo Regional Council is constituted under the *Queensland Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2022 to 30 June 2023. They are prepared in accordance with the requirements of 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

In the current year Council adopted all standards which became mandatorily effective for the annual reporting periods beginning on 1 July 2022, none of the standards had a material impact on reported position, performance and cash flows.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, these standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards are not expected to have a material impact.

(d) Estimates and judgements

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

Valuation of property, plant and equipment - Note 12

Provisions - Note 17

Contingent liabilities - Note 20

Financial instruments and financial risk management - Note 26

Revenue recognition - Note 3

(e) National competition policy

Council has reviewed its activities to identify its business activities. Council has resolved not to apply the code of competitive conduct to any of its prescribed activities.

(f) Rounding and comparatives

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

Comparative information has been restated for the correction of error set out in Note 24.

(g) Volunteer services

Council's dependence on volunteer services is not material and is not recognised in the Statement of Comprehensive Income.

(h) Taxation

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

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

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:

Corporate Services

The corporate services function includes corporate governance and financial administration of Council.

The objective of corporate governance is for Council to be accountable and transparent in delivering value for money community outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. This comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements.

Finance and information provides professional finance and information services across Council. This function includes internal audit, budget support, financial accounting and information technology services. The objective of this function is to provide reliable information in a timely manner to support decision making and meet statutory obligations.

Community services

The goal of the community services function is to provide effective social, recreational and health services. The function includes libraries, community buildings, recreation venues, social support, care and disability services.

Planning and development

This function manages building and development approvals in the shire. The goal of this function is to ensure compliance with building standards and sustainable development practices. Council's planning scheme aims to service development through trunk infrastructure planning.

Transport infrastructure

This function includes construction and maintenance of Council and State government controlled roads, town streets, stormwater drainage, footpaths and aerodromes. The goal of the transport function is to provide a transport network that is accessible and safe for public use.

Waste management

The waste management function provides refuse collection and disposal services. The goal of the waste management program is to manage waste in a way that protects the community and the environment.

Water infrastructure

The water services function attends to the maintenance of water supply infrastructure with the goal of delivering sustainable water services that meet health standards and minimise waste.

Sewerage infrastructure

The sewerage services function attends to the maintenance of sewerage infrastructure with the goal of delivering a reliable sewerage network that is environmentally friendly.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

2 Analysis of results by function (continued)

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

Year Ended 30 June 2023

Year Ended 30 June 2020

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	2023 \$	2023 \$	2023 \$	2023 \$							
Corporate services	7,673,565	5,608,304	137,760	-	13,419,629	(6,548,056)	188,979	(6,359,077)	6,733,813	7,060,552	64,686,405
Community services	1,066,082	337,142	18,465	-	1,421,689	(5,137,560)	-	(5,137,560)	(3,734,336)	(3,715,871)	38,343,052
Planning & development	-	62,859	-	-	62,859	(81,102)	-	(81,102)	(18,243)	(18,243)	-
Transport infrastructure	11,003,003	7,576,669	2,707,947	-	21,287,619	(17,981,500)	(584,659)	(18,566,159)	598,172	2,721,460	217,308,198
Waste management	-	344,223	-	-	344,223	(298,420)	-	(298,420)	45,803	45,803	512,300
Water infrastructure	-	897,535	-	-	897,535	(525,552)	-	(525,552)	371,983	371,983	11,939,273
Sewerage infrastructure	-	770,085	365,813	-	1,135,898	(415,448)	-	(415,448)	354,637	720,450	17,029,340
Total Council	19,742,650	15,596,817	3,229,985	-	38,569,452	(30,987,638)	(395,680)	(31,383,318)	4,351,829	7,186,134	349,818,568

Year Ended 30 June 2022

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	2022	2022	2022	2022							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate services	4,581,622	5,612,418	48,000	-	10,242,040	(6,508,300)	(152,259)	(6,660,559)	3,685,740	3,581,481	54,054,029
Community services	1,349,581	309,328	740,970	-	2,399,879	(4,646,834)	-	(4,646,834)	(2,987,925)	(2,246,955)	35,283,000
Planning & development	-	45,093	-	-	45,093	(72,736)	-	(72,736)	(27,643)	(27,643)	-
Transport infrastructure	11,877,409	13,509,914	1,798,038	-	27,185,361	(22,311,427)	(711,517)	(23,022,944)	3,075,896	4,162,417	201,964,654
Waste management	-	327,455	-	-	327,455	(218,464)	-	(218,464)	108,991	108,991	533,321
Water infrastructure	7,102	867,532	29,535	-	904,169	(503,809)	-	(503,809)	370,825	400,360	11,005,584
Sewerage infrastructure	-	713,850	-	-	713,850	(366,815)	-	(366,815)	347,035	347,035	15,209,559
Total Council	17,815,714	21,385,590	2,616,543	-	41,817,847	(34,628,385)	(863,776)	(35,492,161)	4,572,919	6,325,686	318,050,147

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

3 Revenue

(a) Rates, levies and charges

	2023 \$	2022 \$
General rates	3,901,487	3,703,104
Water	886,360	826,685
Sewerage	762,756	710,528
Garbage charges	339,049	304,622
Total rates and utility charge revenue	5,889,652	5,544,939
Less: Discounts	(553,261)	(519,984)
Less: Pensioner remissions	(52,783)	(54,358)
	<u>5,283,608</u>	<u>4,970,597</u>

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

(b) Fees and charges

Saleyard fees	1,180,945	1,606,401
Building and development fees	62,859	45,094
Agistment/Town common fees	62,138	73,902
Childcare fees	34,973	48,030
Cemetery/Funeral fees	14,922	70,285
Licences and registrations	9,817	7,163
Commissions	102,663	59,474
Hire of community facilities	15,951	12,525
Airport landing fees	149,498	101,729
Other fees and charges	107,271	114,021
	<u>1,741,037</u>	<u>2,138,624</u>

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

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

Saleyard fees includes livestock yard and sales fees invoiced to livestock agents based on livestock numbers and gross sale value on a 30 day account. Revenue is recognised at a point in time when the customer has used the facility.

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.

(c) Sales revenue

Rendering of services

Contract and recoverable works	7,367,439	13,532,423
Private works	55,586	55,826
	<u>7,423,025</u>	<u>13,588,249</u>

Sale of goods

Visitor Information Centre	39,875	39,661
	<u>39,875</u>	<u>39,661</u>
Total sales revenue	<u>7,462,900</u>	<u>13,627,910</u>

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

Council generates revenue from a number of services including child care and contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and 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 as a liability and is recognised as revenue in the period when the service is performed.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

3 Revenue (continued)

(d) Grants, subsidies, contributions and donations

	2023	2022
	\$	\$
(i) Operating		
General purpose grants	10,019,580	5,969,466
State government subsidies and grants	555,102	638,705
Flood restoration funding	8,444,871	10,268,487
Commonwealth government subsidies and grants	723,097	939,056
	<u>19,742,650</u>	<u>17,815,714</u>
(ii) Capital		
State government subsidies and grants	1,268,529	1,379,628
Commonwealth government subsidies and grants	1,961,456	1,236,915
	<u>3,229,985</u>	<u>2,616,543</u>

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.

Prior year comparative grant revenue has been restated to account for the recognition of additional grant revenue receivable from contract works completed for the year ended 30 June 2022 as disclosed in note 24.

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

Revenue recognised at a point in time

Grants and subsidies	12,106,126	8,357,572
	<u>12,106,126</u>	<u>8,357,572</u>

Revenue recognised over time

Grants and subsidies	10,866,509	12,074,685
	<u>10,866,509</u>	<u>12,074,685</u>

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, examples include provision of allied health service and targeted children's learning program. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income under AASB 1058

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 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 by Council 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.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

4 Interest received

	2023	2022
	\$	\$
Interest received from term deposits	183,405	25,230
Interest received from financial institutions*	462,171	65,611
Interest from overdue rates and utility charges	7,002	10,640
	<u>652,578</u>	<u>101,481</u>

Interest received from bank and term deposits is accrued over the term of the investment.

* - Interest received from financial institutions includes interest from Queensland Treasury Corporation Cash Fund account.

5 Capital expenses

Loss on disposal of non-current assets

Proceeds from the sale of property, plant and equipment	560,175	428,711
Less: Book value of property, plant and equipment disposed of	<u>(395,687)</u>	<u>(575,192)</u>
	164,488	(146,481)
 Proceeds from sale of land and improvements	 85,681	 77,160
Less: Book value of disposed land	<u>(61,191)</u>	<u>(82,938)</u>
	24,490	(5,778)
 Write off of infrastructure and building assets	 <u>(584,658)</u>	 <u>(711,517)</u>
	(584,658)	(711,517)
Total capital expenses	<u>(395,680)</u>	<u>(863,776)</u>

6 Employee benefits

Total staff wages and salaries	6,647,507	6,788,707
Councillors' remuneration	445,430	436,698
Annual, sick and long service leave entitlements	1,313,974	1,247,433
Superannuation	<u>843,131</u>	<u>858,613</u>
	9,250,042	9,331,451
Other employee related expenses	<u>207,922</u>	<u>284,747</u>
	9,457,964	9,616,198
Less: Capitalised employee expenses	<u>(245,135)</u>	<u>(271,586)</u>
	<u>9,212,829</u>	<u>9,344,612</u>

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

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

	2023	2022
	Number	Number
Total Council employees at the reporting date:		
Elected members	7	7
Administration staff	27	35
Depot and outdoors staff	67	66
Total full time equivalent employees	<u>101</u>	<u>108</u>

7 Materials and services

	2023	2022
	\$	\$
Administration	862,786	895,615
Audit of annual financial statements by the Auditor-General of Queensland*	87,000	84,000
Community health programs	315,350	402,427
Parks, gardens & reserves	751,477	568,661
Pest management	203,473	201,168
QRA Flood damage repairs	7,867,932	9,424,213
Rentals - operating leases	11,369	13,922
Recoverable road contracts	4,541,085	7,083,992
Road maintenance	675,755	483,305
Saleyards	567,850	617,087
Waste services	188,456	115,792
Water and sewerage	314,740	265,024
Other materials and services	<u>173,204</u>	<u>147,012</u>
	<u>16,560,477</u>	<u>20,302,218</u>

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

7 Materials and services (continued)

Expenses are recorded on an accruals basis as Council receives the goods or services.

* - Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$87,000 (2022: \$84,000).

8 Finance costs

	2023 \$	2022 \$
Finance costs charged by the Queensland Treasury Corporation	-	47,890
Bank charges	11,562	11,178
Impairment of receivables	2,896	(500)
Unwinding of discount on landfill restoration provision	7,886	7,739
	<u>22,344</u>	<u>66,307</u>

9 Cash and cash equivalents

Cash at bank and on hand	12,970,125	5,574,055
Deposits at call	19,000,000	16,000,000
Term deposits	5,000,000	5,000,000
Balance per Statement of Financial Position	<u>36,970,125</u>	<u>26,574,055</u>
Less bank overdraft	-	-
Balance per Statement of Cash Flows	<u>36,970,125</u>	<u>26,574,055</u>

Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

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. All investments are required to have a minimum credit rating of "A-", the likelihood of the counterparty not having capacity to meet its financial commitments is low.

Cash and cash equivalents	36,970,125	26,574,055
Less: Externally imposed restrictions on cash	(i) <u>(911,822)</u>	<u>(2,088,151)</u>
Unrestricted cash	<u>36,058,303</u>	<u>24,485,904</u>

Council's cash and cash equivalents are subject to a number of external restrictions that limit the amount that is 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	911,822	2,088,151
Total externally imposed restrictions on cash assets	<u>911,822</u>	<u>2,088,151</u>

Council did not have internal allocations of cash at the reporting date.

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out	65,721	98,296
Security deposits	40,960	28,170
	<u>106,681</u>	<u>126,466</u>

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account on behalf of outside parties 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, refundable bond monies for venue and equipment hire and funds held in trust for inactive non profit community clubs. 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.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

10 Trade and other receivables

	2023	2022
	\$	\$
Current		
Rateable revenue and utility charges	53,937	85,998
Other debtors	135,301	209,761
Less: loss allowance	(419)	(543)
	<u>188,819</u>	<u>295,216</u>

Receivables are amounts owed to Council at year end and are recognised at the amount due at the time of sale or service delivery. Settlement of receivables is required within 30 days after the invoice is issued.

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

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

The impairment loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

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

The Council does not require collateral in respect of trade and other receivables.

Accounting policies - Grouping

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.

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

Council has identified 2 distinctive groupings of its receivables: Rates & Charges and Other Debtors.

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.

Other Debtors: Council identifies other debtors as receivables which are not rates and charges, statutory charges or grants. Council has applied a simplified approach for trade receivables and the loss allowance is measured at an amount equal to lifetime expected credit losses. Internal historical data shows that normally defaults for this grouping are immaterial. As such, Council has not calculated an expected credit loss.

Movement in accumulated impairment losses (other debtors) is as follows:

Opening balance at 1 July	543	1,043
Additional impairments recognised (impaired debts written off or reversed)	(124)	(500)
Closing Balance at 30 June	<u>419</u>	<u>543</u>

The impairment loss relates to other debtors.

Interest is charged on outstanding rates at 8.17% per annum. No interest is charged on other debtors.

11 Other assets

Prepayments	135,825	31,390
	<u>135,825</u>	<u>31,390</u>

Prepayments include expenditures paid in advance for insurances, software licences, memberships and subscriptions.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

12 Property, plant and equipment

30 June 2023

Basis of measurement

Fair value category

Asset values

Opening gross value as at 1 July 2022

Additions

- Renewals

- Other additions

Transfers between classes

Disposals

Revaluation adjustment

Closing gross value as at 30 June 2023

Note	Land and improvements	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Work in progress (WIP)	Total
	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Cost	
	Level 2	Level 2 & 3		Level 3	Level 3	Level 3		
	\$	\$	\$	\$	\$	\$	\$	\$
	2,513,065	67,805,692	16,567,882	279,823,088	14,349,322	20,744,724	3,289,971	405,093,744
	-	-	1,101,968	-	-	-	3,476,339	4,578,307
	16,235	-	-	-	-	-	306,906	323,141
	-	710,122	-	3,208,463	-	-	(3,918,585)	-
5	(61,191)	(128,175)	(768,835)	(685,699)	-	-	-	(1,643,900)
18	-	8,044,759	-	21,984,613	1,439,237	2,354,525	-	33,823,134
	2,468,109	76,432,398	16,901,015	304,330,465	15,788,559	23,099,249	3,154,631	442,174,426

Accumulated depreciation and impairment

Opening gross value as at 1 July 2022

Depreciation expense

Depreciation on disposals

Revaluation adjustment

Accumulated depreciation as at 30 June 2023

	58,078	20,433,335	6,524,478	80,551,928	3,343,738	5,554,700	-	116,466,257
	21,021	1,359,932	921,720	2,480,396	179,600	217,922	-	5,180,591
5	-	(18,280)	(472,422)	(111,662)	-	-	-	(602,364)
18	-	2,582,173	-	6,559,347	353,391	655,193	-	10,150,104
	79,099	24,357,160	6,973,776	89,480,009	3,876,729	6,427,815	-	131,194,588

Carrying amount as at 30 June 2023

Range of estimated useful life in years

	2,389,010	52,075,238	9,927,239	214,850,456	11,911,830	16,671,434	3,154,631	310,979,838
	Land: Not depreciated. Improvements: 15 - 50	5 - 195	2 - 20	8 - 171	15 - 120	23 - 166	-	-

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

12 Property, plant and equipment (continued)

30 June 2022

Basis of measurement

Fair value category

Asset values

Opening gross value as at 1 July 2021

Additions

- Renewals

- Other additions

Transfers between classes

Disposals

Revaluation adjustment

Closing gross value as at 30 June 2022

Note	Land and improvements	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Work in progress (WIP)	Total
	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Cost	
	Level 2	Level 2 & 3		Level 3	Level 3	Level 3		
	\$	\$	\$	\$	\$	\$	\$	\$
	2,576,900	63,842,418	14,800,262	269,459,642	13,421,871	19,462,167	2,615,874	386,179,134
	-	-	2,244,004	-	-	-	2,711,089	4,955,093
	19,103	-	247,731	-	-	-	472,275	739,109
	-	578,970	-	1,930,297	-	-	(2,509,267)	-
5	(82,938)	(1,187,000)	(724,115)	(771,707)	-	-	-	(2,765,760)
18	-	4,571,304	-	9,204,856	927,451	1,282,557	-	15,986,168
	2,513,065	67,805,692	16,567,882	279,823,088	14,349,322	20,744,724	3,289,971	405,093,744

Accumulated depreciation and impairment

Opening balance as at 1 July 2021

Depreciation expense

Depreciation on disposals

Revaluation adjustment

Accumulated depreciation as at 30 June 2022

	37,057	18,280,942	6,147,400	75,919,498	2,953,587	5,006,918	-	108,345,402
	21,021	1,239,150	906,523	2,358,766	174,032	204,359	-	4,903,851
5	-	(475,200)	(529,445)	(391,468)	-	-	-	(1,396,113)
18	-	1,388,443	-	2,665,132	216,119	343,423	-	4,613,117
	58,078	20,433,335	6,524,478	80,551,928	3,343,738	5,554,700	-	116,466,257

Carrying amount as at 30 June 2022

Range of estimated useful life in years

	2,454,987	47,372,357	10,043,404	199,271,160	11,005,584	15,190,024	3,289,971	288,627,487
	Land: Not depreciated. Improvements: 15 - 50	5 - 195	2 - 20	8 - 171	15 - 120	23 - 166	-	-

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

12 Property, plant and equipment (continued)

(a) Recognition

Land and improvements, buildings and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant & Equipment* and AASB 13 *Fair Value Measurement*. Plant and equipment and work in progress are measured at cost.

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold or maintenance expenditure.

Items of plant and equipment with a total value of less than \$10,000, and infrastructure assets and buildings with a total value of less than \$20,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the component of parks.

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

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

(b) Measurement

Items of property, plant and equipment 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 losses.

Cost is determined as the fair value of consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges are recognised as assets and revenue at fair value.

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property plant and equipment. Subsequent changes in the provision relating to the unwinding of the discount is recognised against rehabilitation expense. Any increase or decrease in the provision due to change in discount rate is offset against asset revaluation surplus.

(c) Depreciation

Assets are depreciated from the date of acquisition or, when an asset is ready for use.

Land, work in progress and road formation components are not depreciated.

Depreciation where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Where assets have separately identifiable components, these components have separately assigned useful lives.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions.

The useful life of leasehold improvements is the shorter of the useful life of the asset or the remaining useful life of the lease.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

12 Property, plant and equipment (continued)

Key judgements and estimates:

Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the Council.

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

(d) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognised immediately 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.

(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. Where market-observable data inputs are not available, the Council engages third party qualified valuers to perform the valuation. The Council works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed within this note.

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

In the intervening years, Council undertakes:

A management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.

A desktop valuation for assets involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

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

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the income statement, in that case the increase is taken to the income statement to the extent of previous decrease.

Revaluation decreases are recognised in the asset revaluation surplus where there is sufficient amount available in the asset revaluation surplus relating to that class. Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the statement of comprehensive income.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

12 Property, plant and equipment (continued)

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

Fair value are classified into three levels as follows:

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

There were no transfers between levels 1 and 2. Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

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

The summary below categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

Council utilises AASB13 *Fair Value Measurement* and has reviewed each valuation to ensure compliance with the requirements of the standard. There have been no changes in valuation techniques as a result of this review.

Valuation techniques used to derive fair values.

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land and improvements (level 2)	Market value	30/06/2020	APV Valuers & Asset Management	Land - Current zoning and sales price of comparable properties per square meter, adjusted for differences in key attributes such as property size. Assumption that contaminants do not exist on these parcels. Waste Landfill Cells - Valued at current replacement cost by reference to cell area and volume. Accumulated depreciation determined through assessment of remaining cell space.	Nil	Nil
Buildings (level 2) 2023: \$8,355,647 2022: \$7,818,103	Market value	30/06/2020	APV Valuers & Asset Management	Sales prices of comparable properties in close proximity, adjusted for differences in key attributes such as property size.	11.9% Cumulative movement 1 July 2022 to 30 June 2023	Nil
Buildings (level 3) 2023: \$43,719,591 2022: \$39,554,254	Current replacement cost	30/06/2020	APV Valuers & Asset Management	Gross replacement cost, indexed for subsequent changes in construction costs. Unit rates for construction as at the comprehensive revaluation date: building and construction indices issued by the Australian Bureau of Statistics and project costs from recently completed buildings.	11.9% Cumulative movement 1 July 2022 to 30 June 2023	Nil

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

12 Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Road, drainage and bridge network (level 3)	Current replacement cost	30/06/2020	APV Valuers & Asset Management	Assumption that environmental factors such as soil type, climate, and topography are consistent across each segment. Also assumes that a segment is designed and constructed to the same standard using a consistent amount of labour and materials. Existing supply contract rates for raw materials appropriate for the asset based on age, size, location and condition. Labour rates based on Council's EBA, Average cost of outsourced projects, Remaining life of assets including existing conditions.	7.95% Cumulative movement 1 July 2022 to 30 June 2023	Nil
Water infrastructure assets (level 3)	Current replacement cost	30/06/2020	APV Valuers & Asset Management	Development, soil and depth factors taking into account to determine replacement cost. Gross replacement cost per m2 based on appropriate materials using schedule of rates for construction of similar assets, building price index tables and recent procurement data. Aged based approach to determining remaining useful lives with condition assessment undertaken by exception.	10.03% Cumulative movement 1 July 2022 to 30 June 2023	Nil
Sewerage infrastructure assets (level 3)	Current replacement cost	30/06/2020	APV Valuers & Asset Management	Development, soil and depth factors taking into account to determine replacement cost. Gross replacement cost per m2 based on appropriate materials using schedule of rates for construction of similar assets, building price index tables and recent procurement data. Aged based approach to determining remaining useful lives with condition assessment undertaken by exception.	11.35% Cumulative movement 1 July 2022 to 30 June 2023	Nil

All Council asset classes except for plant and equipment were subject to an indexation assessment as at 30 June 2023. Council's asset and services management policy requires a desktop revaluation adjustment where asset values have a cumulative change of 5% or greater. Other indicators of change in fair value of assets considered included condition, useful life, residual values, pattern of consumption and use. The valuation indices report supplied by APV Valuers showed cumulative change in index of greater than 5% as at 30th June 2023 for buildings, roads, water and sewerage asset classes.

There were no other changes that have a material impact on the value of the assets, such as impairment. Management resolved that cumulative indexation be applied for the 2022-23 year for all asset classes subject to indexation assessment given the materiality of change in values.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

12 Property, plant and equipment (continued)

(vi) Changes in Fair Value Measurements using significant unobservable inputs (level 3)

Buildings disclosed in the notes comprise both level 2 and level 3 assets, the movement in level 3 buildings are detailed below.

	2023	2022
	\$	\$
Changes in buildings (Level 3)		
Opening gross value as at 1 July	56,595,571	52,908,827
Transfers between Levels	-	-
Additions	710,122	578,970
Disposals	(22,973)	(696,000)
Revaluation adjustment	6,723,274	3,803,774
Closing gross value as at 30 June	64,005,994	56,595,571
Accumulated depreciation and impairment		
Opening balance as at 1 July	17,041,317	15,254,795
Transfers between levels	-	-
Depreciation provided in period	1,108,169	995,045
Depreciation on disposals	(12,351)	(364,723)
Revaluation adjustment	2,149,268	1,156,200
Accumulated depreciation as at 30 June	20,286,403	17,041,317
Carrying value as at 30 June	43,719,591	39,554,254

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

13 Intangible assets

	2023	2022
	\$	\$
Permit		
Opening gross value as at 1 July	225,000	225,000
Closing gross carrying value as at 30 June	225,000	225,000
Accumulated amortisation		
Opening balance as at 1 July	56,236	44,839
Amortisation in the period	11,397	11,397
Closing accumulated amortisation as at 30 June	67,633	56,236
Net carrying value as at 30 June	157,367	168,764

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

It has been determined that there is not an active market for any of the Council's intangible assets. Therefore, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses. Where an intangible asset has a finite life, the cost of the asset is amortised over that period on a straight line basis.

Council acquired a Sales Permit (No. 201304400) for \$225,000 in 2016-17 under which the State of Queensland agrees to sell and Council agree to purchase cypress sawlogs according to the terms of the permit. The permit allows for the harvesting of 142,500 tonnes of cypress sawlogs over 20 years from 2017 to 2037.

14 Contract balances

Contract assets represents the excess of costs incurred in relation to a contract with a customer or construction of an asset over the amounts that Council has invoiced the customer or grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

a. Contract assets	1,015,350	2,070,298
b. Contract liabilities		
Grants received upfront to construct Council controlled assets*	203,625	1,372,739
Non capital performance obligations not yet satisfied**	708,197	715,412
	911,822	2,088,151

Certain revenues are held as contract liabilities until performance obligations are met. Revenue is deferred and treated as a liability at year end. Prior year comparative contract assets and liabilities have been restated after review with adjustments made to accurately account for grant revenue and contract assets and liabilities that were omitted in error for the 2022 year which is disclosed in note 24.

* Capital grants received to construct Council controlled assets has been deferred where revenue is recognised in line with costs incurred and the construction of the asset.

** Includes grants received in advance with funding agreements which are enforceable and contains sufficiently specific performance obligations. Revenue is recognised as performance obligations are met.

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

Funds to construct Council controlled assets	1,192,624	255,701
Non-capital performance obligations (including deposits received in advance)	715,412	2,764,345
	1,908,036	3,020,046

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.

Significant changes in contract balances

Contract assets include grants receivable under the Local Roads and Community Infrastructure (LRCI) program and Queensland Reconstruction Authority (QRA) for projects completed or in progress as at year end.

Unspent capital grants received in advance to construct Council controlled assets as at 30th June 2023:

- Works for Queensland 2021-24 program - water and sewerage renewals project \$ 154,652

Non capital performance obligations include Queensland Reconstruction Authority (QRA) advance payments for flood damage restoration works.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

15 Leases

Council as a lessee

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received 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.

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

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

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

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

Office Equipment Leases

Council enters into leases for photocopiers in use at administration offices. These leases are for low-value assets and are therefore not subject to lease accounting. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Council does not have any other agreements containing a lease and no right of use assets and lease liabilities were recognised.

Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risk and rewards have been transferred, then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components, then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contract with Customers*.

Operating Leases

Council leases residential properties consisting of private rentals and aged housing. Residential properties comprise of one, two and three bedroom units and houses available for community housing on an ongoing periodic agreement. Other properties leased include a building used for storage space and part of a building used for retail catering.

Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term. These assets are included in the statement of financial position as property, plant and equipment as the rental property is only incidental or the asset is only held to meet Council's service delivery objectives.

Rental income

Commercial property rental
Accommodation rental

2023	2022
\$	\$
28,427	38,206
151,919	121,397
180,346	159,603

Assets classified as property, plant and equipment leased out by Council under operating leases:

Buildings
Total property, plant and equipment leased out by Council under operating leases

3,440,311	3,377,437
3,440,311	3,377,437

Where Council retains the risks and rewards relating to a lease, the lease is classified as an operating lease. The assets are included in the statement of financial position as property, plant and equipment where the rental is incidental or the asset is held to meet Council's current service delivery objective.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

15 Leases (continued)

Council residential properties are leased out on a periodic ongoing agreement that are cancellable with minimum notice. Commercial buildings and land paddocks are leased out on fixed term agreements.

	2023	2022
	\$	\$
The minimum lease receipts are as follows:		
Not later than one year	233,762	216,440
Between one and two years	21,448	15,570
Between two and three years	2,161	13,336
Between three and four years	-	2,161
	<u>257,371</u>	<u>247,507</u>

16 Trade and other payables

Current

Creditors and accruals	2,942,922	1,176,087
Prepaid rates	242,494	176,336
GST payable	235,324	63,920
Other entitlements	202,010	178,416
	<u>3,622,750</u>	<u>1,594,759</u>

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

17 Provisions

Current

Provision for annual leave	1,316,123	1,267,221
Provision for long service leave	1,218,536	1,183,501
	<u>2,534,659</u>	<u>2,450,722</u>

Non-current

Provision for long service leave	138,674	172,905
Provision for waste landfill rehabilitation	217,166	225,291
	<u>355,840</u>	<u>398,196</u>

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date. Short-term benefits which are expected to be settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee costs, and are discounted to present values. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current. As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after reporting date, all annual leave liabilities are classified as current.

Long Service Leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning 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 do this when the use of the facilities is complete. As refuse dumps are situated on Council controlled/owned land the cost of the provision constitutes an asset.

The provision for refuse restoration is calculated as the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the site will close in 2069 (46 years time) and will have aftercare costs for the subsequent 20 years.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

17 Provisions (continued)

A provision is made for the cost of restoring refuse sites where it is probable that Council will be liable or required to incur such costs on cessation of use of facilities.

The provision represents the present value of the anticipated future costs associated with the closure of the landfill sites, decontamination and monitoring of historical residues and leaching on these sites.

	2023	2022
	\$	\$
Details of movements in long service leave provision		
Balance at the beginning of financial year	1,356,406	1,297,240
Long Service Leave entitlement arising	182,601	144,970
Long Service Leave entitlement paid	(181,797)	(85,804)
Balance at end of financial year	<u>1,357,210</u>	<u>1,356,406</u>
Details for movements in landfill restoration provision		
Balance at beginning of financial year	225,291	339,712
Increase in provision due to unwinding of discount	7,886	7,739
(Decrease) in provision due to change in discount rates	(16,011)	(122,160)
	<u>217,166</u>	<u>225,291</u>

18 Asset revaluation surplus

Movements in the asset revaluation surplus were as follows:

Balance at beginning of financial year	188,467,406	176,972,195
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Buildings	5,462,586	3,182,861
Road, drainage and bridge network	15,425,266	6,539,724
Water	1,085,846	711,332
Sewerage	1,699,333	939,134
	<u>23,673,031</u>	<u>11,373,051</u>
Net adjustment to landfill restoration provision to reflect change in discount rate - land and improvements	16,013	122,160
Balance at end of financial year	<u>212,156,450</u>	<u>188,467,406</u>
Net increase in asset revaluation surplus	<u>23,689,044</u>	<u>11,495,211</u>

Asset revaluation surplus analysis

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

Land and improvements	2,066,670	2,050,657
Buildings	28,434,161	22,971,575
Road, drainage and bridge network	158,751,726	143,326,460
Water	10,230,333	9,144,487
Sewerage	12,673,560	10,974,227
	<u>212,156,450</u>	<u>188,467,406</u>

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus. Increases and decreases on revaluation are offset within a class of assets.

19 Commitments for expenditure

Capital commitments

Commitments by assets class contracted at the reporting date but not recognised as liabilities:

Buildings and other structures	-	96,940
Road assets	-	197,427
Sewerage infrastructure assets	89,450	-
Plant and equipment	128,286	-
	<u>217,736</u>	<u>294,367</u>

Capital commitments include contracts for the purchase or construction of assets.
The capital commitment expenditures are payable within one year.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

20 Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2023 the financial statements of LGM Queensland 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 \$474,685.64

21 Superannuation

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

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

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

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

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

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

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

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

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

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

	2023 \$	2022 \$
Superannuation contributions made to the Regional Defined Benefits Fund	53,661	64,861
Other superannuation contributions	789,470	793,752
Total superannuation contributions paid by Council for employees	843,131	858,613

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

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

	2023	2022
	\$	\$
Net result	7,186,134	6,325,686
Non-cash operating items:		
Depreciation and amortisation	5,191,988	4,915,248
	5,191,988	4,915,248
Investing and development activities (non cash):		
Net loss on disposal/write-off of non-current assets	395,680	863,776
Capital grants and contributions	(1,805,796)	(2,173,444)
	(1,410,116)	(1,309,668)
Changes in operating assets and liabilities:		
Decrease in receivables	106,397	527,085
Decrease/(Increase) in contract assets	1,054,948	(754,619)
(Increase)/decrease in other assets	(104,435)	87,986
(Increase) in inventory	(88,307)	(115,446)
Increase in payables	2,119,817	12,806
(Decrease) in contract liabilities	(1,176,329)	(2,764,345)
(Decrease)/increase in other provisions	(34,231)	13,291
	1,877,860	(2,993,242)
Net cash inflow from operating activities	12,845,866	6,938,024

23 Reconciliation of liabilities arising from finance activities

Borrowings

Opening balance as at 1 July	-	1,629,859
Cash Flows	-	(1,629,859)
Closing balance as at 30 June	-	-

24 Correction of error

There were no contract assets declared for the 2021 and 2022 years in error. Prior year comparative contract assets have been restated after review with adjustments made to accurately account for grant revenue and contract assets that were omitted in error.

The errors described above have been corrected by restating the balances at the beginning of the comparative period (1 July 2021) with adjustments taken to retained surplus account. Comparatives have been changed to reflect the correct amounts and the impact on each item in the financial statements is shown below.

Statement of financial position at 1 July 2021	Original balance as presented at 30 June 2021	Adjustment	Restated balance at 1 July 2021
	\$	\$	\$
Contract assets	-	1,315,679	1,315,679
Total current assets	24,291,372	1,315,679	25,607,051
Total assets	302,305,265	1,315,679	303,620,944
Net community assets	292,381,743	1,315,679	293,697,422
Retained surplus	115,409,548	1,315,679	116,725,227
Total community equity	292,381,743	1,315,679	293,697,422

Comparative figures for 30 June 2022	Original balance as presented at 30 June 2022	Adjustment	Restated balance at 30 June 2022
	\$	\$	\$
Contract assets	-	2,070,298	2,070,298
Total current assets	27,183,598	2,070,298	29,253,896
Total assets	315,979,849	2,070,298	318,050,147
Net community assets	309,448,021	2,070,298	311,518,319
Retained surplus	120,980,615	2,070,298	123,050,913
Total community equity	309,448,021	2,070,298	311,518,319

Statement of comprehensive income

Recurrent Grants, subsidies, contributions and donations	17,504,194	311,520	17,815,714
Total recurrent revenue	38,241,325	311,520	38,552,845
Capital Grants, subsidies, contributions and donations	2,173,444	443,099	2,616,543
Total capital revenue	2,173,444	443,099	2,616,543
Total income	41,063,228	754,619	41,817,847
Net result	5,571,067	754,619	6,325,686
Total comprehensive income for the year	17,066,278	754,619	17,820,897

25 Events after the reporting period

There were no material adjusting events after the balance date.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

26 Financial instruments and financial risk management

Blackall-Tambo Regional Council has exposure to the following risks arising from financial statements.

- credit risk
- liquidity risk, and
- market risk

Risk management framework

Blackall-Tambo Regional Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

The Council's internal audit and risk management committee approves policies for overall risk management, as well as specifically for managing credit, liquidity, and market risk.

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

The Council's internal audit and risk management committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. The committee is assisted in its oversight role by internal audit. Internal audit undertakes reviews of risk management controls and procedures as per audit plan, the results of which are reported to the internal audit and risk management committee.

Council does not invest in derivatives.

Credit risk

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

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar State/Commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Council.

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for the Council.

Liquidity risk

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

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Exposure to liquidity risk

Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the Queensland Treasury Corporation for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

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

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

26 Financial instruments and financial risk management (continued)

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cashflows	Carrying amount
	\$	\$	\$	\$	\$
2023					
Trade and other payables	3,622,750	-	-	3,622,750	3,622,750
	<u>3,622,750</u>	<u>-</u>	<u>-</u>	<u>3,622,750</u>	<u>3,622,750</u>
2022					
Trade and other payables	1,594,759	-	-	1,594,759	1,594,759
	<u>1,594,759</u>	<u>-</u>	<u>-</u>	<u>1,594,759</u>	<u>1,594,759</u>

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

Market Risk

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

Interest rate risk

Council is exposed to interest rate risk through its investments and borrowings with Queensland Treasury Corporation and investments held with financial institutions.

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

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on carrying amount at reporting date.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on profit and equity, based on carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net Carrying Amount	Effect on Net Result		Effect on Equity	
	\$	1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2023					
Cash on Deposit	36,970,125	369,701	(369,701)	369,701	(369,701)
Net Total	<u>36,970,125</u>	<u>369,701</u>	<u>(369,701)</u>	<u>369,701</u>	<u>(369,701)</u>
2022					
Cash on Deposit	26,574,055	265,741	(265,741)	265,741	(265,741)
Net Total	<u>26,574,055</u>	<u>265,741</u>	<u>(265,741)</u>	<u>265,741</u>	<u>(265,741)</u>

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

Measurement of Fair Value

The valuation technique used in measuring financial liabilities is discounted cash flows. This valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2023

27 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP are those persons having the authority and responsibility for planning, directing and controlling the activities of the Council. KMP include the Mayor, Councillors, Chief Executive Officer and senior management.

The compensation paid to KMP comprises:

	2023 \$	2022 \$
Short-term employee benefits	1,484,285	1,259,950
Post-employment benefits	85,828	87,505
Long-term benefits	18,234	18,128
Total	1,588,347	1,365,583

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

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

The Council did not employ any close family members of key management personnel.

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

Details of Transaction	2023 \$	2022 \$
Purchase of materials and services from entities controlled by key management personnel - Note 27(b)(i)	11,954	13,004
Personnel services provided by a related party to Council - Note 27(b)(ii)	30,144	230,250

(i) Council purchased materials and services from entities controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of Council operations. The following table outlines the breakdown of goods and services acquired.

Goods and services acquired	2023 \$	2022 \$
Catering services	7,811	6,125
Uniforms and protective clothing	4,143	3,733
Livestock handling services	-	3,146

(ii) 2022-23: Council incurred \$ 30,144 in contractor fees paid to Brendan Schluter for Blackall aquatic centre lease. Brendan Schluter is the son of Councillor Graham Schluter.

2021-22: Council incurred \$ 230,250 in project management fees paid to George Bourne and Associates for technical services provided by Neville Kath and associated vehicle cost reimbursements. Neville Kath was a contract employee of the firm George Bourne and Associates and is the father of Garth Kath - Director of Works and Services.

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

Most of the entities and people that are related parties of Council live and operate within the Blackall-Tambo region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Examples include payment of rates and animal registration. Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

Blackall-Tambo Regional Council

Financial Statements

For the year ended 30 June 2023

Management Certificate

For the year ended 30 June 2023

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

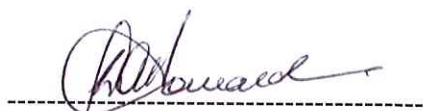
In accordance with Section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 29, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Acting Mayor
Lindsay Russell

Date: 12 / 12 / 23



Chief Executive Officer
Des Howard

Date: 12 / 12 / 23

INDEPENDENT AUDITOR'S REPORT

To Councillors of Blackall-Tambo Regional Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Blackall-Tambo Regional Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2023, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



Sri Narasimhan
as delegate of the Auditor-General

12 December 2023

Queensland Audit Office
Brisbane

Blackall-Tambo Regional Council

Current-year Financial Sustainability Statement For the year ended 30 June 2023

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2023 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	12%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	82%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-88%	not greater than 60%

Certificate of Accuracy

For the year ended 30 June 2023

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

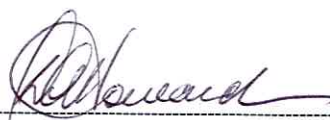
In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



Acting Mayor

Lindsay Russell

Date: 12 / 12 / 23



Chief Executive Officer

Des Howard

Date: 12 / 12 / 23

Note 1 - Basis of Preparation

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 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2023.

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Blackall-Tambo Regional Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Blackall-Tambo Regional Council for the year ended 30 June 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

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



Sri Narasimhan
as delegate of the Auditor-General

12 December 2023

Queensland Audit Office
Brisbane

Blackall-Tambo Regional Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2023

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2023	Projected for the years ended								
				30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032
Operating Surplus Ratio	Net result divided by total operating revenue	Between 0% and 10%	12%	-4%	-3%	-3%	3%	4%	7%	6%	5%	2%
Asset Sustainability Ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	82%	155%	133%	132%	135%	134%	133%	120%	120%	102%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-88%	-41%	-61%	-60%	-55%	-54%	-52%	-53%	-52%	-51%

Blackall-Tambo Regional Council's Financial Management Strategy

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

Certificate of Accuracy

For the unaudited long-term financial sustainability statement prepared as at 30 June 2023

This unaudited 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 unaudited long-term financial sustainability statement has been accurately calculated.



Acting Mayor
Lindsay Russell



Chief Executive Officer
Des Howard

Date: 12 / 12 / 23

Date: 12 / 12 / 23