



Blackall-Tambo Regional Council



2023-2024 Annual Report

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| PO Box 21, Blackall QLD 4472

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MESSAGE FROM THE MAYOR

On behalf of our Council I am pleased to present the 2023-2024 Annual Report. This year has seen several changes within our Council; a change in Council with the local government election in March 2024; a change in the positions of senior staff including the Chief Executive Officer; and a change in our boundary.

I would like to start by thanking the former councillors, Lindsay Russell and Pam Pullos who served the community tirelessly over the previous 2 terms of Council; and extend a welcome to the new councillors for the current term. Together we will continue to serve our community and I feel privileged to lead such a community driven Council.

I would also like to thank the previous CEO, Des Howard, who, together with his team, ensured Blackall-Tambo Regional Council was left in a good position. We welcomed the new CEO, Mike Lollback in June 2024. Mike has extensive experience in the local government sphere, not to mention disaster management and policing. Mike is an enormous asset to the Council and region.

The 2023-2024 financial year also saw a change in the Blackall-Tambo Regional Council boundary with some small shifts in the boundary between our Council and the Barcaldine Regional Council. The change shifted parcels of land that were previously divided between the two councils into one council area, making those residents' lives easier.

Council has continued to work to improve our road network and will continue to advocate to the relevant authorities to ensure this continues. Council spent \$6.8 million enhancing the local road network. Local contractors were utilised to facilitate this work where possible ensuring that the funds stayed within the region. I, through my position as Mayor of Blackall-Tambo Regional Council, Policy Executive member of the Local Government Association of Queensland, board member of the Western Queensland Alliance of Councils and Deputy Chair of the Remote Area Planning and Development Board will continue to lobby to ensure our region is receiving its 'fair share' of funding and resources.

We undertook some major projects over the 2023-24 financial year, one being the tiling rectification work at the Tambo Pool. This involved the removal of defective tiles and installation of appropriate non-slip tiles, and a much-needed handrail. A chairlift was also installed to assist users who otherwise have difficulties accessing the pool. Council will continue to invest in the facility to ensure it meets the needs of the community.

Council has continued to support services for the community such as the Heart of Australia bus, Outback Futures, Care Outreach, True Health, and National Schools Chaplaincy Program. Council also provided considerable support to community groups and organisations through our Request for Council Assistance policies. Council is proud to be able to support the organisations and the volunteers who contribute endless hours to these groups.

A large initiative was the Council subsidized learn to swim lesson for children aged between 0-9 years in both towns. Council was able to support 48 children with these valuable lessons. We will continue to support the youth in our community and encourage all ages to participate in sports and recreational activities.

Exciting times are ahead with the installation of a Country University Centre (CUC RAPAD) in Blackall. This will enable students who wish to stay in the region the opportunity to study in a supported environment. Council has been working hard with CUC RAPAD to establish this hub.

I acknowledge and thank my elected colleagues and all Council staff for contributing to another productive year while progressing and delivering services to those who matter, the incredible members of our community.



Cr. Andrew Martin
Mayor



COUNCILLORS

The current Council is comprised of six Councillors and a Mayor, who were elected by eligible voters in the Blackall-Tambo Region.



Cr David Hardie – Deputy Mayor



Cr Boyd Johnstone



Cr Jane Scobie



Cr Grahame Schluter



Cr Alina Hart



Cr Peter Skewes OAM



CHIEF EXECUTIVE OFFICER'S REPORT

I take great pride in presenting the community with the 2023-2024 Blackall-Tambo Regional Council Annual Report. I would like to thank my predecessor, Mr Des Howard, for the incredible dedication and work he delivered over 5 years as the as the Chief Executive Officer. Des worked closely with Councillors and his executive team to place this Council on a firm financial footing. The financial position of Council has provided me the capacity to reinvigorate the Council's relationship with the community and commence programs designed to enhance the liveability of the region. It has also reminded me of my core responsibility in ensuring council financial sustainability. I remain committed to ensuring the Des' legacy is fulfilled, and this Council continues to place success as its core value.

The annual report presents councils operations the 2023-2024 financial year as required by *section 182 of the Local Government Regulation 2012*. Included in the report is Council's financial statement, prepared by independent auditors. I commend every aspect of the Annual Report to you and encourage you to read through it.

Local Government elections were held in March 2024 and the new Councillors made their Declaration of Office on 4 April 2024. I congratulate the Mayor, Cr Andrew Martin, Deputy Mayor Cr David Hardie, Cr Jane Scobie, Cr Boyd Johnstone, Cr Grahame Schluter, Cr Alina Hart and Cr Peter Skewes OAM on being chosen by the community as the Councillors of the Blackall-Tambo Region. I would also like to pass on my thanks and that of the community to former councillors, Lindsay Russell and Pam Pullos who did not stand for re-election and contributed so much to the region over the previous two terms of Council.

In the 2023-24 financial year, the Blackall-Tambo Regional Council successfully delivered a significant infrastructure upgrade program valued in excess of \$6M, largely funded by the Disaster Recovery Funding Arrangements (DRFA). The funding, through the Queensland Reconstruction Authority, enabled Council to invest in the local road network. By investing in local roads, Council has significantly enhanced the region's ability to withstand future disaster events and maintain connectivity for residents and businesses. Our local roads improvement program will continue this year. We will continue to seek both State and Federal Government funding to ensure our roads are safe and fit for purpose. We encourage residents to use Council's SNAP SEND SOLVE program to report issues on roads that require attention.

The pavement rehabilitation of the Landsborough Highway commenced in June 2024 and involves both the resurfacing and widening of the highway in three separate sections. The works, funded by the Department of Transport, ensure that the state-controlled roads in the area are continually upgraded to ensure safe thoroughfares for locals, visitors and transport companies. Council continues to engage directly with the Department in advocating for our Main Road network, the primary transportation link to and across the central west, to be continually upgraded and improved.

Blackall-Tambo Regional Council continued to engage local contractors to conduct civil work where possible. This ensures continued efficiency and fosters local economic growth. We are fortunate to have such highly professional and capable local contractors in our area and I pass on the thanks of the Council for their ongoing commitment.

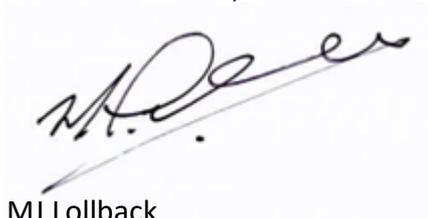
A significant event held during the year was the unveiling of the Sister Greta Towner statue. The Governor of Queensland, Her Excellency the Honourable Dr Jeannette Young AC PSM and Professor Nimmo attended the unveiling ceremony and the accompanying Gala Dinner. The Blackall-Tambo Regional Council is grateful that Her Excellency was able to participate in the event and spend a couple of days in our region where she met with locals and visited some of our local attractions.

Councillors and Executive Staff continue to focus on delivering the outcomes of the Blackall-Tambo Regional Council Corporate Plan, ensuring the valued staff of Council are supported in their roles to ensure the efficiency of services provided to the community. Our Corporate Plan is due to be revised in 2025 and we will soon commence consultation with the community, working together to ensure the future of our region.

Blackall-Tambo Regional Council remains focussed on our community and continuously strives to provide the best possible services. This extends beyond the core activities of Council and includes the various events coordinated and hosted by Council, supporting the tireless volunteers who continue to ensure that annual events and cultural experiences continue to be delivered.

The Blackall Neighbourhood Centre and Tambo Multipurpose Centre continue to provide allied health services and financial support to members of the community. The Blackall Bonanza event raised approximately \$25,000 for the Community Crisis Fund which aids those in need.

Thank you to the Mayor, Councillors and our dedicated staff for their tireless dedication to the community. We are all committed to working with communities across the region in making the Blackall-Tambo Region the best it can be, now and into the future.



MJ Lollback
Chief Executive Officer



COMMUNITY FINANCIAL REPORT

The total income received for the year is \$28.2M while total expenditure is \$35.6M giving a net result of negative \$7.5M. The negative result is due to the delay in receiving \$7.9M in financial assistance grants in June 2024 which was received in the first week of the following financial year.

Council's cash and cash equivalents as at 30th June 2024 is \$26M compared to \$37M in the previous year. The cash position is again impacted by the delay in the timing of financial assistance grant receipts. Council continues to be in a sound financial position with adequate cash reserves and no borrowings.

Rates, levies, and charges received are \$5.5M up from \$5.3M in the previous year in line with the budgeted increase.

Recurrent grants, subsidies, contributions, and donations are \$7.8M compared to \$19.7M for the previous year. The current year recurrent grant revenue was significantly down due to Council not receiving advance of financial assistance grants as in prior years.

Total fees and charges revenue is \$1.7M which is similar to previous year with Saleyard fees being the largest contributor at \$1.1M.

Sales revenue, including recoverable road work contracts with the Department of Transport and Main Roads is \$6.2M down from \$7.4M last year. The reduction is due to reduced minor works performance contracts for maintenance expenditure on highways and state-controlled roads.

Major Federal Government funding included \$0.8M from the Roads to Recovery program and \$0.8M through Local Roads & Community Infrastructure Program – Phase 3.

Projects completed included town street widening and rural road renewals.

The State Government funding through the Works for Queensland program contributed \$0.5M to the sewer and road infrastructure requirements for the Tambo housing development in Queen Elizabeth and Charles Streets, Tambo. Queensland Reconstruction Authority (QRA) provided funding for road betterment projects that were in progress at year end.

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 Blackall-Tambo section of Landsborough Highway.

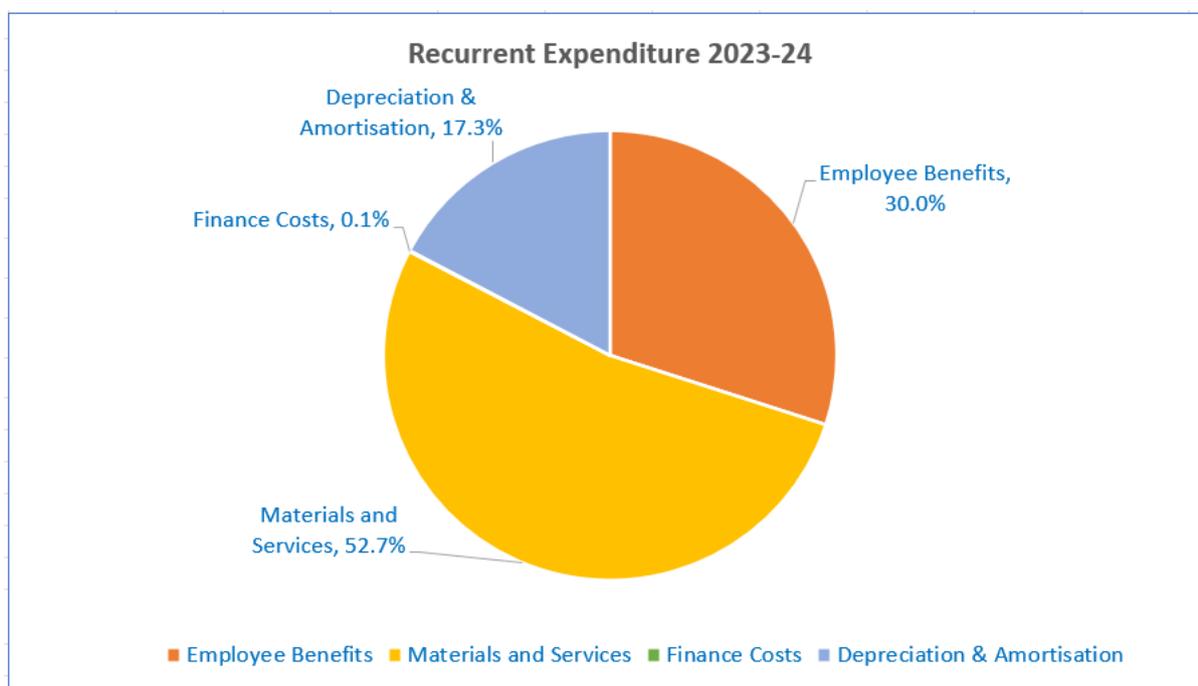
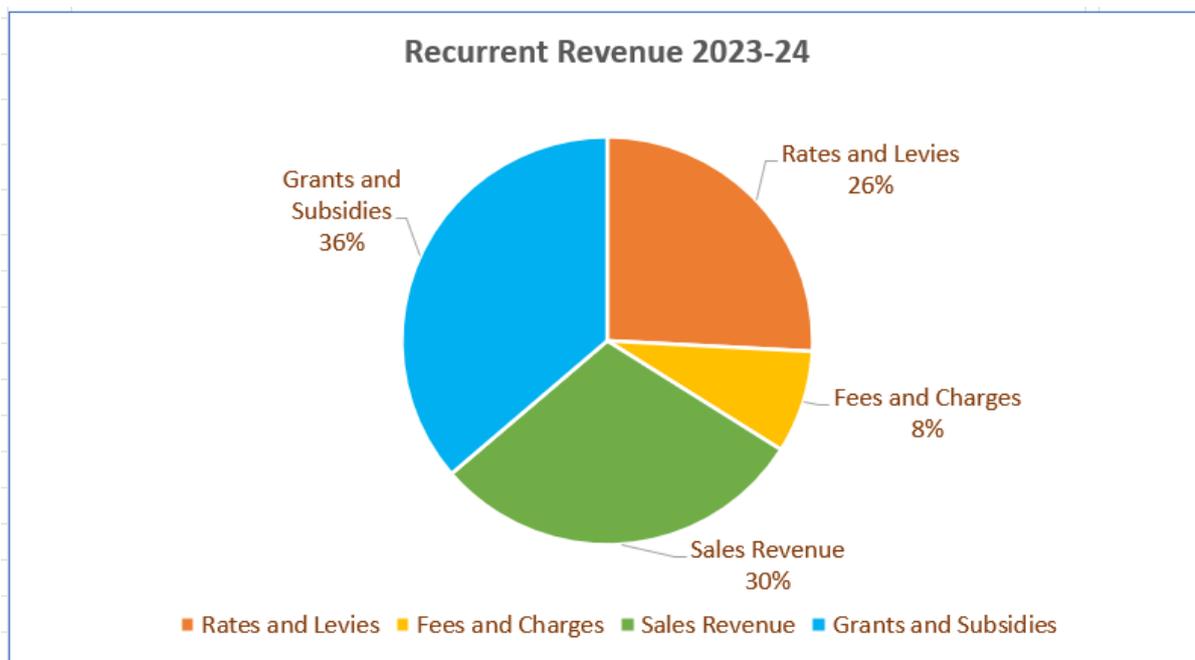
The Council road network continues to be maintained through funding from the Financial Assistance Grant, Transport Infrastructure Development Scheme, Department of Transport and Main Roads, Local Road and Community Infrastructure Program, Remote Roads Upgrade Program and the Roads to Recovery Program. Water and sewerage infrastructure assets are maintained and renewed to meet service delivery demands.

Recurrent expenses total \$32.8M; employee benefits have increased from \$9.2M to \$9.8M, materials and services have increased from \$16.6M from \$17.3M, depreciation and amortisation increased from \$5.2M to \$5.7M. Employee benefits 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 last Enterprise Bargaining Agreement 2021–2024 expired 30 June 2024. The new Enterprise Bargaining process is in progress and Council anticipates that it will be certified in December 2024.

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 2023-2024 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 remains debt free.



STATUTORY INFORMATION

Resolutions

Pursuant to section 250(1) of the *Local Government Regulation 2012*, Council holds a Councillors' Expenses Reimbursement Policy, Statutory Policy 2. The policy, available to view on the Council website, provides guidelines and procedures for the reimbursement of Councillors for expenses incurred in attending to and discharging their official duties as representatives of Blackall-Tambo Regional Council and is reviewed as required.

No resolutions were passed under section 206(2) of the Regulation during 2023-2024. This provision deals with any resolutions passed that sets an amount for each different type of non-current asset.

Remuneration and Expenses

In March 2024 local government elections were held in Queensland which resulted in a change in some Councillors for the Blackall-Tambo Regional Council during the 2023-2024 financial year. The below remuneration and expenses figures are reflective of all the Councillors that held a seat during the 2023-2024 period.

| Position | Annual Remuneration* | Expenses Incurred** | Total |
|---|----------------------|---------------------|--------------|
| Mayor Andrew Martin | \$114,801.00 | \$15,604.32 | \$130,405.32 |
| Cr Lindsay Russell (Deputy Mayor July 2023 to April 2024) | \$49,673.25 | \$1605.00 | \$51,278.25 |
| Cr David Hardie (Cr from July 2023, Deputy Mayor from April 2024 to June 2024) | \$56,418.84 | Nil | \$56,418.84 |
| Cr Grahame Schluter | \$57,399.96 | Nil | \$57,399.96 |
| Cr Boyd Johnstone | \$57,399.96 | \$3830.20 | \$61,230.16 |
| Cr Pam Pullos (July 2023 to April 2024) | \$43,049.97 | Nil | \$43,049.97 |
| Cr Jane Scobie | \$57,399.96 | \$953.70 | \$58,353.66 |
| Cr Alina Hart (Elected April 2024) | \$12,755.55 | Nil | \$12,755.55 |
| Cr Peter Skewes (Elected April 2024) | \$14,349.99 | Nil | \$14,349.99 |

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

** This figure is reflective of the cost of expenses incurred by and facilities provided to Councillors.

Expenses include such items as travel, accommodation and meals encountered whilst attending to and discharging official duties. All councillors are provided with a corporate uniform and IT equipment. In addition, the Mayor is also provided with a mobile phone and vehicle. A total of \$21,993.22 was incurred in Councillor Expenses for the 2023-2024 financial year.

No superannuation payments were made to Councillors in the 2023-2024 financial year.

Councillor Meeting Attendance

The table below is reflective of the number of Ordinary and Special Meetings attended by Councillors. It does not include Councillor attendance at other meetings.

| Councillor | General Meeting Attendance | Special Meeting Attendance |
|---|----------------------------|----------------------------|
| Cr A Martin | 11 | 2 |
| Cr L Russell (Deputy Mayor July 2023 to April 2024) | 8 | 0 |
| Cr G Schluter | 12 | 2 |
| Cr B Johnstone | 11 | 2 |
| Cr P Pullos | 9 | 0 |
| Cr J Scobie | 12 | 2 |
| Cr D Hardie | 9 | 2 |
| Cr A Hart (Elected April 2024) | 2 | 2 |
| Cr P Skewes (Elected April 2024) | 3 | 2 |

Conduct and Performance of Councillors

| Section of LGA | Details | Number |
|----------------|--|--------|
| 150I(2) | Orders made about unsuitable meeting conduct | Nil |
| 150IA(2)(b) | Orders made about unsuitable meeting conduct of chairperson | Nil |
| 150AH(1) | Orders made about conduct breaches | Nil |
| 150AR(1) | Decisions, orders and recommendations made by the Conduct Tribunal | 1* |
| 150P(2)(a) | Complaints referred to the assessor | Nil |
| 150P(3) | Complaints referred to the Crime and Corruption Commission | Nil |
| 150R(2) | Conduct notifications to the assessor | Nil |
| 150AF(3)(a) | Occasions information was given to the assessor | Nil |
| 150S(2)(a) | Misconduct notifications to the assessor | Nil |
| 150AC(1) | Suspected conduct breaches referred from the assessor | Nil |
| 150AEA | Suspected conduct breached for which an investigation was not started or was discontinued by Council | Nil |
| 150AF(3)(a) | Misconduct notifications to the assessor during an investigation | Nil |
| 150AG(1) | Decisions made about a conduct breach | Nil |
| 150AG(1) | Conduct breach matters not decided by the end of financial year | Nil |
| 150AG(1) | Average time taken to make a decision about a conduct breach | Nil |

| | | |
|--------------------------------|---|-----|
| Chapter 5A, part 3, division 5 | Occasions another entity was asked to investigate a suspected conduct breach | Nil |
| Chapter 5A, part 3, division 6 | Applications heard by the conduct tribunal about an alleged misconduct or conduct breach. | 1 |

*The Councillor Conduct Tribunal found, on the balance of probabilities, that between 22 April 2021 and 24 November 2021, Councillor Andrew Martin, Mayor of the Blackall-Tambo Regional Council, engaged in misconduct as defined in section 150L(1)(b)(i) of the *Local Government Act 2009* (the Act), in that his conduct involved a breach of trust placed in him as a councillor, either knowingly or recklessly in that his conduct was inconsistent with local government principle 4(2)(e) of the Act being ‘ethical and legal behaviour of councillors and local government employee’ has been sustained.

Pursuant to section 150AR(1)(b)(i) of the Act, the Tribunal ordered that within 60 days of the date of the decision and reasons/publication (5 June 2024), Councillor Andrew Martin, Mayor of Blackall-Tambo Regional Council, make a public apology at a general meeting of the Blackall-Tambo Regional Council open to the public.

At the 19 June 2024 general meeting the order of the Tribunal was affected

Administrative complaints

Pursuant to section 187 of the *Local Government Regulation 2012*, 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 2023/2024 financial year. | Nil |
| Number of complaints resolved under the complaint's management process. | Nil |
| 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 |

Overseas Travel

Pursuant to section 188 of the *Local Government Regulation 2012* Cr Boyd Johnstone undertook overseas travel during the financial year. The travel expenses were borne by the Remote Area Planning and Development Board (RAPAD) with Council contributing \$1621.10 toward the North America Mission.

Grant Expenditure to Community Groups

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 | \$70,995.90 |
| In-kind support to community organisations | \$48,301.09 |
| Total | \$119,296.99 |



Grants to Community Organisations

During the 2023/24 financial year Council provided the following grants and/or assistance under its Request for Council Assistance Policies:

| Community Group | Assistance (In-Kind) |
|---------------------------------|-----------------------------|
| Blackall Amateur Race Club | \$640.00 |
| Blackall Bowls Club | \$1721.92 |
| Blackall Campdraft | \$2075.61 |
| Blackall Clay Target Club | \$1014.93 |
| Blackall Golf Club | \$1376.48 |
| Barcoo Pastoral Society | \$6116.47 |
| St Joseph's P & C | \$390.00 |
| Blackall Pony Club | \$1308.03 |
| Blackall QCWA | \$1875.96 |
| Blackall RSL | \$688.24 |
| Blackall Historical Woollscour | \$1376.48 |
| Tambo Campdraft | \$1976.16 |
| Tambo Clay Target Club | \$622.42 |
| Tambo Race Club | \$1371.69 |
| Tambo Golf Club | \$1438.24 |
| Tambo Pony Club | \$688.24 |
| Scrubby Creek Sports Club | \$688.24 |
| Tambo Polocrosse | \$1079.67 |
| Tambo Stock Show | \$725.87 |
| Tambo Tourism and Business Assn | \$1007.04 |

Discretionary Funds

Pursuant to section 189(2) of the *Local Government Regulation 2012* there were no discretionary fund expenditure by Councillors.

Joint Local Government

Pursuant to section 190(1)(d)(i) Council does not operate a joint local government activity.

Special Rates or Charges

Council does not levy any special rates or charges pursuant to section 94 of the *Local Government Act 2009* and section 94 of the *Local Government Regulation 2012*.

Change of Tenders

Pursuant to section 190(1)(e) of the *Local Government Regulation 2012* Council advises that there was no change to a tender made as per section 228 (8) of the *Local Government Regulation 2012* during the 2023-2024 financial year.

Competitive Neutrality

Pursuant to section 190(1)(i) and (j) of the *Local Government Regulation 2012* Council has not received any competitive neutrality complaints or an investigation notice under section 49 of the *Local Government Act 2009* during the 2023-2024 financial year.

Beneficial Enterprise

Under section 41 of the *Local Government Act 2009*, Council has no beneficial enterprises during the financial year ended 30 June 2024.

Business Activities

During the 2023-2024 financial year Council was involved in a wide range of business activities that involve “trading goods and services” as defined by the *Local Government Act 2009* which include:

- Water Services
- Waste Management
- Aerodromes
- Libraries and Visitor Information Centres
- Accommodation Services
- Road Contracting Services
- Building certification and land use planning activities
- Blackall Saleyards



In accordance with the threshold of expenditure and the methodology prescribed by section 19 and 20 of the *Local Government Regulation 2012* Council does not have any significant business activities.

Commercial Business Unit

Pursuant to section 190(1)(c) of the *Local Government Regulation 2012* Council does not operate a commercial business unit.

Senior Staff Remuneration

Total of all remuneration packages payable to senior management \$1,100,217.00.

Three (3) senior contract employees with a total remuneration package in the range of \$200,000 - \$300,000.
Two (2) senior contract employees with a total remuneration package in the range of \$100,000 - \$200,000.

HUMAN RIGHTS

In accordance with section 97 of the *Human Rights Act 2019*, Council did not receive any complaints from the Queensland Human Rights Commission during 2023/24 where a response was required.

CORPORATE AND OPERATIONAL PLANS

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.

REGISTERS HELD BY BLACKALL-TAMBO REGIONAL COUNCIL

In accordance with section 190(1)(f) of the *Local Government Regulation 2012* the following registers are kept by Council:

- Register of interests of a Councillor and their Related Persons
- Register of interests for the Chief Executive Officer and Senior Executive Employees and their Related Persons
- Register of Delegations from Council to CEO
- Register of Delegation by CEO to officers
- Register of Local Laws
- Register of Roads
- Register of Land Records
- Register of Policies
- Register of Fees and Charges
- Cemetery Register
- Register of Assets
- Register of Contact with Lobbyists
- Register of Councillor Conduct
- Register of Development Applications
- Register of Gifts and Benefits

SUMMARY OF REBATES AND CONCESSIONS

Section 73 of the *Local Government Regulation 2012* provides for further exemption for land held for religious, recreation, sporting, hospital, educational and other charitable purposes.

| Assessment | Owner |
|-----------------|--|
| 20328-00000-000 | Tambo Golf Club |
| 10385-00000-000 | Blackall Golf Club (Lot 121 TB113, Lot 102 TB65) |
| 10386-00000-000 | Blackall Golf Club (Lot 1-9 B1383) |
| 10270-00000-000 | Blackall Bowls Club |
| 10893-00000-000 | Blackall Clay Target Club |
| 10839-50000-000 | Blackall Woolscour Association Inc (Lot 44 & 82 TB18, Lot 25 & 77 TB222, Lot 3 TB248, Lot 1 & 3 RP837224, Lot 2 on RP620763) |
| 10860-10000-000 | Blackall Woolscour Association Inc (Lot 2 on SP142636) |
| 10900-00000-000 | Blackall Pony Club |
| 10583-00000-000 | The Queensland Country Women's Association |
| 20215-00000-000 | Scrubby Creek Sports Club |
| 20342-80000-000 | Tambo Pony Club |
| 10631-00000-000 | Returned & Services League of Australia |
| 10281-00000-000 | Red Ridge Interior Qld (Lot 3 on RP607037) |
| 10288-10000-000 | Red Ridge Interior Qld (lot 3 on RP601888) |

INTERNAL AUDIT

During 2023-2024 the Audit and Risk Management Committee met four times in 12 months to:

- (i) review internal audit report on purchasing, payments and creditors.
- (ii) review draft annual financial statements for 2023-24.
- (iii) review audited annual financial statements for 2023- 24 and the closing auditor's report.
- (iv) review external and internal audit plans for 2023-24.

PUBLIC SERVICE ETHICS 1994

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 17 January 2024.

Blackall-Tambo Regional Council

FINANCIAL STATEMENTS

for the year ending 30 June 2024

Blackall-Tambo Regional Council Financial Statements

For the year ended 30 June 2024

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Management Certificate

Independent Auditor's Report (General Purpose Financial Statements)

Audited Current-Year Financial Sustainability Statement

Certificate of Accuracy - for the Audited Current-Year Financial Sustainability Statement

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

Unaudited Current-Year Financial Sustainability Statement - Contextual Ratios

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

Unaudited Long-Term Financial Sustainability Statement

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

Blackall-Tambo Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2024

| | | 2024 | 2023 |
|--|------|---------------------|---------------------|
| | Note | \$ | \$ |
| Income | | | |
| Recurrent revenue | | | |
| Rates, levies and charges | 3(a) | 5,545,222 | 5,283,608 |
| Fees and charges | 3(b) | 1,746,174 | 1,741,037 |
| Sales revenue | 3(c) | 6,385,451 | 7,462,900 |
| Grants, subsidies, contributions and donations | 3(d) | 7,793,336 | 19,742,650 |
| Total recurrent revenue | | <u>21,470,183</u> | <u>34,230,195</u> |
| Capital revenue | | | |
| Grants, subsidies, contributions and donations | 3(d) | 4,789,337 | 3,229,985 |
| Total capital revenue | | <u>4,789,337</u> | <u>3,229,985</u> |
| Rental income | 15 | 216,651 | 180,346 |
| Interest received | 4 | 1,324,744 | 652,578 |
| Other income | | 349,396 | 276,348 |
| Total income | | <u>28,150,311</u> | <u>38,569,452</u> |
| Expenses | | | |
| Recurrent expenses | | | |
| Employee benefits | 6 | (9,848,494) | (9,212,829) |
| Materials and services | 7 | (17,296,950) | (16,560,477) |
| Finance costs | 8 | (21,920) | (22,344) |
| Depreciation and amortisation | | | |
| Property, plant and equipment | 12 | (5,665,722) | (5,180,591) |
| Intangible assets | 13 | (7,099) | (11,397) |
| | | <u>(32,840,185)</u> | <u>(30,987,638)</u> |
| Capital expenses | 5 | (2,778,384) | (395,680) |
| Total expenses | | <u>(35,618,569)</u> | <u>(31,383,318)</u> |
| Net result | | <u>(7,468,258)</u> | <u>7,186,134</u> |
| Other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Increase in asset revaluation surplus | 18 | 18,796,731 | 23,689,044 |
| Total other comprehensive income for the year | | <u>18,796,731</u> | <u>23,689,044</u> |
| Total comprehensive income for the year | | <u>11,328,473</u> | <u>30,875,178</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 2024**

| | 2024 | 2023 | |
|--------------------------------------|------|--------------------|--------------------|
| Note | \$ | \$ | |
| Current assets | | | |
| Cash and cash equivalents | 9 | 25,519,044 | 36,970,125 |
| Trade and other receivables | 10 | 381,408 | 188,819 |
| Contract assets | 14 | 6,185,514 | 1,015,350 |
| Inventories | 11 | 400,499 | 371,244 |
| Other assets | | 47,123 | 135,825 |
| Total current assets | | <u>32,533,588</u> | <u>38,681,363</u> |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 328,096,905 | 310,979,838 |
| Intangible assets | 13 | - | 157,367 |
| Total non-current assets | | <u>328,096,905</u> | <u>311,137,205</u> |
| Total assets | | <u>360,630,493</u> | <u>349,818,568</u> |
| Current liabilities | | | |
| Contract liabilities | 14 | 386,466 | 911,822 |
| Trade and other payables | 16 | 3,737,356 | 3,622,750 |
| Provisions | 17 | 2,544,082 | 2,534,659 |
| Total current liabilities | | <u>6,667,904</u> | <u>7,069,231</u> |
| Non-current liabilities | | | |
| Provisions | 17 | 240,619 | 355,840 |
| Total non-current liabilities | | <u>240,619</u> | <u>355,840</u> |
| Total liabilities | | <u>6,908,523</u> | <u>7,425,071</u> |
| Net community assets | | <u>353,721,970</u> | <u>342,393,497</u> |
| Community equity | | | |
| Asset revaluation surplus | 18 | 230,953,181 | 212,156,450 |
| Retained surplus | | 122,768,789 | 130,237,047 |
| Total community equity | | <u>353,721,970</u> | <u>342,393,497</u> |

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 2024**

| | Asset revaluation surplus | Retained surplus | Total |
|--|---------------------------------|---------------------|--------------------|
| Note | 18 \$ | \$ | \$ |
| Balance as at 1 July 2023 | 212,156,450 | 130,237,047 | 342,393,497 |
| Net result | - | (7,468,258) | (7,468,258) |
| Other comprehensive income for the year | | | |
| Increase in asset revaluation surplus | 18,796,731 | - | 18,796,731 |
| Total comprehensive income for the year | <u>18,796,731</u> | <u>(7,468,258)</u> | <u>11,328,473</u> |
| Balance as at 30 June 2024 | <u>230,953,181</u> | <u>122,768,789</u> | <u>353,721,970</u> |
| | | | |
| 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 | <u>23,689,044</u> | <u>7,186,134</u> | <u>30,875,178</u> |
| Balance as at 30 June 2023 | <u>212,156,450</u> | <u>130,237,047</u> | <u>342,393,497</u> |

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 2024

| | Note | 2024 \$ | 2023 \$ |
|---|------|--------------------------|--------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 16,138,863 | 16,836,269 |
| Payments to suppliers and employees | | <u>(29,468,138)</u> | <u>(25,868,786)</u> |
| | | (13,329,275) | (9,032,517) |
| Interest received | | 1,324,746 | 652,578 |
| Rental income | | 216,651 | 180,346 |
| Non capital grants and contributions | | 5,048,794 | 21,045,459 |
| Net cash inflow/(outflow) from operating activities | 22 | <u>(6,739,084)</u> | <u>12,845,866</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (7,562,590) | (4,901,448) |
| Proceeds from sale of property plant and equipment | | 833,923 | 645,856 |
| Capital grants, subsidies, contributions and donations | | <u>2,016,670</u> | <u>1,805,796</u> |
| Net cash outflow from investing activities | | <u>(4,711,997)</u> | <u>(2,449,796)</u> |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | - | - |
| Net cash outflow from financing activities | | <u>-</u> | <u>-</u> |
| Net increase/(decrease) in cash and cash equivalents held | | <u>(11,451,081)</u> | <u>10,396,070</u> |
| Cash and cash equivalents at beginning of the financial year | | 36,970,125 | 26,574,055 |
| Cash and cash equivalents at end of the financial year | 9 | <u><u>25,519,044</u></u> | <u><u>36,970,125</u></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 2024

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 2023 to 30 June 2024. 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 2023, none of the standards had a material impact on the 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 2024, 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.

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

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

(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 24
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 is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard / Comparative information is prepared on the same basis as prior year.

(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 2024**

2 Analysis of results by function

(a) Components of Council functions

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

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 2024

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 2024

| 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 | | | | | | | |
| | 2024 | 2024 | 2024 | 2024 | | 2024 | 2024 | | | | |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | | |
| Corporate services | 352,497 | 6,702,458 | 70,102 | - | 7,125,057 | (8,110,726) | (1,324,720) | (9,435,446) | (1,055,771) | (2,310,389) | 58,976,362 |
| Community services | 557,129 | 435,053 | 163,172 | - | 1,155,354 | (5,232,878) | - | (5,232,878) | (4,240,696) | (4,077,524) | 39,939,552 |
| Planning & development | - | 77,556 | - | - | 77,556 | (124,244) | - | (124,244) | (46,688) | (46,688) | - |
| Transport infrastructure | 6,883,710 | 6,220,102 | 4,183,877 | - | 17,287,689 | (18,022,560) | (1,328,884) | (19,351,444) | (4,918,748) | (2,063,755) | 229,736,882 |
| Waste management | - | 360,845 | - | - | 360,845 | (406,444) | - | (406,444) | (45,599) | (45,599) | 491,221 |
| Water infrastructure | - | 951,136 | - | - | 951,136 | (547,514) | - | (547,514) | 403,622 | 403,622 | 12,864,921 |
| Sewerage infrastructure | - | 820,488 | 372,186 | - | 1,192,674 | (395,819) | (124,780) | (520,599) | 424,669 | 672,075 | 18,621,555 |
| Total Council | 7,793,336 | 15,567,638 | 4,789,337 | - | 28,150,311 | (32,840,185) | (2,778,384) | (35,618,569) | (9,479,211) | (7,468,258) | 360,630,493 |

Year Ended 30 June 2023

| 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 | | 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 |

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

3 Revenue

| | 2024 | 2023 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| (a) Rates, levies and charges | | |
| General rates | 4,073,545 | 3,901,487 |
| Water | 936,422 | 886,360 |
| Sewerage | 807,746 | 762,756 |
| Garbage charges | 357,709 | 339,049 |
| Total rates and utility charge revenue | <u>6,175,422</u> | <u>5,889,652</u> |
| Less: Discounts | (579,844) | (553,261) |
| Less: Pensioner remissions | <u>(50,356)</u> | <u>(52,783)</u> |
| | <u><u>5,545,222</u></u> | <u><u>5,283,608</u></u> |

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

(b) Fees and charges

| | | |
|-------------------------------|-------------------------|-------------------------|
| Saleyard fees | 1,103,372 | 1,180,945 |
| Building and development fees | 77,557 | 62,859 |
| Agistment/Town common fees | 154,252 | 62,138 |
| Childcare fees | - | 34,973 |
| Cemetery/Funeral fees | 29,046 | 14,922 |
| Licences and registrations | 8,844 | 9,817 |
| Commissions | 109,042 | 102,663 |
| Hire of community facilities | 17,091 | 15,951 |
| Airport landing fees | 160,274 | 149,498 |
| Other fees and charges | 86,696 | 107,271 |
| | <u><u>1,746,174</u></u> | <u><u>1,741,037</u></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.

(c) Sales revenue

Rendering of services

| | | |
|--------------------------------|------------------|------------------|
| Contract and recoverable works | 6,173,125 | 7,367,439 |
| Private works | 169,392 | 55,586 |
| | <u>6,342,517</u> | <u>7,423,025</u> |

Sale of goods

| | | |
|----------------------------|---------------|---------------|
| Visitor Information Centre | 42,934 | 39,875 |
| | <u>42,934</u> | <u>39,875</u> |

| | | |
|---------------------|-------------------------|-------------------------|
| Total sales revenue | <u><u>6,385,451</u></u> | <u><u>7,462,900</u></u> |
|---------------------|-------------------------|-------------------------|

Council generates revenue from a number of services including 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 contract liability and is recognised as revenue in the period when the service is performed.

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.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

3 Revenue (continued)

| (d) Grants, subsidies, contributions and donations | 2024 | 2023 |
|---|-------------------------|--------------------------|
| | \$ | \$ |
| (i) Operating | | |
| General purpose grants | 270,516 | 10,019,580 |
| State government subsidies and grants | 417,059 | 555,102 |
| Flood restoration funding | 6,805,969 | 8,444,871 |
| Commonwealth government subsidies and grants | <u>299,792</u> | <u>723,097</u> |
| | <u><u>7,793,336</u></u> | <u><u>19,742,650</u></u> |
| (ii) Capital | | |
| State government subsidies and grants | 2,549,191 | 1,268,529 |
| Commonwealth government subsidies and grants | <u>2,240,146</u> | <u>1,961,456</u> |
| | <u><u>4,789,337</u></u> | <u><u>3,229,985</u></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.

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

Revenue recognised at a point in time

| | | |
|----------------------|-----------------------|--------------------------|
| Grants and subsidies | <u>987,367</u> | <u>12,106,126</u> |
| | <u><u>987,367</u></u> | <u><u>12,106,126</u></u> |

Revenue recognised over time

| | | |
|----------------------|--------------------------|--------------------------|
| Grants and subsidies | <u>11,595,306</u> | <u>10,866,509</u> |
| | <u><u>11,595,306</u></u> | <u><u>10,866,509</u></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 services and targeted children's learning programs. 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.

4 Interest received

| | | |
|---|-------------------------|-----------------------|
| Interest received from term deposits | 261,287 | 183,405 |
| Interest received from financial institutions* | 1,052,538 | 462,171 |
| Interest from overdue rates and utility charges | <u>10,919</u> | <u>7,002</u> |
| | <u><u>1,324,744</u></u> | <u><u>652,578</u></u> |

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

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

5 Capital expenses

| | 2024 | 2023 |
|--|---------------------------|-------------------------|
| | \$ | \$ |
| Loss on disposal of non-current assets | | |
| Proceeds from the sale of property, plant and equipment | 833,923 | 560,175 |
| Less: Book value of property, plant and equipment disposed | <u>(2,147,643)</u> | <u>(395,687)</u> |
| | <u>(1,313,720)</u> | <u>164,488</u> |
| | | |
| Proceeds from sale of land and improvements | - | 85,681 |
| Less: Book value of disposed land | <u>(11,000)</u> | <u>(61,191)</u> |
| | <u>(11,000)</u> | <u>24,490</u> |
| | | |
| Impairment of infrastructure and building assets | <u>(1,453,664)</u> | <u>(584,658)</u> |
| | <u>(1,453,664)</u> | <u>(584,658)</u> |
| Total capital expenses | <u><u>(2,778,384)</u></u> | <u><u>(395,680)</u></u> |

6 Employee benefits

| | | |
|--|-------------------------|-------------------------|
| Total staff wages and salaries | 6,951,025 | 6,647,507 |
| Councillors' remuneration | 463,249 | 445,430 |
| Annual, sick and long service leave entitlements | 1,424,900 | 1,313,974 |
| Superannuation | 21 897,370 | 843,131 |
| | <u>9,736,544</u> | <u>9,250,042</u> |
| Other employee related expenses | <u>644,214</u> | <u>207,922</u> |
| | <u>10,380,758</u> | <u>9,457,964</u> |
| Less: Capitalised employee expenses | <u>(532,264)</u> | <u>(245,135)</u> |
| | <u><u>9,848,494</u></u> | <u><u>9,212,829</u></u> |

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

| | 2024 | 2023 |
|--|-------------|-------------|
| | Number | Number |
| Total Council employees at the reporting date: | | |
| Elected members | <u>7</u> | <u>7</u> |
| Administration staff | 28 | 27 |
| Depot and outdoors staff | 69 | 67 |
| Total full time equivalent employees | <u>104</u> | <u>101</u> |

7 Materials and services

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Administration | 941,613 | 862,786 |
| Audit of annual financial statements by the Auditor-General of Queensland* | 95,950 | 87,000 |
| Blackall cultural precinct - planning and architect fees | 300,000 | - |
| Community health programs | 241,001 | 315,350 |
| Parks, gardens & reserves | 777,860 | 751,477 |
| Pest management | 208,597 | 203,473 |
| QRA Flood damage repairs | 7,743,105 | 7,867,932 |
| Rentals - operating leases | 12,496 | 11,369 |
| Recoverable road contracts | 4,539,513 | 4,541,085 |
| Road maintenance | 831,600 | 675,755 |
| Saleyards | 512,555 | 567,850 |
| Waste services | 277,634 | 188,456 |
| Water and sewerage | 318,783 | 314,740 |
| Other materials and services | 496,243 | 173,204 |
| | <u>17,296,950</u> | <u>16,560,477</u> |

* - Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$95,950 (2023: \$87,000).

8 Finance costs

| | | |
|---|---------------|---------------|
| Bank charges | 10,851 | 11,562 |
| Impairment of receivables | 3,033 | 2,896 |
| Unwinding of discount on landfill restoration provision | 17 8,036 | 7,886 |
| | <u>21,920</u> | <u>22,344</u> |

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

9 Cash and cash equivalents

| | 2024 | 2023 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Cash at bank and on hand | 1,519,044 | 12,970,125 |
| Deposits at call | 19,000,000 | 19,000,000 |
| Term deposits | 5,000,000 | 5,000,000 |
| Balance per Statement of Financial Position | <u>25,519,044</u> | <u>36,970,125</u> |
| Less bank overdraft | - | - |
| Balance per Statement of Cash Flows | <u>25,519,044</u> | <u>36,970,125</u> |

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 | 25,519,044 | 36,970,125 |
| Less: Externally imposed restrictions on cash | (i) (386,466) | (911,822) |
| Unrestricted cash | <u>25,132,578</u> | <u>36,058,303</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 | 386,466 | 911,822 |
| Total externally imposed restrictions on cash assets | <u>386,466</u> | <u>911,822</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 | 66,833 | 65,721 |
| Security deposits | 57,220 | 40,960 |
| | <u>124,053</u> | <u>106,681</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.

10 Trade and other receivables

Current

| | | |
|--------------------------------------|----------------|----------------|
| Rateable revenue and utility charges | 81,261 | 53,937 |
| Other debtors | 221,291 | 135,301 |
| Less: loss allowance | (2,501) | (419) |
| GST recoverable | 81,357 | - |
| | <u>381,408</u> | <u>188,819</u> |

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.

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.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

10 Trade and other receivables (continued)

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.

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.

| | 2024 | 2023 |
|--|--------------|------------|
| | \$ | \$ |
| Movement in accumulated impairment losses (other debtors) is as follows: | | |
| Opening balance at 1 July | 419 | 543 |
| Additional impairments recognised (impaired debts written off or reversed) | 2,082 | (124) |
| Closing Balance at 30 June | <u>2,501</u> | <u>419</u> |

The impairment loss relates to other debtors and is not material.

Interest is charged on outstanding rates at 11.64% per annum. No interest is charged on other debtors.

11 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average cost.

| | | |
|---|----------------|----------------|
| Inventories held for distribution | | |
| Plant & equipment stores and road materials | 400,499 | 371,244 |
| | <u>400,499</u> | <u>371,244</u> |

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

12 Property, plant and equipment

30 June 2024

| 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 | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | 2,468,109 | 76,432,398 | 16,901,015 | 304,330,465 | 15,788,559 | 23,099,249 | 3,154,631 | 442,174,426 |
| | | | | | | | | |
| | - | - | 1,171,120 | - | - | - | 5,683,485 | 6,854,605 |
| | - | - | - | - | - | - | 707,985 | 707,985 |
| | - | 407,696 | - | 2,964,921 | 8,551 | 357,905 | (3,739,073) | - |
| 5 | (11,000) | (2,134,168) | (1,010,503) | (2,085,951) | - | (357,905) | - | (5,599,527) |
| 18 | - | 7,322,854 | - | 15,875,662 | 1,531,490 | 2,200,438 | - | 26,930,444 |
| | 2,457,109 | 82,028,780 | 17,061,632 | 321,085,097 | 17,328,600 | 25,299,687 | 5,807,028 | 471,067,933 |

Accumulated depreciation and impairment

| | | | | | | | | |
|----|---------|------------|-----------|------------|-----------|-----------|---|-------------|
| | 79,099 | 24,357,160 | 6,973,776 | 89,480,009 | 3,876,729 | 6,427,815 | - | 131,194,588 |
| | 21,079 | 1,486,428 | 947,676 | 2,774,778 | 192,259 | 243,502 | - | 5,665,722 |
| 5 | - | (470,430) | (676,864) | (757,068) | - | (233,125) | - | (2,137,487) |
| 18 | - | 2,498,289 | - | 4,741,164 | 394,691 | 614,061 | - | 8,248,205 |
| | 100,178 | 27,871,447 | 7,244,588 | 96,238,883 | 4,463,679 | 7,052,253 | - | 142,971,028 |

Carrying amount as at 30 June 2024

| | | | | | | | | |
|--|------------------------|------------|-----------|-------------|------------|------------|-----------|-------------|
| | 2,356,931 | 54,157,333 | 9,817,044 | 224,846,214 | 12,864,921 | 18,247,434 | 5,807,028 | 328,096,905 |
| | 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 2024

12 Property, plant and equipment (continued)

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

| | | | | | | | | |
|----|--------|------------|-----------|------------|-----------|-----------|---|-------------|
| | 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

| | | | | | | | | |
|--|---|------------|-----------|-------------|------------|------------|-----------|-------------|
| | 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 2024**

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.

The asset capitalisation threshold for Council is:

- Land \$0
- Plant and equipment \$10,000
- Infrastructure assets \$20,000

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.

(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. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Key judgements and estimates:

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

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

12 Property, plant and equipment (continued)

(e) Valuation

Key judgements and estimates:

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

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

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.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

12 Property, plant and equipment (continued)

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) 2024: \$7,579,635 2023: \$8,355,647 | 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. | 10.48% Cumulative movement 1 July 2023 to 30 June 2024 | Nil |
| Buildings (level 3) 2024: \$46,577,698 2023: \$43,719,591 | 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. | 10.48% Cumulative movement 1 July 2023 to 30 June 2024 | Nil |
| 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. | 5.38% Cumulative movement 1 July 2023 to 30 June 2024 | 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. | 9.70% Cumulative movement 1 July 2023 to 30 June 2024 | 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. | 9.78% Cumulative movement 1 July 2023 to 30 June 2024 | Nil |

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

12 Property, plant and equipment (continued)

All Council asset classes except for plant and equipment were subject to an indexation assessment as at 30 June 2024. 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 2024 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 2023-24 year for all asset classes subject to indexation assessment given the materiality of change in values.

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.

| | 2024 | 2023 |
|--|--------------------------|--------------------------|
| | \$ | \$ |
| Changes in buildings (Level 3) | | |
| Opening gross value as at 1 July | 64,005,994 | 56,595,571 |
| Transfers between Levels | - | - |
| Additions | 335,545 | 710,122 |
| Disposals | (537,802) | (22,973) |
| Revaluation adjustment | 6,220,241 | 6,723,274 |
| Closing gross value as at 30 June | <u>70,023,978</u> | <u>64,005,994</u> |
| Accumulated depreciation and impairment | | |
| Opening balance as at 1 July | 20,286,403 | 17,041,317 |
| Transfers between levels | - | - |
| Depreciation provided in period | 1,215,122 | 1,108,169 |
| Depreciation on disposals | (136,995) | (12,351) |
| Revaluation adjustment | 2,081,750 | 2,149,268 |
| Accumulated depreciation as at 30 June | <u>23,446,280</u> | <u>20,286,403</u> |
| Carrying value as at 30 June | <u>46,577,698</u> | <u>43,719,591</u> |

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

13 Intangible assets

| | 2024 | 2023 |
|--|----------|----------------|
| | \$ | \$ |
| Permit | | |
| Opening gross value as at 1 July | 225,000 | 225,000 |
| Additions at cost | - | - |
| Disposals | 225,000 | - |
| Closing gross carrying value as at 30 June | <u>-</u> | <u>225,000</u> |
| Accumulated amortisation | | |
| Opening balance as at 1 July | 67,633 | 56,236 |
| Amortisation in the period | 7,099 | 11,397 |
| Amortisation on disposals | (74,732) | - |
| Closing accumulated amortisation as at 30 June | <u>-</u> | <u>67,633</u> |
| Net carrying value as at 30 June | <u>-</u> | <u>157,367</u> |

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 allowed for the harvesting of 142,500 tonnes of cypress sawlogs over 20 years from 2017 to 2037. The permit was sold in 2023-24 in association with the sale of the sawmill assets.

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 | <u>6,185,514</u> | <u>1,015,350</u> |
| b. Contract liabilities | | |
| Grants received upfront to construct Council controlled assets* | 366,397 | 203,625 |
| Non-capital performance obligations not yet satisfied** | <u>20,069</u> | <u>708,197</u> |
| | <u>386,466</u> | <u>911,822</u> |

Certain revenues are held as contract liabilities until performance obligations are met. Revenue is deferred and treated as a liability at year end.

* 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 | 178,164 | 1,192,624 |
| Non-capital performance obligations (including deposits received in advance) | <u>708,197</u> | <u>715,412</u> |
| | <u>886,361</u> | <u>1,908,036</u> |

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 revenue receivable for projects completed or in progress as at year end:

- Local Roads and Community Infrastructure (LRCI) program -Phase 1 - \$404,173
- Local Roads and Community Infrastructure (LRCI) program -Phase 2 - \$294,001
- Local Roads and Community Infrastructure (LRCI) program -Phase 3 - \$808,346
- Queensland Reconstruction Authority (QRA) - Betterment projects - \$1,263,430
- Queensland Reconstruction Authority (QRA) - Flood damage restoration projects - \$2,373,590
- Department of Transport & Main Roads - Flood damage emergent works - \$178,312
- Work for Queensland Program - \$383,662
- Remote Roads Upgrade Pilot Program (RRUP) - \$480,000

Unspent capital grants received in advance to construct Council controlled assets as at 30 June 2024:

- Roads to Recovery Program - \$238,167
- Local Roads and Community Infrastructure (LRCI) program (Phase 4) - \$128,230

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

15 Leases

Council as a lessee

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

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

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for 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.

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.

| | 2024 \$ | 2023 \$ |
|----------------------------|----------------|----------------|
| Rental income | | |
| Commercial property rental | 30,143 | 28,427 |
| Accommodation rental | 186,508 | 151,919 |
| | <u>216,651</u> | <u>180,346</u> |

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

| | | |
|--|------------------|------------------|
| Buildings | 3,846,281 | 3,440,311 |
| Total property, plant and equipment leased out by Council under operating leases | <u>3,846,281</u> | <u>3,440,311</u> |

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.

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.

The minimum lease receipts are as follows:

| | | |
|-----------------------------|----------------|----------------|
| Not later than one year | 254,222 | 233,762 |
| Between one and two years | 4,162 | 21,448 |
| Between two and three years | 290 | 2,161 |
| | <u>258,674</u> | <u>257,371</u> |

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

16 Trade and other payables

| | 2024 | 2023 |
|------------------------|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Creditors and accruals | 3,338,658 | 2,942,922 |
| Prepaid rates | 191,232 | 242,494 |
| GST payable | - | 235,324 |
| Other entitlements | 207,466 | 202,010 |
| | <u>3,737,356</u> | <u>3,622,750</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 | | |
| Annual leave | 1,404,791 | 1,316,123 |
| Long service leave | 1,139,291 | 1,218,536 |
| | <u>2,544,082</u> | <u>2,534,659</u> |
| Non-current | | |
| Long service leave | 129,910 | 138,674 |
| Waste landfill restoration | 110,709 | 217,166 |
| | <u>240,619</u> | <u>355,840</u> |

Annual Leave

A liability for annual leave is recognised. Amounts are calculated on current wage and salary levels including leave loading and indexed for inflation. The annual leave provision also includes related employee cost of superannuation.

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.

Waste landfill restoration

A provision is made for the cost of restoring waste landfill sites where it is probable the Council will be liable, or required, to do this when the use of the facilities is complete. As waste landfill sites are situated on Council controlled/owned land the cost of the provision constitutes an asset.

The provision for waste landfill restoration is calculated as the present value of anticipated future costs associated with the closure of the landfill 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 landfill 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 (45 years time) and will have aftercare costs for the subsequent 20 years.

A provision is made for the cost of restoring landfill 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.

Details for movements in waste landfill restoration provision

| | | |
|---|----------------|----------------|
| Balance at beginning of financial year | 217,166 | 225,291 |
| Increase in provision due to unwinding of discount | 8,036 | 7,886 |
| (Decrease) in provision due to change in discount rates | (114,492) | (16,011) |
| Balance at end of financial year | <u>110,710</u> | <u>217,166</u> |

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

18 Asset revaluation surplus

| | 2024 | 2023 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Movements in the asset revaluation surplus were as follows: | | |
| Balance at beginning of financial year | 212,156,450 | 188,467,406 |
| Net adjustment to non-current assets at end of period to reflect a change in current fair value: | | |
| Buildings | 4,824,565 | 5,462,586 |
| Road, drainage and bridge network | 11,134,498 | 15,425,266 |
| Water | 1,136,799 | 1,085,846 |
| Sewerage | 1,586,377 | 1,699,333 |
| | <u>18,682,239</u> | <u>23,673,031</u> |
| Net adjustment to landfill restoration provision to reflect change in discount rate - land and improvements | 114,492 | 16,013 |
| Balance at end of financial year | <u>230,953,181</u> | <u>212,156,450</u> |
| | | |
| Net increase in asset revaluation surplus | <u>18,796,731</u> | <u>23,689,044</u> |

Asset revaluation surplus analysis

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

| | | |
|-----------------------------------|--------------------|--------------------|
| Land and improvements | 2,181,161 | 2,066,670 |
| Buildings | 33,258,726 | 28,434,161 |
| Road, drainage and bridge network | 169,886,224 | 158,751,726 |
| Water | 11,367,133 | 10,230,333 |
| Sewerage | 14,259,937 | 12,673,560 |
| | <u>230,953,181</u> | <u>212,156,450</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 | 31,346 | - |
| Road assets | 1,443,119 | - |
| Sewerage infrastructure assets | 200,113 | 89,450 |
| Plant and equipment | - | 128,286 |
| | <u>1,674,578</u> | <u>217,736</u> |

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

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 2024 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 \$533,073.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2024

21 Superannuation

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

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 Brighter Super trust deed changes to Council's obligations will only be made on the advice of an actuary.

The last completed triennial actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. 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 Brighter Super increasing the contribution rate, on the advice of the actuary, are:

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

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

| | 2024 | 2023 |
|---|-----------|---------|
| | \$ | \$ |
| Superannuation contributions made to the Regional Defined Benefits Fund | 54,925 | 53,661 |
| Other superannuation contributions | 842,445 | 789,470 |
| Total superannuation contributions paid by Council for employees | 6 897,370 | 843,131 |

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

| | | |
|--|-------------|-------------|
| Net result | (7,468,258) | 7,186,134 |
| Non-cash operating items: | | |
| Depreciation and amortisation | 5,672,821 | 5,191,988 |
| | 5,672,821 | 5,191,988 |
| Investing and development activities (non cash): | | |
| Net loss on disposal/write-off of non-current assets | 2,778,384 | 395,680 |
| Capital grants and contributions | (2,016,670) | (1,805,796) |
| | 761,714 | (1,410,116) |
| Changes in operating assets and liabilities: | | |
| (Increase)/decrease in receivables | (192,589) | 106,397 |
| (Increase)/decrease in contract assets | (5,170,164) | 1,054,948 |
| (Increase)/decrease in other assets | (29,255) | (104,435) |
| (Increase)/decrease in inventory | 88,702 | (88,307) |
| Increase/(decrease) in payables | 132,065 | 2,119,817 |
| Increase/(decrease) in contract liabilities | (525,356) | (1,176,329) |
| Increase/(decrease) in other provisions | (8,764) | (34,231) |
| | (5,705,361) | 1,877,860 |
| Net cash inflow/(outflow) from operating activities | (6,739,084) | 12,845,866 |

23 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 2024

24 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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. 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 2024

24 Financial instruments and financial risk management (continued)

(a) Financial assets and financial liabilities (continued)

| | 0 to 1 year | 1 to 5 years | Over 5 years | Total contractual cashflows | Carrying amount |
|--------------------------|------------------|--------------|--------------|-----------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2024 | | | | | |
| Trade and other payables | 3,737,356 | - | - | 3,737,356 | 3,737,356 |
| | <u>3,737,356</u> | <u>-</u> | <u>-</u> | <u>3,737,356</u> | <u>3,737,356</u> |
| 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> |

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 | Effect on Net Result | | Effect on Equity | |
|-----------------|-------------------|----------------------|------------------|------------------|------------------|
| | Amount | 1% increase | 1% decrease | 1% increase | 1% decrease |
| | \$ | \$ | \$ | \$ | \$ |
| 2024 | | | | | |
| Cash on Deposit | 25,519,044 | 255,190 | (255,190) | 255,190 | (255,190) |
| Net Total | <u>25,519,044</u> | <u>255,190</u> | <u>(255,190)</u> | <u>255,190</u> | <u>(255,190)</u> |
| 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> |

(b) 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 2024

25 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:

| | 2024 \$ | 2023 \$ |
|------------------------------|------------------|------------------|
| Short-term employee benefits | 1,438,027 | 1,484,285 |
| Post-employment benefits | 104,245 | 85,828 |
| Long-term benefits | 21,193 | 18,234 |
| Total | 1,563,465 | 1,588,347 |

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 | 2024 \$ | 2023 \$ |
|---|------------|------------|
| Purchase of materials and services from entities controlled by key management personnel - Note 25(b)(i) | 15,165 | 11,954 |
| Personnel services provided by a related parties to Council - Note 25(b)(ii) | 113,292 | 30,144 |

(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 | 2024 \$ | 2023 \$ |
|-------------------------------------|------------|------------|
| Catering services and garden plants | 12,319 | 7,811 |
| Uniforms and protective clothing | 1,460 | 4,143 |
| Legal services | 1,386 | - |

(ii) Personnel services provided by related parties to Council

| Related parties and nature of engagement | 2024 \$ | 2023 \$ |
|--|------------|------------|
| Brendan Schluter - Blackall aquatic centre lessee | 104,500 | 30,144 |
| Duncan Scobie - Blackall saleyards casual employee | 8,792 | - |

(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 2024

Management Certificate

For the year ended 30 June 2024

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 26, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Andrew Martin

Date: 28 / 10 / 24



Chief Executive Officer
Michael Lollback

Date: 28 / 10 / 24

INDEPENDENT AUDITOR'S REPORT

To the 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.

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

In my opinion, the financial report:

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

Basis for opinion

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

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

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

Other information

The councillors are responsible for the other information.

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

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

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



Sri Narasimhan
as delegate of the Auditor-General

29 October 2024

Queensland Audit Office
Brisbane

Blackall-Tambo Regional Council

**Audited Current-Year Financial Sustainability Statement
For the year ended 30 June 2024**

| Type | Measure | Target (Tier7) | Actual Current Year | 5-Year Average | Council Narrative |
|-----------------------|---------------------------------------|-----------------------|---------------------|----------------|---|
| Audited Ratios | | | | | |
| Liquidity | Unrestricted Cash Expense Cover Ratio | Greater than 4 months | 11 | N/A | Council's unrestricted cash cover ratio is in excess of its required target level. |
| Operating Performance | Operating Surplus Ratio | N/A | -40.6% | -8.3% | Council's current year operating surplus ratio is impacted as a result of Council not receiving advance of financial assistance grants as in prior years. |
| | Operating Cash Ratio | Greater than 0% | -16.2% | 11.20% | Council's current year operating cash ratio is below the required target level which has been impacted as a result of Council not receiving advance of financial assistance grants as in prior years. |
| Asset Management | Asset Sustainability Ratio | Greater than 90% | 120.5% | 83.4% | Council's asset sustainability ratio is in excess of required target level for current year and below target level for the 5 year average. |
| | Asset Consumption Ratio | Greater than 60% | 69.6% | 71.2% | Council's asset consumption ratios are in excess of the required target level. |

The audited current-year financial sustainability statement is prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2024*. The amounts used to calculate the 5 reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2024.

Certificate of Accuracy

For the audited current-year financial sustainability statement for the year ended 30 June 2024

This audited 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 audited current-year financial sustainability statement has been accurately calculated.



Mayor
Andrew Martin

Chief Executive Officer
Michael Lollback

Date: 28 / 10 / 24

Date: 29 / 10 / 24

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 2024, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

The councillors are responsible for the other information.

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

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

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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



Sri Narasimhan
as delegate of the Auditor-General

29 October 2024
Queensland Audit Office
Brisbane

Blackall-Tambo Regional Council

Unaudited Current-Year Financial Sustainability Statement - Contextual Ratios

For the year ended 30 June 2024

| Type | Measure | Target (Tier7) | Actual Current Year | 5-Year Average | Council Narrative |
|--------------------------------------|----------------------------|----------------|---------------------|----------------|---|
| Contextual Ratios (unaudited) | | | | | |
| Financial Capacity | Council-Controlled Revenue | N/A | 31.2% | 24.7% | Council controlled revenue is impacted as a result of Council not receiving advance of financial assistance grants as in prior years. |
| | Population Growth | N/A | 0.8% | 0.5% | Stable population |

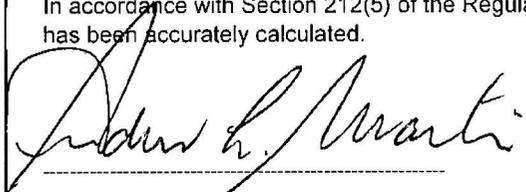
The unaudited current-year financial sustainability statement - contextual ratios is prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2024*. The amounts used to calculate the 2 reported measures are prepared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

Certificate of Accuracy

For the unaudited current-year financial sustainability statement - contextual ratios for the year ended 30 June 2024

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

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



Mayor
Andrew Martin

Date: 28 / 10 / 24



Chief Executive Officer
Michael Lollback

Date: 28 / 10 / 24

Blackall-Tambo Regional Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2024

| Type | Measure | Target (Tier 7) | Actuals as at 30 June 2024 | Projected for the years ended | | | | | | | | |
|-----------------------|---------------------------------------|-----------------------|----------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | 30 June 2025 | 30 June 2026 | 30 June 2027 | 30 June 2028 | 30 June 2029 | 30 June 2030 | 30 June 2031 | 30 June 2032 | 30 June 2033 |
| Financial Capacity | Council-Controlled Revenue | N/A | 31.2% | 19.2% | 20.8% | 20.8% | 20.9% | 20.9% | 21.1% | 21.3% | 21.2% | 21.3% |
| | Population Growth | N/A | 0.8% | 0.8% | -0.9% | -0.9% | -0.9% | -0.9% | -0.9% | -0.9% | -0.9% | -0.9% |
| Operating Performance | Operating Surplus Ratio | N/A | -40.6% | -1.5% | 2.2% | 3.4% | 4.5% | 4.3% | 3.0% | 3.1% | 0.6% | 0.7% |
| | Operating Cash Ratio | Greater than 0% | -16.2% | 13.0% | 18.5% | 20.2% | 19.8% | 19.3% | 19.0% | 18.7% | 18.1% | 17.8% |
| Liquidity | Unrestricted Cash Expense Cover Ratio | Greater than 4 months | 11 | N/A for long-term sustainability statement | | | | | | | | |
| Asset Management | Asset Sustainability Ratio | Greater than 90% | 120.5% | 120.4% | 139.2% | 130.3% | 152.0% | 150.5% | 135.7% | 135.7% | 115.2% | 115.2% |
| | Asset Consumption Ratio | Greater than 60% | 69.6% | 70.4% | 70.0% | 70.0% | 70.0% | 70.0% | 70.0% | 70.0% | 70.0% | 70.0% |

Blackall-Tambo Regional Council's Financial Management Strategy

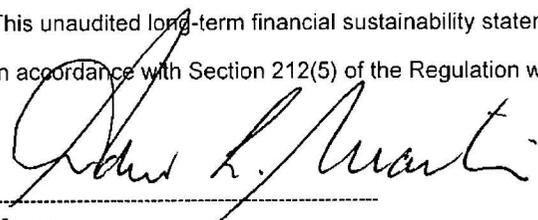
Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial 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 2024

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.



Mayor
 Andrew Martin

Date: 28 / 10 / 24



Chief Executive Officer
 Michael Lollback

Date: 28 / 10 / 24