



ANNUAL REPORT 2021-2022





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Attached Documents: Annual Financial Statements

Council Banker: Commonwealth Bank of Australia.

Auditor: Queensland Audit Office.

Copies of this Annual Report can be obtained by telephoning Council on 4776 4600.

A fee of \$36.00 applies for printed copies or refer to Council's website www.hinchinbrook.qld.gov.au to download a PDF version.



Forrest Beach Road, Ingham



OUR MISSION AND VISION

Mission

To provide leadership in making locally responsive and informed decisions, delivering quality services and facilities to the Hinchinbrook community.

Vision

To strengthen our vibrant regional lifestyle and prosperous economy by growing the population of and opportunities for the Hinchinbrook Shire.



Ingham Queensland

OUR VALUES

Values

INTEGRITY – We will lead our community with integrity and vision. We will embrace change, foster innovation, and be honest and transparent at all times.

PEOPLE FOCUSED – We value our community, our stakeholders and our employees. We will treat all persons with fairness and respect. Council will implement services from a customer perspective.

EXCELLENCE – We will always strive to do our best, to be industry leaders and to look for opportunities in pursuit of continuous improvement.

SUSTAINABILITY – We will be practical, focused, and effective in our delivery of services and programs for the community.



HINCHINBROOK AT A GLANCE

MEDIAN AGE

51



LOCAL GOVERNMENT AREA

2,810KM²



POPULATION

10,920



PERSONS PER HOUSEHOLD

2.2



POPULATION DENSITY

3.9 PERSONS/KM²

PUBLIC PARKS

46



FAMILIES

2,981



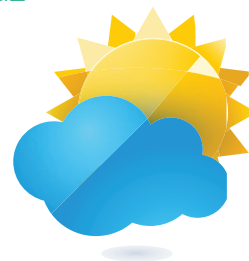
RATEABLE PROPERTIES

6,600



AVERAGE TEMPERATURE RANGE

19°C -
29.3°C



RATES, LEVIES AND CHARGES REVENUE
2021-2022

\$25.7m

*Hinchinbrook Shire Council uses a range of sources to compile this information including the Australian Bureau of Statistics, Data by Region and Bureau of Meteorology.





COUNCILLOR RAMON JAYO

Mayor of Hinchinbrook

Office of the Mayor and CEO Portfolio

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SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

The year 2021-2022 was quite demanding given the ongoing challenges to Council resources posed by COVID-19 illness and mandatory exclusion practices, but notwithstanding, some outstanding achievements were managed.

Council continued to deliver economic and social programs to our community in keeping with the aim of creating and facilitating a better environment within which to live, grow and prosper.

This Annual Report comments in detail on all Council activities, operations and achievements throughout the year, but I would like to highlight just a few.

Enhancement of our economic potential through visitor attraction was given a significant boost through completion of many upgrades to public parklands and foreshores in our beach side suburbs at Lucinda, Taylors Beach and Forrest Beach.

Fishing is now recognised as one of the fastest growing recreational sporting activities and significant visitor activity is occurring in our district, particularly at Lucinda, given its location as the primary access to the sheltered all weather fishing grounds of the Hinchinbrook Channel. To accommodate the growth for both local and visitors, Council completed the expansion of the Dungeness car/boat parking facility now providing for over 206 parking bays.

Council continues to conduct research and trials on suitable alternate crop products to complement our sugar cane production. Trials on crops, including soy beans, sweet potato and industrial hemp have been undertaken and are continuing with a view to determining potential for establishment of new industries. Council continues to lobby State and Federal Governments to accelerate funding for entrepreneurial activity on value add products to known sugar cane capability.

Liveability for our residents, particularly the younger generation, was the prime motivation for enhancement of playground, recreational and adventure infrastructure at Rotary Park, TYTO Paper Grove, Garbutt Park and Leo's Park, Trebonne.

The dedication and commitment shown by Council's Library staff to fostering activities for the younger generation in our community was highlighted with Council being nominated for its First 5 Forever program at the 2022 Queensland Reconciliation Awards.

Council was successful in delivering a Capital Works Program to the value of \$21 million, ensuring that essential infrastructure for provision of service to the community is maintained in good order and condition for the benefit of residents. Works included:

- Installation of Rotary Park playground equipment and shade;
- Completion of the Kirks Bridge Replacement Program, jointly funded by Bridges Renewal Program, Queensland Reconstruction Authority's Recovery and Resilience Grants and Council;
- Commencement of significant projects associated with flood damage recovery from the 2021 Disaster Events under the Queensland Reconstruction Authority (QRA) Reconstruction of Essential Public Assets (REPA) program;
- Commencement of Dutton Street Culvert Crossing Project, fully funded by the Australian Government's National Flood Infrastructure Mitigation Program;
- Delivery of Works for Queensland Local Roads and Community Infrastructure funding to complete the bitumen sealing of Dungeness car park;
- Successful completion and delivery of the 2021-2022 Transport Infrastructure Development Scheme (TIDS) funded projects;
- Completion of Bridge remediation works on Elphinstone Pocket Bridge, Humpty Back Bridge and McGordon Creek Bridge jointly funded through the Local Roads and Community Infrastructure Program and Council;



- Installation of three new disabled car parks in the Ingham CBD;
- Completion of the 2022 Sewer Relining Project, including the installation of 3,543 metres of new 150mm diameter PVC pipe; and
- Council's Community Activity Grants again assisted many of our community organisations to deliver well accepted programs throughout the district. 30 groups benefitted from grants totalling \$249,278.

On behalf of Council, I would like to express our thanks and appreciation to the many community and sporting organisations whom participated and delivered events for the social, cultural, sporting and economic benefit of our community.

Council continued to support and strengthen our local economy by ensuring local buy strategies were rigorously observed including:

- Spending more than \$15.1 million locally on goods and services;
- Employing locals to the value of \$17.1 million ; and
- Supporting and promoting business growth initiatives.

Council also made some important decisions towards ensuring against sharp cost increases to residents in future years, primarily in the work management and resource sector as well as coastal hazard management safeguards.

Council took a step closer to enhancing our capacity for all tide access from Dungeness. Whilst discussion and negotiation with the State continues towards ensuring a safe navigation passage through Enterprise Channel, permission for Council to proceed with sediment displacement activities has been granted.

Council strongly advocated for and was successful in securing important traffic safety improvements such as:

- Reduction of traffic speed through Herbert Street from 60km to 50km per hour;
- Reduction of traffic speed along the Bruce Highway adjoining the Ingham Industrial Precinct from 100km to 80km per hour; and
- Seeking recognition and support from the Queensland Education Department to flying fox maintenance activity programs.

Service delivery costs continue to escalate due to the inflationary effects and, notwithstanding exceptional work undertaken by staff, and containing same has been difficult.

Whilst a conservative approach to rating has been exercised in the past in acknowledgement of ratepayer constraints, maintaining the level of service at which Council has been operating will be problematic without significant revenue increases going forward.

Each year I acknowledge the dedication, professionalism and hard work of our staff and elected members and this year is no different. I wholeheartedly thank my fellow Councillors, CEO Kelvin and all our staff for their hard work throughout the year.

Ramon Jayo
Mayor
Hinchinbrook Shire Council



Cavallaros Road, Ingham



COUNCILLOR ANDREW CRIPPS

Deputy Mayor

Corporate and Financial Services Advisory Portfolio

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SERVICE TO COUNCIL: ELECTED at COUNCIL BY-ELECTION 16 OCTOBER 2018

It was my pleasure to serve the Hinchinbrook community as Deputy Mayor and Councillor during the 2021-2022 financial year. This period was concerned primarily with supporting the community as it emerged from the worst impacts of the COVID-19 Pandemic and creating a sound platform for sustainable growth going forward.

As Corporate and Regulatory Services Chair, my portfolio area works to support the Mayor and Councillors to make informed decisions about allocating funds and setting rates, fees and charges, so Council can deliver outcomes for our community. The 2021-2022 Budget increased rates by 2.5 per cent and fees and charges by 1.5 per cent.

The \$23 million Capital Works Program included a number of projects to improve the amenity and liveability of our local communities. Our \$26.4 million Operational Budget ensured the continuity of many of our local services and programs. The Corporate and Regulatory Services portfolio also deals with planning, local laws and several other important Council functions.

I currently serve as a member of Council's Audit and Risk Committee. I have been pleased to represent Council at the Forrest Beach Progress Association and the Lower Herbert Water Management Authority, as well as serving as Deputy Chair of the Local Disaster Management Group and Chair of the Local Disaster Recovery Group.



COUNCILLOR MARY BROWN

Economic Development Advisory Portfolio

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SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

This past year has again been a mix of challenges and opportunities for our local community. The COVID-19 Pandemic and the impact it has on residents, economy and all aspects of industry supply chains, continues to have lingering impacts on everyday life within the community. National skill shortages, increasing cost of living expenses and lengthy delays in product delivery seem to have become "the new normal" for many service providers and consumers. Council is not immune from these impacts, however despite these challenges, Council has continued to deliver a diversity of infrastructure, events and enabling activities, to support and promote liveability and opportunity within the Shire.

Some of these well received achievements include, however are not limited to:

- Installation and opening of Rotary Park Playground, shade cover and lighting. This facility has proven a popular venue with families, seeing increased activation of the whole park area. Local Herbert Street retail outlets have reported positive trade results, due to increased local and visitor spend;
- "Invest in Hinchinbrook" – a marketing campaign to promote investment opportunities in the Shire, was launched this year.
- Local beach park playgrounds and bathroom facilities had vibrant themed murals installed actioned by the local progress associations through Regional Arts Development Funding;
- "Christmas in Hinchinbrook" – a series of successful community events were again delivered this year, with very good support.
- "Find Your Future in Hinchinbrook" – a career and employment expo was again hosted by Council this year, with strong student attendance, engagement and very positive feedback from participants and career co-ordinators;
- Return of the delivery of "Seniors" and "First 5 Forever" family events, including morning teas, Baby Welcoming Ceremony and Tasman Turtle Picnic Day;
- "Powerlink/UGL" Kidston power generation project briefing sessions were delivered within the Shire, with confirmation that a number of local contractors have been successful in achieving early works delivery contracts;
- Hinchinbrook hosted an extensive Military Exercise, with significant numbers of Defence personnel moving throughout the district in diverse and unique military vehicles for a number of weeks. Defence personnel also hosted an open day to thank the community and showcase career opportunities;
- Council commenced "Hinchinbrook Industry Engagement Committee" discussions to better understand, facilitate and enable training and employment opportunities within the Shire;
- Community Activity Grant funding – Council continues to allocate considerable funding to sponsor and support events; and
- Population growth has been identified as an important pillar for future economic and social sustainability. To support this, Council is encouraging landholders to consider subdivision opportunities, to meet current demand for family housing blocks.



COUNCILLOR ANDREW LANCINI

Utility Services Advisory Portfolio

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SERVICE TO COUNCIL: RE-ELECTED 30 MARCH 2016

PREVIOUS TERMS: 6 APRIL 1994 TO 9 MAY 2012

It has been a busy year in waste over the 2021-2022 financial year with the total volume of waste processed through one of Council's waste facilities being 12,620 tonne.

Out of all waste materials received, 60% of waste was landfilled, 33% was sent off-site for recycling, and the remaining were processed on-site for re-use (such as green waste and concrete).

Landfilled waste saw an increase by 8% in the 2021-2022 financial year when compared to the previous year. Considering that we are running low on landfill space, this is something that we all have to work together to address and improve on our resource recovery efforts.

The following materials were collected and processed for resource recovery:

- Mixed recyclables – 363 tonnes;
- Scrap steel – 436 tonnes;
- Tyres – 11 tonnes;
- Green waste – 1,632 tonnes;
- Lead acid batteries – 3 tonnes;
- Electronic waste – 0.3 tonnes;
- Mineral oil waste – 6 tonnes;
- Clean concrete – 1,176 tonnes; and
- Clean fill – 624 tonnes.

Other key initiatives that occurred over the year, included the continuation of the Stage 1 capping at Warrens Hill Landfill and Resource Recovery Centre, the excavation and crushing of concrete currently buried within the cell 3 footprint, delivery of the Bulk Waste Support Program, the last roll-out of the Rural Clean Up Program, illegal dumping and littering initiatives, as well as some new initiatives like the 'Don't Waste Hinchinbrook' Photo Competition and the 'Ingham's Best Bin' Competition.



COUNCILLOR DONNA MARBELLI

Community Development Advisory Portfolio

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SERVICE TO COUNCIL: ELECTED 14 APRIL 2020

I strive every day for the connect of Council to the community. As I write this report, I reflect on the last 12 months and look forward to the remainder of my term left in Council. I am still as passionate about trying to help the locals and new residents to our district, be as enthusiastic to live here and love the area as much as myself and my family does.

It is especially important to me for the playgrounds to be safe environments, and that the youth of the town feel included and are being heard as contributing members of the community. I am committed right through to the elderly residents that reside here that they feel a connection and understand what Council is trying to deliver through "Wellness Programs", and for everyone to keep fit, healthy and not to feel disconnected or lonely and know that this community has great lifestyle support organisations and businesses that are available to them.

Art and Culture are a big part of the community that ensures people can continue the hobbies they love, that can from time to time turn into businesses that see people endeavour for an accomplishment for oneself. My continued work as a Councillor in the community area sees myself actively out, passing on as much information about the happenings in Council as I can and seeing much needed funding available to benefit the community whether they be non-for-profit organisations or clubs. Getting resources and information out to their committees as soon as possible is crucial.

Successful funding for Move It programs, art workshops and art gallery displays, theatre productions, movies, local functions, and events all create a lifestyle for our community.

In the background with my Director and team we look for projects and funding available to keep creating more hiking tracks, bike tracks, walking paths and "things to see and do" in the local area.

On a finishing note, a huge thanks to the CEO and all the staff at "HSC" for their dedication to the job.



COUNCILLOR KATE MILTON

Public Spaces and Biosecurity Advisory Portfolio

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SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

This financial year has been an interesting one to say the least. It seems people are getting used to living with COVID-19 in the community. Lots of things have changed as a result of the Pandemic and many businesses are having to deal with staffing shortages. Council is having the same problems, but despite the issues, our staff and management have soldiered on and are “getting the job done”.

The new Rotary Park playground has been extremely popular and is enjoyed by visitors and locals alike. We have had a few problems with vandalism, however Parks and Gardens staff have been on to it and have spent many an early morning cleaning away graffiti and getting the playground equipment back in order for our kids to enjoy. There has been lots of general tidying up and replanting getting done over at our Botanical Gardens now that it is flying fox free. It is good to see the gardens being used once again for the purpose for which they were intended.

Our team have been successful in encouraging the flying foxes to not roost in town again this year. Their dedication and commitment to keeping the foxes out of town is appreciated by many. I clearly remember how awful it was with the stench and the noise from when they were in town, and I hope to never see that again.

There have been yellow crazy ants found in Townsville despite efforts of biosecurity officers and combined Councils to eradicate them from the Cairns area. Some of the infestations have been near building materials adding to the threat of spread to other areas. We all need to be on the lookout for this very invasive species and to report any suspected sightings to Council.

Another invasive weed has been reported to Council by farmers concerned by its spread. Our biosecurity staff have investigated it and found it to be a vine called Ipomoea Tuberosa. This vine can be hard to manage in cane crops and will be reviewed under Council's Biosecurity Plan.

In conclusion I would sincerely like to thank our staff for their commitment and dedication to making our Shire THE BEST place to live!



COUNCILLOR WALLY SKINNER

Infrastructure Services Advisory Portfolio

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SERVICE TO COUNCIL: ELECTED 17 MAY 2012

The 2021-2022 financial year has been another interesting one for Council. We are not experiencing the growth seen in other centres around Queensland and with that trend comes both positives and negatives. Consequently, Council has had to develop an Operational Plan that caters to the realities we are faced with. In the absence of the need to build more streets and parks and facilities for a growing population, I am pleased to report we focused on the renewal of our existing assets, valued at more than \$500 million in total. Like everything else, as built infrastructure ages it needs refurbishment or replacement. This is true for roads, bridges, sewerage and water mains and equipment, marine facilities etc. In 2021-2022, Council has spent wisely and succeeded in upgrading a significant quantity of the infrastructure ratepayers rely on. It is worth noting, this undertaking is a requirement placed on Councils by the State Government as a measure of their financial sustainability. I think our Council has been on the right track and looked after your interests in this regard.

The presence of visitors escaping COVID has seen an uptick in interest in residential real estate and for a change we have seen a small population increase. We hope that continues as we need to build our rate-base to improve our financial position.

In my opinion, a focus going forward will need to be to take advantage of the dramatic shift to national and regional travel in preference to international trips. Catering for RV travellers and having more of them stop over here is important. Getting access to our main attractions such as the reef and islands, Wallaman Falls and the hinterland is the first thing. We encourage the State and Federal Governments to remove red tape and create the environment for tourism developments to happen.



Kirks Bridge, Ingham



2021-2022 COUNCIL COMMUNITY EVENTS

JULY

- NAIDOC Flag Raising Ceremony;
- Find Your Future in Hinchinbrook; and
- Charlotte's Web.

AUGUST

- Ingham Arts Festival Exhibition (TRAG).

SEPTEMBER

- Official Opening of Works for Queensland Projects;
- Glass Beads Workshop (TRAG); and
- Threads Exhibition (TRAG).

OCTOBER

- Seniors Morning Tea;
- Google My Business Workshop;
- Life Drawing Workshop;
- Workshop and Instameet; and
- Bird Life Art Awards Exhibition (TRAG).

NOVEMBER

- Official Opening of the Taylors Beach Foreshore Projects.

DECEMBER

- Christmas in Hinchinbrook Carols by Candlelight;
- Light up the Tree;
- Mayor's Christmas Appeal;
- Christmas in Hinchinbrook Late Night Shopping;
- Summer Reading Club; and
- Hinchinbrook Art Awards (TRAG).

JANUARY

- Movie weekend at JL Kelly Theatre; and
- Enameling Workshop (TRAG).

FEBRUARY

- Digital Advertising Workshops; and
- Public Art Exhibition (TRAG).

MARCH

- Harmony Week (HSL); and
- Galactic Graffiti by David Rowe (TRAG).

APRIL

- 2022 Youth Week Workshops (TRAG);
- 2022 Youth Week Events; and
- Family Fun Fair and Baby Welcoming Ceremony (HSL).

MAY

- Melbourne International Comedy Festival Roadshow;
- Movie Weekend at JL Kelly Theatre;
- 'Botanic' by Ingham Art Action (TRAG); and
- Tasman Turtle's Picnic Day:

JUNE

- Love Lies Concert (Amber Lawrence and Catherine Britt);
- Italian Festival Exhibition (TRAG);
- Movie Weekend at JL Kelly Theatre;
- School Holiday Activities (HSL);
- Find Your Future in Hinchinbrook 2022 (TCEC); and
- Tea and Trivia (TCEC).

REGULAR EVENTS

The following community events occurred on a regular basis in 2021-2022:

- Hinchinbrook Bird Count (VIC);
- Morning Melodies at the JL Kelly Theatre;
- Mega Movie Weekends at the JL Kelly Theatre;
- Story Time (HSL);
- Sensory Story Time (HSL);
- E-Skills (HSL); and
- Health and Wellbeing Program.



Hinchinbrook Seniors Morning Tea

TRAG - TYTO Regional Art Gallery
HSL - Hinchinbrook Shire Library
VIC - Visitor Information Centre

TYTO - TYTO Parklands
TCEC - TYTO Conference and Events Centre





KELVIN TYTHERLEIGH

Chief Executive Officer

It gives me great pleasure to contribute to the 2021-2022 Annual Report for Hinchinbrook Shire Council. This financial year represents my first full financial year as Chief Executive Officer and the efforts of Councillors, staff and community members in advancing our community has been outstanding. The recent Census results have confirmed what we all suspected, this community is growing in number and in strength, our future is very positive.

Council commenced the financial year with a strong budget and strategy moving forward. I am pleased to report that Council will achieve the State Government target of 90% asset renewal for the year. This along with a significant deficit reduction indicates that the strategies of Council, as we aim for sustainability, are on the right path. Council received an unmodified opinion on our financial statements.

We acknowledge and thank our funding partners, granting entities and other organisations for the large and wide variety of agreements achieved during the year; specifically North Queensland and Far North Queensland Regional Organisation of Councils, Regional Development Authority, and Local Government Association of Queensland. Council looks forward to continuing to work with these entities in the future. Further, the region has a large number of community and volunteer groups who do so much to improve the liveability within the Shire, and we thank them for all they do.

Future financial years will be challenging with supply chain restrictions and rising inflation. Council is experiencing difficulties in attracting and retaining skilled staff and contractors; this is expected to continue into next financial year. All local businesses and households are facing these challenges.

Despite this, our major projects for the year remain on schedule. The Dutton Street Bridge project is ahead of schedule and will open in the first half of the next financial year. Challenges do remain however in obtaining approvals for future essential community infrastructure. This is especially evident with Council's efforts to obtain approval for all tide access to Dungeness. Council is resolute in its determination to obtain these approvals.

Hinchinbrook Shire Council's safety system was audited during the year and Council achieved in excess of 70% as the audit result. This is our highest ever score and a credit to Council staff and contractors.

No Annual Report for this year would be complete without mentioning the impact of the COVID-19 Pandemic on our community. The large majority of Council staff have been vaccinated and whilst there was an impact on Council services, these impacts were managed and minimised to ensure no material impact was evident. Council has worked closely with the Lead Agency, Queensland Health, in assisting the community response to COVID-19 via the Local Disaster Management Group.

During the year Council assumed operations of the JL Kelly Theatre in Ingham. A local community organisation previously ran the theatre, and due to changes in their funding model, this arrangement was unable to continue.

Waste management remains a key area of Council's operations for the year. During the year Council delivered several key projects including improving detection of illegal dumping and increasing recycling. A Waste Education Officer commenced with Council, funded under the MAMs waste contract, and this is part of a long-term strategy to reduce waste and improve recycling. On behalf of the community, Council continued with the lining and capping projects at Warren's Hill. These projects are scheduled to be completed in the next financial year and will assist in achieving a long-term environmental improvement. The design of Cell Three was completed and construction of this Cell will commence towards the end of the next financial year. Future years will see an increased focus on landfill reduction and increased recycling.

I would like to take this opportunity to thank the Mayor, Councillors, staff, and community members of the Hinchinbrook Shire. It has been an honour and privilege to work with you and be a part of this community. We look forward to being here for many years to come.

Kelvin Tytherleigh
Chief Executive Officer
Hinchinbrook Shire Council



Dutton Street, Ingham



DIRECTOR CORPORATE AND COMMUNITY SERVICES

RESPONSIBILITIES

- Strategic Financial Management and Planning;
- Finance and Asset Accounting;
- Treasury, Insurance and Governance;
- Budget Management;
- Procurement;
- Customer Services and Administration Support;
- Records Management;
- Information Technology and Communication Services;
- Town Planning;
- Building and Regulatory Services;
- Land Dealings and Leasing;
- Environmental Health Services;
- Business Licensing;
- Animal Management;
- Local Laws;
- Statutory Compliance;
- Economic Development Projects;
- TYTO Precinct;
- Cemeteries;
- Community Services;
- Arts and Culture;
- Library Services;
- Community Events and Activities;
- Community Development;
- Tourism Marketing and Product Development;
- Local Business Support and Workshop Development;
- Aged and Youth Development;
- Facility Hire;
- Ambassador Program;
- TYTO RV Park; and
- Visitor Information Services.

HIGHLIGHTS

- The Queensland Audit Office assessment of Council's overall financial sustainability found to be moderate risk;
- Participation in the Queensland Treasury Corporation facilitated Business Improvement Program and Cost of Services Review;
- Commenced the implementation of a new procurement platform called Nex Gen Procurement Ecosystem and conducted several procurement webinars to assist local businesses on the use of the new platform;
- 32 babies were welcomed at the Family Fun Fair and Baby Welcoming Ceremony;
- Three successful applications were obtained for Regional Arts Development Funds;
- Successfully received the First 5 Forever Innovation Micro Grant and installed interactive floor stickers at Rotary Park playground featuring the Heads and Shoulders, Knees and Toes rhyme in Biyay, Nwaigi and Warrgamay languages;
- Hinchinbrook Aquatic Centre was successfully tendered for lease for the management of services;
- Successful Youth Week Holiday Program;
- Taylors Beach Historical Signage in collaboration with Taylors Beach Progress Association was installed along the foreshore of Taylors Beach;
- Undertaking the "Living in Sheds" inspection and compliance program;
- Delivery of the Local Roads and Community Infrastructure (LRCI) funding was completed with the installation of Rotary Park Playground Shade Structure installed over the playground;
- Reopening of the JL Kelly Theatre as both a theatre and cinema;
- The introduction of a regular Morning Melodies Program;
- Successfully launched the new Hinchinbrook Way website;
- Successful marketing campaigns to encourage Shire investment, development and tourism;
- Successfully updated and distributed new Hinchinbrook Destination Guide; and
- Investment Prospectus in Hinchinbrook was officially launched.

CHALLENGES

- Continual growth of expectations within the existing resourcing and processing constraints;
- Increased external threats to our IT security;
- Connectivity constraints due to infrastructure bandwidth availability;
- The increasing need for Council to achieve financial sustainability whilst continuing to deliver expected service levels;
- Strategic Projects legislative constraints;
- Accuracy of historical cemetery records;
- Developing new products for economic development and diversification;
- Attracting and retaining suitably qualified staff;
- COVID-19 impact on operations; and
- Adequately resourcing operational requirements.



DIRECTOR INFRASTRUCTURE AND UTILITY SERVICES

RESPONSIBILITIES

- Roads and Drainage;
- Water and Sewerage Services;
- Waste Management Services;
- Survey, Design and Technical Support;
- Assets and Geospatial Information Services;
- Plant Management;
- Parks and Gardens; and
- Biosecurity.

HIGHLIGHTS

- Successful completion of the Kirks Bridge Replacement Program, jointly funded by Bridges Renewal Program, Queensland Reconstruction Authority's Recovery and Resilience Grants and Council;
- Commencement of significant projects associated with flood damage recovery from the 2021 Disaster Events under the Queensland Reconstruction Authority (QRA) Reconstruction of Essential Public Assets (REPA) program;
- Commencement of Dutton Street Project, fully funded by the Australian Government's National Flood Infrastructure Mitigation Program;
- Completion of design on Lucinda Drainage Renewals along Vass Street and Bruce Parade;
- Completion of asset renewal projects – bitumen reseal program, kerb inlet upgrade program, gravel resheeting program and Ingham Airport taxiway and apron renewal;
- Delivery of Works for Queensland Local Roads and Community Infrastructure funding to complete the bitumen sealing of Dungeness Car Park;
- Successful completion and delivery of the 2021-2022 Transport Infrastructure Development Scheme (TIDS) funded projects;
- Completion of Bridge remediation works on Elphinstone Pocket Bridge, Humpty Back Bridge and McGordon Creek Bridge jointly funded through the Local Roads and Community Infrastructure Program and Council;
- Installation of three new disabled car parks in the Ingham CBD;
- Completion of the Cavallaros Road Floodway jointly funded by Queensland Reconstruction Authority's Resilience and Risk Reduction Infrastructure Fund and Council;
- Completion of the 2022 sewer relining project, including the installation of 3,543 metres of new 150mm diameter PVC pipe;
- Renewal of 296 metres of water mains;
- Renewal of 16 fire hydrants;
- Substantial completion of permanent capping works on Cell 1 of the Warrens Hill Landfill and Resource Recovery Centre; and
- Development application was lodged for Dungeness Dredging Project, which is a significant milestone reached by Council in the efforts to improve marine access at Dungeness for the community.

CHALLENGES

- Significant Disaster Recovery Funding Works following two separate declared disasters in last two years totalling as much as \$15 million of funding submissions to State and Federal Governments;
- Impacts of COVID-19 – on workplace routines and structure, and incorporating pandemic planning and risk management strategies into workplace;
- Difficulty in attracting and retention of key professional and skilled staff;
- Increasing community expectations and pressures on operational budgets to maintain services; and
- Significant increases in the time it takes for the supply of materials and goods, due to increased market demand and COVID impacts to supply chains.



OFFICE OF THE MAYOR AND CEO

RESPONSIBILITIES

- Mayor and CEO Support;
- Executive Support;
- Media and Communications;
- Corporate Branding;
- Elected Members Support;
- Human Resources and Payroll Services;
- Workplace Health and Safety;
- Representation to Government – State and Federal; and
- Grants and Governance.

HIGHLIGHTS

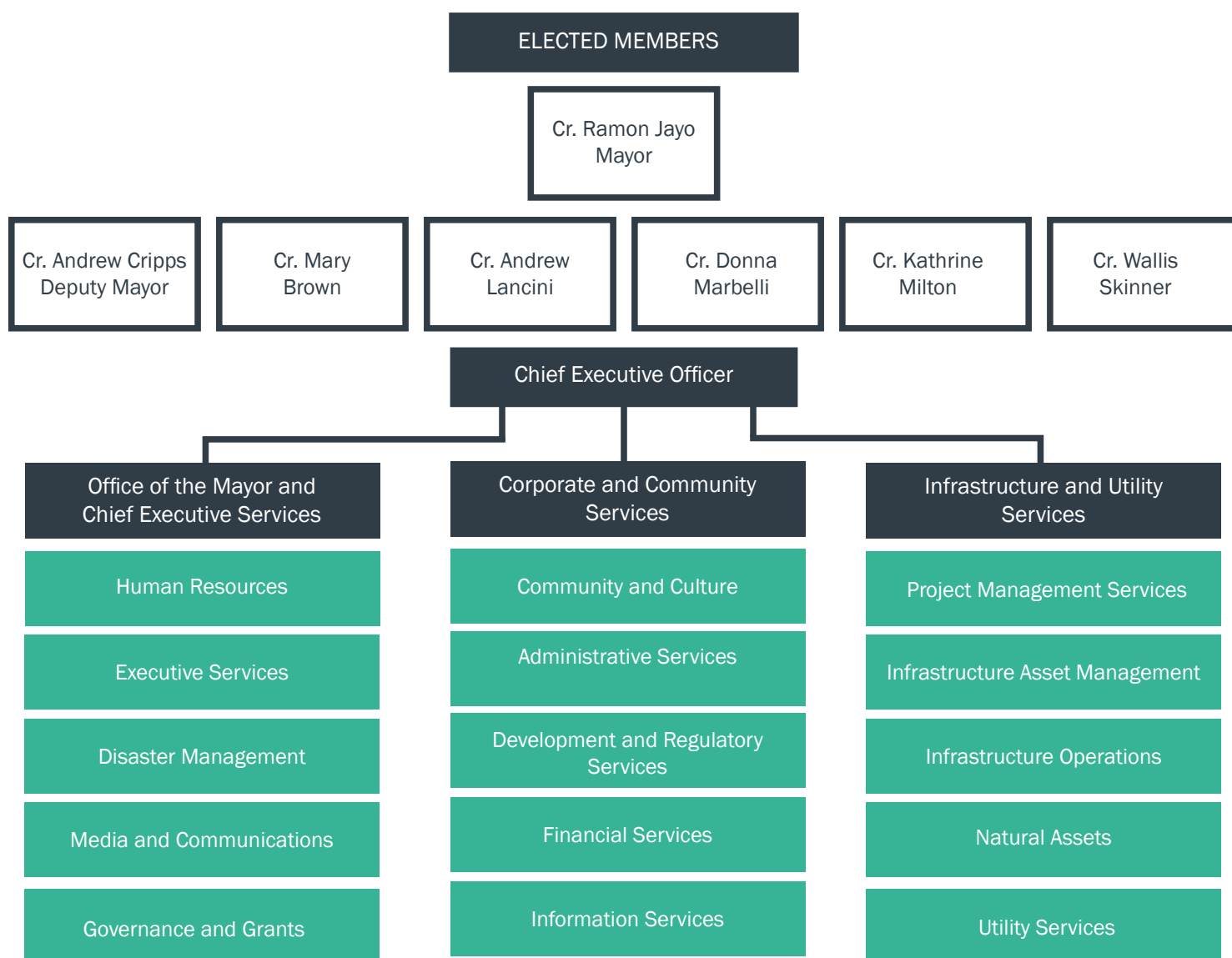
- Overall disaster management communication via improvement of Disaster Management Dashboard;
- Grants, subsidies, contributions and donations recognised totalling close to \$19.42 million;
- Continued advocacy through State and Local Government forums;
- Improvement of communications with residents using modern media;
- Continuation of several Community Shed Meetings;
- Meeting resident expectations via continued community engagement;
- Attained successful Workplace Health and Safety Audit benchmark pass of 70% under the National Audit Tool; and
- Boosted youth employment pathways through participation in the Department of Employment, Small Business and Training First Start Program and the funding of the 2021-2022 Trainees and Apprentices Program.

CHALLENGES

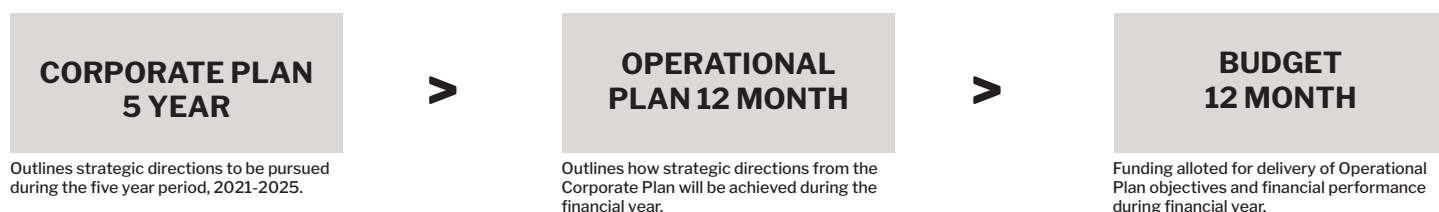
- Financial sustainability and inflationary pressures;
- Obtaining grant applications in an increasingly competitive environment;
- COVID-19 worldwide Pandemic continued to impose restrictions on the organisation through closure of various public facilities throughout the year, increased organisational and community area cleaning regimes, increased community messaging on education for health messages and government requirements/guidelines;
- Retaining skilled staff and contractors; and
- Continue to achieve + 70% benchmark on external safety audits to maintain Council's full Department of Transport and Main Roads accreditation to conduct RMPC works in the Shire.



ORGANISATIONAL STRUCTURE AND REPORTING



REPORTING SYSTEM



Council's 2021-2022 Annual Report demonstrates our desire to improve our commitment to accountability and transparency. The report provides an overview of our activities, actions and outcomes from the period of 1 July 2021 through to 30 June 2022.

Reported items link back to Council's 12 month Operational Plan and five year Corporate Plan. The Community Financial Report for this year commences on page 42.

As a resident, ratepayer, investor, business or community member you have an interest in understanding what Council is achieving. This report aims to give you that information in a user friendly format while fulfilling our legislative responsibilities to govern and deliver in an open and transparent manner.

Some of the information in this report is what Council is required to present, some is ancillary information that may be of interest and some is clearly provided for the feel good factor, to celebrate what we are and who we are as an organisation and as a community.



CORPORATE AND OPERATIONAL PLAN OUTCOMES



Borello Park, Lucinda



STRATEGIC DIRECTION ONE - BUILT ENVIRONMENT

- | | |
|-----|--|
| 1.1 | Provide Infrastructure for the Future Needs of the Community |
| 1.2 | Manage and Maintain Community Assets |
| 1.3 | Deliver a Safe and Effective Transport Network |
| 1.4 | Secure and Manage Water Resources |

STRATEGIC DIRECTION TWO - PROSPERITY

- | | |
|-----|---|
| 2.1 | Empower the Community |
| 2.2 | Encourage Innovation and Attract New Investment to the Hinchinbrook Shire |
| 2.3 | Strengthen Networks |
| 2.4 | Develop Town and Community Planning |

STRATEGIC DIRECTION THREE - LIFESTYLE

- | | |
|-----|---|
| 3.1 | Promote Safe, Healthy, Inclusive and Socially Engaged Communities |
| 3.2 | Empower and Encourage Strong Community Organisations |
| 3.3 | Create Places of Community Identity |
| 3.4 | Develop Hinchinbrook as a Destination |

STRATEGIC DIRECTION FOUR - NATURAL ENVIRONMENT

- | | |
|-----|--|
| 4.1 | Balance the Needs of the Community and the Environment |
| 4.2 | Promote a Sustainable Environment |

STRATEGIC DIRECTION FIVE - ORGANISATION SUSTAINABILITY

- | | |
|-----|---|
| 5.1 | Uphold Strong Engagement with the Community |
| 5.2 | Foster an Organisational Culture that Embraces our Values |
| 5.3 | Commit to Continuous Improvement, Customer Service and Accountability |



Wallaman Falls, Ingham



Built Environment

Deliver resilient regional infrastructure that will support and cater for present and future growth.

1.1 PROVIDE INFRASTRUCTURE FOR THE FUTURE NEEDS OF THE COMMUNITY

CAPITAL WORKS PROGRAM

2021-2022 Key Activity		Success Measure	Lead
1.1.1	Delivery of Capital Works Program	Completion of 85% of projects	Infrastructure and Utility Services

Ongoing - Council achieved over 90% for its asset sustainability ratio. This was achieved by amending the Capital Program when delay, due to COVID or supply chain issues, threatened the program.

1.2 MANAGE AND MAINTAIN COMMUNITY ASSETS

DISASTER RECOVERY WORKS

2021-2022 Key Activity		Success Measure	Lead
1.2.1	Delivery of the DRFA Program of Works	Completion of 100% of works	Infrastructure and Utility Services

Ongoing - Works progressing however delays experienced with the delivery of contract works due to COVID and material supply issues.

INFRASTRUCTURE ASSETS MAINTENANCE

2021-2022 Key Activity		Success Measure	Lead
1.2.2	Delivery of Service Level Standards for the maintenance of infrastructure assets	Adoption of Service Level Standards	Infrastructure and Utility Services

Ongoing - The service level review has commenced with the areas of facilities cleaning, urban areas mowing and the rural areas slashing. In the coming years additional activities are planned for review until a complete Council wide service catalogue is documented.

1.3 DELIVER A SAFE AND EFFECTIVE TRANSPORT NETWORK

ROAD MANAGEMENT POLICY

2021-2022 Key Activity		Success Measure	Lead
1.3.1	Implementation of the Road Management Policy	GIS Road Register is published	Infrastructure and Utility Services

Completed - Successfully completed the new Road Register and Maps which are published on Council's website.



Dutton Street, Ingham



Prosperity

Plan a strong, diversified and durable economy that supports economic growth and long term employment.

2.1 EMPOWER THE COMMUNITY

HINCHINBROOK SHIRE COMMUNITY PLAN

2021-2022 Key Activity		Success Measure	Lead
2.1.1	Undertake a review and refresh of the Hinchinbrook Shire Community Plan	Adoption of Plan	Office of the Mayor and Chief Executive Services

Project Ceased - Project has not commenced as Community Plan is no longer a requirement of the Local Government Regulation 2012.

2.2 ENCOURAGE INNOVATION AND ATTRACT NEW INVESTMENT TO THE HINCHINBROOK SHIRE

ECONOMIC DEVELOPMENT PROJECTS

2021-2022 Key Activity		Success Measure	Lead
2.2.1	Development of Project Plans for economic based growth projects	Project Plans developed	Corporate and Community Services

Ongoing - The development of project plans remains ongoing as part of the Economic Development Strategy Program.

DUNGENESS CHANNEL

2021-2022 Key Activity		Success Measure	Lead
2.2.2	Finalise the business case and obtain all approvals for the dredging of the Dungeness Channel	Development Approval	Infrastructure and Utility Services

Ongoing - Development Application has been lodged, the rock wall and sand replenishment has not been approved, however the dredging has been approved with conditions. Council has commenced further studies as requested by the referral agencies in order to seek approval for the rock wall construction and ongoing approval for dredging and beach replenishment.

ECONOMIC DEVELOPMENT STRATEGY

2021-2022 Key Activity		Success Measure	Lead
2.2.3	Review and refresh the Economic Development Strategy 2021-2025	Adoption of Strategy	Corporate and Community Services

Ongoing - The Economic Development Strategy Program remains ongoing.

BUSINESS INNOVATION SCHEME

2021-2022 Key Activity		Success Measure	Lead
2.2.4	Review and refresh the Business Innovation Scheme	Adoption of Scheme	Corporate and Community Services

Ongoing - A full review, including consultation is being undertaken and will be part of the implementation of the 2035 Economic Development Strategy.

2.3 STRENGTHEN NETWORKS

RECONCILIATION ACTION PLAN

2021-2022 Key Activity		Success Measure	Lead
2.2.1	Development and adoption of a Reconciliation Action Plan (RAP)	Adoption of the RAP	Office of the Mayor and Chief Executive Services

Ongoing - Various RAP meetings have been unsuccessfully held throughout 2021-2022, further direction will be sought from Council.



Prosperity

Plan a strong, diversified and durable economy that supports economic growth and long term employment.

2.4 DEVELOP TOWN AND COMMUNITY PLANNING

LAND ACTIVATION STRATEGY

2021-2022 Key Activity	Success Measure	Lead
2.4.1 Development of a Land Activation Strategy	Adoption of Strategy	Corporate Services and Community

Consolidated - This item is no longer relevant. Investigations are currently underway to set a Land Activation Policy Statement for future use when discussing land activation across the Shire.

PLANNING SCHEME

2021-2022 Key Activity	Success Measure	Lead
2.4.2 Review and refresh the Hinchinbrook Planning Scheme	Adoption of revised Scheme	Corporate Services and Community

Ongoing - Council commenced discussions with the State regarding proposed Planning Scheme amendments. Officers are currently workshopping, and administrative amendments are being drafted.

RURAL LIVING STRATEGY

2021-2022 Key Activity	Success Measure	Lead
2.4.3 Development of a Rural Living Strategy	Adoption of Strategy	Corporate Services and Community

Consolidated - The intent of this Strategy will be incorporated into the Planning Scheme amendments which will commence in the 2022-2023 financial year.



First 5 Forever Innovation Grant Project



Lifestyle

Advocate the relaxed and friendly lifestyle of a safe and vibrant community that promotes a preferred place to live.

3.1 PROMOTE SAFE, HEALTHY, INCLUSIVE AND SOCIALLY ENGAGED COMMUNITIES

YOUTH DEVELOPMENT STRATEGY

2021-2022 Key Activity		Success Measure	Lead
3.1.1	Development of a Youth Development Strategy	Adoption of Strategy	Corporate Services and Community

Consolidated - Progress on the Youth Development Strategy will be incorporated into a broader Liveability Strategy to be delivered during 2022-2023.

AGEING IN PLACE STRATEGY

2021-2022 Key Activity		Success Measure	Lead
3.1.2	Review and Refresh the Ageing In Place Strategy	Adoption of Strategy	Corporate Services and Community

Consolidated - Progress on the Ageing in Place Strategy will be incorporated into a broader Liveability Strategy to be delivered during 2022-2023.

HEALTH AND WELLBEING PROGRAM

2021-2022 Key Activity		Success Measure	Lead
3.1.3	Review and Refresh the Health and Wellbeing Program	Refreshed program is ready for delivery from 1 January 2022	Corporate Services and Community

Completed - Hinchinbrook Health and Wellbeing Program 2022 has been refreshed and is underway.

3.2 EMPOWER AND ENCOURAGE STRONG COMMUNITY ORGANISATIONS

COMMUNITY GRANTS

2021-2022 Key Activity		Success Measure	Lead
3.2.1	Develop a new grants program to support the sponsorship for significant regional events	Adoption of new policy	Corporate Services and Community

Ongoing - The new policy is being drafted for consultation.

3.3 CREATE PLACES OF COMMUNITY IDENTITY

CEMETERIES MASTERPLAN

2021-2022 Key Activity		Success Measure	Lead
3.3.1	Finalise development of the Hinchinbrook Cemeteries Masterplan	Adoption of Masterplan	Corporate Services and Community

Ongoing - Cemetery strategy report and masterplan for New Ingham Cemetery has been drafted for public comment.



New Ingham Cemetery



Natural Environment

Minimise environmental impacts by preserving the unique natural environment the Hinchinbrook Shire has to offer.

4.1 BALANCE THE NEEDS OF THE COMMUNITY AND ENVIRONMENT

WASTE MANAGEMENT

2021-2022 Key Activity		Success Measure	Lead
4.1.1	Promote improvements to sustainable and efficient waste management and resource recovery practices by Council and the Community	Provide a Report to Council defining the outcomes	Infrastructure and Utility Services

Completed - Report to Council provided at the August 2021 General Council Meeting by Waste and Compliance Coordinator.

4.2 PROMOTE A SUSTAINABLE ENVIRONMENT

REEF GUARDIAN

2021-2022 Key Activity		Success Measure	Lead
4.2.1	Promote and support Reef Guardian initiatives and strategies	Provide a Report to Council defining the outcomes	Infrastructure and Utility Services

Completed - Report to Council provided at the June General Council Meeting by Waste and Compliance Coordinator.

REEF GUARDIAN

2021-2022 Key Activity		Success Measure	Lead
4.2.2	Review and implement the Hinchinbrook Local Government Area Biosecurity Plan (HLGABP)	Provide a Report to Council defining the outcomes	Infrastructure and Utility Services

Completed - Review of the HLGABP undertaken and updates finalised with continued implementation.





Organisational Sustainability

Administer a successful organisation that delivers excellent service through good leadership, democratic principles, efficient management of staff, assets and finances.

5.2 FOSTER AN ORGANISATIONAL CULTURE THAT EMBRACES OUR VALUES

STRATEGIC WORKFORCE PLAN

2021-2022 Key Activity	Success Measure	Lead
5.2.1 Development of a Strategic Workforce Plan	Adoption of the Plan by Executive Management Team	Office of the Mayor and Chief Executive Services

Ongoing - Workforce analysis review underway to assist in development of Plan.

5.3 COMMIT TO CONTINUOUS IMPROVEMENT, CUSTOMER SERVICE AND ACCOUNTABILITY

STRATEGIC ASSET MANAGEMENT

2021-2022 Key Activity	Success Measure	Lead
5.3.1 Implementation of Technology One's Strategic Asset Management (SAM) System	Modelling for all asset classes and asset revaluations are performed using SAM	Corporate and Community Services

Ongoing - Preparation of the Strategic Asset Management models has commenced.

POLICY AND PROCEDURE FRAMEWORK

2021-2022 Key Activity	Success Measure	Lead
5.3.2 Development and implementation of a Policy and Procedure Framework	Adoption of Framework by Executive Management Team	Office of the Mayor and Chief Executive Services

Complete - Current Framework reviewed and no changes proposed.

BUDGETING FOR SUSTAINABILITY STRATEGY

2021-2022 Key Activity	Success Measure	Lead
5.3.3 Delivery of Phase Two actions of the Budgeting for Sustainability Strategy	Budget includes Phase Two actions	Corporate and Community Services

Ongoing - Phase Two actions has assisted in the improvement of Councils financial sustainability however further action is still required.

ORGANISATIONAL EFFICIENCY TARGETS

2021-2022 Key Activity	Success Measure	Lead
5.3.4 Development of Organisational Efficiency Targets	Adoption of Efficiency Targets by Executive Management Team	Corporate and Community Services

Ongoing - Organisational Efficiency Targets are being reviewed in conjunction with Queensland Treasury Corporation's Business Improvement Project.

LOCAL LAWS

2021-2022 Key Activity	Success Measure	Lead
5.3.5 Undertake a review and refresh of all Local Laws	Adoption of refreshed Local Laws	Corporate and Community Services

Ongoing - State Interest Review completed with Department of State Development, Infrastructure, Local Government and Planning. Confirmation from other departments being sought.



Organisational Sustainability

Administer a successful organisation that delivers excellent service through good leadership, democratic principles, efficient management of staff, assets and finances.

CUSTOMER SERVICES CHARTER

2021-2022 Key Activity	Success Measure	Lead
5.3.6 Undertake a review and refresh of the Customer Service Charter	Adoption of Charter by Executive Management Team	Corporate and Community Services

Complete - Current Charter reviewed and no changes proposed. A Customer Experience Strategy will be developed.

BUSINESS CONTINUITY AND DISASTER RECOVERY

2021-2022 Key Activity	Success Measure	Lead
5.3.7 Undertake a Business Continuity and Disaster Recovery planning exercise	A Business Continuity and Disaster Recovery exercise has been undertaken	Office of the Mayor and Chief Executive Services

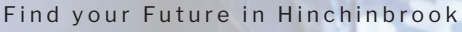
Complete - Exercise Black Rain was conducted and completed and QFES report accepted at LDMG meeting.

STRATEGIC RISK REGISTER

2021-2022 Key Activity	Success Measure	Lead
5.3.8 Review and refresh the Strategic Risk Register	Register has been reviewed by the Audit Committee and referred to Council	Corporate and Community Services

Ongoing - The Audit and Risk Committee will continue to ensure that the Register is maintained.







LEGISLATIVE INFORMATION

Bruce Highway, Ingham



The Local Government Regulation 2012 formally requires Council to produce an Annual Report. Council must adopt the Annual Report within one month after the day the Auditor-General gives the Auditor-General's Audit Report about the local government's financial statements for the financial year to the local government.

In addition, Council is required to comply with specific requirements in numerous other pieces of legislation.

Council has complied with this section of the Local Government Regulation 2012 with the Annual Report being adopted by Council at its General Meeting held on Tuesday 22 November 2022.

SIGNIFICANT BUSINESS ACTIVITIES AND COMMERCIAL BUSINESS

Council had the following business activities in 2021-2022, none of which are deemed "significant" and do not form a separate identity:

- Water supply;
- Sewerage;
- Waste management; and
- Building certification.

Council elected not to apply the Code of Competitive Conduct to these business activities during 2021-2022.

EXECUTIVE REMUNERATION

Section 201 of the *Local Government Act 2009*, requires Council to state the total remuneration packages, in bands, payable during the financial year to senior employees.

The following annual remuneration packages were payable to senior executive management staff as follows:

Annual Remuneration Package Range	Number of Packages
\$150,000 to \$250,000	3
Total of all executive remuneration packages payable	\$687,767.55

PUBLIC INTEREST DISCLOSURE

Council has not received any public interest disclosures for the financial year.

ELECTED MEMBERS' COUNCILLOR EXPENSES REIMBURSEMENT POLICY

Council, pursuant to section 250 of the Local Government Regulation 2012 adopted the following resolution on 30 June 2020 at its General Meeting. A copy of this Policy can be viewed on Council's website (Policies) or inspected at the Council Office.

4.10 COUNCILLORS EXPENSES REIMBURSEMENT POLICY

Consideration of Report to Council from Chief Executive Officer dated 11 June 2020 concerning adoption of Councillors Expenses Reimbursement Policy.

Moved Councillor Marbelli

Seconded Councillor Milton

Resolution – That Council adopt and implement the Councilors Expenses Reimbursement Policy as presented.

Carried 7-0
300620-34

SIGNIFICANT BUSINESS ACTIVITIES AND COMMERCIAL BUSINESS

Remuneration Paid to Elected Members

Remuneration Paid To Councillors 2021-2022						
Councillor	Meeting and Other Representations				Councillor Allowance	Employer Super Contribution
	Council Meetings/Special Meetings/Deputations	Member Meetings	Conferences Professional Development Training	Other		
Ramon Jayo	56	114	27	186	\$106,100.00	\$12,731.99
Andrew Cripps	57	65	11	50	\$61,211.00	\$7,693.44
Mary Brown	57	54	13	69	\$53,049.00	\$6,713.77
Andrew Lancini	46	28	7	22	\$53,049.00	\$6,713.77
Kate Milton	57	24	10	71	\$53,049.00	\$6,713.77
Wally Skinner	50	43	8	67	\$53,049.00	\$6,713.77
Donna Marbelli	57	82	9	153	\$53,049.00	\$6,713.77

During the 2021-2022 financial year, Councillors accrued the following expenses in accordance with the Expenses Reimbursement Policy:

Councillor	Accommodation/Travel	Meals	Conferences Professional Development Registration	Communication Allowance	Mileage	Computer Consumables Allowance	Corporate Uniform Allowance
Ramon Jayo	\$2,245.71	\$561.14	\$3,276.81	Nil	Nil	Nil	\$225.00
Andrew Cripps	Nil	\$20.00	Nil	\$2,500.00	Nil	\$400.00	\$225.00
Mary Brown	\$480.85	\$170.82	\$1,382.19	\$2,500.00	Nil	\$400.00	\$225.00
Andrew Lancini	\$465.00	\$159.09	\$1,300.00	\$2,500.00	Nil	\$400.00	\$225.00
Kate Milton	Nil	\$41.63	Nil	\$2,500.00	Nil	\$400.00	\$225.00
Wally Skinner	\$465.00	\$200.70	\$1,300.00	\$2,500.00	Nil	\$400.00	\$225.00
Donna Marbelli	\$577.73	\$159.09	\$1,450.00	\$2,500.00	Nil	\$400.00	\$225.00



Hinchinbrook Shire Councillors



COUNCILLOR CONDUCT

In accordance with Section 186 of the Local Government Regulation 2012, the following occurred in 2021-2022 relating to Councillor Conduct:

Type of Complaint	Number received
Total number of orders made under s150I(2) of the <i>Local Government Act 2009</i>	Nil
Total number of orders made under s150AH(1) of the <i>Local Government Act 2009</i>	Nil
Total number of decisions, orders and recommendations made under s150AR(1) of the <i>Local Government Act 2009</i>	Nil
The name of each Councillor for whom a decision, order or recommendation was made under ss 150I(2), 150AH(1) or 150AR(1) of the <i>Local Government Act 2009</i> , a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each Councillor, and a summary of the decision, order or recommendation made for each Councillor	Nil
The number of complaints referred to the assessor under s150P(2)(a) of the <i>Local Government Act 2009</i> by local government entities for the local government	Nil
The number of matters, mentioned in section 150P(3) of the <i>Local Government Act 2009</i> , notified to the Crime and Corruption Commission	Nil
The number of notices given under s150R(2) of the <i>Local Government Act 2009</i>	Nil
The number of notices given under s150S(2)(a) of the <i>Local Government Act 2009</i>	Nil
The number of decisions made under s150W(a), (b) and (e) of the <i>Local Government Act 2009</i>	7 Complaints Dismissed
The number of referral notices accompanied by a recommendation mentioned in s150AC(3)(a) of the <i>Local Government Act 2009</i>	Nil
The number of occasions information was given under s150AF(4)(a) of the <i>Local Government Act 2009</i>	Nil
The number of occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the <i>Local Government Act 2009</i> for the local government, the suspected inappropriate conduct of a Councillor	Nil
The number of applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the <i>Local Government Act 2009</i> about the alleged misconduct or inappropriate conduct of a Councillor	Nil

ADMINISTRATIVE ACTION COMPLAINTS

Hinchinbrook Shire Council is committed to upholding excellent standards. Accordingly, Council has an Administrative Actions Complaints Policy and related Procedures that ensures client complaints are managed in a fair, effective and efficient manner. The Administrative Action Complaints Policy and associated Procedures are reviewed annually, during which time the performance in addressing these complaints is assessed. The assessment for 2021-2022 identified that the process is performing satisfactorily.

The following report for the 2021-2022 financial year is in accordance with the provisions of the general complaints process as outlined in the *Local Government Act 2009*:

Administrative Action Complaints	
Made to Council during 2021-2022	3
Resolved under the complaints management process	2
Not resolved under the complaints management process	1
Included in the 'not resolved' category above which were made in a previous financial year	0

OVERSEAS TRAVEL

There was no overseas travel.

SUPPORTING OUR COMMUNITY

Section 190(1)(g) of the Local Government Regulation 2012 states that Council must include a summary of all concessions for rates and charges granted.

Rates Concessions		
	2020-2021	2021-2022
Pensioner Remission	\$226,563.00	\$229,881.00
Not for profit/charitable organisation remission	\$91,294.00	\$104,294.00

**GRANTS TO COMMUNITY ORGANISATIONS**

Section 189 of the Local Government Regulation 2012 requires Council to report a summary of grants provided to community organisations for the 2021-2022 financial year.

DONATIONS/SPONSORSHIPS	
SUPPORT FOR EVENTS AND GRANTS TO COMMUNITY ORGANISATIONS	
Abergowrie Primary P&S Assoc - Abergowrie State School Yarning Circle	1,238
Australian Italian Festival Assoc Inc - Australian Italian Festival 2022	20,000
Australian Volunteer Coast Guard Inc - Operational Support	1,818
Forrest Beach Progress Association Inc - Forrest Beach Markets Equipment Grant	1,000
Forrest Beach Surf Life Saving Club Assoc Inc - Forrest Beach Surf Life Saving Sports Carnival	3,140
Herbert River Athletics Club - Barnes Cup 100th Anniversary	6,899
Herbert River Jockey Club - Herbert River Family Day	12,500
Herbert River Museum Gallery Inc - Annual Financial Assistance 2021-2022	5,000
Herbert River Museum/Gallery Inc - Museum 30th Anniversary Celebrations	3,600
Herbert River Pastoral & Agricultural Assoc Inc - Ingham Show	20,000
Hinchinbrook Community Support Centre - Herbert Valley Voices	820
Hinchinbrook Community Support Centre Inc - Annual Financial Assistance 2021-2022	52,800
Hinchinbrook Community Support Centre Inc - Community Grants Officer	23,000
Hinchinbrook Sportsfishing Club - NQ Sportfishing Championships	4,000
Ingham Arts Festival Assoc Inc - Ingham Arts Festival	1,728
Ingham Bowls Club - Green Repair Grant	5,000
Ingham Bridge Club - Hinchinbrook Challenge Congress	1,500
Ingham Dirt Bike Club - Installation of Beginner Track	1,000
Ingham Ladies Bowls Club Inc - Allamanda Fours Bowling Competition	500
Ingham Maraka Festival Inc - 2021 Maraka Festival	12,000
Ingham Meals on Wheels - Annual Financial Assistance 2021-2022	5,500
Ingham Rugby Union - Cutting Loose After the Crush	4,950
Ingham Squash Racquets Association - QLD Region Redbacks Tournament	2,000
Ingham Sugar City Rodeo - Ingham Sugar City Rodeo 2021	15,000
Ingham Sugar City Rodeo - Ingham Sugar City Rodeo 2022	15,000
Ingham Tennis Association - Ingham Open Tennis Tournament	1,000
Ingham Tennis Association - New Lighting Project Grant	20,000
Lucinda Progress Association - Lucinda Christmas Carols 2021	950
Macknade Bowls Club - Macknade Tropical Mixed Fours Carnival	1,500
Maraka Queen Entrant Sponsorship	182
Noorla Bowls Club - Noorla 4's	600
QCWA Abergowrie/Long Pocket - Remember the Finn's Morning Tea	871
QCWA Halifax Branch - Winter in the Tropics 2021	500
QCWA Halifax Branch - Winter in the Tropics Morning Tea 2022	746
Sporting Donation - Lachlan Buckman 2021 Junior Sports Nominee	126
Taylors Beach Progress Association Inc - Taylors Beach Family Fishing Competition	1,710
Tropical North Showjumping Club - Tropical North Showjumping Championship	1,100
Total	\$249,278



OTHER ORGANISATIONS

Herbert River Improvement Trust	243,000
Lower Herbert Water Management Authority - 2021-2022	43,404
Queensland Museum - Community Pass Program 2021-2022	6,303
Total	\$292,707

REGIONAL ARTS DEVELOPMENT FUND (RADF) GRANTS

An Upskilled ARTventure - Elements Studio Louise Plint	4,550
Borello Park Murals - Lucinda Progress Association	7,530
Draw and Sip Life - Gerald Soworka - Artist	1,430
Enamel Workshop - Barrier Reef Glass Beads Alison Velvin	300
Glass Beads Workshop - Cadaghi Pottery Linda Bates	380
Jumping into the future by closing the gap - Tropical North Showjumping Club	4,165
Shire Hall Mural - Kennie Deaner	5,000
Taylors Beach Community Artwork - Taylors Beach Progress Association Inc	8,013
Yaminie Mural - Warrgamay, Biyaygiri and Nywaigi - Hinchinbrook Community Support Centre	6,941
Youth Week Workshops - Hats Mariangela Bisson	436
Youth Week Workshops - Kristina Fontana Art	491
Youth Week Workshops - Picture This Framed - David Rowe	550
Total	\$39,787



RADF Sculpture, Taylors Beach



LAND AND ROADS

Hinchinbrook Shire Council controls 448km of sealed roads and 277km of unsealed roads. 181km of roads (Transport and Main Roads) is not controlled by Council. Furthermore, there is approximately 95km of Class 9 length roads not maintained by Council of which some is formed and/or paved.

Hinchinbrook Shire Council controls 4,361ha of reserve land that is a reserve under the *Land Act 1994*.

CHANGES TO COUNCIL TENDERS

In accordance with Section 190(e) of the Local Government Regulation 2012, Council is required to report the number of invitations to change tenders during the financial year.

There were no changes to tender specifications during a tender process to warrant the need to invite tenderers to change tender submissions during the 2021-2022 financial year.

COUNCIL REGISTERS

Council is required to include in its Annual Report a list of Registers kept by Council and open to public inspection. Council's response to Section 190(f) of the Local Government Regulation 2012, is detailed below:

- Register of Conflicts of Interest;
- Register of Contracts (over \$200,000);
- Register of Councillors' Conduct;
- Register of Councillors' Gifts and Hospitality Benefits;
- Register of Councillors' Interests;
- Register of Roads;
- Register of Councillors' Membership of Organisations;
- Register of Mayoral Requests to Chief Executive Officer;
- Register of Delegations by Chief Executive Officer;
- Register of Delegations by Local Government;
- Schedule of Fees and Charges; and
- Register of Local and Subordinate Local Laws.

JOINT LOCAL GOVERNMENT ACTIVITY

The Local Government Regulation 2012, requires Council to report details of action taken in relation to, and expenditure on, a service, facility or activity:

- (i) Supplied by another Local Government under an agreement for conducting a joint government activity; and
- (ii) For which the local government levied special rates or charges for the financial year.

Council had no details to report for the year under this section.

INTERNAL AUDIT

Hinchinbrook Shire Council has established an Internal Audit function in accordance with Section 207 of the Local Government Regulation 2012.

KPMG Enterprise was appointed as Council's Internal Auditor in August 2017 for a three (3) year period. The appointment was extended for a further three (3) years which will run until 30 June 2023.

During 2021-2022 KPMG Enterprise conducted an Internal Audit review on Project Management, Strategic Risk and a Review of Internal Audit Actions.

AUDIT COMMITTEE

The Committee met in October and November of 2021 and March of 2022. Council's Chief Executive Officer and Director Corporate and Community Services provide management representation at Audit and Risk Committee meetings as required.

The Audit and Risk Committee oversee the Internal Audit function requesting an update on each audit conducted to be provided at each Audit and Risk Committee meeting. Accordingly, the Audit and Risk Committee provides an effective and independent risk management structure that adds value to Council through the collaboration of Council representatives, independent specialists and management.



COMMITMENT TO PUBLIC SECTOR ETHICS

Public Sector entities must adhere to the *Public Sector Ethics Act 1994* and must implement a Code of Conduct and conduct training at least every 12 months. The Code details the ethics, principles and obligations required of government employees.

New employees continue to receive Code of Conduct training as part of their corporate orientation.

COMPETITIVE NEUTRALITY

No complaints were received in 2021-2022 concerning this matter.



Rotary Park Playground, Ingham



COMMUNITY FINANCIAL REPORT



The Community Financial Report summarises the information contained in Council's 2021-2022 Financial Statements and is intended to assist with understanding Council's financial position and performance over the last financial year. For more detailed information, please refer to the annual Financial Statements on pages 50 to 90.

BACKGROUND

Council's annual Financial Statements are prepared to comply with Australian Accounting Standards and contain specific information regarding financial performance.

The annual Financial Statements consist of five key reporting elements, each of which has a specific purpose for the measurement and presentation of Council's finances including:

- a Statement of Comprehensive Income (i.e. Profit and Loss);
- a Statement of Financial Position (i.e. Balance Sheet);
- a Statement of Changes in Equity;
- a Statement of Cash Flows; and
- Financial sustainability ratios.

Collectively, these Financial Statements provide a formal picture of the financial strength of an organisation.

2021-2022 KEY OUTCOMES

\$38.1 MILLION
OPERATING REVENUE
GENERATED

\$2.2 MILLION
REDUCTION
IN OPERATING
DEFICIT

\$19.4 MILLION
RECEIVED IN GRANTS
AND SUBSIDIES

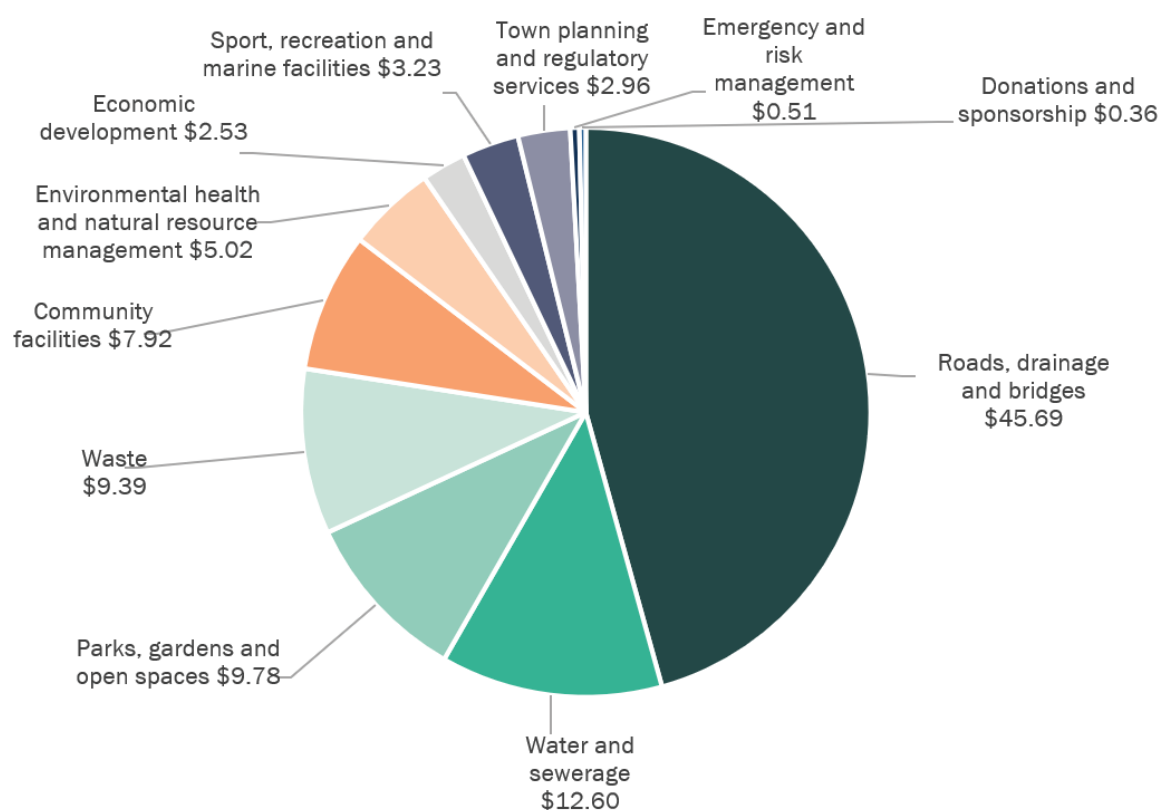
\$14.2 MILLION
ON ASSETS

WHERE DOES COUNCIL SPEND YOUR RATES?

Council spends significant amounts of ratepayer funds providing a range of services to the Hinchinbrook community.

A summary of how Council allocates your rates to the various services we deliver is provided below. Spending on these services (including roads, bridges, water, sewerage, parks, community facilities and waste management) makes up a significant component of Council's annual operating expenditure.

For every \$100 Council delivers a range of services





STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income (also known as the profit and loss) measures how Council performed financially in relation to funding its operations during the financial year. In simple terms, it summarises how much money was received by Council and how much was spent in a particular year.

OPERATING RESULT

The operating result consists of revenue and expenses relating to Council's operational activities. There is an overall operating deficit of \$3.8 million for 2021-2022.

COMPARATIVE OPERATING RESULT

	2020-2021 (\$000)	2021-2022 (\$000)
RECURRENT REVENUE	34,631	38,067
LESS: RECURRENT EXPENDITURE	40,667	41,892
OPERATING RESULT	(6,036)	(3,825)

NET RESULT

The net result consists of the operating deficit, in addition to any one-off items such as income and expenses relating to capital investment. There is an overall net surplus of \$5.2 million for 2021-2022.

COMPARATIVE NET RESULT

	2020-2021 (\$000)	2021-2022 (\$000)
OPERATING RESULT	(6,036)	(3,825)
ADD: CAPITAL REVENUE	12,406	10,629
LESS: CAPITAL EXPENDITURE	3,276	1,652
NET RESULT	3,094	5,152



REVENUE

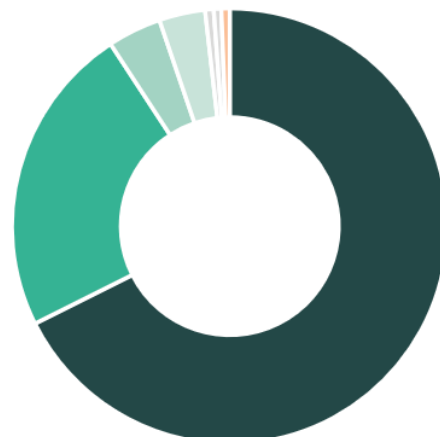
Revenue includes rates, levies, fees and charges to residential and commercial properties relating to services provided by Council. Revenue also includes grants, subsidies, developer and other contributions and donations, sales revenue, interest received, rental and other income.

Rates, levies and charges remain the major source of income for the delivery of Council services and infrastructure to our community. An overall general rate increase of 2.75% was applied in the 2021-2022 financial year.

Total operating revenue increased by \$3.4 million in comparison to the prior year.

\$38.1m Total Recurrent Revenue

- Rates, levies and charges \$25.8m, 67.6%
- Grants, subsidies, contributions and donations \$8.8m, 23.2%
- Fees and charges \$1.5m, 4%
- Sales revenue \$1.3m, 3.4%
- Interest received \$0.24m, 0.6%
- Rental income \$0.22m, 0.6%
- Other income \$0.24m, 0.6%



EXPENSE

Expenses include materials and services, employee benefits, depreciation and finance costs, which are associated with the delivery of services to our community.

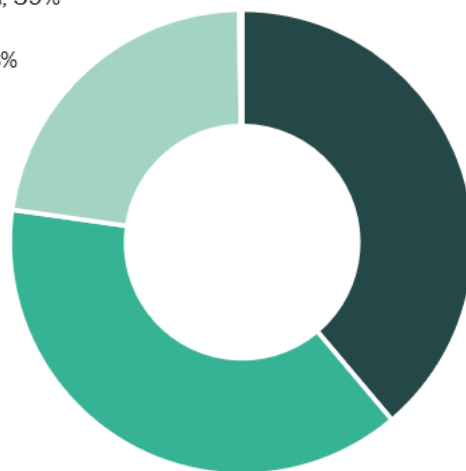
The expenses displayed in the graph relate to operational activities and depreciation.

Depreciation expense represents the value of the use of Council's assets over the year and is an allocation of the consumption over the expected life of the assets.

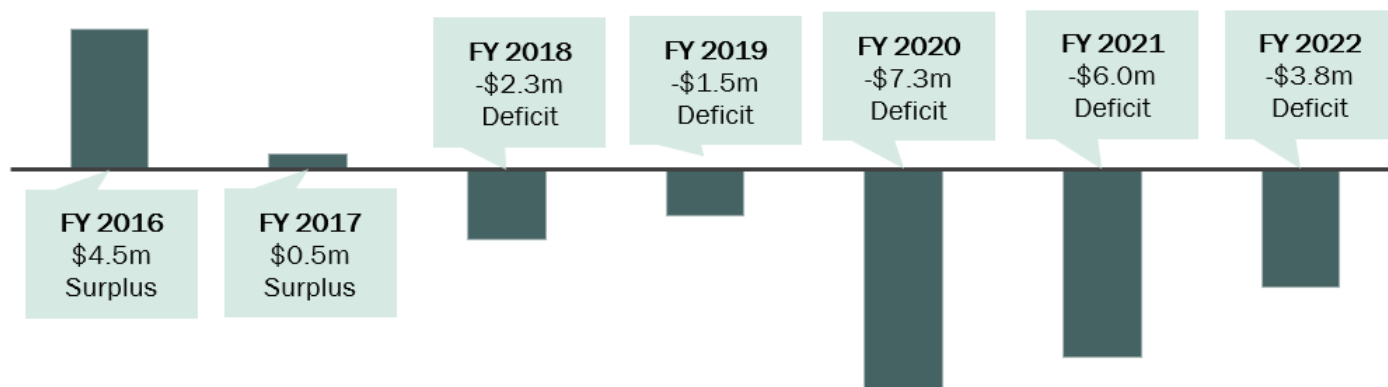
Total operating expenses have increased by \$1.2 million in comparison to the prior year.

\$41.9m Total Recurrent Expenses

- Materials and services \$16.3m, 39%
- Employee benefits \$16.1m, 38%
- Depreciation \$9.5m, 23%



Operating Result





STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position (or balance sheet) measures what Council owns (i.e. its assets), and what we owe (i.e. liabilities) to determine the total community equity (net worth) at the end of each financial year. The below graph provides a summary of the movement in Council's 2021-2022 financial position.

COMPARATIVE STATEMENT OF FINANCIAL POSITION

	2020-2021 (\$'000)	2021-2022 (\$'000)
TOTAL ASSETS	368,330	401,433
TOTAL LIABILITIES	18,994	19,245
COMMUNITY EQUITY	349,336	382,188

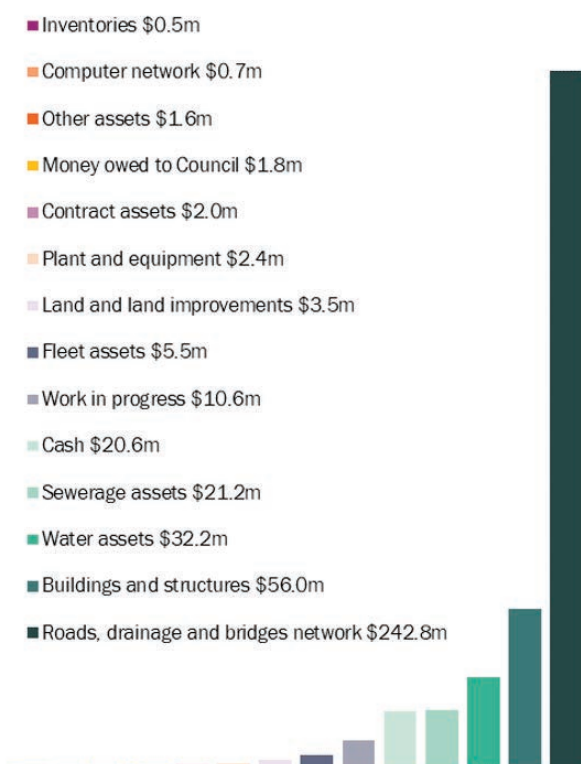
ASSETS - WHAT THE COMMUNITY OWNS

Council's current assets (\$26.4 million) include cash, receivables from customers owed to Council, inventories, contract assets and other assets.

Council's non-current assets (\$375 million) include community infrastructure, fleet assets, computer network and plant and equipment.

Infrastructure is Council's largest investment and includes roads, drainage, bridges, buildings and structures, water and sewerage assets, as well as land and improvements which benefit the community.

\$401.4m Total Assets



LIABILITIES - WHAT THE COMMUNITY OWES

Council's liabilities include prepaid rates, deposits received in advance for services provided, funds received up front to construct Council controlled assets, amounts owed for employee entitlements, amounts owed to suppliers, and provisions for future landfill capping.

What the community owes is presented as both current and non-current liabilities in the statement of financial position. Current liabilities are those amounts that are payable by Council within the next twelve months, totalling \$11.1 million. Non-current liabilities are payable by Council beyond the next twelve months, totalling \$8.1 million. Council does not currently have any borrowings.

\$19.2m Total Liabilities





FINANCIAL SUSTAINABILITY RATIOS

The below graphs display the 2021-2022 financial results in the context of the long-term financial objectives of Council.

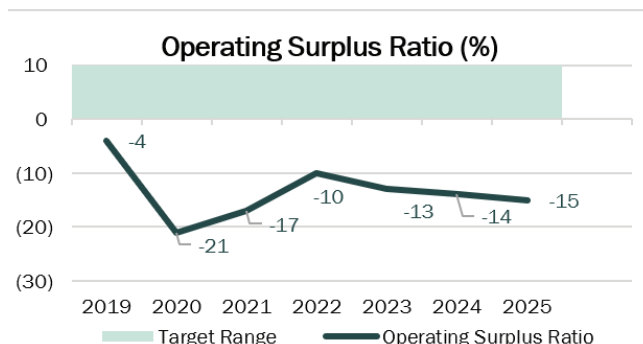
Council utilises three measures of financial sustainability as a guide to track future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council strives to ensure that its financial management strategy is prudent and that its long-term financial forecast provides for a sound financial position whilst also being able to meet community's current and future needs.

The graphs below display the trend over the last three years, as well as the forecast for the next three years. The measures of financial sustainability are prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (sustainability) Guideline 2013. Actual results may vary from the specified target range as a result of Council's current circumstances.

OPERATING SURPLUS RATIO

The operating surplus ratio measures the operating surplus each year as a percentage of total operating revenue. The ratio indicates Council's ability to fund ongoing operations over the long term. The target ratio is between 0% and 10%.

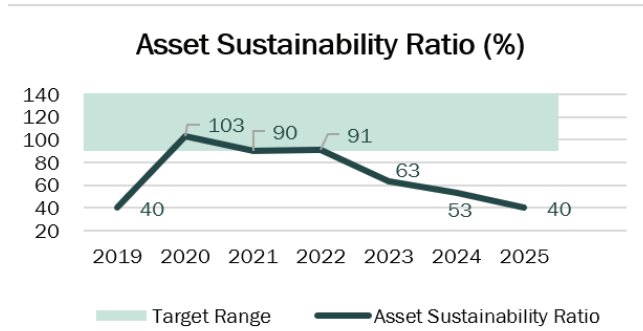
A ratio of -10% in 2021-2022 indicates operational costs incurred by Council exceed total operational revenue received. Council recognises the below average (target) operating surplus ratio at present and in future years.



ASSET SUSTAINABILITY RATIO

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful life. The target ratio is greater than 90%.

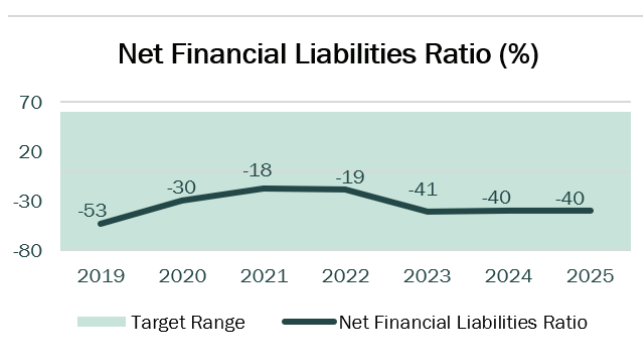
A ratio of 91% in 2021-2022 is an indication that Council is managing community assets through the replacement of assets as they are consumed at an acceptable rate.



NET FINANCIAL LIABILITIES RATIO

The net financial liabilities ratio measures the extent to which the net financial liabilities of Council can be serviced by operating revenues. The target ratio is not greater than 60%.

A ratio of -19% in 2021-2022 clearly indicates that Council is more than able to meet future debt obligations.





Warrens Hill Landfill and Resource Recovery Centre

**HINCHINBROOK SHIRE COUNCIL
FINANCIAL STATEMENTS
2021-2022**

Forrest Beach Playground





FINANCIAL STATEMENTS
2021 -2022

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Statement of Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	25,739	25,267
Fees and charges	3(b)	1,517	1,284
Sales revenue	3(c)	1,302	1,163
Grants, subsidies, contributions and donations	4(a)	8,818	6,333
Interest received		242	323
Rental income		213	208
Other income		236	53
Total recurrent revenue		38,067	34,631
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	10,629	12,406
Total capital revenue		10,629	12,406
Total income		48,696	47,037
Expenses			
Recurrent expenses			
Employee benefits	5	(16,275)	(15,769)
Finance costs		(80)	(24)
Materials and services	6	(16,080)	(15,053)
Depreciation	12(a)	(9,458)	(9,821)
Total recurrent expenses		(41,892)	(40,667)
Capital expenses	7	(1,652)	(3,276)
Total expenses		(43,544)	(43,943)
Net result		5,152	3,094
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	16	27,702	10,795
Total other comprehensive income for the year		27,702	10,795
Total comprehensive income for the year		32,853	13,889

Rounding differences may apply.

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

Statement of Financial Position
As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	8	20,560	16,825
Receivables	9	1,765	2,402
Inventories		461	239
Contract assets	10(a)	2,022	3,913
Other assets	11	1,573	1,769
Total current assets		26,379	25,148
Non-current assets			
Property, plant and equipment	12	375,054	343,182
Total non-current assets		375,054	343,182
Total assets		401,433	368,330
Current liabilities			
Payables	13	5,359	5,088
Provisions	14	4,502	5,353
Contract liabilities	10(b)	963	920
Other liabilities	15	349	-
Total current liabilities		11,173	11,361
Non-current liabilities			
Provisions	14	7,036	7,633
Other liabilities	15	1,036	-
Total non-current liabilities		8,072	7,633
Total liabilities		19,245	18,994
Net community assets		382,188	349,336
Community equity			
Asset revaluation surplus	16	211,054	183,352
Retained surplus		171,134	165,983
Total community equity		382,188	349,336

Rounding differences may apply.

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

Statement of Changes in Equity
For the year ended 30 June 2022

	Retained Surplus	Asset Revaluation Surplus Note 15	Total
	\$000	\$000	\$000
Balance at 1 July 2021	165,982	183,352	349,336
Net result	5,152	-	5,152
Other comprehensive income for the year			
Revaluation of property, plant and equipment	-	28,036	28,036
Change in value of rehabilitation of land	-	(334)	(334)
Total comprehensive income for the year	5,152	27,702	32,854
Balance at 30 June 2022	171,134	211,054	382,188
Balance at 1 July 2020	162,889	172,557	335,447
Net result	3,094	-	3,094
Other comprehensive income for the year			
Revaluation of property, plant and equipment	-	13,479	13,480
Change in value of rehabilitation of land	-	(2,685)	(2,685)
Total comprehensive income for the year	3,094	10,794	13,889
Balance at 30 June 2021	165,982	183,352	349,336

Rounding differences may apply.

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

Statement of Cash Flows
For the year ended 30 June 2022

		2022 \$000	2021 \$000
	Note		
Cash flows from operating activities:			
Receipts from customers		50,485	43,002
Payments to suppliers and employees		(33,037)	(33,226)
Interest received		242	323
Net cash inflow / (outflow) from operating activities	21	17,690	10,099
Cash flows from investing activities:			
Payments for property, plant and equipment		(14,158)	(17,560)
Proceeds from sale of property, plant and equipment	7	203	174
Net cash inflow / (outflow) from investing activities		(13,955)	(17,386)
Net increase / (decrease) in cash and cash equivalent held		3,735	(7,287)
Cash and cash equivalents at beginning of the financial year		16,825	24,112
Cash and cash equivalents at end of the financial year	8	20,560	16,825

Rounding differences may apply.

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

1 Information about these financial statements

(a) Basis of preparation

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

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

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and these financial statements complies 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 certain classes of property, plant and equipment which are measured at fair value.

Recurrent/capital classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income on the following basis:

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. It also includes any non-cash contributions (usually infrastructure assets) which may have been received from developers.

The following transactions are classified as either "Capital Income" or "Capital Expenses" depending on whether they result in accounting gains or losses:

- disposal of non-current assets
- discount rate adjustments to restoration provisions

All other revenue and expenses have been classified as "recurrent".

(b) New and revised Accounting Standards adopted during the year

Hinchinbrook Shire Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021, none of the standards had a material impact on reported position, performance and cash flows.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date.

(d) Estimates and judgements

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

Revenue recognition - Note 3 and 4

Valuation and depreciation of property, plant and equipment - Note 12

Provisions - Note 14

Contingent liabilities - Note 18

Financial instruments and financial risk management - Note 23

1 Information about these financial statements (continued)

(e) Capital and operating expenditure

Direct labour and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class. Routine operating maintenance and repair costs to maintain the operational capacity and existing useful life of the non-current asset is expensed as incurred, while expenditure that relates to extension or replacement of a major component of an asset to maintain its service potential is capitalised.

Expenditure incurred in accordance with Disaster Recovery Funding Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council to review the nature and extent of expenditure on a given asset.

(f) National Competition Policy

Council has reviewed its business activities and elected not to apply the Code of Competitive Conduct to those activities during the year ended 30 June 2022.

(g) Rounding and comparatives

Any minor differences between calculated balances in the financial statements and the related notes are due to rounding.

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000, or where that amount is \$500 or less, to zero.

Comparative information is prepared on the same basis as the prior year, unless otherwise stated, with the exception of minor reclassifications.

(h) Taxation

Council is exempt from income tax, however council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST') and payroll tax on certain activities. The GST recoverable from the ATO is shown as a current asset and the GST payable to the ATO is shown as a current liability.

(i) COVID-19

The impact of measures addressing COVID-19 are not material to the 2021-22 financial statements of Council and are not expected to be material for the 2022-23 financial year. The impact related to COVID-19 sick leave taken by staff.

2 Analysis of results by function

(a) Components of Council functions

Council adopted a revised corporate structure in November 2021. This resulted in the Community and Development Services directorate being consolidated into the remaining three service lines. The activities relating to the Council's components, along with details of any function consolidations reported on in Note 2 (b) are as follows:

Corporate and Community Services

The goal of this function is to facilitate the business of Council in a timely and professional manner and to ensure that the financial resources of Council are effectively and efficiently utilised and to encourage the development of a sound and diverse economic base for the Shire and to facilitate the creation of, and access to, business and tourism opportunities. The Corporate and Community function also aims to promote the utilisation of Council and community facilities in order to cater for the social and cultural needs of the community. This function includes art, library and cultural services, support for festivals and events, in addition to aged and youth services, facility hire and cemeteries. The program also includes activities related to rating, financial control and reporting, information technology, regulatory services, procurement, record management, customer services, administration services, risk management, corporate governance, town planning and economic development, building certifications, environmental health and compliance functions.

Mayor and CEO Office

The objective of this function is to provide executive support across Council in order to achieve optimal outcomes for the community. Activities included in this function relate to executive support, grant management, human resources and payroll services, and elected member support, as well as community counter disaster and emergency management services.

Infrastructure and Utility Services

The goal of the Infrastructure Services function is to enhance and maintain the quality of life of people in the Shire through the provision of infrastructure services and strategic infrastructure maintenance and development. This function also includes activities related to public spaces and biosecurity services, with the aim to enhance and maintain sustainable environmental management practices within the community. Additionally, the Infrastructure Services function is responsible for natural disaster reconstruction management and recovery programs.

The goal of the Utility Services function is to develop, maintain and promote environmentally sustainable systems for managing the provision of waste, water and sewerage services to the Shire in a safe and reliable way. Waste service activities relate to environmental waste compliance, waste operations, recycling and strategic management of landfill sites. Water service activities relate to water connections, reticulation, storage and treatment. Sewerage service activities relate to sewerage treatment and trade waste disposal.

2(b)

Income and expenses defined between recurring and capital, and assets at written down value are attributed to the following functions:

Functions	Gross program income			Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent		Capital		Recurrent	Capital				
	2022	Other	Grants	2022	2022	2022	2022	2022	2022	2022
	\$000			\$000	\$000	\$000	\$000	\$000	\$000	\$000
Corporate and Community Services	3,237	18,180	17	21,389	(9,154)	(605)	(9,759)	12,263	11,630	27,752
Mayor and CEO Office	93	1	229	323	(2,926)	(6)	(2,931)	(2,831)	(2,608)	177
Infrastructure and Utility Services	5,488	11,067	9,667	26,984	(29,812)	(1,042)	(30,854)	(13,257)	(3,870)	373,504
Total	8,818	29,248	9,912	48,696	(41,892)	(1,652)	(43,544)	(3,825)	5,152	401,433

Functions	Gross program income				Gross program expenses		Total expenses	Net result from recurrent operations	Net result	Assets	
	Recurrent		Capital	Total income	Recurrent	Capital					
	2021	Other	2021			2021	2021	2022			
	\$000		\$000	\$000	\$000	\$000	\$000	2021	2021	2021	
										\$000	
Corporate and Financial Services	1,885	17,305	94	-	19,286	(7,152)	-	(7,150)	12,041	12,137	26,425
Chief Executive Office	32	-	5	-	37	(1,564)	-	(1,564)	(1,532)	(1,527)	138
Community and Development Services	151	237	-	-	388	(3,091)	-	(3,091)	(2,703)	(2,703)	843
Infrastructure and Utility Services	4,265	10,756	12,280	25	27,326	(28,862)	(3,276)	(32,138)	(13,841)	(4,813)	340,923
Total	6,333	28,298	12,381	25	47,037	(40,667)	(3,276)	(43,943)	(6,036)	3,094	368,329

3 Revenue

	2022 \$000	2021 \$000
(a) Rates, levies and charges		
General rates	17,218	16,713
Cleansing charge	1,385	1,359
Waste management levy - separate charge	1,027	1,010
Water base charge	2,346	2,308
Water consumption charge	1,484	1,623
Sewerage charge	2,608	2,572
Special charges	6	6
	26,074	25,591
Less: concessions	(334)	(324)
Net rates, levies and charges	25,739	25,267

Rates, levies and charges are recognised as revenue in the period in which they are levied. Prepaid rates are recognised as a financial liability until the beginning of the period in which the rates are levied.

(b) Fees and charges		
Animal registration fees	39	33
Application fees	164	255
Cemetery fees	129	146
Facility hire	40	53
Licence and registration fees	48	9
Pool Fees	89	28
Search fees	72	50
Waste disposal fees	792	602
Other fees and charges	144	108
	1,517	1,284

Revenue arising from fees and charges are recognised at a 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. There is no material obligation for Council in relation to refunds or returns.

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

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

(c) Sales revenue		
Private and recoverable works	1,148	1,050
Other sales revenue	154	113
	1,302	1,163

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.

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

4 Grants, subsidies, contributions and donations

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied. The performance obligations are varied based on the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Donations and contributions

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the Council. Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

	2022 \$000	2021 \$000
(a) Operating		
Contributions	341	369
State government subsidies and grants	432	488
Commonwealth government subsidies and grants - other	58	76
Commonwealth government subsidies and grants - NDRRA	4,910	3,557
Commonwealth government subsidies and grants - financial assistance grant	3,071	1,816
Other grants and subsidies	6	27
	8,818	6,333
(b) Capital		
Contributions	26	25
Contributed assets	691	-
Commonwealth government subsidies and grants - NDRRA	2,229	6,634
Commonwealth government subsidies and grants - other	4,139	446
Commonwealth government subsidies and grants - roads to recovery subsidy	9	378
State government grants and subsidies - TIDS subsidy	499	499
State government grants and subsidies - other	3,037	4,424
	10,629	12,406

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.

4 Grants, subsidies, contributions and donations (continued)
(c) Timing of revenue recognition for grants, subsidies, contributions and donations

	2022 \$000	Revenue recognised over time	2021 \$000	Revenue recognised over time
	Revenue recognised at a point in time		Revenue recognised at a point in time	
Grants and subsidies	3,200	15,190	2,138	16,207
Donations	1	-	-	-
Contributions	366	-	394	-
Contributed assets	691	-	-	-
	4,258	15,190	2,532	16,207

5 Employee benefits

	Note	2022 \$000	2021 \$000
Staff wages and salaries		12,413	12,279
Councillors' remuneration		463	463
Annual, sick and long service leave entitlements		2,329	2,076
Superannuation	19	1,644	1,542
		16,849	16,360
Other employee related expenses		326	326
		17,175	16,686
Less : Capitalised employee costs		(900)	(917)
		16,275	15,769

Employee benefit expenses are recorded when the service has been provided by the employee and comprises of wages, salaries, terminations and redundancies. Councillor remuneration represents allowances paid in respect of carrying out their duties.

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 19.

	2022 No.	2021 No.
Councillors and full time equivalent employees for the financial year		
Councillors	7	7
Administration, depot and outdoors staff	183	179

The total of full time equivalent employees has been calculated based on the total ordinary hours worked for the relevant financial year.

	2022 \$000	2021 \$000
6 Materials and services		
Internal audit fees	36	48
Audit of financial statements by Auditor General of Queensland	86	81
Communications and information technology	1,424	1,244
Consultancies and professional services	656	471
Contractors and hire expenses	8,641	8,463
Donations and contributions	358	300
Electricity	927	973
Precept payments	290	285
Insurance	559	511
Memberships, licenses and subscriptions	258	299
Minor equipment and consumables	340	417
Other materials and services	688	424
Raw materials	1,084	1,100
Testing	208	69
Waste levy payment	645	533
Training, conferences and accommodation	197	116
Waste levy refund*	(317)	(281)
	16,080	15,053

* The State Government rebated \$316,712 of the state waste levy to mitigate the direct impacts on households.

Expenses are recorded on an accruals basis as Council receives the goods or services. Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$86,600 (2021: \$84,800).

7 Capital expenses		
<i>Gain/(loss) on the disposal of non-current assets</i>		
Proceeds from the sale of property, plant and equipment	203	174
Less: carrying value of disposed of property, plant and equipment	(1,438)	(3,031)
	(1,235)	(2,857)
Change in value of landfill restoration provision	(417)	(420)
	(1,652)	(3,276)

8 Cash and cash equivalents		
Cash at bank and on hand	181	209
QTC - cash fund	20,379	16,616
Balance per Statement of Cash Flows	20,560	16,825

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

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

8
Cash and cash equivalents (continued)

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

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

	2022 \$000	2021 \$000
Unspent government grants and subsidies - operating purposes	211	163
Unspent government grants and subsidies - capital purposes	639	687
Waste levy refund received in advance	1,385	-
Total externally imposed restrictions on cash assets	2,234	850

Cash at bank and on hand at 30 June 2022 includes \$1,385,479 received from the State government to mitigate the direct impacts on households of the State Waste Levy. This money has been set aside to help fund the Council's 2022-23, 2023-24, 2024-25 and 2025-26 Levy expenses.

(ii) Internal allocations of cash at the reporting date

Amount held for SES funding purposes	22	26
Total internally allocated cash	22	26

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

Trust funds

Trust funds held for outside parties

Monies collected or held on behalf of another entity yet to be paid out to or on behalf of that entity

112	174
112	174

Hinchinbrook Shire Council performs only a custodial role in respect of these monies as Trustee. As these funds cannot be used by Council, they are not brought to account in these financial statements.

9
Receivables
Current

Rates and utility charges	1,381	1,789
Government grants and subsidies	-	364
Interest receivable	12	8
Other debtors	386	283
Less: loss allowance	(14)	(42)
	1,765	2,402

Receivables are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued. Receivables are measured at amortised cost which approximates their fair value at reporting date.

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

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's freehold property to recover outstanding rate debt, 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. Council does impair rate receivables where outstanding rates debts apply to leasehold land.

Interest is charged on outstanding rates (8.03% per annum from 1 July 2021 for the 2022 financial year (previously 8.53% per annum). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area. As the area is largely agricultural based, there is also a concentration in the agricultural industry.

10
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 the 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, gives rise to a contract liability.

(a) Contract assets

2022	2021
\$000	\$000

2,022	3,913
-------	-------

(b) Contract liabilities

Funds received upfront to construct Council controlled assets

639	686
-----	-----

Non-capital performance obligations not yet satisfied

324	234
-----	-----

963	920
-----	-----

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

Funds to construct Council controlled assets

678	1,616
-----	-------

Non-capital performance obligations

83	680
----	-----

761	2,296
-----	-------

(c) Significant changes in contract balances

Of the contract balances above, NDRRA represents \$74,878 of the contract assets. In 2021FY, the contract asset balance for NDRRA amounted to \$3,265,943 which represented expenditure, where the associated revenue was not yet received. Changes in contract balance amounts from year to year are dependant the on timing of the flood event, the receipt of grants, and the timing of the works carried out.

11
Other assets

Water charges not yet levied

737	792
-----	-----

GST recoverable

486	720
-----	-----

Prepayments

349	257
-----	-----

1,573	1,769
-------	-------

12 Property, plant and equipment

(a)

	Land and land improvements	Buildings and structures	Fleet assets	Roads, drainage and bridges network	Water	Sewerage	Computer network	Plant and equipment	Work in progress	Total
	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022
	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Cost	Cost	Cost	
Asset values	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2021	13,505	64,230	9,252	333,758	53,926	35,985	5,874	3,763	7,989	528,281
Additions	-	-	-	-	-	-	-	-	14,158	14,158
Completed assets transferred from work in progress	15	1,292	993	6,165	1,461	422	-	1,053	(11,400)	-
Contributed assets	45	1,168	-	-	-	-	-	-	-	1,213
Disposals	(22)	(274)	(489)	(2,568)	(81)	(99)	(4,578)	(148)	-	(8,256)
Transfers between asset classes	(10,031)	6,233	-	3,798	-	-	-	-	-	-
Work in progress written off	-	-	-	-	-	-	-	-	(162)	(162)
Revaluation adjustment	-	11,684	-	30,735	181	-	-	-	-	42,601
Closing gross value as at 30 June 2022	3,511	84,336	9,756	371,888	55,488	36,308	1,296	4,667	10,586	577,835
Accumulated depreciation										
Opening balance as at 1 July 2021	(4,032)	(20,400)	(3,829)	(113,257)	(22,350)	(14,721)	(4,423)	(2,087)	-	(185,099)
Depreciation provided in period	(323)	(1,248)	(727)	(5,355)	(939)	(461)	(148)	(256)	-	(9,458)
Depreciation on contributed assets	-	(477)	-	-	-	-	-	-	-	(477)
Depreciation on disposals	14	105	337	2,129	73	72	3,967	122	-	6,817
Transfers between asset classes	4,341	(2,387)	-	(1,954)	-	-	-	-	-	-
Revaluation adjustment	-	(3,905)	-	(10,659)	-	-	-	-	-	(14,565)
Accumulated depreciation as at 30 June 2022	-	(28,313)	(4,219)	(129,097)	(23,217)	(15,109)	(604)	(2,222)	-	(202,781)
Total written down value as at 30 June 2022	3,511	56,023	5,537	242,791	32,270	21,199	692	2,445	10,586	375,054
Land: Not depreciated.										
Improvements:										
Range of estimated useful life in years	5 - 130	3 - 185	2 - 25	3 - 1000	5 - 180	2 - 160	2 - 50	2 - 100	Not depreciated	
Additions by asset class comprise:										
Renewals	-	481	1,073	5,962	322	796	-	-	-	8,633
Expansion	-	271	-	88	-	-	-	-	-	359
New	-	139	475	181	28	451	-	98	-	1,372
Upgrade	-	128	-	3,663	3	-	-	-	-	3,794
Total additions	-	1,019	1,548	9,894	353	1,247	-	98	-	14,158

12 Property, plant and equipment

(b)

Basis of measurement

Asset values

Opening gross value as at 1 July 2020

Additions

Completed assets transferred from work in progress

Contributed assets

Disposals

Transfers between asset classes

Revaluation adjustment

Closing gross value as at 30 June 2021

Accumulated depreciation

Opening balance as at 1 July 2020

Depreciation provided in period

Depreciation on disposals

Transfers between asset classes

Revaluation adjustment

Accumulated depreciation as at 30 June 2021

Total written down value as at 30 June 2021

Land: Not
depreciated.

Improvements:

Range of estimated useful life in years

Additions by asset class comprise:

Renewals

Expansion

New

Upgrade

Total additions

Land and land improvements	Buildings and structures	Fleet assets	Roads, drainage and bridges network	Water	Sewerage	Computer network	Plant and equipment	Work in progress	Total
2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Cost	Cost	Cost	
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
13,469	62,781	9,063	325,393	45,319	30,586	5,213	2,995	9,136	503,955
-	-	-	-	-	-	-	-	17,560	17,560
-	573	786	12,632	3,457	73	583	604	(18,707)	-
36	-	-	-	-	-	-	-	-	36
-	-	(597)	(4,916)	(179)	(14)	-	-	-	(5,706)
-	845	-	25	(545)	(567)	78	164	-	-
-	30	-	625	5,874	5,907	-	-	-	12,436
13,505	64,230	9,252	333,758	53,926	35,985	5,874	3,763	7,989	528,281
(3,598)	(18,973)	(3,427)	(110,292)	(20,915)	(16,193)	(3,762)	(1,838)	-	(178,998)
(434)	(1,211)	(786)	(5,111)	(899)	(554)	(633)	(193)	-	(9,821)
-	-	383	2,149	131	13	-	-	-	2,676
-	(215)	-	(3)	141	161	(28)	(56)	-	-
-	-	-	-	(808)	1,852	-	-	-	1,044
(4,032)	(20,400)	(3,829)	(113,257)	(22,350)	(14,721)	(4,423)	(2,087)	-	(185,099)
9,473	43,830	5,422	220,501	31,575	21,264	1,451	1,675	7,989	343,182
Land: Not depreciated.									
Improvements:									
5 - 130	3 - 185	2 - 25	3 - 1000	5 - 180	2 - 160	2 - 50	2 - 100	Not depreciated	
-	465	944	6,604	66	234	539	16	-	8,868
950	67	88	126	1,215	-	-	8	-	2,452
213	-	8	135	-	-	227	-	-	584
500	377	-	3,927	852	-	-	-	-	5,656
1,663	909	1,040	10,792	2,133	234	765	23	-	17,560

Property, plant and equipment (continued)

(c) Recognition and measurement

Capitalisation thresholds

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

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

Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight, architect's fees, engineering design fees and all other establishment costs.

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets may also be included in their cost.

Property, plant and equipment received in the form of contributions are recognised as assets and revenues at fair value.

When Council raises a provision for the restoration of a Council controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimate amount or timing of restoration costs are recognised against asset revaluation surplus.

All asset acquisitions are accounted for in work in progress and when completed are transferred from work in progress to the relevant asset class.

Assets that have been identified as a result of new information having been obtained are recognised as a revaluation adjustment against the asset revaluation surplus in the year that they are identified.

Land under roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where Council holds title or a lease over the asset.

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

(d) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption for all Council assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

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

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

12 Property, plant and equipment (continued)

(d) Depreciation (continued)

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

(e) Impairment

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. 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.

(f) Valuation

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years with interim valuations using a suitable index, being otherwise performed on an annual basis where there has been a material variation in the index. Ongoing monitoring of asset conditions through work programs, maintenance schedules and onsite observations allows any material change in asset conditions to be recognised. In a year of formal revaluation the valuer physically sights a representative sample of the asset class being revalued and makes assessments of the condition of the assets at the date of inspection.

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

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

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

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

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, 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 following table lists Council's assets with fair value measurements of level 2 and 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.

12 Property, plant and equipment (continued)
(f) Valuation (continued)

The table presents the Council's assets measured and recognised at fair value at 30 June 2022.

At 30 June 2022	Note	Level 1	Level 2	Level 3
		\$000	\$000	\$000
Recurring fair value measurements				
Land and land improvements	12(a)	-	3,511	-
Buildings and structures	12(a)	-	-	56,023
Road, bridges and drainage network	12(a)	-	-	242,791
Water infrastructure	12(a)	-	-	32,270
Sewerage infrastructure	12(a)	-	-	21,199
		-	3,511	352,283

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

12 Property, plant and equipment (continued)
 (f) Valuation (continued)
 (i) Valuation techniques used to derive fair values

Asset class	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied this year	Other interim revaluation adjustment
Land and land improvements (level 2)	Market value	30 June 2019	APV Valuers and Asset Management	Comparison to recently sold properties of a similar type, adjusted for size, zoning, topography and configuration. Price per square metre is the most significant input.	Nil	Nil
Land and land improvements (level 3)	Current replacement cost	30 June 2019	APV Valuers and Asset Management	Price per square metre taking into account condition.	Nil	Nil
Buildings and structures	Current replacement cost	30 June 2019	APV Valuers and Asset Management	Estimation of replacement cost by component, including consideration of the cost of construction, pattern of consumption and asset condition.	16%	Nil
Roads, drainage and bridges network	Current replacement cost	30 June 2019	Unit rates were developed by Langtree Consulting. Condition assessments were performed by Pavement Management Services (sealed roads) and Civil Project Services (unsealed roads)	Replacement cost calculated by reference to asset linear and area specifications, estimated labour and material inputs and service costs sourced from recently completed projects. Remaining life of assets based on condition, taking into account functionality, capability, utilisation and obsolescence.	9%	Nil
Water	Current replacement cost	30 June 2021	APV Valuers and Asset Management	Unit rates established through quoted prices from suppliers, cost guides such as Rawlinson's Construction Handbook and prices supplied by Council. Remaining useful life based on condition or age, adjusted for obsolescence.	Nil	Nil
Sewerage	Current replacement cost	30 June 2021	APV Valuers and Asset Management	Unit rates established through quoted prices from suppliers, cost guides such as Rawlinson's Construction Handbook and prices supplied by Council. Remaining useful life based on condition or age, adjusted for obsolescence.	Nil	Nil

13
Payables
Current

Trade creditors and accruals
Prepaid rates

2022 \$000	2021 \$000
4,298	4,070
1,061	1,018
5,359	5,088

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.

14
Provisions
Current

Annual leave
Long service leave
Rostered days off
Time in lieu
Warren's Hill landfill site restoration

2,093	2,111
2,155	2,032
80	80
26	28
149	1,102
4,502	5,353

Non-current

Ingham landfill site restoration
Taylors Beach landfill site restoration
Forrest Beach landfill site restoration
Lucinda landfill site restoration
Warren's Hill landfill site restoration
Long service leave

2,899	2,879
845	926
496	516
168	196
2,483	2,956
145	160
7,037	7,633

Liabilities are recognised for employee benefits in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability.

Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

The following information for the Ingham, Taylors Beach, Forrest Beach and Lucinda landfill sites is based on an estimate to undertake remediation works at these closed landfill sites. Council is continuing monitoring and testing of these sites. The remediation works are expected to occur over the next 10 years, with Council continuing to investigate options for remediation works.

2022
Landfill site restoration

Balance at beginning of financial year
Increase in provision due to unwinding of discount
Increase in provision due to change in cost estimate
Decrease in provision due to change in timing, inflation and discount rates

Ingham \$000	Taylors Beach \$000	Forrest Beach \$000	Lucinda \$000	Total \$000
2,879	926	516	196	4,517
9	3	2	1	15
94	28	16	5	144
(84)	(112)	(38)	(34)	(267)
2,899	845	496	168	4,408

Balance at end of financial year
2021
Landfill site restoration

Balance at beginning of financial year
Increase/(decrease) in provision due to unwinding of discount
Increase in provision due to change in timing and discount rates

Ingham \$000	Taylors Beach \$000	Forrest Beach \$000	Lucinda \$000	Total \$000
2,693	818	461	149	4,122
7	(23)	(6)	(2)	(24)
179	131	61	49	420
2,879	926	516	196	4,517

Balance at end of financial year

14
Provisions (continued)
Warren's Hill landfill site restoration

	2022 \$000	2021 \$000
Balance at beginning of financial year	4,058	3,384
Increase/(decrease) in provision due to unwinding of discount	13	(5)
Increase/(decrease) in provision due to change in discount rate	(681)	59
Increase/(decrease) in provision due to change in inflation rate	153	204
Increase/(decrease) in provision due to change in timing	(39)	(1,120)
Increase/(decrease) in provision due to change in cost estimate	229	3,542
Decrease in provision due to remediation works	(1,102)	(2,006)
Balance at end of financial year	2,632	4,058

This is the present value of the estimated cost of restoring the landfill site to a useable state at the end of its useful life. The costs above relate to the two active cells at Warren's Hill. The projected cost to restore both cells is **\$3.03m** and this cost is expected to be incurred in stages for each cell.

A provision is made for the cost of restoration of assets and other future restoration costs where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of the facility. This liability is provided in respect of landfill sites.

The provision is measured at the expected cost of the work required discounted to current day values using an appropriate rate. The current Commonwealth Government bond rate is considered an appropriate rate. The calculation of the provision requires assumptions such as the 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 annually and updated based on the facts and circumstances available at the time.

Some landfill sites are located on State reserves which Council does not control. The cost of the provisions for restoration of these is therefore treated as an expense in the year the provision is first recognised. Changes in the provision not arising from the passing of time are treated as an expense or income.

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

Long service leave

Balance at beginning of financial year	2,192	2,202
Long service leave entitlement arising	295	317
Long service entitlement extinguished	(58)	(70)
Long service entitlement paid	(129)	(257)
Balance at end of financial year	2,300	2,192

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.

Where employees have met the prerequisite length of service and Council does not have an unconditional right to defer this liability beyond twelve months, long service leave is classified as a current liability.

	2022 \$000	2021 \$000
15 Other liabilities		
Current		
Waste levy refund received in advance	349	-
	349	-
Non-Current		
Waste levy refund received in advance	1,036	-
	1,036	-

The State Government made an advance payment to Council in June 2022 to mitigate the impacts on households for years 2022-23 to 2025-2026 of the State Waste Levy. The Council will be liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites. The State is required to make an annual subsidy payment to the Council for the portion of the Levy that relates to domestic waste. Council will fund the portion of the Levy that relates to commercial waste through charges to commercial users. As the receipt from the State in June 2022 relates to future years, the full amount has been recognised as a liability at 30 June 2022.

16 Asset revaluation surplus		
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	183,352	172,557
<i>Net adjustment to capital non-current assets at end of period to reflect a change in fair value:</i>		
Buildings and structures	7,779	30
Road, drainage and bridge network	20,076	625
Water	181	5,067
Sewerage	1	7,758
Land and land improvements	(334)	(2,685)
Movements total	27,702	10,795
Balance at end of financial year	211,054	183,352

Asset revaluation surplus analysis

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

Land and land improvements	-	334
Buildings and structures	27,736	19,957
Road, drainage and bridge network	154,552	134,476
Water	14,071	13,890
Sewerage	14,696	14,695
	211,054	183,352

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.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount in the surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

17 Commitments for expenditure
Operational contractual commitments

Contractual commitments at balance date but not recognised in the financial statements are payable as follows:

Contract for refuse disposal were reviewed in 2020/21, with a new contract in place until 30 June 2028. Value of contract presented is based on the number of waste services provided at 30 June 2022 multiplied by the cost per service and adjusted for inflationary factors.	4,640	4,790
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	4,640	4,790
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Capital contractual commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Property, plant and equipment

Road, drainage and bridge network	3,017	1,819
Buildings and structures	-	121
Land and land improvements	-	324
Water	-	18
Sewerage	157	306
Fleet	260	126
Plant and Equipment	-	547
Other	87	1,501
	3,521	4,762

These expenditures are payable as follows:

Within one year	3,521	4,762
One to five years	-	-
Later than five years	-	-
	3,521	4,762

18 Contingent liabilities

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

Local Government Workcare

Hinchinbrook Shire 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 circumstance arise.

The Council's maximum exposure to the bank guarantee is:

	365	334
--	-----	-----

Local Government Mutual

Hinchinbrook Shire 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 being 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 of any year that a deficit arises.

As at 30 June 2022 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

19 Superannuation

2022	2021
\$000	\$000

Council contributes to the LGIA super Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIA 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 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.

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

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

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

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

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

- Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.
- Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Note		
Superannuation contributions made to the Regional Defined Benefits Fund		119	135
Other superannuation contributions for employees		1,525	1,407
Total superannuation contributions paid by Council for employees:	5	1,644	1,542

20 Joint arrangement
Hinchinbrook Community Wetlands

The Council has a 50% share joint arrangement interest in the Hinchinbrook Community Wetland (an unincorporated body jointly managed by Council and a third party). The principal activity of which is to develop and maintain a local wetland to treat waste water. Council's share of the results and net assets of this body are as follows:

Ordinary revenues	15	23
Ordinary expenses	(40)	(53)
Net result	(25)	(31)
Sewerage infrastructure assets - 100%	855	867

	2022 \$000	2021 \$000
21 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities		
Net result	5,152	3,094
Non-cash operating items :		
Depreciation	9,458	9,821
Work in progress written off	162	-
	14,772	12,915
Investing and development activities :		
Net (profit)/loss on disposal of non-current assets	1,235	2,857
Contributed assets	(736)	(36)
	499	2,821
Changes in operating assets and liabilities :		
(Increase)/decrease in receivables	637	604
(Increase)/decrease in other assets	196	(14)
(Increase)/decrease in contract assets	1,891	(2,879)
(Increase)/decrease in inventories	(222)	45
Increase/(decrease) in payables	271	(551)
Increase/(decrease) in contract liabilities	43	(1,387)
Increase/(decrease) in other liabilities	1,385	-
Increase/(decrease) in provisions	(1,784)	(1,455)
	2,418	(5,637)
Net cash inflow from operating activities	17,689	10,099

22 Events after the reporting period

There were no material adjusting events after the balance date that require disclosure.

23 Financial instruments and financial risk management

Hinchinbrook Shire Council has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

Hinchinbrook Shire Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies. Council's management 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 audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. The Council audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

23 Financial instruments and financial risk management (continued)
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 from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

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

Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting obligations associated with its 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.

Hinchinbrook Shire Council is exposed to liquidity risk through its normal course of business. The Council does not have any borrowings or external loans, limiting their exposure to liquidity risks.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities to cater for unexpected volatility in cash flows. Unrestricted access was available at balance date to the lines of credit listed below:

	2022	2021
	\$000	\$000
Bank overdraft facility	150	150

Market risk

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

Interest Rate Risk

Hinchinbrook Shire Council is exposed to interest rate risk through investments with QTC and other financial institutions.

Sensitivity

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

A reasonably possible change in interest rates (assumed to be 1%) would have an impact of \$206,000 (30 June 2021: \$168,000) on the profit and equity of the Council, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	2022 \$000	2021 \$000
24 Transactions with related parties		
(a) Transactions with key management personnel (KMP)		
KMP includes the Mayor, Councillors, Council's Chief Executive Officer and Directors.		
Compensation paid to KMP:		
Short-term employee benefits	1,309	1,369
Post-employment benefits	88	88
Long-term benefits	(41)	(40)
Total KMP compensation	1,356	1,417
Further detail in relation to KMP remuneration is included 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, parents, grandparents, brother and sisters.		
Details of transactions between Council and other related parties are disclosed below:		
Payment of precept to Associate	243	243
Employee expenses for close family members of KMP	443	443
Fees and charges charged to entities controlled by KMP	2	3
Purchase of materials and services from entities controlled by KMP	170	145
Total transactions with other related parties	858	834
All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The Council employs 183 full time equivalent staff of which 5 are close family members of KMP at reporting date.		
The Council purchased the following material and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of council operations:		
Unleaded petrol and diesel fuel		
Motor vehicle tyres and tyre repairs		
Maintenance materials and labour		
Certificates of inspection		
GPS cameras		
Gravel		
(c) Outstanding balances		
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:		
Employee expenses for close family members of KMP	-	14
Entities controlled by KMP	-	-
Total outstanding balances	-	14
No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed to related parties.		
(d) Loans and guarantees to/from related parties	-	-
Council does not make loans to or receive loans from related parties. No guarantees have been provided.		
(e) Commitments to/from other related parties	-	-
Council has no outstanding commitments to/from other related parties.		
(f) Transactions with related parties that have not been disclosed		
Most of the entities and people that are related parties of council live and operate within the Hinchinbrook Shire. Therefore, on a regular basis ordinary citizen transactions occur between council and its related parties. It has been determined that the aggregate of any such transactions, which occurred on no different terms to that of the general public, is not material for disclosure in these general purpose financial statements.		

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.

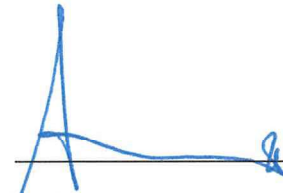
In accordance with section 212(5) of the Regulation we certify that:

- (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 28, 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.



R Jayo
Mayor

Date: 31 October 2022



K Týtherleigh
Chief Executive Officer

Date: 31 October 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Hinchinbrook Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Hinchinbrook Shire Council.

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



Lisa Fraser
as delegate of the Auditor-General

31 October 2022

Queensland Audit Office
Brisbane

Current Year Financial Sustainability Statement

For the year ended 30 June 2022

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2022 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-10.0%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense	90.8%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	-18.7%	Not greater than 60%

Note 1 - Basis of Preparation

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

Certificate of Accuracy

For the year ended 30 June 2022

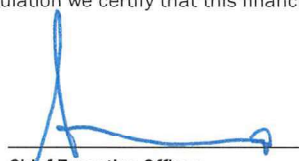
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

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



Mayor
R Jayo

Date: 31 October 2022



Chief Executive Officer
K Tytherleigh

Date: 31 October 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Hinchinbrook Shire Council

Report on the current-year financial sustainability statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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



Lisa Fraser
as delegate of the Auditor-General

31 October 2022

Queensland Audit Office
Brisbane



Long-Term Financial Sustainability Statement - Unaudited For the year ended 30 June 2022

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031
Operating surplus ratio	Net operating result divided by total operating revenue	Between 0% and 10%	(10.0%)	(13.2%)	(13.6%)	(14.5%)	(13.6%)	(13.0%)	(11.8%)	(9.0%)	(7.2%)	(5.8%)
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	Greater than 90%	90.8%	63%	53%	40%	86%	83%	81%	85%	86%	86%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	Not greater than 60%	(18.7%)	(41%)	(40%)	(40%)	(40%)	(42%)	(45%)	(49%)	(54%)	(60%)

Hinchinbrook Shire Council's Financial Management Strategy

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

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2022

This long-term financial sustainability statement has been prepared pursuant to Section 1.78 of the Local Government Regulation 2012 (the regulation).

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


Mayor
R Jayo

Date: 31 October 2022


Chief Executive Officer
K Tytherleigh

Date: 31 October 2022



Council Staff at Roati Street, Ingham



HINCHINBROOK SHIRE COUNCIL

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