



ANNUAL REPORT 2022-2023





CONTENTS

OUR MISSION AND VISION	4
OUR VALUES	5
HINCHINBROOK AT A GLANCE	6
MAYOR'S MESSAGE	8
ELECTED REPRESENTATIVES	10
2022-2023 COUNCIL COMMUNITY EVENTS	14
CEO MESSAGE	16
EXECUTIVE MANAGEMENT TEAM	18
ORGANISATIONAL STRUCTURE	21
REPORTING SYSTEM	21
CORPORATE AND OPERATIONAL PLAN OUTCOMES	22
STRATEGIC DIRECTIONS	24
LEGISLATIVE INFORMATION	42
COMMUNITY FINANCIAL REPORT	50
COUNCIL FINANCIAL STATEMENTS 2022-2023	58



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 \$38.00 applies for printed copies or refer to Council's website www.hinchinbrook.qld.gov.au to download a PDF version.





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.



Yanks Jetty Orpheus Island

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



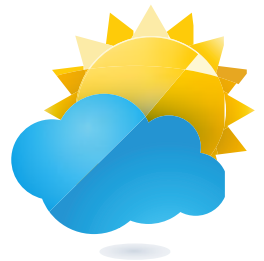
RATEABLE PROPERTIES

6,556



AVERAGE TEMPERATURE RANGE

19°C -
29.3°C



RATES, LEVIES AND CHARGES REVENUE
2022-2023

\$26.4m

*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 Advisory Portfolio

0427 875 607

mayor@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

Welcome to our Annual Report for 2022-2023 a year that presented a number of challenges for us as a local government responding to the effects of rising inflation, compromised supply chain for materials and staff shortage affecting continuity of service provision to the level to which our community is entitled.

But, as you will observe from the detail in this Annual Report, we have continued to deliver great outcomes for our community despite the challenges faced.

The purpose of an Annual Report is to account to the community on Council's progress towards achieving the goals and actions promised through our Corporate and Operational Plans. We have delivered key projects and operational activities across the Shire, particularly in ensuring that the assets upon which Council relies to provide the essential services for a liveable and sustainable community are maintained and progressed.

A few of the activities I would like to mention outlining the achievements are as follows:

- **Completion of Flood Damage Recovery:** Council successfully completed all flood damage recovery efforts related to the 2021 disaster events under the Queensland Reconstruction Authority (QRA) Reconstruction of Essential Public Assets (REPA) program, ensuring that our essential public assets are fully restored and resilient against future challenges;
- **Mount Fox and Abergowrie Landslip Project:** This critical project was also completed under the QRA's REPA program, reinforcing our infrastructure's stability in the face of landslips, in furthering community safety;
- **Warrens Hill Landfill Cell 3 Construction:** The commencement of this project reflects our commitment to sustainable waste management, providing a reliable solution for our community's waste disposal needs;
- **Waterfall Creek Bridge Replacement:** The commencement of bridge replacement works on Waterfall Creek Bridge, partially funded by the Federal Government Bridges Renewal Program;
- **Ingham State School Footbridge Replacement:** Replacement of the footbridge at Ingham State School, providing safer access for our students and residents;
- **Trebonne Water Main Renewal** ensuring the reliability and quality of our water supply infrastructure; and
- **Fire Hydrant Renewal Program:** The completion of the fire hydrant renewal program underscores our commitment to fire safety within our community.

These achievements are the result of the dedication and hard work of our committed team at Hinchinbrook Shire Council, and I want to express my gratitude to Council's staff for their tireless efforts and assistance.

Our commitment to serving the community remains steadfast. We are proud of these accomplishments, and we will continue to work diligently to enhance the quality of life in our Shire. As we move forward, we look forward to your ongoing support and engagement, ensuring that the Hinchinbrook Shire continues to thrive.

A highlight for the community was the opening of the new Doug Ladner Bridge over Palm Creek ensuring that our residents, particularly our nursing home residents, maintain ease of access to our hospital facilities during minor to moderate flood events to which we regularly succumb.

We continued to pursue our quest for diversification of our economy through new agricultural initiatives and succeeding in trials of growing and marketing alternate crops with the cooperation and assistance of the Department of Agriculture and Fisheries.



We have vigorously lobbied for and supported new industry initiatives such as the Mount Fox Power Park, waste re-use processes and new tourism opportunities such as Paluma to Wallaman Trail, given the job opportunities that new projects offer to our district.

I am particularly pleased with our achievements in progressing the safety and well being of our residents through disaster management planning. Upgrades to our digital technologies have allowed Council to improve information dissemination to the public, including live stream of flood levels at critical bridge crossings throughout the district for residents. Another major development was the adoption of the Coastal Hazard Adaptation Strategy defining the strategic actions needed to protect against the natural processes that could affect our landholders, particularly in beach areas due to predicted climate change processes.

We continue to work towards enhancing the liveability and lifestyle of our community by reviewing service levels and work practices to ensure better value for money.

We have seen tangible results to 2023 and we look forward to seeing our Council continue to improve and better its service delivery in meeting our community needs.

I would like to thank my fellow Councillors for their continued support in 2022-2023. You have again shown a willingness to work together and adapt to the constantly changing challenges we face as a collective group and for that I am grateful.

I would like to make particular mention and thank our interim CEO Michelle Webster for her significant efforts and commitment to managing and improving the service delivery of Council after stepping into the role on the resignation of former CEO Kelvin Tytherleigh. I would again like to sincerely thank all the staff of Hinchinbrook Shire Council for their dedication towards working for a better future for our district.

Ramon Jayo
Mayor
Hinchinbrook Shire Council



Doug Ladner Bridge Official Opening



ELECTED REPRESENTATIVES



COUNCILLOR ANDREW CRIPPS

Deputy Mayor

Corporate Development and Regulatory Services Advisory Portfolio

0407 741 997

acripps@hinchinbrook.qld.gov.au

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 2022-2023 financial year. In the same way households and businesses were affected, this period saw Council confronted with rising inflation (over 6%) on the costs of construction materials and inputs, such as fuel, electricity and insurance.

As Corporate Development 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 good outcomes for our community. The 2022-2023 budget increased rates by 2.75% and fees and charges by 3.5%.

The \$11 million capital works program included several projects focused on renewing key assets servicing our local community. Our \$28.3 million operational budget ensured the continuity of many of our local services and programs. The Corporate Development and Regulatory Services Advisory Portfolio also deals with planning, local laws and many 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

Economy and Events Advisory Portfolio

0409 356 252

mbrown@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

This past year has seen Council develop new growth opportunities, market and promote the Shire tourism experiences, support local and regional events, showcase career and employment opportunities, host visitors and Defence personnel throughout the Shire and advocate for expanded tertiary training support to be delivered to local residents.

Whilst the 2022 harvest season presented the community some additional challenges as a result of extended weather events, once again the community has banded together to support local business, events and take advantage of emerging opportunities that have presented. I would like to acknowledge the outstanding efforts of the Council staff to deliver a comprehensive selection of movies, live theatre and events at the JL Kelly Theatre this past year. I also would like to thank and acknowledge those local residents and visitors to our community, for their ongoing support of the theatre over this past year, which has been invaluable in ensuring this program is delivered.

Some of the highlights of this past year have included:

- Hosting "Find Your Future in Hinchinbrook" – career and employment expo hosted by Council with very strong attendance, engagement and positive feedback from participants again this year;
- Council resumed the management of JL Kelly Theatre and delivered a diverse range of entertainment experiences throughout the year, developing and growing the local and visitor support over the year;
- Community Activity Grants – Council supported the delivery of many diverse events throughout the year, that attracted local and regional visitors to the Shire. From small community events through to larger, regionally significant events, across sporting/ fishing/community/ arts and culture – including Maraka/Australian Italian Festival/Sugar City Rodeo/3RAR Freedom of Entry Parade/Rootbound Festival and Toyota Forest Rally - these events all enhance the liveability of our Shire;
- Council hosted Hinchinbrook Visitor Information Centre Volunteers Conference and an Agricultural Workforce Forum – both well attended events;
- Drive market visitation across the Shire continues a steady increase;
- Townsville Enterprise – Hosted "Today Show" from Hinchinbrook, which provided comprehensive national media coverage;
- Council again hosted local community events, including the Baby Welcoming Ceremony/Seniors Morning Tea/Christmas in Hinchinbrook/Tasman Turtle;
- Many years of engagement with Powerlink, who began construction of their major infrastructure project, has seen very good local business and employment outcomes across the Shire; and
- Hinchinbrook Shire again hosted three significant Military exercises this year, which were very well received and had positive impact to the community and economy.



ELECTED REPRESENTATIVES



COUNCILLOR ANDREW LANCINI

Utility Services Advisory Portfolio

0409 342 209

alancini@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: RE-ELECTED 30 MARCH 2016

PREVIOUS TERMS: 6 APRIL 1994 TO 9 MAY 2012

From experiencing delays with the construction of Cell 3 at Warrens Hill Landfill and Resource Recovery Centre at the same time as the current cell is at capacity, to managing a set-back with the newly installed capping over portions of the landfill, the 2022-2023 Financial Year has certainly been a year full of challenges and many lessons learnt.

A total volume of 11,379 tonne was processed through one of Council's waste facilities over the year, this is a 13% decrease in waste volume received compared to the previous year.

Out of all waste materials received, 52% of waste was landfilled while 28% was sent off site for recycling and the remaining 20% was processed on-site for re-use (such as green waste and concrete).

Landfilled waste saw a decrease by 11% in the 2022-2023 Financial Year when compared to the previous year. This is good news and may be an indication that Council's efforts in educating the community on properly sorting their waste is starting to work.

In addition to managing the Shire's waste facilities, Council also offers a domestic kerbside collection service to around 5,690 households. Majority of waste collected via the kerbside collection program relates to general waste, with recycling only accounting for around 15% of waste collected. This indicates that we can become better at recycling as we currently generate 52% less recycling per household than the average Queensland household. To assist with this, Council now offers a 350L recycling bin for any household that would like to upgrade. Please contact Council if you would like to explore this option.

Other key initiatives that occurred over the year, included the annual delivery of the Bulk Waste Support Program, illegal dumping and littering initiatives, the Hunt for Ingham's Best Bin Competition, Bin Tagging Education Program and waste education within the community and the local schools.



COUNCILLOR DONNA MARBELLI

Community and Culture Advisory Portfolio

0408 180 542

dmarbelli@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 14 APRIL 2020

It's important to me that in this report I personally thank you the residents of the Shire for having elected me for a term in Local Government in 2020.

I have learnt and am still learning a lot in this position as the Community and Culture Advisory Portfolio Councillor, that every day in our community Council needs to stay in touch and communicate well with the people. Working together for a better community is always a key focus of mine.

In Art and Culture, we continue to be involved with local, regional and international connections so that everyone understands the value in our TYTO precinct. Our Library, Gallery and Conference rooms have great facilities and are in one of the best and most beautiful locations in the North.

Hinchinbrook Shire again with funding was able to continue the "Move It Program" which is a free program in the Shire. This program ensures everyone of any age can stay on track with their health and wellbeing while making friendships along the way.

Theatre productions, movies and events again are finding and creating the lifestyle that we all love and appreciate as being part of the attraction here in our district.

Working alongside the Taylors Beach Progress Association, Local Clubs and Organisations is something that has made me realise how important and rewarding it is to be a volunteer.

A big thanks to the Mayor, other Councillors, CEO, Directors and all staff at Council for always pulling together as a team to make Hinchinbrook the great place that it is to live, work and play every day.



COUNCILLOR KATE MILTON

Biosecurity and Open Spaces Advisory Portfolio

0428 180 412

kmilton@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

The 2022-2023 financial year has probably been one of the hardest years we've had to deal with in my two terms in Council. Staff availability, housing and childcare are issues facing most businesses in the Shire, including Council. Last year's cane harvest was a disaster with many farms having stand over cane because of the wet conditions and late harvest. Stand over cane always contributes to rat numbers and the increasing numbers are causing problems with this year's crop. These are all issues that Councillors take into consideration along with rising costs of materials when setting rates. Council has worked very hard to balance the budget for the good of all.

Council's Public Spaces staff have been working hard at keeping the grass mowed and have been tidying up and adding color to some of our gardens. The Botanical Gardens are once more a pleasure to visit and Palm Creek seems to be the busiest place in town of an afternoon. The Rotary Park playground, apart from a few vandalism issues, has been a great success and is a place of joy for many youngsters and their families.

I am thrilled to say that our amazing staff have managed to do what most other Councils have not been able to achieve and that is to keep the flying foxes out of town. The work these staff members do is over and above, with many early mornings and abuse from some residents about the noise. They try their hardest to keep the noise at a minimum and do a lot more than most of us are even aware – great work team.

On the biosecurity side the Navua Sedge no slash zones and different slashing methods seem to be containing or at least slowing the spread of Navua Sedge in the Shire. We have a very real current threat with the spread of Yellow Crazy Ants. They have recently been found in the Whitsundays as well as infestations being controlled by Biosecurity staff in both Townsville and Cairns.



COUNCILLOR WALLY SKINNER

Infrastructure Services Advisory Portfolio

0408 724 324

wskinner@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 17 MAY 2012

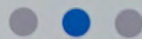
Another year has rolled over for Council and the Shire. This one has had a somewhat different feel for Infrastructure and Utility Services with the absence of any disaster declarations bought on because of extreme weather events. That had seemingly become the norm in recent years and had resulted in significant repairs being carried out, much of it with Federal and State Government funding.

Of course, these works take time, and some were still progressing as the financial year ended. In the new calendar year, and with a reasonably mild wet season, Council teams were able to focus more on business-as-usual matters. These included commencing construction of Cell 3 at Warrens Hill Landfill and Resource Recovery Centre to allow capacity into the future. Staff also continued with a project to cap the existing cells to ensure regulatory compliance and prevent leachate contamination escaping from the site. This project has not been without significant challenges.

A replacement program for Council's fleet and heavy plant necessitated expenditure of over \$1 million. This was aimed at ensuring our ability to respond and to maintain services to a high standard. Council also expended well over a million dollars on renewal of essential assets including bitumen reseal of numerous roads, stormwater drainage infrastructure and water and sewerage control and monitoring telemetry to name but a few.

Considerable effort was also put into tourism attraction with one focus being the Paluma to Wallaman adventure track development. The perennial problem of safe, all-tide, all-weather marine access has also consumed much discussion. Council continued to work with the State Government to find solutions for Dungeness and Forrest Beach. So far only minor progress has resulted, but our resolve remains focused on getting sensible outcomes for the community. The numbers utilising Council's short stay RV parks has justified our investment in that pursuit with consistent high occupancy.

Council remains optimistic that current and future challenges caused by inflationary pressures will be managed and the Shire is well placed to continue to be the place to work, holiday and live.



20, 232, 024 likes

HSC Find Your Future in Hinchinbrook

#HSC #findyourfuture #careerexpo #ingham #jobtips #careeradvice
#careerdevelopment #inghamsmallbusiness #shoplocal #worklocal
#careercoaching #jobsearch #thehinchinbrookway @hinchinbrookchamber



2022-2023 COUNCIL COMMUNITY EVENTS

JULY

- School Holiday Camps (HSL);
- Children's Author Chris Collins Interactive Show (HSL);
- White Wizzard Magic Show (HSL);
- Kids Bird Sculpture Workshop (TRAG);
- Townsville Watercolour Group Workshop (TRAG);
- Author Visit: Regina Petra Meyer Change of Course (HSL); and
- NAIDOC Flag Raising Ceremony (HVIC).

AUGUST

- Ingham Arts Festival Exhibition (TRAG);
- Senior's Morning Tea;
- Roald Dahl and the Imagination Seekers (JLKT);
- Children's Book Week In-Flight Program; and
- Ingham Arts Festival Dance Recital (JLKT).

SEPTEMBER

- Adults Bird Sculpture Workshop (TRAG);
- School Holiday Workshops (TRAG); and
- Pandora Beads Workshop (TRAG).

OCTOBER

- Billy Joel Unplugged (JLKT);
- Multicultural Comedy Gala (JLKT);
- Little Red in the Hood (HSL);
- Memorial Ash Bead Class (TRAG);
- Enamelling Beginners Class (TRAG);
- Senior's Morning Tea; and
- Birdlife Art Awards (TRAG).

NOVEMBER

- End of year School/Class Parties (JLKT).

DECEMBER

- End of year School/Class Parties (JLKT);
- Christmas in Hinchinbrook Carols by Candlelight;
- Christmas in Hinchinbrook Light up the Tree;
- Mayor's Christmas Appeal;
- Christmas in Hinchinbrook Late Night Shopping;
- Summer Reading Club; and
- Hinchinbrook Art Awards (TRAG).

JANUARY

- Australia Day Awards Ceremony;
- Australia Day Pool Party (HAC); and
- Australia Day Beach Party (Forrest Beach Surf Lifesaving Club).

FEBRUARY

- Magic Men Australia (JLKT);
- Tribute to Elvis (JLKT); and
- Destination Brand Workshop.

MARCH

- Brooke McClymont and Adam Eckersley: Country Music, You and Beer Tour (JLKT);
- Ingham Theatre Group: One Act Plays (JLKT); and
- Underwater Baby Welcoming Ceremony (TCEC).

APRIL

- 100 Years of Disney Celebration: Disney Sing-alongs (JLKT);
- 2023 Youth Week: Outer Limits Adventure Program; and
- Hinchinbrook Agriculture Workforce Forum (TCEC).

MAY

- Elton John Experience (JLKT);
- 2023 Find Your Future in Hinchinbrook (TCEC); and
- Australian Library and Information Association National Simultaneous Storytime 2023.

JUNE

- Camerata: Queensland Chamber Orchestra (JLKT);
- Melbourne International Comedy Festival Roadshow (JLKT); and
- Tasman Turtle's Big Day Out (TYTO).

REGULAR EVENTS

The following community events occurred on a regular basis in 2022-2023:

- Hinchinbrook Bird Count (HVIC);
- Morning Melodies (JLKT);
- Mega Movie Weekends (JLKT);
- Tea and Trivia (TCEC);
- Story Time (HSL);
- Sensory Story Time (HSL);
- E-Skills (HSL);
- Art Exhibition Openings (TRAG); and
- Hinchinbrook Health and Wellbeing Program.

FBSC - Forrest Beach Surf Lifesaving Club
HAC - Hinchinbrook Aquatic Centre
HSL - Hinchinbrook Shire Library
HVIC - Hinchinbrook Visitor Information Centre

JLKT - JL Kelly Theatre
TCEC - TYTO Conference and Events Centre
TRAG - TYTO Regional Art Gallery
TYTO - TYTO Parklands



Blue Tree Project TYTO Parklands

**MICHELLE WEBSTER****Interim Chief Executive Officer**

The Annual Report for this year is an essential review and reflection of our Council's performance and progress over the past twelve months. In line with our mission to provide responsible leadership and high quality services based on open and effective communication, the Report comprehensively presents an account of our achievements, opportunities, challenges and ongoing initiatives.

The report marks another productive year of committed service delivery, significant capital works, vibrant community programs, and targeted growth strategies to foster a prosperous, sustainable and resilient Shire. Our continual drive towards service excellence and community enrichment were central in each accomplishment, and to name a few, from finalising the Hinchinbrook Safe CCTV installation program, implementing CiA TechnologyOne upgrade, to managing robust disaster management and resilience plans. Council resolved to cease outsourcing the management of the Halifax Resource Recovery Centre and commenced management of the service within Council. Operations commenced at the Tip Shop at Warrens Hill Landfill and Resources Recovery Centre. Ingham was listed as Queensland Top Small Tourism Town finalist, although not winning the top award, was great recognition for the many natural assets and Tourism opportunities within the Hinchinbrook Shire.

Council also continued to strengthen its capital works delivery through the Project Management Steering Committee which focuses on the delivery and management of capital works projects within Hinchinbrook Shire. Of a similar nature through the Asset Management Steering Committee a concerted effort and focus on Asset Management with approximately \$432 million of community assets under management, saw the commencement of development of various Asset Management Plans.

Showcasing the many programs which are supported through our community based programs has also been a highlight such as Underwater Wonderland Baby Welcoming Ceremony, where we celebrated the arrival of 42 babies into our Hinchinbrook world. Support of the Regional Arts Development fund empowering ten projects enriching the regional's cultural landscape. Youth week and School Holiday Program are a testament to providing diverse services to our community and engaging opportunities for our younger citizens.

Yet, the year also posed significant challenges, including dealing with external threats to IT security and supply chain security, as well as resource constraints and strategic project legislative hurdles. But, we believe, such challenges provide an opportunity to test our resolve and improve our efficiency, service quality, and management skills.

As we progress into another exciting year, our attention remains on meeting the diverse needs of our community and securing the Shire's long term sustainability, growth and resilience. We believe this Annual Report is a testament to our commitment towards continuous improvement and delivery of value adding services to our community.

We are truly proud of the immense team effort behind our successes and look forward to building on these as we shape a prosperous future for our Shire. On behalf of our Council, I express sincere gratitude to all who contributed towards this mission, and invite you all to review this report as an account of our collective progress, aspiration and endeavour.

I sincerely thank our residents for their continual trust, patience, and support in our vision. We continue to serve, and grow stronger, thanks to you.

Here's to the progress we've made and the journey ahead!

Michelle Webster
Interim Chief Executive Officer
Hinchinbrook Shire Council



Hinchinbrook Visitor Information Centre



DIRECTOR CORPORATE AND COMMUNITY SERVICES

RESPONSIBILITIES

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

HIGHLIGHTS

- The Queensland Audit Office assessment of Council's overall financial sustainability found to be high risk;
- 42 babies were welcomed at the Underwater Wonderland Baby Welcoming Ceremony;
- Supported ten projects via the Regional Arts Development Fund;
- Delivered a successful Youth Week and School Holiday Program;
- Adoption of a refreshed Development Incentives Guideline which will be used to guide and encourage development across the Shire;
- Finalised the Hinchinbrook Safe CCTV installation program;
- Successfully implemented the CiA TechnologyOne upgrade;
- Delivery of the 2022 Hinchinbrook Health and Wellbeing Program ;
- Transitioned from server based to cloud solutions improving redundancy and disaster resilience;
- Assisted 24 community groups deliver their events and programs via the Community Activity Grants program;
- Approximately 5,800 patrons enjoyed the artistic flair displayed at the TYTO Regional Art Gallery;
- Delivered 42 events encompassing 81 days of entertainment to approximately 9,000 patrons at the JL Kelly Theatre;
- The establishment of the Hinchinbrook Employment and Skills Development Reference Group to collaborate and engage with the community in relation to employment and skills development issues;
- Hosted the first Hinchinbrook Agriculture Workforce Forum exploring workforce options and opportunities in a response to address industry labour and skills workforce challenges; and
- Today show crossed live in Hinchinbrook March 2023 to launch the region's new national tourism brand campaign 'Up for the Unexpected'.

CHALLENGES

- Continual growth of expectations within the existing resourcing and processing constraints;
- Increased external threats to our IT security;
- Increased threats to supply chain security;
- 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;
- Adequately resourcing operational requirements; and
- The number of Tourism business operating in the Hinchinbrook region.



DIRECTOR INFRASTRUCTURE AND UTILITY SERVICES

RESPONSIBILITIES

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

HIGHLIGHTS

- Completion of all flood damage recovery from the 2021 Disaster Events under the Queensland Reconstruction Authority (QRA) Reconstruction of Essential Public Assets (REPA) program;
- Completion of the Mount Fox and Abergowrie Landslip projects funded under the Queensland Reconstruction Authority (QRA) Reconstruction of Essential Public Assets (REPA) program;
- Completion of Dutton Street Project, fully funded by the Australian Government's National Flood Infrastructure Mitigation Program;
- Commencement of Warrens Hill Landfill and Resource Recovery Centre (WHLRRC) Cell 3 construction project;
- Completion of asset renewal projects – bitumen reseal program, kerb inlet upgrade program, Herbert Street drainage renewal, Miles Street drainage renewal, Insitu Stabilised Pavement renewal program;
- Successful completion and delivery of the 2022-2023 Transport Infrastructure Development Scheme (TIDS) funded projects. This program included major reconstruction of Bosworths Road, Tokalon Road, Taylors Beach Road and Hawkins Creek Road;
- Commencement of bridge replacement works on Waterfall Creek Bridge, partially funded by the Federal Government Bridges Renewal Program;
- Completion of footbridge replacement at the Ingham State School on Eleanor Street;
- Completion of the Trebonne Water Main Renewal project;
- Completion of the Fire Hydrant Renewal program;
- Development application was lodged for Dungeness Dredging project, Council secured \$300,000 in funding from the Queensland State Government to undertake further investigations required to resubmit the application to support the Rockwall Construction and ongoing Dredging and Beach Replenishment required to be successful long term; and
- Commencement of the Orient Road Water Main Extension project.

CHALLENGES

- WHLRRC Cell One Capping failure occurred late 2022 impacting Council waste services and resources;
- WHLRRC Cell Three Lechate and Drainage project construction experienced significant delays impacting Council resources and capacity to receive waste to WHLRRC Cell Two;
- Significant Disaster Recovery Funding Works following declared disasters in last two years totalling as much as \$15 million of funding submissions to State and Federal Governments;
- Difficulty in attracting and retention of key professional and skilled staff;
- Increasing community expectations and pressures on operational budgets to maintain services; and
- Increases in the time it takes for the supply of materials and goods, due to increased market demand.



OFFICE OF THE MAYOR AND CEO

RESPONSIBILITIES

- Mayor and CEO Support;
- Executive Support;
- Media and Communications;
- Disaster Management;
- 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

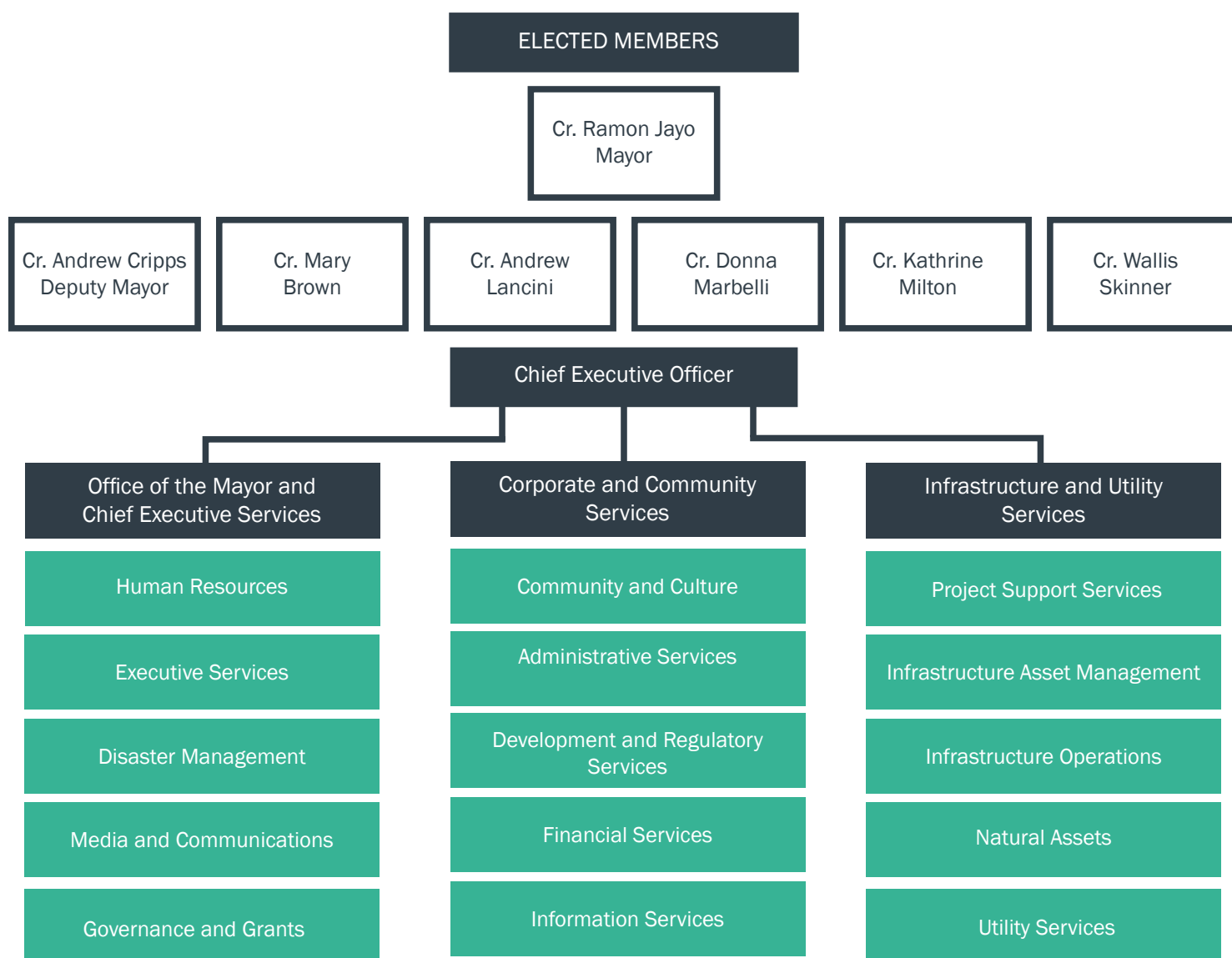
- Overall disaster management communication via improvement of Disaster Management Dashboard;
- Grants, subsidies, contributions and donations recognised totalling close to \$19 million;
- Continued advocacy through State and Local Government forums;
- Improvement of communications with residents using modern media;
- Continuation of several Community Shed Meetings;
- Meeting resident expectations via continued community engagement; and
- Boosted youth employment pathways by providing two school based apprenticeship opportunities to the local secondary schools.

CHALLENGES

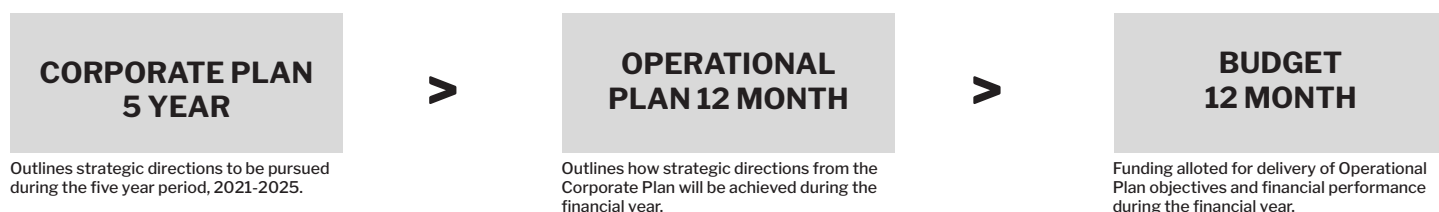
- Financial sustainability and inflationary pressures;
- Obtaining grant applications in an increasingly competitive environment;
- Retaining skilled staff and contractors;
- Continue to achieve + 70% benchmark on external safety audits to maintain Council's full Department of Transport and Main Roads accreditation to conduct RMPC works in the Shire; and
- The biggest challenge for the Human Resources team is the recruitment and retention of suitably qualified staff. One of the issues that faces new employees is the lack of suitable accommodation available to rent.



ORGANISATIONAL STRUCTURE AND REPORTING



REPORTING SYSTEM



Council's 2022-2023 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 2022 through to Friday 30 June 2023.

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 50.

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



10

11



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 |



Jourama 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

2022-2023 Key Activity		Success Measure	Lead
1.1.1	Deliver the Capital Works Program	Completion of 90% of projects	Infrastructure and Utility Services

Ongoing - As per the Finance Summary report to Council for the end of month figures June 2023 - there has been \$17,265,648 of actual project expenditure, against a total budget of \$27,867,706.

There is a further \$3,956,824 that has been raised as commitments awaiting invoicing. Therefore the target has not been achieved by Friday 30 June 2023.

Target has not been achieved - Result based on actual expenditure = 62%.

WARRENS HILL LANDFILL AND RESOURCE RECOVERY CENTRE CELL THREE CONSTRUCTION

2022-2023 Key Activity		Success Measure	Lead
1.1.2	Warrens Hill Landfill and Resource Recovery Centre Cell Three	Commence construction of Cell Three	Infrastructure and Utility Services

Completed - Target has been achieved - Construction commenced on Friday 4 November 2022.

1.2 MANAGE AND MAINTAIN COMMUNITY ASSETS

DISASTER RECOVERY WORKS

2022-2023 Key Activity		Success Measure	Lead
1.2.1	Deliver the Disaster Recovery Funding Arrangements Program of Works	Completion of 100% of works	Infrastructure and Utility Services

Completed - Target Achieved - 100% of reconstruction (like for like) works were completed by Friday 30 June 2023.

ASSET MANAGEMENT STEERING COMMITTEE

2022-2023 Key Activity		Success Measure	Lead
1.2.2	Delivery of Service Level Standards for the Maintenance of Infrastructure Assets	Implement Asset Management Steering Committee	Infrastructure and Utility Services

In Progress - Asset Management Steering Committee in place this is an ongoing activity to review and correct Council trajectory as required.



Bosworths Road Ingham



Built Environment

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

1.3 DELIVER A SAFE AND EFFECTIVE TRANSPORT NETWORK

ROAD MANAGEMENT POLICY

2022-2023 Key Activity	Success Measure	Lead
1.3.1 Implement the Road Management Policy	Installation of end of network signage	Infrastructure and Utility Services

Delayed - Consideration of end of road markings can be made at future budgeting discussions.

BETTERMENT ROAD PROJECTS

2022-2023 Key Activity	Success Measure	Lead
1.3.2 Deliver Betterment Projects	Completion of seven Betterment Road Projects	Infrastructure and Utility Services

In Progress - Target was not achieved by Friday 30 June 2023 - all projects were completed by Friday 30 June 2023 with the exception of Hamleigh Road and Golloglys Road which are forecast for completion by September 2023.

BRIDGE INSPECTION PROGRAM

2022-2023 Key Activity	Success Measure	Lead
1.3.3 Deliver Bridge Inspection Program	Completion of annual Bridge Inspection Program	Infrastructure and Utility Services

Completed - Internal resource allocated training to permit in-house level one and two bridge inspections to be performed independent of external Contractors.

1.4 SECURE AND MANAGE WATER RESOURCES

STATEWIDE WATER INFORMATION MANAGEMENT REPORTING

2022-2023 Key Activity	Success Measure	Lead
1.4.1 Submit Annual Statewide Water Information Management Reporting	Submit report by September 2022	Infrastructure and Utility Services

Completed - Annual report was completed and submitted before the required deadline of September 2022.





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

2022-2023 Key Activity		Success Measure	Lead
2.1.1	Work Collaboratively with Community Groups and Progress Associations	Work with groups to deliver community events and projects to enhance liveability	Office of the Mayor and Chief Executive Services

Completed - Senior staff and selected Councillors attend all Progress Association Meetings on a monthly basis. Councillors and senior staff attend community meetings when invited.

2.2 ENCOURAGE INNOVATION AND ATTRACT NEW INVESTMENT TO THE HINCHINBROOK SHIRE

DUNGENESS CHANNEL

2022-2023 Key Activity		Success Measure	Lead
2.2.1	Finalise Business Case and Obtain all Approvals for the Dredging of Enterprise Channel Dungeness	Obtain approvals for dredging of Enterprise Channel Dungeness	Corporate and Community Services

Completed - Target has been achieved - Data approved by Regulator and published.

ECONOMIC DEVELOPMENT STRATEGY

2022-2023 Key Activity		Success Measure	Lead
2.2.2	Develop the Economic Development Strategy 2035	<ul style="list-style-type: none"> Review and refresh the Economic Development Strategy 2035; and Review and refresh Business Innovation Scheme. 	Corporate and Community Services

Ongoing - A workshop was held in June 2023 to review the prior Economic Development Strategy and provide guidance and input into the Economic Development Strategy 2035. The new strategy is in draft and is expected to be completed in 2023-2024.

ECONOMIC DEVELOPMENT STRATEGY GROWTH

2022-2023 Key Activity		Success Measure	Lead
2.2.3	Develop and Prepare Economic Development Growth Project Plans	Develop project plans arising from Economic Development Strategy 2035	Corporate and Community Services

Delayed - Project plans have not been prepared as the Economic Development Strategy 2035 remains incomplete at year end.



Lucinda Township



Prosperity

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

2.2 ENCOURAGE INNOVATION AND ATTRACT NEW INVESTMENT TO THE HINCHINBROOK SHIRE

INGHAM INDUSTRIAL ESTATE EXPANSION

2022-2023 Key Activity		Success Measure	Lead
2.2.4	Expand the Ingham Industrial Estate	Obtain approvals for development of Ingham Industrial Estate	Corporate and Community Services

Ongoing - Council Officers have met with State representatives to discuss an Indigenous Land Use Agreement for the project, and Officers are engaging with the traditional owners representatives with further discussions occurring in July 2023 to progress discussions.

LUCINDA TOWNSHIP EXPANSION

2022-2023 Key Activity		Success Measure	Lead
2.2.5	Expand the Lucinda Township	Obtain approvals for development of Lucinda Township	Corporate and Community Services

Ongoing - Council Officers have met with State representatives to discuss an Indigenous Land Use Agreement for the project, and Officers are engaging with the traditional owner representatives with further discussions occurring in July 2023 to progress.

2.3 STRENGTHEN NETWORKS

RECONCILIATION ACTION PLAN

2022-2023 Key Activity		Success Measure	Lead
2.3.1	Development and Adoption of a Reconciliation Action Plan (RAP)	Adoption of the RAP	Office of the Mayor and Chief Executive Services

Delayed - Progress on developing the Reconciliation Action Plan has stalled with a new approach to progress this project being considered in the new financial year.

2.4 DEVELOP TOWN AND COMMUNITY PLANNING

LAND USE POLICY

2022-2023 Key Activity		Success Measure	Lead
2.4.1	Develop a Council Managed Land Use Policy	Adoption of new Policy to enable more consistent use of Council land and disposal	Corporate and Community Services

Delayed - This action has not been completed and will be undertaken operationally in the next financial year with a focus on achieving consistency in agreements.





Prosperity

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

2.4 DEVELOP TOWN AND COMMUNITY PLANNING

COUNCIL LAND RESERVES

2022-2023 Key Activity		Success Measure	Lead
2.4.2	Develop Disposal of Council Land Reserves Framework	Adoption of Framework	Corporate Services and Community

Ongoing - Disposal of surplus land occurred during 2022-2023 with the development of a framework to guide the disposal of surplus land placed on hold. A guideline for disposal of surplus land will be prepared operationally to guide any future disposal during 2023-2024.

DEVELOPMENT INCENTIVES GUIDELINE

2022-2023 Key Activity		Success Measure	Lead
2.4.3	Prepare Consolidated Approach to Incentivised Development Policy	Adoption of revised Policy	Corporate Services and Community

Completed - The Development Incentives Guideline was adopted by Council at the General Meeting held on Tuesday 25 October 2022 and will be used to guide and encourage local development across the Shire.

HINCHINBROOK SHIRE PLANNING SCHEME 2017

2022-2023 Key Activity		Success Measure	Lead
2.4.4	Undertake Administrative and Minor Operational Amendments to the Hinchinbrook Shire Planning Scheme 2017	Adoption of administrative and operational amendments	Corporate Services and Community

Ongoing - Council officers met with State representatives to discuss proposed amendments to the Planning Scheme. Further preparatory works are required to address some of the proposed amendments and will be undertaken during 2023-2024.

LOCAL GOVERNMENT INFRASTRUCTURE PLAN

2022-2023 Key Activity		Success Measure	Lead
2.4.5	Review Local Government Infrastructure Plan	Adoption of Plan	Corporate Services and Community

Ongoing - Council officers met with State representatives to discuss a proposed review of the Local Government Infrastructure Plan and an administrative review is now planned for 2023-2024.

CARBON CREDITS

2022-2023 Key Activity		Success Measure	Lead
2.4.6	Review Carbon Credits	Complete Carbon Credit Baseline	Corporate Services and Community

In Progress - Council has embarked on reducing its contribution to Climate Change by assessing its current Green House Gas (GHG) Emissions as a baseline to better understand where its major sources of GHG emissions are coming from, and how to improve. Council has engaged a consultant to develop an independent audit of its current emissions, which will provide a credible baseline and provide the data necessary to make strategic decisions about future investments and adaptive pathways into an uncertain future. Although Council planned to have the baseline information by June 2023, due to increased demand for their services, the consultants expect that the report will be completed by October 2023.

DEVELOPMENT INCENTIVES GUIDELINE

2022-2023 Key Activity		Success Measure	Lead
2.4.7	Investigate Amendments of Planning Scheme 2017 to Allow Rural Lifestyle Blocks	Adoption of amendments	Corporate Services and Community

Ongoing - Council officers met with State representatives to discuss proposed amendments to the Planning Scheme. Further preparatory works are required to address some of the proposed amendments and will be undertaken during 2023-2024.



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

LIVEABILITY STRATEGY

2022-2023 Key Activity		Success Measure	Lead
3.1.1	Develop a Liveability Strategy	Adoption of Liveability Strategy including themes such as aged and youth	Corporate and Community Services

Ongoing - Project planning has commenced on the Liveability Strategy with the finalisation of this project being undertaken in the 2023-2024 financial year.

SCHOOL HOLIDAY PROGRAM

2022-2023 Key Activity		Success Measure	Lead
3.1.2	Deliver School Holiday Program	Coordination and delivery of program	Corporate and Community Services

Completed - The School Holiday Program was delivered during the April School Holidays, with 65 children enjoying the Outer Limits Adventure Program and the JL Kelly Theatre hosted 168 patrons at a Disney sing-along program celebrating 100 years of Disney animation.

CCTV CAMERA ROLLOUT

2022-2023 Key Activity		Success Measure	Lead
3.1.3	Hinchinbrook Safe CCTV Camera Rollout	Completion of installment of cameras and microwave links	Corporate and Community Services

Completed - Cameras and microwave links have been installed.

DEVELOP INFORMATION OF THINGS (IOT) DASHBOARD

2022-2023 Key Activity		Success Measure	Lead
3.1.4	Develop Information of Things (IoT) Dashboard	Implementation of functional dashboard reporting sensors	Corporate and Community Services

Completed - Dashboard reporting sensors have been installed.

HEALTH AND WELLBEING PROGRAM

2022-2023 Key Activity		Success Measure	Lead
3.1.5	Review and Refresh the Health and Wellbeing Program	Coordination and delivery of program	Corporate and Community Services

Completed - Community consultation occurred September to October 2022 to ascertain community satisfaction and seek feedback on the types of activities the community would like to see in future Health and Wellbeing programs. This information was then combined into a demand driven 2023 Health and Wellbeing Program which is currently being delivered.

LOCAL LAWS

2022-2023 Key Activity		Success Measure	Lead
3.1.6	Review and refresh all Local Laws	Adoption of refreshed Local Laws	Corporate and Community Services

Ongoing - One Local Law and three Subordinate Local Laws have been reviewed and adopted by Council. Further review of Local Laws will be conducted on an ongoing basis.



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

LOCAL DISASTER MANAGEMENT GROUP

2022-2023 Key Activity		Success Measure	Lead
3.1.7	Conduct Local Disaster Management Group (LDMG) Meetings	Completed	Office of Mayor and Chief Executive Services

Completed - Six LDMG Meetings held in 2022-2023.

DISASTER PREPAREDNESS ACTIVITIES

2022-2023 Key Activity		Success Measure	Lead
3.1.8	Continue Disaster Preparedness Activities	Upgrade communication equipment for Local Area Wardens	Office of Mayor and Chief Executive Services

Completed - Upgraded radio communications equipment distributed to Local Area Wardens.

LOCAL EVENTS AND ATTRACTION ACTIVITIES

2022-2023 Key Activity		Success Measure	Lead
3.1.9	Support Local Events and Attraction Activities Within the Shire	Attract one new event	Corporate and Community Services

In progress - No new events were attracted during the 2022-2023 financial year, however numerous local events and activities were supported by Council over the financial year via Community Activity Grants. This included larger community events such as:

- Maraka Festival;
- Ingham Show;
- Australian Italian Festival; and
- Sugar City Rodeo.

3.2 EMPOWER AND ENCOURAGE STRONG COMMUNITY ORGANISATIONS

COMMUNITY GRANTS POLICY

2022-2023 Key Activity		Success Measure	Lead
3.2.1	Develop and Implement Community Grants Policy	Adoption of new Policy	Corporate and Community Services

Ongoing - A new Community Grants Framework was adopted at the General Meeting held on Tuesday 30 May 2023. The Framework provides guidance on the development of Community orientated grant activities.



Queensland Fire and Rescue at the Australia Day Beach Party



Lifestyle

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

3.3 CREATE PLACES OF COMMUNITY IDENTITY

CEMETERIES MASTERPLAN

2022-2023 Key Activity		Success Measure	Lead
3.3.1	Develop Business Cases for Phase One of Cemetery Masterplan Incorporating Cemetery as a Place for Visitors Interested in Local History	Prepare Business Cases for 2023-2024 Budget	Corporate and Community Services

Completed - Three project proposals have been completed for consideration within the 2023-2024 budget, in relation to extension of beams, additional mausoleum structures and alternative ash memorial options in line with Stage One of the Masterplan.

TAYLORS BEACH DREDGING

2022-2023 Key Activity		Success Measure	Lead
3.3.2	Taylors Beach Dredging	Complete biennial dredging project	Infrastructure and Utility Services

Delayed - Target has not been achieved within the third quarter due to Contractor inability to source necessary equipment and unfavourable tides. The works are now planned for completion in July/August 2023.

JL KELLY THEATRE OPERATIONS

2022-2023 Key Activity		Success Measure	Lead
3.3.3	Operate JL Kelly Theatre	Operate JL Kelly Theatre in house for 12 months at no loss and prepare to go to market	Corporate and Community Services

Completed - The JL Kelly Theatre project has been completed with approximately 9,000 patrons attending 42 events encompassing 81 days of entertainment.

- 21% of all patrons came from outside the 4850 postal code;
- 77% of patrons surveyed advised they were very satisfied with the 2022-2023 program of events; and
- The patrons injected approximately \$186,604 directly into the region's economy.

All delivered at a subsidy of \$0.88 per patron or expense of \$1.21 per rateable property.





Lifestyle

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

3.3 CREATE PLACES OF COMMUNITY IDENTITY

LOCAL HISTORY COLLECTION

2022-2023 Key Activity	Success Measure	Lead
3.3.4 Continue to Develop Local History Collection	Formalise support provided by the Ingham Family History Association	Corporate and Community Services

In progress - A Memorandum of Understanding has been drafted and is currently under negotiation before being finalised for execution.

3.4 DEVELOP HINCHINBROOK AS A DESTINATION

BABY WELCOMING CEREMONY

2022-2023 Key Activity	Success Measure	Lead
3.4.1 Deliver Baby Welcoming Ceremony	Coordinate and host annual Baby Welcoming Ceremony	Corporate and Community Services

Completed - As part of Council's First Five Forever program, the annual Baby Welcoming Ceremony was delivered in March 2023, welcoming 42 babies supported by over 160 patrons at the Underwater Wonderland Baby Welcoming Ceremony event.

TYTO REGIONAL ART GALLERY EVENTS

2022-2023 Key Activity	Success Measure	Lead
3.4.2 Deliver TYTO Regional Art Gallery Events	Coordinate and host the annual Hinchinbrook Art Awards and Bird Life Art Awards	Corporate and Community Services

Completed:

- The 7th Birdlife Art Awards attracted 66 art pieces with 82 patrons attending the exhibition opening night; and
- The 44th Hinchinbrook Art Awards attracted 120 art pieces with 154 patrons attending the exhibition opening night.

REGIONAL ARTS DEVELOPMENT FUND

2022-2023 Key Activity	Success Measure	Lead
3.4.3 Facilitate Delivery of the Regional Arts Development Fund (RADF) Program	Finalise RADF applications and acquittals within agreed time frames	Corporate and Community Services

Completed - All grants from prior to the 2022-2023 financial year have been fully acquitted. A total of six community RADF applications were received during 2022-2023, with two projects being successful. Acquittals for these projects will be finalised in quarter one of 2023-2024.

COMMUNITY EVENTS

2022-2023 Key Activity	Success Measure	Lead
3.4.4 Deliver Planned Community Events	Delivery of events within agreed scope and budget	Corporate and Community Services

Completed - Council successfully delivered on a number of community events over the full financial year, in scope and within budget. This includes:

- Two Australia Day events;
- ANZAC Day;
- 10 Tea and Trivia's;
- Two Senior's Morning Tea;
- Christmas in Hinchinbrook;
- Find Your Future in Hinchinbrook;
- Freedom of Entry; and
- Tasman Turtle's Big Day Out.



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

2022-2023 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 outcomes	Infrastructure and Utility Services

Delayed - Target not achieved. Report is planned to go to Council's General Meeting to be held on Tuesday 29 August 2023.

COCONUT REDUCTION STRATEGY

2022-2023 Key Activity		Success Measure	Lead
4.1.2	Implement a Coconut Reduction Strategy within the Hinchinbrook Shire	Provide Council with a draft plan for the reduction strategy for approval after community consultation is complete	Infrastructure and Utility Services

Ongoing - The first year of Council's Coconut Reduction Strategy was successfully implemented after extensive community consultation and endorsement by Council. In 2022-2023, a total of 176 previously denuded Coconut Palms were removed from the Shire's public spaces, which will save ratepayers approximately \$18,000 a year in reduced maintenance costs moving forward. This project also gained recognition as a finalist at the 2023 Local Government Managers Australia (LGMA) Awards for Excellence in 'Sustainability'. Further Coconut Palm removals will occur in the 2023-2024 financial year to further improve Council's sustainability into the future.

ILLEGAL DUMPING PROGRAM

2022-2023 Key Activity		Success Measure	Lead
4.1.3	Deliver on Outcomes of Illegal Dumping Grant Program	Successful acquittal of program	Infrastructure and Utility Services

Completed - Project acquittal, via an Annual Report, was submitted and as a result of the success of the program, Council was successful in stage 2A of the Illegal Dumping Partnerships Program which was extended for another 12 months.

MANGROVE TRIMMING

2022-2023 Key Activity		Success Measure	Lead
4.1.4	Obtain Approval to Trim Mangroves to Enable Water to Escape via Drains	Obtain approval for mangrove trimming by mechanical means	Infrastructure and Utility Services

Delayed - Project stalled due to requirements from State to approve permit. Further investigations are required.





Natural Environment

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

4.2 PROMOTE A SUSTAINABLE ENVIRONMENT

HINCHINBROOK LOCAL GOVERNMENT AREA BIOSECURITY PLAN

2022-2023 Key Activity		Success Measure	Lead
4.2.1	Review and Implement the Hinchinbrook Local Government Area Biosecurity Plan (HLGABP)	Adoption of updated plan	Infrastructure and Utility Services

Completed - The annual review of the Hinchinbrook Local Government Area Biosecurity Plan (HLGABP) was undertaken to update the priorities and actions for invasive species within the Shire. Notable changes to the new plan include the addition of Tilapia to the Action Plan section after Oreochromis Mossambicus was finally confirmed by Biosecurity Queensland as present in the Lower Herbert River. Council continues to lead and/or participate in several invasive pest control programs on behalf of the community, to try and reduce the impacts of pests and weeds on the economic, environmental and liveability status of the Shire.

WASTE MANAGEMENT

2022-2023 Key Activity		Success Measure	Lead
4.2.2	Improve Waste Diversion and Reduction	Actively participate in North Queensland Regional Organisation of Council's Waste to Energy initiatives and increase the life of Warrens Hill Landfill and Resource Recovery Centre	Infrastructure and Utility Services

Completed - Officers have participated in meetings throughout the year and provided input into the Regional Waste Management Plan for adoption by Council. Regional Waste Management Plan has been completed and is planned to be adopted by Council at the General Meeting to be held on Tuesday 29 July 2023.



Councillor Lancini Recycling Right



Organisational Sustainability

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

5.1 UPHOLD STRONG ENGAGEMENT WITH THE COMMUNITY

ASSET MANAGEMENT PLAN

2022-2023 Key Activity		Success Measure	Lead
5.1.1	Review Asset Conditions	Completion of Asset Management Plans (AMP) with transport and marine asset inspection and valuation program	Infrastructure and Utility Services

Delayed - Asset Management Plans at 95% outstanding correlation of Transport Asset Management Plans with recent external third party bridge and culvert revaluation, expected to be received early August 2023 and to be incorporated into this specific Asset Management Plan.

CUSTOMER EXPERIENCE STRATEGY

2022-2023 Key Activity		Success Measure	Lead
5.1.2	Conduct a Customer Experience Survey which includes a review of the Customer Service Charter	Results to be incorporated in Customer Experience Strategy	Corporate and Community Services

Completed - The Customer Experience Survey was undertaken in April and May 2023 with the results to be presented in July 2023. The information will be incorporated into the Customer Experience Strategy to be completed during 2023-2024.

COMMUNICATIONS STRATEGY

2022-2023 Key Activity		Success Measure	Lead
5.1.3	Deliver Communications Strategy	Continue to deliver the 2021-2025 Communications Strategy	Office of the Mayor and Chief Executive Services

Ongoing.

- Advertising/Newspaper - Council Connections continues to be published weekly in Wet Tropic Times. Previously Council Connections was published in The Townsville Bulletin. Decision made to publish in Wet Tropic Times as of Friday 9 September 2022. Council continues to place advertisements in the Classified section of The Townsville Bulletin and Wet Tropic Times when necessary;
- Social Media Advertising - Council regularly promotes and communicates upcoming events and Council business through Council's Facebook page and website;
- Internal Newsletter - Council updates staff fortnightly through the Grapevine incorporating content for all Directorates;
- External Newsletter - Council produced and published the Annual Disaster Ready Hinchinbrook Report;
- Electronic Communication Noticeboards - Content has been updated to include non-disaster related content such as upcoming events and tourism images; and
- Public Consultation Surveys - 11 online surveys were developed through Survey Monkey and distributed via Council's media channels requesting residents' feedback.

5.2 FOSTER AN ORGANISATIONAL CULTURE THAT EMBRACES OUR VALUES

STRATEGIC WORKFORCE PLAN

2022-2023 Key Activity		Success Measure	Lead
5.2.1	Develop a Strategic Workforce Plan	Adoption of Plan by Executive Management Team	Office of the Mayor and Chief Executive Services

Delayed - Strategic Workforce Plan to be delivered in 2023-2024 financial year.



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

ENTERPRISE BARGAINING AGREEMENT

2022-2023 Key Activity		Success Measure	Lead
5.2.2	Negotiate and Review Council's Enterprise Bargaining (EB) Agreement	Completion of EB within budget	Office of the Mayor and Chief Executive Services

Ongoing - Negotiations were not complete by Friday 30 June 2023 and are ongoing.

5.3 COMMIT TO CONTINUOUS IMPROVEMENT, CUSTOMER SERVICE AND ACCOUNTABILITY

STRATEGIC ASSET MANAGEMENT (SAM) SYSTEM

2022-2023 Key Activity		Success Measure	Lead
5.3.1	Implementation of Technology One's Strategic Asset Management (SAM) System	Modelling for asset classes and asset revaluations are performed using SAM	Corporate and Community Services

In progress - Basic modelling on all asset types were completed by Friday 30 June 2023. The project will commence the more complex modeling and asset valuation from July 2023.

BUDGETING FOR SUSTAINABILITY STRATEGY

2022-2023 Key Activity		Success Measure	Lead
5.3.2	Implement Budgeting for Sustainability Strategy	Delivery of Phase Two actions	Corporate and Community Services

Complete - We have now transitioned to CiA Technology One Budgeting. New tools are being implemented for improved budgeting.

ORGANISATIONAL EFFICIENCY TARGETS

2022-2023 Key Activity		Success Measure	Lead
5.3.3	Develop Organisational Efficiency Targets	Adoption of Organisational Efficiency Targets by Executive Management Team	Corporate and Community Services

Completed - Accepted targets have focused on the Financial Sustainability Measures developed by the Department of State Development, Infrastructure, Local Government and Planning.

BUSINESS IMPROVEMENT PROGRAM

2022-2023 Key Activity		Success Measure	Lead
5.3.4	Develop Business Improvement Program for Regulatory Activities	<ul style="list-style-type: none"> Adopt Standard Operating Procedures; Adopt Standardised Digital Inspection Process; and Issue and collect Infringements; and Adopt Risk Based Compliance Operations Policy. 	Corporate and Community Services

In progress - Business improvement is an ongoing activity to ensure risks associated with regulatory activities are identified and appropriately managed. Currently the draft Operational Compliance and Enforcement Policy focused on how Officers undertake investigations is under peer review.



Organisational Sustainability

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

5.3 COMMIT TO CONTINUOUS IMPROVEMENT, CUSTOMER SERVICE AND ACCOUNTABILITY

CUSTOMER EXPERIENCE STRATEGY

2022-2023 Key Activity	Success Measure	Lead
5.3.5 Develop a Customer Experience Strategy	Adoption of Strategy	Corporate and Community Services

In progress - Work is progressing, with a customer experience survey undertaken in April and May 2023 now complete. The strategy will be developed utilising data received from the Customer Experience Survey and feedback from the Customer Service Charter review.

DISASTER RECOVERY ACTIVITIES

2022-2023 Key Activity	Success Measure	Lead
5.3.6 Business continuity and disaster recovery activities	Undertake a Business Continuity and Disaster Recovery planning exercise	Office of Mayor and Chief Executive Services

Ongoing - Planning underway for Local Disaster Coordination Centre Exercise in December 2023.

STRATEGIC RISK REGISTER

2022-2023 Key Activity	Success Measure	Lead
5.3.7 Review and refresh the Strategic Risk Register	Register to be reviewed by Audit and Risk Committee and referred to Council	Office of the Mayor and Chief Executive Services

Complete - The Strategic Risk Register underwent significant review by internal and external stakeholders and was adopted at the General Meeting held on Tuesday 30 May 2023.

AUDIT AND RISK COMMITTEE

2022-2023 Key Activity	Success Measure	Lead
5.3.8 Support the Audit and Risk Committee	Complete audit actions and hold Audit and Committee meetings as scheduled	Corporate and Community Services

Completed - Staff continue to work on finalising Outstanding Audit Actions whilst supporting the Audit and Risk Committee. A total of four Audit and Risk Committee Meetings were held during 2022-2023. These were July 2022, September 2022, November 2022 and March 2023.

COMPLAINTS MANAGEMENT FRAMEWORK

2022-2023 Key Activity	Success Measure	Lead
5.3.9 Review and Refresh Complaints Management Framework	Adoption of Framework by Executive Management Team	Corporate and Community Services

In progress - A range of policies and guidelines currently exist to guide complaint management. A draft holistic Complaints Management Framework has been prepared and is currently under peer and specialist review and remains incomplete at year end.

DIGITISATION STRATEGY

2022-2023 Key Activity	Success Measure	Lead
5.3.10 Develop a Digitisation Strategy	All documents to be captured in accordance with AS/NZS ISO 13028: 2012 standards	Corporate and Community Services

In progress - Upon review of this project, it was determined that this would require a broader whole of Council approach than just Records Management. As part of the Records Management Framework being developed, a "Digitisation and Disposal of Source Records" Operational Policy has been drafted and is awaiting review.



Organisational Sustainability

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

5.3 COMMIT TO CONTINUOUS IMPROVEMENT, CUSTOMER SERVICE AND ACCOUNTABILITY

RECORDS MANAGEMENT FRAMEWORK

2022-2023 Key Activity		Success Measure	Lead
5.3.11	Update Records Management Framework	Framework to be approved by CEO	Corporate Services and Community

In progress - A range of existing policies and guidelines exist to support records management. A draft framework has been prepared and is currently under peer and specialist review and remains incomplete at year end.

RECORD MANAGEMENT AUDIT

2022-2023 Key Activity		Success Measure	Lead
5.3.12	Undertake an audit of record management practices	Audit to be conducted and action plan developed	Corporate Services and Community

In progress - Record keeping maturity assessment was carried out in conjunction with the Records Team, however, an organisation wide audit is yet to occur. This was not completed in the current financial year and will continue into the 2023-2024 financial year.

TECHNOLOGY ONE BUSINESS PROCESSES

2022-2023 Key Activity		Success Measure	Lead
5.3.13	Map of Technology One Business Processes	50% of business processes mapped in digital form	Corporate Services and Community

In progress - Securing the necessary Business Analyst skills has proven problematic, however sourcing activities continue.

INFORMATION TECHNOLOGY INFRASTRUCTURE LIBRARY

2022-2023 Key Activity		Success Measure	Lead
5.3.14	Create Information Technology Infrastructure Library (ITIL)	Completion and implementation of Service Agreements	Corporate Services and Community

Completed - No longer continuing and resources were diverted to the TechnologyOne Ci to TechnologyOne CiA transition Project.

MIGRATION OF TECHNOLOGY ONE CORE ENTERPRISE SOLUTION TO CIA

2022-2023 Key Activity		Success Measure	Lead
5.3.15	Migration of Technology One Core Enterprise Solution to CiA and Transformation of Technology One	Migration to CiA completed successfully	Corporate Services and Community

Completed - The migration from the TechnologyOne Ci environment to the CiA environment for the Core Enterprise Solution is complete.

AZURE ACTIVE DIRECTORY ENVIRONMENT

2022-2023 Key Activity		Success Measure	Lead
5.3.16	Transition to an Azure Active Directory Environment	<ul style="list-style-type: none"> Microsoft Exchange to be moved to Microsoft 365 Environment and a domain controller established; and 80% of organisation electronic files to be stored in cloud environment. 	Corporate Services and Community

Completed - Hinchinbrook Shire Council emails have been moved from on-premise to Microsoft Office 365 using the relevant licensing.



Organisational Sustainability

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

5.3 COMMIT TO CONTINUOUS IMPROVEMENT, CUSTOMER SERVICE AND ACCOUNTABILITY

PROCUREMENT FRAMEWORK ADOPTION

2022-2023 Key Activity		Success Measure	Lead
5.3.17	Update Procurement Framework	Adoption of Framework	Corporate Services and Community

In progress - The revised Procurement Policy was adopted by Council at the General Meeting held on Tuesday 30 May 2023. Bringing together the full suite of procurement and contract management guidance into a Framework will be completed in the 2023-2024 financial year.

PROCUREMENT PROCEDURE ENDORSEMENT

2022-2023 Key Activity		Success Measure	Lead
5.3.18	Update the Procurement Procedure to align with the Procurement Policy	Endorsed by CEO and community education sessions delivered	Corporate Services and Community

In progress - The Procurement Procedure will need to be updated to reflect the recent adoption of the revised Procurement Policy. During the year Council also moved to utilise VendorPanel for engagement with suppliers. Information sessions on how to do business with Council were delivered in August 2022.

LIBRARY SERVICES REVIEW

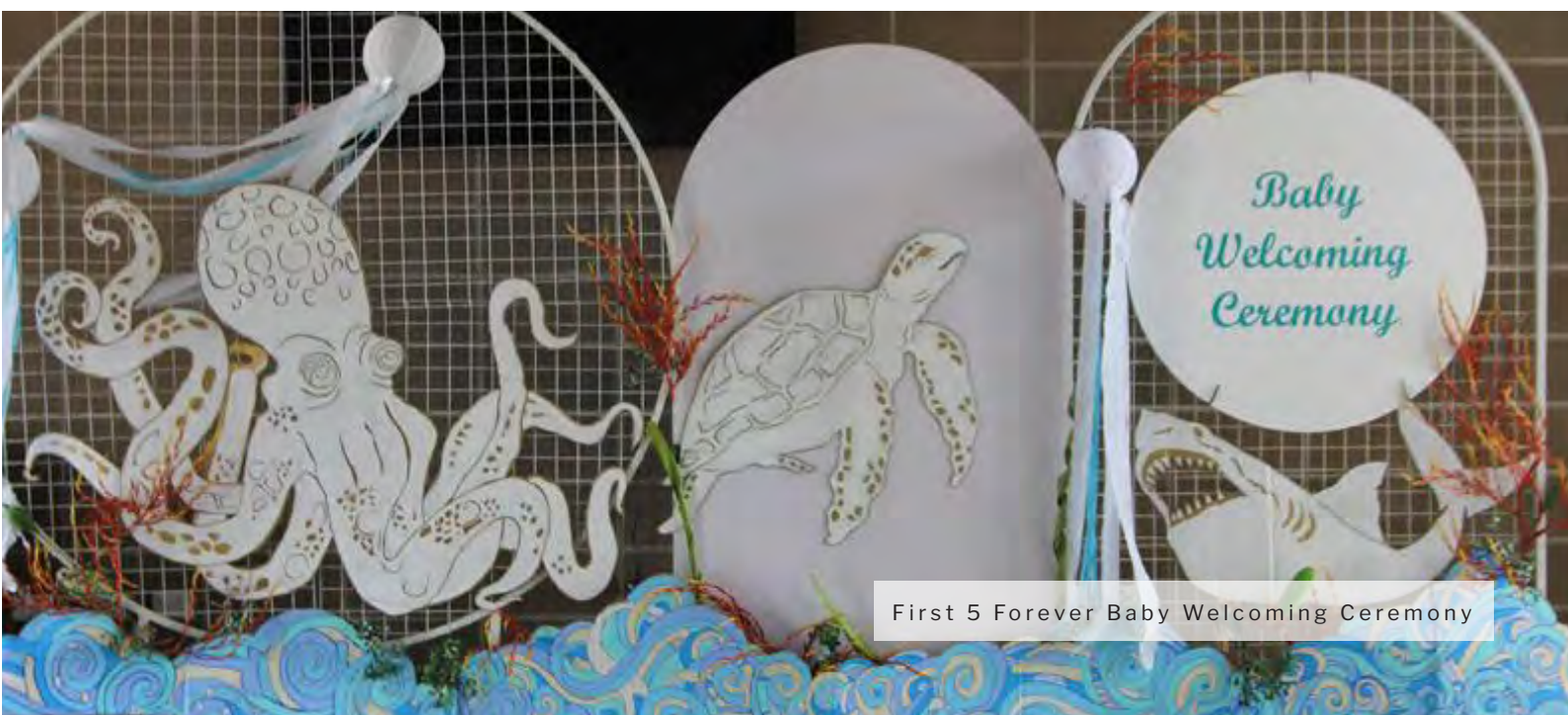
2022-2023 Key Activity		Success Measure	Lead
5.3.19	Conduct a Review of the Library Services	Conduct a Service Review	Corporate Services and Community

Completed - Review of Library Service commenced with a focus on understanding established standards, with the outcome being an expectation that State Library Standards will be met.

TYTO REGIONAL ART GALLERY SERVICES REVIEW

2022-2023 Key Activity		Success Measure	Lead
5.3.20	Conduct a Review of the TYTO Regional Art Gallery Services	Conduct a Service Review	Corporate Services and Community

Completed - Review of TYTO Regional Art Gallery as a service commenced with reviewing resourcing requirements and hours of operation, with the outcome being an expectation that there be a focus on alternative revenue streams to support community expectations and sustainability of the gallery.



First 5 Forever Baby Welcoming Ceremony

LEGISLATIVE INFORMATION





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 28 November 2023.

SIGNIFICANT BUSINESS ACTIVITIES AND COMMERCIAL BUSINESS

Council had the following business activities in 2022-2023, 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 2022-2023.

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	\$695,409.05

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 2022-2023						
Councillor	Meeting and Other Representations				Councillor Allowance	Employer Super Contribution
	Council Meetings/Special Meetings/Deputations	Member Meetings	Conferences Professional Development Training	Other		
Ramon Jayo	54	112	20	190	\$110,386.00	\$13,246.32
Andrew Cripps	57	42	16	59	\$63,684.00	\$8,027.06
Mary Brown	57	38	12	55	\$55,192.00	\$6,971.03
Andrew Lancini	57	21	8	18	\$55,192.00	\$6,971.03
Kate Milton	53	23	16	47	\$55,192.00	\$6,971.03
Wally Skinner	57	36	12	77	\$55,192.00	\$6,971.03
Donna Marbelli	56	54	21	159	\$55,192.00	\$6,971.03

During the 2022-2023 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	\$5,594.68	\$978.05	\$1,600.00	Nil	Nil	Nil	\$225.00
Andrew Cripps	Nil	\$116.03	\$22.73	\$2,500.00	Nil	\$400.00	\$225.00
Mary Brown	\$380.00	\$476.86	Nil	\$2,500.00	Nil	\$400.00	\$225.00
Andrew Lancini	\$316.36	\$313.54	\$1,400.00	\$2,500.00	Nil	\$400.00	\$225.00
Kate Milton	\$1,822.58	\$279.58	\$1,400.00	\$2,500.00	Nil	\$400.00	\$225.00
Wally Skinner	\$289.09	\$345.87	\$1,400.00	\$2,500.00	Nil	\$400.00	\$225.00
Donna Marbelli	\$1,170.27	\$313.23	\$1,400.00	\$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 2022-2023 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>	Nil
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 2022-2023 identified that the process is performing satisfactorily.

The following report for the 2022-2023 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 2022-2023	5
Resolved under the complaints management process	4 (including 1 from 2021-2022)
Not resolved under the complaints management process	2 (deemed not to be AAC)
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		
	2021-2022	2022-2023
Pensioner Remission	\$229,881	\$229,458
Not for profit/charitable organisation remission	\$104,294	\$95,461



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 2022-2023 financial year.

DONATIONS/SPONSORSHIPS	
SUPPORT FOR EVENTS AND GRANTS TO COMMUNITY ORGANISATIONS	
Anglican Parish of Ingham - All Soul's Centenary Celebration	2,674
Australian Italian Festival	14,554
C & K Ingham Community Kindergarten	1,155
FNQ Community Arts and Eco Events Inc	1,000
Forrest Beach Surf Life Saving Club Assoc Inc - Forrest Beach Surf Life Saving Sports Carnival	3,500
Herbert River Cricket Association	2,000
Herbert River Junior Rugby League	2,500
Herbert River Museum Gallery Inc - Annual Financial Assistance 2022-2023	5,500
Herbert River Pastoral & Agricultural Assoc Inc - Ingham Show	10,076
Hinchinbrook Community Support Centre Inc - Annual Financial Assistance 2022-2023	52,800
Hinchinbrook Community Support Centre Inc - Community Grants Officer	23,000
Hinchinbrook Fly Fishing Club Inc	1,000
Hinchinbrook Sports Fishing Club - NQ Sportfishing Championships	3,500
Ingham Arts Festival Assoc Inc - Ingham Arts Festival	3,500
Ingham Bowls Club - Annual 4's Carnival	591
Ingham Bridge Club - Hinchinbrook Challenge Congress	1,000
Ingham Ladies Bowls Club Inc - Allamanda Fours Bowling Competition	500
Ingham Maraka Festival Inc - 2022 Maraka Festival	12,000
Ingham Meals on Wheels - Annual Financial Assistance 2022-2023	5,000
Ingham Squash Racquets Association - 2022 Queensland Masters Squash - Mixed Graded Individual Tournament	2,000
Ingham State High School P & C Association - Creative Generation 2023	750
Ingham Sugar City Rodeo - Ingham Sugar City Rodeo 2022	14,262
Lucinda Progress Association - Lucinda Christmas Carols 2022	1,600
Macknade Bowls Club - Macknade Tropical Mixed Fours Carnival	650
Noorla Bowls Club - Noorla 4's	650
Maraka Queen Entrant Sponsorship	300
QCWA Northern Region - 2023 QCWA Northern Regional Conference	1,720
Sporting Donation - Lachlan Buckman 2022 Junior Sports Nominee	250
Sporting Donation - Nathan Venturato	250
Taylors Beach Progress Association Inc - Taylors Beach Family Fishing Competition	2,000
Total	\$170,282

OTHER ORGANISATIONS	
Herbert River Improvement Trust	251,505
Lower Herbert Water Management Authority - 2022-2023	45,575
Queensland Museum - Community Pass Program 2022-2023	6,303
Total	\$292,707



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 2022-2023 financial year.

REGIONAL ARTS DEVELOPMENT FUND (RADF) GRANTS	
Re-Painting Power Poles – Lucinda	8,000
The Naming of Ingham: The Origins and Meanings of Ingham's Street Names	7,000
Morning Melodies at the JL Kelly Theatre	15,000
Shire Hall Mural	13,421
Ingham Family History	1,606
Basque Club of North Queensland	5,671
Townsville Watercolour Group Workshop	609
Bird Sculpture Workshop (Sally Moroney)	495
School Holiday Workshop – Drawing and Composition (Kristina Fontana)	358
School Holiday Workshop – Acrylic Painting (Kristina Fontana)	501
Total	\$52,661



2022 Maraka Queen Jess Maslin and Runner up Emma Castles



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 97km of Class 9 length roads not maintained by Council of which some are 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 2022-2023 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 year period. The appointment was extended for a further three years which will run until Friday 30 June 2023.

During 2022-2023 KPMG Enterprise conducted an Internal Audit review on Financial Sustainability and Strategic Risk.

AUDIT COMMITTEE

The Committee met in July, September and November of 2022 and March of 2023. 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 2022-2023 concerning this matter.



Staff at Roati Street Ingham

The background image shows two soldiers in full combat gear, including helmets and tactical vests, standing on a wet asphalt road. They are facing away from the camera, looking towards a line of green trees under a cloudy sky. A semi-transparent white rectangular box is centered over the middle of the image, containing the title text.

COMMUNITY FINANCIAL REPORT



The Community Financial Report summarises the information contained in Council's 2022-2023 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 58 to 103.

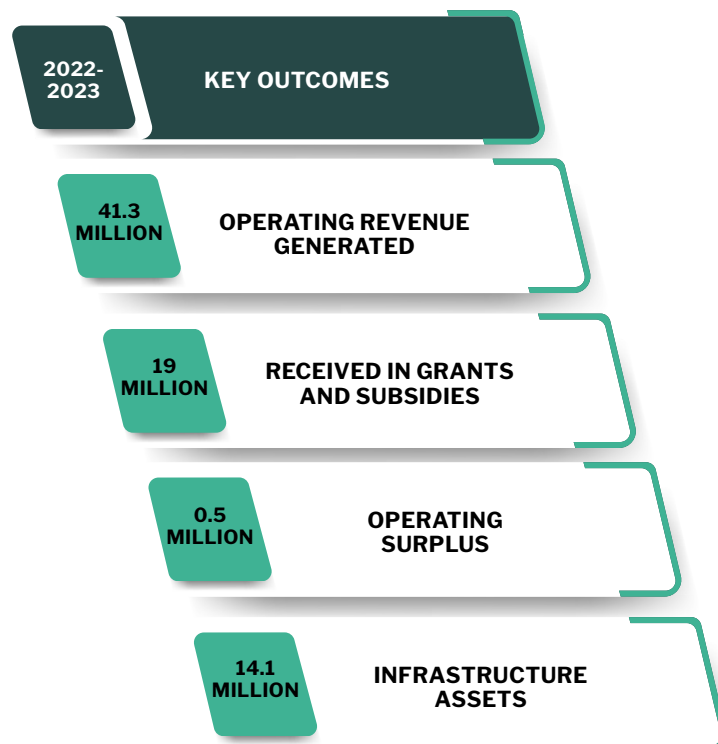
BACKGROUND

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.

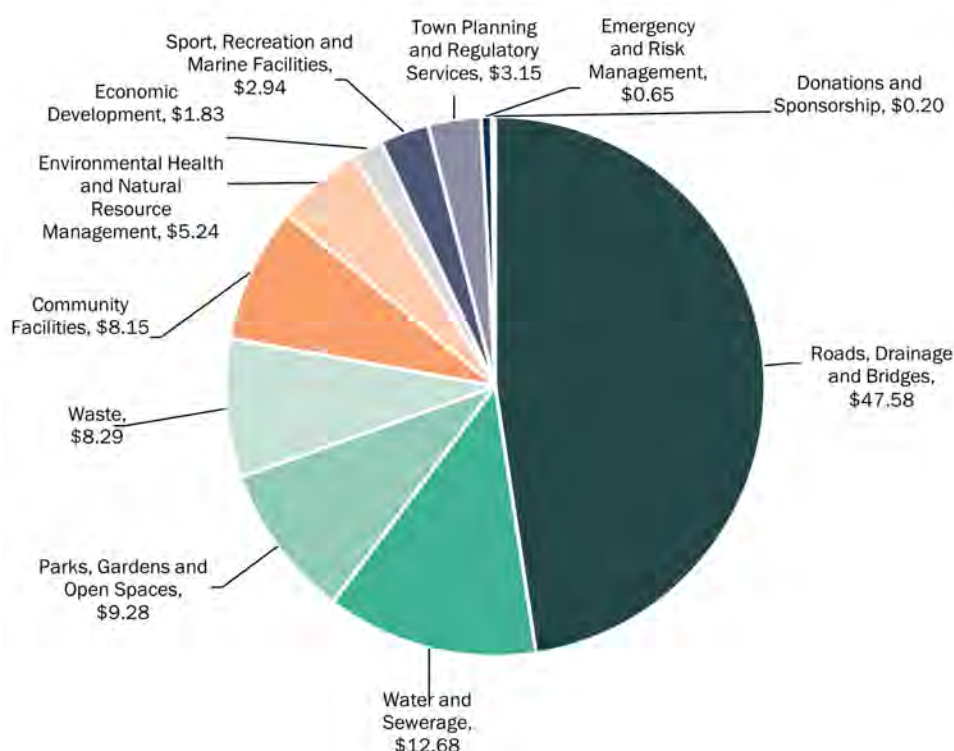


WHERE DOES COUNCIL SPEND YOUR RATES?

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 surplus of \$0.48 million for 2022-2023.

COMPARATIVE OPERATING RESULT

	2021-2022 (\$000)	2022-2023 (\$000)
RECURRENT REVENUE	38,067	41,280
LESS: RECURRENT EXPENDITURE	41,892	40,800
OPERATING RESULT	(3,825)	480

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 \$4.5 million for 2022-2023.

COMPARATIVE NET RESULT

	2021-2022 (\$000)	2022-2023 (\$000)
OPERATING RESULT	(3,825)	480
ADD: CAPITAL REVENUE	10,629	8,140
LESS: CAPITAL EXPENDITURE	1,652	4,089
NET RESULT	5,152	4,531



REVENUE

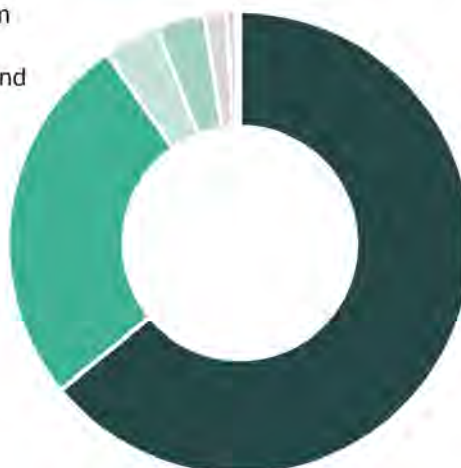
Revenue includes rates, levies, fees and charges to residential and commercial properties relating to services provided by Council. Revenue also includes grants, subsidies, developer and other contributions and donations, sales revenue, interest received, rental and other income.

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 3.33% was applied in the 2022-2023 financial year.

Total operating revenue increased by \$3.2 million in comparison to the prior year.

\$41.3M TOTAL RECURRENT REVENUE

- Rates, Levies and Charges \$26.4m (64.1%)
- Grants, Subsidies, Contributions and Donations \$10.8 (26.2%)
- Sales Revenue \$1.6m (3.9%)
- Fees and Charges \$1.4m (3.4%)
- Interest Received \$0.6m (1.5%)
- Rental Income \$0.3m (0.7%)
- Other Income \$0.1m (0.3%)



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.

\$40.7M TOTAL RECURRENT EXPENSES

- Materials and Services \$14.9m (37%)
- Employee Benefits \$15.8m (39%)
- Depreciation \$10.1m (25%)



HISTORICAL OPERATING RESULTS





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 2022-2023 financial position.

COMPARATIVE STATEMENT OF FINANCIAL POSITION

	2021-2022 (\$000)	2022-2023 (\$000)
TOTAL ASSETS	401,872	462,531
TOTAL LIABILITIES	19,683	20,935
COMMUNITY EQUITY	382,188	441,596

ASSETS - WHAT THE COMMUNITY OWNS

Council's current assets (\$30.5 million) include cash, receivables from customers owed to Council, inventories, contract assets and other assets.

Council's non-current assets (\$432 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.

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 \$12 million.

Non-current liabilities are payable by Council beyond the next twelve months, totalling \$8.9 million. Council does not currently have any borrowings.

\$462.5M TOTAL ASSETS



\$20.9 TOTAL LIABILITIES





FINANCIAL SUSTAINABILITY RATIOS

The below graphs display the 2022-2023 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. These specific measures of financial sustainability include:

- Operating Surplus Ratio;
- Asset Sustainability Ratio; and
- Net Financial Liabilities Ratio.

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. The results of these specific financial sustainability ratios are shown in the current year and long term Financial Sustainability Statements that follow the Financial Report.

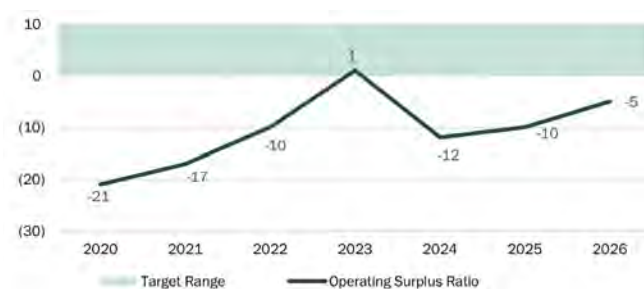
Council strives to ensure that its financial management strategy is prudent and that its long term financial forecast provides for a sound financial position whilst also being able to meet community's current and future needs. Actual results may vary from the specified target range as a result of Council's current circumstances. Whilst Council aspires to meet these targets as determined by the abovementioned regulation and guideline, the specific targets as set by Council are in accordance with the adopted budget and long term financial plan.

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 1% in 2022-2023 indicates operational revenue received by Council exceeds costs incurred. An operating surplus of \$0.5 million has been achieved, which is the first surplus in the past six years. Council recognises the below average (target) operating surplus ratio in future years.

OPERATING SURPLUS RATIO (%)

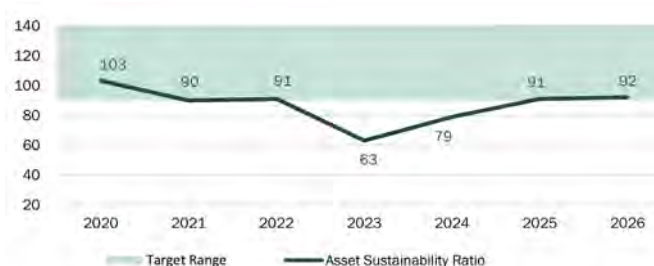


ASSET SUSTAINABILITY RATIO

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 63% in 2022-2023 is an indication that Council is managing community assets through the replacement of assets as they are consumed at an acceptable rate. Council acknowledges the result is not within the target range, however this is accordance with the adopted budget for the 2022-2023 financial year.

ASSET SUSTAINABILITY RATIO (%)

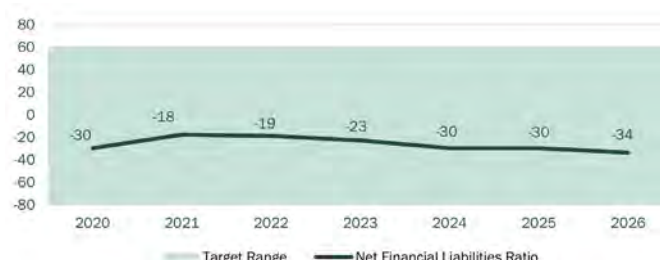


NET FINANCIAL LIABILITIES RATIO

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 -23% in 2022-2023 clearly indicates that Council is more than able to meet future debt obligations.

NET FINANCIAL LIABILITIES RATIO (%)





Staff Recognition and Farewell at Martin Street Depot



HINCHINBROOK SHIRE COUNCIL FINANCIAL STATEMENTS 2022-2023

Staff with Gilroy Santa Maria College Work Experience Students





FINANCIAL STATEMENTS
2022 - 2023

TABLE OF CONTENTS

Statement of Comprehensive Income	
Statement of Financial Position	
Statement of Changes in Equity	
Statement of Cash Flows	
Notes to the Financial Statements	
1	Information about these financial statements
2	Analysis of results by function
3	Revenue
4	Grants, subsidies, contributions and donations
5	Employee benefits
6	Materials and services
7	Capital expenses
8	Cash and cash equivalents
9	Receivables
10	Contract balances
11	Other assets
12	Property, plant and equipment
13	Payables
14	Provisions
15	Other liabilities
16	Asset revaluation surplus
17	Commitments for expenditure
18	Contingent liabilities
19	Superannuation
20	Joint arrangement
21	Reconciliation of net result for the year to net cash inflow (outflow) from operating activities
22	Events after the reporting period
23	Financial instruments and financial risk management
24	Transactions with related parties
	Management Certificate
	Independent Auditor's Report (General Purpose Financial Statements)
	Current Year Financial Sustainability Statement
	Certificate of Accuracy - Current Year Financial Sustainability Statement
	Independent Auditor's Report (Current Year Financial Sustainability Statement)
	Unaudited Long Term Financial Sustainability Statement
	Certificate of Accuracy - Long Term Financial Sustainability Statement

Statement of Comprehensive Income
For the year ended 30 June 2023

	Note	2023 \$000	2022 \$000
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	26,442	25,739
Fees and charges	3(b)	1,402	1,517
Sales revenue	3(c)	1,606	1,302
Grants, subsidies, contributions and donations	4(a)	10,810	8,818
Interest received		636	242
Rental income		274	213
Other income		110	236
Total recurrent revenue		41,280	38,067
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	8,140	10,629
Total capital revenue		8,140	10,629
Total income		49,421	48,696
Expenses			
Recurrent expenses			
Employee benefits	5	(15,785)	(16,275)
Finance costs		84	(80)
Materials and services	6	(14,960)	(16,080)
Depreciation	12(a)	(10,139)	(9,458)
Total recurrent expenses		(40,800)	(41,892)
Capital expenses	7	(4,089)	(1,652)
Total expenses		(44,889)	(43,544)
Net result		4,532	5,152
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	16	54,875	27,702
Total other comprehensive income for the year		54,875	27,702
Total comprehensive income for the year		59,406	32,853

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 2023

	Note	2023 \$000	2022 \$000
Current assets			
Cash and cash equivalents	8	21,766	20,560
Receivables	9	2,348	1,765
Inventories		570	461
Contract assets	10(a)	4,914	2,461
Other assets	11	888	1,573
Total current assets		30,485	26,817
Non-current assets			
Property, plant and equipment	12	432,046	375,054
Total non-current assets		432,046	375,054
Total assets		462,531	401,872
Current liabilities			
Payables	13	4,003	5,359
Provisions	14	5,734	4,502
Contract liabilities	10(b)	1,964	1,401
Other liabilities	15	359	349
Total current liabilities		12,060	11,612
Non-current liabilities			
Provisions	14	7,807	7,036
Other liabilities	15	1,069	1,036
Total non-current liabilities		8,876	8,072
Total liabilities		20,935	19,683
Net community assets		441,596	382,188
Community equity			
Asset revaluation surplus	16	265,930	211,054
Retained surplus		175,667	171,134
Total community equity		441,596	382,188

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 2023

	Retained Surplus	Asset Revaluation Surplus Note 16	Total
	\$000	\$000	\$000
Balance at 1 July 2022	171,134	211,054	382,188
Net result	4,532	-	4,532
Other comprehensive income for the year			
Revaluation of property, plant and equipment	-	55,282	55,282
Change in value of rehabilitation of land	-	(407)	(407)
Total comprehensive income for the year	4,532	54,875	59,407
Balance at 30 June 2023	175,665	265,930	441,595
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

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 2023

	Note	2023 \$000	2022 \$000
Cash flows from operating activities:			
Receipts from customers		46,995	50,485
Payments to suppliers and employees		(32,607)	(33,037)
Interest received		636	242
Net cash inflow / (outflow) from operating activities	21	15,025	17,690
Cash flows from investing activities:			
Payments for property, plant and equipment		(14,054)	(14,158)
Proceeds from sale of property, plant and equipment	7	235	203
Net cash inflow / (outflow) from investing activities		(13,819)	(13,955)
Net increase / (decrease) in cash and cash equivalent held		1,206	3,735
Cash and cash equivalents at beginning of the financial year		20,560	16,825
Cash and cash equivalents at end of the financial year	8	21,766	20,560

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 2022 to 30 June 2023 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 2022, none of the standards had a material impact on reported position, performance and cash flows.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Standards issued but not yet effective are not considered to have a significant impact on Council's financial report.

(d) Estimates and judgements

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

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 2023.

(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.

2 Analysis of results by function

(a) Components of Council functions

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:

	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent 2023 \$000		Capital 2023 \$000		2023 \$000	Recurrent 2023 \$000	Capital 2023 \$000	2023 \$000	2023 \$000	2023 \$000	2023 \$000
Functions	Grants	Other	Grants	Other							
Corporate and Community Services	6,998	19,037	12	-	26,047	(8,555)	(37)	(8,592)	17,479	17,455	22,313
Mayor and CEO Office	92	10	148	-	250	(2,848)		(2,848)	(2,746)	(2,598)	-
Infrastructure and Utility Services	3,721	11,424	7,980	-	23,124	(29,396)	(4,053)	(33,449)	(14,252)	(10,324)	440,218
Total	10,810	30,470	8,140	-	49,421	(40,800)	(4,089)	(44,889)	481	4,530	462,531

	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent 2022 \$000		Capital 2022 \$000		2022 \$000	Recurrent 2022 \$000	Capital 2022 \$000	2022 \$000	2022 \$000	2022 \$000	2022 \$000
Functions	Grants	Other	Grants	Other							
Corporate and Community Services	3,237	18,180	17	(45)	21,389	(9,154)	(605)	(9,759)	12,263	11,630	18,531
Mayor and CEO Office	93	1	229	-	323	(2,926)	(6)	(2,931)	(2,831)	(2,608)	-
Infrastructure and Utility Services	5,488	11,067	9,667	762	26,984	(29,812)	(1,042)	(30,854)	(13,257)	(3,870)	383,341
Total	8,818	29,248	9,912	717	48,696	(41,892)	(1,652)	(43,544)	(3,825)	5,152	401,872

3 Revenue

	2023 \$000	2022 \$000
(a) Rates, levies and charges		
General rates	17,811	17,218
Cleansing charge	1,464	1,385
Waste management levy - separate charge	1,044	1,027
Water base charge	2,499	2,346
Water consumption charge	1,217	1,484
Sewerage charge	2,729	2,608
Special charges	6	6
Total rates and utility charge revenue	26,771	26,074
Less: concessions	(329)	(334)
Net rates, levies and charges	26,442	25,739

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	37	39
Application fees	66	164
Cemetery fees	186	129
Facility hire	92	40
Licence and registration fees	25	48
Pool Fees	-	89
Search fees	80	72
Waste disposal fees	766	792
Other fees and charges	151	144
	1,402	1,517

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	1,323	1,148
Other sales revenue	283	154
	1,606	1,302

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 contract 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.

	2023 \$000	2022 \$000
(a) Operating		
Contributions	427	341
State government subsidies and grants	468	432
Commonwealth government subsidies and grants - other	112	58
Commonwealth government subsidies and grants - NDRRA	3,059	4,910
Commonwealth government subsidies and grants - financial assistance grant	6,732	3,071
Other grants and subsidies	12	6
	10,810	8,818
(b) Capital		
Contributions	29	26
Contributed assets	-	691
Commonwealth government subsidies and grants - NDRRA	3,161	2,229
Commonwealth government subsidies and grants - other	2,811	4,139
Commonwealth government subsidies and grants - roads to recovery subsidy	571	9
State government grants and subsidies - TIDS subsidy	484	499
State government grants and subsidies - other	1,085	3,037
	8,140	10,629

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

	2023 \$000		2022 \$000	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	7,232	11,263	3,200	15,190
Donations	-	-	1	-
Contributions	456	-	366	-
Contributed assets	-	-	691	-
	7,688	11,263	4,258	15,190

	Note	2023 \$000	2022 \$000
5 Employee benefits			
Staff wages and salaries		12,143	12,413
Councillors' remuneration		480	463
Annual, sick and long service leave entitlements		2,300	2,329
Superannuation	19	1,648	1,644
		16,570	16,849
Other employee related expenses		270	326
		16,840	17,175
Less : Capitalised employee costs		(1,055)	(900)
		15,785	16,275

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.

	2023 No.	2022 No.
Councillors and full time equivalent employees for the financial year		
Councillors	7	7
Administration, depot and outdoors staff	180	183

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

	2023	2022
	\$000	\$000
6 Materials and services		
Internal audit fees	21	36
Audit of financial statements by Auditor General of Queensland*	92	86
Communications and information technology	1,628	1,424
Consultancies and professional services	119	656
Contractors and hire expenses	7,605	8,641
Donations and contributions	212	358
Electricity	1,056	927
Precept payments	347	290
Insurance	617	559
Memberships, licenses and subscriptions	222	258
Minor equipment and consumables	380	340
Other materials and services	1,083	688
Raw materials	927	1,084
Testing	164	208
Waste levy payment	590	645
Training, conferences and accommodation	247	197
Waste levy refund*	(349)	(317)
	<u>14,960</u>	<u>16,080</u>

* The State Government rebated \$348,986 (2022: \$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 2022-23 financial statements are \$91,500 (2022: \$86,600).

7 Capital expenses		
<i>Gain/(loss) on the disposal of non-current assets</i>		
Proceeds from the sale of property, plant and equipment	235	203
Less: carrying value of disposed of property, plant and equipment	(2,198)	(1,438)
	<u>(1,963)</u>	<u>(1,235)</u>
Change in value of landfill restoration provision (refer to Note 14)	(2,126)	(417)
	<u>(4,089)</u>	<u>(1,652)</u>
8 Cash and cash equivalents		
Cash at bank and on hand	5,349	181
Short term deposits	3,000	-
QTC - cash fund	13,417	20,379
Balance per Statement of Cash Flows	<u>21,766</u>	<u>20,560</u>

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 and with other financial institutions. 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.

2023	2022
\$'000	\$'000

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

Unspent government grants and subsidies - operating purposes	703	211
Unspent government grants and subsidies - capital purposes	1,261	1,077
Waste levy refund received in advance	1,402	1,385
Total externally imposed restrictions on cash assets	<u>3,365</u>	<u>2,672</u>

Cash at bank and on hand at 30 June 2023 includes \$1.402m (2022: \$1.385m) 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 2023-24, 2024-25, 2025-26 and 2026-27 Levy expenses.

(ii) Internal allocations of cash at the reporting date

Amount held for SES funding purposes	11	22
Total internally allocated cash	<u>11</u>	<u>22</u>

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

105	112
<u>105</u>	<u>112</u>

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	1,179	1,381
Interest receivable	-	12
Other debtors	1,192	386
Less: loss allowance	(24)	(14)
	<u>2,348</u>	<u>1,765</u>

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 (8.17% per annum from 1 July 2022 for the 2023 financial year (previously 8.03% per annum). No interest is charged on other debtors.

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.

	2023 \$000	2022 \$000
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 this gives rise to a contract liability.		
(a) Contract assets	4,914	2,461
(b) Contract liabilities		
Funds received upfront to construct Council controlled assets	703	1,077
Non-capital performance obligations not yet satisfied	1,261	324
	1,964	1,401
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Funds to construct Council controlled assets	964	678
Non-capital performance obligations (including deposits received in advance)	125	83
	1,089	761
Satisfaction of contract liabilities		
The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income in the next 1-2 years.		
(c) Significant changes in contract balances		
Of the contract balances above, NDRRA represents \$3.165m of the contract assets and \$1.119m of the contract liabilities. In 2022FY, the contract asset balance for NDRRA amounted to \$74,878 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	527	737
GST recoverable	154	486
Prepayments	144	349
Accrued income	63	
	888	1,573

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
	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
Basis of measurement	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 2022	3,511	84,336	9,756	371,888	55,488	36,308	1,296	4,667	10,586	577,835
Additions	-	-	-	-	-	-	-	-	14,054	14,054
Completed assets transferred from work in progress	-	672	785	10,057	103	-	-	634	(12,252)	-
Disposals	(191)	-	(674)	(3,392)	(14)	-	-	-	-	(4,272)
Work in progress written off	-	-	-	-	-	-	-	-	(53)	(53)
Revaluation adjustment	432	8,501	-	20,747	6,114	3,994	-	-	-	39,788
Closing gross value as at 30 June 2023	3,752	93,509	9,867	399,300	61,691	40,302	1,296	5,301	12,335	627,352
Accumulated depreciation										
Opening balance as at 1 July 2022	-	(28,313)	(4,219)	(129,097)	(23,217)	(15,109)	(604)	(2,222)	-	(202,781)
Depreciation provided in period	-	(1,588)	(738)	(6,006)	(985)	(443)	(105)	(273)	-	(10,139)
Depreciation on disposals	-	-	456	1,653	9	-	-	-	-	2,119
Revaluation adjustment	-	(2,990)	-	22,750	(2,555)	(1,711)	-	-	-	15,495
Accumulated depreciation as at 30 June 2023	-	(32,891)	(4,501)	(110,699)	(26,749)	(17,263)	(709)	(2,495)	-	(195,306)
Total written down value as at 30 June 2023	3,752	60,617	5,365	288,601	34,942	23,039	587	2,807	12,335	432,046
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	-	94	949	4,261	698	630	-	-	-	6,631
Expansion	-	-	-	2	-	-	-	-	-	2
New	1,854	-	101	2,497	6	-	-	133	-	4,591
Upgrade	-	91	-	2,647	91	-	-	-	-	2,829
Total additions	1,854	185	1,050	9,406	795	630	-	133	-	14,054

12 Property, plant and equipment

(b)

	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
Basis of measurement	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	-	-	-	-	-	-	-	-	14,158,056	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)	(271)	(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 (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 2023.

At 30 June 2023	Note	Level 1	Level 2	Level 3
		\$000	\$000	\$000
Recurring fair value measurements				
Land and land improvements	12(a)	-	3,752	-
Buildings and structures	12(a)	-	-	60,617
Road, bridges and drainage network	12(a)	-	-	288,601
Water infrastructure	12(a)	-	-	34,942
Sewerage infrastructure	12(a)	-	-	23,039
		-	3,752	407,200

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.	13%	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.	13%	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.	10%	Nil
Roads, drainage and bridges network	Current replacement cost	30 June 2023	Bridges, Culverts and Footbridges were revalued by Pitt & Sherry. Other other transport infrastructure asset were revalued by Shepherd Services Pty Ltd.	Replacement cost is calculated by reference to asset linear and area specifications, estimated labour and material inputs and service costs sourced from recently completed projects. Assets were componentised into components that reflect their functional purpose, useful life and differing levels of service potential consumption. As infrastructure assets have varying age profiles, it is best practice is to ensure all assets are suitably componentised into long life and short life assets. This was taken into account when carrying out useful life review. Remaining life of assets based on condition, taking into account functionality, capability, utilisation and obsolescence.	N/A	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.	11%	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.	11%	Nil

	2023 \$000	2022 \$000
13 Payables		
Current		
Trade creditors and accruals	2,919	4,298
Prepaid rates	1,084	1,061
	<u>4,003</u>	<u>5,359</u>

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

14 Provisions		
Current		
Annual leave	1,884	2,093
Long service leave	1,928	2,155
Rostered days off	73	80
Time in lieu	25	26
Warren's Hill landfill site restoration	1,825	149
	<u>5,734</u>	<u>4,502</u>
Non-current		
Ingham landfill site restoration	3,065	2,899
Taylor's Beach landfill site restoration	966	845
Forrest Beach landfill site restoration	545	496
Lucinda landfill site restoration	200	168
Warren's Hill landfill site restoration	2,840	2,483
Long service leave	189	145
	<u>7,805</u>	<u>7,037</u>

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, Taylor's 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.

2023					
Landfill site restoration	Ingham	Taylor's Beach	Forrest Beach	Lucinda	Total
	\$000	\$000	\$000	\$000	\$000
Balance at beginning of financial year	2,899	845	496	168	4,408
Increase in provision due to unwinding of discount	(50)	(17)	(10)	(3)	(80)
Increase in provision due to change in cost estimate	154	55	29	11	249
Decrease in provision due to change in timing, inflation and discount rates	62	83	29	24	199
Balance at end of financial year	<u>3,065</u>	<u>966</u>	<u>545</u>	<u>200</u>	<u>4,776</u>
2022					
Landfill site restoration	Ingham	Taylor's Beach	Forrest Beach	Lucinda	Total
	\$000	\$000	\$000	\$000	\$000
Balance at beginning of financial year	2,879	926	516	196	4,517
Increase in provision due to unwinding of discount	9	3	2	1	15
Increase in provision due to change in cost estimate	94	28	16	5	144
Decrease in provision due to change in timing, inflation and discount rates	(84)	(112)	(38)	(34)	(267)
Balance at end of financial year	<u>2,899</u>	<u>845</u>	<u>496</u>	<u>168</u>	<u>4,408</u>

	2023 \$000	2022 \$000
14 Provisions (continued)		
Warren's Hill landfill site restoration		
Balance at beginning of financial year	2,632	4,058
Increase/(decrease) in provision due to unwinding of discount	(50)	13
Increase/(decrease) in provision due to change in discount rate	(550)	(681)
Increase/(decrease) in provision due to change in inflation rate	1,049	153
Increase/(decrease) in provision due to change in timing	(120)	(39)
Increase/(decrease) in provision due to change in cost estimate	1,851	229
Decrease in provision due to remediation works	(146)	(1,102)
Balance at end of financial year	4,665	2,632

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 cells at Warren's Hill. The projected cost to restore both cells is \$4,916m 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.

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.

	2023 \$000	2022 \$000
15 Other liabilities		
Current		
Waste levy refund received in advance	333	349
Other revenue received in advance	26	-
	<u>359</u>	<u>349</u>
Non-Current		
Waste levy refund received in advance	1,069	1,036
	<u>1,069</u>	<u>1,036</u>

The State Government made advance payments to Council in June 2022 and June 2023 to mitigate the impacts on households for years 2023-24 to 2026-27 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 receipts from the State in June 2022 and June 2023 relate to future years, the full amount has been recognised as a liability at 30 June 2023.

16 Asset revaluation surplus		
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	211,054	183,352
<i>Net adjustment to capital non-current assets at end of period to reflect a change in fair value:</i>		
Buildings and structures	5,511	7,779
Road, drainage and bridge network	43,497	20,076
Water	3,559	181
Sewerage	2,283	1
Land and land improvements	25	(334)
Movements total	<u>54,875</u>	<u>27,702</u>
Balance at end of financial year	<u>265,930</u>	<u>211,054</u>

Asset revaluation surplus analysis

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

Land and land improvements	25	-
Buildings and structures	33,247	27,736
Road, drainage and bridge network	198,049	154,552
Water	17,630	14,071
Sewerage	16,979	14,696
	<u>265,930</u>	<u>211,054</u>

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

Increases and decreases on revaluation are offset within a class of assets.

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.

	2023 \$000	2022 \$000
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 2023 multiplied by the cost per service and adjusted for inflationary factors.	4,208	4,640
	<u>4,208</u>	<u>4,640</u>
Capital contractual commitments		
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:		
<i>Property, plant and equipment</i>		
Road, drainage and bridge network	2,349	3,017
Water	1,169	-
Sewerage	153	157
Fleet	1,033	260
Plant and Equipment	131	-
Other	1,482	87
	<u>6,317</u>	<u>3,521</u>
These expenditures are payable as follows:		
Within one year	6,317	3,521
One to five years	-	-
Later than five years	-	-
	<u>6,317</u>	<u>3,521</u>

18 Contingent liabilities and assets

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:

386	365
-----	-----

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 2023 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Warren's Hill Landfill

Council is currently involved in non-predjudice discussions with an external contractor regarding defects at the Warren's Hill landfill facility. Council must incur significant additional costs to secure and adequately remediate Cell 1. These additional costs have been included in the provision disclosed in Note 14 to the financial statements. At the date of this report, Council expect to recover the value of additional works from the contractor.

19 Superannuation

Council contributes to the LGIA super Regional Defined Benefits Fund (the scheme), at the rate of 12.5% 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 managed by the LGIA super trustee as trustee for LGIA super trading as Brighter Super.

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

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

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	2023 \$000	2022 \$000
Superannuation contributions made to the Regional Defined Benefits Fund		101	119
Other superannuation contributions for employees		1,547	1,525
Total superannuation contributions paid by Council for employees:	5	<u>1,648</u>	<u>1,644</u>

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	15
Ordinary expenses	(55)	(40)
Net result	<u>(40)</u>	<u>(25)</u>
Sewerage infrastructure assets - 100%	<u>844</u>	<u>855</u>

	2023 \$000	2022 \$000
21 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities		
Net result	4,532	5,152
Non-cash items :		
Depreciation	10,139	9,458
Work in progress written off	7	162
	<u>14,678</u>	<u>14,772</u>
Investing and development activities (non-cash) :		
Net (profit)/loss on disposal of non-current assets	1,963	1,235
Contributed assets	-	(736)
	<u>1,963</u>	<u>499</u>
Changes in operating assets and liabilities :		
(Increase)/decrease in receivables	(583)	637
(Increase)/decrease in other assets	685	196
(Increase)/decrease in contract assets	(2,453)	1,891
(Increase)/decrease in inventories	(109)	(222)
Increase/(decrease) in payables	(1,357)	271
Increase/(decrease) in contract liabilities	563	43
Increase/(decrease) in other liabilities	43	1,385
Increase/(decrease) in provisions	1,596	(1,784)
	<u>(1,616)</u>	<u>2,418</u>
Net cash inflow from operating activities	<u>15,025</u>	<u>17,689</u>

- 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:

	2023	2022
	\$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 \$217,450 (30 June 2022: \$206,000) 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.

	2023 \$000	2022 \$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	1,158	1,309
Post-employment benefits	125	88
Long-term benefits	9	(41)
Total KMP compensation	1,292	1,356
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	252	243
Employee expenses for close family members of KMP	286	443
Fees and charges charged to entities controlled by KMP	-	2
Purchase of materials and services from entities controlled by KMP	118	170
Total transactions with other related parties	656	858

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 180 full time equivalent staff of which 3 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
 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	-	-
Entities controlled by KMP	10	-
Total outstanding balances	10	-

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 29, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



R. Jayo
Mayor

Date: 30 October 2023



M Webster
Interim Chief Executive Officer

Date: 30 October 2023

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 2023, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have 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 material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, 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.



Sri Narasimhan
as delegate of the Auditor-General

31 October 2023

Queensland Audit Office
Brisbane



2022-2023 Current Year Financial Sustainability Statement

Certificate of Accuracy - Current Year Financial Sustainability Statement

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

Current Year Financial Sustainability Statement

For the year ended 30 June 2023

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2023 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	1.4%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense	63.0%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	-23.4%	Not greater than 60%

Note 1 - Basis of Preparation

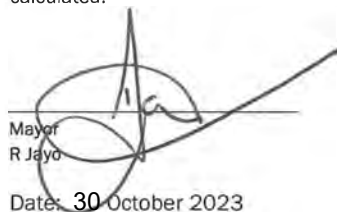
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2023.

Certificate of Accuracy

For the year ended 30 June 2023

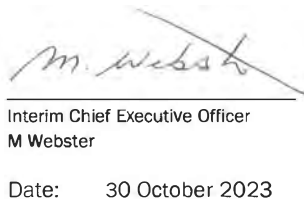
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

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



Mayor
R Jayo

Date: 30 October 2023



Interim Chief Executive Officer
M Webster

Date: 30 October 2023

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 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

My opinion on the current-year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have 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 material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.

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

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



Sri Narasimhan
as delegate of the Auditor-General

31 October 2023

Queensland Audit Office
Brisbane



2022-2023 Long Term Financial Sustainability Statement - Unaudited

Certificate of Accuracy - Long Term Financial Sustainability Statement

Long-Term Financial Sustainability Statement - Unaudited
For the year ended 30 June 2023

Measures of Financial Sustainability	Measure	Target	Actuals at 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	30 June 2032
Operating surplus ratio	Net operating result divided by total operating revenue	Between 0% and 10%	1%	-12%	-10%	-5%	-4%	-4%	-2%	-2%	-1%	0%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	Greater than 90%	63%	79%	91%	92%	95%	98%	101%	105%	109%	112%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	Not greater than 60%	-23%	-30%	-30%	-34%	-39%	-43%	-48%	-52%	-57%	-61%

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 2023

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

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



Mayor
R Jayo

Date: 30 October 2023



Interim Chief Executive Officer
M Webster

Date: 30 October 2023



Council Staff at Miles Street Ingham



HINCHINBROOK SHIRE COUNCIL

CONTACT COUNCIL

25 Lannercost Street
Ingham QLD 4850

PO Box 366
Ingham QLD 4850

 4776 4600

 council@hinchinbrook.qld.gov.au

 www.hinchinbrook.qld.gov.au

 [HinchinbrookShireCouncil](#)

 [HinchinbrookDisasterInformation](#)

Privacy Information

Personal Information provided by a customer to Council is protected in accordance with the requirements of the *Personal Information Protection Act 2004* and the *Right to Information Act 2009*.



HINCHINBROOK WAY
www.hinchinbrookway.com.au

 [HinchinbrookWay](#)