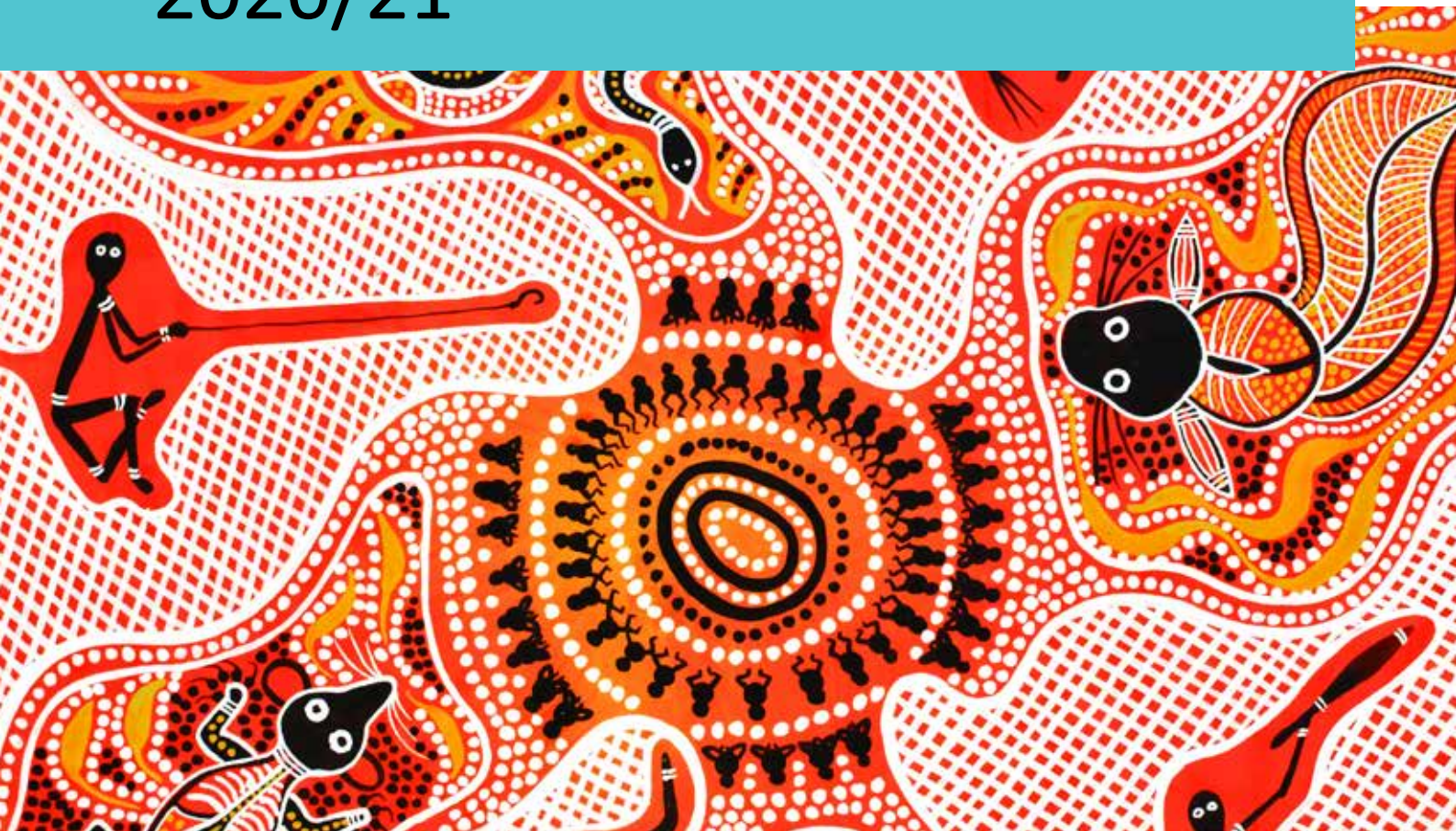
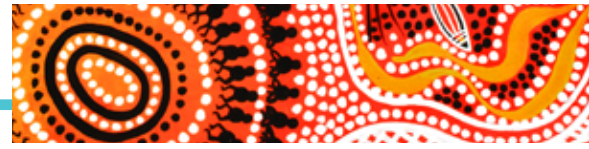




ANNUAL REPORT

2020/21





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Acknowledgement to Traditional Owners

The Cherbourg Aboriginal Shire Council respectfully acknowledges the Wakka Wakka peoples who are the traditional owners of the land on which we are based., and we pay our respects to our Elders past and present. We also wish to acknowledge the historical peoples who were sent here and made Cherbourg their home. With many tribes in our one Community, we strive to combine all of our services and skills committed to reducing all inequalities between Indigenous and non-Indigenous Communities.



The history of Cherbourg is one of Aboriginal people being forcibly removed and brought from all over Queensland and Northern New South Wales to a newly formed government reserve.

Under the Aborigines Protection Act of 1897 the settlement then called Barambah, was gazetted and established in 1904.

In 1932, the name Barambah was then changed to Cherbourg due to a nearby property called “Barambah Station” which caused confusion in mail delivery.



INTRODUCTION

This document is presented to display the work Cherbourg Aboriginal Shire Council has done to ensure its residents live the best possible life.

It provides an account of the organisation's performance, activities and other information for the financial year of 1 July 2020 to 30 June 2021.

The information provided ensures Cherbourg Aboriginal Shire Council is accountable for all its workings and outlines how it operates so people better understand what we are trying to achieve. It will demonstrate Council's challenges, culture, purpose and plans for the future.

It is hoped the document will inspire others to become agents of change and partner with Cherbourg Aboriginal Shire Council in our effort to strengthen our existing programmes and benefit our residents.

Cherbourg Aboriginal Shire Council is committed to serving our community and aims to provide services that empower our people.

Copies of this annual report can be obtained by phoning the council on (07) 4168 1866.

Those wishing to link with the council or provide feedback can also email ceo@cherbourg.qld.gov.au or go to the website of <http://www.cherbourg.qld.gov.au/>



OUR TOWN, OUR SHIRE, OUR AREA



Cherbourg sits 267km west of Brisbane and is surrounded by the beautiful South Burnett region. Wineries and the Bjelke-Petersen dam are just minutes away. The vineyards are noted for their scenery, great food and award winning vintages. The dam is restocked regularly and holds one of Australia's biggest fishing carnivals on an annual basis.

Cherbourg itself, hosts the national, award-winning Ration Shed Museum. This gives visitors an insight into how Cherbourg was formed as a Mission in 1904 and a stronger understanding of Australia's settlement through its tours, photos, movies and information. The nearby Bert Button Lookout provides views through the Wondai State Forest onto Bjelke-Petersen Dam.

Cherbourg is now home to 1292 people and the Cherbourg Aboriginal Shire Council controls an area of 31.7km². The average daily temperature ranges from 12.7°C to 26.3 °C and its average yearly rainfall is 809 mm.





MAYOR & CEO'S MESSAGE



I am proud to be the first female Mayor of Cherbourg Aboriginal Shire Council. Commencing the term with the COVID-19 Pandemic has been a very challenging experience. From lockdown to COVID-19 Vaccine Rollout this is the first full year working as a united team with my new council.

One major achievement this year has been Cherbourg Aboriginal Shire Council's 10th straight clean audit report. Projects delivered this year are the Water Reservoir Project, Six New Houses and the Cherbourg Cemetery Upgrade Project.

My vision for the future is to provide modern infrastructure, clean water, better community services and for more accountability by organisations.

Elvie Sandow , Mayor

It is great pleasure that I provide this CEO message to the Cherbourg Aboriginal Shire Council's Annual Report for 2020/2021.

The 2020/2021 financial year marks the first full year of this Council's term and it has been tremendous year with COVID-19 situation with our community.

2020/2021 has seen Council maintain its 10th straight year of financial audit with clean audit report. This is a great result that can only be achieved by excelled teamwork and the dedication of all staff to achieve these results and the commitment of Council to support our staff is second to none. Council acknowledges that its workforce is its greatest asset and will continue to support that workforce.

This past financial year has presented many challenges with the continued impacts of COVID-19 hanging over our heads. However, I am pleased to say that throughout these challenges. Council has continued to advocate for the needs of our community and focused on its service and responsibility to the residents of Cherbourg.

Councils Civil, Building and Operations departments have and continue to construct and complete projects that give all residents access to high quality and sustainable infrastructure.

Over 6 million dollars will be spent on our Water treatment plant to build the two new reservoirs and associate work. This major work will give us stable and quality water supply to our community.

Before I close, I'd like to thank every member of our community. Together we have a vision, the knowledge and the experience to help us pave our way into the future. You are Cherbourg's greatest asset today and tomorrow, and we could not accomplish what we do without your support. Throughout the weeks and months to come, I ask you to stay engaged, keep us proactive and help us shape the future of our Cherbourg.

Kind Regards, Chatur Zala , CEO





OUR ELECTED MEMBERS

MAYOR ELVIE SANDOW

2020 First Female Mayor of CASC

2016 Deputy Mayor

2000 Councillor

I've spent all my life in Cherbourg and was raised by my Grandmother. I have 8 brothers (I am the eldest and only girl) in our family of 8. Education - I was a student at Cherbourg State School (years 1-7) and Murgon State High School (years 8-12). I have 3 Children Bobbie, Curtis and Trent, and have 6 beautiful grandchildren.



- Employed as CASC Payroll Officer for 21 years
- President – Gundoo Daycare Early Childhood Learning Centre (15 yrs)
- Executive Officer – Gundoo Daycare Early Childhood Learning Centre (5 yrs)
- Member – QATSIETAC- Qld ATSI Education & Training Advisory Committee

This term my goals are to:

- Provide good leadership, build better partnerships in Education, Health & Wellbeing, Housing, for better outcomes for our community and future generations.

DEPUTY MAYOR TOM LANGTON

- 2016 Councillor (Cherbourg Aboriginal Shire Council)
- 2020 Deputy Mayor (Cherbourg Aboriginal Shire Council)

I was born and raised in Cherbourg and worked in for a while in Brisbane. I was educated at the Cherbourg State School from years 1-7. Then on to Murgon High for years 8-12. I come from a large family of 6 brothers and 7 sisters. I have 7 children – 4 sons and 3 daughters.



My employment history is varied:

- | | |
|---|---|
| • Cemetery Gang – Cherbourg Council | • Community Police - Cherbourg |
| • Lab Assistant - Murgon High | • Plumber – Cherbourg Council |
| • Taxation Office – Brisbane | • Building Supervisor – Cherbourg Council |
| • Men's Group – Cherbourg Justice Group | • Plumber – Selwood Constructions |

My Interests are:

- | | |
|-------------------|---------------------------|
| • Fishing | • Rugby League |
| • Cricket | • Golf |
| • Teaching others | • My children's education |

This Term My Goals Are:

- Continue what we started last term
- Fight for better outcomes for our community
- Achieve better health services for our community

FRED COBBO - COUNCILLOR

2020 First Term Councillor

I've spent the majority of my life moving between Hervey Bay and Cherbourg. It was when I returned Cherbourg that I took education serious and completed my High School education at the nearby Murgon State High School. I became the first in my family to complete Year 12.

After completing school I worked in the Local Government sector, by taking up employment with the former Hervey Bay City Council.



I had an opportunity to become a tradesperson and obtained an apprenticeship with the Cherbourg Aboriginal Shire Council. After 10 years of service and gaining my electrical qualifications, I ventured into my other love. EDUCATION For over past 25 years I have been employed in the education section on many levels from Policy making, working in Primary, Secondary, vocational & University education.

During these year I completed a university degree in Bachelor of Applied Science, Majoring in Community Development Management & Leadership with Curtin University Perth WA, becoming the second member of my family to complete university studies.

My goals this term are to:

- Provide good honest and transparent leadership
- Develop a better relationship with community
- Provide Better housing
- Build a partnership with all Government Departments both State and Federal
- Create job opportunities for all

LEIGHTON COSTELLO - COUNCILLOR

2020 1st Term Councillor

I am a family man and have 5 children (3 Girls & 2 Boys) with my partner Kaysee. I've lived in Brisbane and Cherbourg. My education commenced at St Joseph's Murgon (years 1-7) and continued at Murgon High School (years 8-12).

My employment has been varied over the years:

- Youth Worker - CTC
- CASC Accounts Assistant - CASC
- Male Sexual Health Worker - Brisbane Medical Centre
- Apprentice Carpenter - CASC
- Yardsman/Handyman - Cherbourg State School
- Cultural Practice Advisor - Child Safety
- Teacher Aide/Bus Driver - Silver Lining
- Mines - Qld



Hobbies Personal/Professional Interests:

- Rugby League
- Education/Youth
- Touch Football
- Golf

Visions/Aspirations for the Cherbourg Community are:

- To be an advocate for Youth/Men in the Community
- Improve Health/Education
- Employment



BRONWYN MURRAY- COUNCILLOR

Cr. Murray comes from a strong independent family of leaders, mentors, worker's and guides who have embedded learning seeds in her, since childhood. Born and raised in Cherbourg and is a descendant from the Wakka Wakka, Takalaka and Gungalu tribes. She completed year 12 at Murgon State High school and went on to further studies, in order to possess graduate qualifications from 3 universities and other RTO's, including Cherbourg's local Nurunderi TAFE College.



Cr. Murray is currently in the process of becoming a small business owner, previously sat on numerous boards and committees.

Her forte is working in the Mental Health and Social Welfare industries, as well as supporting youth through education and sports.

There are a few agenda items for her as a Councillor, and they are to:

- Stay on top of Council priorities
- Ensure transparency
- Ensure accountability
- Create Pathways
- Consult and engage with Government agencies to work on better solutions
- Lobby Government for what's in our best interest
- Engage with community to change mindsets
- Stamp out boredom by creating opportunities for all residents; in order to be involved in positive activities
- Continue to work with people to achieve positive outcomes
- Address priority concerns
- Empower and encourage agencies to build stronger relationships and to work cohesively together to implement needed programs from effective strategies
- Educate community and lead our people to have life victories and achieve successful community outcomes.

Her vision for Cherbourg is to work towards having a well-respected, close knit, clean, beautiful home town that's healthy, sustainable and a multi-skilled community full of opportunities and positiveness.

Her passion and drive is education, due to being what she believes is the key to open the doors to opportunity, as well as working with or for her people.

Cr. Murray stands strong from her husband Patrick, daughter Keturah, close family and friendships.

"They're her Rock"





COUNCILLORS' MISSION STATEMENT & VISION

Mission Statement:

To develop the independence and uniqueness of our community whilst maintaining respect and integrity in our culture and country for the future.

The Community Vision:

The Cherbourg Aboriginal Shire Council and Cherbourg community will strive to:

- Provide a clean, safe and healthy community. We will work to improve the health and wellbeing of our people;
- Consistently encourage, lead and support the community to become self-reliant / independent;
- Assist youth to determine their future through self-respect, education, training, cultural and traditional values;
- Provide a caring, respectful and safe environment to our elders.

Whilst respecting and upholding local traditional, cultural and (foundational, religious, spiritual, Christian) values and beliefs we will strive to maintain our identity, our culture and respect for each other.





PAY & MEETINGS

REMUNERATION TO COUNCILLORS

Section 186 (1) (a) (b) LGR 2012

Name	Position	Salary	Superannuation	Expenses Claimed	Facilities provided
Elvie Jean Sandow Re-elected	Mayor	\$ 108,222	\$ -	\$ 6,584	Mobile Phone
Tom Langton Re-elected	Deputy Mayor	\$ 62,435	\$ -	\$ 845	Ipad
Frederick Cobbo Incoming	Councillor	\$ 54,110	\$ -	\$ 462	Ipad
Leighton Costello Incoming	Councillor	\$ 54,110	\$ -	\$ 991	Ipad
Bronwyn Murray Incoming	Councillor	\$ 54,110	\$ -	\$ 797	Ipad

Cherbourg Aboriginal Shire Council Councillors Attendance Record (2020-2021)

Name	Ordinary Council Meeting (Days Attended)	Special Council Meeting (Days Attended)	Total Meetings Eligible to Attend	Total Meetings Attended (Days Attended)
Mayor Elvie Sandow	12	12	24	24
Deputy Mayor Tom Langton	12	12	24	24
Cr Fred Cobbo	12	12	24	24
Cr Leighton Costello	12	12	24	24
Cr Bronwyn Murray	12	12	24	24



COMMUNITY ORGANISATIONS

Education: Gundoo Day Care, Cherbourg State School, Nurunderi TAFE.

Culture: UsMob 94.1 radio station, Wakka Wakka Dancers, Ration Shed Musuem; and Indigenous Knowledge Centre;

Sport: Les Stewart Sports Complex, South Burnett PCYC, Cherbourg junior and senior football teams, Girls's open netball, Cherbourg mens cricket team, Cherbourg Snipers Basketball Team;

Retail: Cherbourg Retail Store;

Community: Jundah Women's Shelter; Ny Ku Byun Aged Care residential, Beemar Yumba Children's Shelter, Cherbourg Fire Brigade;

Health: Barambah Medical Centre; Community Health, Cherbourg Public Hospital; Rescue Helicopter Service;

Law and order: Police Station, Barambah Local Justice Group, Murri Court;

Employment: Council, Selwood Construction; Sarina Russo, Max Employment, Cherbourg Farm, Cherbourg Recycling Waste Management Plant, Cherbourg Joinery, Centrelink;

Government: Department of Aboriginal and Torres Strait Islander Partnerships.

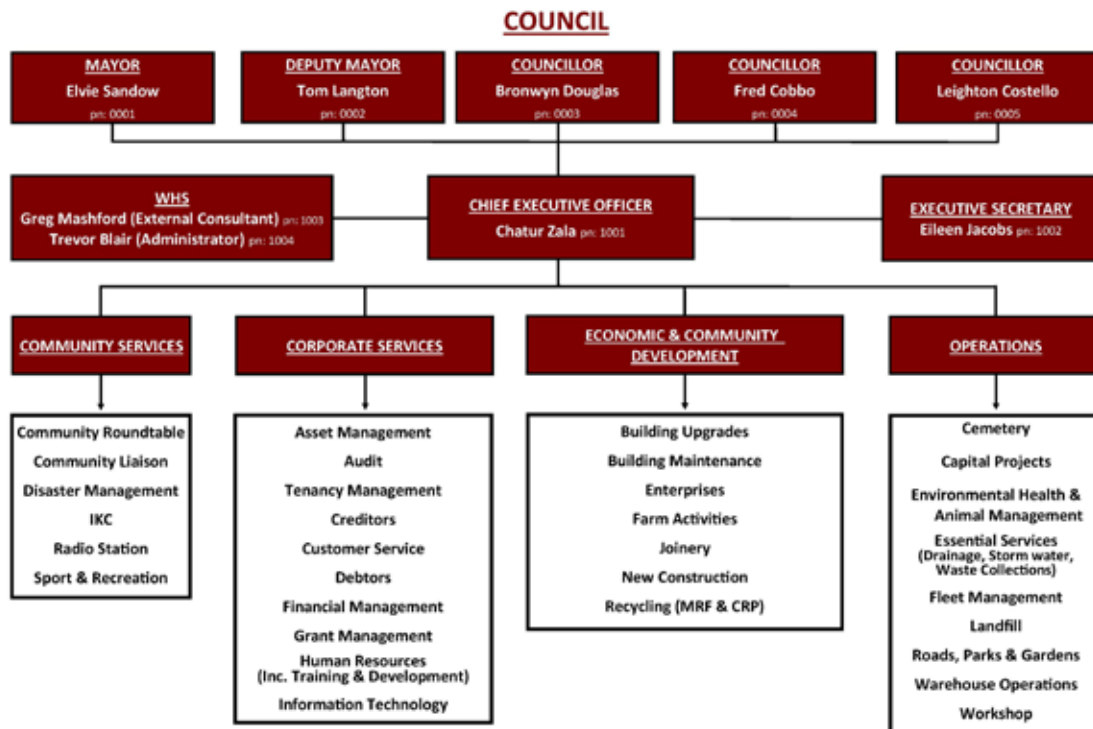


ORGANISATIONAL STRUCTURE



CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATIONAL STRUCTURE

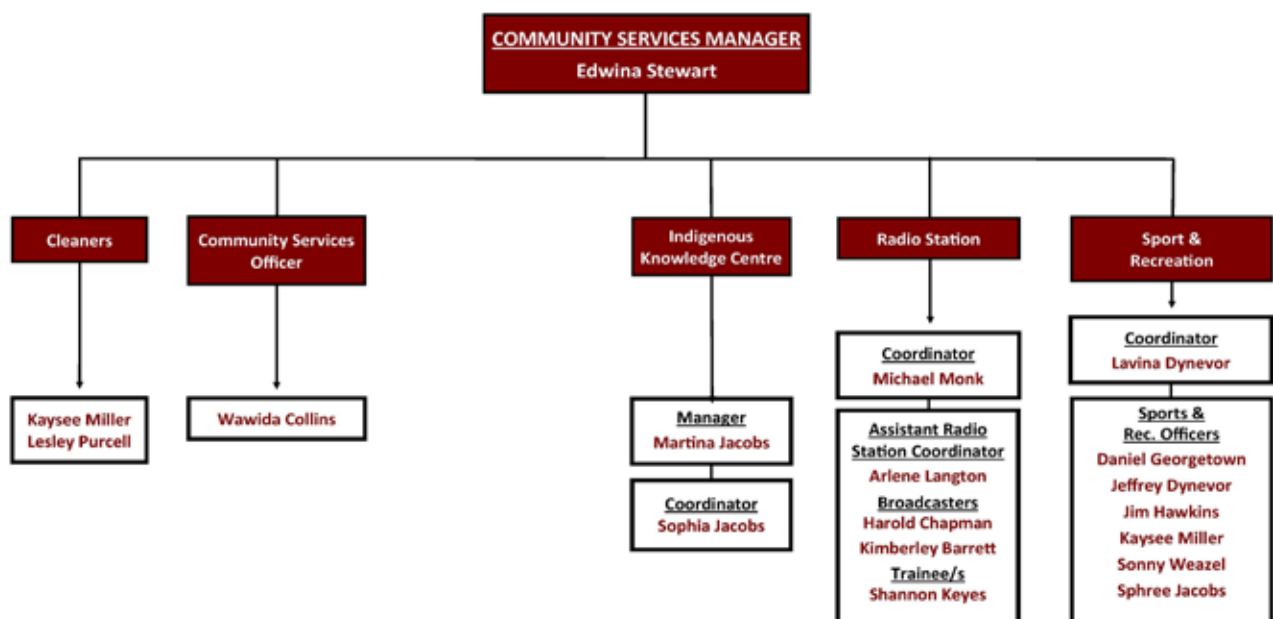
11/28/2021



CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATIONAL STRUCTURE

11/28/2021

COMMUNITY SERVICES DEPARTMENT

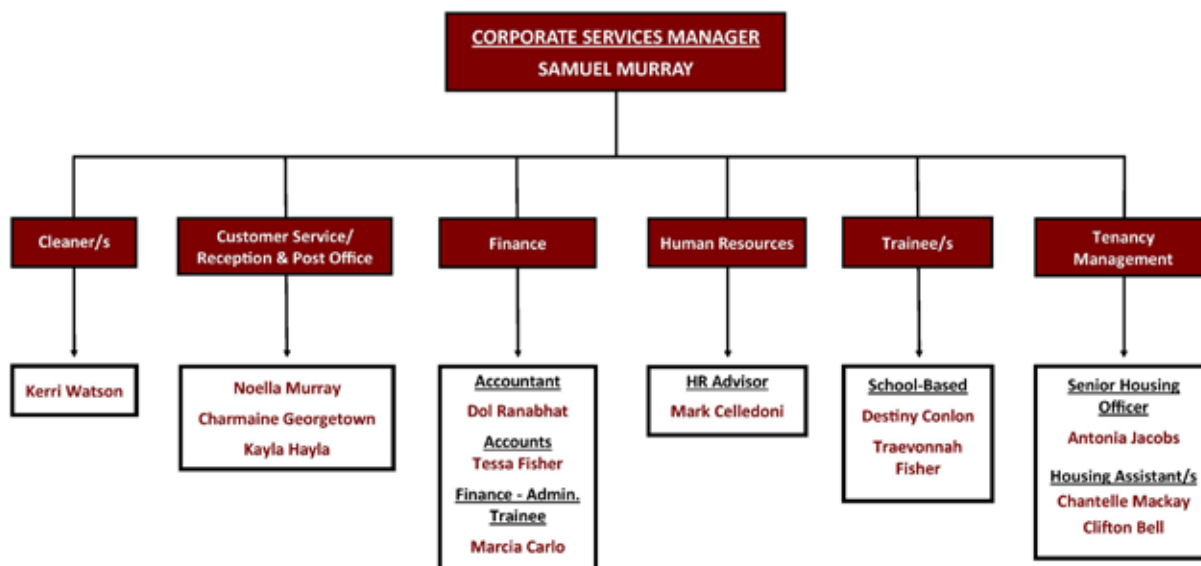




CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATIONAL STRUCTURE

11/28/2021

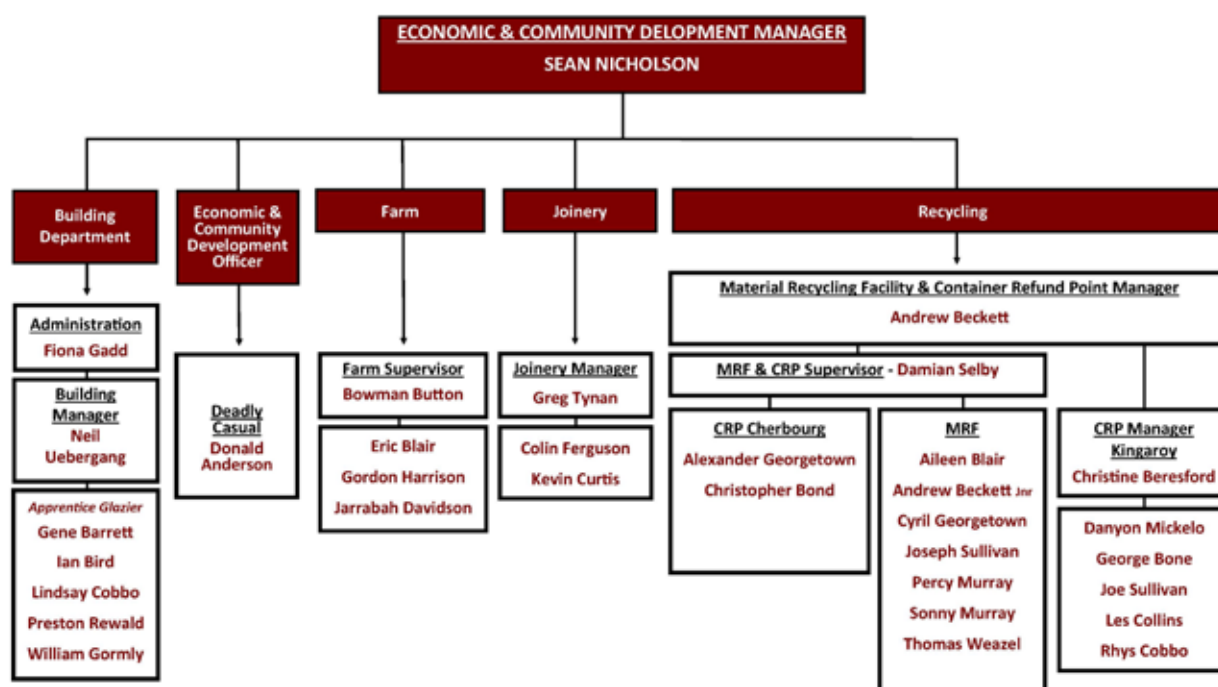
CORPORATE SERVICES DEPARTMENT



CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATIONAL STRUCTURE

11/28/2021

ECONOMIC & COMMUNITY DEVELOPMENT DEPARTMENT





CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATIONAL STRUCTURE

11/28/2021

OPERATIONS DEPARTMENT





COMMUNITY NEWS

Health Summit Aims For Change

December 9, 2020

A Health Summit which aimed to bring agencies and the people they serve face-to-face to thrash out solutions to entrenched issues has been hosted by Cherbourg Aboriginal Shire Council.

The two-day summit, held at the Cherbourg Sports Complex on Tuesday and Wednesday, discussed the health – and mental health – issues in the community.

It was facilitated by Phillip Mills and Barbara Schmidt, who have worked with other Indigenous communities, especially in the Torres Strait.

Phillip said gaps in services were easy to identify.

Some of these were policy-related, while others were linked to not having programs in those particular areas. But it was more important to listen to the community “voice”.

“The pain, the suffering, the ongoing loss and this veil of depression that we are battling against even to be at the starting line as everybody else,” he told the audience.

“That inequity needs to be addressed as well, because we can’t expect people who don’t have the support that brings them on a par to everyone else in this country to have the same health outcomes as the rest.”

Barbara said there were many groups working to solve issues from above but there were only a handful of people working to find answers from within the community. Mayor Elvie Sandow told southburnett.com.au that she believed the government had to come out and listen to Cherbourg residents.

“They have to come out, sit down and talk to us,” she said.

“Top down doesn’t work.”

And she said the agencies that worked at Cherbourg had to be held to account for their decisions.

South Burnett Mayor Brett Otto, who was a guest at the summit, said it was time the Federal Government “moved forward” and followed the example of New Zealand, working with and listening to Indigenous people.

Mayor Sandow said the people of Cherbourg had elected her to be their voice.

She had just four years to make a difference.

“I am here for change,” she said. “If you don’t make changes, nothing changes.”

Mayor Sandow said a Health Summit like this had never happened in Cherbourg before, but she hoped it would not be the last time major issues were addressed this way.



She hoped that over the next couple of years, Council could also host an Education Summit and a Law and Order Summit. “At the end of my four years, I can say I have tried,” she said.

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Budget Plans For Sustainability

Cherbourg's 2021-22 Budget will continue the Council's long-term focus on building major infrastructure and acquiring plant and equipment for the community. Community residents will face a 1 per cent rise in rentals and charges, which is marginally less than this year's forecast 1.1 per cent increase in CPI.

Handing down the Budget in June, CEO Chatur Zala said a key function of Cherbourg Aboriginal Shire Council (CASC) was to build community assets and acquire sufficient plant and equipment to make the town sustainable.

"Funding spent on plant and equipment will ultimately make Cherbourg more self-reliant, bringing down Council's overall operating costs in the long term," Mr Zala said. This year, CASC will spend an estimated \$740,000 to acquire a rubbish truck, bobcat, forklift, front-end loader and conveyor for its fleet.

Thanks to a Works for Queensland grant, CASC will also undertake upgrades to its tip to make the facility more environmentally compliant.



This will include separating waste into the correct sections (plastics, cardboard, glass etc); creating green zones between collection points; capping and other measures to protect the water table against contamination; and installation of security cameras to deter illegal dumping.

Work on the new Cherbourg-Murgon footpath is expected to start in early October, with \$2.5 million allocated to the project in 2021-22.

CASC will also spend \$4.1 million to install new water reservoir tanks with an expected 50-100 year lifespan. Work on the water tanks began earlier this year and community supply is expected to come online by late December early January. The Council will invest \$2.6 million into the construction of new housing; a further \$2.5 million to upgrade existing housing; and \$230,000 into road works and line marking.

CASC forecast CPI rises in rents, fees and charges, sales and recoverable works, and grants and subsidies over the coming decade, with CPI expected to range between one and 3 per cent.

Employee wages and salaries are expected to rise by 2 per cent per annum over the same period, while depreciation allowances will remain relatively constant

This Story is reprinted here thanks to SouthBurnett.com.au

Tik-Tok a New Town Clock



New Champion for Cherbourg

Champion Impressed By Cherbourg

Cherbourg's new Ministerial "Champion", Leanne Linard paid her first visit to the community in June... and she admitted she was impressed. Ms Linard is the Minister for Children and Youth Justice and Minister for Multicultural Affairs.

Appointed to the "champion" role in late April this year, Minister Linard was accompanied on her visit by the former head of the Department of Aboriginal and Torres Strait Islander Partnerships, Clare O'Connor, who is now Director-General of the Department of Communities, Housing and Digital Economy.

Ms O'Connor is Cherbourg's "Government Champion".

The "champion" roles are designed to give Cherbourg Aboriginal Shire Council a direct channel into Cabinet and into the upper echelons of the public service.

Minister Linard told southburnett.com.au there was a lot of pride in the community.

"The Mayor and the local councillors are really proud of the community. And I've just had my first visit to the school – a proud principal, beautiful kids playing," she said.

The visitors also dropped into Nurunderi TAFE, where they met another "really proud team".

"This community has great facilities and there's people who really love being here, are excited about what's here now but also where they're going in future," Minister Linard said.

She said Council had briefed her on what they would like her focus to be on, as well as their plans moving forward.

Concerns about child safety issues were also discussed with councillors. "If there are things that need to be addressed, that's what this process is about," Minister Linard said.

Minister Linard and Ms O'Connor, accompanied by Mayor Elvie Sandow, Deputy Mayor Tom Langton and CEO Chatur Zala, also visited the Cherbourg Water Treatment Plant and the Materials Recovery Facility / Containers For Change depot then on to see new houses under construction, visit Gundoo Day Care and have a meeting with the Barambah Local Justice Group.

Minister Linard said she was looking forward to coming back to Cherbourg and engaging with more of the community and services.

She would also be talking regularly with Mayor Sandow.

The Assistant Minister for Health and Regional Health Infrastructure Julieanne Gilbert – the "Assistant Champion" – will also be visiting the Cherbourg in future.

This Story is reprinted here thanks to SouthBurnett.com.au



Trainees "digging" their future

Council training activities in July have seen seven (7) Cherbourg council staff commence a journey to gaining Excavator operator qualifications.

Staff trained on one of councils latest machines, a 1.7 ton Caterpillar mini excavator. The new machine has a narrow track base to allow access through a single pedestrian gateway to conduct earthworks in house yards. Participants Craig Renouf, Lowana Leedie and Justine Purcell came in top of the class, impressing the instructor with their positive attitude and increased skill level after only 2 days of training. Participants will be out working on projects with the new excavator in the community over the next couple of months before going through their final assessment and becoming qualified operators.



Community Youth Forum

In April, as part of Indigenous Youth Connections to Culture we hosted a Community Youth Forum for our local young ones, elders, families, stakeholders, and service providers.

The forum was designed to open conversation with youth to discuss matters affect young people in our community.

The day featured guest speakers Leaders and Elders from community including our Mayor Elvie Sandow, CEO Chatur Zala, Corporate Services Manager Sam Murray, Community Services Manager Edwina Stewart along with respected elders Aunty Lillian Gray, Aunty Jacqui Tapua, Tyrone Murray and more.

The days program included a number of workshops designed to open discussions and explore the ideas, goals and needs of the young ones in attendance. This included discussions around what cultural activities or culturally lead projects could be initiated to promote and encourage reconnection with culture within the community and what culture means to the individual.

The workshops also opened discussion on how youth would ideally like see themselves represented, what barriers they might see to achieving the ideal community as well discussion around forming a Youth Council or Advisory Group and how that might be beneficial to young people in the community.

One of the highlights of the day was a motivational speech from former Cherbourg Boy Will Muckan who gave a riveting yarn about his journey into his career with Virgin Australia starting out as Cabin Crew to now running his own team as well as holding the position of Indigenous Recruitment Advisor for Virgin.

Cherbourg Radio were in attendance to record and broadcast parts of the day to community.



Water Treatment Plant Upgrades

Cherbourg Aboriginal Shire Council recently signed an official contract with Water Treatment & Filtration Solutions Pty Ltd, who have begun works on the much needed Construction of two Replacement reservoirs. This project will secure the storage of a significant water capacity in case of any emergency including disaster events, failure of pumps etc... Works are expected to be completed by December 2021. We have engaged Gripfast consulting as Project management for this very important project. New Funding of \$4.01 million was secured with WTF advising we can expect work to be completed by late 2021.

Works include:

1. Raw Water Inlet
2. New Rising Main
3. Repair/Upgrade of 2 Supernatant Ponds
4. Replace 2x Reservoir Tanks (2 x 2 Megalitre Concrete Tanks)

(Photo of new tank built at Bargarra)



Healing Gospel Lifts Community

Cherbourg's Sports Complex attracted a large crowd for a Sunday afternoon of Live Gospel music. The free concert originally to be held in Barambah Avenue, moved to the complex due to a wet weather prediction. The line-up on the day included Roger Knox, who has been headlining country music concerts for years, also on the bill a local favourite Dennis "Mop" Conlon, best known for his work with the late Angus Rabbitt in Mop And The Dropouts recording a string of iconic Indigenous hits in the 1980s, also in good voice were Rocko Langton and Bevan Costello of the local Muddy Flats band along with other artists including a Cherbourg women's Gospel Choir and a number of surprise acts including Harry Whaleboat and Eddie Conlon to name a few. Pastor Max Conlon hosted the event as part of a live simulcast on Cherbourg Radio also streamed across the internet, listeners were reported to have tuned in for as far away as Western Australia, the Northern Territory and beyond. With so much positive feedback, organisers are looking forward to another concert in the not to distant future.





Cherbourg Council was happy to help out hard working community service providers

TAFE Queensland, putting up your new sign for Nurunderi on Collins rd. One of councils deadly casuals Hughie Carlo stands proudly with the before and after shots of the sign. We are fortunate to have Nurunderi Campus here offering our community the opportunity to go have a yarn, get good advice and assistance about pathways to your career goals.

Pop-Up Recycling Takes Off

South Burnett residents eager to cash in their cans and bottles now have some new pop-up options which might be a bit closer to home.

Cherbourg Aboriginal Shire Council – which operates the Containers For Change depots in Cherbourg and Kingaroy – now runs pop-up depots in Nanango, Blackbutt and Yarraman.

The new pop-up locations are:

- Nanango Showgrounds (entry via Kimlin Street) – Mondays and Fridays, 9:00am-noon
- Blackbutt – Hart Street (between the Taromeo Fire Shed and the Showgrounds entrance) – Tuesdays, 9:00am-11:00am
- Yarraman Men's Shed (Mill Street) – Wednesdays, 10:00am-noon

Kingaroy Containers For Change manager Christine Beresford told southburnett.com.au the new pop-ups operate in the same way as the Cherbourg and Kingaroy depots, ie. no cash is handed out on the spot. Residents should bring along their Containers For Change scheme IDs and the cash will be deposited into their bank accounts. Christine said that depending on the response, the pop-up in Nanango could become a permanent site but this would be assessed after about three months.

“We are trying to capture what volume of recycling we are currently missing,” she said, Christine has dreams of opening more pop-ups around the region – possibly at Kumbia, Proston or Goomeri – but it was important these first three sites were bedded down.

“We are trying to establish these ones first,” she said. “And if we can purchase more trailers, we might also be able to take them to events.

“I know it is going to grow but we have to put in the effort. And hopefully, it will create more jobs, too.” In the meantime, the Kingaroy site is still being kept very busy.

Christine said 46,000 items were processed on Monday at the depot on the corner of Kingaroy and Cornish streets.

And it could get even busier. A new arrangement at Kingaroy Shoppingworld is in the process of being developed, where shoppers will be able to drop in individual containers to benefit local charities



Jackson and Daniel - Healthy Housing

Cherbourg Aboriginal Shire Council encourages further education of all employees.

In May CASC workers attended a Healthy Housing Training Workshop part of Queensland Health Aboriginal and Torres Strait Island Public Health Program.

The three day workshop was a training session for EHWs and AMWs across indigenous communities in Queensland. The workshop discussing healthy housing concepts, explored the relationship of health and housing, how the two are inter-linked and impact on the burden of disease, the workshop includes theory of healthy living principles, understanding of diseases, what practical component of housing inspections and reviewing a state wide healthy housing template.

Photos here of Jackson, Daniel and Amanda at the workshop.





Heal Country

Heal Country! – calls for stronger measures to recognise, protect, and maintain all aspects of Aboriginal and Torres Strait Islander culture and heritage. In 2021 COVID-19 has become part of our everyday life, we never know where and when the next outbreak will be and how it will affect our communities plans to celebrate NAIDOC week events. This years Cherbourg Community event was planned for Tuesday 6th of July, sadly an outbreak in the Brisbane area meant the postponements. But this did stop our local schools from bringing the spirit of NAIDOC to our children.





OUR FUTURE

Our past has been written for us, but our future is in our own hands entirely. Cherbourg Aboriginal Shire has faced many complications and hardships in the past, but the one thing that cannot be broken is our resilience and determination to move forward and strengthen our Community. This last year has been filled with successful initiatives to preserve our history, culture and community. Our future is moving full-steam ahead to improving our resources, developing our infrastructure, sharing our culture and making Cherbourg a safe, sustainable, strong and inspiring place to live.

The Cherbourg Aboriginal Shire Council has already invested funds and grants into the following projects:

1. Cherbourg to Murgon Footpath
2. Water Reservoir and associated major upgrades to Water Treatment Plant
3. Major Upgrades to Cherbourg Cemetery
4. New Houses
5. Upgrades to Cherbourg Landfill

The following projects are currently being assessed for grant approval and is in the Council's best interest to pursue for the following years:

1. New Community Centre
2. New Council Administration Complex
3. MRF- Materials Recovery Facility upgrade
5. Main water pipeline reconstruction on Murray Road
6. Sports Complex upgrade

It's thanks to the community of Cherbourg that we are all able to move into a bright and strong future, which benefits our land, each other, our children and generations to come.



CORPORATE GOVERNANCE & LEGISLATIVE REQUIREMENTS

The following information provides details required by the Local Government Act 2009 and the Local Government Regulation 2012

SENIOR CONTRACT EMPLOYEES SECTION 201 LGA 2009

Total remuneration payable to senior contract employees was \$834,348. This includes housing, vehicle costs, compulsory superannuation and telecommunication costs.

1 senior contract employees with a total remuneration package in the range of \$125,001 - \$225,001

3 senior contract employees with a total remuneration package in the range of \$25,000 - \$125,000

INVITATION TO TENDERER'S TO CHANGE THEIR TENDER SECTION 190 LGR 2012

No invitations to amend tender specifications under section 228(7) after tenders were called during 2019-2020.

BENEFICIAL ENTERPRISES SECTION 41 LGA 2009

No Beneficial Enterprises were recognised during the 2019/2020 financial year.

BUSINESS ACTIVITIES SECTION 45 LGA 2009

Council did not conduct any business activities during the financial year 2019-2020.

SIGNIFICANT BUSINESS ACTIVITIES SECTION 45 LGA 2009

Council did not conduct any significant business activities during the financial year 2019-2020. Council did not conduct any significant business activities during the previous financial year.

COMPETITIVE NEUTRALITY PRINCIPLE TO SIGNIFICANT BUSINESS ACTIVITIES SECTION 45 LGA 2009

Council did not conduct any significant business activities during the financial year 2019-2020.

- Assist in ensuring that Council is achieving ongoing improvements through a risk-based approach, via performance audits; and
- To ensure compliance with legislation, council policy and procedures; and The focus this year was placed on three (3) areas:

1. Cash Management Strategies and Policy• review current systems and process in place to manage cash maintained by the Council and review the current investment strategies.
2. Fraud Risk Management Framework• assess if Council has adequate systems in place to appropriately identify and assess fraud risks.
3. Desktop Valuation - a review of the desktop valuation of property, plant and equipment report prior to updating the asset register.

**OVERSEAS TRAVEL SECTION 188 LGR 2012**

No overseas travel was undertaken by councillors or staff on behalf of Council during the reporting period 2019 -20 20 .

OTHER RELEVANT ISSUES TO MAKING AN INFORMED ASSESSMENT SECTION 190 LGR 2012

There are no known issues relevant to making an informed assessment of Council's operation and performance in the financial year.

COMMERCIAL BUSINESS UNITS SECTION 190 LGR 2012

Council did not operate any Commercial Business Units during the 2019-2020 financial year.

RATES AND CHARGES SECTION 190 LGR 2012

The annual report must contain a summary of all concessions for rates and charges granted by the local government. During 2019-2020. no concessions were granted.

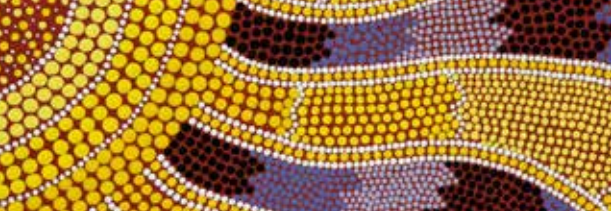
DISCRETIONARY FUNDS SECTION 189 LGR 2012

Councillors did not have discretionary funds during the 2019-2020 financial year.



COMMUNITY FINANCIAL REPORT 2020/21





COMMUNITY FINANCIAL REPORT

COMMUNITY FINANCIAL REPORT

(section 184 Local Government Regulation 2012)

The Community Financial report is prepared to provide residents, businesses and other stakeholders with an understanding of Council's financial performance and position for the 2020/21 financial year. It aims to give the reader a summary of Council's financial statements along with key financial statistics and ratios, including trends and forecasts.

Financial Statements are an audited formal record of the performance and position of Council. There are four financial statements and three sustainability ratios that assist in providing a high-level picture of Council finances for 2020/21.

The Financial Statements of Cherbourg Aboriginal Shire Council set out the financial performance, financial position, cash flows and the net wealth of council for the financial year ended 30 June 2021. These are described as:

1. Statement of Comprehensive Income

A summary of Cherbourg Aboriginal Shire Council's financial performance for the year ending 30 June 2021, listing both regular income and expenses and other comprehensive income which records items such as changes in the fair value of Council's assets and investments.

2. Statement of Financial Position

A 30 June 2021 snapshot of Cherbourg Aboriginal Shire Council's Financial Position including its Assets and Liabilities.

3. Statement of Changes in Equity

This is the overall change for the year (in dollars) of Cherbourg Aboriginal Shire Council's "net wealth".

4. Statement of Cash Flows

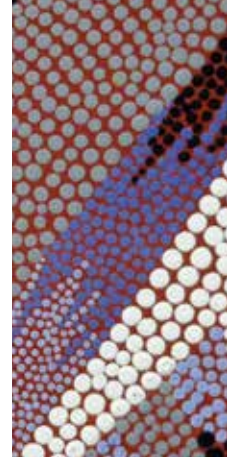
Indicates where Cherbourg Aboriginal Shire Council's cash came from and where it was spent.

5. Financial Sustainability Ratios

For reviewing Council performance and sustainability.

- a) Operating surplus
- b) Net financial liabilities
- c) Asset sustainability

REVENUE



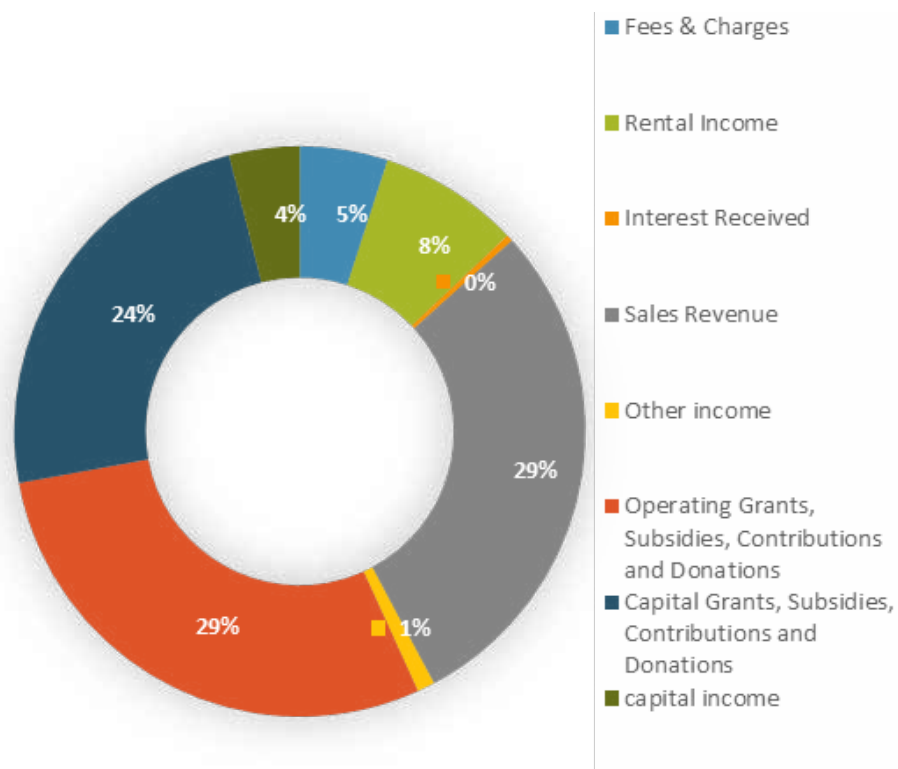
Revenue

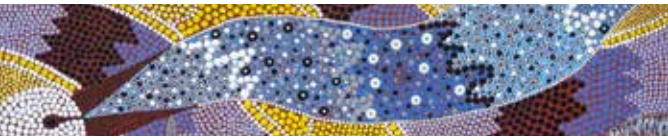
The two main categories of revenue are recurrent revenue and capital revenue. Council's recurrent revenue is money raised that is used to fund the operations of Council. Council raises recurrent revenue from income sources such as fees and charges, grants, subsidies and donations, sales revenue, rents and other income. Council's capital revenue is sourced for the purpose of constructing and/or reconstructing Council's assets now and into the future. Capital revenue consists of grants, subsidies and contributions. Overall recurrent revenue for 2020/201 increased by \$0.35 million, which is attributed to:

- \$1.37 million increase in grants & subsidies, fees and charges and rental income
- \$1.02 million decrease in operating sales revenue, interest revenue and other revenues

The main sources of recurrent income for the year were grants and subsidies and sales revenue comprising 81% of recurrent revenue and 59 % of Council's total revenue. The recurrent income generated from housing rental, fees and charges, interest and other income is 41% of total revenue. Since there were no capital contributions of assets this year, capital revenue for 2020/21 decreased significantly by \$12.99 million.

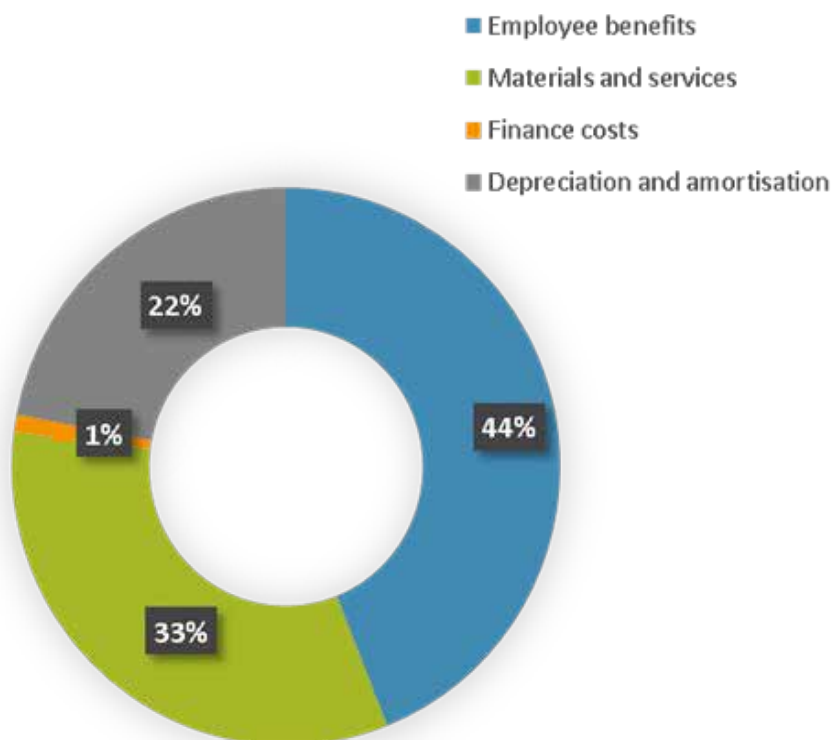
Council received some additional capital income of \$0.57m from the insurance claim for 2 burned community houses.

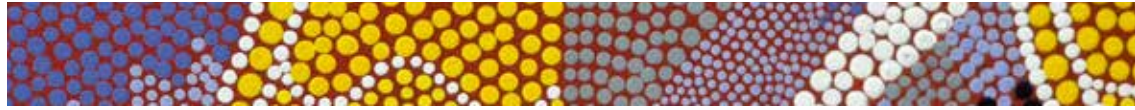




EXPENSES

Council's recurrent expenses include employee benefits, materials and services, finance costs and depreciation. Council's recurrent expenditure increased by \$0.59 million compared to the previous year. This was due to the increase in employee benefits, materials and services and depreciation. Employee benefits made up the largest type of expenditure at 44% followed by materials and services at 33%, depreciation at 22% and finance costs at 1%.



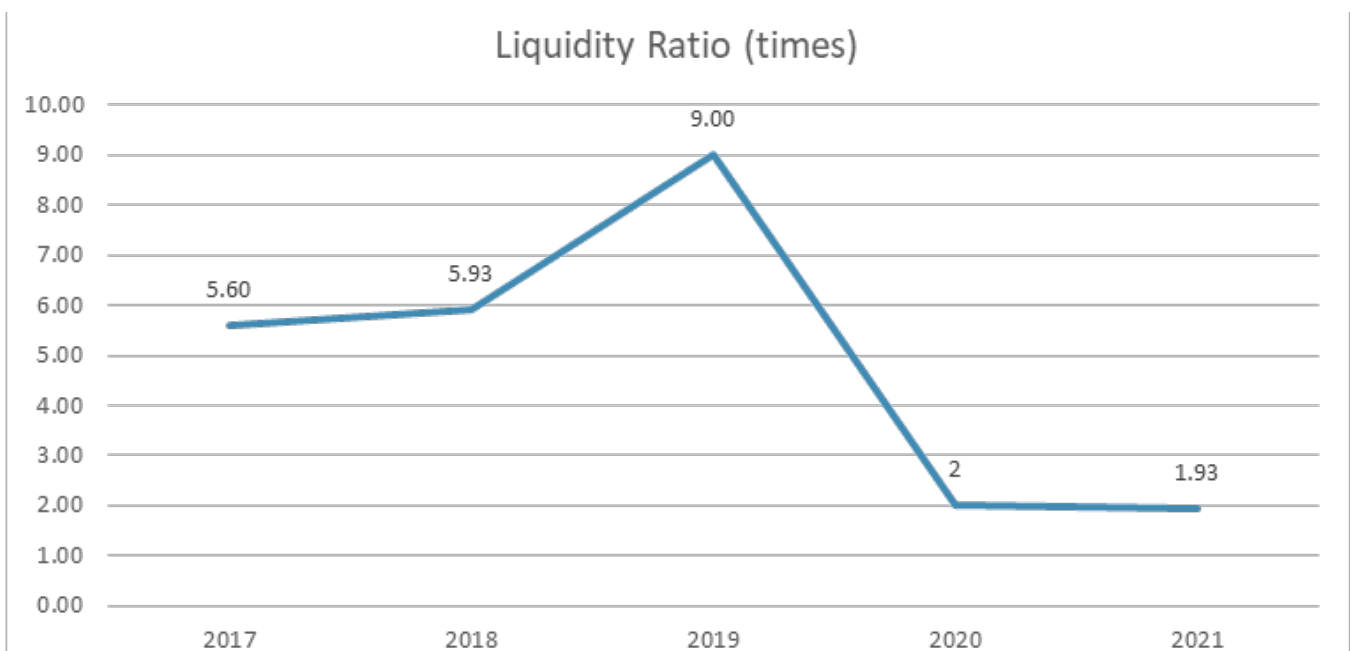


THE STATEMENT OF FINANCIAL POSITION

This statement is often referred to as the balance sheet and summarises the financial position of Council at the end of the financial year. The statement measures what Council owns (assets) and what Council owes (liabilities) at the end of the financial year with the difference between these two components being the net community wealth (equity of Council).

The balance sheet indicates that Cherbourg Aboriginal Shire Council has current ratio (current assets / current liabilities) of 1.93:1. This ratio means that the Cherbourg Aboriginal Shire Council has \$1.93 of cash and current assets for every \$1.00 of current liabilities.

Cherbourg Aboriginal Shire Council has no borrowings and has a total asset base of \$151 million providing borrowing capacity for future capital projects. However, its negative operating surplus ratio suggests council may experience difficulty in repaying debt if it was to borrow at some point in the future.



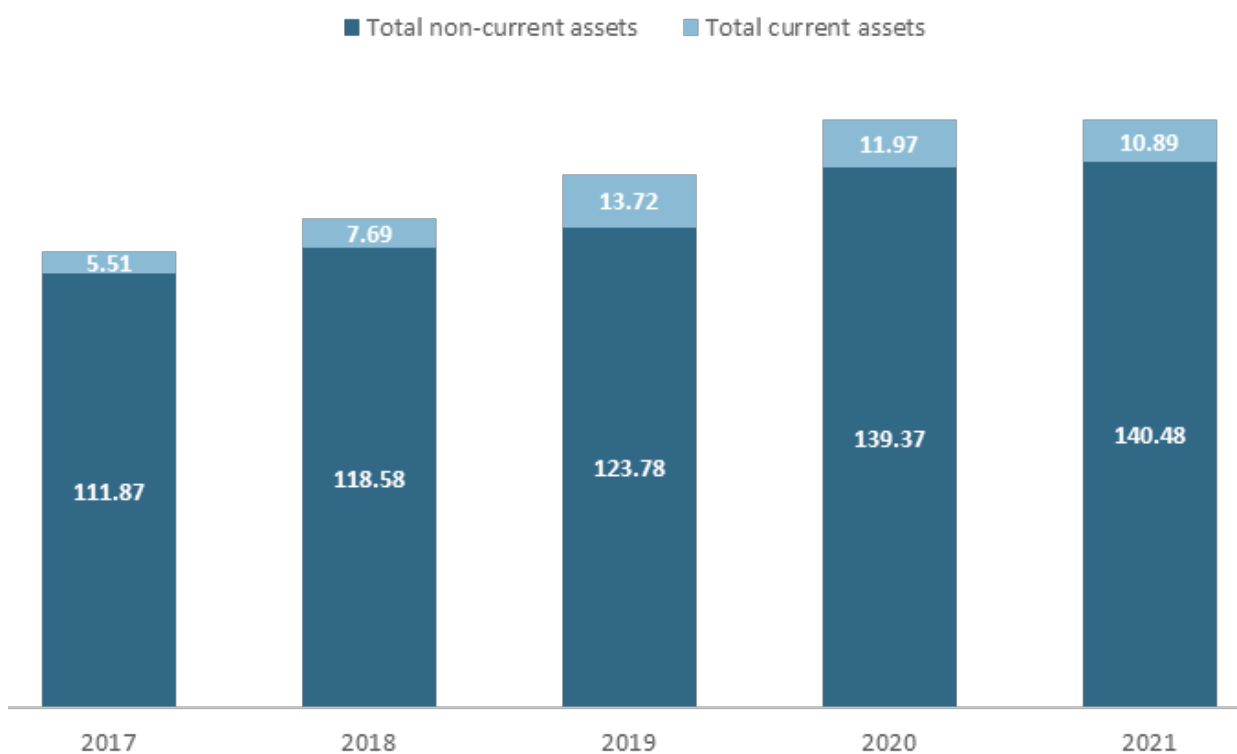


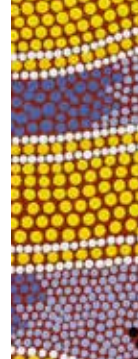
ASSETS

Cherbourg Aboriginal Shire Council Current Assets include cash and cash equivalents, trade and other receivables, inventories and contract assets. There was decrease in the cash balance of \$2.32 million. Council had invested \$7.36 million in an on-call account with Queensland Treasury Corporation. Due to the current low interest rates, interest income for the year was only \$49,405.

Property plant and equipment is the largest asset type comprising \$140 million. Property plant and equipment is made up of Council asset classes including land, buildings, houses, infrastructure, plant and equipment, motor vehicles, furniture and fittings and works in progress. Council's Houses and Building assets are the largest component of property plant and equipment amounting to \$101.75 million.

Total Assets (\$ million) Comparatives

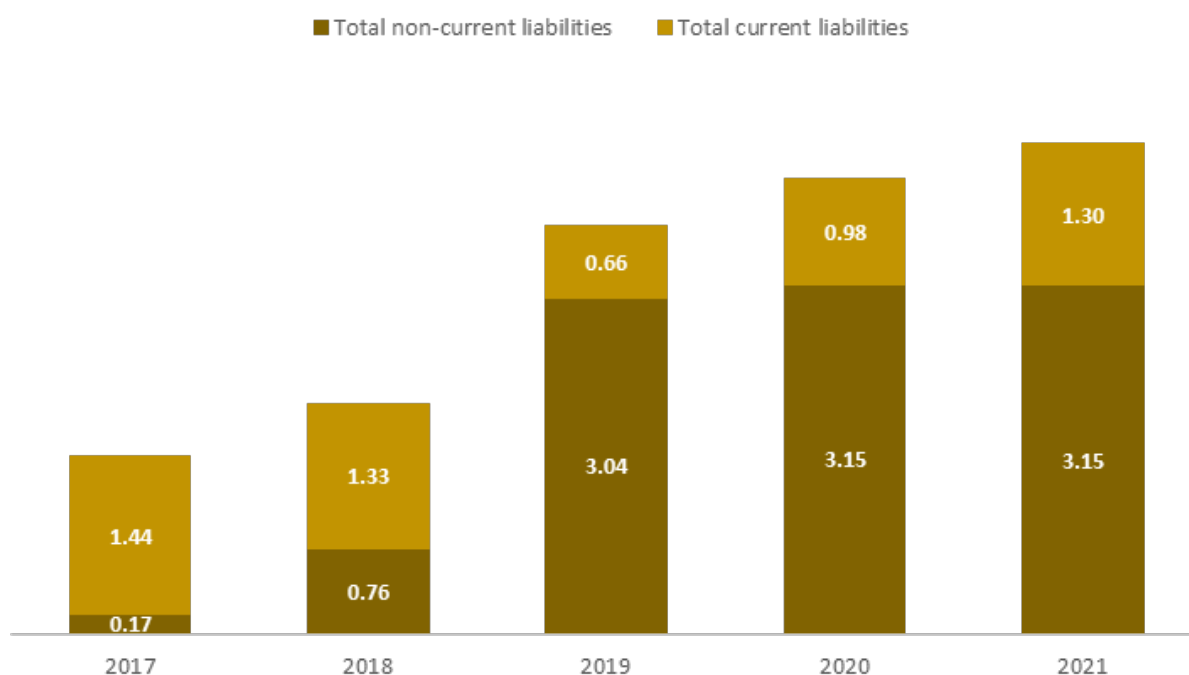




LIABILITIES

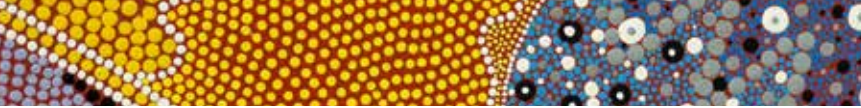
Council's liabilities comprise of contract liability (grant funds for which work has not been completed), provisions, and trade and other payables. Liabilities as at 30 June 2021 totalled \$8.78 million. The provisions balance comprises long service leave payable to employees (\$0.42 million) and since 2019, an amount estimated for the future restoration of Council's landfill (\$2.48 million at 30 June 2021). Trade and other payables total \$1.61 million. The contract liability for the year was \$4.27 million due to the number of grants being received in advance.

Total Liabilities (\$ million) Comparatives



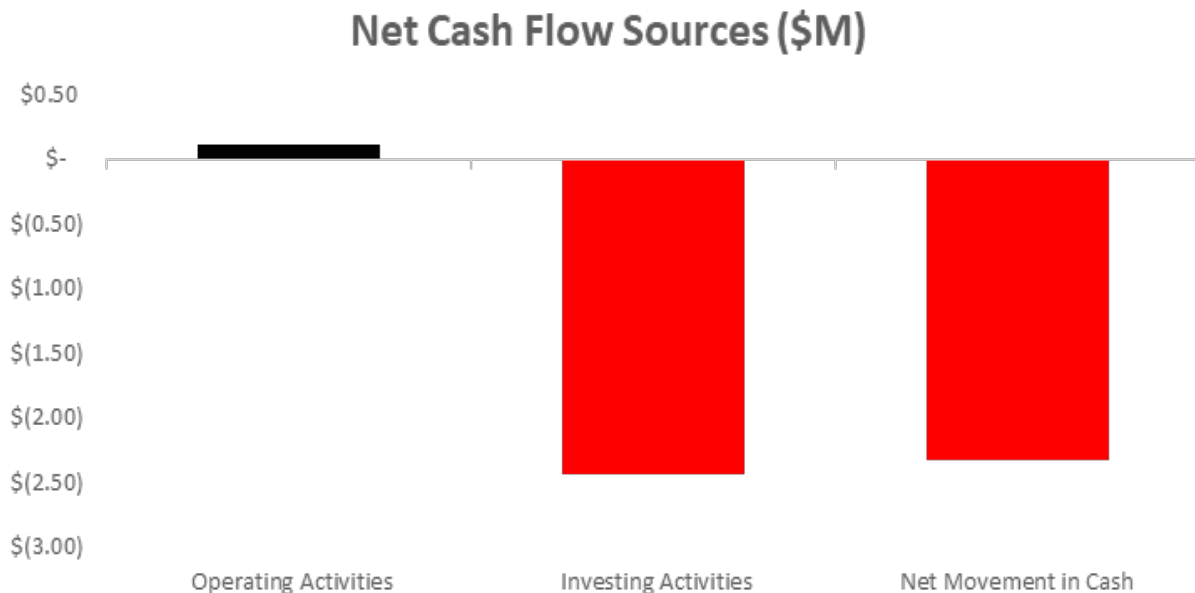
THE STATEMENT OF CHANGES IN EQUITY

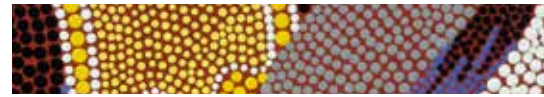
The statement of changes in equity illustrates how the net worth of Council has changed as a result of activities undertaken during the period. Cherbourg Aboriginal Shire Council has Community Equity of \$142.59 million at 30 June 2021.



THE STATEMENT OF CASH FLOWS

This statement records the movement in cash holdings during the year. In 2021 the cash balance decreased by \$2.32 million from \$10.08 million to a closing balance of \$7.76 million at year end. Council's cash flows from operating activities remain positive, with cash of \$0.12 million being generated. The cash flows from investing activities shows Council spent \$6.27 million investing in property plant and equipment, which was funded by capital revenue received in the both the current and previous financial years. This includes capital works on Council's infrastructure assets, houses, building and other asset classes.





COUNCIL'S CAPITAL EXPENDITURE FOR 2020/2021 BY ASSET CLASS

- Land - \$0.00 million
- Houses - \$1.07 million
- Buildings - \$0.53 million
- Motor Vehicles - \$0.07 million
- Plant and Equipment - \$0.80 million
- Furniture & fittings – \$0.00 million
- Infrastructure - \$3.04 million
- Work in Progress - \$1.54 million

COUNCIL'S MAJOR PROJECTS FOR 2020/2021

- Existing Houses Major Upgrades
- QRA Emergency Power Supply
- Cherbourg Material Recovery Facility Upgrade Stage 5
- Roads to Recovery
- LRCI Program
- W4Q3 Projects
 - o Town Pathway extension
 - o Sports Centre Upgrade
 - o Cherbourg memorial Park Upgrade
 - o Security Fencing and Public Waste Bins
 - o Job Active Hub Structural Upgrade
 - o Roadway fencing
 - o Cherbourg Town entrance beautification
- COVID W4Q
- Murgon to Cherbourg Footpath Upgrade
- Cherbourg Rising Main
- Cherbourg Solid Waste
- Cherbourg Waste Water
- Cherbourg Water Reservoirs Project

These expenditures have been funded through Grants and Contributions. Cherbourg Aboriginal Shire Council would like to thank the Commonwealth and State Governments to their ongoing support to the development of the Cherbourg Aboriginal Shire Area.



FINANCIAL SUSTAINABILITY MEASURES

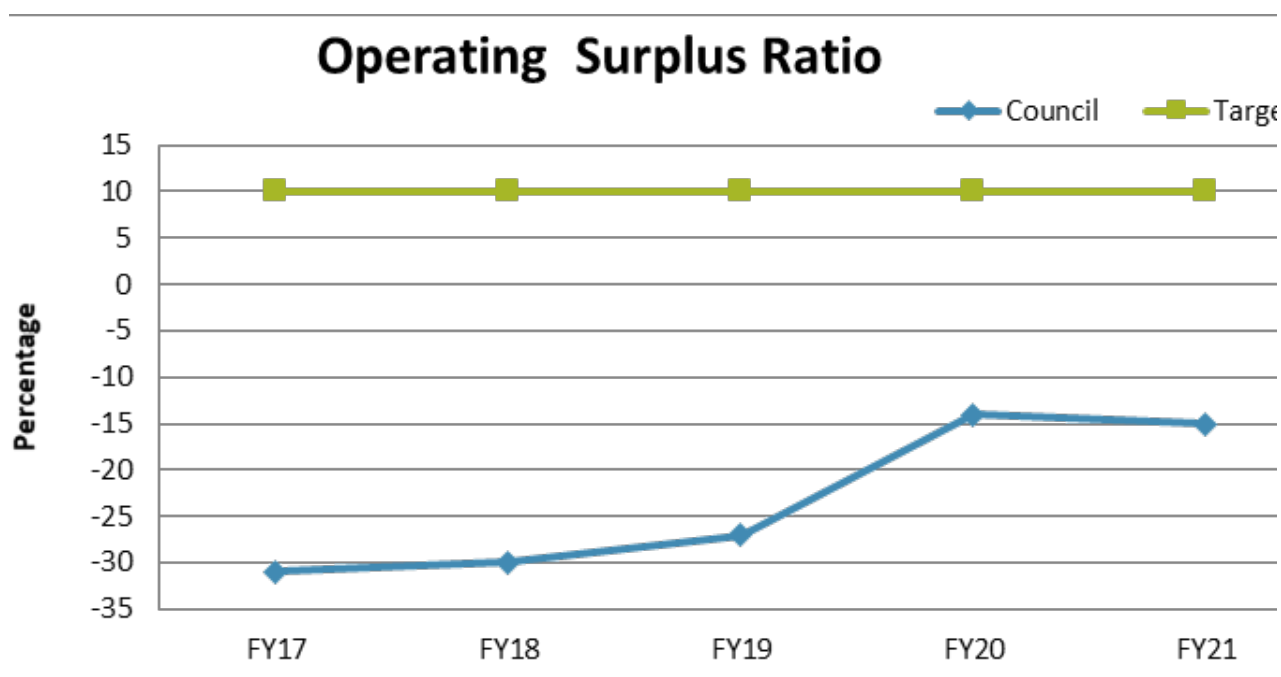
The Financial Sustainability of Councils continues to be a cornerstone of the Local Government Act and a core responsibility of individual councils across Queensland. The Financial Sustainability indicators (in accordance with the Local Government Regulation 2012) that council must publish are as follows:

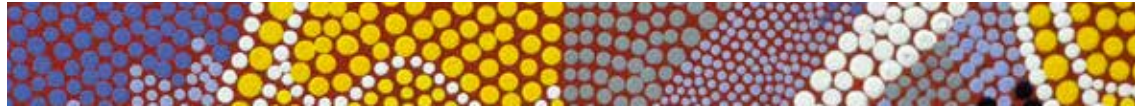
Operating Surplus Ratio:

Operating Surplus Ratio shows council's ability to cover operating expenses through its continuing operating revenue raised (excluding capital grants and contributions). The target for the operating surplus ratio is between 0 and 10%.

Council has reclassified its sales revenue from capital revenue to operating revenue. The reclassification resulted in an increase in Council's own source revenue and improvement in the Operating Surplus Ratio. Since Cherbourg Aboriginal Shire Council is highly dependent on external grant funding the Operating Surplus Ratio at 30 June 2021 was at a deficit of 15%.

The main reason for the deficit is the inclusion of depreciation expense in the ratio which Council is unable to raise sufficient revenue to cover and relies on capital grants to undertake its capital renewal program. Cherbourg Aboriginal Shire Council is aware of the need to improve its ability to generate its own revenues from its own operations and reduce its spending levels, where appropriate, in the short-term.



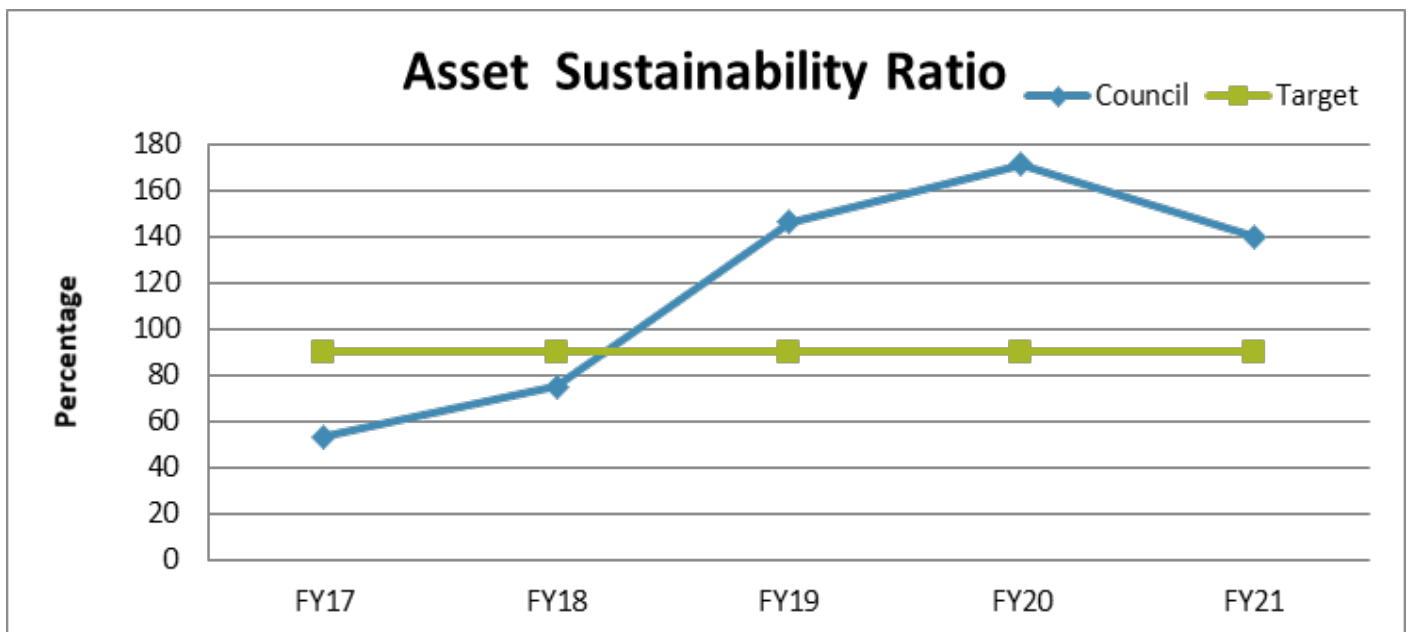


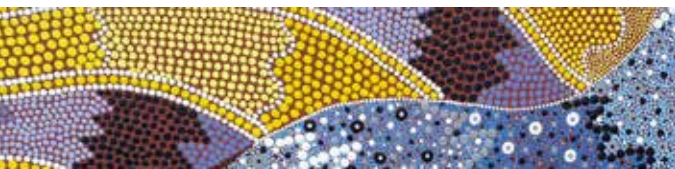
Asset Sustainability Ratio:

This ratio measures the amount of capital expenditure on renewal of existing assets compared to the depreciation expense. The target for this ratio is greater than 90%.

The Asset Sustainability Ratio for 2020-21 was 141% and therefore Council has met the benchmarks recommended in respect to asset sustainability ratio. This indicates that Council has managed asset replacements in line with its service potential.

However, meeting this ratio in the future depends on the ability of Council to continue to attract capital grant revenue.

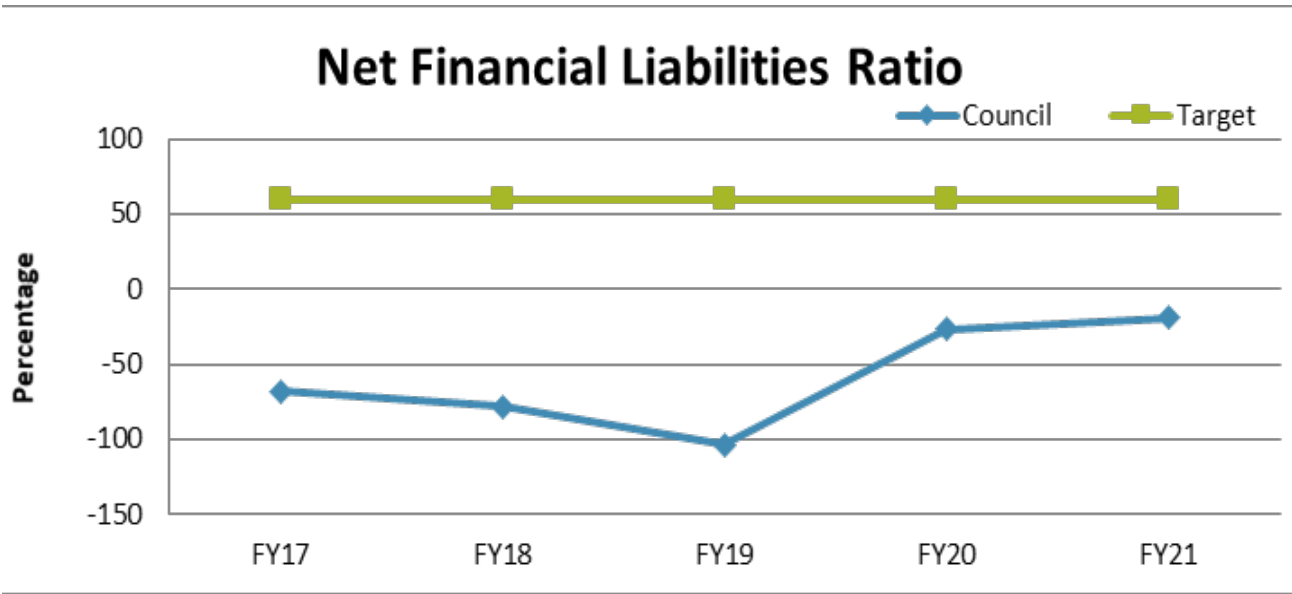




Net Financial Liabilities Ratio:

This ratio represents Council’s ability to fund its liabilities through its operating revenues. The target for this ratio is less than 60%.

Council’s Net Financial Liabilities Ratio as at 30 June 2021 is -19%. The ratio indicates that while Council’s capital structure appears adequate for its size and with capacity to borrow, however if council intends to obtain debt funding for future capital projects, its negative operating surplus ratio suggests council may experience difficulty in repaying this debt.





AUDITORS REPORT

2020/21



**Cherbourg Aboriginal Shire Council
Annual Financial Statements
For the year ended 30 June 2021**

Cherbourg Aboriginal Shire Council

Financial statements

For the year ended 30 June 2021

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Management Certificate

Independent Auditor's Report

Cherbourg Aboriginal Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2021

		2021	2020
	Note	\$	\$
Income			
Revenue			
Recurrent revenue			
Fees and charges	3(a)	732,974	719,635
Rental income		1,166,518	1,041,049
Interest received		49,405	106,972
Sales revenue	3(b)	4,550,144	5,472,631
Other Income	3(c)	140,745	180,361
Grants, subsidies, contributions and donations	3(d)	4,463,204	3,237,214
Total recurrent revenue		<u>11,102,990</u>	<u>10,757,862</u>
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	3,726,562	16,721,135
Total Capital Revenue		<u>3,726,562</u>	<u>16,721,135</u>
Other capital income	4	576,185	34,472
Total revenue		<u>15,405,737</u>	<u>27,513,469</u>
Expenses			
Recurrent expenses			
Employee benefits	5	(5,597,535)	(5,511,257)
Materials and services	6	(4,292,021)	(4,078,291)
Finance costs		(80,103)	(81,535)
Depreciation of property plant and equipment	11	(2,851,104)	(2,562,311)
Total expenses		<u>(12,820,763)</u>	<u>(12,233,394)</u>
Capital expenses			
Capital expenses	7	(8,515)	(1,224,621)
Total expenses		<u>(12,829,278)</u>	<u>(13,458,015)</u>
Net result		<u>2,576,459</u>	<u>14,055,454</u>
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Increase/(decrease) in asset revaluation surplus	14	(2,278,326)	294,804
Total other comprehensive income for the year		<u>(2,278,326)</u>	<u>294,804</u>
Total comprehensive income for the year		<u>298,133</u>	<u>14,350,258</u>

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

Cherbourg Aboriginal Shire Council
Statement of Financial Position
as at 30 June 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	8	7,761,603	10,080,645
Trade and other receivables	9	1,070,536	994,803
Inventories		207,737	224,548
Biological assets		23,892	105,513
Contract assets	10(a)	1,825,511	559,687
Total current assets		<u>10,889,279</u>	<u>11,965,196</u>
Non-current assets			
Property, plant and equipment	11	140,484,164	139,374,849
Total non-current assets		<u>140,484,164</u>	<u>139,374,849</u>
Total assets		<u>151,373,443</u>	<u>151,340,045</u>
Current liabilities			
Trade and other payables	12	1,055,389	699,277
Contract liabilities	10(b)	4,270,807	4,984,510
Provisions	13	304,911	209,722
Total current liabilities		<u>5,631,107</u>	<u>5,893,509</u>
Non-current liabilities			
Trade and other payables	12	559,363	603,000
Provisions	13	2,591,830	2,550,526
Total non-current liabilities		<u>3,151,193</u>	<u>3,153,526</u>
Total liabilities		<u>8,782,300</u>	<u>9,047,035</u>
Net community assets		<u>142,591,143</u>	<u>142,293,010</u>
Community equity			
Asset revaluation surplus	14	41,973,083	44,251,409
Retained surplus		100,618,060	98,041,601
Total community equity		<u>142,591,143</u>	<u>142,293,010</u>

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

Cherbourg Aboriginal Shire Council

Statement of Changes in Equity

For the year ended 30 June 2021

	Note	Asset revaluation surplus	Retained Surplus	Total Community Equity
		\$	\$	\$
Balance as at 1 July 2020		44,251,409	98,041,601	142,293,010
Net operating surplus		-	2,576,459	2,576,459
<i>Other comprehensive income for the year</i>				
Decrease in asset revaluation surplus	14	(2,278,326)	-	(2,278,326)
Total comprehensive income for the year		(2,278,326)	2,576,459	298,133
Balance as at 30 June 2021		41,973,083	100,618,060	142,591,143
Balance as at 1 July 2019		43,956,605	88,968,677	132,925,282
Adjustment on initial application of AASB 15/AASB 1058			(4,982,530)	(4,982,530)
Restated balances at 1 July 2019		43,956,605	83,986,147	127,942,752
Net operating surplus		-	14,055,454	14,055,454
<i>Other comprehensive income for the year</i>				
Increase in asset revaluation surplus	14	294,804	-	294,804
Total comprehensive income for the year		294,804	14,055,454	14,350,258
Balance as at 30 June 2020		44,251,409	98,041,601	142,293,010

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

Cherbourg Aboriginal Shire Council

Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		4,717,502	4,470,429
Payments to suppliers and employees		(10,211,250)	(10,029,278)
		<u>(5,493,748)</u>	<u>(5,558,849)</u>
Interest received		49,405	106,972
Finance Expenses		(6,332)	(5,950)
Rental income		1,166,518	1,584,173
Non capital grants and contributions		4,403,862	3,237,214
Net cash inflow (outflow) from operating activities	17	<u>119,705</u>	<u>(636,440)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(6,276,988)	(6,497,318)
Grants, subsidies, contributions and donations		3,808,514	5,043,300
Proceeds from sale of property, plant and equipment		29,727	66,000
Net cash inflow (outflow) from investing activities		<u>(2,438,747)</u>	<u>(1,388,018)</u>
Net increase (decrease) in cash held		(2,319,042)	(2,024,458)
Cash at beginning of the financial year		10,080,645	12,105,103
Cash at end of the financial year	8	<u>7,761,603</u>	<u>10,080,645</u>

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

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

1 Significant accounting policies

1.A Basis of preparation

These general purpose financial statements for the period 1 July 2020 to 30 June 2021 have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board. They also comply with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

The Cherbourg Aboriginal Shire Council is constituted under the Queensland Local Government Act 2009 and is domiciled in Australia.

1.B Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.C Currency

The Council uses the Australian dollar as its functional currency and its presentation currency.

1.D Adoption of new and revised Accounting Standards

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2020. None of the standards had a material impact on reported position, performance and cash flows

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. These Standards include AASB 2020-1 Amendments to Australian Accounting Standards-classification of liabilities as Current or Non-current and associated standards. Those standards have not been applied in these financial statements and are not expected to have a material impact. Council will implement them when they are effective.

1.E Critical accounting judgements and key sources of estimation uncertainty

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 1.F and Note 3
- Valuation and depreciation of property, plant and equipment - Note 1.J and Note 11
- Restoration provisions - Note 13
- Impairment of trade and other receivables- Note 1.F, Note 9 and Note 19

1.F Revenue

Fees and charges are recognised when or as 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 services. There is no material obligation by Council in relation to refunds or returns.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

1.F Revenue (continued)

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 obligations 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 standards. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time 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. 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.

Rental income

Rental revenue from property is recognised as income on a periodic straight line basis over the lease term or when Council has entitlement to invoice for services provided.

Sales Revenue

Sale of goods revenue is recognised at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered. Revenue from housing maintenance and major upgrade 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 the costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end.

1.G Financial assets and financial liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Cherbourg Aboriginal Shire Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Financial assets

Cash and cash equivalents - measured at amortised cost (Note 1.H)

Receivables - measured at amortised cost (Note 1.I)

Financial liabilities

Payables - measured at amortised cost (Note 1.M)

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

1.G Financial assets and financial liabilities (continued)

Council does not recognise any financial assets or financial liabilities at fair value in the statement of financial position. The carrying amount of cash and cash equivalents, trade receivables and trade payables approximate their fair value due to their short-term, liquid nature.

1.H Cash and cash equivalents

Cash and cash equivalents in the statement of cash flow 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, and bank overdrafts.

1.I Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery or advance i.e. the agreed purchase price / contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment.

All known bad debts were written-off at 30 June. Council reviews receivable balances on an individual basis to assess the expected credit losses of trade receivables from individual customers. If an amount is recovered in a subsequent period it is recognised as revenue.

1.J Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$10,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by the Council are:

- Land
- Buildings
- Houses
- Motor Vehicles
- Plant and Equipment
- Furniture and fittings
- Infrastructure -Roads & Bridges, Water, Sewerage and other structures
- Work in Progress

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 in, architect's fees and engineering design fees and all other establishment costs.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure.

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

Valuation

Land, buildings, houses, plant and equipment including motor vehicles and all infrastructure assets are measured at fair value under the the revaluation model, in accordance with AASB116 *Property, Plant and Equipment*. Other plant and equipment is measured at cost.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

1.J Property, plant and equipment (cont)

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.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of 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 of 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.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Details of valuers and methods of valuations are disclosed in Note 11.

Capital work in progress

The cost of property, plant and equipment being constructed by the Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment 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 of 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 that are subject to regular replacement, these components are assigned useful lives distinct from the 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.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

Depreciation methods, estimated useful lives and residual values 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. Details of the range of useful lives for each class of asset are shown in Note 11.

Deed of Grant in Trust Land

The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 341 of the *Land Act 1994*. It comprises an area of approximately 3,560 hectares.

The land is administered by the Department of Resources and the Council has restricted use of this land for the benefit of shire inhabitants. The DOGIT land has not been taken up in the Council's assets as its value cannot be reliably measured.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

1.K Impairment of non-current assets

Property, plant and equipment is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the 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 as an expense in profit and loss, where the asset is held at cost. 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.

1.L Payables

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

1.M Liabilities - employee benefits

Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense.

Annual leave

A liability for annual leave is recognised. The portion expected to be wholly settled within twelve months is calculated on current wage and salary levels and includes related employee on-costs. The portion not expected to be wholly settled within twelve months is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. Annual leave which has vested (or will vest in less than 12 months) is classified as current regardless of the measurement basis used in AASB 119.

Sick leave

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.

Superannuation

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.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 13 as a provision. Long service leave which has vested (or will vest in less than 12 months) is classified as current regardless of the measurement basis used in AASB 119.

1.N Asset revaluation surplus

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 reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

1.O AASB 16 Leases

AASB 16 has a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Leases in which the Council is a lessee

Council has applied the exception to lease accounting for leases of low-value assets and short-term leases. Council leases a number of items of equipment, a number of the assets are considered low value and are therefore not subject to lease accounting. Council recognises the payment associated with this lease as an expense on a straight -line basis over the lease term.

Leases in which the Council is a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease. Council has leased commercial buildings including the Canteen and other office rental premises. These were identified as operating leases and we have assessed that there will be no changes in Council's (lessor) accounting policy for rental income, per AASB 16.

Peppercorn Leases

Council is the lessee of a number of Deed of Grant in Trust leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council intends to elect not to apply the fair value measurement requirements to these leases.

1.P National competition policy

The Council has reviewed its activities to identify its business activities. Council has resolved that none of its activities fall within the National Competition Policy guidelines and has therefore chosen not to apply the Code of Competitive Conduct.

1.Q Rounding and comparatives

The financial statements have been rounded to the nearest \$1.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies. Unless permitted otherwise by transition rules in a new accounting standard, comparative information is prepared on the same basis as the prior year.

1.R Taxation

Council is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

2. Analysis of Results by Function

2(a) Components of council functions

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

Corporate services and governance

This comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements. It also includes management and reporting of Council's finances, information technology and administration.

Community services

Community services and facilities include cultural, health, welfare, disaster management, sports and recreational services, radio station, NDIS and management of the indigenous knowledge centre.

Economic and community development

This comprises Council enterprises incorporating cattle stud farm, material recycling facility, crop and vegetable production, and includes training and employment initiatives.

Housing

The provision, maintenance and upgrading of public housing within the DOGIT area, including the planning and construction of new houses and tenancy agreements.

Infrastructure

Provision and maintenance of water supply and services, drainage, sewerage services and treatment, refuse collection and waste disposal services.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

2 Analysis of results by function

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

Year ended 30 June 2021

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other	2021			2021			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate & governance	2,016,430	90,265	32,763	-	2,139,458	3,120,333	-	3,120,333	(1,013,638)	(980,875)	10,889,279
Community services	1,069,802	810,134	-	-	1,879,936	1,432,829	-	1,432,829	447,107	447,107	33,397,837
Economic & community development	115,300	3,391,315	1,823,448	-	5,330,063	3,965,809	-	3,965,809	(459,194)	1,364,254	6,391,680
Housing	-	2,924,256	-	-	2,924,256	2,471,588	8,515	2,480,103	452,668	444,153	68,359,749
Infrastructure	1,261,672	-	1,870,352	-	3,132,024	1,830,204	-	1,830,204	(568,532)	1,301,820	32,334,898
Total Council	4,463,204	7,215,970	3,726,563	-	15,405,737	12,820,763	8,515	12,829,278	(1,141,589)	2,576,459	151,373,443

Year ended 30 June 2020

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other	2020			2020	2020	2020	
	2020	2020	2020	2020	2020	2020	2020	2020			
	\$	\$	\$	\$	\$	\$	\$	\$			
Corporate & governance	1,872,006	174,702	207,108	-	2,253,816	3,169,188	-	3,169,188	(1,122,480)	(915,372)	11,965,113
Community services	673,467	782,690	488,565	-	1,944,722	1,401,651	-	1,401,651	54,506	543,071	32,695,113
Economic & community development	-	3,295,225	2,163,068	-	5,458,293	2,158,943	-	2,158,943	1,136,282	3,299,350	5,030,542
Housing	-	1,041,049	1,312,316	2,226,982	4,580,347	3,830,087	1,224,621	5,054,708	(2,789,038)	(474,361)	66,929,951
Infrastructure	691,741	-	12,584,550	-	13,276,291	1,673,525	-	1,673,525	(981,784)	11,602,766	34,719,243
Total Council	3,237,214	5,293,666	16,755,607	2,226,982	27,513,469	12,233,394	1,224,621	13,458,015	(3,702,514)	14,055,454	151,339,962

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
3 Revenue analysis			
Revenue recognised at a point in time			
Fees and charges	3(a)	732,974	719,635
Rental income		1,166,518	1,041,049
Interest received		49,405	106,972
Sales revenue	3(b)	4,550,144	5,472,631
Other income	3(c)	140,745	180,361
Grants, subsidies, contributions and donations	3(d)	4,660,937	17,027,532
		<u>11,300,723</u>	<u>24,548,180</u>
Revenue recognised over time			
Revenue relating to grants for assets controlled by Council	3(d)	3,504,243	2,930,817
Operating grants, subsidies, contributions and donations	3(d)	24,586	-
		<u>3,528,829</u>	<u>2,930,817</u>
Total revenue excluding other capital income		<u>14,829,552</u>	<u>27,478,997</u>
(a) Fees and charges			
Community fees and charges		65,400	75,370
Post office commissions		11,025	11,000
Service charges		648,404	625,162
Building lease charges		8,145	8,103
		<u>732,974</u>	<u>719,635</u>
(b) Sales revenue			
Sale of services			
Recoverable works - BAS		2,762,201	4,113,676
Joinery sales		139,052	173,307
		<u>2,901,253</u>	<u>4,286,983</u>
Sale of goods			
Livestock sales		74,279	190,220
Material recycling facility		3,241	13,660
Containers for Change		1,547,712	980,110
Other Sales		23,659	1,658
		<u>1,648,891</u>	<u>1,185,648</u>
Total sales revenue		<u>4,550,144</u>	<u>5,472,631</u>
(c) Other income			
Other income		140,745	180,361
		<u>140,745</u>	<u>180,361</u>
(d) Grants, subsidies, contributions and donations			
Recurrent			
General purpose grants		3,098,516	2,483,747
State government subsidies and grants		920,388	412,467
Commonwealth government subsidies and grants		411,300	341,000
Contributions and donations		33,000	-
		<u>4,463,204</u>	<u>3,237,214</u>
Capital			
State government subsidies and grants		3,501,370	2,852,040
Commonwealth government subsidies and grants		225,192	690,175
Contributions and donations		-	13,178,920
		<u>3,726,562</u>	<u>16,721,135</u>

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

	2021	2020
Note	\$	\$
4 Capital income		
Gain / (loss) on disposal of non-current assets		
Proceeds from sale of plant and equipment	-	60,000
Less: Book value of plant and equipment sold	-	(25,528)
Net Gain / (loss) on disposal of non-current assets	-	34,472
Other capital income		
Insurance proceeds	576,185	-
Total other capital income	576,185	-
Total Capital Income	576,185	34,472

5 Employee benefits

Total staff wages and salaries	4,317,989	4,288,247
Councillors' remuneration	345,794	320,337
Annual and long service leave entitlements	410,589	401,616
Superannuation	502,192	514,255
	<u>5,576,564</u>	<u>5,524,455</u>
Other employee related expenses	54,747	68,341
Less : Capitalised employee expenses	(33,775)	(81,539)
	<u>5,597,535</u>	<u>5,511,257</u>

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

Total Council employees at the reporting date:	2021	2020
Elected members	5	5
Administration staff	14	12
Depot and outdoors staff	81	74
Total full time equivalent employees	<u>100</u>	<u>91</u>

6 Materials and services

Administration supplies and consumables	55,195	63,423
Audit of annual financial statements by the Auditor-General of Queensland*	61,592	55,738
Consultants	228,907	198,124
Electricity	218,247	172,845
Enterprise centre running costs	305,920	446,458
Licence fees	1,405	560
Insurance	329,093	278,941
Joinery expenses	57,825	70,162
Movement in inventory	98,432	155,570
Motor vehicle expenses	287,197	334,706
Printing & stationery	102,982	58,805
Radio Operating Expenses	26,613	64,765
Repairs and maintenance	1,397,364	578,684
Subscriptions and advertising	3,567	988
Telephone & fax	48,903	55,137
Travel	45,091	30,003
Water & sewerage operational costs	197,971	204,480
Bad and doubtful debts	(53,641)	403,074
Other materials and services	879,358	905,828
	<u>4,292,021</u>	<u>4,078,291</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements are \$61,592 (2020: \$55,738)

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
7 Capital Expenses			
Proceeds from sale of motor vehicles		25,909	-
Less: Book value of plant and equipment sold		(31,956)	-
		(6,047)	-
Proceeds from sale of plant and equipment		3,818	-
Less: Book value of plant and equipment		(6,286)	-
		(2,468)	-
Total capital loss		(8,515)	-
Capital write off - Disposal of Assets		-	(1,224,621)
Total capital expenses		(8,515)	(1,224,621)

8 Cash and cash equivalents

Cash at bank and on hand	7,761,603	10,080,645
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Cash and deposits at call are held in the Westpac Bank in normal term deposits and business cheque accounts. The bank currently has short term rating of P-1 and long term rating of Aa2.

9 Trade and other receivables

Current

Trade receivables	19	2,304,939	2,308,024
Less loss allowance	19	(1,305,615)	(1,380,075)
Prepayments		71,212	66,854
		1,070,536	994,803

Movement in accumulated impairment losses is as follows:

Opening balance at 1 July	1,380,075	1,057,086
Additional impairments	-	322,989
Bad debts written off	(20,819)	-
Impairments reversed	(53,641)	-
Closing balance	1,305,615	1,380,075

10 Contract assets and liability

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

a. Contract assets

Contract assets arise when work has been performed by Council relating to a contract with customer (or capital grant paid in arrears) but no receivable has arisen since the invoice has not been raised.

	2021 \$	2020 \$
Contract Assets	1,825,511	559,687

The contract assets relates to the works completed for major projects such as Water Reservoirs, COVID Work for Queensland and Material Recovery Facility stage 5.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

	2021	2020
Note	\$	\$
b. Contract liabilities		
A contract liability arises when Council has received consideration or has an unconditional right to receive consideration from the customer before the Council transfers a good or service to the customer. It is the obligation to transfer the good or service or the receipt of funds prior to performance obligations being satisfied.		
Funds received upfront to construct Council controlled assets	4,265,393	4,954,510
Non-capital performance obligations not yet satisfied	5,414	30,000
	<u>4,270,807</u>	<u>4,984,510</u>
Current contract liabilities	4,270,807	4,984,510
Non-current contract liabilities	-	-
	<u>4,270,807</u>	<u>4,984,510</u>

Revenue recognised in the reporting period that was included in the contract liabilities opening balance.

Funds to construct Council controlled assets	689,117	839,218
Non-capital performance obligations	24,586	-
	<u>713,703</u>	<u>839,218</u>

The contract liability relates to major projects such as the Murgon Footpath Upgrade and Solid Waste Projects. It is expected that these projects will be completed during the 2021-2022 financial year.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

11 Property, Plant and Equipment

(i) Fair Value Hierarchy

The fair values of 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. To provide an indication about the reliability of the inputs used in determining fair values, council classifies assets which are measured at fair value into the three levels prescribed under AASB 13, as follows:

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

Level 2: Fair value based on inputs that are directly or indirectly observable for the asset or liability.

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

There were no transfers between levels during the year.

The following tables summarise the classification of councils assets into the levels defined above.

2021:

Asset Category	Level 1	Level 2	Level 3	Total
Land	-	663,000	-	663,000
Buildings and Houses	-	-	101,757,587	101,757,587
Motor Vehicles	-	653,555	-	653,555
Plant and Equipment	-	3,178,677	-	3,178,677
Infrastructure	-	-	32,334,898	32,334,898
	-	4,495,232	134,092,485	138,587,717

2020:

Asset Category	Level 1	Level 2	Level 3	Total
Land	-	663,000	-	663,000
Buildings and Houses	-	-	99,625,064	99,625,064
Motor Vehicles	-	656,747	-	656,747
Plant and Equipment	-	2,537,172	-	2,537,172
Infrastructure	-	-	34,719,243	34,719,243
	-	3,856,919	134,344,307	138,201,226

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

11 Property, Plant and Equipment

(ii) Valuation techniques used to derive fair values

Asset Category	Valuation approach	Performed By	Effective Date of Last Comprehensive Valuation	Index applied	Key assumptions & estimates
Land	Market Value	APV Valuers and Asset Management	30/06/2017	Low market activity has resulted in an index of 0%	Sales price per square meter of comparable properties in close proximity adjusted for differences in key attributes such as property size.
Buildings and Houses	Current replacement cost	APV Valuers and Asset Management	30/06/2017	Indexation amount has been developed using actual costs for recent constructions, costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook), Construction data from the Australian Bureau of Statistics and APV internal market research and costings. Indexes applied for 2021 include 2.7% for hardstand and internal roads, 2.5% for lighting and 0.5% for residential buildings. The indices for other building types such as commercial, industrial or civic was 0%	Buildings and houses are valued using a current replacement cost methodology, which estimates the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. The gross current values are derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors and Rawlinson's (Australian Construction handbook).
Motor Vehicles	Market Value	APV Valuers and Asset Management	30/06/2017	Index of 0%	Comparable sales and relevant industry market price reference guides. The most significant inputs into the valuation approach are the make, size, year of manufacture and condition.
Plant and Equipment	Market Value	APV Valuers and Asset Management	30/06/2017	Index of 0%	Plant and equipment asset values are generally derived from comparable sales and relevant industry market price reference guides. Where items of plant however are unique in design or there is insufficient market evidence to support the valuation, the valuation is performed using a depreciated replacement cost approach (as described for buildings and houses above).

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

11 Property, Plant and Equipment

Infrastructure	Current replacement cost	APV Valuers and Asset Management	30/06/2017	Bridges, Footpath, Roads, Sewer & Water : 0 % Kerb & Channel & Storm Water assets : 1.1 %	All road and water infrastructure network assets are valued using a depreciated replacement cost approach. Gross replacement costs are estimated through multiplying materials and labour unit prices (per measurement of area/length) determined by reference to market data for recent projects, costing guides such as Rawlinson's (Australian Construction Handbook) and benchmark data from similar councils, by volumes ascertained with reference to council minimum asset linear and area specification.

Accumulated depreciation

In determining total useful life, remaining life, and accumulated depreciation, assets were generally subject to an inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. active assets), the assets were allocated a condition assessment, which was used to estimate remaining useful life.

11 Property, Plant and Equipment

30th June 2021	Note	Land	Buildings	Houses	Motor vehicles	Plant and equipment	Furniture and fittings	Infrastructure	Work in Progress	TOTAL
Basis of measurement		Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Cost	\$
Opening Balances		663,000	45,652,224	89,500,568	1,861,938	4,682,586	286,256	42,719,300	1,165,345	186,531,167
Opening Gross Value		-	12,957,111	22,570,617	1,205,191	2,145,354	277,977	8,000,057	-	47,156,317
Accumulated Depreciation		-	-	-	-	-	-	-	-	-
Opening Written Down Value		663,000	32,695,113	66,929,951	656,747	2,537,172	8,276	34,719,243	1,165,345	139,374,850
Movements during Year										
Additions		-	480,602	1,068,728	75,834	797,575	-	2,308,490	1,545,756	6,276,985
Transfers between classes		-	49,634	-	-	-	-	771,085	(820,720)	-
Disposals - Gross value		-	-	-	(305,400)	(63,300)	-	-	-	(388,700)
Depreciation		-	(689,094)	(1,217,448)	(48,825)	(207,240)	(2,213)	(686,284)	-	(2,851,104)
Disposals - Accumulated Depreciation		-	-	-	273,444	57,014	-	-	-	330,458
Revaluations	14	-	861,582	1,578,518	1,755	57,455	-	(4,777,636)	-	(2,278,326)
Closing Balances										
Closing Gross Value		663,000	46,149,444	90,870,234	1,632,600	5,515,126	286,256	40,942,534	1,890,382	187,957,576
Accumulated Depreciation		-	12,751,607	22,518,485	979,045	2,336,449	280,190	8,607,636	-	47,473,412
Closing Written Down Value		663,000	33,397,837	68,351,749	653,555	3,178,677	6,066	32,334,898	1,890,382	140,484,164
Estimated Useful Life (Years)		Not Depreciated	15 - 150	15 - 150	2 - 20	3 - 80	1 - 100	10 - 105	-	-
2021 Additions comprise:										
Renewals		-	360,202	1,068,728	-	-	-	2,221,602	-	3,650,533
Other additions		-	169,967	-	75,834	789,685	-	850,305	-	1,885,791
Total additions		-	530,169	1,068,728	75,834	789,685	-	3,071,907	-	5,536,324

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Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
12 Trade and other payables			
Current			
Creditors and accruals		544,101	258,315
Annual leave		397,262	324,592
Revenue in advance		114,026	116,370
		<u>1,055,389</u>	<u>699,277</u>
Non-current			
Revenue in advance		559,363	603,000
		<u>559,363</u>	<u>603,000</u>
13 Provisions			
Current			
Long service leave		304,911	209,722
		<u>304,911</u>	<u>209,722</u>
Non-current			
Refuse restoration		2,475,035	2,401,264
Long service leave		116,795	149,262
Details of movements in provisions:		<u>2,591,830</u>	<u>2,550,526</u>
Long service leave			
Balance at beginning of financial year		358,984	372,077
Long service leave entitlement arising		86,325	68,789
Long Service entitlement paid		(23,603)	(81,882)
Balance at end of financial year		<u>421,706</u>	<u>358,984</u>
Refuse restoration			
Balance at beginning of financial year		2,401,264	2,325,679
Increase in provision due to unwinding of discount		73,771	75,585
Increase(decrease) in provision		-	-
Balance at end of financial year		<u>2,475,035</u>	<u>2,401,264</u>
<u>Landfill restoration provision</u>			
A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable Council will be liable, or required, to incur costs on the cessation of use of these facilities.			
The provision represents the present value of the anticipated future costs associated with the closure of landfill sites in accordance with environmental licence conditions. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.			
The present value of the total projected cost is \$2,013,659 and is expected to be incurred between 2028 and 2042. The figure excludes the unknown cost of rehabilitating landfill cells on existing sites that are yet to be constructed or used, and post closure monitoring costs with an estimated present value of \$312,020.			
14 Asset revaluation surplus			
Movements in the asset revaluation surplus were as follows:			
Balance at beginning of financial year		44,251,409	43,956,605
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Buildings		861,582	4,288,804
Houses		1,578,518	(3,626,259)
Motor vehicles		1,755	83,504
Plant and equipment		57,455	(417,498)
Infrastructure		(4,777,636)	(33,747)
Net adjustment		<u>(2,278,326)</u>	<u>294,804</u>
Balance at end of financial year		<u>41,973,083</u>	<u>44,251,409</u>
Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus comprises the following asset categories:			
Land		-	-
Buildings		23,088,815	22,227,233
Houses		13,652,346	12,073,828
Motor vehicles		526,187	524,432
Plant and equipment		204,655	147,200
Infrastructure		4,501,080	9,278,716
		<u>41,973,083</u>	<u>44,251,409</u>

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

15 Leases

Council as Lessee

Council Leases a number of items of IT equipment, a number of the assets are considered low value and are therefore not subject to lease accounting. These items have lease term between two and five years.

During the year an amount of \$11,906 (2020: \$9,170) was recognised as an expense in the statement of Profit or Loss in respect of operating leases.

Council as Lessor

Council has leased commercial buildings including the Canteen and other office rental premises. Lease terms range from one year to thirty years with most leases being no more than five years. As Council has retained the risks and benefits of ownership, the leases are classified as operating leases.

Rental income is recognised on a straight-line basis over the lease term.

The expected minimum lease receipts are as follows:

	2021	2020
Note	\$	\$
Between one and two years	43,404	73,507
Between two and three years	27,336	75,238
Between three and four years	24,123	49,229
Between four and five years	24,155	26,502
Five years and greater	488,407	506,000
	<u>607,424</u>	<u>730,476</u>

16 Contingent liabilities

Local Government Mutual

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

As at 30 June 2020 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$84,931.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

17 Reconciliation of net operating surplus for the year to net cash inflow (outflow) from operating activities

Net operating result	2,576,459	14,055,454
Non-cash operating items:		
Depreciation and amortisation	2,851,104	2,562,311
	<u>2,851,104</u>	<u>2,562,311</u>
Investing and development activities:		
Net profit / loss on disposal of non-current assets	8,515	(34,472)
Write off assets	-	1,224,621
Capital grants and contributions and sales	(3,808,514)	(18,222,225)
	<u>(3,799,999)</u>	<u>(17,032,076)</u>
Changes in operating assets and liabilities:		
(Increase)/ decrease in receivables	(75,733)	139,016
(Increase)/ decrease in contract assets	(1,265,824)	-
(Increase)/decrease in inventory	16,811	(85,902)
(Increase)/decrease in biological asset	81,622	241,472
Increase/(decrease) in payables	312,475	(579,207)
Increase/(decrease) in contract liabilities	(713,703)	-
Increase/(decrease) in other provisions	136,493	62,492
	<u>(1,507,859)</u>	<u>(222,129)</u>
Net cash inflow from operating activities	<u>119,705</u>	<u>(636,440)</u>

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2021

18 Events after the reporting period

There were no material adjusting events after the balance date.

19 Financial instruments

Cherbourg Aboriginal Shire Council's activities expose it to a variety of financial risks including interest rate risk, credit risk, and liquidity risk.

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Council.

Credit risk exposure

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

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

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments.

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

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

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

A summary of Council's exposure to credit risk for trade receivables is as follows:

30-Jun-21

	Total	Credit-impaired	Not-Credit Impaired
	\$	\$	\$
Current	674,364	23,147	651,217
Past due 31-60 days	189,912	40,906	149,006
Past 61-90 days	141,229	65,167	76,062
More than 90 days	1,299,434	1,176,395	123,039
Total gross carrying amount	2,304,939	1,305,615	999,324
Loss allowance		1,305,615	

Liquidity risk exposure

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Council is exposed to liquidity risk through its trading in the normal course of business.

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 of damage to the Council's reputation.

Council's only recognised financial liabilities are trade payables as disclosed in note 12 which have contractual maturity dates of 6 months or less.

20 Impacts from the COVID-19 Pandemic

Due to the small size and nature of Council's operations, Council has assessed that there has been no material impact on its financial position as a result of the COVID-19 Pandemic.

Council has not been required to provide any concessions or relief to business and residents in the community housing during 2020/21.

Impacts of COVID-19 on asset revaluations undertaken during the current year were assessed, however it was determined that there was not a significant impact and Council's assets as presented in the financial statement are at fair value.

Cherbourg Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2021

21 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP include the Mayor, councillors, council's Chief Executive Officer and some executive management. The compensation paid to KMP for 2019/20 and 2020/21 comprises:

	2021	2020
	\$	\$
Short-term employee benefits	911,060	865,682
Post-employment benefits	60,331	63,347
Long-term benefits	5,356	5,867
Termination benefits	0	58,296
Total	976,747	993,192

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

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

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

Details of Transaction	Additional information	2021	2020
		\$	\$
Fees and charges charged to entities controlled by key management personnel	(i)	8,692	8,530
Employee expenses for close family members of key management personnel	(ii)	111,102	223,383
Rental income charged to close family members of key management personnel		13,820	12,600
Purchase of materials and services from entities controlled by key management personnel	(iii)	0	8,507

(i) Fees charged by Council to organisations where KMP are members of the organisation's controlling body are within Council's normal terms and conditions.

(ii) Council employs 91 full time equivalent staff. Only 3 employees are close family members of KMP. All close family members of KMP were employed through an arm's length process. They are paid in accordance with the relevant industrial award for the job they perform and Council's employment agreements.

(iii) Purchases by Council from organisations where KMP are members of the organisation's controlling body and are within normal commercial terms and conditions.

(c) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Year ended 30 June 2021

Receivables	Housing rent owed by key management personnel	Amounts owed by entities controlled by key management personnel
Current	\$1,573	\$0
Past due 31-60 days	\$1,750	\$0
Past due 61-90 days	\$1,400	\$0
More than 90 days overdue	\$27,661	\$0
Total Owning	\$32,384	\$0

Cherbourg Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2021

21 Transactions with related parties (continued)

Year ended 30 June 2020

Receivables	Housing rent owed by key management personnel	Amounts owed by entities controlled by key management personnel
Current	\$0	\$0
Past due 31-60 days	\$3,100	\$0
Past due 61-90 days	\$2,500	\$0
More than 90 days overdue	\$36,214	\$0
Total Owing	\$41,814	\$0

(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 does not have commitments to/from 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 Cherbourg Aboriginal Shire Council area. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include housing rental, joinery sales, building maintenance work and dog registration.

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

Cherbourg Aboriginal Shire Council

Financial statements

For the year ended 30 June 2021

Management Certificate

For the year ended 30 June 2021

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 3 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.

Mayor

Elvie Sandow

Date: 13/10/2021

Chief Executive Officer

Chatur Zala

Date: 13/10/2021

Cherbourg Aboriginal Shire Council

Current-year Financial Sustainability Statement For the year ended 30 June 2021

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-15%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of infrastructure assets (renewals) divided by infrastructure depreciation expense.	141%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-19%	not greater than 60%

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 2021.

Certificate of Accuracy For the year ended 30 June 2021

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

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

Mayor
Elvie Sandow

Date: 13/10/2021

Chief Executive Officer
Chatur Zala

Date: 13/10/2021

**Cherbourg Aboriginal Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2021**

Measures of Financial Sustainability

	Measure	Target	Projected for the years ended									
			Actuals at 30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030
Operating surplus ratio	Net result excluding capital items divided by total operating revenue	Between 0% and 10%	-15%	-29%	-32%	-32%	-32%	-32%	-32%	-33%	-33%	-33%
Asset sustainability ratio	Capital expenditure on the replacement of infrastructure assets (renewals) divided by infrastructure depreciation	greater than 90%	141%	356%	133%	129%	125%	121%	118%	114%	111%	108%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-19%	-12%	-9%	-7%	-5%	-3%	-1%	1%	3%	4%

**Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2021**

This long-term financial sustainability statement has been prepared pursuant to Section 176 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
Elvia Sandow

Date: 13/10/2021

Chief Executive Officer
Chatur Zala

Date: 13/10/2021