



ANNUAL REPORT

2022/23

Annual Report





CONTENTS

INTRODUCTION & CEO'S MESSAGE	4
OUR TOWN, OUR SHIRE, OUR AREA	5
MAYORS MESSAGE	6
OUR ELECTED MEMBERS	7
COUNCILLORS MISSION STATEMENT & VISION	10
PAY & MEETINGS	11
COMMUNITY ORGANISATIONS	12
ORGANISATIONAL STRUCTURE	13-15
OUR BUSINESS - OUR COMMUNITY	16-17
COMMUNITY NEWSLETTER - REVIEW	18-23
OUR FUTURE	24
CORPORATE GOVERNANCE	25
COMMUNITY FINANCIAL REPORT	APP. 1
AUDITORS REPORT	APP. 2

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 2022 to 30 June 2023.

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/>

MESSAGE FROM CEO

We are pleased to present the Cherbourg Aboriginal Shire Council Annual Report for 2022/2023 to the Cherbourg community and to the Minister for Local Government.

While the Annual Report reflects on Council's activity during 2022/2023, We continue to have our sights firmly set on the future. And as we look to the future, it is time to review and develop new corporate plan in next calendar year of 2024, Council will be working with community, key stakeholders to ensure that new corporate plan captures the hopes and aspirations of the Cherbourg community as we look ahead to the year 2030, Continue growth of our recycling facilities and new Digital centre will be main focus of creating more local jobs.



In financial year 2022/2023, Key highlight projects were all the Disaster resilience projects including upgrade of Sports complex kitchen, Purchases of generators, Mobile BBQ Trailer, New Electronic signs. We have also successfully completed our much-needed fencing work on our landfill.

Building new houses are our challenge due to demand in the market and not finding suitable contractors, Council is working with Department to solve this problem to start building much needed house. Upgrades and repair and maintenance program on our houses is going well and we have successfully maintained our 330 houses in our community.

Relationship with both state and federal government will be continuing to be our focus to ensure much needed funding for our new Cherbourg community centre and council administration building, We are working with Palladium and Department of local government to complete the business case for our new community centre.

As we put the impacts of the pandemic behind us, We are proud of the work that has been achieved by the organisation, in partnership with the councillors and the community. Council has continued its best practice service delivery while ensuring prudent financial management and investment in Councils employees to ensure they have skills, knowledge, and tools to meet the need of Cherbourg community. The significant achievements of the past year should be celebrated and are detailed throughout this report.

Chatur Zala

Chief Executive Officer

Cherbourg Aboriginal Shire Council

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 currently home to 1194* 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.

*2021 ABS Census Stats





MAYORS MESSAGE

Firstly, I wish to offer my gratitude to my community for giving me your trust and this opportunity to act on your behalf and to be your voice, as Mayor of Cherbourg Aboriginal Shire Council.

What have been some of the big achievements over the last twelve months or so? I believe the important upgrades, improvements, and plans for our existing and for the infrastructure we are wanting. We have seen improvements to essential like the landfill our water treatment plant, also big projects planned include getting new council chambers built.

This also plays a big part in growing employment, expanding our business providing more jobs for our community like the recycling program, the digital call center and the other I.T. business creating the opportunity for mob to work here (in Cherbourg) to support themselves and their families without having to leave community.



The growth of opportunities is what will uplift our mob and I can see this continuing to grow.

It is also so important that we continue to focus on giving our young people the best possible start in life, early education is so important, because you are laying the foundation there, it makes me so happy to see more parents taking an active role preparing their child, our future leaders, with a love of learning.

We are already seeing the rewards for these efforts, we had young girl from our community who was the first ever Indigenous student to be awarded the year 12 School DUX award for Murgon High School, that has never happened before, and what

makes me even more proud is apparently the competition to win this recognition was so very close between her and another young girl from our community, that's good signs that positive things are happening for our future. Challenges for us at the moment is on demands being put on our old and outdated infrastructure in our community, including the current chambers and council business and operations spaces, just our Council meeting room alone is inadequate, not enough room for large gatherings, it should have a gallery for the public where locals can come and sit in on council meetings, we are really, really overdue for new critical infrastructure to support our growing community needs.

Housing continues to be a challenge, we really need to start a new ILUA (Indigenous Land Use) agreement with our local Wakka Wakka PBC (Prescribed Body Corporation) so we can start building new homes for our community, these are talks and discussions we are in the process of starting.

Land for new housing, for building and expanding our local infrastructure will help address the issues we have with attracting much needed professions to Cherbourg, especially in the law and order, health and education spaces.

Service provision in our community is slowly improving for community, I have continued to have regular meetings with and reports on the delivery of Law and Order, Education and Health which I believe are among the most important issues that will affect the future of my community, I am seeing changes in areas like health which are for the better and betterment of our community.

At our Cherbourg Hospital we are seeing plans unfold for much needed upgrades to buildings, including to the waiting room, not only this but we are working to change and improve the mindset of the doctors and other medical professionals who are coming into our community.

I would also take this opportunity to say thank you to our DG (Director General) Clare O'Connor who has been a very big help to our council, she supports us in so many different ways, shapes and forms, I really take my hat off to her.

To my community, it really isn't rocket science, if you look back over the last three and half years you can see the positive changes we have made, you can even see it within the workforce, so I think it boils down to accountability, and once you have that accountability and transparency

Here's to a brighter and better future for us all, with hard work, dedication, and commitment.... you can't go wrong.

Elvie Sandow , Mayor
Cherbourg Aboriginal Shire Council



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.



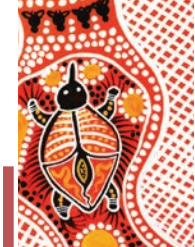


REMUNERATION TO COUNCILLORS

Name	Position	Salary	Superannuation	Expenses Claimed	Facilities provided
Elvie Jean Sandow Re-elected	Mayor	\$ 110,386	\$ -	\$ 9,293	Mobile Phone
Tom Langton Re-elected	Deputy Mayor	\$ 63,684	\$ -	\$ 479	Apple iPad
Frederick Cobbo Incoming	Councillor	\$ 55,192	\$ -	\$ 1,009	Apple iPad
Leighton Costello Incoming	Councillor	\$ 55,192	\$ -	\$ 479	Apple iPad
Bronwyn Murray Incoming	Councillor	\$ 55,192	\$ -	\$ 845	Apple iPad

COUNCILLORS ATTENDANCE RECORDS

NAME	NUMBER OF ORDINARY MEETINGS COUNCILLOR WAS ELIGIBLE TO ATTEND	NUMBER OF SPECIAL COUNCIL MEETING COUNCILLOR WAS ELIGIBLE TO ATTEND	TOTAL NUMBER OF COUNCIL MEETINGS COUNCILLOR WAS ELIGIBLE TO ATTEND	TOTAL NUMBER OF MEETINGS ATTENDED BY COUNCILLOR
Mayor Elvie Sandow	12	12	24	23
Deputy Mayor Tom Langton	12	12	24	24
Cr Fred Cobbo	12	12	12	24
Cr Leighton Costello	12	12	12	24
Cr Bronwyn Murray	12	12	12	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; Skilled Centre cafe

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, Cherbourg Digital Technology (Call Centre), Hit The Switch Electrical, BHS Construction, Cherbourg Farm, Cherbourg Recycling Waste Management Plant, Cherbourg Joinery, Centrelink;



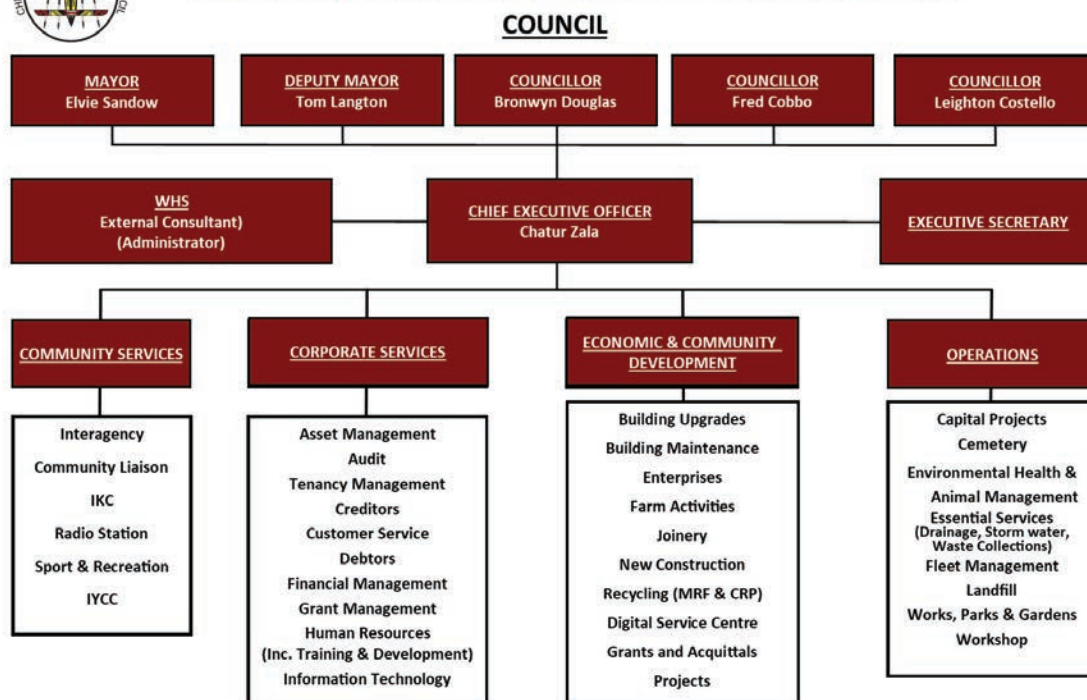


ORGANISATIONAL STRUCTURE



10 Aug 2023

CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATION STRUCTURE

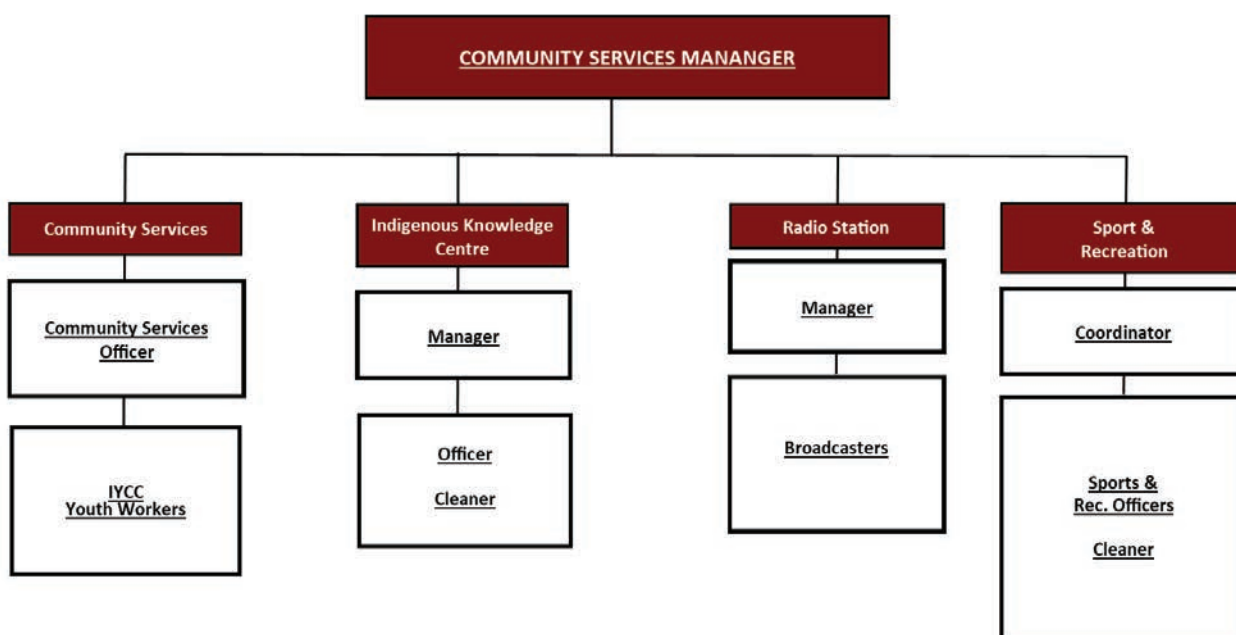


10 Aug 2023



CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATION STRUCTURE

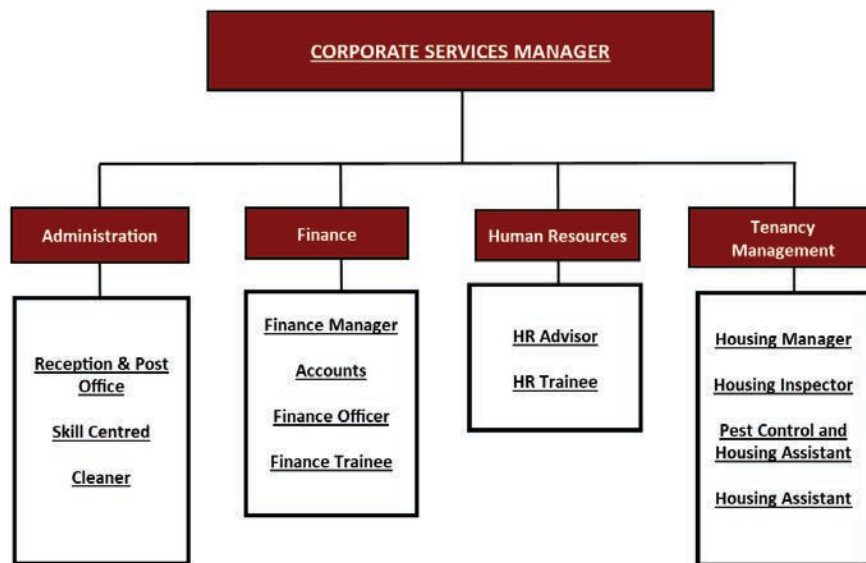
COMMUNITY SERVICES DEPARTMENT





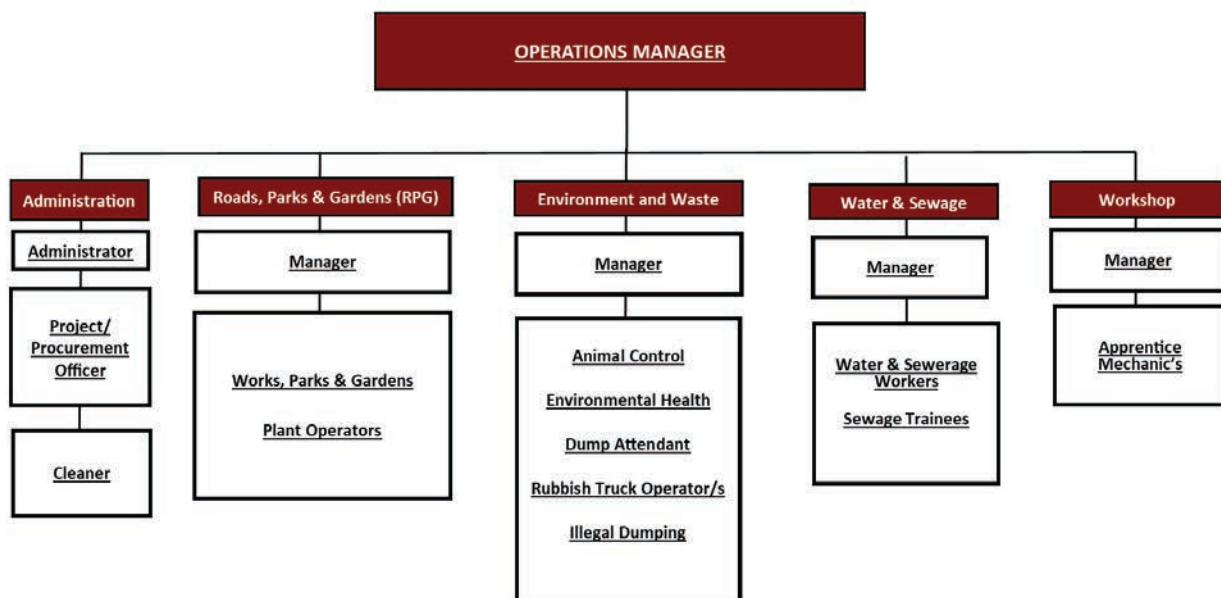
CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATION STRUCTURE

CORPORATE SERVICES DEPARTMENT



CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATION STRUCTURE

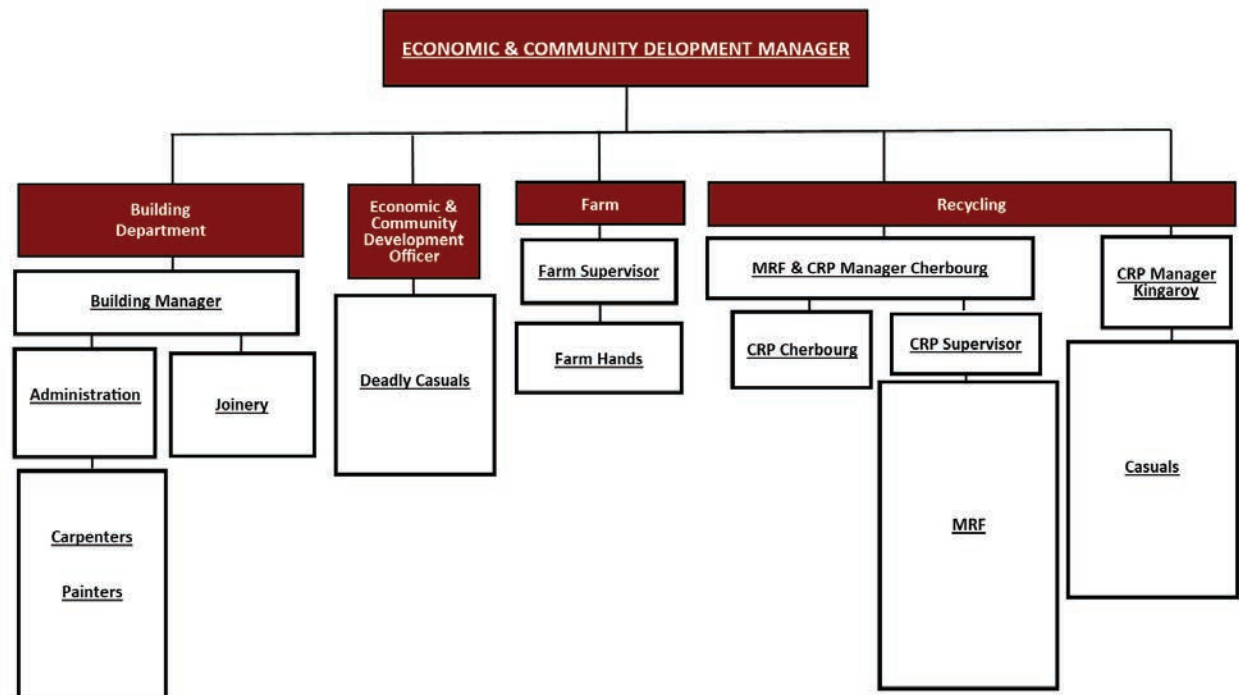
OPERATIONS DEPARTMENT





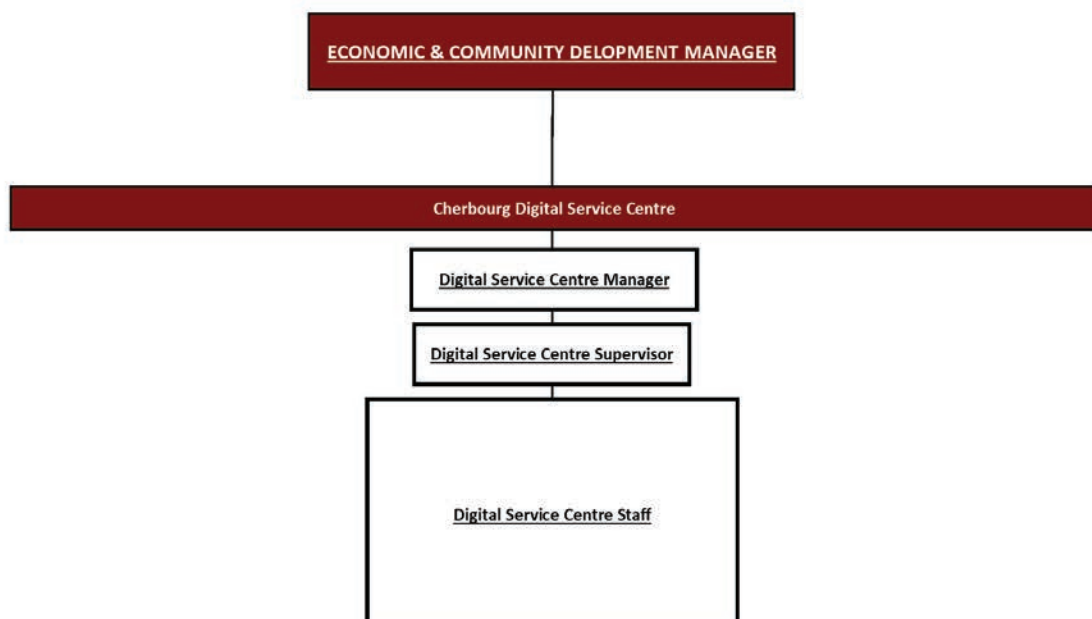
CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATION STRUCTURE

ECONOMIC & COMMUNITY DEVELOPMENT DEPARTMENT (Page 1)



CHERBOURG ABORIGINAL SHIRE COUNCIL - ORGANISATION STRUCTURE

ECONOMIC & COMMUNITY DEVELOPMENT DEPARTMENT (Page 2)





OUR BUSINESS



Cherbourg Council's last twelve months have been marked by collaborative success, as we worked together towards enhancing the quality of life in our community. Our partnership with the State Government has been fruitful, leading to improved local facilities and shared progress.

Team Achievements

Our business managers, supervisors, team leaders, and staff have shown commendable resilience and adaptability, especially when facing challenges like material shortages and rising costs. Despite these hurdles, teams have efficiently maintained operations while emphasizing customer service and team spirit.

Business Units Highlights

- The Cherbourg Digital Service Centre has showcased exceptional growth, with leadership initiatives and national recognition for one of our call centre operators.
- Collaboration with contractors like Dan Thompson Plumbing and Schloss Construction has empowered community skilling.
- Our "Containers for Change" initiative led by Chrissy B's team has expanded with new depots and accolades, including a state-wide best operator award.
- The Building Team has innovated with new software and welcomed five trainees and apprentices, maintaining high standards despite supply shortages.
- The Material Recovery Facility (MRF) Team is pioneering in technological advancements, achieving global outreach, and fostering interdepartmental trust.
- Our Farm Team has diligently managed resources amidst drought, focusing on sustainability and embracing new technologies.

Organisational Development

We've embraced change, with key staff transitions leading to the onboarding of tech-forward individuals. This infusion of fresh perspectives ensures our continued commitment to service and community development.

Looking Ahead

With our council's unity and diverse talents, we are poised to keep fostering opportunities, growth, and connectivity in Cherbourg. We are many tribes, but together, we form one strong community.

OUR COMMUNITY



Indigenous Knowledge Centre (IKC) Activities:

- First 5 Program: A playgroup for parents with children under 5, held every Tuesday.
- Under 8's Event: Engaging schools within South Burnett on 18th May.
- Breast Cancer Awareness (BRA): On 18th October, community women survivors shared their health journeys.
- Designer Workshop: Four sessions led by Julie Appo, culminating in a fashion show at the YAG shop opening on 27th October.
- Meeting Room: Facilities available for community events and meetings.
- School Visits: Interactive reading sessions for children.
- Community Access: Support for job searches, CV preparation, and online shopping.
- Educational Displays: Showcasing important cultural days and events.
- After-school Program: Engaging children in educational activities post-school hours. we also run Cultural workshops, language and ancestry workshops.



Indigenous Youth Connections to Culture (IYCC) Highlights:

- Youth Engagement: Regular YAG meetings and a Youth Forum held on 13th April.
- Culture & Dance: Hip Hop during Easter and dance practice sessions for NAIDOC Ball.
- Community Support: Donations of formal wear and organization of the NAIDOC Ball on 5th July.
- Creative Learning: Florist workshops leading to Mother's Day sales and shop openings.



Ongoing Development Projects:

- Sustainability Initiatives: Establishing a worm farm, nursery, and composting practices.
- Community Engagement: Progress in the community farm, furniture/woodworking workshops, and cafe operations.
- Cultural Festivities: Preparation for the YAG Youth Arts Festival.

Sports & Recreation Complex:

- Community Events: 'Come and try' sports days to encourage active participation.
- Competitive Sports: Participation in the Kingaroy basketball competition and ongoing netball games.
- Fitness Programs: Regular gym, boxing classes, and men's groups every Tuesday.
- Youth Engagement: Holiday programs and after-school activities to promote sportsmanship and team spirit.

Cherbourg Radio UsMob:

- Community Events: Outside Broadcasts supporting community, education, health, NAIDOC and more.
- Community News and Notices: Daily updates, interviews and reporting of events and activities
- Community Stories and History: Collecting and keeping local history and elders stories
- Delivery of Services: Broadcasting on 94.1 FM in local listening area, Social Media and online streaming services.

Additional Community Services:

- Participation & Engagement: Anzac Day Service and monthly Interagency Meetings.
- Community Celebrations: Organizing the Christmas Lights Competition and Fair, as well as NAIDOC Community Day.
- Health and Awareness: Hosting events for Breast Cancer Awareness and partnerships for International Women's Day.
- Elders: Support of 'Golden Oldies' annual gathering.



Together, these diverse activities and projects encapsulate the Cherbourg Aboriginal Shire Council Community Services Department's commitment to information and education, cultural enrichment, community wellness, and social development.

Cherbourg

Community Newsletter

2022-23 IN REVIEW



Community Driven Vision for Budget

Six new houses, major upgrades to other houses and building a footpath from Cherbourg to Murgon are some of the highlights of Cherbourg's 2022-23 Budget.

Cherbourg Aboriginal Shire Council CEO Chatur Zala said the Budget, formally adopted at the Cherbourg Council Chambers in mid-June, had been driven by the community and was firmly focussed on community needs.

The main focus of the \$21.9 million Budget is on infrastructure projects and finding ways to ensure Council's service levels are maintained into the future.

In the coming year, Council will spend \$3.5m on building six new houses, \$1.74m on major upgrades to existing houses and \$1.55m on routine housing maintenance.

It will also invest \$2.36m on a concrete footpath connecting Cherbourg to Murgon; slightly more than \$1m on the town's solid waste facility; and \$229,000 on the artificial intelligence technology project at the Materials Recovery Facility.

Community services such as Cherbourg Radio, the Indigenous Youth Culture Connection Program, the Community Support Grants Program and sporting and recreation programs will be funded from \$1.034m in grants from State and Federal governments.

Council will also spend \$1.63m on essential services such as water supply, sewerage and parks and gardens to ensure Cherbourg residents receive a service level equal to that of any other town in Queensland.

Councillors will receive a 2 per cent pay rise and Council staff 3 per cent. But in a measure designed to help meet rising cost-of-living pressures, rents have been frozen. Cherbourg residents will pay the same rent during the next 12 months as they did during the past year.



CEO Zala admitted rents would inevitably rise in future but said Council would give residents at least six months advance notice to minimise any hardship this might cause.

In 2022-23, Council expects to receive \$1.44m from its Materials Recycling Facility and Containers For Change, \$400,000 from the joinery, \$200,000 from its newly established call centre and \$50,000 from its cattle and produce farm.

These Council-owned enterprises are also generating more local jobs, with the Council's workforce expanding from 80 employees to 130 during the past year.

The Council will also receive \$1.18m from community housing rental income, and \$785,000 from service charges.

The CEO said Council would continue to manage its operations within tight constraints but hailed the Budget as a "community-driven" victory.

"Thanks to Council's commitment to thorough financial planning, Cherbourg's community will see a range of improvements in the years to come," CEO Zala said



Housing Action Plan for Cherbourg

Council met with representatives of the Queensland Department of Communities, Housing and Digital Economy October, where we discussed the Cherbourg Housing Action Plan for the next five years which included our priorities for the future, land development and housing designs that will meet our community's needs (in line with our waiting list) as well as funding required.

CEO Chatur Zala says "everything can happen through partnerships, working together for a better result"

These partnerships and meetings are vital in keeping clear lines of communication with the Qld Government, working together we identify what funding needs are to be secured now as we continue developing strategies for managing growth and livability for our community into the future,

Partnerships Make Things Happen

SBRC Recycling Roads Lead to Cherbourg

Mayor Elvie Sandow and Mayor Brett Otto are in furious agreement ... the South Burnett Regional Council's new recycling program is benefiting both the Cherbourg community and the South Burnett region.

For Cherbourg, it means jobs. For the South Burnett, it means eliminating thousands of tonnes of waste each year from the region's rapidly filling landfills.

Opening new landfills that meet the State Government's statutory requirements is a very expensive process, and one the South Burnett Regional Council would like to delay for as long as possible.

In January South Burnett councillors and council staff joined Cherbourg councillors and staff at the Cherbourg Materials Recovery Facility (MRF) to inspect the recycling process.

They watched a JJ Richards truck bring in a load of recycling left in yellow bins in the Blackbutt area.

The truck deftly dumped the items in a pile inside the MRF facility.

From there, the items made their way up conveyors to the sorting level where the Cherbourg employees were stationed, ready to start sifting through the material.

The only hiccup identified so far is some people putting their



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



recyclables inside plastic bags or using wheelie bin liners.

"That's been the main issue," Mayor Otto said.

"Please don't use plastic bags or bin liners. Just put the stuff in the wheelie bins loose."

Mayor Otto said the South Burnett would have found it very challenging to introduce recycling if Cherbourg Council had not been so advanced to take it on board.

"It has benefited the whole South Burnett."

Mayor Sandow said the MRF had proven that even a small community such as Cherbourg could play a major role regionally.

One truck a day is now delivering recyclables to Cherbourg, and Economic Development Manager Sean Nicholson said the plant was handling it very well.

(Housing Action Plan for Cherbourg.....Continued from previous page)

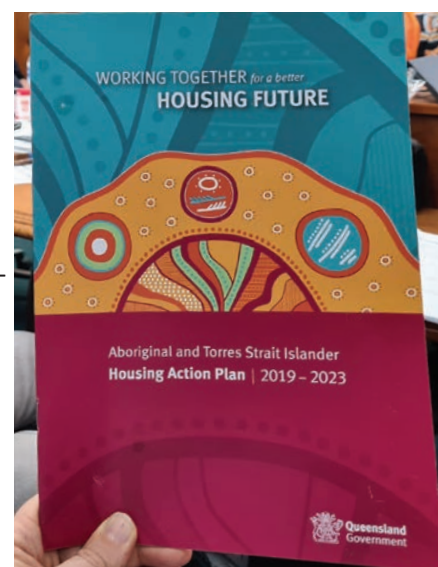
this includes planning support for new housing and potential sub-divisions.

At the time of this meeting, we had tenders out for 6 new houses to built by June of 2023, we also signaled and agreed building plans into 2024 as well as preparation into 2025.

Cherbourg is one of three first nations communities in the state managing their own housing, and now working more closely with the Dept of Housing in a partnership to address how better to structure and manage the delivery of our Cherbourg Council housing department, to upskill staff, improve systems and procedures, repairs, rents, and tenancy management.



The upgraded "Housing Plan" (including discussion of future home ownership opportunities) for the Cherbourg Community – you can read more about the Queensland housing strategy at www.chde.qld.gov.au/about/strategy/housing or scanning the QR code.



Council Dream Gets Stage 1 Funding

Years of lobbying by Cherbourg councillors to visiting government officials has paid off, with \$248,929 funding approved to allow planning to start for a new Community Centre and Council Office complex. Cherbourg's cramped Council building has been obvious when dignitaries – including Premier Annastacia Palaszczuk – visited the community in recent years.

Council hosted another official visit in July, this time by a delegation from the Department of State Development, Infrastructure, Local Government and Planning. They brought Mayor Elvie Sandow the good news that Council's application for funding under the State Government's 2022-24 Local Government Grants and Subsidies Program had been approved.



The funding has been advanced for planning for the "Cherbourg Community Centre and Council Offices" project.

The proposal is to build a new complex in Barambah Avenue.

CEO Chatur Zala said this Stage 1 funding was for initial planning and costing of the new centre.

"This will take us six to nine months of drafting, planning and community consultations as to what the centre will look like, what the needs are for the community and the overall funding needed to get the project out of the ground," he said. He said councillors had made it "crystal clear" at their meeting that the multipurpose centre would have to be able to meet all the community's needs for the next 30 to 50 years.



Cherbourg YAG doing a bloomin' Good Job

Cherbourg's Youth Advisory Group (YAG) had an exciting celebration this past Mother's Day, spreading joy and love throughout the community. The YAG members, driven by their passion and commitment, collaborated with local florist Felicity Aitken from Bloom Into You to create stunning flower arrangements for the special occasion.

The YAG's journey began in 2021 when Cherbourg Council received funding to connect Cherbourg youth with Elders and culture.

Through youth forums, community surveys, and stakeholder interviews, the YAG was established, with the aim of promoting storytelling, well-being, and resilience within the community.

Comprising young individuals aged 12-25, the YAG have become an active force in volunteering projects. They have repaired vandalism, cleaned up the skate park, and lent their support at various events, including the Cherbourg Christmas Fair, Sports Complex Gala Day and more. The group has embraced arts, pottery, and music workshops, all while contributing to the tidiness of the football ground sheds and canteen.

Recently, the YAG organized another Youth Forum, this time taking charge of the event. They engaged with Elders, discussing community positives and negatives, generating ideas, and collecting suggestions for future projects.

One notable idea that emerged was to revive an old Cherbourg tradition of ballroom dancing by organizing a ball during NAIDOC Week. To prepare for this exciting event, up to 20 young people attended dancing practices twice a week, with the big night scheduled for July 5.



New Community Health Council Making Progress

Our new Cherbourg Health Council met again with representatives from Darling Downs Health in early August.

Mayor Elvie Sandow took a moment to firstly acknowledge the tireless work and commitment in supporting our community by the teams led by Darling Downs Health Director Indigenous Health Rica Lacey and Public Health Physician Dr Katie Panaretto.

When the meeting got under way, we then heard a progress update and actions on consultation and direction from the health council based on feedback from community, who are calling for dramatic improvements along with culturally appropriate and equitable local health services for mob.

It is acknowledged there is a lot of work to be done, but we feel we are being heard, hopeful progress for positive change will be made on deadlines and

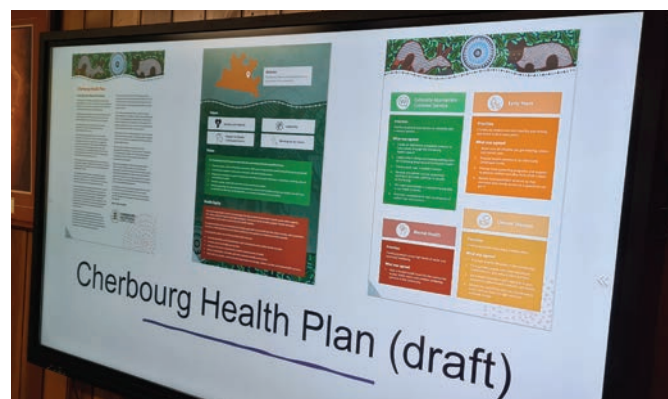
commitments to a roll out of strategies.

As always there was much passionate discussion and calls for action on concerns, sensitive issues, and frustrations that were heard and noted.

Progress reports tabled included proposals and commitment for developing alternative complaints processes meeting the needs of community and a promise to action any complaints within five days. Discussion also ran to recommendations on how to improve the waiting areas, customer service and facilities at our Cherbourg Hospital.

- **Better Coordination of care between services**
- **Indigenous Liaison Officer/s as first contact and on call at hospitals**
- **Improved Perinatal Support**
- **Supported career pathways for mob interested in getting into health care**
- **Interagency case conferencing of complex chronic disease patients**
- **Improved early Child Health care support at our local schools**

There is still a lot of work to be done along this long road that we must travel, but we will continue to put one foot in front of the other so that we can lay the foundations to a brighter and healthy tomorrow for future generations and elders to come.



(Cherbourg YAG doing a bloomin' Good Job.....continued from previous page)

With the success of the YAG's projects, their positive impact continued to grow. The members, alongside Cherbourg Council's Community Services department, worked tirelessly to support the community and nurture their own personal growth.

Two young men secured full-time employment with the Council, and others either returned to school or embarked on vocational training, all while gaining invaluable skills and experiences.

In the lead-up to Mother's Day, the YAG members collaborated with florist Felicity Aitken during a well-being workshop in Murgon.

Inspired by this experience, they dedicated themselves to taking flower orders for Mother's Day, spreading joy to mothers and caregivers throughout Cherbourg. The project was a remarkable achievement for the team, and Felicity Aitken praised their hard work and dedication.

The YAG's incredible journey, filled with achievements and personal development, is a testament to the power of youth engagement.

Their unwavering commitment to the community and their willingness to make a positive difference continue to inspire those around them.

Cherbourg's Youth Advisory Group serves as a shining example of how youth can shape and uplift a community, fostering unity and resilience.

Safeguarding and Building a Promising Future

In February, the Cherbourg Aboriginal Shire Council (CASC) conducted a significant meeting known as the “Audit and Risk Committee” meeting. This committee comprises individuals responsible for verifying the accuracy and dependability of our financial reports. They also ensure that our internal controls and risk management procedures are functioning effectively. Additionally, they oversee external auditors and ensure compliance with legal and governance regulations.

During the meeting, attended by Mayor Elvie Sandow, Deputy Tom Langton, council staff, and other participants, auditors from organizations such as KPMG, Queensland Audit Office, and Sunshine Coast Regional Council were present.

The primary objective of this meeting was to ensure that all processes are executed correctly and to identify and resolve any potential issues promptly. This proactive approach serves to protect our community’s interests and contribute to its ongoing progress.

Through rigorous financial oversight, robust risk management practices, and adherence to responsible governance, we can maintain the proper allocation of resources, mitigate potential risks, and ensure ethical decision-making. This dedication is pivotal in building a brighter and more prosperous future for Cherbourg and its residents.



Flood Resilience in Focus with QRA Visit

In February, the Queensland Reconstruction Authority (QRA) Acting Chief Executive Officer, Mr. Jimmy Scott, along with his team, visited Cherbourg to assess the community’s needs in the aftermath of recent floods and to discuss potential assistance from the QRA.

Mr. Scott met with Cherbourg’s Mayor Elvie Sandow and Deputy Tom Langton to observe the flood damage first-hand and to gain a deeper understanding of the community’s experiences. The QRA has been working with Cherbourg since 2011, providing funding to help build stronger, flood-resilient infrastructure.

“Cherbourg has been a key partner of the QRA for over a decade. However, there is still more work to be done,” said Mr. Scott. One of the key areas of interest during his visit was the erosion damage suffered by Cherbourg’s



sewage ponds due to the floods. According to the Acting CEO for QRA, “This project could be a potential candidate for additional funding that would not only help repair the damage but also fortify the ponds against future floods.” Mr. Scott commended the leadership of the Cherbourg community and the Council staff for their continuous interaction with the QRA.

He expressed his appreciation for their diligent efforts in identifying and securing funding opportunities that would contribute to making the community more resilient to future floods.

The visit is part of an ongoing collaboration between the Cherbourg Aboriginal Shire Council and the QRA aimed at enhancing flood resilience in the community. They are exploring future projects and funding options that would not just repair the flood damage but also improve the infrastructure to mitigate the impact of potential future floods.

Digital on Country

Cherbourg Call Centre Grow from Strength to Strength

In a special gathering held at the Cherbourg Nurunderi Tafe in March, Cherbourg commemorated a significant milestone—the first anniversary of the Cherbourg Digital Service Centre, better known as the Cherbourg Call Centre. The event welcomed esteemed guests, including representatives from Fujitsu Asia Pacific, the centre's first clients, and Leeanne Enoch, the Minister for Communities and Housing, Digital Economy, and the Arts.

Mayor Elvie Sandow happily reflected on her prediction made 12 months prior that QBuild would become a client for the call centre. Her prediction had come to fruition, leading to the creation of 20 additional jobs alongside the existing 10 positions.

Mayor Sandow emphasized her commitment to local employment, stating, "I have a passion for employment for local people. The more employment for our local people, the more our families and our community are happy."

Minister Enoch commenced her speech with an acknowledgment in Jandai, the language of her Quandamooka people. She emphasized the importance of the one-year anniversary and lauded Cherbourg for its leadership role in Queensland, setting an inspiring example for others to follow. Minister Enoch stated, "You are the leading light now for many more who will see that this is possible ... you've done the work, you've made everybody very, very proud."



Graeme Beardsell, Chief Executive Officer of Fujitsu Asia Pacific, expressed his company's satisfaction in being a part of the successful partnership with Cherbourg. He highlighted Fujitsu's use of technology to foster inclusiveness and extended gratitude to the "first eight" employees of the call centre who have been providing services to Australia Post. Mr. Beardsell praised the team at Cherbourg, stating, "The best rating team across the Asia Pacific is this team at Cherbourg."



Emma Turaganivalu, the call centre manager, expressed immense pride upon hearing Mr. Beardsell's words. She shared, "It makes us work a little harder and stand a little taller." The recognition received fueled the team's dedication and commitment to their work. The Cherbourg Call Centre's first anniversary celebration was a testament to the successful collaboration between Cherbourg and Fujitsu Asia Pacific. The centre continues to make a significant impact in the region, providing employment opportunities and delivering exceptional services.



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
6. Local Recovery & Resilience Works

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. Cherbourg Landfill Development
6. New Wetland development
7. New Housing, Sub-division, and Land Development

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 \$516,167. 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 2022-2023.

BENEFICIAL ENTERPRISES SECTION 41 LGA 2009

No Beneficial Enterprises were recognised during the 2022-2023 financial year.

BUSINESS ACTIVITIES SECTION 45 LGA 2009

Council did not conduct any business activities during the financial year 2022-2023

SIGNIFICANT BUSINESS ACTIVITIES SECTION 45 LGA 2009

Council did not conduct any significant business activities during the financial year 2022-2023. 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 2022-2023.

- 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 2022-2023.

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 2022-2023 financial year.

RATES AND CHARGES SECTION 190 LCR 2012

The annual report must contain a summary of all concessions for rates and charges granted by the local government. During 2022-2023, no concessions were granted.

DISCRETIONARY FUNDS SECTION 189 LCR 2012

Councillors did not have discretionary funds during the 2022-2023 financial year.

OVERSEAS TRAVEL SECTION 188 LGR 2012

No overseas travel was undertaken by councillors or staff on behalf of Council during the reporting period 2022-2023.

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.

RATES AND CHARGES SECTION 190 LCR 2012

The annual report must contain a summary of all concessions for rates and charges granted by the local government. During 2022-2023, no concessions were granted.

DISCRETIONARY FUNDS SECTION 189 LCR 2012

Councillors did not have discretionary funds during the 2022-2023 financial year.





COMMUNITY FINANCIAL REPORT 2022/23



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 2022/23 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 2022/23.

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 2023. 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 2023, 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 2023 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

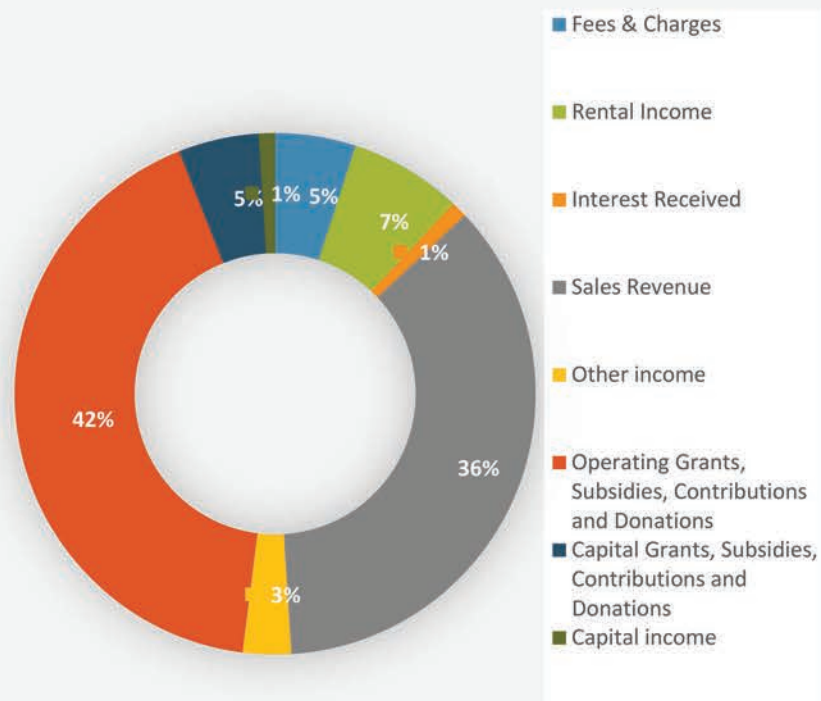
The two main categories of revenue are recurrent revenue and capital revenue. Council's recurrent revenue is money raised that is used to fund the operations of Council. Council raises recurrent revenue from income sources such as fees and charges, grants, subsidies and donations, sales revenue, rents 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 2022/23 increased by \$4.10 million, which is attributed to:

- \$2.75 million increase in operating grants and subsidies, interest revenue and rental income
- \$1.35 million increase in sales revenue, other revenues and fees and charges

The main sources of recurrent income for the year were grants and subsidies and sales revenue comprising 84% of recurrent revenue and 78 % of Council's total revenue. The recurrent income generated from housing rental, fees and charges, interest and other income is 21% of total revenue.

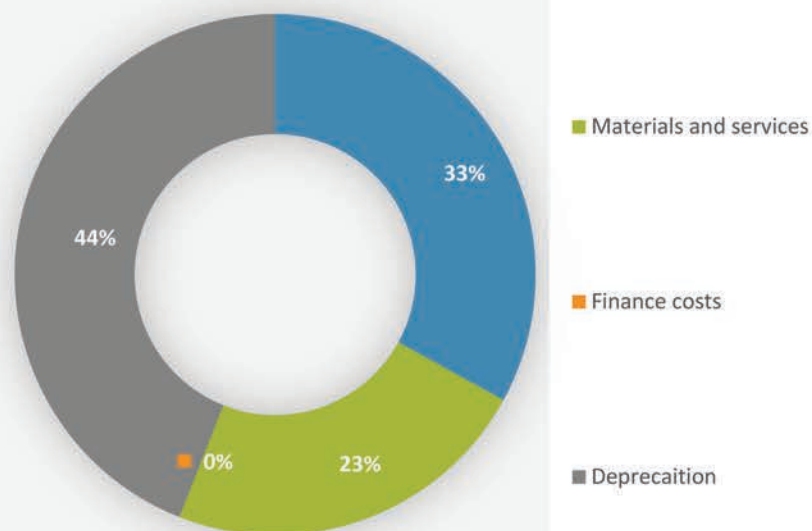
New housing projects did not commence during FY 2022-23. Due to this ,capital revenue for 2022/23 decreased by \$5.13 million compared to FY 2021-22.



Expenses

Council's recurrent expenses include employee benefits, materials and services, finance costs and depreciation. Council's recurrent expenditure increased by \$9.19 million compared to the previous year. This was due to the increase in depreciation, employee benefits, and materials and services.

Depreciation made up the largest type of expenditure at 44% followed by employee benefits at 33%, and materials and services at 23%

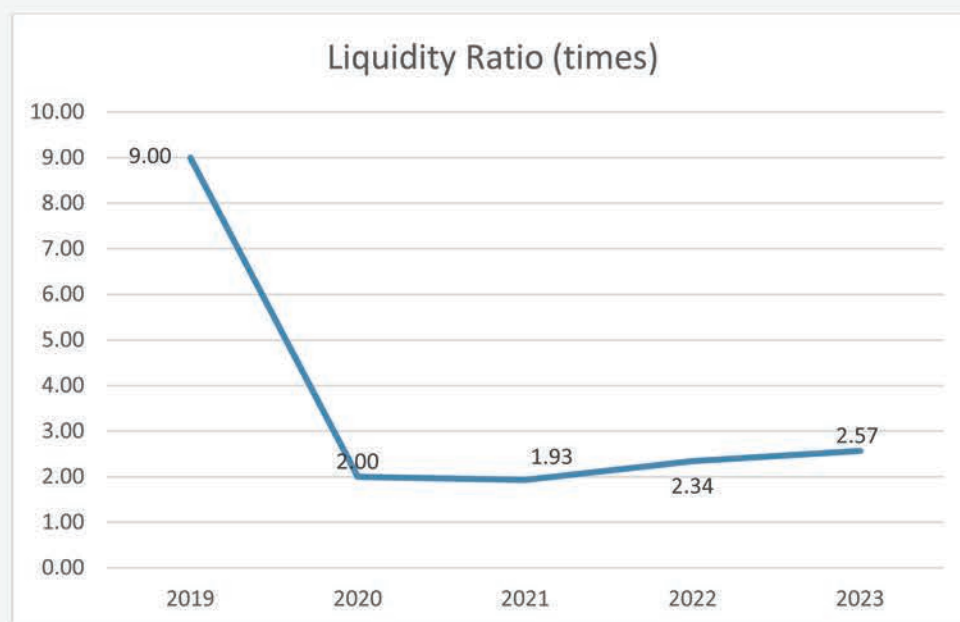


The Statement of Financial Position

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 2.57:1. This ratio means that the Cherbourg Aboriginal Shire Council has \$2.57 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 \$220 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.

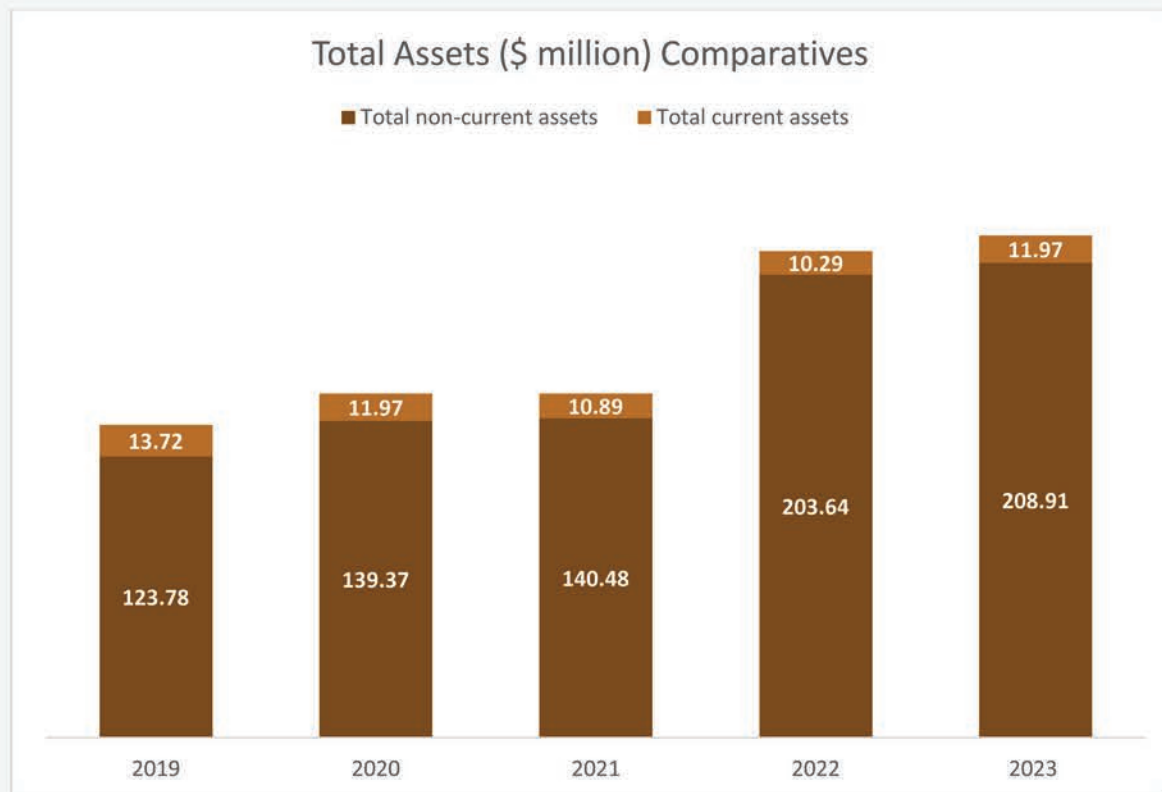


Assets

Cherbourg Aboriginal Shire Council Current Assets include cash and cash equivalents, trade and other receivables, inventories and contract assets. There was increase in the cash balance of \$2.55 million.

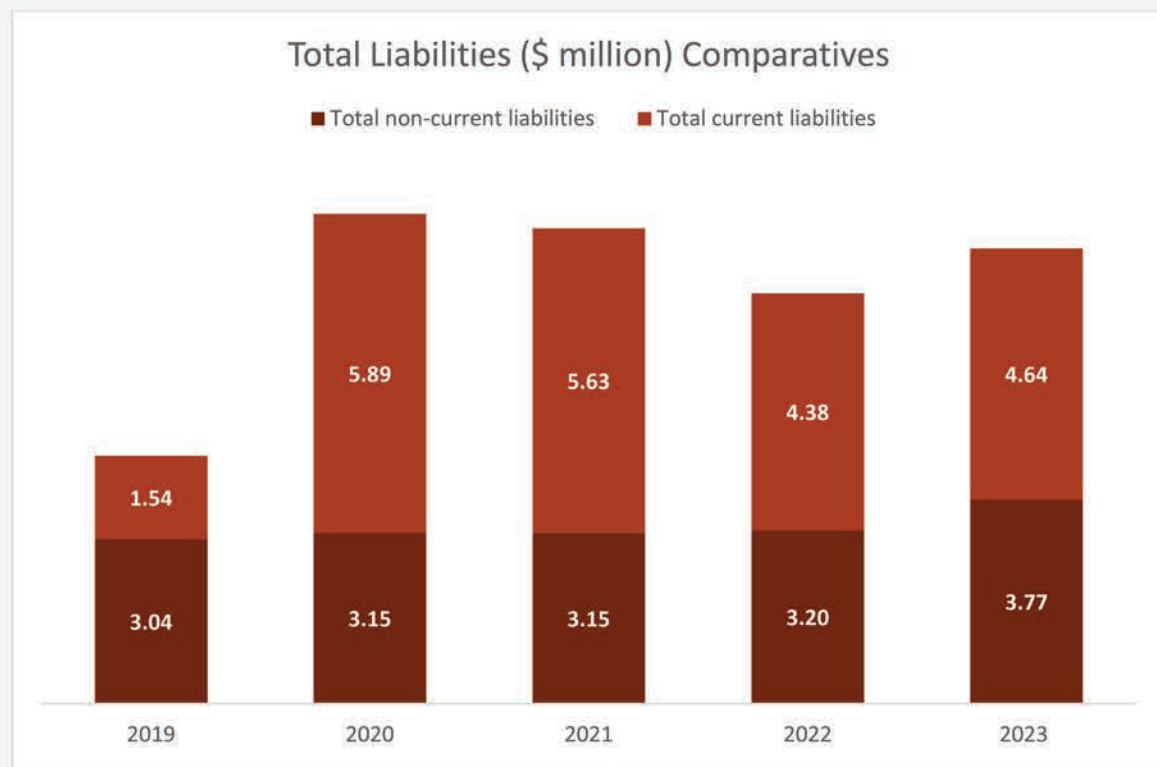
Council had invested \$8.56 million in an on-call account with Queensland Treasury Corporation. Due to the current high interest rates, interest income for the year was \$186,111.

Property plant and equipment is the largest asset type comprising \$208 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 \$158 million.



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 2023 totalled \$8.41 million. The provisions balance comprises long service leave payable to employees (\$0.51 million) and since 2019, an amount estimated for the future restoration of Council's landfill (\$3.09 million at 30 June 2023). Trade and other payables total \$1.68 million. The contract liability for the year was \$3.13 million due to the number of grants being received in advance.

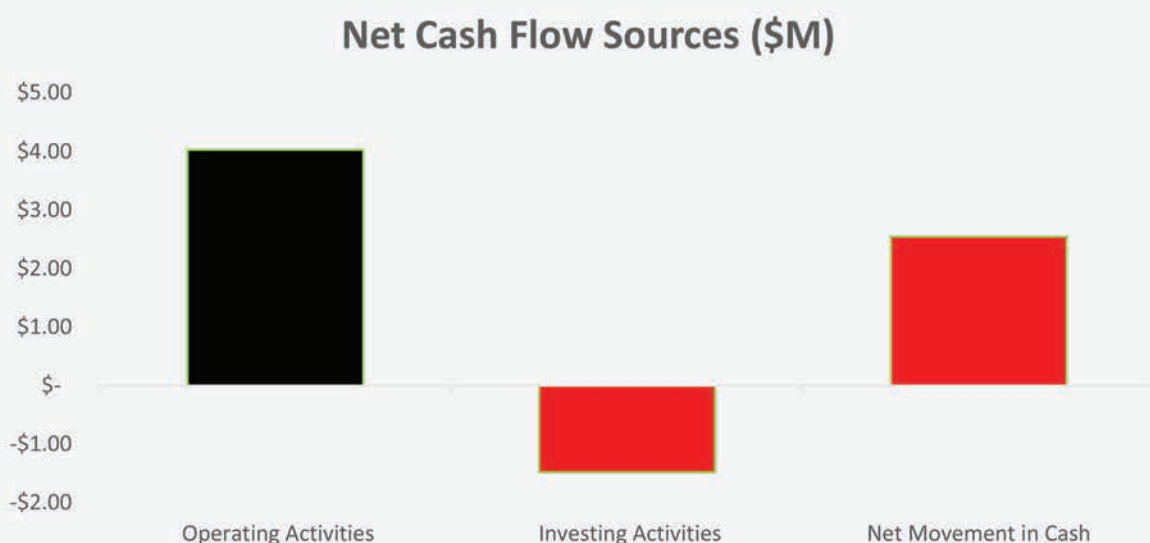


The Statement of Changes in Equity

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 \$ 212.45 million at 30 June 2023.

The Statement of Cash Flows

This statement records the movement in cash holdings during the year. In 2023 the cash balance increased by \$2.55 million from \$7.5 million to a closing balance of \$10 million at year end. Council's cash flows from operating activities remain positive, with cash of \$4.03 million being generated. The cash flows from investing activities shows Council spent \$1.48 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 2022/2023 by Asset Class

- Land - \$0.00 million
- Houses - \$0.94 million
- Motor Vehicles - \$0.05 million
- Plant and Equipment - \$0.68 million
- Furniture & fittings – \$0.00 million
- Infrastructure - \$0.40 million
- Work in Progress - \$0.27 million

Council's Major Projects for 2022/2023

- Existing Houses Major Upgrades
- Cherbourg Re-roof Water Reservoirs and Carbon Filter System Project
- Cherbourg Community Centre Project
- W4Q Solid Waste

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

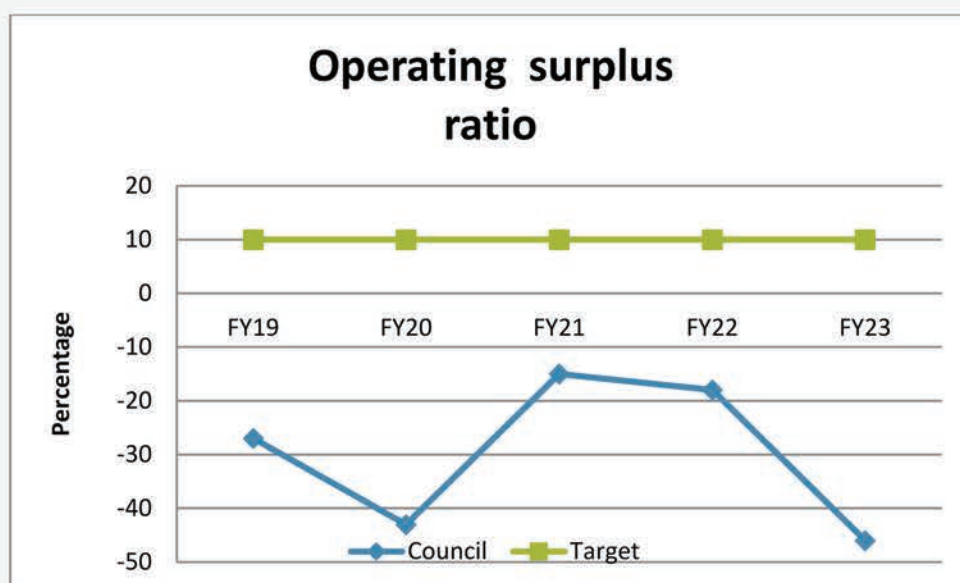
The Financial Sustainability of Councils continues to be a cornerstone of the Local Government Act and a core responsibility of individual councils across Queensland. The Financial Sustainability indicators (in accordance with the *Local Government Regulation 2012*) that council must publish are as follows:

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%.

Since Cherbourg Aboriginal Shire Council is highly dependent on external grant funding the Operating Surplus Ratio at 30 June 2023 was at a deficit of 46%.

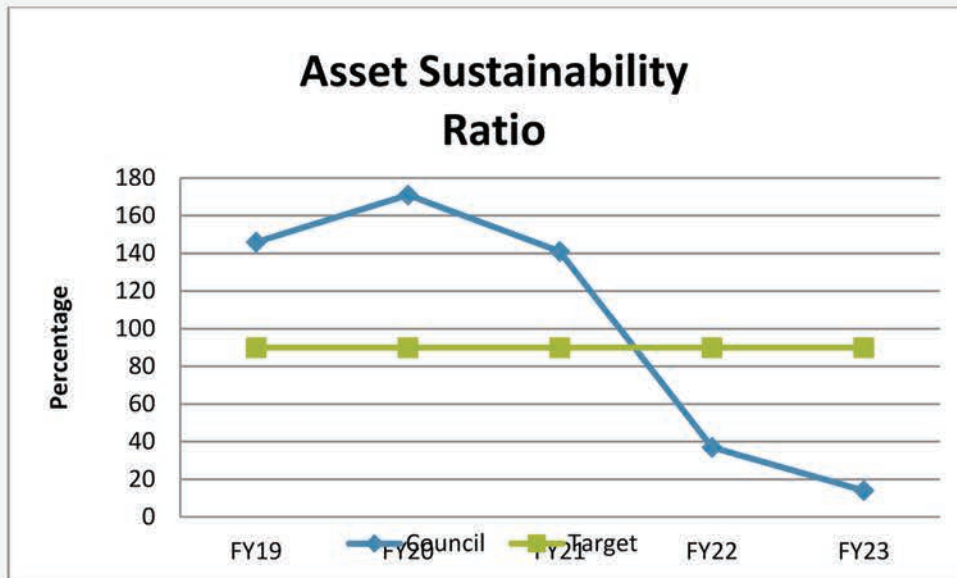
The main reason for the deficit is the inclusion of depreciation expense in the ratio which Council is unable to raise sufficient revenue to cover and relies on capital grants to undertake its capital renewal program. Cherbourg Aboriginal Shire Council is aware of the need to improve its ability to generate 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%.

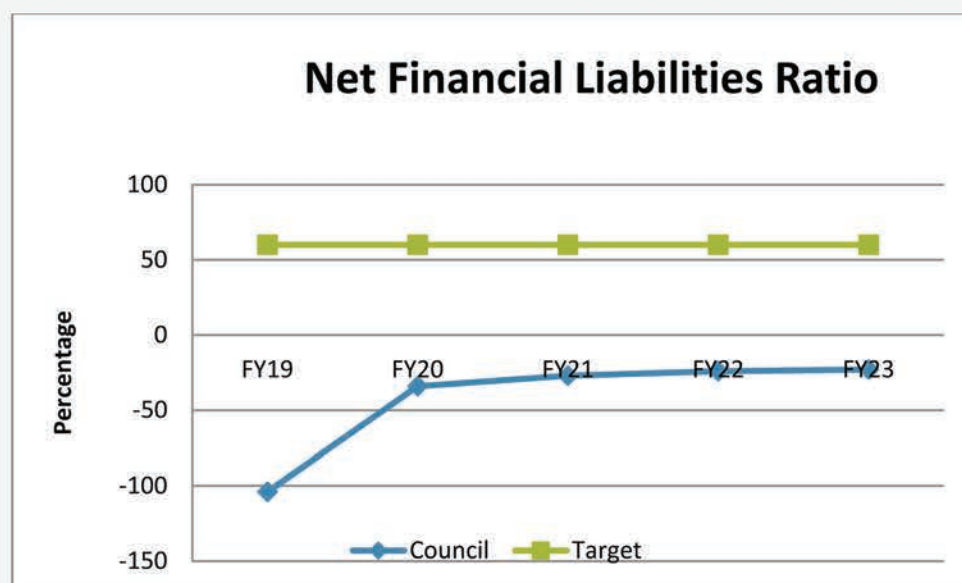
The Asset Sustainability Ratio for 2022-23 was 14% and therefore Council has not met the benchmarks recommended in respect to asset sustainability ratio. However, meeting this ratio in the future depends on the ability of Council to continue to attract capital grant revenue.



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 2023 is -23%. 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

2022/23

Cherbourg Aboriginal Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023



General Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
Primary Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	
Information about these financial statements	6
2 Analysis of results by function	7
3 Revenue	9
4 Capital income	11
5 Employee benefits	11
6 Materials and services	12
7 Finance costs	12
8 Capital expenses	12
9 Cash, cash equivalents and financial assets	13
10 Receivables	13
11 Property, plant and equipment	15
12 Contract balances	23
13 Leases	24
14 Payables	25
15 Provisions	25
16 Asset revaluation surplus	27
17 Contingent liabilities	28
18 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	28
19 Events after the reporting period	29
20 Financial instruments and financial risk management	29
21 Transactions with related parties	30
Management Certificate	32
Independent Auditor's Report	n/a
Current Year Financial Sustainability Statement	33
Certificate of Accuracy	34
Independent Auditor's Report - Current Year Financial Sustainability Statement	n/a
Unaudited Long Term Financial Sustainability Statement	35
Certificate of Accuracy - Long Term Financial Sustainability Statement	37

Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Income			
Recurrent revenue			
Fees and charges	3a	819,182	748,982
Sales revenue	3b	5,990,336	4,827,816
Grants, subsidies, contributions and donations	3c	6,941,940	4,354,874
Total recurrent revenue		13,751,458	9,931,672
Capital revenue			
Grants, subsidies, contributions and donations	3c	826,154	5,955,191
Total capital revenue		826,154	5,955,191
Rental income	13	1,117,997	1,116,662
Interest received		186,112	29,274
Other income		469,497	344,005
Capital income	4	174,435	
Total income		16,525,653	17,376,804
Expenses			
Recurrent expenses			
Employee benefits	5	7,461,842	6,188,954
Materials and services	6	5,175,192	4,228,691
Finance costs	7	90,190	77,931
Depreciation and amortisation: - Property, plant and equipment	11	9,979,841	3,019,572
Total recurrent expenses		22,707,065	13,515,148
Other expenses			
Capital Expenses	8	645,415	848,714
Total other expenses		645,415	848,714
Total expenses		23,352,480	14,363,862
Net Result		(6,826,827)	3,012,942
Other comprehensive income			
Amounts which will not be reclassified subsequently to the operating result			
Increase/(decrease) in asset revaluation surplus	16	12,944,272	59,799,172
Total other comprehensive income for the year		12,944,272	59,799,172
Total comprehensive income for the year		6,117,445	62,812,114

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

Statement of Financial Position

as at 30 June 2023

		2023	2022
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents	9	10,011,758	7,460,913
Receivables	10	950,065	1,014,255
Inventories		462,738	284,581
Contract assets	12	416,982	1,297,740
Other assets		<u>123,806</u>	<u>231,071</u>
Total current assets		<u>11,965,349</u>	<u>10,288,560</u>
Non-current assets			
Property, plant and equipment	11	<u>208,905,545</u>	<u>203,635,188</u>
Total non-current assets		<u>208,905,545</u>	<u>203,635,188</u>
Total Assets		<u>220,870,894</u>	<u>213,923,748</u>
Liabilities			
Current liabilities			
Payables	14	731,989	550,694
Contract liabilities	12	3,133,370	3,034,685
Provisions	15	<u>776,001</u>	<u>795,559</u>
Total current liabilities		<u>4,641,360</u>	<u>4,380,938</u>
Non-current liabilities			
Payables	14	515,727	537,545
Provisions	15	<u>3,254,846</u>	<u>2,663,749</u>
Total non-current liabilities		<u>3,770,573</u>	<u>3,201,294</u>
Total Liabilities		<u>8,411,933</u>	<u>7,582,232</u>
Net community assets		<u>212,458,961</u>	<u>206,341,516</u>
Community equity			
Asset revaluation surplus	16	114,716,527	101,772,255
Retained surplus/(deficiency)		<u>97,742,434</u>	<u>104,569,261</u>
Total community equity		<u>212,458,961</u>	<u>206,341,516</u>

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

Statement of Changes in Equity

for the year ended 30 June 2023

	Notes	Asset revaluation surplus \$	Retained surplus \$	Total equity \$
2023				
Balance as at 1 July		101,772,255	104,569,261	206,341,516
Net result			(6,826,827)	(6,826,827)
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	16	12,944,272		12,944,272
Other comprehensive income		12,944,272		12,944,272
Total comprehensive income for the year		12,944,272	(6,826,827)	6,117,445
Balance as at 30 June		114,716,527	97,742,434	212,458,961
2022				
Balance as at 1 July		41,973,083	101,556,319	143,529,402
Net result			3,012,942	3,012,942
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	16	59,799,172		59,799,172
Other comprehensive income		59,799,172		59,799,172
Total comprehensive income for the year		59,799,172	3,012,942	62,812,114
Balance as at 30 June		101,772,255	104,569,261	206,341,516

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

Statement of Cash Flows

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		8,109,092	6,744,147
Payments to suppliers and employees		(13,294,572)	(11,509,908)
		<u>(5,185,480)</u>	<u>(4,765,761)</u>
Receipts			
Interest received		186,112	29,274
Rental income		1,117,997	1,116,662
Non capital grants and contributions		7,921,383	4,590,196
Payments			
Finance costs		(6,447)	(6,114)
Net cash inflow/(outflow) from operating activities	18	<u>4,033,565</u>	<u>964,257</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property, plant and equipment			99,818
Grants, subsidies, contributions and donations		826,154	3,612,934
Payments			
Payments for property, plant and equipment		(2,308,874)	(4,977,699)
Net cash inflow/(outflow) from investing activities		<u>(1,482,720)</u>	<u>(1,264,947)</u>
Net increase/(decrease) in cash and cash equivalents held		<u>2,550,845</u>	<u>(300,690)</u>
plus: cash and cash equivalents - beginning		7,460,913	7,761,603
Cash and cash equivalents at the end of the financial year	9	<u>10,011,758</u>	<u>7,460,913</u>

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 1. Information about these financial statements

(a) Basis of preparation

These general purpose financial statements for the period 1 July 2022 to 30 June 2023 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.

(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.

(c) Currency

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

(d) New and revised Accounting Standards

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

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023. These standards have not been adopted by Council and will be included in the financial statements on their effective date. None of these standards are expected to have a material impact on Council.

(e) Estimates and Judgements

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

- Revenue recognition - Note 3
- Valuation and depreciation of property, plant and equipment - Note 11
- Restoration provisions - Note 15
- Impairment of trade and other receivables- Note 10

(f) 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.

(g) 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. For the 2023 financial year some minor reclassifications of comparative line items have occurred.

(h) 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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2. Analysis of results by function

(a) Council functions - component descriptions

Details relating to the Council's functions / activities as reported 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, and cherbourg call centre, 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 2023

Note 2. Analysis of results by function (continued)

(b) Council functions - analysis of results by function

Functions	Gross program income			Gross program expenses			Net result from recurring operations		Net result	Total assets
	Recurring grants	Recurring other	Capital grants	Capital other	Total income	Recurring	Capital	Total expenses		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2023										
Corporate and governance	5,171,689	487,783	-	-	5,659,472	(3,295,936)	-	(3,295,936)	2,363,486	2,363,486
Community services	1,262,888	985,862	-	-	2,248,550	(1,541,467)	-	(1,541,467)	707,083	32,921,370
Economic and community development	433,463	5,991,481	63,506	-	6,488,450	(5,626,513)	-	(5,626,513)	798,431	8,112,652
Housing	-	1,117,998	-	-	1,117,998	(9,648,488)	-	(9,648,488)	(8,530,490)	125,657,365
Infrastructure	74,100	-	762,648	174,435	1,011,183	(2,594,611)	(645,415)	(3,240,026)	(2,520,511)	42,214,158
Total	6,941,940	8,583,124	826,154	174,435	16,525,653	(22,707,065)	(645,415)	(23,352,480)	(7,182,001)	220,870,894
2022										
Corporate and governance	2,952,648	227,870	-	-	3,180,518	(3,438,826)	-	(3,438,826)	(258,308)	10,288,500
Community services	1,064,900	894,378	-	-	1,959,278	(1,510,501)	-	(1,510,501)	448,777	33,244,830
Economic and community development	337,326	4,827,829	546,110	-	5,711,265	(3,944,000)	-	(3,944,000)	1,221,095	6,633,877
Housing	-	1,116,662	-	2,342,257	3,458,919	(2,472,720)	(848,715)	(3,321,435)	(1,356,068)	125,386,219
Infrastructure	-	-	3,066,824	-	3,066,824	(2,149,041)	-	(2,149,041)	(917,783)	38,370,262
Total	4,354,874	7,066,739	3,612,934	2,342,257	17,376,804	(1,351,548)	(848,715)	(14,363,863)	(2,093,535)	213,923,748

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue

(a) Fees and charges

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.

	2023	2022
	\$	\$
Building lease charges	9,399	8,395
Community fees and charges	25,612	68,007
Post office commissions	12,000	11,000
Service charges	772,171	661,580
Total fees and charges	819,182	748,982

(b) 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 as at the year end.

Rendering of services

Other sale of services	208,735	105,914
Recoverable works - BAS	3,512,249	2,839,317
Joinery sales	524,608	316,477
Total sale of services	4,245,592	3,261,708

Sale of goods

Livestock sales	19,309	58,084
Material recycling facility	206,076	62,238
Containers for change	1,519,359	1,445,786
Total sale of goods	1,744,744	1,566,108

Total sales revenue	5,990,336	4,827,816
----------------------------	------------------	------------------

(c) Grants, subsidies, contributions and donations

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance 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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue (continued)

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the assets are 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.

	2023	2022
	\$	\$
(i) Operating		
General purpose grants	5,171,689	2,852,234
State government subsidies and grants	798,688	769,140
Commonwealth government subsidies and grants	961,563	716,500
Donations	10,000	17,000
Total recurrent grants, subsidies, contributions and donations	6,941,940	4,354,874
(ii) Capital		
State government subsidies and grants	751,175	3,191,917
Commonwealth government subsidies and grants	74,979	421,017
Asset Contributions from State Government		2,342,257
Total capital grants, subsidies, contributions and donations	826,154	5,955,191

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

	2023		2022	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
	\$	\$	\$	\$
Grants and subsidies	6,931,940	826,154	4,337,874	3,612,934
Donations	10,000		17,000	
Contributions			2,342,257	
	6,941,940	826,154	6,697,131	3,612,934

Notes to the Financial Statements

for the year ended 30 June 2023

Note 4. Capital income

		2023	2022
	Notes	\$	\$
(a) Provision for restoration of land			
Discount rate adj. - refuse restoration	15	174,435	
		<u>174,435</u>	
Total capital income		<u>174,435</u>	

Note 5. Employee benefits

		2023	2022
		\$	\$
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		5,451,498	4,681,992
Councillors remuneration		340,169	333,243
Annual, sick and long service leave entitlements		581,706	518,360
Superannuation		<u>675,936</u>	<u>550,560</u>
		7,049,309	6,084,155
Other employee related expenses		412,533	104,799
Total Employee benefits		<u>7,461,842</u>	<u>6,188,954</u>

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

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.

	2023	2022
	Number	Number
Additional information:		
Total Council employees at the reporting date:		
Elected members	5	5
Administration staff	16	17
Depot and outdoors staff	80	85
Total full time equivalent employees	101	<u>107</u>

Notes to the Financial Statements

for the year ended 30 June 2023

Note 6. Materials and services

	2023	2022
	\$	\$
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Administration supplies and consumables	82,465	72,729
Audit of annual financial statements by the Auditor-General of Queensland	65,650	55,514
Consultants	524,294	285,707
Electricity	243,831	232,912
Repairs and maintenance	1,863,357	1,290,922
Subscriptions and advertising	22,965	25,180
Travel	56,311	38,810
Insurance	588,031	496,696
Enterprise centre running costs	179,171	196,751
Licence fees	926	193
Joinery expenses	195,428	96,826
Motor vehicle expenses	458,754	522,253
Printing and stationery	108,586	71,693
Radio operating expenses	9,102	17,939
Telephone and fax	75,015	37,743
Water and sewerage operational costs	287,340	201,910
Bad and doubtful debts	(27,300)	95,635
Other materials and services	441,266	489,278
Total materials and services	5,175,192	4,228,691

Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$68,120 (2022: \$65,000).

Note 7. Finance costs

	2023	2022
	\$	\$
Bank charges	6,447	6,114
Unwinding of discount on provisions	83,743	71,817
Total finance costs	90,190	77,931

Note 8. Capital expenses

	2023	2022
	\$	\$
(a) Loss on disposal of non-current assets		
Proceeds from the disposal of property, plant and equipment		
Less: carrying value of disposed property, plant and equipment	11 (2,948)	(855,882)
	2,948	855,882
Proceeds from sale of motor vehicles		99,818
Less: carrying value of disposed vehicles	11 (92,650)	(92,650)
		(7,168)
Loss on disposal of non-current assets	2,948	848,714

Notes to the Financial Statements

for the year ended 30 June 2023

Note 8. Capital expenses (continued)

		2023	2022
	Notes	\$	\$
(b) Provision for restoration of land			
Net movement - refuse restoration provision for changes in cost estimates	15	642,467	
		<u>642,467</u>	
Total capital expenses		<u>645,415</u>	<u>848,714</u>

Note 9. Cash, cash equivalents and financial assets

	2023	2022
	\$	\$

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

Cash and cash equivalents

Cash at bank and on hand	10,011,758	7,460,913
Balance per Statement of Financial Position	<u>10,011,758</u>	<u>7,460,913</u>
Balance per Statement of Cashflows	<u>10,011,758</u>	<u>7,460,913</u>
Cash and cash equivalents	10,011,758	7,460,913
Less: externally imposed restrictions on cash	<u>(3,133,370)</u>	<u>(3,034,685)</u>
Unrestricted cash	<u>6,878,388</u>	<u>4,426,228</u>

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

Unspent government grants and subsidies	3,133,370	3,034,685
Total externally imposed restrictions on cash assets	<u>3,133,370</u>	<u>3,034,685</u>

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.

Note 10. 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.

Council reviews receivable balances on an individual basis to assess the expected credit losses of trade receivables from individual customers with loss rates based on actual credit loss experience. If an amount is recovered in a subsequent period it is recognised as revenue.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Receivables (continued)

	2023	2022
	\$	\$
Current		
Trade receivables	2,258,442	2,415,504
Less: Provision for impairment	(1,308,377)	(1,401,249)
Net receivables	950,065	1,014,255

Movement in accumulated impairment losses is as follows:

Opening balance at 1 July	1,401,249	1,305,615
Additional impairments recognised		95,634
Impairment debts written off during the year	(65,572)	
Impairments reversed	(27,300)	
Balance at the end of the year	1,308,377	1,401,249

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

2023

	Total	Credit impaired	Non-credit impaired
	\$ '000	\$ '000	\$ '000
Current	708,923	15,787	693,136
Past due 31-60 days	144,243	31,068	113,175
Past 61-90 days	72,209	33,320	38,889
More than 90 days	1,333,067	1,228,202	104,865
Total gross carrying amount	2,258,442	1,308,377	950,065
Loss allowance		<u>1,308,377</u>	

Cherbourg Aboriginal Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 11. Property, plant and equipment

	Land \$	Buildings \$	Houses \$	Motor vehicles \$	Plant and equipment \$	Furniture and fittings \$	Infrastructure \$	Work in progress \$	Total \$
2023									
Measurement basis									
Opening gross balance									
Additions*	1,480,000	51,950,300	173,378,376	1,684,960	5,467,566	286,256	52,199,549	1,032,362	287,479,369
Disposals	-	-	938,467	51,665	687,552	-	403,471	270,916	2,352,071
Revaluations	266,400	2,863,654	-	-	(8,400)	-	-	(43,197)	(51,597)
			8,787,119	-	406,838	-	6,057,479	-	18,381,500
Total gross value of property, plant and equipment	1,746,400	54,813,954	183,103,962	1,736,625	6,553,556	286,256	58,660,499	1,260,081	308,161,343
Opening accumulated depreciation and impairment	-	18,705,470	47,992,157	1,025,380	2,009,484	282,403	13,829,287	-	83,844,181
Depreciation expense	-	2,037,038	6,700,868	75,827	271,999	2,213	891,896	-	9,979,841
Depreciation on disposals	-	-	-	-	(5,452)	-	-	-	(5,452)
Revaluations	-	1,150,086	2,753,572	(26,356)	(165,230)	-	1,725,158	-	5,437,228
Total accumulated depreciation and impairment property, plant and equipment	-	21,892,594	57,446,597	1,074,849	2,110,801	84,616	16,446,341	-	99,255,788
Total net book value of property, plant and equipment	1,746,400	32,921,370	125,657,365	661,776	4,442,755	1,640	42,214,158	1,260,081	208,905,545
Other information									
Range of estimated useful life (years)	Not depreciated	15-150	15-150	2-20	3-80	1-100	10-105		
*Asset additions comprise									
Asset renewals	-	-	938,467	-	-	-	403,471	-	1,341,938
Other additions	-	-	-	51,665	687,552	-	-	-	739,217
Total asset additions	-	-	938,467	51,665	687,552	-	403,471	-	2,081,155

Cherbourg Aboriginal Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

	Land	Buildings	Houses	Motor vehicles	Plant and equipment	Furniture and fittings	Infrastructure	Work in progress	Total
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Cost	\$
2022									
Measurement basis									
Opening gross balance	663,000	46,149,444	90,878,234	1,632,600	5,515,126	286,256	40,942,534	1,890,382	187,957,576
Additions*	-	-	3,258,240	13,723	521,521	-	3,034,473	491,999	7,319,956
Disposals	-	-	(1,245,385)	-	(873,829)	-	(63,340)	-	(2,182,554)
Revaluations	817,000	5,800,856	80,487,287	38,637	220,730	-	7,019,881	-	94,384,391
Work in progress transfers	-	-	-	-	84,018	-	1,266,001	(1,350,019)	-
Total gross value of property, plant and equipment	1,480,000	51,950,300	173,378,376	1,684,960	5,467,566	286,256	52,199,549	1,032,362	287,479,369
Opening accumulated depreciation and impairment	-	12,751,607	22,518,485	979,046	2,336,449	280,190	8,607,636	-	47,473,412
Depreciation expense	-	664,331	1,207,881	48,141	256,253	2,213	840,753	-	3,019,572
Depreciation on disposals	-	-	(442,729)	-	(781,179)	-	(10,114)	-	(1,234,022)
Revaluations	-	5,289,532	24,708,520	(1,806)	197,961	-	4,391,012	-	34,585,219
Total accumulated depreciation and impairment property, plant and equipment	-	18,705,470	47,992,157	1,025,380	2,009,484	282,403	13,829,287	-	83,844,181
Total net book value of property, plant and equipment	1,480,000	33,244,830	125,386,219	659,580	3,458,082	3,853	38,370,262	1,032,362	203,635,188
Other information									
Range of estimated useful life (years)	Not depreciated	15-150	15-150	2-20	3-80	1-100	10-105	-	-
*Asset additions comprise									
Asset renewals	-	-	925,954	-	-	-	79,100	-	1,005,054
Other additions	-	-	2,332,286	13,723	605,539	-	4,221,375	-	7,172,923
Total asset additions	-	-	3,258,240	13,723	605,539	-	4,300,475	-	8,177,977

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

(a) Recognition

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.

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.

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.

(b) Measurement

Property, plant and equipment assets 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.

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

(c) Depreciation

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

Land and work in progress are not depreciated.

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

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

Depreciation methods, estimated useful lives and residual values 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.

(d) Impairment

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.

(e) 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.

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 shown below.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

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.

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

	Date of latest valuation	Fair value measurement using			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 significant unobservable inputs	
	\$	\$	\$	\$	\$
2023					
Property, plant and equipment					
Land	30/06/23		1,746,400		1,746,400
Buildings and houses	30/06/23			158,578,735	158,578,735
Plant and equipment	30/06/23		4,442,755		4,442,755
Motor vehicles	30/06/23		661,776		661,776
Infrastructure	30/06/23			42,214,158	42,214,158
Total property, plant and equipment			6,850,931	200,792,893	207,643,824
2022					
Property, plant and equipment					
Land	30/06/22		1,480,000		1,480,000
Buildings and houses	30/06/22			158,631,049	158,631,049
Plant and equipment	30/06/22		3,458,082		3,458,082
Motor vehicles	30/06/22		659,580		659,580
Infrastructure	30/06/22			38,370,262	38,370,262
Total property, plant and equipment			5,597,662	197,001,311	202,598,973

Cherbourg Aboriginal Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

(2) Valuation techniques used to derive level 2 and level 3 fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land	Market value	30/06/22	AssetVal	Sales price per square meter of comparable properties in close proximity adjusted for differences in key attributes such as property size.	18.00% AssetVal Index Report - Analysis of land sales in the region using the PDS Live property tool.	Nil
Buildings and houses	Current replacement cost	30/06/22	AssetVal	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 such as Council's hierarchy or accepted industry percentages. Useful lives are estimated using accepted industry values, the anticipated utility of the asset or component, and prior experience of replacements of similar assets or components. 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).	5.45% AssetVal Index Report - Assessment of data from Rawlinson's Construction Handbook, Australian Institute of Quantity Surveyors (AQIS) and non-residential construction indices from the Australian Bureau of Statistics.	Nil

Cherbourg Aboriginal Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Motor vehicles	Market value	30/06/22	AssetVal	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.	7.50% AssetVal Index Report Assessment of average prices and market fluctuations for used vehicle sales.	Nil
Plant and equipment	Market value	30/06/22	AssetVal	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).	12.45% AssetVal Index Report - Assessment of the relevant components of the Australian Bureau of Statistics producer price index.	Nil

Cherbourg Aboriginal Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates related data source	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Infrastructure	Current replacement cost	30/06/22	AssetVal	<p>All road and water infrastructure network assets are valued using a depreciated replacement cost approach by componentising the assets into significant parts with different useful lives and taking into account a range of factors such as Council's hierarchy or accepted industry percentages and current modern equivalent infrastructure. Useful lives are estimated using accepted industry values, the anticipated utility of the asset or component, and prior experience of replacements of similar assets or components.</p> <p>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.</p>	<p>Roads, Streets & Bridges: 10-80% Water, Sewer and Other structures: 13-20% AssetVal Index Report - Assessment of the relevant components of the Australian Bureau of Statistics producer price index</p>	Nil

Notes to the Financial Statements

for the year ended 30 June 2023

Note 12. Contract balances

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.

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.

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.

	2023	2022
	\$	\$

(a) Contract assets

Current

Contract assets	416,982	1,297,740
Total current contract assets	416,982	1,297,740

The contract assets relates to the works completed for Water Reservoirs and ICCIP Solid Waste Projects

	2023	2022
	\$	\$

(b) Contract liabilities

Current

Funds received upfront to construct Council controlled assets	3,058,370	3,034,685
Non-capital performance obligations not yet satisfied	75,000	
Total current contract liabilities	3,133,370	3,034,685

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

Funds to construct Council controlled assets	405,294	882,535
Non-capital performance obligations		5,414
Total revenue included in the contract liability	405,294	887,949

The contract liability relates to major projects such as Murgon to Cherbourg Footpath Upgrade, Solid Waste Projects and Recovery and Resilience Program. It is expected that these projects will be completed during the 2023-24 financial year.

Satisfaction of contract liabilities

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income in the next two years.

(c) Significant changes in contract balances

During the year several major projects were completed and acquitted with the outstanding grant funds received reducing the amount recognised as contract assets. These projects included ICCIP Water Reservoir Project, ICCIP Rising Main and Waste water and Cherbourg Material Recovery Facility Stage 5.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 13. Leases

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.

Council as 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. During the year an amount of \$16,718 (2022: \$15,576) was recognised as an expense in the statement of Profit or Loss in respect of operating leases.

Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the 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. The use of the right-to-use asset is restricted by the lessors to various community services which Council must provide. These leases have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council has elected not to apply the fair value measurement requirements to these leases.

	2023	2022
	\$	\$

Operating leases

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.

The minimum lease receipts are as follows:

Between one and two years	24,335	43,261
Between two and three years	56,281	43,686
Between three and four years	24,429	24,381
Between four and five years	24,478	24,429
Later than five years	464,527	489,005
Total lease receipts	594,050	624,762

Assets classified as property plant and equipment

Rental income (excluding variable lease payments not dependent on an index or rate)

	1,117,997	1,116,662
Total operating lease income (rental income)	1,117,997	1,116,662

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Payables

	2023	2022
	\$	\$

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.

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.

Unearned revenue

Revenue is classified as unearned if it relates to an obligation to supply specific goods and services in future periods. Unearned revenue comprises of rent prepayments.

Current

Creditors and accruals	662,044	451,500
Revenue in advance	69,945	99,194
Total current payables	731,989	550,694

Non-current

Revenue in advance	515,727	537,545
Total non-current payables	515,727	537,545

Note 15. Provisions

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.

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. 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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 15. Provisions (continued)

	2023 \$	2022 \$
Current		
Annual leave	426,094	421,562
Long service leave	349,907	373,997
Total current provisions	776,001	795,559
Non-current		
Long service leave	156,219	116,897
Refuse restoration	3,098,627	2,546,852
Total non-current provisions	3,254,846	2,663,749

Details of movements in non-employee provisions

Refuse restoration

Balance at beginning of financial year	2,546,852	2,475,035
Increase in provision due to unwinding of discount	83,743	71,817
Increase/(decrease) in provision due to change in discount rate	(174,435)	
Increase/(decrease) in provision due to change in cost estimates	642,467	
Balance at end of financial year	3,098,627	2,546,852

Refuse restoration

Landfill restoration provision

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 16. 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.

Movements in the asset revaluation surplus

	Note	2023	2022
Balance as at 1 July		101,772,255	41,973,083
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
- Land		266,400	817,000
- Buildings		1,713,578	511,324
- Houses		6,033,547	55,778,766
- Motor vehicles		26,358	40,443
- Plant and equipment		572,068	22,769
- Infrastructure		4,332,321	2,628,870
Net movements in the asset revaluation surplus		<u>12,944,272</u>	<u>59,799,173</u>
Balance as at 30 June		<u>114,716,527</u>	<u>101,772,256</u>

Asset revaluation surplus analysis

	2023	2022
The closing balance of the asset revaluation surplus comprises the following asset categories:		
- Land	1,083,400	817,000
- Buildings	25,313,717	23,600,139
- Houses	75,464,659	69,431,112
- Motor vehicles	592,988	566,630
- Plant and equipment	799,492	227,424
- Infrastructure	<u>11,462,271</u>	<u>7,129,950</u>
	<u>114,716,527</u>	<u>101,772,256</u>

Notes to the Financial Statements

for the year ended 30 June 2023

Note 17. Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2023 the financial statements 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 \$106,233.

Note 18. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

	2023 \$	2022 \$
Net operating result from income statement	(6,826,827)	3,012,942
Non-cash items		
Depreciation and amortisation	9,979,841	3,019,572
Unwinding of discount rates on reinstatement provisions	83,743	
	<u>10,063,584</u>	<u>3,019,572</u>
Investing and development activities		
Net (profit)/loss on disposal of assets	2,948	848,714
Capital grants and contributions	(826,154)	(5,955,191)
	<u>(823,206)</u>	<u>(5,106,477)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	157,062	(110,565)
Increase/(decrease) in provision for doubtful debts	(92,872)	95,634
(Increase)/decrease in inventories	(178,157)	(76,844)
(Increase)/decrease in contract assets	880,758	527,771
(Increase)/decrease in other assets	107,265	(135,967)
Increase/(decrease) in payables	210,544	(92,601)
Increase/(decrease) in contract liabilities	98,685	(297,863)
Increase/(decrease) in employee leave entitlements	19,764	93,488
Increase/(decrease) in other provisions	468,032	71,817
Increase/(decrease) in other liabilities	(51,067)	(36,650)
	<u>1,620,014</u>	<u>38,220</u>
Net cash provided from/(used in) operating activities from the statement of cash flows	<u>4,033,565</u>	<u>964,257</u>

Notes to the Financial Statements

for the year ended 30 June 2023

Note 19. Events after the reporting period

There were no material adjusting or non-adjusting events after the balance date.

Note 20. Financial instruments and financial risk management

(a) 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 - (Note 9)

Receivables - (Note 10)

Financial liabilities

Payables - (Note 14)

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.

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.

Financial risk management

Credit risk

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.

Liquidity risk

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 20. Financial instruments and financial risk management (continued)

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 14 which have contractual maturity dates of 6 months or less.

Market risk

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

Changes in market indices do not have a material impact on the financial performance or position of Council.

Note 21. Transactions with related parties

(a) Key management personnel

Transactions with key management personnel

KMP include the Mayor, councillors, council's Chief Executive Officer and some executive management.

Detailed remuneration disclosures are provided in the annual report.

	2023	2022
	\$	\$
The compensation paid to key management personnel comprises:		
Short-term employee benefits	998,010	965,157
Post-employment benefits	71,426	67,875
Long-term benefits	14,407	14,366
Total	1,083,843	1,047,398

(b) Other Related Parties

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 transactions	Additional information	2023	2022
Fees and charges charged to entities controlled by key management personnel	(i)	9,401	8,953
Employee expenses for close family members of key management personnel	(ii)	63,786	99,227
Rental income charged to close family members of key management personnel		14,690	13,000

(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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 21. Transactions with related parties (continued)

(ii) Council employs 96 full time equivalent staff. Only 2 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.

(c) Outstanding balances

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

	Housing rent owed by key management personnel	Amounts owed by entities controlled by key management personnel
Year ended 30 June 2023		
Receivables		
Current	\$1,798	\$0
Past due 31-60 days	\$1,050	\$0
Past due 61-90 days	\$840	\$0
More than 90 days overdue	\$19,942	\$0
Total owing	\$23,630	\$0

	Housing rent owed by key management personnel	Amounts owed by entities controlled by key management personnel
Year ended 30 June 2022		
Receivables		
Current	\$3,472	\$0
Past due 31-60 days	\$1,050	\$0
Past due 61-90 days	\$840	\$0
More than 90 days overdue	\$26,022	\$0
Total owing	\$31,384	\$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.

Management Certificate

for the year ended 30 June 2023

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 2 to 30, 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.



Elvie Sandow
Mayor
25 October 2023



Chatur Zala
Chief Executive Officer
25 October 2023

INDEPENDENT AUDITOR'S REPORT

To councillors of Cherbourg Aboriginal Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Cherbourg Aboriginal Shire Council (the council).

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for forming an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions

on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the council to form an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the council. I remain solely responsible for my audit opinion.

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



Michael Claydon
as delegate of the Auditor-General

27 October 2023

Queensland Audit Office
Brisbane

Current Year Financial Sustainability Statement

	Actual 2023	Target
--	----------------	--------

Measures of financial sustainability

1. Operating surplus ratio

Net result (excluding capital items) ¹	(46.26)%	0% - 10%
Total operating revenue (excluding capital items) ²		
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		

2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals) ³	13.94%	> 90.00%
Depreciation expense		
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		

3. Net financial liabilities ratio

Total liabilities less current assets	(22.89)%	< 60.00%
Total operating revenue (excluding capital items) ²		
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

(1) Includes total recurrent revenue, interest and investment revenue, other income, rent revenue and total recurrent expenditure as disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, subsidies and contributions, other capital income, total capital expenses such as loss on disposal and write-off of assets, and early repayment expenses incurred in paying out loans.

(2) Includes total recurrent revenue, interest and investment revenue, rent and other income as disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, subsidies and contributions and other capital income.

(3) Asset renewals are defined as expenditure on existing assets to return the assets to their original service potential (or useful life) while satisfying current construction and required standards. Excludes land, motor vehicles, furniture and fittings and plant & equipment assets.

Note 1 - basis of preparation

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

Certificate of Accuracy

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.



Elvie Sandow
Mayor
25 October 2023



Chatur Zala
Chief Executive Officer
25 October 2023

INDEPENDENT AUDITOR'S REPORT

To the councillors of Cherbourg Aboriginal Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

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



Michael Claydon
as delegate of the Auditor-General

27 October 2023

Queensland Audit Office
Brisbane

Unaudited Long Term Financial Sustainability Statement

	Target	Actual 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Measures of financial sustainability												
1. Operating surplus ratio												
Net result (excluding capital items) ¹												
Total operating revenue (excluding capital items) ²	0% - 10%	(46.26)%	(22.00)%	(24.00)%	(23.00)%	(22.00)%	(21.00)%	(21.00)%	(21.00)%	(21.00)%	(21.00)%	(21.00)%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
2. Asset sustainability ratio												
Capital expenditure on the replacement of assets (renewals) ³												
Depreciation expense	> 90.00%	13.94%	75.00%	58.00%	57.00%	57.00%	58.00%	58.00%	58.00%	58.00%	58.00%	58.00%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
3. Net financial liabilities ratio												
Total liabilities less current assets												
Total operating revenue (excluding capital items) ²	< 60.00%	(22.89)%	(38.00)%	(50.00)%	(55.00)%	(60.00)%	(66.00)%	(71.00)%	(76.00)%	(80.00)%	(84.00)%	(87.00)%

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

⁽¹⁾ Includes total recurrent revenue, interest and investment revenue, other income, rent income and total recurrent expenditure as disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, subsidies and contributions, other capital income, total capital expenses such as loss on disposal and write-off of assets, and early repayment expenses incurred in paying out loans.

⁽²⁾ Includes total recurrent revenue, interest and investment revenue, rent and other income as disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, subsidies and contributions and other capital income.

⁽³⁾ Asset renewals are defined as expenditure on existing assets to return the assets to their original service potential (or useful life) while satisfying current construction and required standards. Excludes land, motor vehicles, furniture and fittings and plant & equipment assets.

Cherbourg Aboriginal Shire Council

Cherbourg Aboriginal Shire Council Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a reasonable financial position whilst also being able to meet the community's current and future needs within the constraints of limited resources. Council acknowledges that it is highly reliant on grant funding to maintain its operations.

Certificate of Accuracy - Long Term Financial Sustainability Statement

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

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



Elvie Sandow

Mayor

25 October 2023



Chatur Zala

Chief Executive Officer

25 October 2023

