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Management representation

14/12/2023

Mr B Worrall
Auditor-General of Queensland
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Dear Mr Worrall

REPRESENTATIONS BY MANAGEMENT OF DIAMANTINA SHIRE COUNCIL FOR THE YEAR ENDED 30 JUNE 2023 AND EVENTS SUBSEQUENT TO THAT DATE UP TO AND INCLUDING THE DATE OF THIS LETTER

This representation letter is provided for the audit of Diamantina Shire Council's financial report for the year ended 30 June 2023. These representations are provided by us to assist you in forming an opinion on whether the financial report presents a true and fair view in accordance with the Australian Accounting Standards and the *Local Government Act 2009* and the *Local Government Regulation 2012*.

We acknowledge our responsibility for ensuring that the financial report is in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board and other prescribed the *Local Government Act 2009* and the *Local Government Regulation 2012*. We confirm that the financial report has been approved by management and is free of material misstatements including omissions.


We confirm that, to the best of our knowledge and belief, the statements made in appendix A to this letter are factually correct. These statements are made based on information available to us having made such enquiries as we considered necessary to appropriately informing ourselves on these matters.

We understand that your audit was:

- conducted in accordance with the *Auditor-General Auditing Standards* which incorporate the Australian Auditing Standards
- designed primarily for the purpose of forming an opinion on the financial report Diamantina Shire Council taken as a whole, in accordance with the requirements of the *Auditor-General Act 2009*; and
- limited to tests of the financial records and other auditing procedures you considered necessary for that purpose.

For and on behalf of the Diamantina Shire Council

Yours faithfully

Robbie Dare 
Mayor
Diamantina Shire Council
December 2023

Michelle Harrison 
Acting Chief Executive Officer
Diamantina Shire Council
December 2023

FOR ENQUIRIES PLEASE CONTACT:

Michelle Harrison

IN REPLY PLEASE QUOTE:

MH:MD:20231214:281113

YOUR REFERENCE:



SUSTAINABLY DEVELOPING THE OUTBACK

DIAMANTINA SHIRE COUNCIL
ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2023

DIAMANTINA SHIRE COUNCIL

FINANCIAL REPORT

For the Year Ended 30 June 2023

Note

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DIAMANTINA SHIRE COUNCIL

Statement of Comprehensive Income

For the Year Ended 30 June 2023

| | Note | 30 June 2023 \$ | 30 June 2022 \$ (restated) * |
|--|------|---------------------|---------------------------------|
| INCOME | | | |
| Revenue | | | |
| Recurrent Revenue | | | |
| Rates, levies and charges | 3(a) | 1,350,436 | 1,259,224 |
| Fees and charges | 3(c) | 1,186,753 | 1,328,586 |
| Rental income | | 517,696 | 564,676 |
| Interest received | 3(b) | 453,289 | 77,283 |
| Sales revenue | 3(d) | 12,693,893 | 12,933,515 |
| Other income | | 529,113 | 257,301 |
| Operating grants, subsidies and contributions | 4(a) | 8,820,990 | 8,280,735 |
| Total Recurrent Revenue | | <u>25,552,172</u> | <u>24,701,320</u> |
| Capital Revenue | | | |
| Capital grants, subsidies and contributions | 4(b) | 227,047 | 3,046,851 |
| Total Capital Revenue | | <u>227,047</u> | <u>3,046,851</u> |
| Capital income | | | |
| Gain / (Loss) on disposal of non-current assets | 7 | 279,785 | - |
| TOTAL INCOME | | <u>26,059,004</u> | <u>27,748,171</u> |
| EXPENSES | | | |
| Recurrent Expenses | | | |
| Employee benefits | 5 | (6,287,979) | (6,680,520) |
| Materials and services | 6 | (15,503,462) | (17,233,170) |
| Finance costs | | (117,715) | (14,392) |
| Depreciation | 11 | (6,355,349) | (5,698,778) |
| | | <u>(28,264,504)</u> | <u>(29,626,859)</u> |
| Capital Expenses | | | |
| | 7 | - | (220,375) |
| TOTAL EXPENSES | | <u>(28,264,504)</u> | <u>(29,847,234)</u> |
| NET RESULT | | <u>(2,205,500)</u> | <u>(2,099,063)</u> |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to net result | | | |
| Increase in asset revaluation surplus | 16 | 6,522,676 | 13,176,812 |
| Total Other Comprehensive Income for the Year | | <u>6,522,676</u> | <u>13,176,812</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>4,317,176</u> | <u>11,077,749</u> |

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

() In preparing the financial statements for the year ended 30 June 2023, Council identified and corrected an error relating to a previous period.*

Refer to Note 27 for details of the error and corrections made.

DIAMANTINA SHIRE COUNCIL
Statement of Financial Position

As at 30 June 2023

| | Note | 30 June 2023 \$ | 30 June 2022 \$ (restated) * |
|--------------------------------------|-------|--------------------|---------------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 8 | 19,594,695 | 15,991,414 |
| Receivables | 9 | 468,016 | 734,990 |
| Contract assets | 4 (d) | 800,760 | 587,756 |
| Inventories | 10 | 1,505,289 | 1,818,695 |
| Total Current Assets | | <u>22,368,761</u> | <u>19,132,856</u> |
| Non-Current Assets | | | |
| Property, plant and equipment | 11 | 174,784,946 | 172,123,318 |
| Total Non-Current Assets | | <u>174,784,946</u> | <u>172,123,318</u> |
| TOTAL ASSETS | | <u>197,153,706</u> | <u>191,256,174</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 12 | 1,770,193 | 1,313,777 |
| Contract liabilities | 4 (d) | 2,015,093 | 372,662 |
| Provisions | 13 | 640,149 | 893,770 |
| Borrowings | 14 | 141,565 | 168,465 |
| Total Current Liabilities | | <u>4,567,000</u> | <u>2,748,674</u> |
| Non-Current Liabilities | | | |
| Provisions | 13 | 152,088 | 252,359 |
| Borrowings | 14 | 2,479,141 | 2,616,839 |
| Total Non-Current Liabilities | | <u>2,631,230</u> | <u>2,869,197</u> |
| TOTAL LIABILITIES | | <u>7,198,230</u> | <u>5,617,872</u> |
| NET COMMUNITY ASSETS | | <u>189,955,477</u> | <u>185,638,302</u> |
| COMMUNITY EQUITY | | | |
| Asset revaluation surplus | 16 | 102,333,059 | 95,810,383 |
| Retained surplus | | 87,622,419 | 89,827,919 |
| TOTAL COMMUNITY EQUITY | | <u>189,955,477</u> | <u>185,638,302</u> |

(* In preparing the financial statements for the year ended 30 June 2023, Council identified and corrected an error relating to a previous period.

Refer to Note 27 for details of the error and corrections made.

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

DIAMANTINA SHIRE COUNCIL

Statement of Changes in Equity

For the Year Ended 30 June 2023

| | Asset Revaluation Surplus | Retained Surplus | Total Equity |
|--|------------------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Note | | | |
| Balance at 1 July 2022 (restated) | 95,810,383 | 89,827,919 | 185,638,302 |
| Net result for the year | - | (2,205,500) | (2,205,500) |
| Other comprehensive income for year | | | |
| Increase/(decrease) in asset revaluation surplus | 16 6,522,676 | - | 6,522,676 |
| Total comprehensive income for year | <u>6,522,676</u> | <u>(2,205,500)</u> | <u>4,317,176</u> |
| Balance as at 30 June 2023 | <u>102,333,059</u> | <u>87,622,419</u> | <u>189,955,477</u> |
| Balance at 1 July 2021 | 82,633,571 | 91,926,982 | 174,560,553 |
| Net result for the year (restated) * | - | (2,099,063) | 41,841 |
| Other comprehensive income for year (restated) | | | |
| Increase/(decrease) in asset revaluation surplus | 13,176,812 | - | 13,176,812 |
| Total comprehensive income for year | <u>13,176,812</u> | <u>(2,099,063)</u> | <u>11,077,749</u> |
| Balance as at 30 June 2022 (restated) * | <u>95,810,383</u> | <u>89,827,919</u> | <u>185,638,302</u> |

() In preparing the financial statements for the year ended 30 June 2023, Council identified and corrected an error relating to a previous period. Refer to Note 27 for details of the error and corrections made.*

DIAMANTINA SHIRE COUNCIL

Statement of Cash Flows

For the Year Ended 30 June 2023

| | Note | 30 June 2023 | 30/06/2022 (restated) * |
|--|------|--------------------|----------------------------|
| | | \$ | \$ |
| Cash flows from operating activities : | | | |
| Receipts from customers | | 14,230,706 | 18,415,919 |
| Payments to suppliers and employees | | (21,798,875) | (23,221,054) |
| | | (7,568,169) | (4,805,135) |
| Interest received | 3(b) | 453,289 | 77,283 |
| Rental income | | 517,696 | 564,676 |
| Non capital grants and contributions | | 12,022,675 | 6,446,993 |
| Borrowing costs | | (117,715) | (79,828) |
| Net cash inflow/(out flow) from operating activities | 21 | <u>5,307,777</u> | <u>2,203,989</u> |
| Cash flows from investing activities: | | | |
| Payments for property, plant and equipment | 11 | (3,046,750) | (4,482,304) |
| Proceeds from sale of property, plant and equipment | 7 | 1,255,599 | - |
| Capital grants, subsidies, contributions and donations | | 251,253 | 3,409,976 |
| Net cash inflow/(outflow) from investing activities | | <u>(1,539,898)</u> | <u>(1,072,328)</u> |
| Cash flows from financing activities: | | | |
| Proceeds from borrowings | 14 | - | 1,000,000 |
| Repayment of borrowings | 14 | (164,598) | (207,790) |
| Net cash inflow/(out flow) from financing activities | | <u>(164,598)</u> | <u>792,210</u> |
| Net increase/(decrease) in cash and cash equivalents held | | <u>3,603,281</u> | <u>1,923,871</u> |
| Cash and cash equivalents at beginning of financial year | | 15,991,414 | 14,067,543 |
| Cash and cash equivalents at end of financial year | 8 | <u>19,594,695</u> | <u>15,991,414</u> |

(*) In preparing the financial statements for the year ended 30 June 2023, Council identified and corrected an error relating to a previous period.

Refer to Note 27 for details of the error and corrections made.

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Information about these financial statements

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2022 to 30 June 2023 and have been prepared in compliance with the requirements of the *Local Government Act 2009*, the *Local Government Regulation 2012*, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

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

These financial statements have been prepared under the historical cost convention, except for the following:

- certain classes of property, plant and equipment which are measured at fair value;
- assets held for sale which are measured at fair value less cost of disposal.

1.B Constitution

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

1.C New and revised Accounting Standards

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

Standards that are not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, those standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards are not expected to have a material impact on the financial report.

1.D Estimates and Judgements

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

Revenue recognition - Note 3 and Note 4

Valuation of property, plant and equipment - Note 11

Impairment of property, plant and equipment - Note 11

Depreciation - Note 11

Contingent Liabilities - Note 18

Financial Instruments - Note 23

1.E Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1.

Comparative information is prepared on the same basis as prior year.

1.F Taxation

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Analysis of Results by Function

(a) Components of Council Functions

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

Governance

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money community outcomes.

This function includes strategic and operational planning, risk management, finance, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in corporate governance.

Community Services

The goal of community services is to ensure Diamantina Shire Council is a healthy, vibrant, contemporary and connected community. Community services provides well managed and maintained community facilities, and ensures the effective delivery of cultural, health, welfare, environmental and recreational services.

This function includes:

Libraries

Entertainment venues

Public health services including vaccination clinics

Tourism

Water, Sewerage and Roads & Related Works

The objective of the Works program is to ensure the community is serviced by a high quality and effective road network, sustainable water and sewerage services. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network. It includes road construction and maintenance, depots, plant operation and maintenance, water and sewerage.

Environment, Health and Planning

This function facilitates the shires growth and prosperity through well planned and quality development. The objective of planning and development is to ensure the Diamantina Shire is well designed, efficient and facilitates growth yet also preserves the character and natural environment of the Shire. This function includes activities and services related to towns, neighbourhood and regional planning, and management of development approval processes. It includes health and building, animal control, cemeteries, public conveniences, aerodromes, parks and gardens, reserves, stock routes, refuse collections and disposal, caravan parks, television facilities, radio, and street lighting.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2023

2 Analysis of Results by Function (continued)

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

| Functions | Gross Program Income | | | | | | Total Income | | Gross Program Expenses | | Total Expenses | Net Result From Recurrent Operations | Net Result | Assets | |
|----------------------------------|----------------------|-------------------|----------------|----------------|-------------------|---------------------|--------------|---------------------|------------------------|--------------------|--------------------|--------------------------------------|------------|--------|--------|
| | Recurrent | | Capital | | Total | Income | Recurrent | Capital | Total | Net Result | | | | | Assets |
| | Grants | Other | Grants | Other | | | | | | | | | | | |
| | 2023 | 2023 | 2023 | 2023 | 2023 | 2023 | 2023 | 2023 | | | | | | | |
| Governance | 8,626,600 | 1,756,970 | 145,007 | - | 10,528,576 | (4,634,867) | - | (4,634,867) | 5,747,703 | 5,892,710 | 22,368,763 | | | | |
| Community Services | 194,390 | 1,293,219 | (65,000) | - | 1,432,610 | (3,333,050) | - | (3,333,050) | (1,845,440) | (1,900,440) | 25,533,629 | | | | |
| Water Works | - | 262,929 | - | - | 262,929 | (435,522) | - | (435,522) | (172,593) | (172,593) | 5,941,000 | | | | |
| Sewerage Works | - | 61,112 | - | - | 61,112 | (156,009) | - | (156,009) | (94,897) | (94,897) | 3,750,453 | | | | |
| Roads and Related Works | - | 12,417,044 | 44,538 | 279,795 | 12,741,398 | (16,058,055) | - | (16,058,055) | (3,641,011) | (3,316,667) | 104,669,896 | | | | |
| Environment, Health and Planning | - | 940,907 | 92,502 | - | 1,033,409 | (3,647,001) | - | (3,647,001) | (2,706,095) | (2,613,592) | 34,889,965 | | | | |
| Total Council | 8,820,990 | 16,731,181 | 227,047 | 279,795 | 26,059,004 | (28,264,504) | - | (28,264,504) | (2,712,333) | (2,205,500) | 197,183,706 | | | | |

| Functions | Gross Program Income | | | | | | Total Income (restated) | | Gross Program Expenses | | Total Expenses | Net Result From Recurrent Operations (restated) | Net Result (restated) | Assets (restated) | |
|----------------------------------|----------------------|-------------------|-------------------|----------|-------------------|---------------------|-------------------------|---------------------|------------------------|--------------------|--------------------|---|-----------------------|-------------------|--------|
| | Recurrent | | Capital | | Total | Income | Recurrent | Capital | Total | Net Result | | | | | Assets |
| | Grants | Other | Grants (restated) | Other | | | | | | | | | | | |
| | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 | | | | | | | |
| Governance | 3,666,857 | 3,114,104 | 1,886,863 | - | 8,667,824 | (6,218,034) | - | (6,218,034) | 562,927 | 2,449,790 | 19,132,857 | | | | |
| Community Services | 116,707 | 587,486 | 55,000 | - | 759,193 | (1,430,865) | - | (1,430,865) | (726,672) | (671,672) | 26,173,666 | | | | |
| Water Works | - | 225,312 | - | - | 225,312 | (349,767) | - | (349,767) | (124,455) | (124,455) | 5,752,431 | | | | |
| Sewerage Works | - | 55,229 | - | - | 55,229 | (107,365) | - | (107,365) | (52,136) | (52,136) | 3,605,899 | | | | |
| Roads and Related Works | 4,497,170 | 11,424,073 | 956,825 | - | 16,878,068 | (19,049,872) | - | (19,049,872) | (3,128,729) | (2,392,278) | 102,443,422 | | | | |
| Environment, Health and Planning | - | 1,014,381 | 148,163 | - | 1,162,544 | (2,470,856) | - | (2,470,856) | (1,456,475) | (1,308,312) | 34,147,807 | | | | |
| Total Council | 8,280,735 | 16,420,594 | 3,046,851 | - | 27,748,171 | (28,626,859) | (220,375) | (28,847,234) | (4,925,540) | (2,089,063) | 191,256,174 | | | | |

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2023

| | 30 June 2023 | 30 June 2022 |
|--|--------------|--------------|
| | \$ | \$ |
| 3 Revenue | | |
| (a) Rates, Levies and Charges | | |
| Rates and annual charges are recognised as revenue when the council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period. | | |
| General rates | 1,156,413 | 1,096,600 |
| Water | 262,629 | 225,012 |
| Sewerage | 61,112 | 55,229 |
| Garbage charges | 36,018 | 34,086 |
| Total rates and utility charge revenue | 1,516,171 | 1,410,926 |
| Less: discounts | (165,735) | (151,702) |
| Net rates, levies and charges | 1,350,436 | 1,259,224 |
| (b) Interest Received | | |
| Interest from rates and charges | 753 | 1,194 |
| Interest earned from cash deposits | 452,536 | 76,088 |
| | 453,289 | 77,283 |
| (c) Fees and Charges | | |
| Caravan park revenue | 924,625 | 883,630 |
| Private works | 28,488 | 285,979 |
| Other fees and charges | 233,640 | 158,977 |
| | 1,186,753 | 1,328,586 |
| Revenue arising from fees and charges are recognised at a point in time when the performance obligation is completed and the customer receives the benefit of the good/services being provided. The performance obligation relates to the specified services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. | | |
| (d) Sales Revenue | | |
| Main Roads minor works performance contracts | 7,226,966 | 8,732,797 |
| Main Roads road maintenance performance contracts | 2,466,391 | 4,087,539 |
| NDRRA Main Roads contracts | 3,000,536 | - |
| Other sales revenue | - | 113,179 |
| | 12,693,893 | 12,933,515 |
| Sale of goods revenue is recognised at a point in time when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered. | | |
| Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. The contract work carried out is not subject to retentions. | | |
| 4 Grants, Subsidies and Contributions | | |
| (a) Operating | | |
| State Government subsidies and grants - operating | 908,296 | 3,582,250 |
| Commonwealth Government subsidies and grants - operating | 7,902,694 | 4,611,175 |
| Other subsidies and grants - operating | 10,000 | 87,309 |
| Total recurrent revenue | 8,820,990 | 8,280,735 |
| (b) Capital | | |
| State Government subsidies and grants - capital | 182,509 | 1,676,451 |
| Commonwealth Government subsidies and grants - capital | 44,393 | 1,370,399 |
| Other subsidies and grants - capital | 145 | - |
| Total capital revenue | 227,047 | 3,046,851 |
| Total for Grants, Subsidies and Contributions | 9,048,038 | 11,327,586 |

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2023

30 June 2023 30 June 2022

\$ \$

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 the nature of each 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.

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable. When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

Grant income under AASB 1058

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

Capital grants

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

(c) 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, Subsidies and Contributions | 8,138,084 | 909,953 | 4,701,453 | 8,767,037 |

(d) Contract balances

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that Council has invoiced the customer or grantor. Where Council has invoiced the customer or the grantor amounts in excess of that it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

| | 30 June 2023 | 30 June 2022 |
|---|------------------|----------------|
| | \$ | \$ |
| Contract assets | <u>800,760</u> | <u>587,756</u> |
| Contract liabilities | | |
| Funds received upfront to construct Council controlled assets | 361,887 | 372,662 |
| Non-capital performance obligations not yet satisfied | | |
| Non capital performance obligations | <u>1,653,206</u> | <u>-</u> |
| | <u>2,015,093</u> | <u>372,662</u> |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | | |
| Funds received upfront to construct Council controlled assets | 10,775 | 676,445 |
| Non capital performance obligations | - | 1,304,360 |

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. The contract liability in relation to non-capital funding relates to the flood damage restoration program which is currently in progress. Council expects to recognise the contract liability as income in the next 1 to 2 years.

Significant changes in contract liabilities

Significant movements in contract assets and contract liabilities that have occurred during the year relate to the timing of work (for example, timing of flood damage program) and the value of monies received in advance (for example, flood damage advance payments and initial milestones received for major capital projects).

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2023

| | | 30 June 2023 | 30 June 2022 |
|--|----|------------------|------------------|
| | | \$ | \$ |
| 5 Employee Benefits | | | |
| Employee benefit expenses are recorded when the service has been provided by the employee. | | | |
| Total staff wages and salaries | | 4,560,425 | 5,492,949 |
| Councillors' remuneration | | 355,124 | 341,483 |
| Annual, sick and long service leave entitlements | | 890,854 | 464,543 |
| Superannuation | 19 | 525,644 | 542,784 |
| | | <u>6,332,046</u> | <u>6,841,759</u> |
| Other employee related expenses | | 200,255 | 49,535 |
| | | <u>6,532,302</u> | <u>6,891,295</u> |
| Less: capitalised employee expenses | | <u>(244,322)</u> | <u>(210,775)</u> |
| | | <u>6,287,979</u> | <u>6,680,520</u> |

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

| | 2023 | 2022 |
|--|-----------|-----------|
| Total Council employees at the reporting date: | | |
| Elected members | 5 | 5 |
| Administration staff | 37 | 28 |
| Depot and outdoors staff | 39 | 25 |
| Total full time equivalent employees | <u>81</u> | <u>58</u> |

6 Materials and Services

Expenses are recorded on an accruals basis as Council receives the goods or services.

| | | |
|---|-------------------|-------------------|
| Advertising and Marketing | - | 73 |
| Audit of annual financial statements by the Auditor-General of Queensland | 71,899 | 59,750 |
| Other audit fees - Internal audit and other services | 280,774 | 99,827 |
| Communication and Information technology | 145,224 | 252,255 |
| Community Services | 1,608,209 | 1,453,371 |
| Donations Paid | 181,794 | 124,735 |
| Contract and Recoverable Works | 4,765,038 | 4,308,268 |
| Road Maintenance Services | 869,762 | 626,945 |
| Other Materials and Services | 2,887,251 | 2,193,271 |
| Fleet Services | 2,409,063 | 2,275,054 |
| Infrastructure Services | 2,284,447 | 5,826,544 |
| Revaluation of land held in inventory | - | 12,875 |
| | <u>15,503,462</u> | <u>17,233,170</u> |

Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$64,000 (2022: \$60,000)

7 Capital Income/(Expenses)

Gain (loss) on the disposal of non-current assets

| | | |
|--|------------------|------------------|
| Proceeds from the sale or write down of non-current assets | 1,255,599 | - |
| Less: book value of non-current assets disposed of | <u>(975,814)</u> | <u>(202,396)</u> |
| | <u>279,785</u> | <u>(202,396)</u> |
| Proceeds from the sale of Council owned land | - | 50,721 |
| Less: carrying value of land held for sale | <u>-</u> | <u>(68,700)</u> |
| | <u>-</u> | <u>(17,979)</u> |
| Total capital income/(expenses) | <u>279,785</u> | <u>(220,375)</u> |

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2023

| | 30 June 2023 | 30 June 2022 |
|---|-------------------|-------------------|
| | \$ | \$ |
| 8 Cash and Cash Equivalents | | |
| Cash and cash equivalents in the statement of cashflows 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. | | |
| Cash at bank and on hand | 7,820,411 | 1,606,731 |
| Deposits at call | 11,774,285 | 14,384,683 |
| Balance per Statement of Cash Flows | <u>19,594,695</u> | <u>15,991,414</u> |
| Less: externally imposed restrictions | (i) 2,015,093 | 372,662 |
| Unrestricted cash | <u>17,579,602</u> | <u>15,618,752</u> |
| Councils cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include: | | |
| (i) Externally imposed expenditure restrictions at reporting date relate to the following cash assets: | | |
| Unspent government grants and subsidies | <u>2,015,093</u> | <u>372,662</u> |
| Total restricted cash | <u>2,015,093</u> | <u>1,256,799</u> |
| Trust funds held for outside parties | | |
| In accordance with the <i>Local Government Act 2009</i> and <i>Local Government Regulation 2012</i> , a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets. | | |
| Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities | <u>30,341</u> | <u>31,666</u> |
| | <u>30,341</u> | <u>31,666</u> |
| 9 Receivables | | |
| Receivables are amounts owed to Council at year end. They are recognised as the amounts due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued. | | |
| 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. | | |
| If an amount is recovered in a subsequent period it is recognised as revenue. | | |
| As Council has the power under the <i>Local Government Act 2009</i> to sell an owner's property to recover outstanding rate debts, Council will only impair rate receivables when outstanding debt exceeds unimproved capital values. | | |
| Current | | |
| Rateable revenue and utility charges | 13,643 | (20,310) |
| Other debtors | 454,373 | 755,300 |
| Less loss allowance | - | - |
| | <u>468,016</u> | <u>734,990</u> |
| 10 Inventories | | |
| Current | | |
| Inventories held for distribution: | | |
| Stores and raw materials | 1,505,289 | 1,408,570 |
| Land held for resale | - | 410,125 |
| | <u>1,505,289</u> | <u>1,818,695</u> |
| Stores and raw materials are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost. | | |
| Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset for the portion expected to be sold within the next 12 months. | | |

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2023

11(a) Property, Plant and Equipment

30 June 2023

Basis of Measurement

Fair value category

Asset Values

Opening gross value as at 1 July 2022

Additions at cost

Disposals

Transfer from Inventory

Transfer to Inventory

Revaluation adjustment to asset revaluation surplus

Transfers from WIP

Other transfers and adjustments

Closing gross value as at 30 June 2023

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2022

Depreciation expense

Accumulated depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Transfer between classes

Accumulated depreciation as at 30 June 2023

Written down value 30 June 2023

Range of estimated useful life in years

| Land | Buildings | | Plant and Equipment | Road, Drainage and Bridge Network | Water Infrastructure | | Sewerage Infrastructure | | Other Structures | WIP | Total |
|-----------------|--------------------|--------------------|---------------------|-----------------------------------|----------------------|--------------------|-------------------------|--------------------|------------------|-----|-------|
| | Fair Value Level 2 | Fair Value Level 3 | | | Fair Value Level 3 | Fair Value Level 3 | Fair Value Level 3 | Fair Value Level 3 | | | |
| \$ | | | | | | | | | | | |
| 2,895,436 | 62,006,591 | 22,287,354 | 113,895,242 | 9,316,620 | 5,034,962 | 32,419,561 | 1,168,843 | 249,024,611 | | | |
| - | - | 482,758 | - | - | - | - | 2,563,992 | 3,046,750 | | | |
| - | - | (2,466,245) | - | - | - | - | - | (2,466,245) | | | |
| 410,125 | - | - | - | - | - | - | - | 410,125 | | | |
| - | - | - | 8,781,323 | 566,451 | 306,126 | - | - | 9,653,900 | | | |
| - | 1,036,565 | - | 287,873 | - | - | 286,779 | (1,611,217) | 0 | | | |
| 3,305,561 | 63,043,156 | 20,303,866 | 122,964,438 | 9,863,070 | 5,341,088 | 32,706,340 | 2,134,856 | 259,682,378 | | | |
| - | 23,321,584 | 8,170,179 | 34,170,474 | 3,564,188 | 1,428,974 | 6,245,894 | - | 76,901,291 | | | |
| - | 1,436,269 | 1,332,644 | 2,437,115 | 151,370 | 71,133 | 926,817 | - | 6,355,349 | | | |
| - | - | (1,490,432) | - | - | - | - | - | (1,490,432) | | | |
| - | - | - | 2,814,183 | 226,512 | 90,529 | - | - | 3,131,224 | | | |
| - | - | - | - | - | - | - | - | - | | | |
| - | 24,757,853 | 8,012,391 | 39,421,772 | 3,942,070 | 1,590,635 | 7,172,711 | - | 84,897,432 | | | |
| 3,305,561 | 38,285,303 | 12,291,475 | 83,542,666 | 5,941,000 | 3,750,453 | 25,533,623 | 2,134,856 | 174,784,946 | | | |
| Not Depreciated | 25-100 yrs | 1-50 yrs | 10- infinite yrs | 20-100 yrs | 15-150 yrs | 10-150 yrs | | | | | |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| - | 1,860 | - | - | - | - | 89,555 | - | 91,415 | | | |
| 74,827 | 202,759 | 502,976 | 2,106,631 | 1,047 | - | 67,095 | - | 2,955,335 | | | |
| 74,827 | 204,619 | 502,976 | 2,106,631 | 1,047 | - | 156,650 | - | 3,046,750 | | | |

Additions comprise:

Renewals

Other additions

Total additions

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2023

11(b) Property, Plant and Equipment

30 June 2022

Basis of Measurement

Fair value category

Asset Values

Opening gross value as at 1 July 2021

Additions at cost

Disposals

Transfer from Inventory

Transfer to Inventory

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to P&L

Transfers from WIP

Other transfers and adjustments

Closing gross value as at 30 June 2022

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2021

Depreciation expense

Accumulated depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Transfer between classes

Accumulated depreciation as at 30 June 2022

Written down value 30 June 2022

Range of estimated useful life in years

| Note | Land | Buildings | | Plant and Equipment | | Road, Drainage and Bridge Network | | Water Infrastructure | | Sewerage Infrastructure | | Other Structures | | WIP | Total |
|------|------------------------|--------------------|--------------------|--------------------------|--------------------|-----------------------------------|--------------------|----------------------|--------------------|-------------------------|--------------------|--------------------|---------|-------------|------------|
| | | Fair Value Level 2 | Fair Value Level 3 | Cost | Fair Value Level 3 | Fair Value Level 3 | Fair Value Level 3 | Fair Value Level 3 | Fair Value Level 3 | Fair Value Level 3 | Fair Value Level 3 | Fair Value Level 3 | Cost | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | 2,845,700 | 53,915,894 | 19,497,471 | 107,371,093 | 8,707,121 | 4,705,572 | 25,748,492 | 3,320,516 | 1,828,171 | 225,915,859 | 4,482,304 | (427,399) | 240,800 | | |
| 7 | 240,800 | (94,999) | 2,854,133 | (121,678) | | | | | | | | | | | 240,800 |
| | | 7,534,504 | 6,446,900 | 609,499 | 329,390 | 4,061,690 | | | | | | | | | 18,981,983 |
| | 8,936 | 647,191 | 57,429 | 77,249 | | | | | | | | | | (3,610,907) | (168,937) |
| | 2,895,436 | 62,006,591 | 22,287,354 | 113,895,242 | 9,316,620 | 5,034,962 | 32,419,561 | 1,168,843 | | | | | | 249,024,609 | |
| | - | 19,355,758 | 7,068,471 | 29,848,937 | 3,190,397 | 1,260,796 | 4,897,960 | - | | | | | | | 65,622,348 |
| | - | 1,347,160 | 1,163,131 | 2,275,461 | 141,291 | 66,498 | 705,217 | | | | | | | | 5,898,776 |
| 7 | - | (60,264) | (61,422) | - | - | - | (113,318) | | | | | | | | (225,004) |
| | | 2,668,930 | | 2,046,056 | 232,500 | 101,660 | 756,004 | | | | | | | | 5,805,170 |
| | - | 23,321,564 | 8,170,179 | 34,170,474 | 3,564,188 | 1,428,974 | 6,245,894 | | | | | | | | 76,901,290 |
| | 2,895,436 | 38,685,007 | 14,117,174 | 79,724,768 | 5,752,431 | 3,605,989 | 26,173,668 | 1,168,843 | | | | | | 172,123,318 | |
| | Not Depreciated | 25-100 yrs | 1 - 50 yrs | 10 - infinite yrs | 20-100 yrs | 15-150 yrs | 10-150 yrs | | | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | - | 294,016 | - | 68,107 | - | - | 11,705 | - | - | - | - | - | - | - | 373,828 |
| | - | 837,638 | 2,871,300 | 56,614 | - | - | 342,923 | - | - | - | - | - | - | - | 4,108,476 |
| | - | 1,131,655 | 2,871,300 | 124,721 | - | - | 354,628 | - | - | - | - | - | - | - | 4,482,304 |

Additions comprise:

Renewals

Other additions

Total additions

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2023

11 Property, Plant and Equipment (continued)

(c) Recognition

Plant and equipment with a total value of less than \$5,000, and infrastructure assets (road, stormwater, bridge, water and sewerage assets), other structures 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.

Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. However, routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred.

Expenditure incurred in accordance with Disaster Recovery Funding Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council officers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a rebuild of the full width of the road is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Land under the roads and reserve land which falls under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. This land is not recognised in these financial statements.

(d) 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 (as shown in the table above) less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including inwards freight, architect's fees and engineering design fees and all other establishment costs. Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost.

(e) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2023

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

Key judgements and estimates:

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

(f) Impairment

Property, plant and equipment is assessed for indicators of impairment annually. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(g) Capital work in progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, direct labour and an appropriate portion of labour on-costs.

(h) Valuation

(i) Valuation Processes

Key judgements and estimates:

Some of the Council's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Council uses market-observable data to the extent it is available and other inputs as necessary.

Council's valuation policies and procedures are set by the executive management team led by the Chief Executive Officer. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information.

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 engaging professionally qualified external valuers or suitably qualified internal staff to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process may involve physically sighting a representative sample of Council's assets and making assessments of the condition of the assets at the date of inspection.

In the intervening years, Council will assess the assets by utilising a combination of internal and external sources of information, as appropriate, in a structured manner in order to determine if there has been any potential material movement in the fair value of assets. Where movement is indicated the relevant assets will be revalued by indexation or do a desktop valuation as appropriate.

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

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

There have been no transfers between levels of the hierarchy during the year.

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2023

(ii) Valuation techniques used to derive fair values

| Asset class and fair value hierarchy | Valuation approach | Last comprehensive valuation date | Valuer engaged | Key assumptions and estimates | Index applied |
|---|--------------------------|-----------------------------------|----------------|--|--|
| Land (level 2) | Market | 30 June 2021 | AssetVal | The following factors have influenced the fair value of Council's land assets: - Current zoning - Sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as property size | No indexation has been applied to this class in 2022 or 2023. |
| Buildings and other structures (level 3) | Current replacement cost | 30 June 2021 | AssetVal | Building and other infrastructure assets are considered of a specialist nature and did not meet the criteria for a Market approach, and Fair Value was measured on the basis of a Cost Approach (Level 3). Each asset has been disaggregated into significant components which exhibit different useful lives. For example, structure, roof, floor and services. Useful lives are based on typical asset lifecycles based on past experience and industry benchmarks. The most significant input into this valuation approach is unit rates for construction as at the comprehensive revaluation date (drawn from industry standard cost guides, costs from recent Council projects). Asset dimensions, construction materials and standards drive the resulting calculation of replacement cost which is then adjusted for differences in key attributes such as asset condition, physical and economic obsolescence. The remaining useful life has been determined with regard to physical deterioration, and functional and economic obsolescence, and management and the valuer's expectation of remaining service potential of the asset. | Construction and other relevant costs indices have increased since the date of the last comprehensive revaluation. Accordingly, Council applied indexation of 14% to this class in 2022. As the residual indexation was below 5% in FY23, no further indexation has been recorded. |
| Road, drainage and bridge network (level 3) | Current replacement cost | 30 June 2021 | AssetVal | Road assets are differentiated by physical characteristics (i.e. Road, Culverts, Floodways, Footpaths, Kerb & Channel), Road segments are then compartmented into formation, pavement and seal (where applicable). Useful lives are based on typical asset lifecycles based on past experience and industry benchmarks. The most significant input into this valuation approach is unit rates for construction as at the comprehensive revaluation date (drawn from industry standard cost guides, costs from recent Council projects). Asset dimensions, construction materials and standards drive the resulting calculation of replacement cost which is then adjusted for differences in key attributes such as asset condition, physical and economic obsolescence. The remaining useful life has been determined with regard to physical deterioration, and functional and economic obsolescence, and management and the valuer's expectation of remaining service potential of the asset. Where site inspections are not possible the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records. | Construction and other relevant costs indices have increased since the date of the last comprehensive revaluation. Accordingly, Council applied indexation of 6% to this class in 2022 and 7.71% in 2023. |
| Water Infrastructure (level 3) | Current replacement cost | 30 June 2021 | AssetVal | Each asset has been disaggregated into significant components which exhibit different useful lives. For example pipework, structures, pumps and electrical components. Useful lives are based on typical asset lifecycles based on past experience and industry benchmarks. The most significant input into this valuation approach is unit rates for construction as at the comprehensive revaluation date (drawn from industry standard cost guides, costs from recent Council projects). Asset dimensions, construction materials and standards drive the resulting calculation of replacement cost which is then adjusted for differences in key attributes such as asset condition, physical and economic obsolescence. The remaining useful life has been determined with regard to physical deterioration, and functional and economic obsolescence, and management and the valuer's expectation of remaining service potential of the asset. Where site inspections are not possible the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records. | Construction and other relevant costs indices have increased since the date of the last comprehensive revaluation. Accordingly, Council applied indexation of 7% to this class in 2022 and 6.08% in 2023. |
| Sewerage infrastructure (level 3) | Current replacement cost | 30 June 2021 | AssetVal | Each asset has been disaggregated into significant components which exhibit different useful lives. For example pipework, structures, pumps and electrical components. Useful lives are based on typical asset lifecycles based on past experience and industry benchmarks. The most significant input into this valuation approach is unit rates for construction as at the comprehensive revaluation date (drawn from industry standard cost guides, costs from recent Council projects). Asset dimensions, construction materials and standards drive the resulting calculation of replacement cost which is then adjusted for differences in key attributes such as asset condition, physical and economic obsolescence. The remaining useful life has been determined with regard to physical deterioration, and functional and economic obsolescence, and management and the valuer's expectation of remaining service potential of the asset. Where site inspections are not possible the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records. | Construction and other relevant costs indices have increased since the date of the last comprehensive revaluation. Accordingly, Council applied indexation of 7% to this class in 2022 and 6.08% in 2023. |

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2023

| | 30 June 2023 | 30 June 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| 12 Trade and Other Payables | | |
| Creditors are recognised upon receipt of the goods or services ordered as the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms. | | |
| Current | | |
| Creditors | 1,591,107 | 1,202,076 |
| Prepaid rates | 7,131 | 366 |
| Accrued wages and salaries | 70,141 | 76,090 |
| Other creditors and accruals | 101,814 | 35,245 |
| | <u>1,770,193</u> | <u>1,313,777</u> |

13 Provisions

Liabilities are recognised for employee benefits such as wages and salaries, sick, annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wages and salary levels which are expected to be paid and includes related employee oncosts. As Council does not have an unconditional right to defer settlement of annual leave beyond 12 months, annual leave is classified as a current liability.

The provision for long service leave represents the present value of the estimate future cash outflows to be made in respect of the services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increase 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 employments 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 estimate future cash outflows to their present value.

| | | |
|----------------------------------|----------------|----------------|
| Current | | |
| Annual leave | 360,280 | 444,030 |
| Long service leave - current | 112,561 | 160,007 |
| Sick leave | 167,308 | 289,733 |
| | <u>640,149</u> | <u>893,770</u> |
| Non-Current | | |
| Long service leave - non-current | 152,088 | 252,359 |
| | <u>152,088</u> | <u>252,359</u> |

14 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost at date of reporting. Principal and interest repayments are made quarterly in arrears.

All borrowings are in Australian dollar denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary between 15 June 2036 to 15 June 2042. There have been no defaults or breaches of the loan agreement during the period.

In accordance with the *Local Government Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next ten years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

| | | |
|---|------------------|------------------|
| Current | | |
| Loans Queensland Treasury Corporation - current | 141,565 | 168,465 |
| | <u>141,565</u> | <u>168,465</u> |
| Non-Current | | |
| Loans Queensland Treasury Corporation - non-current | 2,479,141 | 2,616,839 |
| | <u>2,479,141</u> | <u>2,616,839</u> |
| Queensland Treasury Corporation | | |
| Opening balance | 2,785,304 | 1,992,947 |
| Drawdown of new borrowings | - | 1,000,000 |
| Principal repayments | (164,598) | (207,643) |
| Book value at period end | <u>2,620,706</u> | <u>2,785,304</u> |

The QTC loan market value at the reporting date was \$2,423,174 (2022: \$2,660,065). This represents the value of the debt if the Council repaid it at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts.

Unsecured borrowings are provided by the Queensland Treasury Corporation. The Council does not have a bank overdraft facility.

DIAMANTINA SHIRE COUNCIL
Notes to the Financial Statements
For the Year Ended 30 June 2023

30 June 2023 30 June 2022
\$ \$

15 Leases

Council as a lessee

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term. Council has not identified any other leases in scope of AASB 16 which are not covered by the aforementioned exceptions.

Leases at significantly below market value / concessionary leases:

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

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.

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

Council derives rental income from houses leased to staff and members of the community. These houses are classified as property, plant and equipment in Note 11 as the assets are not held predominately for rental or capital growth purposes, rather to provide essential accommodation to Council staff and members of the community.

| | | |
|--|---------|---------|
| Property income | 517,696 | 565,665 |
| Direct operating expenses from property that generated rental income | 602,780 | 550,520 |

Due to the high occupancy rates and minimal variability in rental amounts, the property income disclosed above approximates the expected minimum rent receipts in a 12 month cycle.

16 Asset Revaluation Surplus

The asset revaluation surplus comprises of 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 were as follows:

| | Balance 1 July 2022 | Increases / (Decreases) | Balance 30 June 2023 | Balance 30 June 2022 |
|---|------------------------|----------------------------|-------------------------|-------------------------|
| The closing balance of the asset revaluation surplus is comprised of the following asset classes: | | | | |
| Land | - | - | - | - |
| Buildings | 18,186,073 | - | 18,186,073 | 18,186,073 |
| Other Structures | 10,681,495 | - | 10,681,495 | 10,681,495 |
| Road, drainage and bridge network | 62,410,542 | 5,967,140 | 68,377,682 | 62,410,542 |
| Water | 2,649,908 | 339,939 | 2,989,847 | 2,649,908 |
| Sewerage | 1,882,364 | 215,597 | 2,097,961 | 1,882,364 |
| | 95,810,383 | 6,522,676 | 102,333,059 | 95,810,383 |

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2023

| | 30 June 2023 | 30 June 2022 |
|--|----------------|------------------|
| | \$ | \$ |
| 17 Commitments For Expenditure | | |
| Capital commitments | | |
| Contractual commitments at end of financial year but not recognised in the financial statements are as follows. Contractual commitments are expected to be settled within 12 months. | | |
| Infrastructure and asset management | | |
| Road infrastructure | - | 479,546 |
| Plant acquisitions | 206,143 | 726,130 |
| | <u>206,143</u> | <u>1,205,676</u> |

18 Contingent Liabilities

Details and estimates of maximum amounts of contingencies and agreements are as follows:

Local Government Mutual

The Diamantina Shire Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or 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 2022 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare:

The Diamantina Shire Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$231,614.12.

Department of Housing

Diamantina Shire Council has a Capital Funding Agreement with the Department of Housing for 12 properties in Bedourie and Birdsville. Under the Agreement, Council acquires a portion of equity in each property each year. Council then has the option of either paying out the contingent liability amount or pooling equity on a particular property to acquire full ownership. At 30 June 2023, the contingent liability amounted to \$1,531,338.

19 Superannuation

Council contributes to the LGIASuper previously known as the Local Government Superannuation Scheme (Qld) (the scheme). Brighter Super is a Multiemployer Plan as defined in Australian Accounting Standard AASB 119 *Employee Benefits*. The scheme has a number of elements including defined benefits funds and an accumulated benefits fund. Council does not have any employees who are members of the defined benefits fund and so it is not exposed to the obligations, assets or costs associated with these funds. Council has employees who are members of the accumulated benefits fund.

The amount of superannuation contributions paid by Diamantina Shire Council to the superannuation scheme in this period for the benefit of employees was:

| | | |
|---|----------------|----------------|
| 5 | <u>525,644</u> | <u>542,784</u> |
|---|----------------|----------------|

DIAMANTINA SHIRE COUNCIL
Notes to the Financial Statements
For the Year Ended 30 June 2023

| | 30 June 2023 | 30 June 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| 20 Transactions with Related Parties | | |
| Council did not have any subsidiaries, transactions with associates or transactions with joint ventures. | | |
| (a) Transactions with key management personnel (KMP) | | |
| KMP include the Mayor, Councillors, Council's Chief Executive Officer, Director of Corporate Services, Director of Community and Economic Development and Director of Infrastructure Services. | | |
| Short-term employee benefits (*) | 1,042,759 | 1,106,278 |
| Long-term benefits | - | 10,377 |
| Post-employment benefits | 78,962 | 96,890 |
| | <u>1,121,721</u> | <u>1,213,545</u> |
| (*) During the financial year, Council also paid amounts totalling \$438,962 to Peak Services for Executive staff engaged in acting roles. | | |
| (b) Transactions with 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. | | |
| (i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The council employs 81 staff of which 4 are close family members of key management personnel. | | |
| Employee expenses for close family member of key management personnel | 117,669 | 214,708 |
| Purchases of materials and services from other related parties | 678,773 | 808,207 |
| | <u>796,442</u> | <u>1,022,915</u> |
| (ii) The Council purchased the following material and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of council operations: | | |
| Details of materials and services purchased | | |
| Transport services | 494,549 | 719,582 |
| Supplies and materials | 184,224 | 28,050 |
| Other | - | 60,575 |
| | <u>678,773</u> | <u>808,207</u> |
| (c) Outstanding balances | | |
| There were no material balances outstanding at the end of the reporting period in relation to transactions with related parties (2022 nil). | | |
| During the course of the financial year, an administrative error resulted in Councillors being paid in excess of remuneration rates approved by the Queensland Local Government Remuneration Commission by \$41,913.33. | | |
| The error was identified after the end of the financial year so a receivable will be raised in FY24 to recognise the overpayment which Councillors will repay. | | |
| 21 Reconciliation of Net Result for the Year to Net Cash Inflow (Outflow) From Operating Activities | | |
| Net result (2022: restated as per Note 24) | (2,205,500) | (2,099,063) |
| Non-cash items: | | |
| Depreciation | 6,355,349 | 5,698,778 |
| Write off WIP to P&L | (13,240) | 151,104 |
| Investing and development activities (non-cash) : | | |
| Net loss/(gain) on disposal of plant and equipment | (279,785) | 220,375 |
| Capital grants and contributions | (251,253) | (3,409,976) |
| | <u>5,811,070</u> | <u>2,660,281</u> |
| Changes in operating assets and liabilities : | | |
| (Increase) / decrease in receivables | 266,974 | 867,339 |
| (Increase) / decrease in inventory | (96,719) | (150,920) |
| (Increase) / decrease in contract assets | (213,004) | 1,907,480 |
| Increase / (decrease) in payables | 456,416 | 618,885 |
| Increase / (decrease) in contract liabilities | 1,642,431 | (1,608,143) |
| Increase / (decrease) in provisions | (353,891) | 8,130 |
| | <u>1,702,207</u> | <u>1,642,771</u> |
| Net cash inflow from operating activities | <u>5,307,777</u> | <u>2,203,989</u> |
| Refer Note 14 for reconciliation of liabilities arising from financing activities. | | |
| 22 Events after the Reporting Period | | |
| There were no material adjusting events or non-adjusting events after reporting date. | | |

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2023

23 Financial Instruments

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

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

The Council minimised its exposure to financial risk in the following ways:

- 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.
- When the Council borrows, it borrows from the Queensland Treasury Corporation (QTC) unless another financial institution can offer a more beneficial rate, taking into account any risk. Borrowing by the Council is constrained by the provisions of the *Statutory Bodies Financial Agreements Act 1982*.

Diamantina Shire Council measures risk exposure using a variety of methods as follows:

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.

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of these debts.

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

The Council is exposed to credit risk through its investments with the QTC and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with highly rated and regulated banks and whilst not capital guaranteed, the likelihood of a credit failure is remote.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

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

The carrying amount of financial assets at the end of the reporting period represent the maximum exposure to credit risk.

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 and borrowings from the QTC for capital works.

The Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flow. These facilities are disclosed in the borrowings Note 14. There are no additional facilities or lines of credit available.

The following table sets out the liquidity risk of financial liabilities held by the Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date.

| | 0 to 1 year | 1 to 5 years | Over 5 years | Total Contractual Cash Flows | Carrying Amount |
|--------------------------|------------------|----------------|------------------|------------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2023 | | | | | |
| Trade and Other Payables | 1,591,107 | - | - | - | 1,591,107 |
| Loans QTC | 230,822 | 823,288 | 2,307,245 | 3,361,354 | 2,620,706 |
| | <u>1,821,929</u> | <u>823,288</u> | <u>2,307,245</u> | <u>3,361,354</u> | <u>4,211,813</u> |
| 2022 | | | | | |
| Trade and Other Payables | 1,202,076 | - | - | 1,202,076 | 1,202,076 |
| Loans QTC | 263,129 | 923,288 | 2,538,067 | 3,724,483 | 2,785,304 |
| | <u>1,465,205</u> | <u>923,288</u> | <u>2,538,067</u> | <u>4,926,559</u> | <u>3,987,380</u> |

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

Interest rate risk

The Council is exposed to interest rate risk through its borrowings from the QTC and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing from financial institutions which provide access to a mix of floating and fixed funding sources such that the desired interest rate risk exposure can be constructed. Interest rate risk in other areas is minimal.

The Council does not undertake any hedging of interest rate risk.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2023

24 Correction of prior period error

In preparing financial statements for the year ended 30 June 2023, Council identified an error in the calculation of contract assets previously reported for the year ended 30 June 2022. The error was identified as a result of new information being made available in relation to a completed project, which was not available at the time of preparing the financial statements for the year ended 30 June 2022. The additional information indicated Council had overstated the balance of contract assets. To correct this error, Council has adjusted the 2021/22 comparative figures in the Statement of Financial Position, Statement of Changes in Equity and applicable notes to the financial statements.

Adjustments impacting the financial statement line items for the 2021/22 comparative year are presented below:

| | Actual 2022 \$'000 | Adjustment 2022 \$'000 | Restated Actual 2022 \$'000 |
|--|-----------------------|---------------------------|-----------------------------------|
| Statement of Comprehensive Income (Extract) | | | |
| Revenue | | | |
| Capital grants, subsidies and contributions | 8,280,735 | (2,140,904) | 6,139,831 |
| Total revenue | 29,889,075 | (2,140,904) | 27,748,171 |
| Net result | 41,841 | (2,140,904) | (2,099,063) |
| Total comprehensive income | 13,218,653 | (2,140,904) | 11,077,749 |
| Statement of Financial Position (Extract) | | | |
| Current Assets | | | |
| Contract assets | 2,728,660 | (2,140,904) | 587,756 |
| Total assets | 193,397,078 | (2,140,904) | 191,256,174 |
| Net community assets | 187,779,206 | (2,140,904) | 185,638,302 |
| Community equity | | | |
| Retained surplus | 91,968,823 | (2,140,904) | 89,827,919 |
| Total community equity | 187,779,206 | (2,140,904) | 185,638,302 |
| Statement of Changes in Equity (Extract) | | | |
| Total comprehensive income for the year | 41,841 | (2,140,904) | (2,099,063) |
| Balance of retained surplus | 91,968,823 | (2,140,904) | 89,827,919 |
| Total equity | 187,779,206 | (2,140,904) | 185,638,302 |

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2023

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 1 to 21, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transaction for the financial year and financial position at the end of the



Mayor

Cr. Robert Dare

Date: 14 / 12 / 23



Acting Chief Executive Officer

Michelle Harrison

Date: 14 / 12 / 2023

DIAMANTINA SHIRE COUNCIL

Current Year Financial Sustainability Statement

For the Year Ended 30 June 2023

| Measures of Financial Sustainability - How the measure is calculated | | Actual | Target |
|---|--|---------|----------------------|
| Council's Performance at 30 June 2023 against any key financial ratio's and targets: | | | |
| Operating Surplus Ratio | Net Result (excluding capital items) divided by total operating revenue (excluding capital items) | (18.9)% | Between 0% and 10% |
| Asset Sustainability Ratio | Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense | 1.8% | Greater than 90% |
| Net Financial Liabilities Ratio | Total liabilities less current assets divided by total operating revenue (Excluding Capital Items) | (73.4)% | Not Greater than 60% |

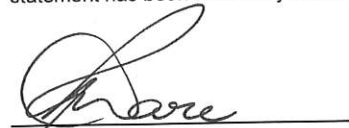
Note 1 - Basis of Preparation

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

CERTIFICATE OF ACCURACY For the year ended 30 June 2023

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

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



Mayor

Cr. Robert Dare

Date: 14, 12, 23



Acting Chief Executive Officer

Michelle Harrison

Date: 14, 12, 2023

DIAMANTINA SHIRE COUNCIL

**Unaudited Long Term Financial Sustainability Statement
Prepared as at 30 June 2023**

| Measures of Financial Sustainability | How the Measure is Calculated | Target | Projected for the years ended | | | | | | | | | | |
|--------------------------------------|--|----------------------|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | Actual 30 June 2023 | 30 June 2024 | 30 June 2025 | 30 June 2026 | 30 June 2027 | 29 June 2028 | 30 June 2029 | 30 June 2030 | 30 June 2031 | 29 June 2032 | 30 June 2033 |
| Operating Surplus Ratio | Net Result (excluding capital items) divided by total operating revenue (excluding capital items) | Between 0% and 10% | (18.9)% | (14.4)% | (16.6)% | (15.8)% | (15.4)% | (14.5)% | (14.3)% | (14.0)% | (13.5)% | (13.1)% | (13.0)% |
| Asset Sustainability Ratio | Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense | Greater than 90% | 1.8% | 122.0% | 75.0% | 88.1% | 86.4% | 86.3% | 84.1% | 84.3% | 83.7% | 89.5% | 84.5% |
| Net Financial Liabilities Ratio | Total liabilities less current assets divided by total operating revenue (Excluding Capital Items) | Not Greater than 50% | (73.4)% | (51.5)% | (46.8)% | (38.1)% | (28.4)% | (23.5)% | (18.5)% | (13.5)% | (9.0)% | (3.9)% | 0.3% |

Diamantina Shire Council's Financial Management Strategy

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

CERTIFICATE OF ACCURACY

For the long-term financial sustainability statement prepared as at 30 June 2023

This long-term financial sustainability statement has been prepared pursuant to section 178 of *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 prepared.


Cr. Robert Dore


Acting Chief Executive Officer

Date: 14, 12, 23

Date: 14, 12, 2023