

Woorabinda Aboriginal Shire Council

Financial Statements

For the Year Ended 30 June 2021

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Woorabinda Aboriginal Shire Council
Statement of Comprehensive Income
For the Year Ended 30 June 2021

	Note	Consolidated		Council	
		2021	2020	2021	2020
		\$	\$	\$	\$
Income					
Revenue					
Recurrent Revenue					
Fees and Charges	3(a)	260,030	7,353	260,271	7,353
Rental Income		225,612	174,871	225,612	174,871
Interest Received		8,686	40,510	7,777	39,466
Sales Revenue	3(b)	10,142,074	10,458,396	4,235,819	5,328,531
Net Market Value Increment from Biological Assets		2,676,999	1,671,541	-	-
Other Income	3(c)	936,636	1,353,596	943,494	1,216,200
Grants, Subsidies, Contributions and Donations	4(a)	5,343,166	4,274,339	5,176,926	3,970,269
		<u>19,593,204</u>	<u>17,980,606</u>	<u>10,849,900</u>	<u>10,736,690</u>
Capital Revenue					
Grants, Subsidies, Contributions and Donations	4(b)	3,284,530	109,757	3,284,530	109,757
Total Revenue		<u>22,877,734</u>	<u>18,090,363</u>	<u>14,134,430</u>	<u>10,846,447</u>
Capital Income		-	-	-	-
Total Income		<u>22,877,734</u>	<u>18,090,363</u>	<u>14,134,430</u>	<u>10,846,447</u>
Expenses					
Recurrent Expenses					
Employee Benefits	5	(5,062,623)	(5,742,042)	(4,030,601)	(4,053,371)
Materials and Services	6	(12,007,639)	(11,997,326)	(6,794,762)	(7,429,267)
Finance Costs		(80,819)	(173,021)	(23,066)	(52,726)
Depreciation and Ammortisation	12	(2,614,511)	(2,705,049)	(2,258,282)	(2,354,893)
		<u>(19,765,591)</u>	<u>(20,617,438)</u>	<u>(13,106,710)</u>	<u>(13,890,257)</u>
Capital Expenses		(2,163,713)	(48,244)	(2,120,982)	-
Total Expenses		<u>(21,929,305)</u>	<u>(20,665,682)</u>	<u>(15,227,693)</u>	<u>(13,890,257)</u>
NET RESULT		<u>948,432</u>	<u>(2,575,316)</u>	<u>(1,093,262)</u>	<u>(3,043,809)</u>
<i>Net Operating Result</i>		(172,387)	(2,636,832)	(2,256,810)	(3,153,567)
Other Comprehensive Income					
Items Not be Reclassified to Net Result					
Increase / (Decrease) in Revaluation Surplus	12	-	-	-	-
Total Other Comprehensive Income for the Year		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u><u>948,432</u></u>	<u><u>(2,575,316)</u></u>	<u><u>(1,093,262)</u></u>	<u><u>(3,043,809)</u></u>

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

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

	Note	Consolidated		Council	
		2021	2020	2021	2020
		\$	\$	\$	\$
Current Assets					
Cash and Cash Equivalents	7	3,373,946	3,957,456	2,035,479	3,222,759
Biological Assets	9	7,338,954	6,248,790	-	-
Trade and Other Receivables	8	1,202,561	428,212	1,180,553	390,418
Inventories		21,633	23,758	21,633	23,758
Contract Assets	15	1,245,062	55,145	1,245,062	55,145
Leases Receivable	11	759,829	732,991	759,829	732,991
Total Current Assets		13,941,985	11,446,352	5,242,556	4,425,071
Non-Current Assets					
Investments	10	-	-	462,129	462,129
Leases Receivable	11	24,293,644	26,441,463	24,293,644	26,441,463
Property, Plant and Equipment	12	60,237,956	61,742,676	50,125,088	48,927,760
Intangible Assets	14	304,124	-	304,124	-
Total Non-Current Assets		84,835,724	88,184,139	75,184,985	75,831,352
Total Assets		98,777,708	99,630,492	80,427,540	80,256,423
Current Liabilities					
Payables	16	1,622,663	1,339,225	1,411,548	954,056
Contract Liabilities	15	1,622,005	880,085	1,622,005	880,085
Borrowings	17	-	674,836	-	-
Provisions	18	365,171	391,594	303,643	264,272
Total Current Liabilities		3,609,839	3,285,740	3,337,196	2,098,412
Non-Current Liabilities					
Borrowings	17	-	2,137,000	-	-
Provisions	18	2,131,365	2,119,678	2,120,140	2,094,544
Total Non-Current Liabilities		2,131,365	4,256,678	2,120,140	2,094,544
Total Liabilities		5,741,204	7,542,419	5,457,336	4,192,957
Net Community Assets		93,036,506	92,088,072	74,970,204	76,063,466
Community Equity					
Revaluation Surplus	19	30,170,615	30,170,615	23,770,619	23,770,619
Reserves		269,896	269,896	269,896	269,896
Retained Surplus		62,595,995	61,647,563	50,929,689	52,022,951
Total Community Equity		93,036,506	92,088,072	74,970,204	76,063,466

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

Woorabinda Aboriginal Shire Council
Statement of Cash Flows
For the Year Ended 30 June 2021

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cash Flows from Operating Activities				
Receipts from Customers	10,607,972	14,208,733	4,651,575	7,402,893
Payments to Suppliers and Employees	(15,197,270)	(18,245,979)	(10,302,903)	(12,395,508)
	(4,589,298)	(4,037,246)	(5,651,328)	(4,992,615)
Interest Received	8,686	40,510	7,777	39,466
Rental Income	225,612	174,871	225,612	174,871
Operating Grants and Contributions	6,221,013	4,372,582	6,054,773	4,068,512
Borrowing and Other Finance Costs	(80,819)	(173,021)	(23,066)	(52,726)
Net Cash Inflow (Outflow) from Operating Activities	22 1,785,195	377,696	613,769	(762,492)
Cash Flows from Investing Activities				
Payments for Property, Plant and Equipment	(3,611,523)	(586,166)	(3,455,609)	(524,798)
Payments for Intangible Assets	(304,124)	-	(304,124)	-
Proceeds from Sale of Property, Plant and Equipment	2,400,094	-	-	-
Grants, Subsidies, Contributions and Donations	1,958,684	836,454	1,958,684	836,454
Net Cash Inflow (Outflow) from Investing Activities	443,131	250,287	(1,801,049)	311,656
Cash Flows from Financing Activities				
Proceeds from Borrowings	-	-	-	-
Repayment of Borrowings	(2,811,836)	(1,345,821)	-	-
Net Cash Inflow (Outflow) from Financing Activities	(2,811,836)	(1,345,821)	-	-
Net Increase (Decrease) in Cash and Equivalents Held	(583,510)	(717,838)	(1,187,280)	(450,836)
Cash and Equivalents at the Beginning of the Financial Year	3,957,456	4,675,292	3,222,759	3,673,595
Cash and Equivalents at End of the Financial Year	7 3,373,946	3,957,456	2,035,479	3,222,759

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

Woorabinda Aboriginal Shire Council
Statement of Changes in Equity
For the Year Ended 30 June 2021

Consolidated

	Revaluation Surplus	Reserves	Retained Surplus	TOTAL
	\$	\$	\$	\$
Balance as at 1 July 2020	30,170,615	269,896	61,647,562	92,088,072
Minor Correction to Opening Balance	-	-	-	-
Restated Balance at 1 July 2020	30,170,615	269,896	61,647,562	92,088,072
Net Result	-	-	948,432	948,432
Other Adjustments	-	-	-	-
Increase / (Decrease) in Revaluation Surplus	-	-	-	-
Total Comprehensive Income for the Year	-	-	948,432	948,432
Balance as at 30 June 2021	30,170,615	269,896	62,595,995	93,036,506
Balance as at 1 July 2019	30,170,615	269,896	64,009,139	94,449,649
Minor Correction to Opening Balance	-	-	213,872	213,872
Restated Balances at 1 July 2019	30,170,615	269,896	64,223,011	94,663,520
Net Result	-	-	(2,575,316)	(2,575,316)
Other Adjustments	-	-	(132)	(132)
Increase / (Decrease) in Revaluation Surplus	-	-	-	-
Total Comprehensive Income for the Year	-	-	(2,575,448)	(2,575,448)
Balance as at 30 June 2020	30,170,615	269,896	61,647,562	92,088,072

Council

	Revaluation Surplus	Reserves	Retained Surplus	TOTAL
	\$	\$	\$	\$
Balance as at 1 July 2020	23,770,619	269,896	52,022,951	76,063,466
Net Result	-	-	(1,093,262)	(1,093,262)
Increase / (Decrease) in Revaluation Surplus	-	-	-	-
Total Comprehensive Income for the Year	-	-	(1,093,262)	(1,093,262)
Balance as at 30 June 2021	23,770,619	269,896	50,929,688	74,970,204
Balance as at 1 July 2019	23,770,619	269,896	54,852,889	78,893,404
Minor Correction to Opening Balance	-	-	213,872	213,872
Restated Balances at 1 July 2019	23,770,619	269,896	55,066,761	79,107,275
Net Result	-	-	(3,043,809)	(3,043,809)
Other Adjustments	-	-	-	-
Increase / (Decrease) in Revaluation Surplus	-	-	-	-
Total Comprehensive Income for the Year	-	-	(3,043,809)	(3,043,809)
Balance as at 30 June 2020	23,770,619	269,896	52,022,951	76,063,466

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

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

1 Information about these Financial Statements

1.A Basis of Preparation

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

These general purpose financial statements are for the period 1 July 2020 to 30 June 2021. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*. They comply with all Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with the 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 classes of property, plant and equipment.

1.B New and Revised Accounting Standards Adopted During the Year

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

1.C Standards Issued by the AASB Not Yet Effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date.

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
- Property, Plant and Equipment - Note 12
- Provisions - Note 18
- Contingent Liabilities - Note 20

1.E 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 Standard.

1.F Volunteer Services

Council has not recognised volunteer services as they have been determined to be immaterial.

1.G Taxation

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

1.H Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Woorabinda Aboriginal Shire Council as at 30 June 2021 and the results of all controlled entities for the year then ended. Council and its controlled entity together form the economic entity which is referred to in these financial statements as the consolidated entity.

In the process of reporting Council as a single economic entity, all transactions with the entity controlled by Council have been eliminated. In addition the accounting policies of all controlled entities have been adjusted, where necessary, on consolidation to ensure that the financial report of the consolidated entity is prepared using accounting policies that are consistent with those of Council. Information on controlled entities is included in Note 10.

**Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021**

2. Analysis of Results by Function

2(a) Components of Council Functions

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

Administration and Governance

To support functions of Management of the Council's Finance, Information Technology and administration. This comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements.

Social and Cultural

To provide community services and facilities including cultural, health, welfare, emergency services and recreational services. This function includes:

- Arts and Naidoc celebrations
- Remote indigenous broadcasting services
- Childcare centre and programs
- Sport and Recreation programs
- SES and Rural Fire Brigade

Environmental

To provide environmental services and facilities including Community Environmental Health. This function also includes:

- Animal Management
- Waste Management
- Parks and Gardens

Assets and Infrastructure

To ensure the provision of:

- Housing, Administration, Maintenance and Construction
- Municipal Services, Water and Sewerage
- Roads, Streets and Drainage

Economic Development

To provide Training, Community Enterprise Development and commercial activities including:

- Service Station
- Commercial Business building rentals
- Workshop and plant hire

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

2(b) Analysis of Results by Function
Income and expenses defined between recurring and capital are attributed to the following functions:

Year Ended 30 June 2021

Year Ended 30 June 2021											
Functions	Gross Programme Income				Total Income	Gross Programme Expenses		Total Expenses	Net Result Recurrent Operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2021	2021	2021	2021							
	\$	\$	\$	\$							
Administration and Governance	3,110,188	1,093,030	-	-	4,203,218	(5,116,737)	-	(5,116,737)	(913,519)	(913,519)	4,570,864
Social and Cultural	1,540,698	963,006	-	-	2,503,704	(3,024,144)	-	(3,024,144)	(520,440)	(520,440)	45,787
Environmental	401,144	4,347	-	-	405,491	(698,158)	-	(698,158)	(292,667)	(292,667)	-
Assets and Infrastructure	124,895	50,454	3,284,530	-	3,459,879	(1,354,784)	(2,120,982)	(3,475,766)	(1,179,435)	(15,887)	74,791,775
Economic Development	-	3,562,137	-	-	3,562,137	(2,912,888)	-	(2,912,888)	649,250	649,250	1,019,113
Total Council	5,176,926	5,672,975	3,284,530	-	14,134,430	(13,106,710)	(2,120,982)	(15,227,693)	(2,256,810)	(1,093,262)	80,427,540
Consolidation	166,240	8,577,064	-	-	8,743,304	(6,658,881)	(42,731)	(6,701,612)	2,084,423	2,041,692	18,350,168
Total Consolidated	5,343,166	14,250,039	3,284,530	-	22,877,734	(19,765,591)	(2,163,713)	(21,929,305)	(172,387)	948,432	98,777,708

Year Ended 30 June 2020

Functions	Gross Programme Income				Total Income	Gross Programme Expenses		Total Expenses	Net Result Recurrent Operations	Net Result	Assets
	Recurring		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2020	2020	2020	2020							
	\$	\$	\$	\$							
Administration and Governance	2,464,024	1,035,643	-	-	3,499,667	(5,122,016)	-	(5,122,015)	(1,622,349)	(1,622,347)	3,831,527
Social and Cultural	1,420,632	1,813,794	-	-	3,234,425	(3,479,760)	-	(3,479,760)	(245,334)	(245,335)	10
Environmental	-	1,073	-	-	1,073	(716,579)	-	(716,579)	(715,506)	(715,507)	-
Assets and Infrastructure	85,614	394,894	109,757	-	590,265	(1,448,467)	-	(1,448,467)	(967,960)	(858,203)	75,615,912
Economic Development	-	3,521,017	-	-	3,521,017	(3,123,435)	-	(3,123,435)	397,582	397,582	808,974
Total Council	3,970,269	6,766,421	109,757	-	10,846,447	(13,890,257)	-	(13,890,257)	(3,153,567)	(3,043,809)	80,256,422
Consolidation	304,070	6,939,846	-	-	7,243,916	(6,727,181)	(48,244)	(6,775,425)	516,735	468,491	19,374,070
Total Consolidated	4,274,339	13,706,267	109,757	-	18,090,363	(20,617,438)	(48,244)	(20,665,682)	(2,636,832)	(2,575,318)	99,630,491

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

3 Revenue Recognition

(a) Fees and Charges

Revenue arising from fees and charges, and other revenue, is 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 service or in some cases, the customer is required to pay on arrival, for example pools. There is no material obligation for Council in relation to refunds or returns.

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

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

(b) Sales Revenue

Sale of goods and services revenue is recognised 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. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions

	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
Sales of Goods				
Produce Sales	5,925,051	5,155,491	-	-
Service Station	224,629	215,826	243,425	241,452
Butcher Shop Income	-	39,758	-	39,758
Other Services	-	-	-	-
	<u>6,149,680</u>	<u>5,411,075</u>	<u>243,425</u>	<u>281,210</u>
Sales of Services				
Housing Recoverable Works	3,992,395	5,047,322	3,992,395	5,047,322
Plant Hire Income	-	-	-	-
Other Services	-	-	-	-
	<u>3,992,395</u>	<u>5,047,322</u>	<u>3,992,395</u>	<u>5,047,322</u>
Total Sales Revenue	<u>10,142,074</u>	<u>10,458,396</u>	<u>4,235,819</u>	<u>5,328,531</u>
(c) Other Income				
Other Income	936,636	1,005,468	943,494	868,072
Gain on Revaluation (40 Year Leases)	-	348,128	-	348,128
	<u>936,636</u>	<u>1,353,596</u>	<u>943,494</u>	<u>1,216,200</u>

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

4 Grants, Subsidies and Contributions

Grant Income Under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then revenue is recognised when control of each performance obligation is satisfied. The performance obligations are varied based on the agreements. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant Income Under AASB 1058

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

Capital Grants

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

Where assets are donated or purchased for significantly below fair value, revenue is recognised when the asset is acquired and controlled by Council.

	Consolidated		Council	
	2021 Financial Year		2021 Financial Year	
	AASB 15	AASB 1058	AASB 15	AASB 1058
	\$	\$	\$	\$
Recurrent				
General Purpose Grants	-	3,152,583	-	3,152,583
Specific Purpose Government Subsidies and Grants - State	39,357	685,579	39,357	519,339
Specific Purpose Government Subsidies and Grants - Commonwealth	-	810,800	-	810,800
Operating Contributions	-	654,847	-	654,847
	<u>39,357</u>	<u>5,303,809</u>	<u>39,357</u>	<u>5,137,569</u>

Capital

Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and / or investment in new assets.

Specific Purpose Government Subsidies and Grants	-	3,284,530	-	3,284,530
	<u>-</u>	<u>3,284,530</u>	<u>-</u>	<u>3,284,530</u>

	2020 Financial Year		2020 Financial Year	
	AASB 15	AASB 1058	AASB 15	AASB 1058
	\$	\$	\$	\$
Recurrent				
General Purpose Grants	-	2,469,638	-	2,469,638
Specific Purpose Government Subsidies and Grants - State	2,128	678,157	2,128	444,027
Specific Purpose Government Subsidies and Grants - Commonwealth	-	1,038,540	-	968,600
Operating Contributions	-	85,876	-	85,876
	<u>2,128</u>	<u>4,272,211</u>	<u>2,128</u>	<u>3,968,141</u>

Capital

Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and / or investment in new assets.

Specific Purpose Government Subsidies and Grants	-	109,757	-	109,757
	<u>-</u>	<u>109,757</u>	<u>-</u>	<u>109,757</u>

	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
(a) Recurrent				
General Purpose Grants	3,152,583	2,469,638	3,152,583	2,469,638
Specific Purpose Government Subsidies and Grants - State	724,936	680,285	558,696	446,155
Specific Purpose Government Subsidies and Grants - Commonwealth	810,800	1,038,540	810,800	968,600
Operating Contributions	654,847	85,876	654,847	85,876
	<u>5,343,166</u>	<u>4,274,339</u>	<u>5,176,926</u>	<u>3,970,269</u>
(b) Capital				
Specific Purpose Government Subsidies and Grants - State	3,284,530	109,757	3,284,530	109,757
Specific Purpose Government Subsidies and Grants - Commonwealth	-	-	-	-
	<u>3,284,530</u>	<u>109,757</u>	<u>3,284,530</u>	<u>109,757</u>

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
5 Employee Benefits				
Total Staff Wages and Salaries	4,014,179	4,682,781	3,090,779	3,143,135
Councillors' Remuneration	380,457	374,951	380,457	374,951
Superannuation	453,915	494,681	361,507	358,569
	4,848,550	5,552,414	3,832,742	3,876,656
Other Employee Related Expenses	214,073	189,628	197,859	176,715
	5,062,623	5,742,042	4,030,601	4,053,371
	2021	2020	2021	2020
	#	#	#	#
Total Council employees at the reporting date:				
Elected Members	5	5	5	5
Administration Staff	51	32	49	30
Depot and Outdoors Staff	36	42	26	32
Total Full-Time Equivalent Employees	92	79	80	67
6 Materials and Services				
Advertising and Marketing	5,223	2,316	5,223	2,316
Administration Supplies and Consumables	387,468	240,328	378,800	233,782
Audit Fees *	132,017	50,268	96,505	34,668
Communications and IT	360,350	317,045	350,956	304,924
Consultants	261,365	436,175	173,002	279,854
Contractors	4,252,139	4,448,785	3,790,174	4,300,691
Cost of Sales	3,480,792	3,383,979	206,432	257,060
Director Fees	123,836	52,825	-	-
Donations Paid	6,694	16,430	5,088	15,021
Fuel	208,388	241,130	77,157	102,779
Insurance Paid	583,863	468,057	485,672	328,493
Electricity	374,882	492,158	348,152	448,542
Repairs and Maintenance	922,738	602,959	262,378	262,705
Legal Expenses	95,096	266,645	35,892	108,873
Travel	58,391	75,138	41,040	66,950
Other Materials and Services	754,396	903,088	538,290	682,609
	12,007,639	11,997,326	6,794,762	7,429,267

* Total audit fees quoted by the Queensland Audit Office relating to the 2020/21 financial statements are \$91,955 (2020 \$105,400)

7 Cash and Equivalents

Cash and equivalents in the Statement of Cash Flows include 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 cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Cash at Bank and On-Hand	2,899,688	2,489,522	1,561,221	1,754,825
Deposits at Call	459,256	1,452,932	459,256	1,452,932
Term Deposits	15,002	15,002	15,002	15,002
Balance per Statement of Cash Flows	3,373,946	3,957,456	2,035,479	3,222,759

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 Council.

Cash and deposits at call are held at both the Commonwealth Bank (CBA) and Queensland Treasury Corporation (QTC) in term deposits, business cheque accounts and cash management accounts. CBA currently has a short term credit rating of A-1+ and long term rating of AA- (*Standard & Poor's*). QTC is currently rated at 'AA+' (*Standard & Poor's*) (Australian Government Guaranteed) with a stable outlook.

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

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows. Council is exposed to liquidity risk through its normal course of business and through borrowings held but their controlled entity, Woorabinda Pastoral Company Pty Ltd. Refer to Note 16 for analysis of Council's contractual cashflows and maximum risk exposure

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
7 Cash and Equivalents (continued)				
Council's cash and equivalents are subject to a number of external restrictions that limit amounts available for discretionary use. These include:				
Unspent Government Grants and Subsidies	1,622,005	880,085	1,622,005	880,085
	<u>1,622,005</u>	<u>880,085</u>	<u>1,622,005</u>	<u>880,085</u>
8 Trade and Other Receivables				
Current				
Trade Debtors	982,541	577,275	966,633	539,481
less: Impairment	(170,298)	(179,933)	(170,298)	(179,933)
Prepayments	52,650	30,870	46,550	30,870
GST Receivable	337,669	-	337,669	-
	<u>1,202,561</u>	<u>428,212</u>	<u>1,180,553</u>	<u>390,418</u>

Trade receivables, loans and advances are recognised at the amounts due at the time of sale, service delivery, or advance. Settlement of receivables is required within 30 days from invoice date. Terms for loans and advances are usually a maximum of five years with interest charged at non-commercial rates. Security is not normally obtained.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. All known bad debts were written-off at 30 June. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income.

No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable. Movement in accumulated impairment losses (other debtors) has been deemed as immaterial and a separate table has not been included.

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

Not Past Due	962,265	215,063	946,357	177,269
Past Due 31-60 Days	4,390	18,211	4,390	18,211
Past Due 61-90 Days	9,879	2,399	9,879	2,399
Past Due More Than 90 Days	173,377	161,669	173,377	161,669
Impaired	170,298	179,933	170,298	179,933
	<u>1,320,209</u>	<u>577,275</u>	<u>1,304,301</u>	<u>539,480</u>

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

9 Biological Assets

Under AASB 141 Agriculture, biological assets are defined as living animals and plants. They are distinguished from other assets by the fact that they have the natural capacity to grow and/or procreate. These include livestock which are accounted for in the accounts.

The biological assets of the company are valued at fair value less costs to sell, with any change therein recognised in revenue. The fair value less costs to sell is the value that could be achieved in a liquid and active market. Under AASB 141, where an active market exists for a biological asset or agriculture produce in its present location and condition, the quoted price in the market is the appropriate basis for determining the fair value of that asset. The company values their biological assets by multiplying the quoted price in the market at balance date by the stage of growth of the animals or plants, then the estimated selling costs are deducted from the gross sales proceeds. The company does not have any formal risk management strategies related to agricultural activities.

Council does not own any biological assets, however, the consolidated accounts recognise the livestock owned, and crops planted, by the controlled entity, Woorabinda Pastoral Company Pty Ltd.

Crops typically have a short term development cycle. The calculation of market value for these crops is based on total cost due to the inherent difficulty in accurately determining the biological advancement percentage of the crop and inherent risk factor determining crop yield and selling price. As such, the cost approach takes into account actual costs for preparation and cultivation. There are no formal risk management strategies in place related to agricultural activities.

Current Assets

Cattle on Hand - at net market value	7,025,760	4,706,920	-	-
Grain on Hand - at net market value	145,909	41,910	-	-
Crops Planted - at market value	47,385	1,388,960	-	-
Horses on Hand - at cost	79,500	65,000	-	-
Sheep on Hand - at net market value	38,950	40,000	-	-
Pigs on Hand - at net market value	1,450	6,000	-	-
	<u>7,338,954</u>	<u>6,248,790</u>	<u>-</u>	<u>-</u>

CATTLE

Carrying Amount at the Start of the Year	4,706,920	4,252,275	-	-
Increase from Purchases / Acquisitions	9,500	44,000	-	-
Decrease from Disposal / Sales	(1,554,132)	(1,234,316)	-	-
Gain from natural increase and changes in fair values	3,863,472	1,644,961	-	-
Carrying Amount at the End of the Year	<u>7,025,760</u>	<u>4,706,920</u>	<u>-</u>	<u>-</u>

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
9 Biological Assets (continued)				
HORSES				
Carrying Amount at the Start of the Year	65,000	65,000	-	-
Increase from Purchases / Acquisitions	-	1,000	-	-
Decrease from Disposal / Sales	(13,000)	(2,388)	-	-
Gain from natural increase and changes in fair values	27,500	1,388	-	-
Carrying Amount at the End of the Year	<u>79,500</u>	<u>65,000</u>	<u>-</u>	<u>-</u>
SHEEP				
Carrying Amount at the Start of the Year	40,000	21,200	-	-
Increase from Purchases / Acquisitions	-	2,000	-	-
Decrease from Disposal / Sales	(24,270)	(7,487)	-	-
Gain from natural increase and changes in fair values	23,220	24,287	-	-
Carrying Amount at the End of the Year	<u>38,950</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
PIGS				
Carrying Amount at the Start of the Year	6,000	11,340	-	-
Decrease from Disposal / Sales	(4,933)	(7,245)	-	-
Gain from natural increase and changes in fair values	383	1,905	-	-
Carrying Amount at the End of the Year	<u>1,450</u>	<u>6,000</u>	<u>-</u>	<u>-</u>
CATTLE				
	Qty	Qty	Qty	Qty
Carrying Amount at the Start of the Year	5,805	5,697	-	-
Increase from Purchases / Acquisitions	2	15	-	-
Natural Increase	1,366	2,397	-	-
Decrease from Disposal / Sales	(2,323)	(2,224)	-	-
Decrease from Rations / Deaths	(27)	(80)	-	-
Carrying Amount at the End of the Year	<u>4,823</u>	<u>5,805</u>	<u>-</u>	<u>-</u>
HORSES				
Carrying Amount at the Start of the Year	80	76	-	-
Increase from Purchases / Acquisitions	-	4	-	-
Natural Increase	-	3	-	-
Decrease from Deaths / Losses	(16)	(3)	-	-
Carrying Amount at the End of the Year	<u>64</u>	<u>80</u>	<u>-</u>	<u>-</u>
SHEEP				
Carrying Amount at the Start of the Year	192	106	-	-
Increase from Purchases / Acquisitions	-	2	-	-
Natural Increase	127	160	-	-
Decrease from Disposal / Sales	(127)	(21)	-	-
Decrease from Rations / Deaths	(55)	(55)	-	-
Carrying Amount at the End of the Year	<u>137</u>	<u>192</u>	<u>-</u>	<u>-</u>
PIGS				
Carrying Amount at the Start of the Year	45	59	-	-
Natural Increase	-	50	-	-
Decrease from Disposal / Sales	(17)	(14)	-	-
Decrease from Losses / Deaths	(20)	(50)	-	-
Carrying Amount at the End of the Year	<u>8</u>	<u>45</u>	<u>-</u>	<u>-</u>
	2021	2020	2021	2020
	\$	\$	\$	\$
GRAIN ON HAND				
Corn	-	41,910	-	-
Wheat	145,909	-	-	-
CROPS PLANTED				
Wheat	-	234,002	-	-
Mungbeans	-	198,622	-	-
Chickpea	47,385	212,550	-	-
Sorghum	-	456,805	-	-
Corn	-	168,352	-	-
Barley	-	118,629	-	-
Carrying Amount at the End of the Year	<u>193,294</u>	<u>1,430,870</u>	<u>-</u>	<u>-</u>

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$

10 Investments

The controlled entity, Woorabinda Pastoral Company Pty Ltd, is accounted for at cost in Council's separate financial statements. Council is the sole shareholder of 462,129 \$1 fully paid ordinary shares in Woorabinda Pastoral Company Pty Ltd. The shares are measured at cost as fair value cannot be reliably measured.

Ordinary shareholders have the right to receive dividends as declared, and in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up or shares held. The issued capital of 462,129 at par of \$1 have been eliminated from the Consolidated accounts of Council.

Shares in controlled entity Woorabinda Pastoral Company Pty Ltd	-	-	462,129	462,129
	-	-	462,129	462,129

11 Leases Receivable

Council has leased 235 dwellings as lessor to the Queensland Government for 40 years. The total lease payment per dwelling in the current year was \$2,981.62 (2020: \$2,835.32). These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (depreciated replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are recognised at the present value of the expected future lease payments receivable (fair value). Gains or losses on revaluation of finance lease assets are recognised as other income. The calculation of fair value has included an estimate of average annual CPI increases of 2.5% (2020: 2.5%) (being the mid-point of the RBA's target inflation rate) and a discount rate of 2.25% (2020: 1.72%).

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council, accumulated allowance for uncollectible minimum lease payments receivable or contingent rents recognised as income applicable to the leases.

(a) Current

40 Year Lease Initial Recognition - Finance Leases, Current	759,829	732,991	759,829	732,991
	759,829	732,991	759,829	732,991

(b) Non-Current

40 Year Lease Initial Recognition - Finance Leases, Non-Current	24,293,644	26,441,463	24,293,644	26,441,463
	24,293,644	26,441,463	24,293,644	26,441,463

A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:

Not later than one year	759,829	732,991	759,829	732,991
Later than one year but not later than five years	3,039,314	2,931,963	3,039,314	2,931,963
Later than five years	20,323,182	20,337,386	20,323,182	20,337,386
	24,122,325	24,002,340	24,122,325	24,002,340
Add: Estimated contingent rent	12,088,952	12,534,075	12,088,952	12,534,075
less: Present value adjustment	(11,157,805)	(9,361,961)	(11,157,805)	(9,361,961)
Fair value of lease payments	25,053,472	27,174,454	25,053,472	27,174,454

The fair value of lease payments are receivable as follows:

Not later than one year	759,829	732,991	759,829	732,991
Later than one year but not later than five years	3,057,937	2,988,602	3,057,937	2,988,602
Later than five years	21,235,707	23,452,861	21,235,707	23,452,861
	25,053,472	27,174,454	25,053,472	27,174,454

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

12 Property, Plant and Equipment
Consolidated - 30 June 2021

Basis of Measurement

Asset Values

Opening Gross Value as at 1 July 2020

Capital Assets Additions

Transfer Completed WIP

Disposals

Transfers Between Classes

Closing Gross Value as at 30 June 2021

Accumulated Depreciation and Impairment

Opening Balance as at 1 July 2020

Depreciation Provided in Period

Depreciation on Disposals

Transfers Between Classes

Accumulated Depreciation as at 30 June 2021

Total Written Down Value as at 30 June 2021

Range of Estimated Useful Life in Years

Additions Comprise:

Renewals

Other Additions

Total Additions

Consolidated - 30 June 2020

Basis of Measurement

Asset Values

Opening Gross Value as at 1 July 2019

Correction to Opening Balances

Capital Assets Additions

Transfers Completed Assets

Disposals

Revaluation Adjustment to Revaluation Surplus

Closing Gross Value as at 30 June 2020

Accumulated Depreciation and Impairment

Opening Balance as at 1 July 2019

Correction to Opening Balances

Depreciation Provided in Period

Depreciation on Disposals

Transfers Between Classes

Accumulated Depreciation as at 30 June 2020

Total Written Down Value as at 30 June 2020

Land and Improvements	Buildings	Houses	Motor Vehicles	Plant and Equipment	Furniture and Equipment	RIBS Equipment	Water	Sewerage	Roads and Drainage	Work in Progress	TOTAL
Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
12,643,184	25,248,928	15,328,195	2,419,389	3,326,219	306,517	-	24,537,570	12,432,681	37,101,492	777,686	134,121,861
-	-	-	-	-	-	-	-	-	-	3,611,523	3,611,523
19,363	1,505,526	-	37,952	90,950	32,937	-	802,392	621,089	411,694	(3,521,903)	-
(2,475,447)	-	-	-	(23,686)	(11,313)	-	-	-	-	-	(2,510,446)
-	-	-	18,395	(18,395)	-	-	-	-	-	-	-
10,187,100	26,754,454	15,328,195	2,475,736	3,375,088	328,141	-	25,339,962	13,053,770	37,513,186	867,306	135,222,939

1,592,855	20,070,178	11,390,894	2,000,853	2,065,761	102,128	-	8,827,694	5,049,199	21,279,623	-	72,379,186
173,571	512,465	159,697	117,326	127,084	84,229	-	381,148	378,264	680,726	-	2,614,511
(141)	-	-	-	(6,656)	(1,916)	-	-	-	-	-	(8,713)
-	-	-	7,176	(7,176)	-	-	-	-	-	-	-
1,766,285	20,582,643	11,550,591	2,125,354	2,179,013	184,441	-	9,208,842	5,427,463	21,960,349	-	74,984,983
8,420,815	6,171,811	3,777,604	350,382	1,196,075	143,700	-	16,131,120	7,626,306	15,552,837	867,306	60,237,956

Land: Not Depreciated.	30 - 60	60 - 80	3 - 5	3 - 10	3 - 10	3 - 10	10 - 100	15 - 80	20 - 200	-	-
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-	630,086	-	37,952	90,950	7,649	-	802,392	621,089	332,355	-	2,522,473
19,363	875,440	-	-	-	25,288	-	-	-	79,339	-	999,430
19,363	1,505,526	-	37,952	90,950	32,937	-	802,392	621,089	411,694	-	3,521,903

Land and Improvements	Buildings	Houses	Motor Vehicles	Plant and Equipment	Furniture and Equipment	RIBS Equipment	Water	Sewerage	Roads and Drainage	Work in Progress	TOTAL
Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
12,612,446	25,182,608	14,858,032	3,224,914	2,490,193	326,339	97,288	24,537,570	12,432,681	37,139,669	105,337	133,007,077
29,932	-	470,163	(713,119)	810,193	-	(97,288)	-	-	(38,178)	-	461,703
36,029	-	-	6,000	54,505	4,000	-	-	-	-	738,670	839,204
-	66,320	-	-	-	-	-	-	-	-	(66,320)	-
(35,223)	-	-	(98,406)	(28,672)	(23,822)	-	-	-	-	-	(186,123)
-	-	-	-	-	-	-	-	-	-	-	-
12,643,184	25,248,928	15,328,195	2,419,389	3,326,219	306,517	-	24,537,570	12,432,681	37,101,490	777,686	134,121,861

1,375,747	19,561,149	10,762,184	2,656,429	1,102,034	97,948	72,047	8,446,545	4,670,935	20,598,203	-	69,343,221
1,745	(1,745)	461,149	(712,351)	786,572	(1,620)	(72,047)	-	-	-	-	461,703
230,973	510,774	167,562	133,716	195,534	25,657	-	381,148	378,264	681,420	-	2,705,049
(17,741)	-	-	(74,810)	(18,380)	(19,857)	-	-	-	-	-	(130,788)
2,131	-	-	(2,131)	-	-	-	-	-	-	-	-
1,592,855	20,070,178	11,390,896	2,000,853	2,065,761	102,128	-	8,827,692	5,049,199	21,279,623	-	72,379,185
11,050,329	5,178,750	3,937,300	418,536	1,260,458	204,389	-	15,709,878	7,363,482	15,821,868	777,686	61,742,676

**Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021**

**12 Property, Plant and Equipment (continued)
Council - 30 June 2021**

Basis of Measurement

Asset Values

Opening Gross Value as at 1 July 2020

Correction to Opening Balances

Capital Assets Additions

Transfer Completed WIP

Disposals

Closing Gross Value as at 30 June 2021

Accumulated Depreciation and Impairment

Opening Balance as at 1 July 2020

Correction to Opening Balances

Depreciation Provided in Period

Depreciation on Disposals

Accumulated Depreciation as at 30 June 2021

Total Written Down Value as at 30 June 2021

Range of Estimated Useful Life in Years

Additions Comprise:

Renewals

Other Additions

Total Additions

Council - 30 June 2020

Basis of Measurement

Asset Values

Opening Gross Value as at 1 July 2019

Correction to Opening Balances

Capital Assets Additions

Transfers From WIP

Disposals

Closing Gross Value as at 30 June 2020

Accumulated Depreciation and Impairment

Opening Balance as at 1 July 2019

Correction to Opening Balances

Depreciation Provided in Period

Depreciation on Disposals

Revaluation Adjustment to Revaluation Surplus

Accumulated Depreciation as at 30 June 2020

Total Written Down Value as at 30 June 2020

Land and Improvements	Buildings	Houses	Motor Vehicles	Plant and Equipment	Furniture and Equipment	RIBS Equipment	Water	Sewerage	Roads and Drainage	Work in Progress	TOTAL
Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
134,166	22,602,246	15,328,195	1,784,840	1,755,283	240,248	-	24,537,570	12,432,681	37,101,492	777,686	116,694,407
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	3,455,609	3,455,609
-	1,505,526	-	-	-	25,288	-	802,392	621,089	411,694	(3,365,989)	-
-	-	-	-	-	-	-	-	-	-	-	-
134,166	24,107,772	15,328,195	1,784,840	1,755,283	265,536	-	25,339,962	13,053,770	37,513,186	867,306	120,150,016

1,745	18,359,569	11,390,894	1,464,475	1,318,361	75,087	-	8,827,694	5,049,199	21,279,623	-	67,766,647
-	-	-	-	-	-	-	-	-	-	-	-
-	457,861	159,697	92,274	30,000	78,311	-	381,148	378,264	680,726	-	2,258,282
-	-	-	-	-	-	-	-	-	-	-	-
1,745	18,817,430	11,550,591	1,556,749	1,348,361	153,398	-	9,208,842	5,427,463	21,960,349	-	70,024,929
132,421	5,290,342	3,777,604	228,091	406,922	112,138	-	16,131,120	7,626,306	15,552,837	867,306	50,125,088

Land: Not Depreciated.	30 - 60	60 - 80	3 - 5	3 - 10	3 - 10	3 - 10	10 - 100	15 - 80	20 - 200	-	-
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-	630,086	-	-	-	-	-	802,392	621,089	332,355	-	2,385,922
-	875,440	-	-	-	25,288	-	-	-	79,339	-	980,067
-	1,505,526	-	-	-	25,288	-	802,392	621,089	411,694	-	3,365,989

Land and Improvements	Buildings	Houses	Motor Vehicles	Plant and Equipment	Furniture and Equipment	RIBS Equipment	Water	Sewerage	Roads and Drainage	Work in Progress	TOTAL
Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
104,234	22,535,926	14,858,032	2,497,959	945,090	240,248	97,288	24,537,570	12,432,681	37,139,670	105,337	115,494,035
29,932	-	470,163	(713,119)	810,193	-	(97,288)	-	-	(38,178)	-	461,703
-	-	-	-	-	-	-	-	-	-	738,670	738,669
-	66,320	-	-	-	-	-	-	-	-	(66,320)	-
-	-	-	-	-	-	-	-	-	-	-	-
134,166	22,602,246	15,328,195	1,784,840	1,755,283	240,248	-	24,537,570	12,432,681	37,101,492	777,686	116,694,408

-	17,850,540	10,762,183	2,063,653	429,101	56,844	72,047	8,446,546	4,670,935	20,598,203	-	64,950,052
1,745	(1,745)	461,149	(712,351)	786,572	(1,620)	(72,047)	-	-	-	-	461,703
-	510,774	167,562	113,173	102,688	19,863	-	381,148	378,264	681,420	-	2,354,893
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1,745	18,359,569	11,390,894	1,464,475	1,318,361	75,087	-	8,827,694	5,049,199	21,279,623	-	67,766,648
132,421	4,242,677	3,937,301	320,365	436,922	165,161	-	15,709,876	7,383,482	15,821,869	777,686	48,927,760

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

12 Property, Plant and Equipment (continued)

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 \$5,000, 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 Council are:

Land and Improvements	Sewerage	Furniture and Equipment
Buildings	Roads and Drainage	RIBS Equipment
Housing	Motor Vehicles	Work in Progress
Water	Plant and Equipment	

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.

Capital and Operating Expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life 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.

Expenditure incurred in accordance with Natural Disaster Relief and Recovery Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers 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 kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Valuation

Land, buildings and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant & Equipment* and AASB 13 *Fair Value Measurement*. Plant and equipment and work in progress are 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 engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council uses Valuation Consultants, along with internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with an appropriate cost index for the region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements and buildings asset classes in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed below.

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

Capital Work in Progress

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

Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment 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. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

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

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.

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

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

12 Property, Plant and Equipment (continued)

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

Impairment of Non-Current Assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, 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.

Deed of Grant in Trust

Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 34I of the Land Act 1994. It comprises an area of approximately 33,811 hectares. The land is administered by the Department of Natural Resources and Mines 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 it cannot be reliably measured.

13 Fair Value Measurements

Recognised Fair Value Measurements.

Council measures and recognises the following assets at fair value on a recurring basis:

Property Plant and Equipment

Land and Improvements	Water
Buildings	Sewerage
Housing	Roads and Drainage

Council does not measure any liabilities at fair value on a recurring basis. Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit and loss when incurred. The fair value of borrowings in Note 16 is provided by Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (Level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (Level 2).

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading "Land (level 2)".

In accordance with AASB 13 *Fair Value Measurements* are categorised on the following basis:

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

The following table categorises fair value measurements as level 2 and level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

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. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more significant inputs are not based on observable market data, the asset is included in level 3. This is the case for infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

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

		Note	Level 2		Level 3		TOTAL	
			Significant Other Observable Inputs		Significant Unobservable Inputs			
			\$ 2021	\$ 2020	\$ 2021	\$ 2020	\$ 2021	\$ 2020
Consolidated								
Recurring Fair Value Measurements								
Land	12	8,420,815	11,050,329	-	-	8,420,815	11,050,329	
Water	12	-	-	16,131,120	15,709,877	16,131,120	15,709,877	
Sewerage	12	-	-	7,626,306	7,383,482	7,626,306	7,383,482	
Roads and Drainage	12	-	-	15,552,837	15,821,868	15,552,837	15,821,868	
Houses	12	-	-	3,777,604	3,937,300	3,777,604	3,937,300	
Buildings	12	-	-	6,171,811	5,178,750	6,171,811	5,178,750	
		8,420,815	11,050,329	49,259,678	48,031,277	57,680,493	59,081,606	
Council								
Recurring Fair Value Measurements								
Land	12	132,421	132,421	-	-	132,421	132,421	
Water	12	-	-	16,131,120	15,709,877	16,131,120	15,709,877	
Sewerage	12	-	-	7,626,306	7,383,482	7,626,306	7,383,482	
Roads and Drainage	12	-	-	15,552,837	15,821,868	15,552,837	15,821,868	
Houses	12	-	-	3,777,604	3,937,300	3,777,604	3,937,300	
Buildings	12	-	-	5,290,342	4,242,677	5,290,342	4,242,677	
		132,421	132,421	48,378,209	47,095,205	48,510,630	47,227,626	

There were no transfers between levels. Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

13 Fair Value Measurements (continued)

Valuation techniques used to derive fair values for level 2 and level 3 valuations

Houses and Buildings (Level 3)

Houses and buildings belonging to Woorabinda Aboriginal Shire Council are not able to be sold on the open market. These assets are valued using the revaluation model and the valuation is subject to professional assumptions and judgements and therefore categorised as level 3 in the valuation hierarchy.

Buildings and houses are valued using a depreciated replacement cost methodology, which estimates the replacement cost for each building by taking into account a range of factors. The current replacement costs for assets that have been assigned with a unit rate have been determined in accordance with Rawlinson's Construction Handbook. A locality factor of 1.25 has been adopted. For commercial and residential buildings, costs are based on the assumption that the asset to be replaced will be of the same function and area of the original building. It has been assumed that if the building is replaced it will be with one that meets current design standards within the existing floor area.

Accumulated Depreciation is subtracted from the replacement cost to reflect the consumed service potential of the asset. The amount of accumulated depreciation is calculated by taking into account the age or the condition of the asset. These calculations are made in accordance with the IPWEA Australian Infrastructure Financial Management Guidelines.

The condition of assets were obtained from the valuation undertaken by AECOM in 2019 and reflect the current condition of assets based on a sample of inspections. Inspections were carried out on approximately 5% of Community assets and a condition rating assigned. Buildings had approximately a 90% inspection rate. Rankings used for the condition assessment are below. Source IPWEA Position Paper 7 which has referenced the International Infrastructure Management Manual.

Rank	Description of Condition
1	Very good condition Only normal maintenance required
2	Minor defects only Minor maintenance required (up to 5% of capital replacement cost)
3	Maintenance Required to Return to Accepted Level of Service Significant maintenance required (up to 50% of capital replacement cost)
4	Requires Renewal Significant renewal/upgrade required (up to 70% of capital replacement cost)
5	Asset Unserviceable (Complete asset replacement required)

The most significant inputs into the valuation approach are construction cost unit rates (per square metre), estimated useful lives, pattern of consumption and asset condition.

Land (Level 3)

Woorabinda Aboriginal Shire Council is located on land assigned to it under the provisions of the Local Government (Aboriginal Lands) Act 1978. Subsequently the Queensland Government granted Aboriginal freehold title for lands constrained within the Council lease under Deed of Grant of Land. The land is administered through the provisions of the aforementioned legislation and the Council has restricted use of this land for the benefit of shire inhabitants. The grant was made to secure, for the benefit of Aborigines who reside on the land, preservation of their traditional rights, use, and occupancy of the land enjoyed by them. The freehold land has not been taken up in the financial statements as it cannot be reliably measured.

The Woorabinda Pastoral Company has land purchased for the operation of its business activities. The freehold land is valued at approximately \$8.3 million and was last revalued as at 30 June 2019. This land has been valued based on sales of land in the locality and standard valuation principles have been adopted whereby the direct comparison method for each individual parcel has been utilised. Where necessary, adjustments are made to the sales evidence to account for differences between sold properties and the subject property.

Due regard has also been given to zoning, size, shape, location, topography and exposure characteristics for each lot, as well as overall market conditions as at the date of valuation. Research of the various submarkets within the asset locations has been undertaken through the analysis of sales evidence and market data derived from real estate agents. Land will be revalued as at June 2022.

Infrastructure Assets (including Roads, Water, and Sewerage) (Level 3)

All Council infrastructure assets were valued using level 3 valuation inputs using the cost approach. The approach involved the identification of separate assets with different useful lives and taking into account a range of factors. The unit rates based on square metres or other unit capacities could be supported from market evidence (level 2). Other inputs such as estimates of useful life and remaining life requires professional judgement which impact on the determination of fair value. Therefore, these assets have been valued using level 3 valuation inputs.

Infrastructure assets are valued using a depreciated replacement cost methodology, which estimates the replacement cost for each asset by taking into account a range of factors. The replacement cost is based on current market prices for the supply and installation or construction of assets producing similar levels of service in the Central Queensland region. The assets have been valued on the basis of replacement with a modern day equivalent where appropriate.

In assigning unit rates for civil infrastructure, the following general assignments were made, based on the most probable in ground installation:

- sanitary sewers and manholes - 3.5 metre average depth
- storm sewers, manholes and gully pits - 1.5 metre average depth
- water pipes - 0.6 meter cover.

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

13 Fair Value Measurements (continued)

Because the cost of selecting different pipe material is generally less than 10% of the overall cost of the installation, cost differences were considered not to be material and an overall general rate applied. An allowance for engineering has been included in the current replacement costs of assets. The engineering allowance accounts for investigations, survey, design/design review, supervision, contract administration, contract procurement, administration services and other minor miscellaneous items. Provided the work is in economically sized packages, an engineering allowance of 20% of the construction cost is considered representative. This incorporates nominally 10% provision for design and contract administration services and 10% for the balance of engineering work - investigation, survey, supervision and contract procurement.

The current replacement costs for assets that have been assigned with a unit rate have been determined in accordance with Rawlinson's Construction Handbook. A locality factor of 1.25 has been adopted.

Accumulated Depreciation is subtracted from the replacement cost to reflect the consumed service potential of the asset. The amount of accumulated depreciation is calculated by taking into account the age or the condition of the asset. These calculations are made in accordance with the IPWEA Australian Infrastructure Financial Management Guidelines. The condition of assets were obtained from the valuation undertaken by AECOM in 2019 and reflect the current condition of assets based on a sample of inspections. Inspections were carried out on approximately 5% of Community assets and a condition rating assigned.

Rankings used for the condition assessment are below. Source OPWEA Position Paper 7 which has referenced the International Infrastructure Management Manual.

Rank	Description of Condition
1	Very good condition Only normal maintenance required
2	Minor defects only Minor maintenance required (up to 5% of capital replacement cost)
3	Maintenance Required to Return to Accepted Level of Service Significant maintenance required (up to 50% of capital replacement cost)
4	Requires Renewal Significant renewal/upgrade required (up to 70% of capital replacement cost)
5	Asset Unserviceable (Complete asset replacement required)

The most significant inputs into the valuation approach are construction cost unit rates (per square metre), estimated useful lives, pattern of consumption and asset condition.

Estimated useful lives and residual values for all infrastructure assets are disclosed in Note 12.

Valuations

Woorabinda Aboriginal Shire Council engages external, independent and suitably qualified valuers to determine the fair value of land, houses, buildings and other infrastructure assets on a regular basis. An annual review is done to determine whether the carrying amount of the assets is materially different to fair value. If there is a material difference Council will engage valuers to provide a comprehensive revaluation or a desktop revaluation using appropriate indices.

Council engaged AECOM to perform a comprehensive revaluation as at 30 June 2019 for all asset classes held on a revaluation basis. This process involved physical inspection of a sample of assets, updating of registers based on information provided by Council management, and the application of indexation based on a number of internal and external cost sources. Adjustments to asset condition scores were also applied based on the results of physical inspections and asset performance records. Overall this resulted in a small decrement to fair value at 30 June 2019.

These non-current asset values were internally assessed by finance and works staff as at 30th June 2021 to ensure there had been no material movement in asset values since the valuation. A range of inputs were considered including reference to independent indices, other Queensland local government valuations, supplier prices, and internal staff wages. It was determined that price movements have been immaterial. Council does intend to conduct a comprehensive revaluation of non-current assets prior to the next audit.

The cumulative movement in asset values since 30th June 2019 has been assessed as:

- Land	0.00%
- Land Improvements	2.80%
- Buildings	3.25%
- Houses	3.25%
- Water	1.06%
- Sewerage	1.06%
- Roads and Drainage	0.42%

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
14 Intangible Assets				
Council purchased the Woorabinda Post Office in August 2020. The privately-owned business was for sale as the prior owner was retiring. Council committed to ensuring it remained open and in the community given its importance to Woorabinda and as such purchased its operations. The significant majority of the purchase price related to goodwill for the business and the enduring right monopoly licence to operate as an authorised branch of Australia Post and as such the full price has been recognised as an intangible asset.				
Opening Balance	-	-	-	-
Additions	304,124	-	304,124	-
Impairment	-	-	-	-
	<u>304,124</u>	<u>-</u>	<u>304,124</u>	<u>-</u>

15 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.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable. When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

(a) Contract Assets	1,245,062	55,145	1,245,062	55,145
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(b) Contract Liabilities

Funds received upfront to construct Council controlled assets.	645,914	726,697	645,914	726,697
Deposits received in advance of services provided	<u>976,091</u>	<u>153,388</u>	<u>976,091</u>	<u>153,388</u>
	<u>1,622,005</u>	<u>880,085</u>	<u>1,622,005</u>	<u>880,085</u>

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

Funds to construct Council controlled assets	130,784	130,784
Deposits received in advance of services provided	<u>73,670</u>	<u>73,670</u>
	<u>204,454</u>	<u>204,454</u>

Significant Changes in Contract Balances

Capital contract liabilities have maintained a similar balance however there has been a significant increase in mining contributions received in advance for environmental services to be performed over the next several years. The increase in contract assets related to capital works monies spent but not yet received. Much of these funds were received early in the 2021/22 financial year.

16 Trade and Other Payables

Current

Creditors and Accruals	1,186,214	1,339,225	1,026,696	954,056
GST Payable	321,300	-	269,703	-
PAYG Liability	<u>115,149</u>	<u>-</u>	<u>115,149</u>	<u>-</u>
	<u>1,622,663</u>	<u>1,339,225</u>	<u>1,411,548</u>	<u>954,056</u>

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

17 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.

All borrowing costs are expensed in the period in which they are incurred. In accordance with the *Local Government Regulation 2012*, Council adopts an annual debt policy that sets out Council's planned borrowings for the next 9 years. Council's current policy is to only borrow for capital projects and for terms no longer than the expected life of the asset. Council also aims to comply with QTC's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
17 Borrowings (continued)				
Current				
Loans - Hire Purchase	-	74,836	-	-
Loans - NAB Market Facility	-	600,000	-	-
	-	674,836	-	-
Non-Current				
Loans - NAB - Glenwood	-	2,137,000	-	-
	-	2,137,000	-	-
Loans Movement Analysis				
Opening Balance at Beginning of Financial Year	2,811,836	4,157,657	-	-
Loans Raised	-	-	-	-
Principal Repayments	(2,811,836)	(1,345,821)	-	-
Book Value at End of Financial Year	-	2,811,836	-	-

The following table sets out the Council's liquidity risk of borrowings 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:

Book Value	0 to 1 Year	1 to 5 Years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
Consolidated					
2021					
Borrowings	-	-	-	-	-
2020					
Borrowings	674,836	2,137,000	-	2,811,836	2,811,836

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

Woorabinda Aboriginal Shire Council is exposed to interest rate risk through the borrowings of Woorabinda Pastoral Company Pty Ltd. Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised. Sensitivity to interest rate movements for variable financial assets and liabilities at an estimated change in interest rates (assumed to be 1%) would have an immaterial impact on net result and equity, based on the carrying values at the end of the reporting period. This assumes that the change in interest rates would be held constant over the period.

18 Provisions

	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
Current				
Long Service Leave	71,384	71,990	71,384	71,990
Annual Leave Liability	250,432	299,493	188,904	172,171
Other Employee Entitlements	43,355	20,111	43,355	20,111
	365,171	391,594	303,643	264,272
Non-Current				
Refuse Restoration	2,013,766	2,008,958	2,013,766	2,008,958
Long Service Leave	117,599	110,720	106,374	85,586
	2,131,365	2,119,678	2,120,140	2,094,544
Movements in Non-Employee Benefit Provisions:				
Refuse Restoration				
Balance at Beginning of Financial Year	2,008,958	2,002,748	2,008,958	2,002,748
Increase (Decrease) in Provision due to Unwinding of Discount	4,808	6,210	4,808	6,210
Increase/(Decrease) Due to Change in Time and Future Costs	-	-	-	-
Balance at End of Financial Year	2,013,766	2,008,958	2,013,766	2,008,958

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

18 Provisions (Continued)

Provision is made for the cost of restoration of refuse dumps where it is probable the Council will be liable, or required, to incur cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of restoration. The refuse restoration closing balance of \$2,013,766 is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The projected costs at closing dates, including monitoring until 2071, total \$3,156,112.

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. 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 dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the sites will close between 2025 and 2050 and that the restoration will occur progressively over the subsequent two years.

As refuse dumps are on DOGIT land which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

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.

Annual Leave

A liability for annual leave is recognised. As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

19 Revaluation Surplus

	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revaluation Surplus Analysis				
The closing balance of the revaluation surplus comprises the following asset categories:				
Land and Improvements	5,706,399	5,706,399	98,372	98,372
Buildings	791,969	791,969	-	-
Houses	4,835,336	4,835,336	4,835,336	4,835,336
Water	5,961,927	5,961,927	5,961,927	5,961,927
Sewerage	3,476,568	3,476,568	3,476,568	3,476,568
Roads and Drainage	9,398,416	9,398,416	9,398,416	9,398,416
	<u>30,170,615</u>	<u>30,170,615</u>	<u>23,770,619</u>	<u>23,770,619</u>

The revaluation surplus comprises adjustments relating to changes in value of assets that don't 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 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 revaluation surplus in respect of that class. Any excess is treated as an expense.

20 Contingent Liabilities

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

Local Government Mutual

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

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

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

20 Contingent Liabilities (continued)

Local Government Workcare

Council is a member of the Queensland local government workers' compensation self-insurance scheme, Local Government Workcare. Under this scheme 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 arise. Council's maximum exposure to the bank guarantee is **\$72,918** (2020: \$72,918).

21 Superannuation

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

The next triennial actuarial review is not due until 1 July 2021.

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

Investment risk - risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities. Woorabinda Aboriginal Shire Council made less than 4% of the total contributions to the plan in the 2019/20 financial year.

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$	\$	\$	\$
Superannuation contributions for employees	453,915	558,864	361,507	383,492
Total superannuation contributions paid by Council	5	453,915	558,864	361,507

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

22 Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities

Note	Consolidated		Council	
	2021 \$	2020 \$	2021 \$	2020 \$
Net Result	948,432	(2,575,316)	(1,093,262)	(3,043,809)
Non-Cash Items:				
Depreciation	2,614,511	2,705,049	2,258,282	2,354,893
(Gain) / Loss on Revaluation of 40-Year Leases	2,120,982	(348,128)	2,120,982	(348,128)
(Increments) / Decrements in Net Market Value of Biological Assets	(1,090,164)	(766,510)	-	-
	3,645,329	1,590,411	4,379,264	2,006,765
Investing and Development Activities:				
Loss on Disposal of Assets	42,731	48,244	-	-
Capital Grants and Contributions	(3,284,530)	(836,454)	(3,284,530)	(836,454)
	(3,241,799)	(788,210)	(3,284,530)	(836,454)
Changes in Operating Assets and Liabilities:				
(Increase) / Decrease in Receivables	(719,204)	3,197,018	(734,990)	2,013,365
(Increase) / Decrease in Inventory	2,125	10,512	2,125	10,512
Increase / (Decrease) in Payables	283,438	(2,274,632)	457,492	(2,011,318)
Increase / (Decrease) in Other Liabilities	822,703	880,085	822,703	880,085
Increase / (Decrease) in Other Provisions	44,172	337,828	64,968	218,363
	433,234	2,150,811	612,298	1,111,007
Net Cashflow from Operating Activities	1,785,195	377,696	613,769	(762,492)

23 Changes in Accounting Policy

There were no changes in accounting policy in the 2020/21 financial year.

24 Leases

Council as a lessee

Council has applied the exception to lease accounting for leases of low-value assets and short-term leases.

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

25 Events After the Reporting Period

There have been no material adjusting events after the end of the reporting period.

26 Commitments for Expenditure

Council has no material commitments for expenditure as at 30th June 2021. The only commitments Council has are unfilled purchase orders generated for general Council operations and due for completion in the 2021/22 year.

Woorabinda Aboriginal Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2021

27 Related Parties

(a) Transactions with Wholly Owned Entities of Council

Council is the sole shareholder of 462,129 \$1 fully paid ordinary shares in Woorabinda Pastoral Company Pty Ltd (WPC). The following transactions occurred with WPC:

Details of Transaction	2021	2020
	\$	\$
Dividend From WPC	45,000	-
Goods and services supplied by WPC to Council on normal terms and conditions	423	8,506
Goods and services supplied by Council to WPC on normal terms and conditions	18,796	27,529

(b) Transactions with Key Management Personnel (KMP)

KMP are the Mayor, Deputy Mayor, Councillors, Chief Executive Officer, and some Executive Management. The compensation paid to KMP for 2020/21 comprises

Details of Transaction	2021	2020
	\$	\$
Short-Term Employee Benefits	756,579	802,718
Post-Employment Benefits	84,817	91,838
Long-Term Benefits	70,935	56,607
Termination Benefits	-	15,841
Total	912,331	967,004

* Detailed remuneration disclosures are provided in the Annual Report

(c) Transactions with Other Related Parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse. Details of transactions between Council and other related parties are disclosed below:

Details of Transaction	2021	2020
	\$	\$
Reimbursements of expenditure incurred on Council's behalf by KMP or related parties of KMP	13,911	15,616
Travel allowances paid to Councillors	5,430	5,169
Total	19,341	20,785

All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. Council employs 72 staff of which only 8 are close family members of key management personnel.

(d) Outstanding Balances

There are no outstanding balances at the end of the reporting period in relation to Council's key management personnel or entities controlled by KMP.

(e) Loans and Guarantees to / from Related Parties

Council does not make loans or receive loans from related parties. No guarantees have been provided.

(f) Commitments to / from Other Related Parties

There are no commitments to or from related parties.

(g) 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 Woorabinda Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of fees and charges
- Use of Council facilities
- Borrowing of books from Council libraries

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

**Woorabinda Aboriginal Shire Council
Financial Statements
For the Year Ended 30 June 2021**

**Management Certificate
For the Year Ended 30 June 2021**

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 27, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Joshua Weazel

Date: 29/10/21



Chief Executive Officer
Mike Hayward

Date: 29/10/21

Woorabinda Aboriginal Shire Council

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

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

**Woorabinda Aboriginal Shire Council
Current-Year Financial Sustainability Statement
For the Year Ended 30 June 2021**

Measures of Financial Sustainability

Council's performance at 30 June 2021 against key financial ratios and targets:

	How the Measure is Calculated	Consolidated	Council	Target
Operating Surplus Ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-0.9%	-20.8%	between 0% and 15%
Asset Sustainability Ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	104.4%	116.0%	greater than 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-41.9%	2.0%	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 2021.

Woorabinda Aboriginal Shire Council
Financial Statements
For the Year Ended 30 June 2021

Certificate of Accuracy
For the Year Ended 30 June 2021


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

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



Mayor
Joshua Weazel

Date: 29/10/21



Chief Executive Officer
Mike Hayward

Date: 29/10/21

Woorabinda Aboriginal Shire Council

Long Term Financial Sustainability Statement - Unaudited

Certificate of Accuracy - for the Long Term Financial Sustainability Statement

**Woorabinda Aboriginal Shire
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2021**

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2021	Projected for the Years Ended									
				30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31
Operating Surplus Ratio	Net result divided by total operating revenue	Between 0% and 15%	-0.9%	-11.39%	-14.59%	-14.95%	-13.68%	-14.49%	-13.30%	-13.29%	-13.06%	-13.01%	-13.01%
Asset Sustainability Ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	104.4%	55.80%	55.80%	55.80%	55.80%	55.80%	54.90%	54.90%	54.00%	54.00%	54.00%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-41.9%	-0.01%	1.93%	4.52%	5.93%	7.96%	9.28%	11.32%	13.20%	15.64%	15.64%

Woorabinda Aboriginal Shire Council's Financial Management Strategy


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

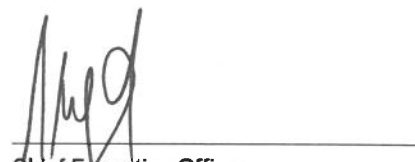
**Woorabinda Aboriginal Shire Council
Financial Statements
For the Year Ended 30 June 2021**

**Certificate of Accuracy
For the Long-Term Financial Sustainability Statement prepared as at 30 June 2021**

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

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


Mayor
Joshua Weazel
Date: 29/10/21


Chief Executive Officer
Mike Hayward
Date: 29/10/21

