



2021 - 2022

ANNUAL REPORT

HOPE VALE ABORIGINAL SHIRE COUNCIL



WELCOME

Hope Vale Aboriginal Shire Council strives to be a model Council and is committed to serving the community and positively contributing toward improving the shire for all residents.

Hope Vale Aboriginal Shire Council is pleased to present the Annual Report for the financial year 1 July 2021 to 30 June 2022. The report provides an account of the Council's services, activities, supporting functions and other information that underpin Council's achievements for the financial year 1 July 2021 to 30 June 2022.

The Annual Report contains information for all residents, community groups, government, staff and other interested parties, which details Council's operations, achievements, culture and plans for the future.

It is an important document by which Council is transparent, accountable and informative in accordance with legislative requirements. The information within the Annual Report should allow residents and the wider public to assess Council's performance in relation to the stewardship of community assets, and the efficiency, effectiveness, and cost-effectiveness of services provided and operations undertaken.

Copies of this Annual Report can be obtained by contacting the Council Administration Office on (07) 4083 8000 or by visiting Council's website at www.hopevale.qld.gov.au

We welcome feedback on this report which can be provided in writing.

***"From dreaming
to reality"***

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A MESSAGE FROM THE MAYOR



On behalf of my fellow Councillors, I am very pleased to present to you Hope Vale Aboriginal Shire Councils Annual Report for the 2021-2022 reporting year.

As I reflect on the 2021-2022 financial year, I would like to recognise and thank everyone who has helped drive positive change in Hope Vale. As Councillors we are incredibly fortunate to have such a passionate and engaged community that provides invaluable encouragement, thoughts and ideas as we work together to contribute to a more connected Hope Vale.

I am encouraged by the achievements that have been accomplished for Hope Vale over the past 12 months. It shows not only the ability to do more, but a willingness to do more differently. If our main job was to be a platform where Council could effectively translate your ideas into an action, and more importantly an outcome, then I think we can be proud of the job we have done, not only in making decisions quickly and responsibly but remaining disciplined in our endeavors and focused on what matters most – the needs of Hope Vale. I am even more proud of the impact of these outcomes and of the opportunities to come. These opportunities saw Council transition into the new financial year with projects to support employment for years to come. The proof of this collective impact is contained within the pages of this report.

The Annual Report shows the range of services we deliver to the community. As the tier of government closest to the people, we do the things you see every day - our parks, roads, rubbish collection, building construction and street lighting. We provide services that care for our elders, provide care and learning environments for our children, support assisted living through the provision of daily meals, transport and personal care and support and connect NDIS clients with appropriate services. We provide facilities that generate economic growth for Hope Vale such as meeting rooms, a supermarket, retail spaces and a service station. We also do the things that are not so obvious, such as storm water systems, planning, public health control, water quality testing and regulatory compliance. Then we do some fun things, the swimming pool, the library, local radio broadcasting, the BMX track, the MPC football oval and provide gym equipment. There are also wonderful community driven events such as NAIDOC that continue to be assisted and supported by Council.

This work is important. It's important because it matters and it matters because it directly impacts and supports over 130 clients in Hope Vale who are our friends, our families and our children. Where extraordinarily dedicated Council employees who are also our friends, our families and children, have invested over 24,000 hours in delivering this support. It matters because it makes a difference in someone's life.

Then there are the big projects. With matched funding of \$1.0M from Hope Vale Council we commenced works on Hope Vales \$2.0M Community and Cultural Park which will transform our main street, we completed the \$1.41M bitumen seal extension of Elim Beach Road, we finalised \$1.16M in upgrade works on the buildings and facilities that support the delivery of our care services and a further \$1.31M in the provision of this support. This investment will serve Hope Vale for years to come. Currently we are still progressing works on projects with a total value of over \$6.1M that aim to support critical roads infrastructure, service delivery and social infrastructure.

Council generated essential growth throughout the year, which was underpinned by our core responsibility and commitment to sustainability, accountability and transparency. Again in the 2021-2022 financial year, the Queensland Audit Office issued an unmodified audit opinion that incorporates their assessment that Hope Vale Council did meet the set targets by which sustainability is measured. For Council, sustainability measures the outcomes of our strategic decisions, whether the outcomes of our decisions were a success or a failure, and the impact of these outcomes for Hope Vale. It is important then that sustainability is publicly measured against set targets as it ensures accountability and transparency in decisions that are made. Important also, because sustainability creates opportunities for and within Hope Vale.

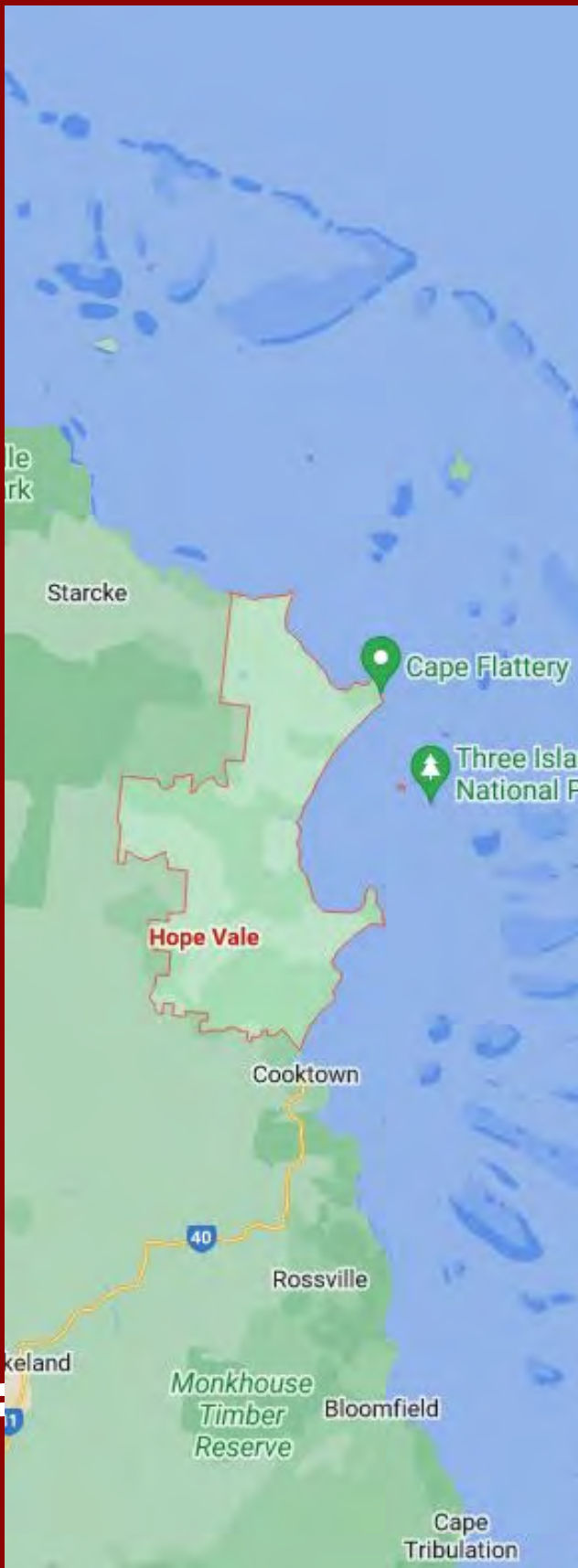
Council moves into the new financial year with over \$7.2M of new projects to deliver for Hope Vale. Works will commence on these projects throughout the year. These committed projects assist in Hope Vales ongoing growth, economic development and employment.

As your elected members we will continue to work hard to strike the balance between what as a community we need and regulatory constraints. As Councillors we are always mindful that you have entrusted us to be your voice, and as such we are conscious of trying to achieve the best possible outcomes for Hope Vale. I hope that our Annual Report reflects Councils and Council employees dedication to the community.

To the community, thank you for your support in Council representing Hope Vale and proactively contributing to the future of Hope Vale. Please continue to stay engaged as we are committed to fostering a culture of community engagement, providing all residents with the opportunity to impact the Council decision making process. This too is important as Council decisions can impact our community that we serve.

MAYOR JASON WOIBO

HOPE VALE



Our Shire

Hope Vale located 46 km north of Cooktown and 370 km north of Cairns was established as a Lutheran Mission in 1949. The Aboriginal people from Hope Valley and Bedford Missions were settled here.

The magnificent land surrounding Hope Vale covers freshwater springs, palm tree lined rivers and beautiful bright sand dunes. Hope Vale itself is made of rich red soil. The unique coloured sands near Elim displays shades of yellow, black and red.

Land in the Shire is made up of parcels that are Deed of Grant in Trust (DOGIT) tenure under the trusteeship of the Council for the town designated DOGIT, land under the trusteeship of the Hope Vale Congress Corporation and small block of freehold. Part of this freehold block has been subdivided to provide a subdivision for freehold residential allotments.

AREA 110,000 H

POPULATION 1081 (2018 CENSUS)

Doing Business in Hope Vale

Hope Vale has a range of services and facilities available to residents and visitors. These include:

Community: Community Justice Group, Indigenous Knowledge Centre (Library), SES & Rural Fire Service, Lutheran Church, Radio Station (107.7 FM), Dog Pound

Aged Services: Community and Home Support Program (CHSP), Aged Care Hostel

Education: Child Care Centre, Kindergarten, Primary School

Facilities: Conference and Meeting Rooms, Short Term Accommodation Multi-Purpose Centre, Football Field, Aquatic Centre, Splash Park, Community Hall and Airstrip

Health: Hospital – Health Centre, Disability Support Service, Health & Well Being Centre, Men's Shed

Retail: Supermarket, Service Station, Take Away Food Outlet, Café, Post Office, Bait & Tackle Shop

Tourism: Art & Culture Centre, Elim Camp Ground

Government Services: Police Station, Centrelink Agency, Department of Housing & Public Works, My Pathway (Jobs Centre), Family Responsibility Commission

Commercial Services: Concrete Batching Service, Vehicle and Plant Servicing Workshop

OUR COUNCIL



From left: Cr Allison Michael, Cr Barry Bowen, Mayor Jason Woibo, Cr Keithean Bowen, Deputy Mayor Bruce Woibo

OUR VISION

Our vision is to move from dreaming to reality: through diversity and harmony to achieve a progressive, united and vibrant region and township.

OUR MISSION STATEMENT

Through the practice of good governance and strong leadership, the Hope Vale Aboriginal Shire Council aims to:

- Provide quality services
- Be accountable
- Provide equitable representation
- Drive change
- Foster growth
- Promote success in a friendly environment
- Comply with all legislative statutory requirements



OUR ELECTED MEMBERS



Council is made up of the Mayor and four Councillors who are elected by the community every four years to represent the views of residents within Hope Vale Shire.

The Council and Councillors are accountable to the residents of Hope Vale through provisions contained within the Local Government Act 2009, which is Council's guiding legislation. A Councillor forms part of the team in which the residents of Hope Vale have placed their trust in to make decisions on their behalf and are therefore entitled to expect high standards of conduct from the Councillors. The purpose of the guiding legislation is to ensure this.

The legislation is founded on five (5) local government principles whereby the Council must be accountable, effective, efficient and sustainable and that a Councillor must comply with, and apply, while performing their role as an elected representative. The five (5) principles are of equal importance.

These principles are:

1. Ethical and legal behaviour of councillors
2. Transparent and effective processes; and decision making in the public interest
3. Democratic representation, social inclusion and meaningful community engagement
4. Good governance of, and by, the local government
5. Sustainable development and management of assets and infrastructure, and delivery of effective services

The Local Government Act 2009 clearly distinguishes the roles and responsibilities of councillors.

These responsibilities are:

1. ensuring the local government discharges its responsibilities under the Local Government Act 2009
2. ensuring the Corporate Plan is achieved
3. ensuring compliance with all applicable laws
4. providing high quality leadership to the local government and the community
5. participating in council meetings, policy development and decision-making
6. being accountable to the community for the local government's performance

The fundamental role of Hope Vale Aboriginal Shire Council's elected member is to serve the interests of Hope Vale as a whole. The importance of the role of Councillors cannot be underestimated. It involves a strong commitment to achieve effective local government, which aims to improve the quality of life in Hope Vale.

Hope Vale's elected representatives promote the positive attributes and opportunities of Hope Vale, foster positive relationships and form cohesive partnerships with all tiers of government to benefit the residents and the community.





Jason Woibo

Mayor

Governance, Disaster Management & Land
Law & Justice, Council Administration, Disaster
Management, Land, Building Construction and Aged Care



Bruce Woibo

Deputy Mayor

Economic Development & Employment
Animal Management and Church



Allison Michael

Councillor

Education and Training
Kindergarten, Child Care, Education, Training and
Youth Development



Keithan Woibo

Councillor

Community Wellbeing
Health, Sport & Recreation, CHSP and Disability



Barry Bowen

Councillor

Infrastructure Services
Building Projects, Essential Services, and Civil
Construction (including Disaster Recovery Funding
Arrangements (DRFA))



REMUNERATION TO COUNCILLORS

SECTION 186 (1)(A)(B) LGR 2012

Remuneration schedules for Mayors, Deputy Mayors and Councillors relating to the financial year 2021 - 2022 are determined by the Local Government Remuneration Commission and remunerations are reviewed on an annual basis. All remuneration shown below, is on an annual basis.

NAME	POSITION	REMUNERATION	SUPERANNUATION	EXPENSES CLAIMED	FACILITIES PROVIDED
Jason Woibo	Mayor	\$108,222	\$10,822	\$11,193	Mobile Phone Vehicle
Bruce Woibo	Deputy Mayor	\$62,436	\$6,244	\$11,968	Mobile Phone Vehicle
Allison Michael	Councillor	\$54,111	\$5,411	\$8,840	
Keithan Bowen	Councillor	\$54,111	\$5,411	\$8,840	
Barry Bowen	Councillor	\$54,111	\$5,411	\$8,840	

COUNCILLORS ATTENDANCE RECORD

SECTION 186 (1)(C) LGR 2012

Council meetings are generally held on the third Wednesday of each month. A schedule of meeting dates is adopted by Council at the first Council meeting of the calendar year.

*Total Ordinary Meetings Held - 12

NAME	ORDINARY COUNCIL MEETINGS (DAYS ATTENDED)	SPECIAL COUNCIL MEETINGS (DAYS ATTENDED)	TOTAL MEETINGS ELLEIGBLE TO ATTEND	TOTAL MEETINGS ATTENDED (DAYS ATTENDED)
Jason Woibo	12	4	16	16
Bruce Woibo	12	4	16	16
Allison Michael	12	4	16	16
Keithan Bowen	12	4	16	16
Barry Bowen	12	4	16	16



OUR PEOPLE

TRAINING AND DEVELOPMENT

Council's training and development programs aim to support employees to reach their full potential and importantly ensure that Council has a reservoir of talent to continue to grow and futureproof the Council.

Hope Vale Aboriginal Shire Council recognises the importance of an employee's personal and professional development and is committed to investing in training. Dedicated resources are made available for training programs allowing employees the opportunity to expand their knowledge base within their roles.

Council also encourages whole-person development which extends the range of development and goes beyond traditional work skills and knowledge.

The benefits of training are far-reaching. Council employees are integral to achieving Council's objectives and performance. For employees to perform efficiently and effectively in their roles, Council has an obligation to ensure its employees have up to date skills where they can adopt best practice methods within their work areas.

EQUAL EMPLOYMENT OPPORTUNITY

Hope Vale Aboriginal Shire Council aims to provide an environment where employees and others in the workplace are treated fairly and with respect, and are free from unlawful discrimination, harassment, vilification and bullying and create a work environment which promotes good working relationships.

Council is committed to the principle that everyone should have equal access to employment opportunities based on merit which extends beyond recruitment and encompasses someone's entire work lifecycle.

This commitment is underpinned by Council's Equal Employment Opportunity policy that promotes workplace diversity and endeavors to create a safe workplace for all employees. Importantly the application of the Council policy applies to all employees and all persons performing work in a Council workplace including, contractors, consultants, labour hire workers, employees of other organisations who are working at Council workplaces, work experience students and volunteers.

Council will continue to work toward best practice, where values which promote, develop, and maintain non-discriminatory employment and promotion practices are embedded into our employment culture.

WORK HEALTH & SAFETY

Work Health and Safety is a strategic imperative for Council, with an overriding commitment to the safety and wellbeing of all employees, contractors and the public. Supported by the Council, management and supervisors strive to create a positive safety, quality and risk culture throughout the organisation whereby safety is at the centre of Council business and at the heart of the conversations.

Council's commitment to safety does not change and is always supported by the guiding principles of a work, health and safety framework. Queensland legislation defines the safety requirements and core standards for building healthy and safe workplaces by which the framework is underpinned.

This includes:

- Work Health and Safety Act 2011
- Work Health and Safety Regulation 2011
- Codes of Practice

Ensuring that these core standards are applied to all activities undertaken by Council and are promoted and supported by all employees at all levels.

This is measured in part by the consistently low number of reported matters over several years. However, Council does not rely on the outcomes of past performance, as a predictor for future events. Rather it serves as a platform to provide Council the opportunity to evaluate the effectiveness of the entire safety management system. This forms an important part of the continuous improvement approach as this evaluation considers more than just compliance.

During the 2021-2022 financial year, Council engaged a dedicated Work Health and Safety Officer which, in part, aims to ensure that an effective and efficient culture of safety is embedded throughout the organisation and that it encompasses all aspects of Council's activities, services and operations. Additionally, this engagement reinforces Council's commitment to continuous improvement and is seen as fundamental in driving the development and implementation of a long-term Council Work Health and Safety Strategy. This strategy will include identifying new risks, evaluation of existing risks, maintenance of Council's existing risk management processes and identifying and implementing initiatives that serve to target trends and reduce Council's risks.

Hope Vale Aboriginal Shire Council is committed to providing all employees with a safe and healthy place to work, and to work practices that do not compromise the health or safety of others including contractors, visitors and members of the public. An essential element of Council's approach to workplace health and safety practices is the obligation that all employees ensure that Council operates safe and healthy work environments. This approach is a cooperative and collaborative one, where it encourages all employees to actively participate in proactive discussions and is a core component of the continuous improvement approach.

CODE OF CONDUCT

Hope Vale Aboriginal Shire Council expects all employees and all persons performing for Council, to uphold a standards of behaviour which align with ethical principles. Council's Code of Conduct policy reaffirms Council's commitment to behaving ethically, by requiring all employees, and all persons performing work for Council, to abide by this code, behaving professionally and with respect and consideration for others.

The Queensland Public Sector Ethics Act 1994 establishes four key ethic principles that are intended to guide ethical decision making and behaviour and serve as the foundation of Council's policy. The ethics principles are:

- Principle 1: Integrity and Impartiality**
- Principle 2: Promoting the Public Good**
- Principle 3: Commitment to the system of government**
- Principle 4: Accountability and Transparency**

Application of the policy assists Council to meet the obligations to the community, for employees to meet their obligations as a local government employee, comply with Council policies, develop good community relations and that promotes the public interest.



CORPORATE GOVERNANCE & LEGISLATIVE REQUIREMENTS

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

SENIOR CONTRACT EMPLOYEES SECTION 201 (1)(a)(b) LGA 2009

Remuneration to senior contract employees is inclusive of compulsory superannuation contributions, movement in employee leave provisions, telecommunication costs, and allocations attributed to the provision of staff housing, electricity and vehicle usage. Remuneration relating to five senior contract employees is \$813,031.

3 senior contract employees with a remuneration package in the range of \$75,000 - \$175,000

2 senior contract employees with a remuneration package in the range of \$175,000- \$275,000

INVITATION TO TENDERERS TO CHANGE THEIR TENDER SECTION 190 (1)(e)LGR 2012

No invitations to amend tender specifications under section 228(7) after tenders were called, occurred during the 2021-2022 financial year.

BENEFICIAL ENTERPRISES SECTION 41 LGA 2009

No Beneficial Enterprises were recognised during the 2021-2022 financial year.

BUSINESS ACTIVITIES SECTION 45 (a) LGA 2009

Council did not conduct any business activities during the 2021-2022 financial year.

SIGNIFICANT BUSINESS ACTIVITIES SECTION 45 (b)(d) LGA 2009

Council did not conduct any significant business activities during the 2021-2022 financial year.

Council did not conduct any significant business activities during the preceding financial year.

COMPETITIVE NEUTRALITY PRINCIPLE APPLIED TO SIGNIFICANT BUSINESS ACTIVITIES SECTION 45(c) LGA 2009

Council did not conduct any significant business activities during the 2021-2022 financial year.



INVITATIONS TO PROVIDE EXPRESSION OF INTEREST

There were no Expression of Interest invitations sought during the 2021-2022 financial year.

INTERNAL AUDIT FUNCTION SECTION 190 (1)(h) LGR 2012

The Council aim to establish and maintain a system of an independent objective appraisal to examine and evaluate Council's internal control environment.

Council has a system of internal controls that aim to minimise risk and protect Council's assets. The internal audit function provides Council an independent review of the sufficiency and dependability of established internal controls that aim to safeguard Councils assets from loss, waste and fraud and that Councils activities are governed by the highest operational standards and ethics.

The purpose of the Councils internal audit function is to provide an unbiased evaluation of the systems and processes that underpin Councils internal controls by verifying the effectiveness of Councils risk management, efficiency, control and governance processes.

The internal audits conducted, as outlined in Councils strategic audit plan, for the 2021-2022 financial year, were:

- A compliance review of Council's Policy and Governance Framework
- A compliance and integrity review of the Year ended 30 June 2022 Comprehensive and Desktop Asset Valuation Reports

ASSESSMENT OF CORPORATE PLAN AND OPERATIONAL PLAN SECTION 190 (1)(a) LGR 2012

Hope Vale Aboriginal Shire Council's Annual Operational Plan is an important strategic document which outlines the operational priorities and outcomes that Council undertook for the 2021-2022 financial year in accordance with Council adopted budget. It highlights Council's key areas of focus, operational priorities and anticipated outcomes. These activities directly align to Council's 2018-2023 Corporate Plan. The key areas of focus include:

1. Community and Lifestyle
2. Economic Development
3. Environmental Sustainability
4. Infrastructure Services
5. Organisational Excellence and Governance
6. Strategic Planning

Each quarter, a report was presented to Council that measures and documents the progress towards achieving the operational priorities. Pleasingly, most of the operational activities were achieved.

Similarly, the Outcomes and Strategies outlined in Council's Corporate Plan 2018-2023 continue to be successfully implemented.

GRANTS TO COMMUNITY ORGANISATIONS SECTION 189 (1) LGR 2012

Council did not provide grants to community organisations during the 2021-2022 financial year.

COUNCILLOR EXPENSES REIMBURSEMENT AND FACILITIES POLICY SECTION 185 (a) (b) LGR 2012

In accordance with section 185 of the Local Government Regulation 2012, Council adopted the Councillors Expenses Reimbursement and Facilities Policy on 18 May 2022 and a copy of the resolution is provided below in accordance with section 250 (1) of the Local Government Regulation 2012. The Procurement Policy outlines the requirements under section 206 (2) of the Local Government Regulation 2012 and is included in the same resolution.

The resolution was as follows:

Moved by Cr Kiethan Bowen

Seconded by Cr Allison Michael

Resolution:

That That Council

a) receive, note, and endorse the Finance and Corporate Services Director's Report dated 15 May 2022, and

b) endorse the following documents attached to the Finance and Corporate Services Director's Report –

Acceptable Requests Guidelines Policy

Administrative Actions Complaints Policy incorporating Complaints Management Process

Advertising Spending Policy

Business Continuity Plan

Cash Management Policy

Communications and Media Policy

Community Engagement Policy

Community Grants Policy

Council Model Meeting Procedures

Debt Policy

Developing Guidelines for the Provision of Councillor Admin Support

Fraud and Corruption Policy

Fraud and Corruption Prevention Framework

Hospitality and Entertainment Policy

Human Rights Policy and Complaints Management Process

Investigation Policy

Investment Policy

Procurement Policy

Public Interest Disclosure Policy

Public Interest Disclosure Procedure

Reimbursement of Expenses Policy

Standing Orders for Council Meeting Policy

Contracts Manual

CARRIED



OVERSEAS TRAVEL SECTION 188 (1)(a)(b)(c)(d)(e) LGR 2012

No overseas travel was undertaken by councillors or staff on behalf of Council during the 2021-2022 financial year.

OTHER RELEVANT ISSUES TO MAKING AN INFORMED ASSESSMENT SECTION 190 (1) (b) LGR 2012

There were no known issues relevant to making an informed assessment of Council's operations and performance in the 2021-2022 financial year.

COMMERCIAL BUSINESS UNITS SECTION 190 (1) (c) LGR 2012

Council did not operate any Commercial Business Units during the 2021-2022 financial year.

RATES AND CHARGES SECTION 190 (1)(g) LGR 2012

The annual report must contain a summary of all concessions for rates and charges granted by the local government. No concessions were granted during the 2021-2022 financial year.

DISCRETIONARY FUNDS SECTION 189 (2) LGR 2012

Councillors did not have discretionary funds during the 2021-2022 financial year.

LIST OF REGISTERS MAINTAINED BY THE LOCAL GOVERNMENT SECTION 190 LGR 2012

The following registers are maintained by Hope Vale Aboriginal Shire Council:

Name of Register	Authority
Councillors Register of Interests	SECTION 295 LGR 2012
Related Parties Disclosure Register	SECTION 150EP LGA 2009
Asset Register	SECTION 104 (5)(B) LGA 2009, SECTION 180 LGR 2012
Cost Recovery Fees Register	SECTION 98 LGA 2009
Pre-Qualified Suppliers Register	SECTION 232 (3) LGR 2012
Electoral Gifts Register	SECTION 107 LGEA 2011
Delegations Register	SECTION 260 (1) LGA 2009, SECTION 305 LGR 2012
Local Laws Register	SECTION 31 LGA 2009, SECTION 14 LGR 2012
Beneficial Enterprises Register	SECTION 41 LGA 2009
Local Government Roads and Roads Map Register	SECTION 74 LGA 2009, SECTION 57 LGR 2012
Contracts Register	SECTION 237 LGR 2012
Councillors Conduct Registers	SECTION 150DX – SECTION 150DZ LGA 2009
Administrative Complaints Register	SECTION 306 LGR 2012

CONDUCT AND PERFORMANCE OF COUNCILLORS SECTIONS 186 (1)(d)-(f) AND SECTIONS 353 LGR 2012

Compliance with S186 of the Local Government Regulation 2012 under S186 (1)(d)-(f) the Council performance against set standards were as follows:

Compliance Requirements

Orders made under section 150I(2) of the Act	NIL
Orders made under section 150AH(1) of the Act	NIL
Decisions, orders and recommendations made under section 150AR(1) of the Act	NIL
Name of each Councillor for whom a decision, order or recommendation was made under section 150I(2), 150AH(1) or 150AR(1) of the Act	NIL
A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each councillor that was made under section 150I(2), 150AH(1) or 150AR(1) of the Act	NIL
A summary of the decision, order or recommendation made for each councillor that was made under section 150I(2), 150AH(1) or 150AR(1) of the Act	NIL
Complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government	NIL
Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission	NIL
Notices given under section 150R(2) of the Act	NIL
Notices given under section 150S(2)(a) of the Act	NIL
Decisions made under section 150W(1)(a)(b)(d) of the Act	NIL
Decisions made under section 150W(1)(a)(b)(e) of the Act	NIL
Referral notices accompanied by a recommendation mentioned in section 150AC(3)a) of the Act	NIL
Occasions information was given under section 150AF(4)(a) of the Act	NIL
Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor	NIL
Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct	NIL



ADMINISTRATIVE ACTION COMPLAINTS SECTION 187 (1)(2)(A)(B) LGR 2012

Council's administrative actions complaints management process is set out in Council's General Complaints Policy Process and is made available to the public and staff via Council's website. The Policy is reviewed annually to ensure its effectiveness and was last reviewed in May 2022. The introduction of the Human Rights Act 2019 forms part of the decision making and the complaints management process and ensures that proper consideration to human rights is given before making a decision.

Council is committed to continually improving their Complaints Management Process to ensure that complaints are dealt with in a fair and equitable manner. During 2021-2022 financial year, Council received no administrative action complaints. There were no administrative action complaints that were made in the 2020-2021 financial year.

INVESTIGATION NOTICES COMPETITIVE NEUTRALITY COMPLAINTS SECTION 190 (1) (i) LGR 2012

No investigation notices given under section 49 LGR 2012 received during the 2021-2022 financial year.

RESPONSES TO QCA RECOMMENDATIONS COMPETITIVE NEUTRALITY COMPLAINTS SECTION 190 (1)(j) LGR 2012

No responses to report under section 52(3) as no competitive neutrality complaints received during the 2021-2022 financial year.

SERVICE, FACILITY OR ACTIVITY SECTION 190 (1)(d)(i)(ii) LGR 2012

There are no details to report during the 2021-2022 financial year on action taken for, and expenditure on, a service, facility or activity:

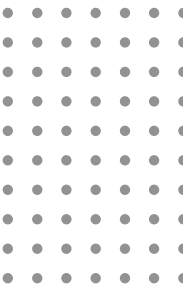
- Supplied by another local government under an agreement for conducting a joint government activity; and
- for which the local government levied special rates or charges.





OUR PERFORMANCE

A YEAR IN REVIEW



ADVOCACY

Council continues to advocate strongly and has significantly increased its involvement in three Regional and State advocacy associations over recent years – the Queensland Indigenous Leaders Forum (comprising of all Queensland Indigenous Local Governments), the Torres Cape Indigenous Council Alliance, and the Far North Queensland Regional Organisation of Councils.

Of the three advocacy associations of which Council supports, all aim to facilitate change and the development of new areas of policy, to tackle unmet needs or deal with emerging needs in either Hope Vale Shire region or the wider community. Being part of these advocacy groups, enables Hope Vale Aboriginal Shire Council, to engage in influencing and changing systems, including the legislative, policy and political aspects of systems. We do this to promote and improve opportunities and outcomes not only for Hope Vale but the region as a whole.

FINANCE AND CORPORATE GOVERNANCE

Council's finance and corporate governance frameworks are built on a foundation of regulatory compliance, where rules, controls and processes are implemented that are vital for fostering Council's financial sustainability, integrity and long-term partner opportunities, and aim to support growth and long-term success for Hope Vale. These frameworks are supported by reporting, operational, risk management and financial principles that the Council can rely on to develop and implement Council's strategic goals and dictate future direction.

The guiding principles that reinforce the frameworks include transparency, accountability, responsibility and trust. Incorporating sound governance principles and practices throughout the activities that Council administers, not only contributes to compliance with Council's regulatory obligations, but it also promotes a set of ethical standards whereby the community, stakeholders and the public interests are safeguarded.

By the way in which these principles are consistently applied, having a comprehensive, transparent and effective governance framework, fosters of culture of integrity that leads to long-term growth for Hope Vale and the long- term financial sustainability of Council.

Hope Vale Aboriginal Shire Council consistently endeavors to be a high performing and financially sustainable Council with sound and effective governance structures based on the principles of risk management and continuous improvement. The result of this consistency is again demonstrated in Councils 2021-2022 financial year results.

On 29 July 2022, the Queensland Audit Office issued an unmodified audit opinion on Hope Vale Aboriginal Shire Councils 2021-2022 Annual Financial Statements and assessed Councils overall sustainability risk as low. Council was in the target range of the three ratios that Council is assessed against. The assessment indicates that Council can fund ongoing operations and capital projects from its own source revenue, that Council's capital structure is very strong and that Council has managed its assets in line with the asset management plans.

It is pleasing to note that Council has been the first Council in Queensland Local Government to be issued with an unmodified audit opinion on the Annual Financial Statements, achieved all target measures of Financial Sustainability as determined by the Department of State Development, Infrastructure, Local Government and Planning and where the Queensland Audit Office has assessed Councils internal control environment as effective, whereby the highest rating measure has been applied for eleven (11) consecutive years.

Council's long term financial sustainability continues to be the core determinant in Hope Vales growth and future direction. Council's financial sustainability position ensures that the Council can determine Hope Vales future direction and as such, ensures that Councils financial management strategy is prudent and that the long-term financial forecast shows a sound financial position.



MINISTERIAL AND GOVERNMENT CHAMPIONS

The Queensland Government is committed to increasing the capability of government to deliver innovative, efficient, effective, and integrated services for Indigenous Australians, particularly to those who live in remote and discrete indigenous communities. The government champions program's philosophy is to appoint a State Government Minister and a Director General of a State Government Department to partner with individual communities.

The Ministers work closely with the Mayor to enable them to engage more effectively with Cabinet on the opportunities and challenges facing the community. The Director General of the State Government Department works with the elected Council and the Council's Chief Executive Officer to assist with Council challenges and opportunities across all State Government Departments.

The Council is supportive of the initiative of the State Government through its Government (Director General) Champion and Ministerial Champion program. Current Champions are the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement, Mick de Brenni as Ministerial Champion, and the Director General - Department of State Development, Infrastructure, Local Government & Planning, Mike Kaiser as Government Champion.

It is anticipated that Council and the Ministerial and Government Champions will continue to work closely together to support and improve social and economic outcomes within Hope Vale with this direct link to State Cabinet.

FRAUD AND CORRUPTION STRATEGIES

Hopevale Aboriginal Shire Council takes the exposure to fraud and corruption seriously and proactively manages fraud and corruption risks to minimise exposure to potential losses by embedding risk management into Council's governance systems, accountability arrangements, planning, reporting and improvement processes. Council is committed to ensuring robust governance and ethical conduct of all employees, by preventing, detecting and investigating all forms of fraud and corruption that may occur.

It is the responsibility of Council employees and contractors to report all suspected cases of fraud or corruption.

Council's Fraud and Corruption Policy identifies the minimum requirements and responsibilities for governance, prevention, detection, and the response to suspected fraud and corruption. It ensures that Council's workforce acts legally, ethically and in the public interest as well as fostering an ethical work environment and culture, that must exist to discourage and prevent fraud.

Underpinning Council's zero tolerance approach sits the Fraud and Corruption Prevention Framework which is the basis for managing fraud and corruption risks. The Fraud and Corruption Prevention Framework will, at all times, ensure the protection of public property, information, revenue, expenditure and the rights of other organisations and individuals.

The framework incorporates the following processes and controls:

- 1. A clear and integrated policy and framework**
- 2. Continuing and effective fraud and corruption risk assessment and management**
- 3. Robust internal controls including optimisation of technology in detecting fraud with clear accountability and responsibility**
- 4. Effective internal reporting systems and procedures**
- 5. An effective system of external notification and reporting**
- 6. A well-defined public interest disclosure mechanisms**
- 7. Competent investigation processes and standards**
- 8. A clear Code of Conduct and disciplinary standard**
- 9. Comprehensive staff awareness and training programs; and**
- 10. Effective stakeholder and community awareness programs.**

Council's Fraud and Corruption Prevention Framework seeks to minimise the opportunities for fraud and corruption by the implementation of cost-effective measures that enhance the integrity and effectiveness of all Council operations, thereby forming an integral part of Council's overall risk management strategy.

Also forming part of Council's fraud and corruption agenda, is the Public Interest Disclosure Policy. In accordance with the objectives of the Public Interest Disclosure Act 2010 (the Act), The Policy promotes the public interest by facilitating public interest disclosures of wrongdoing and is guided by the objectives of the Public Interest Disclosure Act 2010 (the Act).

Council values the disclosure of information about suspected wrongdoing in the public sector so that it can be properly assessed, and where appropriate, properly investigated. If a Disclosure is made to Council, the Public Interest Disclosure Procedure ensures that practical and effective procedures are applied so the disclosure can be properly assessed and, where appropriate, properly investigated.

In combination, the policies, framework and procedure form part of Council's control strategy that ensures Council has implemented and maintains, appropriate systems of risk oversight and process management, and that all reasonable measures are in place to prevent, detect and deal with fraud.



SOCIAL SERVICES



GEORGE BOWEN MEMORIAL KIDERGARTEN

- 24 enrolments
- 600 hours of quality learning provided
- Fully staffed by local indigenous educators



NDIS COMMUNITY CONNECTOR PROGRAM

- 26 active participants
- 998 hours of support provided
- 409 outcomes and actions



AGED CARE HOSTEL

- Re-accreditation issued for further 2 years
- 4 Aged Care residents permanently supported
- 14 extraordinary dedicated staff
- intense focus on continuous improvement



RADIO STATION OVER 2000 HOURS OF BROADCASTING SERVICES DELIVERED





NOLA'S PLACE - CHILD CARE CENTRE

- 50 weeks service available
- 29 children enrolled
- 8400 hours care and learnings



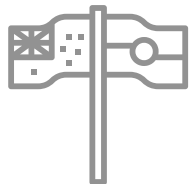
COMMONWEALTH HOME AND SUPPORT PROGRAM

- 53 clients supported
- 6800 meals supplied
- 5880 hours of support available



INDIGENOUS KNOWLEDGE CENTRE

- 65 memberships
- 1250 hours free Wi-Fi
- 1000 resources available
- 90 hours of early childhood education supported



LOCAL THRIVING COMMUNITIES

- 5 local community members form part of the Interim Advisory Committee
- Reflects a collective vision for Hope Vale
- Ensures investment strengthens Hope Vale
- Maximises opportunities for local services



YOUTH ENGAGEMENT PROGRAM

- 8 community events facilitated
- 10 youth re-engaged with education services
- 6 youth supported in employment opportunities



OPERATIONS



BUILDING CONSTRUCTION



8

EXTENSIONS

Addressing overcrowding and the housing shortage in Hope Vale through the delivery of freestanding granny flats and house extensions.



**OVER
66**

UPGRADES

Including painting, fencing, roofing, internal and external renovations, carports, driveways, outdoor patios, cabinetry, occupational therapy & more.



**MORE THAN
2000
REPAIRS**

Repairs and responsive maintenance in Hope Vale improving the livability and safety for tenants.

CIVIL CONSTRUCTION



OVER

\$7M

PROGRAM VALUE



MORE THAN

\$1.96M

DELIVERED



**PROJECT VALUE OF
WORKS IN PROGRESS**

\$3.48M

AT 30 JUNE 22

Building and improving Hope Vale's disaster resilience through extending the existing seal network, increasing flood immunity and reconstructing damaged road assets.

As a result of completed projects in 2021 - 2022, Hope Vale residents and visitors now have all vehicle access to Shire beaches. Additionally, community safety has been increased through the construction of a Heavy Vehicle Bypass.



ESSENTIAL SERVICES

Clean drinking water and safe waste management

- Over 150,000,000 litres of safe drinking water provided to Hope Vale
- Over 9 water main breaks repaired
- Over \$500,000 invested into improving Hope Vale's water and sewerage infrastructure



PARKS & GARDENS

Keeping a tidy town

- Over 750 tonnes of domestic waste collected
- Over 30 car bodies removed from community free of charge and recycled
- Over 1000 hours picking up litter ensuring a clean, safe and tidy town



ANIMAL MANAGEMENT

Keeping a healthy community

- Over 20 houses treated for pest control
- Over 400 administered health treatments
- 25 De-sex treatments
- Over 27 animals humanely euthanized
- 6 dog attacks investigated

BUILDING A TOWNSHIP OVER 25 PROJECTS | \$5 MILLION

- Aged Care Upgrade Works
- Library Street Front Upgrade
- 1 Muni Street Upgrade
- Radio Station Upgrade
- Art Centre Improvements
- Kindergarten Fence
- Cemetery Access and Shelter
- Muni Street Streetscaping
- Water Filtration Planning
- Flow Meters at the Reservoir
- De-sludge Sewerage Primary Pond
- Water Treatment Plant Solar Array
- Keller Street Lighting
- Elim Beach Road Seal
- Back-Up Generators
- Clean Reservoir Tanks
- Mobile Diesel Storage
- Bore Board Upgrades
- Data Digitization
- BMX Track and Shelter
- 178 Thuppi Upgrade
- Heavy Vehicle Bypass Stage 2
- Library Foyer

PROJECT VALUE OF WORKS IN PROGRESS OVER 13 PROJECTS TO DATE | WORTH MORE THAN \$3.48 MILLION

- Heavy Vehicle Bypass Stage 3
- Council Asset Management
- Elim Beach Signage
- Heavy Vehicle Bypass Signage
- Football Oval Upgrade
- Mclvor Road Seal Extension
- Helipad
- Community & Cultural Park
- Business Precinct Extension
- Kindergarten Remedial Fencing
- Childcare Upgrade
- Sports Precinct Master Planning
- Football Oval Irrigation Installation
- Football Oval Fencing
- Reconstruction of Damaged Road Assets





2021 - 2022

COMMUNITY FINANCIAL REPORT

HOPE VALE ABORIGINAL SHIRE COUNCIL



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- 3. FINANCIAL STATEMENTS SNAPSHOT
- 3. FINANCIAL STATEMENTS CONTENT DOCUMENTS
- 4. ABOUT COUNCIL'S FINANCIAL STATEMENTS
- 5. ABOUT THE AUDITORS REPORT
- 6. ANALYSIS OF STATEMENT OF COMPREHENSIVE INCOMES FOR
THE FINANCIAL YEARS 2020, 2021 AND 2022
- 7. COUNCIL'S REVENUE AND EXPENSE SOURCES
- 8. COUNCIL'S STATEMENTS OF FINANCIAL POSITION
(BALANCE SHEET)
- 9. KEY FINANCIAL FIGURES – A FIVE YEAR TREND
- 10. COUNCIL'S CAPITAL EXPENDITURE BY ASSET CLASSES
- 10. COUNCIL'S MAJOR PROJECTS
- 11. FINANCIAL SUSTAINABILITY MEASURES



The Community Financial Report is a plain English summary of Council's Financial Statements prepared in accordance with s184 of the Local Government Regulation 2012.

FINANCIAL STATEMENTS SNAPSHOT 2021-2022

Key highlights of the 2021-2022 financial year include:

- Unmodified Audit Opinion
- Low Risk Sustainability
- Annual Financial Statements signed off by the Queensland Audit Office on 29 July 2022

FINANCIAL STATEMENTS CONTENT DOCUMENTS 2021-2022

What you will find in the Financial Statements:

The Audited Financial Statements of Hope Vale Aboriginal Shire Council set out the financial performance, financial position, cash flows and the net wealth of Council for the financial year ending 30 June 2022.

About the Management Certificate:

The Financial Statements must be certified by both the Mayor and the Chief Executive Officer as presented fairly. Hope Vale Council's financial results for the year are required to be adopted by the Council – ensuring both responsibility for the ownership of the Financial Statements by management and elected representatives.



ABOUT THE FINANCIAL STATEMENTS 2021-2022



The Audited Financial Statements incorporate 4 primary financial statements and accompanying notes.

A STATEMENT OF COMPREHENSIVE INCOME

A summary of Hope Vale Council’s financial performance for the year ending 30 June 2022, listing both regular income and expenses and other comprehensive income which records items such as changes in the fair value of Council’s assets and investments.

A BALANCE SHEET

A 30 June 2022 snapshot of Hope Vale Council’s Financial Position including its Assets and Liabilities.

A STATEMENT OF CHANGES IN EQUITY

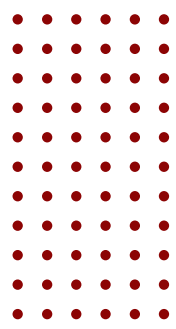
This shows the overall change for the year (in dollars) of Hope Vale Council’s “net wealth”.

A STATEMENT OF CASH FLOWS

Indicates where Hope Vale Council’s cash came from and where it was spent.

NOTES TO THE FINANCIAL STATEMENTS

These provide greater detail to the line numbers of the 4 primary financial statements.



ABOUT THE AUDITORS REPORT 2021-2022

Hope Vale Aboriginal Shire Council's Financial Statements are required to be audited by the Queensland Audit Office. The audit of the majority of Queensland Councils are contracted to Audit firms that specialise in Local Government. The Queensland Audit Office provides an audit report which gives an opinion on whether the Financial Statements present the Council's financial performance and position fairly.

A complete version of the Hope Vale Aboriginal Shire Council's 2021-2022 Audited Financial Statements including the sustainability ratios can be found on Council's website: www.hopevale.qld.gov.au or at either of Council's administrative offices located at:

1 Muni Street, Hope Vale QLD 4895

4/108 Mulgrave Road, Cairns Qld 4870

If you have any questions regarding the 2021-2022 Audited Financial Statements, please contact the Finance Department on **(07) 4052 2100**.



ANALYSIS OF THE STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDING 2020, 2021 & 2022

\$'000	ACTUAL 2022	% 2022	ACTUAL 2021	% 2021	ACTUAL 2020	% 2020
Operating Revenue	\$16,152		\$14,836		\$15,925	
Capital Revenue	\$5,036		\$5,323		\$4,621	
Total Revenue	\$21,188	100%	\$20,159	100%	\$20,547	100%
Recurrent Expenditure	\$16,010		\$14,157		\$14,987	
Capital Expenses	\$1,291		\$204		\$646	
Total Expenditure	\$17,300	81.65%	\$14,361	71.23%	\$15,633	76.08%
Net Result	\$3,888	18.35%	\$5,798	28.76%	\$4,914	23.91%
Other Comprehensive Income	\$7,797		\$6,621		\$1,740	
Total Comprehensive Income	\$11,684	55.14%	\$12,419	61.60%	\$6,653	32.37%

REVENUE & EXPENSE SOURCES FOR 2021-2022

REVENUE

- Fees & Charges Income
- Rental Income
- Interest Income
- Grants - Operating Income
- Grants - Capital Income
- Other / Sundry Income
- Sales Income

EXPENSES

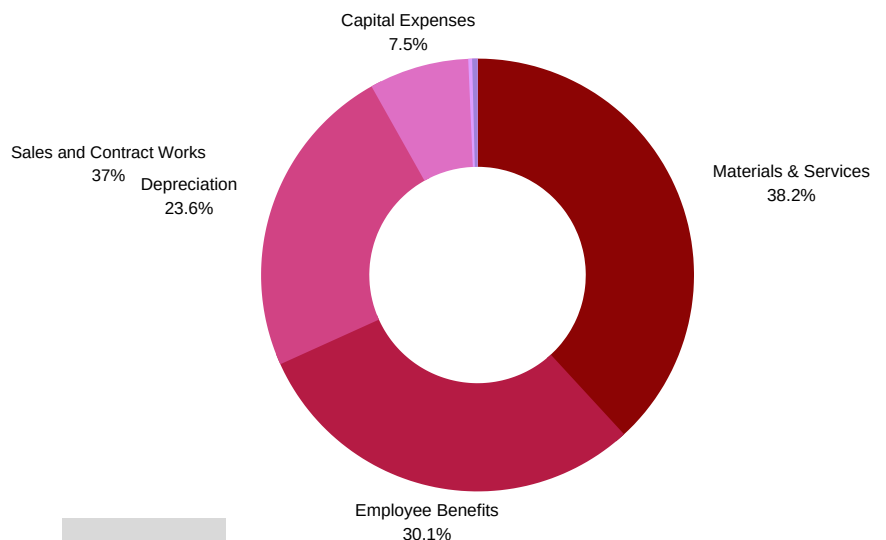
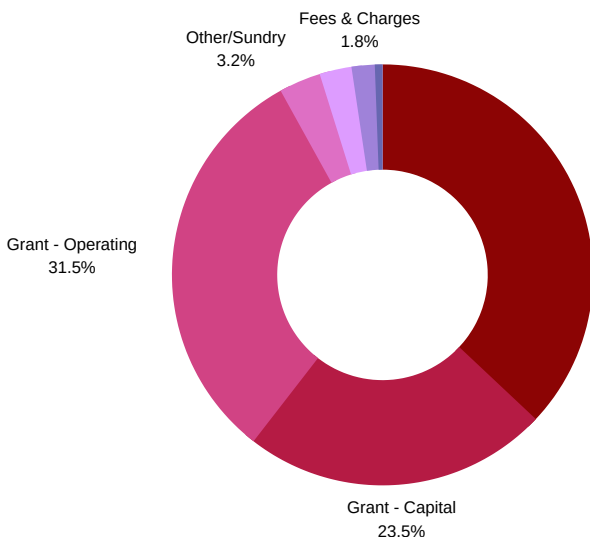
- Employee Benefits Expenses
- Materials and Services Expenses
- Finance Costs Expenses
- Depreciation Expenses
- Capital Expenses
- Other Expenses

INCOME

- Fees & Charges
- Rental Income
- Interest Received
- Grants - Operating
- Grants - Capital
- Other / Sundry
- Sales and Contract Works

EXPENSES

- Employee Benefits
- Materials & Services
- Finance Costs
- Depreciation
- Capital Expenses
- Other Expenses



BALANCE SHEET

COUNCIL'S STATEMENTS OF FINANCIAL POSITION FOR 2021-2022

	ACTUAL 2022	ACTUAL 2021
Available Cash & Investments	31,909	26,663
Debtors	663	1,773
Contract Assets	689	678
Capital Works in Progress	2,510	3,736
Land Improvements	3,630	3,630
Buildings	34,964	31,647
Major Plant	426	388
Other Plant & Equipment	409	461
Furniture & Fittings	113	95
Infrastructure Roads	22,841	20,714
Infrastructure Water & Sewerage	19,004	16,754
Infrastructure Other	5,128	3,725
Other Financial Assets	21,110	21,938
Liabilities	(2,033)	(2,521)
Net Community Equity	141,366	129,681

A 5 YEAR TREND

KEY FINANCIAL FIGURES

Financial Performance Figures (\$'000)	YE 2022	YE 2021	YE 2020	YE 2019	YE 2018
Inflows:					
Sundry/Other	679	2,759	2,135	4,220	1,020
Fees & Charges	375	369	355	371	275
Rental Income	520	582	454	483	370
Interest Received	123	139	238	346	229
Sales Revenue	7,812	4,434	7,498	9,151	11,003
Grants, Subsidies, Contributions & Donations					
- Operating & Capital	11,678	11,876	9,887	9,507	12,194
Total Income	21,188	20,159	20,547	24,078	25,091
Outflows:					
Employee Benefits	5,203	4,770	4,722	4,847	4,933
Materials & Services	6,602	5,575	6,727	8,107	8,909
Finance Costs	50	44	21	4	24
Depreciation	4,085	3,767	3,518	3,297	3,018
Other Expense	69			0	618
Capital Expense	1,291	204	646	1,792	5,301
Total Expenses	16,010	14,361	15,633	18,048	22,803
Surplus/(Deficit)	3,888	5,798	4,914	6,030	2,287
Financial Position Figures (\$'000)	YE 2022	YE 2021	YE 2020	YE 2019	YE 2018
Total Assets	143,399	132,203	120,949	113,774	105,593
Total Liabilities	2,033	2,521	3,687	1,706	1,353
Net Community Assets	141,366	129,682	117,262	112,068	104,239
Cash & Cash Equivalents	31,184	25,979	26,612	22,855	18,348
Total Value of PP&E	89,026	81,150	72,055	68,994	67,085
Total Accumulated Depreciation	4,085	3,767	3,518	3,297	3,018
Indicative Remaining Useful Life (as a % of GBV)	1	1	1	1	1

COUNCIL'S CAPITAL EXPENDITURE ASSET CLASSES FOR 2021-2022



- BUILDINGS RESIDENTIAL**
- BUILDINGS OTHER**
- PLANT & EQUIPMENT**
- MOTOR VEHICLES & MACHINERY**
- WATER & SEWERAGE INFRASTRUCTURE**
- ROADS INFRASTRUCTURE**
- OTHER INFRASTRUCTURE**
- FURNITURE & FITTINGS**
- LAND & IMPROVEMENTS**

COUNCIL'S MAJOR PROJECTS FOR 2021-2022

- Housing Upgrades
- Housing Maintenance
- Elim Beach Road Bitumen Seal
- Heavy Vehicle Bypass Bitumen Seal
- Generator Replacement
- Bores Soft Starters
- BMX Track Upgrade
- Library Foyer Entrance
- Staff Housing
- Parkland & Streetscaping
- Diesel Storage Tank
- Works for Queensland Program - Building Upgrades
- Water Treatment Plant Data Digitisation
- Bore Pump Filtration
- Kellar Street Lighting
- Council Road Networks
- Reservoir Tanks
- Pump Station Flow Meter
- Replacement Water Generators
- **Works in Progress**
 - Mclvor Road Bitumen Seal
 - Road Signage
 - Business Precinct Extension
 - Community & Cultural Park
 - Childcare Remedial Works
 - Staff Housing
 - Airport Road Upgrade
 - Council Road Networks
 - Football Oval Upgrade
 - Helipad



FINANCIAL SUSTAINABILITY MEASURES

The Financial Sustainability of Councils continues to be the cornerstone of the Local Government Act and a core responsibility of individual Councils across Queensland.

The Financial Sustainability Indicators (in accordance with the Local Government Regulation 2012) that Council must publish are as follows:

- Operating Surplus Ratio – Net Result divided by Total Operating Revenue
- Asset Sustainability Ratio – Capital Expenditure on Asset Renewals divided by Depreciation Expense
- Net Financial Liabilities Ratio – Total Liabilities less Current Assets divided by Total Operating Revenue

Target Ranges as determined by the Department of Local Government, Racing and Multi Cultural Affairs are:

- Operating Surplus Ratio – Between 0 – 10%
- Asset Sustainability Ratio – > 90%
- Net Financial Liabilities Ratio – <60%



	OPERATING SURPLUS	ASSET SUSTAINABILITY	NET FINANCIAL LIABILITIES
Actual 2022	1%	91%	-193%
Budget 2023	2%	96%	-201%
Forecast 2024	1%	92%	-215%
Forecast 2025	1%	93%	-229%
Forecast 2026	2%	93%	-243%
Forecast 2027	1%	91%	-258%
Forecast 2028	2%	91%	-272%
Forecast 2029	2%	92%	-287%
Forecast 2030	2%	92%	-302%
Forecast 2031	2%	92%	-317%
Forecast 2032	2%	94%	-332%

HOPE VALE

Hope Vale Aboriginal Shire Council Annual Financial Statements

for the year ended 30 June 2022



NGURRAARN

WAANDAARN

ABORIGINAL SHIRE COUNCIL

Hope Vale Aboriginal Shire Council
Financial Statements
for the year ended 30 June 2022

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Management Certificate

Independent Auditor's Report (General Purpose Financial Statements)

Current-year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

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

Unaudited Long-term Financial Sustainability Statement

Certificate of Accuracy - for the Long-term Financial Sustainability Statement

Hope Vale Aboriginal Shire Council
Statement of Comprehensive Income
for the year ended 30 June 2022

	2022	2021
Note	\$	\$
Income		
Revenue		
Recurrent revenue		
Fees and charges	375,215	368,780
Sales revenue	7,812,300	4,434,376
Grants, subsidies, contributions and donations	6,641,862	6,552,678
Total recurrent revenue	14,829,377	11,355,834
Capital revenue		
Grants, subsidies, contributions and donations	4,955,911	5,240,457
Capital income	80,000	82,954
Total capital revenue	5,035,911	5,323,411
Rental income	519,915	582,079
Interest received	123,350	139,141
Sundry revenue	679,468	702,074
Other income	-	2,056,702
Total income	21,188,021	20,159,241
Expenses		
Recurrent expenses		
Employee benefits	(5,202,786)	(4,769,717)
Materials and services	(6,602,097)	(5,575,747)
Finance costs	(50,203)	(44,400)
Depreciation		
Property, plant and equipment	(4,052,874)	(3,748,117)
Right of use assets	(32,239)	(19,255)
Other expenses	(69,433)	-
	(16,009,632)	(14,157,236)
Capital expenses	(1,290,793)	(204,157)
Total expenses	(17,300,425)	(14,361,393)
Net result	3,887,596	5,797,848
Other comprehensive income		
Items that will not be reclassified to net result		
Increase/(decrease) in asset revaluation surplus	7,796,343	6,621,508
Total other comprehensive income for the year	7,796,343	6,621,508
Total comprehensive income for the year	11,683,939	12,419,356

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

Hope Vale Aboriginal Shire Council
Statement of Financial Position
as at 30 June 2022

	Note	2022	2021
		\$	\$
Current assets			
Cash and cash equivalents	7	31,184,056	25,979,237
Trade and other receivables	8	594,333	1,305,240
Other assets	9	68,967	467,398
Inventories		669	669
Contract assets	12	688,576	678,941
Lease receivable	13	725,323	684,224
Total current assets		<u>33,261,924</u>	<u>29,115,709</u>
Non-current assets			
Property, plant and equipment	10	89,026,165	81,149,533
Lease receivable	13	21,033,165	21,827,918
Right of use assets	13	77,370	109,788
Total non-current assets		<u>110,136,700</u>	<u>103,087,239</u>
Total assets		<u>143,398,624</u>	<u>132,202,948</u>
Current liabilities			
Trade and other payables	14	1,011,143	935,258
Contract liabilities	12	412,299	922,472
Lease liabilities	13	33,539	32,562
Provisions	15	337,122	343,309
Total current liabilities		<u>1,794,103</u>	<u>2,233,601</u>
Non-current liabilities			
Trade and other payables		3,000	3,000
Lease liabilities	13	40,154	72,471
Provisions	15	195,802	212,250
Total non-current liabilities		<u>238,956</u>	<u>287,721</u>
Total liabilities		<u>2,033,059</u>	<u>2,521,322</u>
Net community assets		<u>141,365,565</u>	<u>129,681,626</u>
Community equity			
Asset revaluation surplus	16	62,129,838	54,333,495
Retained surplus		79,235,727	75,348,131
Total community equity		<u>141,365,565</u>	<u>129,681,626</u>

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

Hope Vale Aboriginal Shire Council
Statement of Changes in Equity
for the year ended 30 June 2022

	Asset revaluation surplus	Retained surplus	Total
Note	16		
	\$	\$	\$
Balance as at 1 July 2021	54,333,495	75,348,131	129,681,626
Net result	-	3,887,596	3,887,596
Increase in asset revaluation surplus	7,796,343	-	7,796,343
Total comprehensive income for the year	<u>7,796,343</u>	<u>3,887,596</u>	<u>11,683,939</u>
Balance as at 30 June 2022	<u>62,129,838</u>	<u>79,235,727</u>	<u>141,365,565</u>
Balance as at 1 July 2020	47,711,986	69,550,283	117,262,270
Net result	-	5,797,848	5,797,848
Increase in asset revaluation surplus	6,621,508	-	6,621,508
Total comprehensive income for the year	<u>6,621,508</u>	<u>5,797,848</u>	<u>12,419,356</u>
Balance as at 30 June 2021	<u>54,333,495</u>	<u>75,348,131</u>	<u>129,681,626</u>

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

Hope Vale Aboriginal Shire Council
Statement of Cash Flows
for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		17,488,169	12,309,635
Payments to suppliers and employees		(12,827,462)	(12,035,680)
		<u>4,660,707</u>	<u>273,955</u>
Interest received		123,350	139,141
Rental income		519,915	582,079
Net cash inflow from operating activities	20	<u>5,303,972</u>	<u>995,175</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(5,425,755)	(6,537,054)
Proceeds from sale of property plant and equipment		82,164	194,409
Finance lease receipts	13	684,222	672,646
Grants, subsidies, contributions and donations	3(d)(ii)	4,560,217	4,041,791
Net cash outflow from investing activities		<u>(99,152)</u>	<u>(1,628,208)</u>
Net increase/(decrease) in cash and cash equivalents held		<u>5,204,819</u>	<u>(633,033)</u>
Cash and cash equivalents at the beginning of the financial year		25,979,237	26,612,270
Cash and cash equivalents at end of the financial year	7	<u>31,184,056</u>	<u>25,979,237</u>

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

Hope Vale Aboriginal Shire Council
Notes to the Financial Statements
for the year ended 30 June 2022

1 Information about these financial statements

1.A Basis of preparation

The Hope Vale 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 2021 to 30 June 2022. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and these financial statements complies with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for certain current and non-current assets which are measured at fair value.

Recurrent/capital classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income on the following

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

Capital Expenses includes the impairment of property, plant and equipment.

The following transactions are classified as either "Capital Income" or "Capital Expenses" depending on whether they result in accounting gains or losses:

- disposal of non-current assets

All other revenue and expenses have been classified as "recurrent".

1.B New and revised Accounting Standards adopted during the year

Hope Vale Aboriginal Shire Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021, 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 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at 30 June 2022 at the time of preparing these financial statements that could be applicable to Council.

	Effective for NFP annual report periods beginning on or after:
AASB 2020-1 <i>Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards</i> (amended by AASB 2020-6)	1 January 2023
AASB 2020-3 <i>Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments</i>	1 January 2022
AASB 2021-2 <i>Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates</i> (amended by AASB 2021-6)	1 January 2023

Hope Vale Aboriginal Shire Council
Notes to the Financial Statements
for the year ended 30 June 2022

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:

Valuation and depreciation of property, plant and equipment - Note 10 and Note 11
Provisions - Note 15
Valuation of finance leases - Note 13
Contract assets and liabilities - Note 12
Contingent liabilities - Note 18
Revenue recognition - Note 3

1.E Rounding and comparatives

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

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

1.F Financial assets and financial liabilities

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

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

Financial assets

Cash and cash equivalents - measured at amortised cost (Note 7)
Receivables - measured at amortised cost (Note 8)
Lease receivables (finance leases) - measured at fair value (Note 13)

Financial liabilities

Payables - measured at amortised cost (Note 14)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

1.G Taxation

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

1.I COVID-19

Council's operations for the year ended 30 June 2022 have been impacted by the COVID-19 pandemic. Refer to Note 22 for more details.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

2. Analysis of results by function

2 (a) Components of Council functions

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

Corporate governance

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money community outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in corporate governance.

Finance and information

Finance and information provides professional finance and information services across all of council. This function includes internal audit, budget support, financial accounting, the taxation unit, marketing and communication and information technology services. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

Community services

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

This function includes:

Indigenous Learning Centre
Environmental Health
Animal Management Program
Childcare Centre
Aged Care
Disability Services
Radio Station

HACC Program

The objectives of the HACC Program are to provide a comprehensive, coordinated and integrated range of basic maintenance, support and care service for elderly residents of the Hope Vale Community.

Enterprises

This component of Council relates to the provision of the following business services:

Leases over council owned buildings to generate own source revenue.

Infrastructure water and sewerage

Providing water supply and sewerage services.

The goal of this program is to support a healthy, safe community through sustainable water services and to protect and support the health of our community by sustainably managing sewerage infrastructure. This function includes all activities relating to water including flood and waterways management.

Housing

This component of Council relates to the provision of public housing within the DOGIT area.

Infrastructure roads

This component of Council relates to providing and maintaining roads and drainage.

The objective of the transport infrastructure program is to ensure the community is serviced by a quality and effective road network. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network.

Land

This component of Council relates to the administration and management of freehold land for the potential of home ownership for community residents and agricultural leases.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

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

Year ended 30 June 2022	Functions												
	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent			Capital				Recurrent	Capital				
	Grants	Other	Grants	Other	Grants	Other	2022			2022	2022	2022	2022
Corporate governance	\$ 515,000	-	-	-	-	-	515,000	492,927	-	492,927	22,073	22,073	91,543
Finance and information	3,119,415	552,908	-	-	80,000	-	3,752,323	6,567,203	-	6,567,203	(2,894,880)	(2,814,880)	31,847,366
Community services	2,361,137	591,214	2,381,866	-	-	-	5,334,217	3,653,613	20,429	3,674,042	(701,262)	1,660,175	37,461,851
HACC Program	646,310	-	-	-	-	-	646,310	646,512	-	646,512	(202)	(202)	671,976
Enterprises	-	543,343	-	-	-	-	543,343	129,517	-	129,517	413,826	413,826	2,719,181
Infrastructure water and sewerage	-	-	176,065	-	-	-	176,065	441,875	-	441,875	(441,875)	(265,810)	19,003,665
Housing	-	7,340,832	-	-	-	-	7,340,832	3,500,671	-	3,500,671	3,840,161	3,840,161	24,355,341
Infrastructure roads	-	481,950	2,397,981	-	-	-	2,879,931	577,315	1,270,364	1,847,679	(95,365)	1,032,252	23,617,711
Land	-	-	-	-	-	-	-	-	-	-	-	-	3,630,000
Total	6,641,862	9,510,248	4,955,911	80,000	80,000	21,188,021	16,009,632	1,290,793	17,300,426	142,476	3,887,595	143,398,624	

Year ended 30 June 2021	Functions												
	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent			Capital				Recurrent	Capital				
	Grants	Other	Grants	Other	Grants	Other	2021			2021	2021	2021	2021
Corporate governance	\$ 533,002	-	-	-	-	-	533,002	512,020	-	512,020	20,982	20,982	95,045
Finance and information	3,560,449	2,572,653	-	82,954	-	-	6,216,056	6,102,330	-	6,102,330	30,773	113,727	27,751,876
Community services	1,927,735	663,515	2,432,614	-	-	-	5,023,864	3,574,942	8,032	3,582,974	(983,693)	1,440,889	32,803,039
HACC Program	531,493	-	-	-	-	-	531,493	545,262	-	545,262	(13,769)	(13,769)	626,296
Enterprises	-	592,903	-	-	-	-	592,903	117,905	-	117,905	474,998	474,998	2,646,996
Infrastructure water and sewerage	-	-	391,100	-	-	-	391,100	438,316	-	438,316	(438,316)	(47,217)	17,112,875
Housing	-	4,333,592	-	-	-	-	4,333,592	2,811,096	-	2,811,096	1,522,496	1,522,496	24,681,492
Infrastructure roads	-	120,488	2,416,743	-	-	-	2,537,231	49,539	201,951	251,490	70,948	2,285,740	22,855,329
Land	-	-	-	-	-	-	-	-	-	-	-	-	3,630,000
Total	6,552,678	8,283,151	5,240,457	82,954	82,954	20,159,241	14,151,410	209,983	14,361,393	684,419	5,797,848	132,202,948	

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

	<u>Note</u>	<u>2022</u> \$	<u>2021</u> \$
3 Revenue			
(a) Fees and charges			
Utility charges		270,107	260,142
Childcare		76,604	85,789
Other fees and charges		28,504	22,849
		<u>375,215</u>	<u>368,780</u>

Revenue arising from fees and charges is recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival. 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.

(b) Sales revenue

Rendering of services

Contract and recoverable works		7,812,300	4,434,376
Total sales revenue		<u>7,812,300</u>	<u>4,434,376</u>

Revenue from services is recognised when the service is rendered. The amount recognised as revenue for contract and recoverable works during the financial year is the amount receivable in respect of invoices issued during the period. The contract work carried out is not subject to retentions.

(c) Sundry revenue

Cape Flattery Mine contribution		25,000	50,000
Aged persons hostel		476,110	527,726
Other		178,358	124,348
		<u>679,468</u>	<u>702,074</u>

Sundry revenue consists mainly of income relating to the Aged Persons' Hostel and contributions from Cape Flattery Mines. Sundry revenue is recognised with reference to the period to which the income relates.

(d) Grants, subsidies, contributions and donations

(i) Operating

State government subsidies and grants		5,787,826	5,683,768
Commonwealth government subsidies and grants		854,036	868,910
		<u>6,641,862</u>	<u>6,552,678</u>

(ii) Capital

State government subsidies and grants		4,438,833	2,701,903
Commonwealth government subsidies and grants		517,078	2,538,554
		<u>4,955,911</u>	<u>5,240,457</u>

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.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

3 Revenue (Continued)

Grant income under AASB 15

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

The performance obligations vary in each agreement but include events, disability support services, etc. 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, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised 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.

Donations and contributions

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

Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

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

	Note	2022		2021	
		Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
		\$	\$	\$	\$
Grants and subsidies	3(d)	5,758,781	5,838,992	5,843,565	5,949,570
		<u>5,758,781</u>	<u>5,838,992</u>	<u>5,843,565</u>	<u>5,949,570</u>

4 Employee benefits

	Note	2022	2021
		\$	\$
Total staff wages and salaries		4,906,154	4,507,392
Councillors' remuneration		360,860	362,064
Termination benefits		64,315	-
Superannuation	19	535,426	504,099
		<u>5,866,755</u>	<u>5,373,555</u>
Less: Capitalised employee expenses		(663,969)	(603,838)
		<u>5,202,786</u>	<u>4,769,717</u>

Employee benefit expenses are recorded when the service has been provided by the employee. Councillor remuneration represents salary, superannuation and other allowances paid in respect of carrying out their duties.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

4 Employee benefits (Continued)

Total Council employees at the reporting date:

	2022	2021
	Number	Number
Elected members	5	5
Administration staff	12	11
Depot and outdoors staff	63	64
Total full time equivalent employees	<u>80</u>	<u>80</u>

5 Materials and services

Note	2022	2021
	\$	\$
Administration supplies and consumables	71,909	83,115
Audit of annual financial statements by the Auditor-General of Queensland*	67,900	65,000
Accounting services and internal audit	70,850	89,312
Consultancy	231,576	193,686
Contractors	307,077	304,423
Communications and IT expenses	216,568	264,933
Electricity	174,166	156,975
Insurance	530,080	466,072
Housing construction cost of sales	457,483	366,485
Freight	60,595	75,535
Motor vehicle expenses	266,509	155,504
NDRRA/Roads	298,170	42,800
Other materials and services	98,388	343,109
Repairs and maintenance - plant and equipment	355,162	307,229
Repairs and maintenance - housing	2,892,143	2,249,080
Repairs and maintenance - buildings	276,872	203,047
Subscriptions and registration fees	106,407	97,221
Travel expenses	120,242	112,221
	<u>6,602,097</u>	<u>5,575,747</u>

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

*Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$67,900 (2021: \$65,000).

6 Capital expenses

Loss on disposal and write off of non-current assets

Plant and equipment	20,429	2,206
Infrastructure roads	1,270,364	201,951
Total capital expenses	<u>1,290,793</u>	<u>204,157</u>

Loss on disposals of assets

Proceeds from sale of property, plant and equipment	1,800	11,455
Less: Carrying value of disposed property, plant and equipment	(22,229)	(13,661)
	<u>(20,429)</u>	<u>(2,206)</u>

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

	<u>Note</u>	<u>2022</u> \$	<u>2021</u> \$
7 Cash and cash equivalents			
Cash at bank and on hand		10,849,783	6,738,157
Deposits at call		20,334,273	19,241,080
Balance per Statement of Financial Position / Cash Flows		<u>31,184,056</u>	<u>25,979,237</u>

Cash and cash equivalents in the statement of cash flows includes cash on hand, all cash and cheques received but not banked at the year end and deposits held at call with financial institutions.

Cash and deposits at call are held in the ANZ and Westpac Banks in normal cash deposits and business cheque accounts. Deposits are held with the Queensland Treasury Corporation in normal deposit at call accounts.

The Council may be exposed to credit risk through its investments in the QTC Cash Fund or other financial institutions in Australia. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Other bank accounts are held with financial institutions, which are rated AA- based on rating agency Fitch Ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote. All investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Cash and cash equivalents		31,184,056	25,979,237
Less: Externally imposed restrictions on cash	(i)	<u>(740,126)</u>	<u>(819,664)</u>
Unrestricted cash		<u>30,443,930</u>	<u>25,159,573</u>

Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include:

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

Unspent government grants and subsidies		740,126	819,664
		<u>740,126</u>	<u>819,664</u>

8 Trade and other receivables

Receivables and advances are amounts owed to Council at year end. They are recognised at the amounts due at the time of sale or service delivery or advance. Settlement of these amounts is required within 30 days from invoice date.

Trade debtors		702,992	1,359,350
Other debtors		49,334	65,661
Less impairment		(157,993)	(120,107)
Tax receivable		-	336
		<u>594,333</u>	<u>1,305,240</u>

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue. The Council reviews all individual debtor balances on a case by case basis to assess the expected losses over the lifetime of the balance.

The loss is recognised in finance costs. 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 trade and other receivables.

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

By the nature of the Council's operations, there is a geographical concentration of risk in respect of receivables in the Council's area.

The Council does not require collateral in respect of trade and other receivables.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

8 Trade and other receivables (Continued)

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

	2022	2022	2021	2021
	Not credit-	Credit-	Not credit-	Credit-
	impaired	impaired	impaired	impaired
	\$	\$	\$	\$
Not past due	369,343	-	996,297	-
Past due 31-60 days	-	-	22,854	-
Past due 61-90 days	(12,419)	-	19,404	-
More than 90 days	237,409	157,993	266,349	120,107
Total gross carrying amount	<u>594,333</u>	<u>157,993</u>	<u>1,304,904</u>	<u>120,107</u>
Loss allowance	-	(157,993)	-	(120,107)
	<u>594,333</u>	<u>-</u>	<u>1,304,904</u>	<u>-</u>

Movement in accumulated impairment losses (other debtors) is as follows:

Opening balance at 1 July	120,107	81,620
Movement on provision for impairment	37,886	38,487
Closing balance at 30 June	<u>157,993</u>	<u>120,107</u>

Refer to Note 24 for further information about credit risk.

Expected credit loss assessment

The Council uses an allowance matrix to measure the expected credit losses of trade and other receivables from individual customers, which comprise a very large number of small balances. Council believes the impact to be not material due to the current impairments of the trade and other debtors balance.

Loss rates are calculated using a specific percentage method based on the probability of a receivable progressing through successive stages of delinquency to write off.

9 Other assets

Prepayments	68,967	467,398
	<u>68,967</u>	<u>467,398</u>

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

10 Property, plant and equipment

30 June 2022

Basis of measurement Fair value category	Land and improvements		Buildings - Other		Buildings - Residential		Fixtures & Fittings		Infrastructure Roads		Infrastructure Water & Sewerage		Infrastructure Other		Motor Vehicles / Heavy Machinery		Plant & Equipment		Work in progress		Total
	Fair Value Level 2	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Cost	Cost	Cost	Cost	Cost	Cost	
Asset values																					
Opening gross value as at 1 July 2021	3,630,000	42,600,304	3,714,434	190,854	34,704,253	28,620,884	6,076,407	2,779,287	1,764,257	3,387,015	1,720,130	2,038,740	1,764,257	3,735,625	127,816,303						
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Renewals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other additions	-	-	-	40,833	-	-	-	206,106	71,671	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(131,035)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(131,035)
Revaluation adjustment to asset revaluation surplus	-	5,095,231	547,053	-	2,300,363	2,649,026	396,289	-	-	-	-	-	-	-	-	-	-	-	-	-	10,987,962
Write-off of assets	-	-	-	-	(1,270,364)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,270,364)
Assets transferred from work in progress	-	1,162,351	85,774	-	3,236,672	440,158	1,408,225	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2022	3,630,000	48,726,850	4,347,261	231,687	38,970,924	31,710,068	7,880,921	2,985,393	1,835,928	2,509,591	142,828,621										

Note

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Accumulated depreciation and impairment

Opening balance as at 1 July 2021	-	13,121,958	1,545,979	95,810	13,990,420	11,866,567	2,351,551	2,391,130	1,303,354	-	-	-	-	-	-	-	-	-	-	-	46,666,768
Depreciation expense	-	1,426,485	156,483	22,365	1,154,233	767,193	234,848	168,575	122,692	-	-	-	-	-	-	-	-	-	-	-	4,052,874
Depreciation on disposals	-	(108,806)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(108,806)
Revaluation adjustment to asset revaluation surplus	-	1,729,343	238,452	-	985,394	72,642	165,788	-	-	-	-	-	-	-	-	-	-	-	-	-	3,191,619
Accumulated depreciation as at 30 June 2022	-	16,168,980	1,940,914	118,175	16,130,047	12,706,402	2,752,187	2,559,705	1,426,046	2,509,591	142,828,621										

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Book value as at 30 June 2022

Residual value	3,630,000	32,557,870	2,406,347	113,512	22,840,877	19,003,666	5,128,734	425,688	409,882	2,509,591	89,026,165										
Range of estimated useful life in years	Land: Not depreciated.	10 - 60	10 - 40	4	20 - 50	10 - 80	20 - 50	3 - 10	2 - 25	Work in progress: Not depreciated.	3,630,000										

Hope Vale Aboriginal Shire Council
Notes to the Financial Statements
for the year ended 30 June 2022

10 Property, plant and equipment (continued)

Basis of measurement Fair value category	Land and improvements	Buildings - Other		Buildings - Residential		Fixtures & Fittings		Infrastructure Roads		Infrastructure Water & Sewerage		Infrastructure Other		Motor Vehicles/ Heavy Machinery		Plant & Equipment		Work in progress		Total		
		Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Fair Value Level 3 \$	Cost	Cost	Cost	Cost	Cost		Cost	
Opening gross value as at 1 July 2020	3,730,000	37,654,959	3,552,788	115,852	32,655,214	27,696,645	4,225,165	2,715,678	1,729,957	1,970,081	3,586,850	2,950,204	(133,064)	5,567,926							116,046,338	
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,586,850
- Renewals	-	18,203	46,000	75,002	186,100	-	112,894	63,609	67,364	2,381,032	-	-	-	-	-	-	-	-	-	-	2,950,204	
- Other additions	(100,000)	-	-	-	-	-	-	-	(33,064)	-	-	-	-	-	-	-	-	-	-	-	(133,064)	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,567,926
Revaluation adjustment to asset revaluation surplus	-	4,128,027	115,646	-	668,211	561,194	94,848	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,567,926
Write-off of assets	-	-	-	-	(201,951)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(201,951)
Assets transferred from work in progress	-	799,115	-	-	1,396,679	363,044	1,643,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,202,338)
Closing gross value as at 30 June 2021	3,630,000	42,600,304	3,714,434	190,854	34,704,253	28,620,884	6,076,407	2,779,287	1,764,257	3,735,625	127,816,303											
Accumulated depreciation and impairment																						
Opening balance as at 1 July 2020	-	13,213,778	1,616,892	83,266	12,635,111	10,889,733	2,120,516	2,235,327	1,197,014	-	-	-	-	-	-	-	-	-	-	-	-	43,991,636
Depreciation expense	-	1,309,762	133,966	12,544	1,080,994	744,156	185,149	155,803	125,743	-	-	-	-	-	-	-	-	-	-	-	-	3,748,117
Depreciation on disposals	-	-	-	-	-	-	-	-	(19,403)	-	-	-	-	-	-	-	-	-	-	-	-	(19,403)
Revaluation adjustment to asset revaluation surplus	-	(1,401,582)	(204,879)	-	274,315	232,678	45,886	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,053,582)
Accumulated depreciation as at 30 June 2021	-	13,121,958	1,545,979	95,810	13,990,420	11,866,567	2,351,551	2,391,130	1,303,354	-	46,666,768											

Book value as at 30 June 2021	3,630,000	29,478,347	2,168,456	95,044	20,713,833	16,754,317	3,724,856	388,157	460,903	3,735,625	81,149,533											
Residual value	3,630,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,630,000
Range of estimated useful life in years	Land: Not depreciated.	10 - 60	10 - 40	4	20 - 50	5 - 80	20 - 50	3 - 10	2 - 25	Work in progress: Not depreciated.												

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

10 Property, plant and equipment (Continued)

(a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold or maintenance expenditure.

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network.

Land under roads

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is controlled by Queensland State Government and not recognised in the Council financial statements.

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. Hope Vale Aboriginal Shire Council currently does not have any such land holdings.

Deed of Grant in Trust land

The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 34I of the *Land Act 1994*. It comprises an area of approximately 63.24 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.

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

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

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

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.

(c) Depreciation

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

Land, work in progress and road formations are not depreciated as these assets have unlimited useful lives.

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

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

Depreciation methods and estimated useful lives 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.

Key judgements and estimates:

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

(d) Impairment

Property, plant and equipment held at cost 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.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

10 Property, plant and equipment (Continued)

(e) Valuation

Key judgements and estimates:

Some of the Council's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Council uses market-observable data to the extent it is available and other inputs as necessary.

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. 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 five 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, 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.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the income statement, in that case the increase is taken to the income statement to the extent of the previous decrease.

Revaluation decreases are recognised in the asset revaluation surplus, where there is sufficient amount available in the asset revaluation surplus relating to that asset class. Where there isn't sufficient amount available in the surplus, the decrease is recognised in the statement of comprehensive income.

Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the statement of comprehensive income.

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.

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

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

11 Fair value measurements

11.A Recognised fair value measurements

Fair values are classified into three levels as follows:

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

There were no transfers between levels of the hierarchy during the year.

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

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

Specific valuation techniques used to value Council assets comprise:

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Land and improvements (level 2)	Market value	30 June 2018	Asset Advance Valuers	<p>Land assets comprise separate individual saleable titles which do not have restrictions which would inhibit their sale in the open property market. To comply with AASB 13 such assets have been considered firstly by way of their market value for the whole of the property as the primary valuation concept and secondly by way of the market value for the saleable land component.</p> <p>Level 2 valuation inputs were used to value land. Sales prices of comparable land are adjusted for differences in key attributes such as property size, location, topography, and other inherent attributes.</p>	There was no evidence to indicate that the level of values have changed so the fair values of the land remained at the same level as presently entered into the asset register.
Buildings (level 3)	Current replacement cost (CRC)	30 June 2021	Asset Advance Valuers	<p>As the Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees. The gross current values have been derived from reference to cost data for recent projects and researched costing guides. The net current value of a building asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset.</p> <p>In determining the level of accumulated depreciation, the major building assets have been apportioned into significant components which exhibit different useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component at the time the asset is considered to be no longer available for use and the condition of the asset. For building assets it is considered that no residual value will apply.</p>	For this asset category and based on Actual Data now available and Trend Chart Projections prepared by Asset Advance Valuers based on sourced research data and an increase of +12.00% in total for each asset is recommended for the 2012/22 financial year and being effective as at 30 June 2022. This recommended indexation should be the same across all items within this asset class, except for Asset ID's 803 and 850, which are and would most likely be replaced with conventional on-site constructed houses. The recommended indexation rate for these two assets is +23% for each asset which is relative to the projected rate
Roads, Drainage and Bridge Network (level 3)	Current replacement cost	30 June 2018	Asset Advance Valuers	<p>All road segments are componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate, and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.</p> <p>CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs, and overhead allocations.</p> <p>Roads were apportioned into significant components which exhibited different useful lives and based on that applicable and observed for road assets in the wet tropical area of Queensland.</p>	For this asset category and based on Actual Data now available and Trend Chart Projections prepared by Asset Advance Valuers based on sourced research data and an increase of +6.5% in total for each asset is recommended for the 2012/22 financial year and being effective as at 30 June 2022.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

11 Fair value measurements (Continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Sewerage and Water Infrastructure (level 3)	Current replacement cost	30 June 2022	Asset Advance Valuers	<p>Valuers' cost models were derived from the various sources such as Asset Advance Valuers database, schedule rates for construction of asset or similar assets, Building Price Index tables, recent contract and tender data and Rawlinson's rates for building and construction.</p> <p>Development factors and soil factors were taken into account in determining replacement costs.</p> <p>Valuation unit rates (replacement costs) were increased to allow for project overheads including survey, environmental and investigation costs, engineering design, planning and project management.</p> <p>Assets were generally subject to an inspection or an assessment to determine remaining useful life.</p>	N/A
Infrastructure Other (level 3)	Current replacement cost	30 June 2018	Asset Advance Valuers	<p>It is assumed that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Where such assets are located underground, and physical inspection is not possible, the age, size, and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date. Construction estimates were determined on a similar basis to roads.</p> <p>Assets were generally subject to an inspection or an assessment to determine remaining useful life.</p>	For this asset category and based on Actual Data now available and Trend Chart Projections prepared by Asset Advance Valuers based on sourced research data and, after considerations outlined in this report, an increase of +6.5% in total for each asset is recommended for the 2012/22 financial year and being effective as at 30 June 2022.

11.C Changes in fair value measurements using significant unobservable inputs (level 3)

The changes in level 3 assets with recurring and non recurring fair value measurements are detailed in Note 13 (finance leases) and note 11 (property, plant and equipment). There have been no transfers between level 1, 2 or 3 measurements during the year.

11.D Valuation processes

Council's valuation policies and procedures are set by the executive management team which comprises the Chief Executive Officer and Director of Finance. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in note 11. Non-recurring fair value measurements are made at the point of reclassification based on advice from a registered valuer.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

12 Contract balances

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

	2022	2021
		\$
(a) Contract assets	<u>688,576</u>	<u>678,941</u>
(b) Contract liabilities		
Funds received upfront to construct Council controlled assets	411,216	797,274
Non-capital performance obligations not yet satisfied	<u>1,083</u>	<u>125,198</u>
	<u>412,299</u>	<u>922,472</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Funds to construct Council controlled assets	704,043	1,597,857
Non-capital performance obligations	<u>125,198</u>	<u>45,000</u>
	<u>829,241</u>	<u>1,642,857</u>
(c) Significant changes in contract balances		

Significant movements in contract assets and contract liabilities that have occurred were due to the change in the timing of the work and significant monies received in advance.

13 Leases

Council as a lessee

Council has a lease in place over its office space. 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 asset 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.

Where the lease liability is re-measured, the right of use asset is adjusted to reflect the re-measurement.

Exception to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Terms and conditions of leases

Council has a lease contract in place with Natren Pty Ltd for the lease on the Hope Vale Cairns office space. The annual rental fee amounts to \$33,539 (2021: \$32,562) (GST exclusive) which is subject to annual CPI increase. The lease expires on 23 November 2024. It contains an option to renew for another four years subject to certain conditions.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

13 Leases (Continued)

Right of use assets - Building - Office Space

	2022	2021
	\$	\$
Balance at 1 July	109,788	-
Additions to right-of-use assets	-	129,043
Re-measurement during the year	(179)	-
Depreciation charge	(32,239)	(19,255)
Balance at 30 June	<u>77,370</u>	<u>109,788</u>

Lease liabilities

The table below shows the maturity analysis of the lease liability based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

	<1 years	1-5 years	Total	Total per statement of financial position
	\$	\$	\$	\$
2022	33,539	40,154	73,693	73,693
2021	32,562	73,265	105,827	105,033

Amounts included in the statement of comprehensive income related to leases

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee:

	2022	2021
	\$	\$
Interest on lease liabilities	2,134	706
Depreciation of right-of-use assets	32,239	19,255
Expenses relating to short-term leases	-	8,141
	<u>34,373</u>	<u>28,102</u>
Total cash outflows for leases	<u>33,539</u>	<u>32,562</u>

Liabilities not recognised - extension options

For the office space lease, Council excludes the extension option as it is not yet certain whether it will exercise the option at this stage. At each reporting date Council assesses whether it is reasonably certain that the extension options will be exercised based on current operations and Council strategy.

Leases at significantly below market value - Concessionary / peppercorn leases

Council is the lessee of a number of Deed of Grant in Trust leases. These leases are generally 30 years and require payments of \$1 per annum. The use of the right-to-use asset is restricted by the lessors to various community services which Council must provide. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council has elected to not apply the fair value measurement requirements to these leases until such time as this requirement is mandated.

Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

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

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

13 Leases (Continued)

Finance Lease:

Leases of property under which the Council as lessor transfers substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases.

Council has leased 209 (2021: 209) dwellings as lessor to the Queensland Government for 40 years. The total lease payment per dwelling in the current year ranged between \$3,121 and \$3,624 (2021: \$2,944 and \$3,415). 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 (current 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).

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		<u>\$</u>	<u>\$</u>
Current other financial assets			
Finance leases		725,323	684,224
		<u>725,323</u>	<u>684,224</u>
Non-current other financial assets			
Finance leases		21,033,165	21,827,918
		<u>21,033,165</u>	<u>21,827,918</u>

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

Gross minimum lease payments receivable:			
Not later than one year		725,323	684,223
Later than one year but not later than five years		2,901,290	2,736,892
Later than five years		18,232,156	17,883,273
		<u>21,858,769</u>	<u>21,304,388</u>
Add: Estimated contingent rent		13,513,566	10,405,517
Less: Present value adjustment		(13,613,847)	(9,197,763)
Fair value of lease payments		<u>21,758,488</u>	<u>22,512,142</u>

The fair value of lease payments is receivable as follows:

Not later than one year	725,323	684,223
Between one and two years	725,094	686,702
Between two and three years	724,865	689,190
Between three and four years	724,637	691,686
Between four and five years	724,409	694,192
Later than five years	18,134,160	19,066,149
	<u>21,758,488</u>	<u>22,512,142</u>

Movements in finance leases were as follows:

Opening balance	22,512,142	21,128,086
Less: Lease receipts	(684,222)	(672,646)
(Loss)/Gain on revaluation	(69,433)	2,056,702
Closing balance	<u>21,758,488</u>	<u>22,512,142</u>

The calculation of fair value has included an estimate of average annual CPI increases of 3.1% (2021: 2.5%) and a discount rate of 3.13% (2021: 2.13%).

Finance leases are to the State of Queensland, represented by the Department of Housing and Public Works. The likelihood of this counterparty not having capacity to meet its financial commitments is considered low.

Movements on revaluation of finance lease assets are recognised as other income/expenses.

Operating leases:

Where Council retains the risks and rewards relating to a lease, they are classified as operating leases and relate to the lease of Council's properties.

The assets are included in the statement of financial position as property, plant and equipment, where the rental is incidental or the asset is held to meet Council's service delivery objectives (refer to Note 17).

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

13 Leases (Continued)

<u>Note</u>	<u>2022</u> <u>\$</u>	<u>2021</u> <u>\$</u>
Rent from Council's building assets is recognised as income on a periodic straight line basis over the lease term.		
	\$	\$
Rental income (excluding variable lease payments not dependent on an index or rate)	327,588	286,582
Rental income relating to variable lease payments not dependent on an index or rate	192,327	295,497
	<u>519,915</u>	<u>582,079</u>

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

As mentioned above, Council has leased the food store and workshop to operators. Lease agreements are also in place in respect of two residential properties, units within the Hope Vale Business Precinct and various other properties within the community. The minimum lease receipts in relation to the properties are as follows:

Not later than one year	240,018	206,791
One to five years	1,317,081	1,371,399
	<u>1,557,099</u>	<u>1,578,190</u>

The future lease income in respect of the food store and workshop is based on a five year agreement which entitles Council to six percent of the store turnover generated per year.

14 Trade and other payables

Creditors and accruals	444,621	558,790
Tax payable	151,058	-
Annual leave	415,464	376,468
	<u>1,011,143</u>	<u>935,258</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 annual leave is recognised. Short-term benefits which are expected to be wholly settled within 12 months are calculated on current wage and salary levels and include related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values, if considered material. As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability. This liability represents an accrued expense and is reported as a payable.

15 Provisions

Current

Long service leave	337,122	343,309
	<u>337,122</u>	<u>343,309</u>

Non-current

Landfill restoration	130,767	150,848
Long service leave	65,035	61,402
	<u>195,802</u>	<u>212,250</u>

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

15 Provisions (Continued)

Long service leave

The provision for long service leave represents 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 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 provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current liability. Otherwise it is classified as non-current.

Landfill restoration provision

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable Council will be liable, or required, to incur costs on the cessation of use of these facilities.

The provision represents the present value of the anticipated future costs associated with the closure of landfill sites in accordance with environmental licence conditions. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The estimated site closure date is December 2030 and total projected cost of \$150,848 is expected to be incurred between 2025 and 2054. The figure excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used.

16 Asset revaluation surplus

Movements in the asset revaluation surplus were as follows:

Balance at beginning of financial year	54,333,495	47,711,987
Net adjustment to non-current assets at end of period to reflect a change in		
Buildings	3,674,489	5,850,134
Infrastructure - roads	1,314,969	393,896
Infrastructure - water and sewerage	2,576,384	328,516
Infrastructure - other	230,501	48,962
Balance at end of financial year	<u>62,129,838</u>	<u>54,333,495</u>

Asset revaluation surplus analysis

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

Land	3,765,229	3,765,229
Buildings	35,162,433	31,487,944
Infrastructure - roads	8,438,495	7,123,526
Infrastructure - water and sewerage	11,949,562	9,373,178
Infrastructure - other	2,814,119	2,583,618
	<u>62,129,838</u>	<u>54,333,495</u>

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

17 Commitments for expenditure

Operating leases

The operating lease payments relate to the Cairns office space. Please refer to Note 13 for further details of the lease arrangement.

Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

IT management services*

Within one year	16,589	8,294
One to five years	16,589	41,472
	<u>33,178</u>	<u>49,766</u>

* There is currently no agreement in place with the IT providers and the service is provided on a rolling monthly basis.

18 Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2022 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

19 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.

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." the measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

19 Superannuation (Continued)

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 actuarial investigation is recommended to be conducted prior to 1 July 2024.

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

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

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

	Note	2022 \$	2021 \$
Superannuation contributions made to the Regional Defined Benefits Fund	4	535,426	504,099
Total superannuation contributions paid by Council for employees		<u>535,426</u>	<u>504,099</u>

20 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	Note	2022 \$	2021 \$
Net result		<u>3,887,596</u>	<u>5,797,848</u>
Non-cash items:			
Depreciation - Property, plant and equipment		4,052,874	3,748,117
Depreciation - Right of use assets		32,239	19,255
(Gain)/loss on revaluation of finance leases		69,433	(2,056,702)
		<u>4,154,546</u>	<u>1,710,670</u>
Investing and development activities (non-cash):			
Net (profit)/loss on disposal of non-current assets		(59,935)	(80,748)
Capital grants and contributions		(4,955,911)	(5,240,457)
Loss on asset write off		1,270,364	201,951
		<u>(3,745,482)</u>	<u>(5,119,254)</u>
Changes in operating assets and liabilities:			
Change in receivables		710,907	(874,237)
Change in other assets		398,431	(33,915)
Change in right of use assets		179	(129,043)
Change in payables		75,884	(490,078)
Change in lease liabilities		(31,340)	105,033
Change in contract liabilities		(124,114)	(10,255)
Change in provisions		(22,635)	38,406
		<u>1,007,310</u>	<u>(1,394,089)</u>
Net cash inflow from operating activities		<u><u>5,303,972</u></u>	<u><u>995,175</u></u>

21 Events after the reporting period

As at the date of signing these financial statements, given the ongoing changing circumstances around COVID -19, the ongoing impact on Council cannot be reliably estimated for future financial periods. This is considered a non-adjusting event for financial reporting and disclosure purposes and, as such, has no impact on the amounts reported in these financial statements.

To the best of Council's knowledge at the date of this financial report, there are no other post balance date events that are likely to have a material impact on the financial statements.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
for the year ended 30 June 2022

22 Impact of COVID-19 on the financial statements as at 30 June 2022

As a result of the pandemic, Council has been vulnerable to staff shortages through high levels of sick leave. It is not possible to accurately quantify the impact however, it would not be material to the balances in the financial statements.

There have not been any other significant adverse operational or financial impacts as a result of the COVID-19 pandemic to date and it is confirmed that any known impacts have been reflected in the financial statements.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2022

23 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and some executive management. The compensation paid to KMP for 2021/22 comprises:

	2022	2021
	\$	\$
Short-term employee benefits	1,034,758	1,090,515
Post-employment benefits	108,495	103,847
Long-term benefits	21,433	1,134
Termination benefits	64,315	-
Total	1,229,001	1,195,496

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

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

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

Details of Transaction	Additional information	2022	2021
		\$	\$
Fees and charges charged to entities controlled by key management personnel	24(b)(i)	22,500	13,771
Rental income charged to related parties	24(b)(i)	34,569	32,038
Sales revenue /miscellaneous income charged to related parties	24(b)(i)	23,233	90,590
Employee expenses for close family members of key management personnel	24(b)(ii)	79,223	80,126
Purchase of materials and services from entities controlled by key management personnel and close family members of key management personnel	24(b)(iii)	48,820	81,248

(i) Income generated from fees and charges, rent and workshop income on services provided to key management personnel, close family members of KMP and jointly controlled entities of KMP were on an arm's length basis in accordance with Council's schedule of fees and charges.

(ii) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

The Council employs 80 (2021 : 80) staff of whom only 2 (2021: 2) are close family members of key management personnel.

(iii) The Council purchased material and services from close family members and entities controlled by key management personnel. All purchases were at arm's length and were in the normal course of council operations.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2022

23 Transactions with related parties (continued)

(c) Outstanding balances

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

Year ended 30 June 2022

Receivables	Amounts owed to KMP	Amounts owed by close family member of KMP	Amounts owed to related entities
Past due 31-60 days	-	-	-
Past due 61-90 days	400	-	2,461
More than 90 days overdue	1,692	6,341	55,657
Total Owning	2,092	6,341	58,118

Year ended 30 June 2021

Receivables	Amounts owed to KMP	Amounts owed by close family member of KMP	Amounts owed to related entities
Past due 31-60 days	-	-	-
Past due 61-90 days	-	-	-
More than 90 days overdue	-	-	73,245
Total Owning	-	-	73,245

(d) Loans and guarantees to/from related parties

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

(e) Commitments to/from other related parties

Council does not have any commitment to/from related parties.

(f) Transactions with related parties that have not been disclosed

The majority of the entities and people that are related parties of Council live and operate within the Hope Vale Aboriginal Shire community. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. The payment by community residents of utility charges and childcare fees are considered to be an ordinary citizen transaction.

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

Hope Vale Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2022

24 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

Hope Vale Aboriginal Shire Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

Hope Vale Aboriginal Shire Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

The Council's audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk managements framework in relation to the risks faced by the Council. The Council's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Hope Vale Aboriginal Shire Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state / commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Hope Vale Aboriginal Shire Council.

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

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

Hope Vale Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2022

24 Financial instruments and financial risk management (Continued)

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2022					
Trade and other payables	444,621	-	-	444,621	444,621
	444,621	-	-	444,621	444,621
2021					
Trade and other payables	558,790	-	-	558,790	558,790
	558,790	-	-	558,790	558,790

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

Market risk

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

Interest rate risk

Hope Vale Aboriginal Shire Council is exposed to interest rate risk through investments with QTC.

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

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2022					
Deposits at call	20,334,273	203,343	(203,343)	203,343	(203,343)
Total	(20,334,273)	(203,343)	203,343	(203,343)	203,343
2021					
Deposits at call	19,241,080	192,411	(192,411)	192,411	(192,411)
Total	(19,241,080)	(192,411)	192,411	(192,411)	192,411

(b) Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

Hope Vale Aboriginal Shire Council
Financial statements
For the year ended 30 June 2022

Management Certificate
for the year ended 30 June 2022

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 3 to 33, 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.



Jason Woibo
Mayor

Date: 22, 7, 22



Steve Linnane
Chief Executive Officer

Date: 22, 7, 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Hope Vale Aboriginal Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Hope Vale Aboriginal Shire Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2022, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in Hope Vale Aboriginal Shire Council's annual report for the year ended 30 June 2022 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

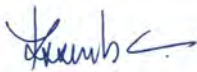
Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

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



Sri Narasimhan
as delegate of the Auditor-General

29 July 2022

Queensland Audit Office
Brisbane

**Hope Vale Aboriginal Shire Council
Current-year Financial Sustainability
for the year ended 30 June 2022**

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2022 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	1%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	91%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-193%	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 2022.

**Hope Vale Aboriginal Shire Council
Current-year Financial Sustainability Statement
for the year ended 30 June 2022**


**Certificate of Accuracy
for the year ended 30 June 2022**

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
Jason Woibo
Date: 27, 7, 22



Chief Executive Officer
Steve Linnane
Date: 27, 7, 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Hope Vale Aboriginal Shire Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Hope Vale Aboriginal Shire Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Hope Vale Aboriginal Shire Council for the year ended 30 June 2022 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

At the date of this auditor's report, the available other information in Hope Vale Aboriginal Shire Council's annual report for the year ended 30 June 2022 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

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

Responsibilities of the councillors for the current-year financial sustainability statement

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

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

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

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

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

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

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

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



Sri Narasimhan
as delegate of the Auditor-General

29 July 2022

Queensland Audit Office
Brisbane

**Hope Vale Aboriginal Shire Council
Long-Term Financial Sustainability Statement (Unaudited)
Prepared as at 30 June 2022**

Measures of Financial Sustainability	Measure	Actuals at 30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032
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Council

Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	1%	2%	1%	1%	2%	2%	1%	2%	2%	2%	2%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	91%	96%	92%	93%	93%	91%	91%	92%	92%	92%	94%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-193%	201%	215%	229%	243%	258%	272%	287%	302%	317%	332%

Hope Vale 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 shows a sound financial position whilst also being able to meet the community's current and future needs.

**Hope Vale Aboriginal Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2022**

**Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2022**

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
Jason Wolbo
Date: 27, 7, 2022



Chief Executive Officer
Steve Linnane
Date: 27, 7, 2022