SPECIAL MEETING

Meeting:	General Meeting
Date:	Wednesday 28 October 2026
Location:	Council Chambers, Georgetown
Councillors:	Cr. Hughes Cr. Royes Cr. Tincknell Cr. Ryan Cr. Carroll

Agenda Attached

Louise Knol
CHIEF EXECUTIVE OFFICER

CONFIRMED MINUTES
SPECIAL MEETING

GENERAL MEETING of
ETHERIDGE SHIRE COUNCIL
HELD AT COUNCIL CHAMBERS, GEORGETOWN
ON WEDNESDAY 28 OCTOBER 2026
COMMENCING AT 8:00 AM

Local Government Act 2009

Section 4(2) of the *Local Government Act 2009* state that the local government principles are:

(a) transparent and effective processes, and decision-making in the public interest; and

(b) sustainable development and management of assets and infrastructure, and delivery of effective services; and

(c) democratic representation, social inclusion and meaningful community engagement; and

(d) good governance of, and by, local government; and

(e) ethical and legal behaviour of councillors, local government employees and councillor advisors.

Local Government Regulation 2012

Section 254J Closed meetings:

(1) A local government may resolve that all or part of a meeting of the local government be closed to the public.

(2) A committee of a local government may resolve that all or part of a meeting of the committee be closed to the public.

(3) However, a local government or a committee of a local government may make a resolution about a local government meeting under subsection (1) or (2) only if its Councillors or members consider it necessary to close the meeting to discuss one or more of the following matters –

(a) the appointment, dismissal or discipline of a chief executive officer;

(b) industrial matters affecting employees;

(c) the local government's budget;

(d) rating concessions;

(e) legal advice obtained by the local government or legal proceedings involving the local government including, for example, legal proceedings that may be taken by or against the local government;

(f) matters that may directly affect the health and safety of an individual or group of individuals;

(g) negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government;

(h) negotiations relating to the taking of land by the local government under the *Acquisition of Land Act 1967*;

(i) a matter the local government is required to keep confidential under a law of, or formal arrangement with, the Commonwealth or a State;

(j) an investigation report given to the local government under chapter 5A, part 3, division 5 of the Act.

(4) However, a local government of a committee of a local government must not resolve that a part of a local government meeting at which a decision mentioned in section 150ER(2), 150ES(3) or 150EU(2) of the Act will be considered, discussed, voted on or made to be closed.

(5) A resolution that a local government meeting be closed must –

(a) state the matter mentioned in subsection (3) that is to be discussed; and

(b) include an overview of what is to be discussed while the meeting is closed.

(6) A local government or a committee of a local government must not make a resolution (other than a procedural resolution) in a local government meeting, or a part of a local government meeting, that is closed.

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10 CHIEF EXECUTIVE OFFICER - OPEN SESSION REPORTS

Item No: **10.1**

Subject: **Confirmation of the Employment Contract for the Chief Executive Officer (Successful completion of Probationary Period)**

Classification: **Open**

Author: **Louise Knol, Chief Executive Officer**

EXECUTIVE SUMMARY

The purpose of this report is for Council to consider the successful completion of the Chief Executive Officer's probation period and to confirm the continuation of the Chief Executive Officer's employment contract in accordance with the terms and conditions of the contract of employment.

An independent probation review was recently undertaken by Mr John Oberhardt, Executive Recruitment Consultant, involving assessment and feedback from the Mayor and Councillors regarding the performance of Chief Executive Officer Mrs Louise Knol during the probationary period. The review concluded that the Chief Executive Officer has performed to a very high standard, exceeding the expected competency levels for the role both professionally and personally. The review panel supported and endorsed the conclusion of the Chief Executive Officer's formal probation period.

RECOMMENDATION

That Council:

1. Receive and note the probation review report prepared by Mr John Oberhardt, Executive Recruitment Consultant;
2. Note the recommendation of the review panel that Chief Executive Officer Mrs Louise Knol has successfully completed the probation requirements contained within the employment contract;
3. Confirm the ongoing employment of Chief Executive Officer Mrs Louise Knol in accordance with the terms and conditions of the existing Chief Executive Officer Employment Contract; and
4. Authorise the Mayor to provide written confirmation to the Chief Executive Officer of Council's resolution.

BACKGROUND

Pursuant to section 194 of the *Local Government Act 2009*, Council employs a Chief Executive Officer to manage the local government's administration.

Chief Executive Officer Mrs Louise Knol commenced employment with Etheridge Shire Council on 1 July 2026 following a comprehensive national recruitment process. As provided for within the employment contract, a probationary period was to be completed prior to confirmation of ongoing employment.

Council engaged Mr John Oberhardt, Executive Recruitment Consultant, to independently facilitate a review of the Chief Executive Officer's performance during the probation period. The review included consultation with the Mayor and Councillors and assessed performance against the requirements and expectations of the role. Note that Mr Oberhardt also managed the national recruitment process for the Chief Executive Officer.

The review found that Chief Executive Officer had performed in the role to a very high standard, with the Mayor and Councillors assessing performance as well above the competency levels expected of the position. The report noted a strong work ethic, professional performance, leadership capability,

community engagement, and the development of positive relationships with both Council and the broader community.

Importantly, the review concluded:

> "The recommendation from this review supports the conclusion of Louise Knol's formal probation and this was supported and endorsed by the review panel."

The review also identified several strategic priorities for the Chief Executive Officer over the next six to twelve months, including delivery of the Operational Plan, delivery of the Capital Works Program, advocacy support, organisational structure review, disaster management improvements, housing planning and stakeholder engagement.

Council is now requested to formally note the successful completion of the probation period and confirm the continuation of the Chief Executive Officer's employment contract in accordance with the existing contractual arrangements.

LINK TO CORPORATE PLAN
5.2 Council operations support quality service provision and good governance.

5.5 Council is effective in attracting and retaining qualified, experienced and committed staff.

BUDGET & RESOURCE CONSIDERATIONS
There are no additional financial implications arising from this report. Confirmation of employment is in accordance with the existing employment contract and adopted budget provisions.

LEGAL CONSIDERATIONS
The appointment and employment of a Chief Executive Officer is governed by Chapter 6 of the Local Government Act 2009.

Council has fulfilled its obligations under the employment contract by undertaking a probation review and considering the outcomes of that review prior to confirmation of employment.

POLICY IMPLICATIONS
The proposed policy and changes to the Council Monthly Meeting Framework complements Council's existing governance framework, including Standing Orders, Councillor conduct obligations, and conflict of interest requirements.

CONSULTATION
- Mayor Barry Hughes
- Councillors
- Mr John Oberhardt,
  Executive
  Recruitment
  Consultant

RISK ASSESSMENT
Risk Level Low. Formal confirmation of the Chief Executive Officer following successful completion of probation provides continuity of leadership, organisational stability and certainty for the implementation of Council's strategic objectives.

ATTACHMENTS
1. Etheridge CEO Performance and Probation Review Report Public [**10.1.1** - 4 pages]

John Oberhardt

16 October 2026

Mayor Barry Hughes

Etheridge Shire Council

Chief Executive Officer (CEO) Probation Review

Councils CEO Louise Knol commenced with Etheridge Shire on 1 July 2026 following a comprehensive nation-wide search and merit-based recruitment process.

Louise has now been in this role now for three months and this review aligns with the probation provisions of her contract.

Council have recently conducted an independently facilitated review of Her performance over the past three months with the Mayor and all Councillors.

This review has found that CEO Louise Knol has performed in the role to a very high standard with Mayor and Councillors scoring her performance to date to well above the competency levels expected of this role both Professionally and Personally.

Council has noted her committed work ethic and professional performance to be outstanding.

She is quickly establishing the trust of the Council and Community.

Her style is welcoming and supportive and her knowledge of local government and the Shire have added considerable value to the organisation in her short tenure.

CEO Louise is encouraged to continue of with this good work and attitude on her journey as Councils Chief Executive Officer.

.

The recommendation from this review supports the conclusion of Louise Knol's formal probation and this was supported and endorsed by the review panel.

Some specific feedback from Councillors to date has been :

"Louise has proven herself to be very capable in a variety of areas since commencing as CEO.

Louise has a positive ability to deal with ad hoc and emerging matters.
Louise has shown to have a high level of flexibility, a broad range of relevant knowledge and or an ability to research and present solutions to community and council issues in a timely manner.

Louise has worked hard in her first four months and shown to be a good selection as CEO.

Louise has bought with her a unique style of management that includes a work ethic that is beyond question, inclusiveness, strong leadership, knowledge and experience of the Local Government landscape, all being applied in a measured and confident manner.

Distinctly different from past CEO's I have worked alongside with her strengths being flexibility, thoroughness, timeliness and ability to adjust to Etheridge Shire business and community needs.

Louise has demonstrated good leadership qualities including communication, listening skills and decision making.

I am especially appreciative of her inclusiveness around passage of information and matters relative to elected members of the Council.

Louise has this innate ability to get things done efficiently and with minimum fuss, attention to detail, and with a mindset of being solution driven.

Has included all elected Councillors in strategic decision-making processes.

Genuinely sort community feedback and input on matters.

I am forging a steady but strong relationship with Louise.

I have had positive response only from community members in relation to her conduct."

CEO priorities for the next six to twelve months and beyond

Council has proposed the following priorities for the next six to twelve months and beyond for the CEO to focus on.

This list should be seen as dynamic and may change over time with circumstances and emerging issues.

1. Focus on delivery of Councils Operational Plan
2. Focus on delivery of Capital Works Program
3. Support Mayor on Councils advocacy initiatives
4. Complete review of Councils Organisational Structure
5. Build and maintain strong relationships with State Government Departments and Agencies
6. Improvement of DRFA Management and Internal Capacity
7. Enhance Disaster Management Framework
8. Develop and deliver staff and Shire housing planning
9. Appropriate and relevant community engagement

Noting that items 3 to 9 are included in the Operational Plan but as they are highlighted here as they have specific prominence from Councillors for the CEO's performance review.

Yours faithfully,

John Oberhardt

John Oberhardt

Item No: **11.1**

Subject: **2026 Annual Report**

Classification: **Open**

Author: **Renee Bester, Director of Corporate Services**

EXECUTIVE SUMMARY

Etheridge Shire Council must, pursuant to s182 of the *Local Government Regulation 2012*, prepare and adopt an Annual Report for each financial year.

RECOMMENDATION

That Council:

In accordance with s182 of the *Local Government Regulation 2012*, adopt the 2025/2026 Annual Report as presented.

BACKGROUND

The Local Government Regulation requires Councils to prepare an Annual Report for the year in review. The Local Government Act and Local Government Regulation require certain matters to be disclosed in the Annual Report. The current Annual Report has been reviewed against the Department's compliance checklist, noting all relevant legislative disclosures have been made.

Council's General Purpose Financial Statements (GPFS) were signed by Queensland Audit Office on 16th October 2026. Council must adopt its Annual Report within one (1) month of receiving its Audit Report and publicly display the Annual Report within 2 weeks of adoption.

LINK TO CORPORATE PLAN

Corporate Plan Aim No. 5: Best practice corporate governance and organisational excellence.
Corporate Outcome No 5.2: Council operations support quality service provision and good governance.
Corporate Outcome No 5.3: Council provides community leadership through financial sustainability and an open and accountable governance structure.

BUDGET & RESOURCE CONSIDERATIONS

Quote Budget & whether it has been approved or requires amendment

LEGAL CONSIDERATIONS

Local Government Act 2009
Local Government Regulation 2012

POLICY IMPLICATIONS

Nil

CONSULTATION

Inform: Consultation to inform and consult with the community will be undertaken.

RISK ASSESSMENT

Risk Assessment Outcome: Low

ATTACHMENTS

1. 25-26 Annual Report - Final [**11.1.1** - 64 pages]
2. 2026 Etheridge Shire Council Financial Statements - signed [**11.1.2** - 35 pages]

ETHERIDGE SHIRE COUNCIL

2025/26 ANNUAL REPORT



WELCOME

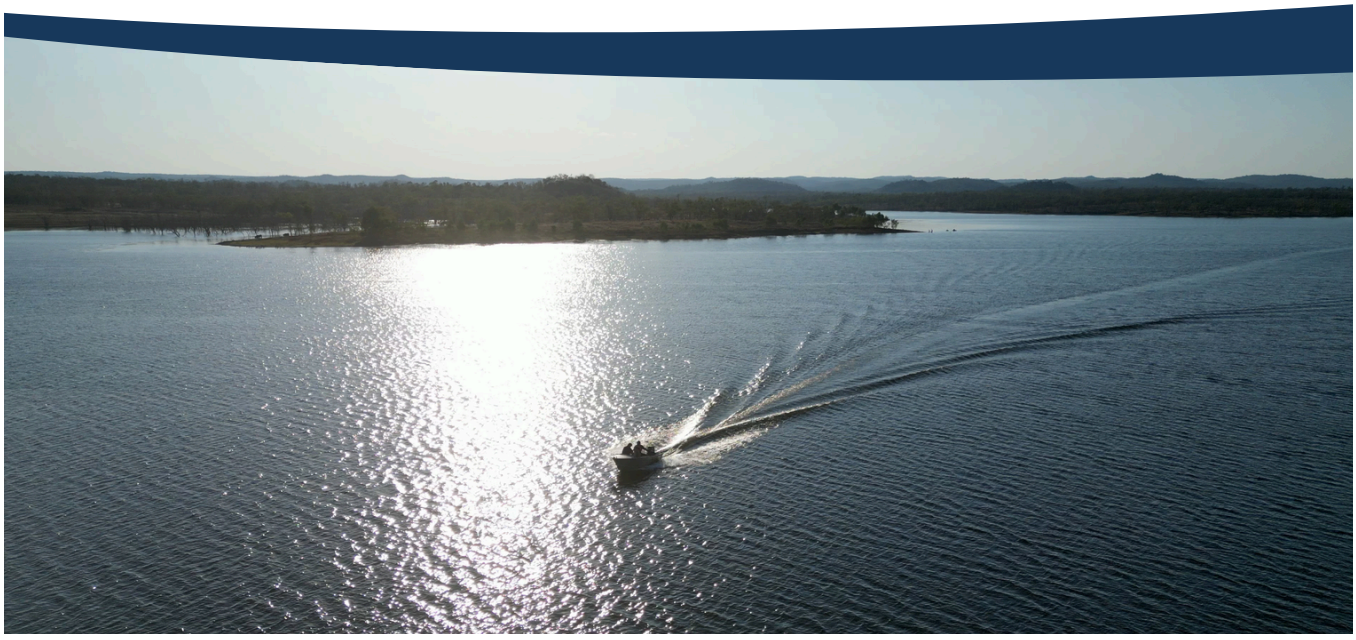
Welcome to Etheridge Shire Council's 2025/2026 Annual Report. This report provides a summary of Council's performance and achievements for the past financial year (1 July 2025 to 30 June 2026).

This Annual Report is part of Council's commitment to open, transparent, and accountable governance. It informs Council, ratepayers, community members and other stakeholders of the achievements and challenges of the past financial year and provides key information required under the *Local Government Act 2009* and other relevant legislation.

Copies of Council's previous Annual Reports and Audited Financial Statements are available free of charge electronically on Council's website at www.etheridge.qld.gov.au or can be purchased from Council's administration office.

Etheridge Shire Council aims to make this Annual Report transparent and easy to read. Council welcomes your feedback and suggestions for improvement.

If you have comments you wish to share, please direct them to Council's Director of Corporate Services by phoning (07) 4079 9090 or info@etheridge.qld.gov.au



MESSAGE FROM THE MAYOR



Hello and Welcome,

As Mayor of the wonderful Shire of Etheridge, it gives me great pleasure to submit the Mayor's Annual Report.

As the year 2026 fades away in the rearview mirror there are still reverberations of the tumultuous start to the year with flooding in the Einasleigh and the Gilbert River communities being felt as people wade through the recovery process.

As I look back on that period I have nothing but admiration for the resilience, spirit, tolerance, and patience, that has been exhibited right throughout the whole disaster. Not to mention generosity, compassion and just doing what Australians do, " Helping a Mate". As we all know there will be further disasters and they are all different, so we must learn from each and every one of them and the Etheridge Local Disaster Management Group is doing exactly that and will continue to work closely with all agencies to deliver services and keep communities safe.

Etheridge Shire finds itself well positioned for ongoing Transport and Main Roads Qld. works for the near future with projects pencilled in for Georgetown/Forsayth Road, Kennedy Highway sealing and drainage works, Gulf Development Road widening project Georgetown/Mt. Surprise, which augers well for Council's own plant and employees. These projects along with the 2026 (DRFA) Disaster Recovery Funding Arrangements for Etheridge will deliver considerable quantities of ongoing works for Council and contractors alike.

Community projects funded under Growing Our Regions are nearing completion at the Terrestrial Centre, Cumberland Dam, and Einasleigh. These projects have been a huge undertaking by Council and will serve both locals and tourists alike very well.
Mt. Surprise multi-purpose centre is progressing with construction about to commence which will appease the community greatly and add a new dimension to community activities in that region.

Council has expanded its asset base with the purchase of the CWA hall in Forsayth recently bringing surety to community for a long-term solution for the reduction in CWA owned assets in small rural and remote places.

MESSAGE FROM THE MAYOR

Council's financial position is strong and stable and with the continuation of sound strategic decision making and guidance in relation to project management and future advocacy along with robust community consultation which places your Council in a very favourable position to leverage for future growth and long-term sustainability across all facets of council's business model.

Looking forward, Council has a great foundation to work from through growing and maintaining strong partnerships and relations with key stakeholders and staff to deliver transitional and generational change for the betterment of livibility, employment opportunities, economic development, and all the while meeting community expectations when and where possible.

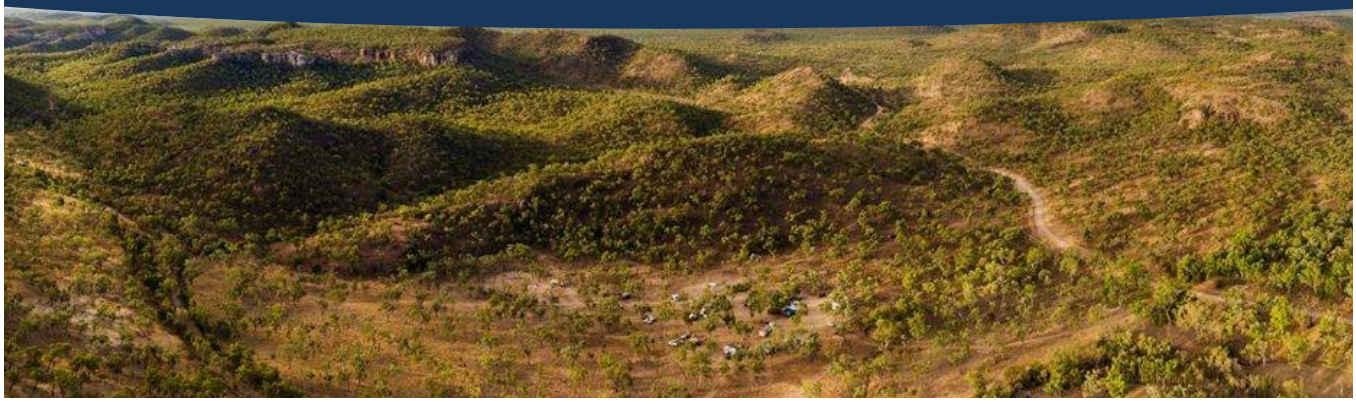
I take this opportunity to thank all who have been part of the journey throughtout 2026, for your contribution has not gone unnoticed, and is one of the key ingredients to making this Shire a place to call home.

Happy Trails.

Regards

B. G. Hughes

Mayor Barry Hughes
Etheridge Shire Council



MESSAGE FROM THE MAYOR



L-R Previous NWQROC Chief Executive Officer, Greg Hoffman PSM, Etheridge Shire Council Mayor, Cr Barry Hughes, Kowanyama Aboriginal Shire Council Mayor, Cr Territa Dick, Kowanyama Aboriginal Shire Council, Cr Teddy Bernard.



L - R Barcaldine Regional Council Mayor, Cr Rob Chandler, Etheridge Shire Council Mayor, Cr Barry Hughes.



L-R McKinlay Shire Council Mayor, **Cr** Janene Fegan, Doomadgee Aboriginal Shire Council, Cr Carlene Logan, Cloncurry Shire Council Mayor, Cr Greg Campbell, Richmond Shire Council Mayor, Cr John Wharton, Assistant Minister, Sean Dillon, Etheridge Shire Council Mayor, Cr Barry Hughes, Flinders Shire Council Mayor, Kate Peddle, Richmond Shire Council, Cr Patsy Fox, Croydon Shire Council Chief Executive Officer, Jacqui Cresswell, Carpentaria Shire Council, Cr Bradley Hawkins, previous Interim Chief Executive Officer of Flinders Shire Council, Bruce Davidson.

CHIEF EXECUTIVE OFFICER'S REPORT



It is my pleasure to present the Etheridge Shire Council Annual Report for 2025-26.

Having commenced as Chief Executive Officer in July 2026, I have had the privilege of joining an organisation with a strong commitment to its communities and a workforce that is passionate about making a positive difference across the Shire. While my time with Council has been relatively recent, it has provided valuable insight into the dedication, resilience and professionalism of our people.

This reporting period was one of both achievement and challenge. Council continued to deliver a broad range of services that are fundamental to the liveability, wellbeing and prosperity of our communities. Across a vast geographic area, our team is responsible for maintaining essential infrastructure, delivering community services, supporting economic development, ensuring regulatory compliance, and providing facilities and programs that contribute to a high quality of life for residents and visitors alike.

A defining event of the year was the significant flooding disaster that impacted communities. The effects of this event were felt across the Shire, placing pressure on residents, businesses, infrastructure and essential services. During this difficult time, Council staff demonstrated commitment, working to support response and recovery efforts while continuing to maintain services. I would also like to acknowledge the valuable contribution of emergency services, government agencies, community organisations and the many volunteers who stepped forward to assist those in need. The collective response highlighted the strength, resilience and spirit of the Etheridge community.

Despite these challenges, Council successfully continued the delivery of its capital works program while maintaining focus on business-as-usual operations. Delivering both major projects and essential day-to-day services requires significant effort, collaboration and adaptability. The achievements of the year are a testament to the capability and commitment of our workforce and the strong partnerships Council maintains with funding bodies, contractors and stakeholders.

CHIEF EXECUTIVE OFFICER'S REPORT

I firmly believe that Council's greatest asset is its people. The dedication, knowledge and professionalism of our employees underpin every service we deliver and every project we undertake. Their commitment ensures Council can meet community needs, respond to challenges and continue to invest in the future of the region.

I would also like to acknowledge the leadership of the Mayor and Councillors, whose strategic direction and commitment to community outcomes support the delivery of Council's priorities.

As we look ahead, Council remains focused on responsible governance, sound financial management and the delivery of infrastructure and services that support sustainable growth, community wellbeing and regional resilience. By continuing to work collaboratively with our communities, government partners and stakeholders, we will build on our strengths and create opportunities for future generations.

On behalf of the Executive Leadership Team, I thank our staff, Councillors, volunteers, partner agencies and the broader community for their ongoing support and contribution throughout the year. Together, we continue to make Etheridge Shire a resilient, connected and vibrant place to live, work and visit.

Louise Knol
Chief Executive Officer





OUR VISION

Etheridge Shire is a place of innovation, diversity and opportunity for all. We have a vibrant and cohesive community which is provided with quality services that maintain a high quality of life, inclusive and progressive leadership ensures a sustainable community economy and environment.

OUR MISSION

To lead the community in line with our guiding principles to achieve our shared vision.

OUR GUIDING PRINCIPLES

Safety - We focus on creating a safe workplace to ensure the wellbeing of our staff and the community;

Teamwork - We work together as one Council towards shared goals and for the greater good of the community;

Respect - We will be inclusive, treat people with courtesy and fairness, and ensure each individual is valued and heard;

Integrity - We will behave in a way that is honest, open, and transparent. We will take responsibility for our actions and strive for excellence;

Value - We aim to deliver services efficiently, effectively and in an environmentally and financially sustainable manner; and

Engagement - We engage with our staff and community to inform our decision making, and create awareness of our activities.



OUR CORPORATE VISION

The Corporate Plan is the key strategic business plan for the Council. It provides a focused framework for Council to plan and undertake its business and service delivery over the period of the plan, having regard to various issues, which may have been identified during the planning process, including community engagement.

IN THE PLAN, COUNCIL SETS OUT:

What it would like to achieve over the period of the plan - Outcomes; and
How it intends going about achieving those outcomes - Strategies.

OUR COUNCIL'S TOP 5 STRATEGIC AIMS

- A sustainable transport network that meets community needs.
- A sustainable environment of natural assets, water, waste water and waste management.
- A diversified economic development ensures a prosperous Shire
- Quality social infrastructure makes the Shire a desirable place to live.
- Best practice corporate governance and organisational excellence.

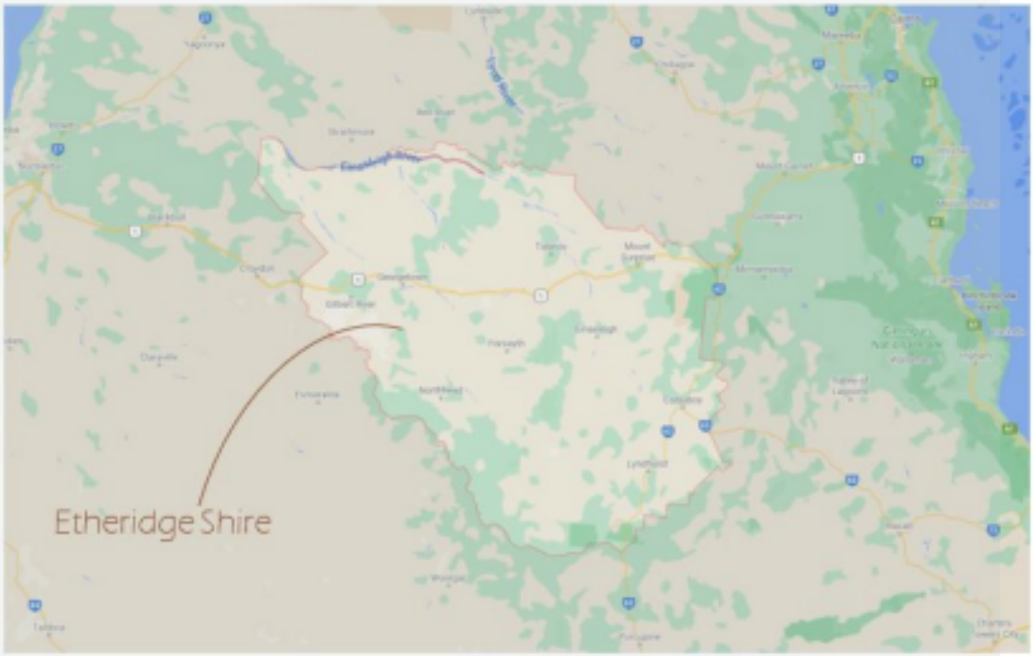


A copy of Council's Corporate Plan is available on our website

FAST FACTS

Council acknowledges all Traditional Owners of most of the land and waters within the Etheridge Shire.

- 727 people
- Area 39,199 km^2
- 2.3% of the total area of Queensland
- 1 world class mineral collection
- Manages 1 Student Hostel
- Manages 1 Childcare Centre
- Annual Operating Budget $ 67 Million
- $343 Million in Assets
- 329 Water Connections
- 1,752km of roads and 532 floodways and culverts
- 820 rate assessments (properties)
- Maintained 3.94 hectares of parks and 6.685 hectares of reserve land
- 286.8 tonnes of waste collected via regular Kerbside collection service
- Manages 4 aerodromes, 1 aerodrome is leased
- Manages 4 landfill sites



SNAPSHOT OF ETHERIDGE SHIRE

The Etheridge Shire covers approximately 39,199 square kilometres of Queensland's Gulf Savannah Region. The Shire is connected by four main communities being: Mt Surprise, Einasleigh, Forsayth and Georgetown and two smaller communities: Kidston and Oak Park, which results in a combined urban area of 31.51km^2.

The Etheridge Shire has a very diverse economy, with primary production, mining (gold, copper, zinc & lead) tourism and renewable energy generation within the Shire.

The Shire is very accessible via road and air and there is a diversity of experiences for those visiting, living and investing in the Shire.

Just under 10% of the Shire's area is protected through National Park declarations. The Shire's estimated resident population as at 2023 was 727 persons.

Population by age as at 2023:

- 31.1% aged 0-25 years
- 27.6% aged 25-44 years
- 41.3% aged 45+ years

Major Features of the Etheridge Shire include:

- Cobbold Gorge
- Charleston Dam
- Cumberland Chimney
- Copperfield Gorge
- Undara Lava Tubes
- Talaroo Hot Springs
- Terrestrial Information Centre
- Antbed House
- Agate Creek, Western Creek and O'Briens Creek Fossicking areas
- Einasleigh, Etheridge and Gilbert Rivers



REGIONAL PROFILE

The early history of the Etheridge Shire is synonymous with famous explorers such as Leichhardt (1844-45), Gregory (1855-56), McKinlay (1862) and Jardine (1864), all of whom traversed the area seeking minerals, timber and good pastoral land.

Etheridge Shire Council – Administration Building Georgetown History also records that in 1869 a young geologist named Richard Daintree explored the area around 41 Mile Creek and the Gilbert and Copperfield rivers, revealing the presence of payable gold. May 1870 saw the establishment of the community of Etheridge, along the banks of the Etheridge River. In November of the same year, this new settlement became known as Georgetown, named after the first gold commissioner in the region, Howard St. George.

The Etheridge Shire Council was first called the “Einasleigh Divisional Board” which then became the Einasleigh Shire Council in 1902 before changing its name to the Etheridge Shire Council in March 1919, because Council’s mail was being sent to Einasleigh instead of Georgetown.

The grazing occupation of the Gulf Savannah originated with Carpentaria Downs, which in the mid 1800’s was partially owned by sea captain Robert Towns, founder of both Burketown and Townsville. The main pastoral settlements appeared in the eastern part of the Shire, where large individual areas were taken up. In many cases these settlements remain some of the largest stations in the Shire today.

Relics of the famous gold rush days can still be found throughout the district and the settlements of Mt Surprise, Einasleigh, and Forsayth, together with Georgetown, remain a fossickers dream. The Etheridge goldfield, the “poor mans” goldfield, has never been worked out, and modern-day prospectors armed with metal detectors still search for specimens such as coloured topaz, agates, sapphires, smoky quartz and other precious stones, as well as nuggets of gold.

Local Government’s role as a third tier of government in Australia is defined in State Government legislation - being the *Local Government Act 2009*. Council comprises of a Mayor and four Councillors elected on an undivided basis every four years.

The Shire will be faced with many changes and challenges over the next 5 - 10 years to maintain social, environmental and financial sustainability.

REGIONAL PROFILE CONT.

The Terrestrial Centre is an accredited Visitor Information Centre (VIC) located in Georgetown which is owned and operated by the Etheridge Shire Council. The unique tourist and community Centre comprises:

1. Terrestrial – The Ted Elliot Mineral Collection
2. Unearth Etheridge Display
3. Gift Shop
4. Public library
5. Free wi-fi

Tourism is a growth industry for the Gulf Savannah Region. Council's statistics show increasing tourism numbers year on year, highlighting the growing popularity of the Shire's attractions and tourism operators.

The broader Gulf region destination has been branded to encourage tourism growth. The destination brand is known as the 'Savannah Way'; a brand that describes a themed tourist adventure drive linking Cairns in the East and Broome in the West. The drive passes through four World Heritage Areas and 15 National Parks.

The Savannah Way Art Trail is an additional attraction for visitors to explore. The Etheridge Shire is home to one of the trail's most notable sculptures, the Kapok Pod, located in Georgetown. Designed by Manning Daly Art, the sculpture serves as a symbolic landmark that reinforces a sense of arrival and identity for the town while providing a complex narrative about people, place and identity, connecting visitors both pyhsically and emotionally to the location.



TERRESTRIAL VISITOR INFORMATION CENTRE



The Terrestrial Centre is a unique community and tourism hub, combining an accredited Visitor Information Centre, Library, the renowned Ted Elliott Mineral Collection, and the Unearth Etheridge exhibit under one roof.

Opened in May 2003, the Centre was jointly funded by Etheridge Shire Council and the Queensland Government, with additional support provided by the Queensland State Library and contributions from local industry partners, including the former Kidston Mine.

The Visitor Information Centre plays a key role in supporting tourism across the region, providing travellers with up-to-date information on road conditions, attractions, camping locations and regional maps. Visitors can also access free Wi-Fi and receive assistance with bookings for local tours and experiences.

Ted Elliot Mineral Collection:
The Ted Elliott Mineral Collection comprises more than 4,500 specimens displayed across nine themed exhibition rooms. Showcasing minerals and geological specimens from the Etheridge region, across Australia and around the world, the collection represents a lifetime of dedication by Ted Elliott. Widely regarded as one of Australia's most comprehensive private mineral collections, it remains a significant tourism attraction and educational resource for the region.

Unearth Etheridge:
The Unearth Etheridge exhibit celebrates the rich history, industries and communities that have shaped the Etheridge Shire. Through interactive displays and multimedia presentations, visitors can explore the region's mining and pastoral heritage while gaining an insight into life in the Shire today.



The exhibit also features the Colin Butler Collection, an extensive display of historical artefacts gathered throughout a lifetime in the Australian bush, providing a valuable connection to the region's cultural and historical legacy.

LITTLE GEMS CHILDREN'S CENTRE

At Little Gems Children's Centre, we provide a nurturing, inclusive, and engaging early learning environment where every child is valued, supported, and encouraged to reach their full potential. Through play-based learning experiences, children develop confidence, independence, creativity, and a lifelong love of learning.



Our dedicated educators work closely with families to build strong, respectful partnerships that support each child's individual learning journey. We recognise the importance of fostering a sense of belonging, wellbeing, and community, ensuring children feel safe, secure, and connected within our centre environment.

Little Gems Childcare Centre is licensed under the Education and Care Services National Law and Regulations and provides education and care for children aged six weeks to five years.

Our centre operates Monday to Friday, 8:15 am to 4:30 pm.

Celebrating 2026:

Throughout the year, children, families, and educators embraced a variety of meaningful learning experiences, community events, and celebrations, including:

- Mother's Day and Father's Day Celebrations
- Book Week
- Science Week
- Harmony Week
- Clean Up Australia Day
- Reconciliation Week
- NAIDOC Week
- Talk Like a Pirate Day
- Rodeo Week
- Community and Cultural Celebrations
- Outdoor Learning Experiences
- Special Interest and Seasonal Events



These experiences provided opportunities for children to explore new ideas, build relationships, celebrate diversity, develop a strong sense of identity, and actively engage with their local community.

COUNCILLORS

Mayor and Councillors

(Post Local Government Quadrennial Elections dated 16 March 2024 - current Council members





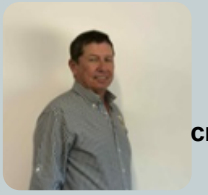
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Councillor
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Deputy Mayor
Laurell Royes
Phone: 0459 278 377
Email: cr.royes@etheridge.qld.gov.au



Councillor
Ian Tinknell
Phone: 0459 136 283
Email: cr.tinknell@etheridge.qld.gov.au



Councillor
Ian Carroll
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Email: cr.carroll@etheridge.qld.gov.au

COUNCILLOR REMUNERATION & ALLOWANCES

Councillor Remuneration is governed by Chapter 8, Part 1, Division 1 of the *Local Government Regulation 2012*. Section 247 of the Regulation states that a local government must pay remuneration to each Councillor of the Local Government. The maximum amount of remuneration paid to a Councillor is set by the Local Government Remuneration Commission each year (refer to the Commission's Annual Report for their yearly determination. Unless decided by Council by resolution, Councillors are to be paid the amount set by the Local Government Remuneration Commission. For 2025/2026, Council did not make a resolution to reduce the amount of remuneration they were eligible to receive.

From 1 July 2025 the remuneration determined by the Local Government Remuneration Tribunal was: -

	Remuneration (current) 2025/2026	**Remuneration (current) 2024/2025**	**Remuneration (current) 2023/2024**
Mayor	**$122,975**	$119,393	$114,801
Deputy Mayor	**$70,946**	$68,880	$66,231
Councilllors	**$61,486 (note 2)**	$59,695 (note 2)	$57,400 (note 2)
	(As set by the Local Government Remuneration Tribunal effective 1/7/2025)	(As set by the Local Government Remuneration Tribunal effective 1/7/2024)	(As set by the Local Government Remuneration Tribunal effective 1/7/2023)

COUNCILLOR REMUNERATION AND ALLOWANCES CONT.

Remuneration paid to Councillors during 2025/2026:

Councillor	General Meetings Attended	Special Meetings Attended	Remuneration (set by the Local Government Remuneration Tribunal)	Mileage & Other Allowances	Total Remuneration Paid
Mayor Barry Hughes	11	2	**$122,975**	0	**$122,975**
Deputy Mayor Laurell Royes	13	2	**$70,946**	0	**$70,946**
Cr Seven Ryan	13	2	**$61,486**	0	**$61,486**
Cr Ian Tinknell	13	2	**$61,486**	0	**$61,486**
Cr Ian Carroll	13	2	**$61,486**	0	**$61,486**

COUNCILLOR REMUNERATION AND ALLOWANCES CONT.

Notes to the remuneration schedule:

The 2014 annual report by the former Local Government Remuneration and Discipline Tribunal explained the rationale behind the adoption of a system of remuneration which comprised a base payment (of two thirds of the annual remuneration) and a monthly payment based upon attendance at, and participation in, the 12 mandated Council meetings. The monetary amounts shown are the per annum figures to apply from 1 July 2025. If an elected representative only serves for part of a full financial year (that is, 1 July to 30 June) they are only entitled to a pro rata payment to reflect the portion of the year served.

Note 1: For Councillors in category A1, A2 and A3 Councils, a base payment (two thirds of the annual remuneration) and a monthly payment based upon attendance at Council meetings (one third of the annual remuneration) is payable for the 12 months commencing 1 July 2025. Participation in, scheduled meetings of Council is subject to certification by the mayor and/or chief executive of the Council.

Mayors and deputy mayors in category A1, A2 and A3 are currently entitled to receive their full annual remuneration level shown. The Commission has not determined to make changes to the system of base payment and mandated Council meetings for its 2025-2026 determination. Future consideration by the Commission may be given to whether changes to the current system should be made

Note 2: For Councillors in category 1 Councils, a base payment of $39,796.67 is payable for the 12 months commencing on 1 July 2024. A meeting fee of $1,658.00 per calendar month (or fortnightly equivalent) is payable for attendance at, and participation in, scheduled meetings of Council subject to certification by the mayor and/or Chief Executive Officer of the Council. Mayors and deputy mayors in category A2 Councils are to receive the full annual remuneration level shown. Note: Etheridge Shire Council is classified as a Category A2 Council.

Councillors will be provided with the following:

In addition to the above remuneration, Council has resolved to provide the additional support to Councillors:

- Secretarial support for Mayor and Councillors via the Executive Assistant to the Chief Executive Officer;
- Laptop computer, mobile phone and/or tablet device
- Use of Council landline telephone and internet access, facsimile and/or scanner, printer, photocopier, paper shredder and stationery
- Any other administrative necessities which Council resolves are necessary to meet the business of Council.

(Refer to Council’s Councillor Reimbursement of Expenses and Provision of Facilities Policy)

COMMITTEES

Councillor	Committees
Cr Barry Hughes	NWQROC (Chair), FNQROC, FNQRRG, Chair of the Local Disaster Management Group, Chair of Audit Committee, WQAC Leadership, Bush Council Compact, Board Member GSD.
Cr Laurell Royes	Local Disaster Management Group, Audit Committee
Cr Seven Ryan	Biosecurity Planning Advisory Committee
Cr Ian Tinknell	Regional Arts Development Fund Committee
Cr Ian Carroll	Sustainability Destinations Committee, Rural Fires



COMPLAINTS

Mayor & Councillor Conduct:
The *Local Government Act 2009* (the Act) provides a framework for assessing complaints about the conduct or performance of Councillors.

Under the Act, each complaint is required to be assessed to determine whether it is about misconduct, inappropriate conduct, corrupt conduct under the *Crime and Corruption Act 2001* or another matter. If the complaint is not frivolous, vexatious or lacking in substance, it is then referred to the appropriate individual, panel or tribunal for further action.

It is a requirement under sections 186(d) and (f) the *Local Government Regulation 2012* that the Annual Report contains details of complaints received about Councillors' conduct or performance. In 2025/2026, no Councillor Complaints were received or made under s150I(2), s150AH (1) or s150AR(1) of the *Local Government Act 1993*.

The table shows the reporting requirements contained in the *Local Government Regulation 2012* for the financial year.

Complaints on conduct and performance of Councillors:

Complaints referred to the assessor under s150P, by the local government, a councillor or the CEO	Matters mentioned in s150P, notified to the Crime and Corruption Commission	Notices given under s150R
0	0	3

Further Notations:
A total of 12 complaints were received regarding conduct and performance of Councillors between 1 July 2025 and 30 June 2026. No complaints were still active as at 30 June 2026, and 4 recommendations were issued.

OUR PEOPLE

Council developed a Human Resource Strategy to provide Council with an integrated framework of policies and practices that will guide Council in meeting its workforce needs and enable individuals and the organisation to excel. Council's Human Resources Strategy must be aligned and informed by Council's mission and goals yet remain flexible to accommodate a changing environment.

Council faces a number of key challenges:

- As changes to the demographics of the Australian population continue, the attraction of high-quality staff will become more acute as the generation of baby boomers move out of the workforce;
- With the contraction in the labour market, Council must remain competitive in the employment market to attract and retain skilled staff.

Changes to the Local Government Award and the State Industrial Relations Act will see new challenges for Local Government in the way we recruit, remunerate and manage our employees.

Six (6) key principles of the strategy:

1. **Recruitment, selection and appointment**

   Aim: Recruitment, selection and appointment policies, procedures and practices position Etheridge Shire Council to attract and retain high quality professional and skilled labour staff in a competitive labour market.

2. **Reward, recognition and remuneration**

   Aim: To apply flexible remuneration arrangements for staff and have appropriate mechanisms to attract, recognise and reward high performing staff

3. **Equity and diversity**

   Aim: To build a socially inclusive working environment that enables all staff to contribute to their full potential and to embed the responsibility for staff equity initiatives and matters within Etheridge Shire Council management practices.

4. **Staff development and workplace culture**

   Aim: To provide formative staff development programs that enable staff to strengthen those skills, capabilities and experience which contribute to the achievement of organisational goals, job satisfaction and career aspirations.

OUR PEOPLE

5. **Development of leadership & management capabilities**

   Aim: The quality of front-line leadership and management is essential to the retention, motivation and engagement of staff as Etheridge Shire Council strives to meet new organisational challenges.

6. **A safe, healthy and productive work environment**

   Aim: To promote the highest practicable standard of occupational health and safety with the Etheridge Shire Council and to promote the good health and wellbeing of staff.

"…. people are the key to Etheridge Shire Council's future. The survival, growth and success of Etheridge Shire Council are directly linked to the quality of our staff as individuals and as a collaborative team…."

Headcount of Council's staff by year:
Annual headcount includes all staff except Councillors. Full-time, part-time, casual, apprentices and trainees. As at 30 June 2026, Etheridge Shire Council retained 78 employees, in comparison as at 30 June 2025, Council retained 69 employees.

FTE (full time equivalent):
73.40 - 2025/2026 64.90 - 2024/2025

Breakdown of staff:

FYE 2026
- 60 Full time
- 9 Part time
- 2 Casuals
- 7 Apprentices/Trainees

FYE 2025
- 56 Fulltime
- 7 Part time
- 3 Casuals
- 3 Apprentices/Trainees

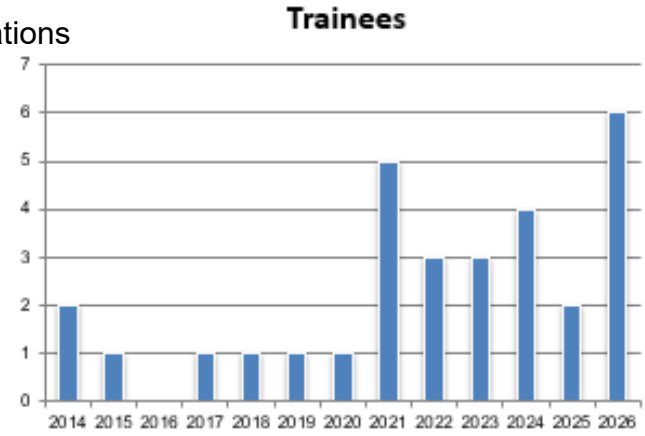


OUR PEOPLE

Training and Development Activities:
Staff undertook various forms of formal training during the 2025-2026 financial year.

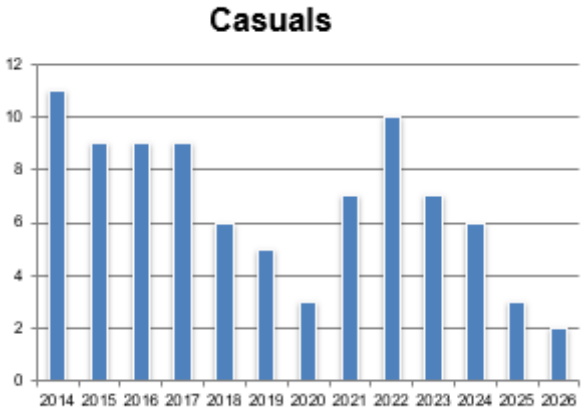
Courses included:

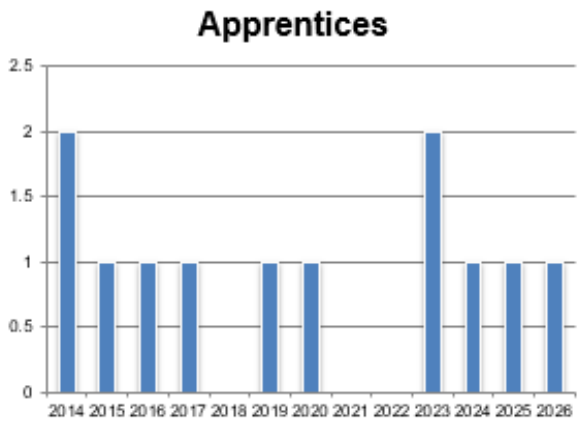
- Cert III Civil Construction and Plant Operations
- TAFE Diesel Fitter (block training)
- Cert III Early Childhood Education & Care
- Cert III in Business Administration
- First Aid & CPR
- LGMA Villages
- PCS Web Training
- Automotive A/C Systems
- Cert III Information Technology
- Website Training (Granicus)

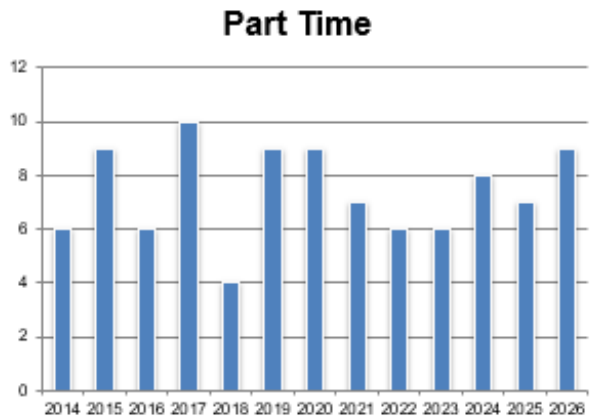


Work Force:
The following charts give visual representations of the workplace demographics with a summary of changes over the past 12 years (2014 – 2026).





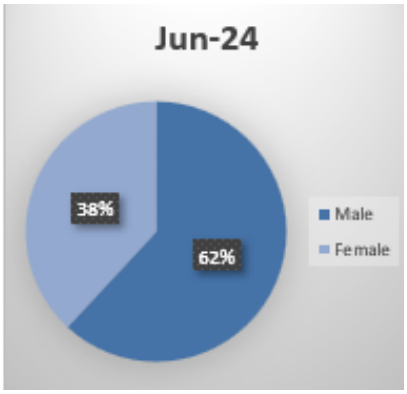


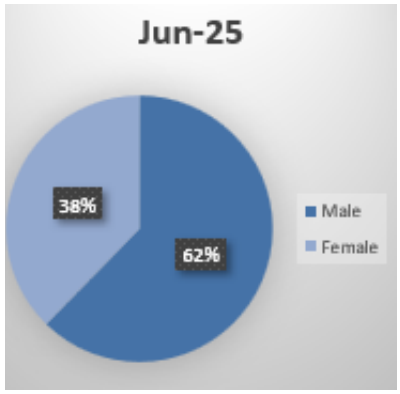


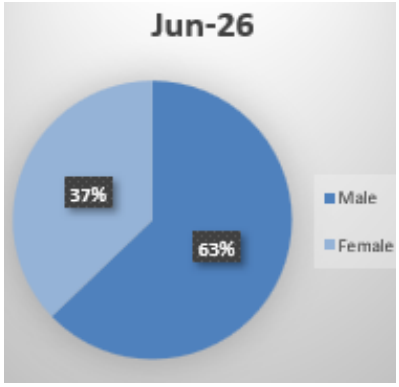
OUR PEOPLE

Employees by Gender:

While the outdoor workforce is predominantly male, gender equality is promoted within all areas of Council. Both women and men are employed as labourers, machine operators, office administration staff, childcare and management. Council is proud to be and actively promoting itself as an equal opportunity employer.







Due to Council's average age in all our workforce being 44 years, for the 2025/2026 year, Council is continuing to provide cross skilling in all departments to ensure the ability to develop a sustainable and robust workforce for the future.

Training and Development:

Council aims to provide formative staff development programs that enable staff to strengthen those skills, capabilities and experience which contribute to the achievement of organisational goals, job satisfaction and career aspirations.

Benchmarking:

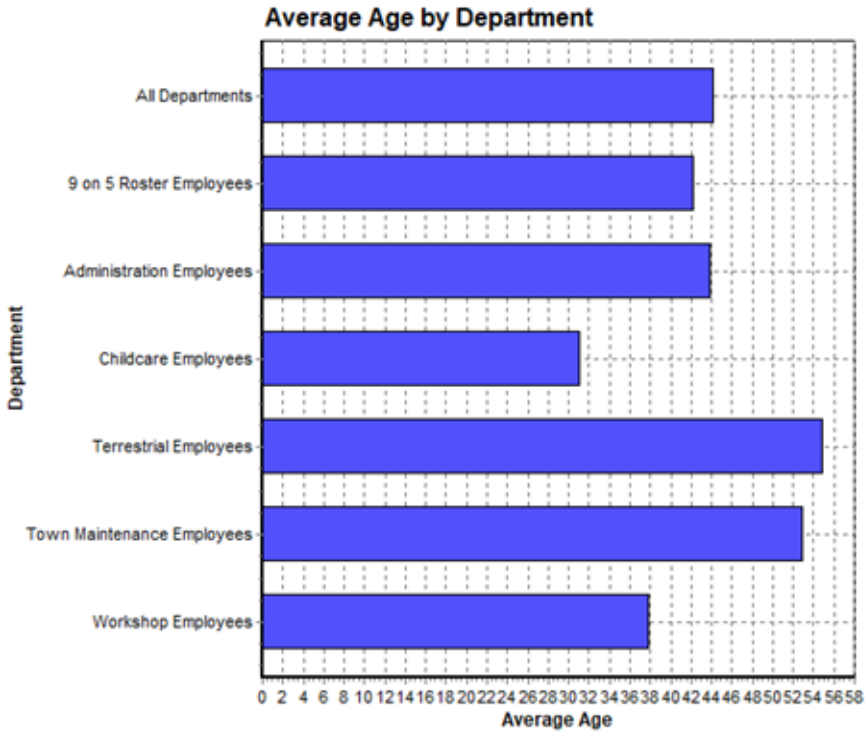
Striving for best practice is an ongoing task for Council and involves the continuous improvement of policies, procedures and other general functions of Council.



OUR PEOPLE

Continual review is essential when maintaining compliance with changes in legislation, industry standards, local government expectations and the needs of staff and the community.

During 2025/2026 financial year, Council continued to review policies and procedures to ensure it maintained consistency with organisational and community needs. It is anticipated that during the 2026/2027 financial year, additional policies and procedures will be implemented as the organisation and its needs evolve.





ORGANISATIONAL STRUCTURE

Senior Officer's Remuneration:

Under s201(1) of the *Local Government Act 2009* the annual report of a local government must state:
The total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the Local Government and the number of employees in senior management who are being paid each band of remuneration.

Senior management of a local government is -
The Chief Executive Officer and all senior executive employees of the Local Government.

The Senior Officers at Etheridge Shire Council during the 2025 - 2026 Financial year were:

Chief Executive Officer:
Mark Watt
Ken Timms PSM

Director of Corporate Services:
Renee Bester

Director of Engineering Services:
Raju Ranjit
Alan Clark



Total remuneration packages for Senior Officers during 2025 - 2026:

- 3 senior contract officers received total remuneration packages in the range of $160,000 - $270,000
- The 3 senior contracts totaled $ 760,000.00

Contracts are inclusive of salary, superannuation, motor vehicle, housing, telephone and uniforms based on annual total package.

AWARDS & EVENTS





Australia Day Ambassador - Mr Martin Shaw, President of Wounded Heroes Australia

Etheridge Shire Australia Day Awards 2026:

Citizen of the Year	Dave Fitzgerald
Junior Citizen of the Year	Savannah Mortimer
Senior Sportsperson	Claudia Steele
Junior Sportsperson of the Year	Bobby Bethel
Community Organisation of the Year	Einasleigh Fire Brigade
Senior Statesperson Award	Neicy Butler
SES Award	Cindy Attwood



Remembrance day 2025:









Seniors Day 2025:



REGIONAL ARTS DEVELOPMENT FUND (RADF)

Etheridge Shire Council completed the second year of a four-year Regional Arts Development Fund (RADF) funding agreement with Arts Queensland. The RADF Advisory Committee, consisting of six members, continued to provide oversight of the program throughout 2025-2026, ensuring funding was directed towards projects and activities that reflected community priorities.

A total of $26,250 was contributed by Arts Queensland for distribution during the 2025-2026 funding year, including Council's co-contribution of $3,000 and a carried-forward balance of $5,000 from the previous year. Totalling $34,250.00 in available funds. Two funding rounds were delivered during the reporting period, resulting in grants being awarded to the following applicants:

Applicant	Project	Amount Awarded
Rebecca Wilke	Mosaic Workshops	**$ 4,672.80**
Kelly Shann	Dagworth to Wambiana Droving Oral History Project	**$ 10,500.00**
The Grey Galah	From Click to Competition: Learn, Shoot, Edit, Enter - Photography Workshop	**$ 7,752.00**
Renee Lis	Violin Lessons	**$ 5,000.00**
Total: $ 27,924.80		

REGIONAL ARTS DEVELOPMENT FUND (RADF)

Council's initiated program included performances of Spinderella at Forsayth, Georgetown and Mt Surprise.

Provider	Project	Amount Awarded
Jally Entertainment	Spinderella Performance	**$ 6,000.00**
Forsayth QCWA	Hall Hire	**$ 100.00**
Total: $ 6,100.00		

Total RADF expenditure for 2025-2026 is $ 34,024.80.



GOVERNANCE

General Meetings of Council:
Council holds monthly General Meetings to attend to the business of Council. Council must ensure decision making supports the achievement of the Corporate Plan, Operational Plan and Budget, in accordance with the *Local Government Act 2009* and other legislation.

The Local Government Act requires elected members to declare Conflicts of Interest and Material Personal Interests in matters before Council. For a Councillor to have a personal interest there must be an expectation of personal benefit (gain or loss) for the Councillor or an associate. The Local Government Act and Regulation outline the ways in which elected members must manage their personal interests. A register listing Councillor's material personal interests is maintained.

Transactions with related parties:
Key management personnel compensation (KMP) KMP includes the Mayor, Councillors and Council's senior management staff (Chief Executive Officer and Directors). The compensation to the KMP for the financial year was as follows:

Short-term employee benefits	$ 1,151,660
Long-term employee benefits	$ 6,332
Post-employment benefits	$ 77,471
Termination benefits	$ 16,821

Transactions with other related parties:
Other related parties include 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 or dependent of a KMP, child or dependent of a KMP's Spouse and any other family member expected to be influenced by a KMP in their dealings with Council.

Council employed 73 employees of which one was a close family member of key management personnel to the value of $107,090.

There are entities and individuals identified as related parties of Council that also live and operate within the Etheridge Shire. On a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples include:
- Payment of rates
- Use of Council facilities such as swimming pools and libraries
- Private Works

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

GOVERNANCE

Councillors' Code of Conduct:
It is important the community has confidence in its Council and Councillors. The Minister for Local Government released a Code of Conduct for Councillors on 4th August 2020. All Queensland Local Government Councillors must comply with the Code of Conduct.

The Code provides Councillors with a frame of reference about their roles, obligations and acceptable behavioral standards.

To complement the transparency and compliance measures in the Local Government Act and Regulation, there are a number of requirements contained within section 186 of the Regulation that must be disclosed within Council's Annual Report, regarding complaints made about Councillors. These disclosures are made elsewhere in the Annual Report.

Employee Code of Conduct :
The Employee Code of Conduct assists Council in maintaining public trust and confidence in the integrity and professionalism of its employees by ensuring all employees maintain and enhance Council's reputation.

Employees are required to display the personal and professional behaviours that could be reasonably expected from persons holding positions that serve the community. More specifically, it requires employees to perform professional duties with care, skill, fairness and diligence.

Employees are required to engage in ethical conduct, treat all others with courtesy, respect and with due regard to the rights of others. All new employees are provided with training regarding their obligations under the Code of Conduct. Any alleged breaches of the code are investigated in accordance with Councils guidelines.

External audit:
Council is audited annually by Queensland Audit Office or a duly authorised representative of the QAO.

This provides a statutory mechanism for external review of Council's financial operations and other corporate matters affecting the sound management of the organisation.

Council has received an "Unqualified Audit Opinion" Report for 2025/26 financial year. (Note: This is regarded as a very good outcome)

Tenders:
Changes to Tenders in accordance with s228(8) of the *Local Government Regulation 2012* Council had no occasion to invite tenderers to change their submissions in the manner contemplated in the Regulation throughout the course of 2025/2026.

GOVERNANCE

Administrative complaints process:
Council has adopted an 'Administrative Complaints Policy' which complies with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Complaints welcomed:

- Council is committed to dealing fairly with administrative action complaints.
- Anyone who is dissatisfied about a decision or other action of the Council, a Council Officer can easily and simply lodge a complaint.
- Complainants are to be provided with information on the complaints process and, if necessary, assistance to make their complaint.
- Each complaint is initially assessed in terms of its seriousness, safety implications, complexity and degree of urgency.
- Council officers will receive complaints in a professional manner and welcome valid feedback as an opportunity for improvement of the Council's administrative practices.
- Complaints are to be responded to as quickly as possible and in accordance with the timeframes set out in the complaints process.
- Complainants will not suffer any reprisal from Council or its officers for making a complaint.
- Complaints are properly monitored with a view to continuous improvement of the Council's business processes.
- If a complainant is not satisfied that a complaint has been satisfactorily resolved, he/she will be informed of any statutory right of review and, if they request, be provided with details of any further review mechanism that is available.

The complaints process has been established for resolving complaints by affected persons about administrative action of the Council.

However, the complaints process does not apply to a complaint:

1. That relates to competitive neutrality issues;
2. About official misconduct that should be directed to the Crime and Corruption Commission; made under the *Whistleblowers Protection Act 1994*; or relate to actions of an elected member of Council.

"A complaint is a statement of dissatisfaction regarding the unsatisfactory delivery of a product or service offered by Council or the unsatisfactory conduct of Council officers. A complaint may be received in person, over the phone or by written or documented communication including electronic communication."

A Complaint should not be confused with an action request. For example:
A person may phone and request a pothole in a road be repaired.

This is a request for service. If they phone to complain that he/she had requested a pothole be repaired weeks ago and nothing had been done, then this constitutes a complaint.

GOVERNANCE

Administration Action Complaints:

Complaints received 2025/26	Complaints resolved 2025/26	Complaints unresolved 2025/26
0	0	0

Revenue Policy:
The Revenue Policy, adopted annually at the budget meeting, governs Council's revenue raising activities. The policy provides details on how rates are levied and explains the differential rating system that more fairly shares the burden of rates including differential categories. All water and waste charges are based on this policy, as well as special levies, rate remissions, payments and discounts, and overheads on private work. Copies of the Revenue Policy are available from www.etheridge.qld.gov.au

Special Rates and Charges:
Under Section 190(d)(ii) and Section 190(g) of the *Local Government Regulation 2012*, Council is required to provide details of action taken in relation to, and expenditure on, a service facility or activity for which the local government made and levied a special rate or charge for the financial year and a summary of all rebates and concessions allowed by the local government in relation to rates.

Waste Management - Special Charge:
A special charge was levied on properties within Forsayth, Einasleigh and Mt Surprise for "waste management".

The revenue from these rates was used as core funding for the maintenance and operations of all waste management facilities for the towns of Einasleigh, Mt Surprise and Forsayth. The Special Charge funds the activity. However, Council may determine to subsidise the service in view of the high costs of this service over the long term, and the undue hardship that may result if full cost recovery was sought from the special charge.

Rebates and Concessions:
Council has three different rebates and concessions in relation to rates. These are pensioner rate concession, natural hardship and economic or social incentives. Full details of these rebates and concessions are available within the Revenue Statement from www.etheridge.qld.gov.au.

Risk Management:
Etheridge Shire Council is committed to establishing an environment that is not unduly risk averse, but one that enables risks to be logically and systematically identified, analysed, evaluated, treated, monitored and managed.

GOVERNANCE

Risk Management Cont.:
Risk is inherent in all of Council's activities and a formal and systematic process is adopted to minimise, and where possible, eliminate any risks that directly or indirectly impact on the Council's ability to achieve the vision and strategic objectives outlined in the Corporate Plan.

Enterprise Risk Management Guidelines have been developed to demonstrate Council's commitment, by detailing the Integrated Risk Management framework to be employed by all staff members, contractors, committees and volunteers engaged in Council business and defining the responsibilities of individuals and committees involved in managing risk.

Council is committed to:

- Behaving as a responsible corporate citizen protecting employees, clients, contractors, visitors and the general public from injury and unnecessary loss or damage;
- Achieving its business objectives by minimising or eliminating the impact of risks it can realistically control;
- Creating an environment where all Council employees will take responsibility for managing risk (by developing and maintaining a strong risk management culture).

Formal risk registers cover strategic, operational and activity-based risks. Regular reviews of these registers take place to ensure the currency of the identified risks and track additional risks.

Risk Tolerance:
Council has implemented a "Risk Appetite & Tolerance Statement". Council generally considers "high" & "extreme" risks as not being acceptable and requires action to reduce either the likelihood of the risk occurring and / or the consequences should the risk occur.

Fraud and corruption prevention:
Etheridge Shire Council has developed a comprehensive Corporate Governance & Ethics Framework to ensure compliance with legislation and best practice democratic local government. The framework is not a policy or statement of intent, but rather a document which outlines Council's governance policies and practices. It provides readers with an overview of the governance program that has been put in place in order to assist elected members, management and employees in meeting their governance responsibilities.

Council is committed to high standards of corporate governance and accountability and seeks continuous improvement in this regard.

Council's Fraud and Corruption Prevention Policy & Management Plan forms part of Council's overall approach to transparent corporate governance. The policy informs all Council officers, Councillors, consultants and contractors of Council's position regarding fraud and corruption and the consequences of failing to comply with the provisions of the policy.

GOVERNANCE

Fraud and corruption prevention Cont.:
Council is committed to:

- A zero-tolerance approach to fraud and corruption.
- Corruption and fraud control and management as an integral component of effective corporate governance.
- Transparent and accountable processes consistent with sound business practices and organisational standards of compliance.
- Preventing fraud and corruption and investigating all suspected incidents and taking appropriate action.
- Maintaining an integrated Fraud and Corruption Prevention Framework to minimise the impact and reduce the risk of fraud and corruption within the work environment.

Right to Information:
Requests for information under the Right to Information Act (RTI) must be made on the required form (available on Council's website or by contacting Council).

During the period 1 July 2025 to 30 June 2026 Council received 1 RTI.

Business Activities:
A "business activity" of a Local Government is divided into two categories:
a) Roads business activity means.

- The construction or maintenance of State controlled roads for which the Local Government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement; or
- Submission of a competitive tender for construction or road maintenance on the Local Government's roads which the Local Government has put out to tender or called for by another Local Government.

b) Business activity means

- Trading in goods and services to clients in competition with the private sector; or
- Submission of a competitive tender in the Local Government's own tendering process in competition with others for the provision of goods and services to itself.

Excluded activities are (a) library services, (b) an activity or part thereof prescribed by legislation.

These business activities are referred to as type 3 activities. Local Governments may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities.

Council has not identified any type 1,2 or business units and has resolved not to apply the CCC to its business activities.

GOVERNANCE

Land and roads prescribed not to have a value:
Etheridge Shire Council has control of 6,689 hectares of reserve land under the *Land Act 1994* (which includes Reserves for Parks, Recreation, Water Supply, Rubbish Disposal and Local Government Purposes); and 1,797.1 km of Roads. The land does not have a value in the financial statements and the Roads are valued as Infrastructure assets.

Thresholds for recognition of non-current assets:
In June 2023, Council resolved to set the recognition threshold of non-current assets as follows:-
Land $1
Buildings $10,000
Plant and Equipment $5, 000
Furniture and Equipment $5,000
Roads (and associated components $10,000
Water Infrastructure $10,000
Other Structures $10,000

Acquisitions below the above thresholds are to be treated as an expense.

Grants to community organisations L*ocal Government Regulation 2012 (S. 189(1)):*
Council revised its approach to providing grants and in-kind assistance to community organisations in 2025/26, following the adoption of an In-kind Support Policy, Grants to Community Organisations Policy and Sponsorship Policy.

Community organisations are invited to apply for assistance for their community events between the months of March to June. Council considers the applications when preparing its Annual Budget. For 2025/26, Council provided assistance to the following organisations:

In-Kind:

Georgetown Turf Club	**$ 3,608.45**
Georgetown Rodeo Association	**$ 2,425.07**
Georgetown Golf Club	**$ 1,728.00**
Georgetown Bushman's Ball	**$ 423.34**
Georgetown Cricket Club	**$ 259.24**
Georgetown Horse & Pony Club	**$ 649.79**
Georgetown Gulf Stockman's Challenge	**$ 18,232.14**
Georgetown Pigs & Rigs	**$ 942.38**
Georgetown Campdraft Association	**$ 788.29**
Mt Surprise Sports & Recreation	**$ 749.59**
Mt Surprise Campdraft Association	**$ 1,265.04**
Forsayth All Sports Association	**$ 2,332.02**
Forsayth QCWA	**$ 138.68**
Einasleigh Race Club	**$ 4,142.13**
Einasleigh Rodeo Association	**$ 1,706.81**

GOVERNANCE

Sponsorship:
No sponsorship granted

Infrastructure:

Georgetown Rodeo Association	**$ 7,150.89**
Georgetown Golf Club	**$ 11,945.59**
Georgetown Campdraft Association	**$ 7,244.45**

Councillor discretionary funds *Local Government Regulation 2012 (S.189(2)):*
Councillors do not have discretionary funds at their disposal. Accordingly, no funds were disbursed under Councillor's Discretionary Funds during the year.

Overseas travel *Local Government Regulation 2012 (S.188)*:
No Councillors or staff travelled overseas during 2025-2026 in an official capacity.



LIST OF REGISTERS

Council maintains a list of registers and documents that are available on request.

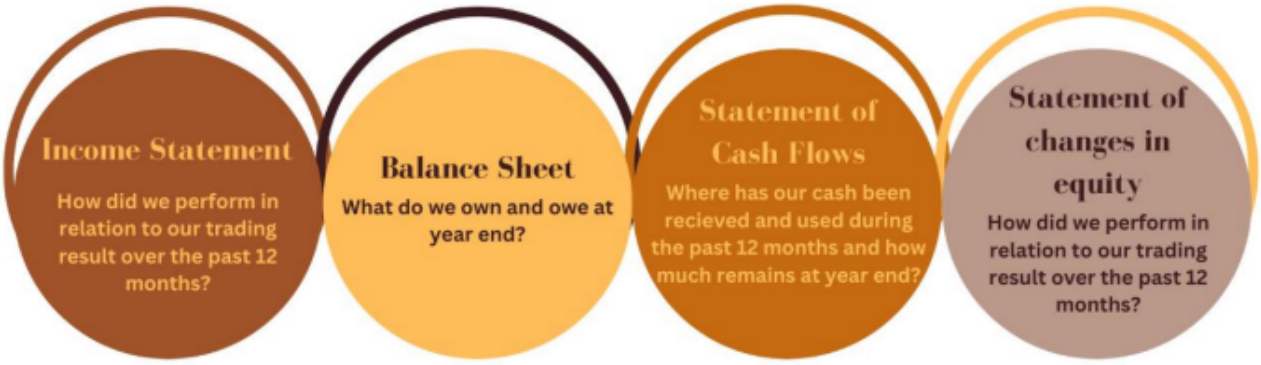
These include:

- Register of assets
- Register of authorised persons
- Register of cemeteries
- Register of complaints
- Register of conflict/material personal interest
- Register of tender / contracts
- Register of Councillor complaints
- Register of delegations
- Register of electoral gifts
- Register of gifts and benefits
- Register of interests
- Register of land records
- Register of licensing
- Register of local laws and subordinate local laws
- Register of regulatory fees
- Register of roads and road maps
- Register of statutory policies
- Register of Council policies
- Register of administration policies



COMMUNITY FINANCIAL REPORT

A Community Financial Report contains a summary and analysis of a Local Government's financial performance and position for the financial year. This report makes it easier for readers to understand Council's financial management and performance by focusing on the four key financial statements.



The Community Financial Report is a simplified version of Council's financial performance and financial position for the 2025/2026 financial year. The aim of the report is to assist readers in evaluating Council's financial performance by summarising the information contained in the Annual Financial Statements. The Financial Statements are listed in full on the Councils website and a printed copy can be obtained by contacting Council staff.

Overview:
Like every Queensland Local Government, Council's annual financial statements are audited by the Queensland Audit Office (QAO). For 2025/2026 Council received an unqualified audit opinion. Essentially this means Council's annual financial statements give a "*true and fair view of the Council's financial position as at 30 June 2026, and of its financial performance and cash flows for the year then ended*".

FINANCIAL SNAPSHOT AS AT 30 JUNE 2026

	2025/26	2024/25	2023/24	2022/23	2021/22
	$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
Total Income	67,170	66,232	44,705	57,302	42,044
Total Expense	56,099	53,077	46,976	56,480	38,289
Net Result Surplus (deficit)	11,072	13,154	2,270	822	3,755
Capital Expenditure	557	646	107	344	1,965
Cash Position	25,410	19,152	10,618	18,070	16,118
Total Assets	343,134	310,894	303,931	308,263	279,275
Total Liabilities	28,045	20,773	15,385	16,945	10,212
Community Equity	315,089	290,121	288,545	291,318	269,073
% of Revenue derived from Rates	5%	4.0%	6.1%	4.5%	5.5%
% of Revenue derived from Grants	68.0%	85.0%	65.7%	59.9%	55.4%
% of Revenue derived from Sales and Recoverable Works	25.3%	9.6%	25.4%	31.5%	37.8%
Total Loans	$3,555	$5,796	$5,987	$0	$0

Statement of Comprehensive Income

Revenue:

There are two main categories of revenue: recurrent and capital. Recurrent revenue is money raised that is used to fund Council's operations and is generally sourced from rates, levies and charges, grants, subsidies and donations, contract and recoverable works revenue, interest, fees and charges, rent and other income. Capital revenue is used to fund asset replacement or new assets. Capital revenue is sourced from grants, subsidies and donations, as well as gains/losses on disposal of assets.

Revenues	2025/26	2024/25	2023/24	2022/23	2021/22
	$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
Recurrent Revenue					
Rates, Levies and Charges	3,340	2,777	2,736	2,536	2,307
Fees and Charges	78	96	126	172	295
Other Income	835	1,032	1,136	447	252
Sales Revenue	16,997	6,336	11,334	18,106	15,874
Grants, Subsidies, Contributions and Donations	37,439	47,286	24,491	33,823	18,266
Grants, Subsidies, Contributions and Donations	8,480	8,702	4,881	2,218	5,040
Other Capital Income					10
Total Revenue	**67,170**	**66,231**	**44,705**	**57,302**	**42,044**

FINANCIAL SNAPSHOT AS AT 30 JUNE 2026

Expenses:

Like revenue, expenses can also be classified as recurrent and capital. Recurrent expenses are incurred by Council in providing services to the community. On the other hand, capital expenses relate to cost of replacing or constructing new assets. Expenses can take the form of wage and salaries, materials and services, finance costs and depreciation. These line items represent the cost to Council of providing services, operating facilities and maintaining assets.

Expenses	2025/26	2024/25	2023/24	2022/23	2021/22
	$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
Recurrent Expenses					
Employee benefits	9,203	7,691	7,281	6,965	6,754
Materials and services	40,377	38,362	33,253	43,782	25,262
Finance Costs	179	282	164	3	3
Depreciation	5,781	6,095	6,168	5,385	4,305
Capital Expenses	557	646	107	344	1,965
Total Expenses	**56,099**	**53,077**	**46,976**	**56,480**	**38,289**

Net Result:

The net result is the difference between Revenue and Expense and is expressed as either a surplus (when revenue exceeds expense) or a deficit (when expense exceeds revenue). As Council's operations are heavily dependent upon external funding and the timing of payments to when the revenue is recognised (usually in arrears), the net result can fluctuate from year to year and may mislead readers. For example, grants may be received in advance, with the associated expenditure incurred the following year. It is therefore important to look over the longer-term trends in the net result to assess Council's performance.

Net Result	2025/26	2024/25	2023/24	2022/23	2021/22
	$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
Total Expenses	**11,072**	**13,154**	**2,270**	**822**	**3,755**

FINANCIAL SNAPSHOT AS AT 30 JUNE 2026

The Statement of Financial Position:

The Statement of Financial Position (also known as a Balance Sheet), presents Council's financial position at the end of the financial year 30 June 2026. The Statement measures what Council owns (assets) and what Council owes (liabilities), with the difference being net community wealth (equity).

Assets:

Assets are generally classified as current and non-current. Current assets are those that can be quickly converted to cash or cash equivalents. Naturally cash is a current asset, as is accounts receivable, and inventory. Non-current assets are assets that cannot be easily converted to cash and have a useful life that may extend over a number of years. Non-current assets are usually made up of land, buildings and property, plant and equipment (PPE). At the end of the financial year Council had increased its total assets by $34.9M. Total assets under Council's stewardship is $343M.

Assets	2025/26	2024/25	2023/24	2022/23	2021/22
	$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
Current Assets					
Cash & cash equivalents	25,410	19,152	10,618	18,070	16,116
Receivables and other	6,414	2,750	4,265	2,766	1,004
Contract assets	11,806	8,458	3,502	5,531	4,391
Inventory	446	401	475	515	708
Non-current Assets					
Property, plant and equipment	299,057	280,132	285,051	281,381	257,055
Total Assets	**343,134**	**310,894**	**303,931**	**308,263**	**279,275**

Liabilities:

Liabilities are similarly classified as current and non-current. Current liabilities are those that will be paid in the following financial year, whereas non-current liabilities will be over a number of subsequent financial years.

Council's liabilities (such as payables) comprise amounts owing for known obligations including borrowings, trade and other payables. Provisions are best estimates of anticipated future obligations. Council maintains provisions for employee entitlements for long service leave and restoration of the Shire's landfills to be realised in future years. Contract liabilities generally represent grant funds received in advance that Council must honor in future years.

FINANCIAL SNAPSHOT AS AT 30 JUNE 2026

Liabilities	2025/26	2024/25	2023/24	2022/23	2021/22
	$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
Current Liabilities					
Payables	3,336	4,134	5,257	2,196	3,772
Contract liabilities	17,710	7,632	1,139	11,809	3,385
Borrowings	132	202	203	13	12
Provisions	1,083	943	799	808	772
Non-current Liabilities					
Borrowings	3,423	5,594	5,784	16	30
Provisions	2,360	2,265	2,202	2,103	2,241
Total Liabilities	**28,045**	**20,773**	**15,386**	**16,945**	**10,212**

Community Equity:
Community Equity is the difference between Total Asset and Total Liabilities. It represents the Shire's net worth.

Community Equity	2025/26	2024/25	2023/24	2022/23	2021/22
	$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
Community Equity	**315,088**	**290,121**	**288,546**	**291,318**	**269,063**

The Statement of Changes in Equity:
Council Equity represents the Council's net worth. It is the difference between Total Assets, less Total Liabilities and is made up of Retained Surpluses and the Asset Revaluation Reserve. The Statement of Changes in Equity explains how the community net worth changes over financial years. The 2025/26 increase ($24.9M) reflected asset revaluations changes. Asset revaluations are undertaken by professional, independent and qualified consultants.

The Statement of Cash Flows:
The Statement of Cash Flows identifies the cash movements (in/out flows of money) throughout the year. The statement shows Council's ability to cover its expenditures and where those funds are derived.

Council's cash flows from operating activities incorporate the recurrent activities of Council. The cash flows from investing activities shows Council spent $11.6M investing in property, plant and equipment, the majority of which is funded from Council grant and subsidies and own source revenue. This includes capital works on Council's road network and infrastructure assets.

FINANCIAL SNAPSHOT AS AT 30 JUNE 2026

Financial Ratios:
Section 169 of the *Local Government Regulation 2012* requires the inclusion of the relevant measures of financial sustainability. These ratios are also included in Council's long term financial plan with reviews conducted on a regular basis. The targets have been set by the Department of State Development, Infrastructure, Local Government and Planning.

Financial Ratios	2025/26	2024/25	2023/24	2022/23	2021/22
	%	%	%	%	%
Operating Surplus Ratio	5.37	8.86	-21.34	-3.00	1.85
Asset Sustainability Ratio (Target >90%)	56.03	34.44	16.20	26.00	0.00
Leverage Ratio	0.39	0.51	-2.93	0.01	0.01

The Operating Surplus Ratio:
The operating surplus ratio measures the extent to which revenue raised (excluding capital grants and contributions) covers operational expenses. It is calculated by dividing the Net Result by total Recurrent Revenue. Councils Operating surplus ratio is skewed due to timing of receipt of the Financial Assistance Grants funding prepayment in the 2025/26 year.

Asset Sustainability Ratio:
This ratio measures the amount of capital expenditure on the renewal of existing assets compared to the depreciation expense. It is calculated by dividing capital expenditure on asset renewal by the depreciation expense. The sustainability target is >90%. Council's Asset Sustainability Ratio is below the sustainability target.

Leverage Ratio:
This ratio measures the extent to which Council can fund its borrowings through its operating revenues. It is calculated by total borrowings divided by operating profit plus depreciation and finance costs (these costs are added back to the profit/loss). Council has a recent history of very little debt and in the previous year have borrowed to fund the Independent Living Units which are revenue producing assets.

Against the Department's sustainability measures, Council faces some challenges into the future. It could be argued that the sustainability parameters are not optimal measures for Etheridge Shire. Being heavily dependent upon external revenue (and noting the timing of receipts to expenses). Similarly, Council will be unable to meet the sustainability target for Asset Sustainability Ratio, given its large asset base, relatively low 'own source revenue' to fund asset replacement or renewal. This is further compounded by grants being tied to new asset construction and not asset replacement or renewal.

ETHERIDGE SHIRE COUNCIL



ESC – S001 – Councillors Reimbursement of Expenses and Provision of Facilities Policy

POLICY VERSION AND REVISION

Version History	**Meeting date**	
Post-Election Meeting – Dated 11th April 2016 General Meeting – Dated 15th January 2017 General Meeting – Dated 15th January 2018 General Meeting – Dated 23rd January 2019 General Meeting – Dated 24th January 2024 General Meeting – Dated 19th June 2024	15th April 2026	
	Resolution number	
	# 26.04.10	
Approval by CEO		
Effective date	**Review date**	
15th April 2026	**1st July 2027**	
Policy Owner		
Chief Executive Officer		
Current incumbent		
Ken Timms		
Implementation Officer		
Chief Executive Officer		
Current incumbent	**Contact number**	**Official file no.**
Ken Timms PSM	**4079 9090**	**ESC – S001**

ETHERIDGE SHIRE COUNCIL



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ETHERIDGE SHIRE COUNCIL



1. PURPOSE

The Etheridge Shire Council is committed to ensuring that Councillors' are provided with the facilities required to enable them to perform their duties.

Councillors should not be financially disadvantaged when carrying out their roles, and should be fairly and reasonably compensated in accordance with statutory requirements and community expectations.

The Councillors' Reimbursement of Expenses and Provision of Facilities Policy is a statutory policy[1] ensuring accountability and transparency in the reimbursement of expenses incurred by councillors and ensures that councillors are provided with reasonable facilities to assist them in carrying out their civic duties.

2. SCOPE

Chapter 8 Part 1 Division 2 of the *Local Government Regulation 2012* states that an Expenses Reimbursement Policy is a policy providing for the following[2] —

a) Payment of reasonable expenses incurred, or to be incurred, by councillors for discharging their duties and responsibilities as councillors;
b) Provision of facilities to the councillors for that purpose.

This policy applies to all councillors of Etheridge Shire Council for the reimbursement of expenses incurred, or to be incurred, by them in undertaking their responsibilities.

Council will reimburse councillors for eligible expenses set out in this policy. Any expenses not provided for by this policy will not be reimbursed without approval from the Chief Executive Officer.

Councillor Remuneration is not covered by this policy. Councillor remuneration is determined annually by the Local Government Remuneration and Disciplinary Tribunal.

Spouses, partners and family members of councillors, and/or accompanying persons, are not entitled to reimbursement of expenses or have access to facilities allocated to councillors.

Failure to comply with this policy, falsifying claims or the misuse of facilities may breach the Councillors' Code of Conduct and/or represent an offence under the Criminal Code and may be referred to the Crime and Misconduct Commission.

3. POLICY STATEMENT

3.1. GENERAL PRINCIPLES

This policy ensures that the Council's reimbursement of expenses incurred by Councillors is consistent with the local government principles and financial sustainability criteria as defined in the Local Government Act 2009[3].

In addition, the principles that underpin this policy are:

- Councillors should not receive a private benefit through their role as a councillor;
- The use of public monies in the public interest by responsible budgeting and accounting;
- Fair and reasonable allocation of council resources (allowances, facilities and other benefits) to enable all councillors to conduct the duties of their office;
- Transparent decision-making by public disclosure of policy and resolutions; and
- Accountability for expenditure and use of facilities through full justification and acquittal.

Expenses will be paid to a councillor through administrative processes approved by Etheridge Shire Council's Chief Executive Officer (CEO) subject to the limits outlined in this policy, or council endorsement by resolution.

1 Local Government Regulation 2012 (Qld). S250a

2 Local Government Regulation 2012 (Qld). S249

3 Local Government Act 2009 (Qld). S4



3.2. EXPENSE CATEGORIES

Professional Development

Council will reimburse expenses incurred for mandatory professional development and/or discretionary professional development deemed essential for the Councillors' role. The Mayor attends the Local Government Association Queensland (LGAQ), Australian Local Government Association (ALGA) and any other relevant conferences/seminars/workshops as the primary delegate (council shall appoint the other delegates). Councillors can attend workshops, courses, seminars and conferences that are related to the role of a councillor. Approval to attend is made by council resolution and therefore councillors should advise the CEO of their desire to attend an event. The CEO will provide a report to council seeking approval on behalf of the councillor.

Discretionary Professional Development

Each councillor can attend (at their own discretion) workshops, courses, seminars and conferences that improve the skills relevant to their role. This training is initially limited to $5000 per councillor over the current term of office, but will be reviewed annually when setting the budget. There is no requirement for a council resolution to approve these attendances, however, the councillor would need to submit a request to the CEO (prior to attendance) and provide all relevant documentation within 14 days of attending the event to ensure their expenses are reimbursed.

Travel

Council will reimburse local, interstate and, in some cases, intrastate and overseas travel expenses (such as flights, motor vehicle, accommodation, meals and associated registration fees) deemed necessary to achieve the business of council where a councillor is an official representative of council and the activity/event and travel has been endorsed by resolution of council.

Council will pay for reasonable expenses incurred for overnight accommodation when a councillor is required to stay outside or in some cases within the Etheridge Shire, where a councillor is an official representative of council and the activity/event and travel has been endorsed by resolution of council. All councillor travel approved by council will be booked and paid for by council. This includes transfers to and from airports (e.g. taxis, trains and buses).

Councillors will be reimbursed for parking costs that they have incurred while attending to official council business (e.g. secured vehicle parking at the airport), upon presentation of a receipt/tax invoice.

Where the councillor has an accompanying person, all expenses will be at the expense of the Councillor. If council has incurred a charge, the Councillor must reimburse Council within seven days. There are exceptions where the councillor would have incurred the expense in performing their official council business (e.g. accommodation, taxi, vehicle hire).

Private Vehicle Usage

Councillors' private vehicle usage will be reimbursed if the usage is for official council business. This includes travel to and from councillors' principal place of residence to:

- attend official council business/meetings/functions/community events and public meetings in the role of councillor;
- investigate issues/complaints regarding council services raised by residents/rate payers and visitors to the region.

Councillors making a claim for reimbursement of private vehicle usage can do so by submitting the appropriate form detailing the relevant travel based on log book details. The amount reimbursed will be based on the published Australian Tax Office business-use-of-motor vehicle-cents-per-kilometre method and kilometre rate applicable at the time of travel.

The Commissioner of Australian Taxation Office determines claimable cents per kilometre rates in each income year. The amount reimbursed will be based on the published Australian Taxation Office (ATO) business use of motor vehicle cents per kilometre method and kilometre rate applicable at the time of travel.

The official ATO site that provides the up to date rates can be located here - Cents per kilometre method | Australian Taxation Office



Meals
Council will reimburse reasonable costs of meals for a councillor when the councillor has incurred the cost personally and the meal was not provided within the registration cost of the approved activity/event, upon production of a valid tax invoice. If a councillor elects not to produce tax invoices and seek reimbursement for meals while attending official council business, he/she may claim a meal allowance where the meal was not provided within the registration costs of the approved activity/event. Expenses relating to the consumption of alcohol will not be reimbursed.

If a Mayor or Councillor is unable to submit a receipt or tax invoice and seeks reimbursement for meals, she/he shall be reimbursed in accordance with the ATO's Reasonable Tavel Allowances on the submission of a Statutory Declaration.

Should the councillor choose not to attend a provided dinner/meal, then the full cost of the alternative meal shall be met by the councillor.

Hospitality
Councillors may have occasion to incur hospitality expenses while conducting council business apart from civic receptions organised by council. The Mayor may particularly require additional reimbursement when entertaining dignitaries outside of official events.

To allow for this expense, the following amounts can be claimed: $500 per annum for councillors and up to $5,000 per annum for the Mayor.

Accommodation
Councillors may need to stay away from home overnight while attending to council business. When attending conferences, councillors should take advantage of the package provided by conference organisers (if applicable) and therefore stay in the recommended accommodation unless prior approval has been granted by the CEO. All councillor accommodation for council business will be booked and paid for by council. Suitable accommodation will be sought within a reasonable distance to the venue that the councillor is to attend. Should more than one councillor attend the same event, council will book and pay for a separate room for each attending councillor.

3.3. PROVISION OF FACILITIES
Council will provide facilities for the use of councillors in the conduct of their respective roles with council. All facilities provided remain the property of council and must be returned when the councillor's term expires.

The facilities provided by council to councillors are to be used only for council business unless prior approval has been granted by resolution of council.

Secretarial Support
The Mayor's office will be assisted with secretarial support by Council's executive assistant.

Secretarial support will be provided to Councillors with prior approval by the Chief Executive Officer.

Administrative Tools and Office Amenities
Councillors are entitled to use Council facilities as required to assist in discharging their duties and responsibilities including (but not limited to):

- Shared office space and meeting rooms;
- Shared access to landlines, internet, photocopiers, fax, scanner, printers and shredders;
- Stationary;
- Promotional material necessary for official Council business;
- Other resources as approved by the Mayor or Chief Executive Officer.

IT Equipment
Councillors will be provided with the following IT equipment to assist in discharging their duties and responsibilities:

- laptop computer and/or tablet device and necessary software



Council will provide all software necessary to enable Councillor's to carry out their duties as elected members. All software is licensed to the Etheridge Shire Council and remains the property of Council at the end of term. All software licensed to Council that has been installed on a councillor's tablet device will be removed prior to the end of the Councillor's term.

Telephone and Data
Councillors will be provided with the following:

- mobile phone (where a mobile phone is provided by council, all costs attributed to council-business use shall be paid by Council (including total plan costs).

Maintenance Costs of Council-Owned Equipment
Council is responsible for the ongoing maintenance and reasonable wear-and-tear costs of council-owned equipment that is supplied to councillors for official business use. This includes the replacement of any facilities that fall under council's Asset Replacement Program.

Uniforms and Safety Equipment
Council will provide to a councillor:

- Uniform allowance as per staff policy
- Necessary safety equipment for use on official business (e.g. safety helmet, boots and safety glasses).

Use of Council Vehicles
Councillors will have access to a suitable council vehicle for official business. A councillor wishing to use a council vehicle for council business use must submit a request to the CEO at least two days prior, except in exceptional circumstances as determined between the councillor concerned, Mayor and CEO.

The Mayor will be provided with a fully maintained Toyota Prado (or equivalent) including all running costs provided for unlimited and unrestricted use by the Mayor for council business in recognition of the duties required to be performed by the Mayor and the irregular hours required to attend council, community and civic responsibilities. This vehicle is also available for councillor's use while the Mayor is not utilizing the vehicle.

All fuel used in a council-owned vehicle on official council business will be provided or paid for by council.

Insurance
Councillors will be covered under relevant council insurance policies while discharging civic duties. Specifically, insurance cover will be provided for public liability, professional indemnity, Councillors' liability and personal accident. Council will pay the excess for injury claims made by a councillor resulting from the conduct of official council business and on any claim made under insurance cover.

Council will cover costs incurred through injury, investigation, hearings or legal proceedings into the conduct of a councillor, or arising out of (or in connection with) the councillor's performance of his/her civic functions. If it is found the councillor breached the provisions of the Local Government Act 2009 the councillor will reimburse council with all associated costs incurred by council.

Returning of Facilities
It is outlined within this policy that Council will provide reasonable facilities to a Councillor during their term to assist Councillors in carrying out their civic duties.

Councillors are entitled to use these facilities until such time as their term of office comes to an end. If a Councillor is not re-elected the term of office ends when the returning officer declares the result of the election of the council.

However, to ensure that facilities are returned in a reasonable period, and to assist the Chief Executive Officer in the collection of facilities (as stated within this policy), it is required that all Councillors return all facilities to the Chief Executive Officer on or before the Friday preceding the Quadrennial Local Government Elections, or if a Councillor resigns during their term, the facilities are to be returned to the Chief Executive Officer prior to their last day in active office.



Misuse of Council Provided Resources for Electoral Purposes
This policy provides for the following –

- a payment of reasonable expenses incurred, or to be incurred, by councillors for discharging their duties and responsibilities as councillors;
- provision of facilities to the councillors for that purpose.

A breach of the reimbursement of expenses and facilities policy is a misuse of information or material acquired in or in connection with the performance of the councillor's responsibilities and would be "misconduct" (as provided in Chapter 6, Part 2, Division 6 of the Local Government Act 2009).

Therefore, elected members should pay particular care in any campaign activity to ensure that there can be no possible perception of use of council provided resources / facilities for activity that could be perceived as having some electoral favour.

3.4. CLAIMS FOR REIMBURSEMENT

All claims for reimbursement of expenses must be made on the approved form and submitted with original receipts to the Chief Executive Officer. Claims certified by a Councillor as complying with this policy will be authorised for payment by the Chief Executive Officer.

Claims must be presented within three months of incurring expenses.

When considering an application for approval of any matter related to this policy, the council or the Chief Executive Officer must have regard to the limits outlined in this policy and any relevant budget allocation.

4. REPORTING

Expenses will be paid to a councillor through administrative processes approved by Etheridge Shire Council's Chief Executive Officer (CEO) subject to the limits outlined in this policy, or council endorsement by resolution.

Pursuant to s186 of the Local Government Regulation 2012, Council's Annual Report must contain the particulars of the expenses incurred by, and the facilities provided to, each Councillor during the financial year under this policy.

5. DEFINITIONS

To assist in interpretation of this policy and associated guidelines, the following definitions shall apply:

Accompanying Person means a spouse, partner or de facto or other person who has a close personal relationship with or provides carer support to a councillor.

Approved Council Business – includes:

a. Formal meetings of Council, including Ordinary, Statutory and Special Meetings;
b. Official committee meetings, including advisory committee meetings of which a Councillor is a member;
c. Formal public consultation meetings;
d. Civic functions at which a Councillor is attending in his/her official capacity as a Councillor;
e. Community functions to which a Councillor has been invited in his/her official capacity as a Councillor;
f. Official inspections;
g. Formal training, professional development and conferences approved by Council;
h. Other activities approved by the Mayor and ratified at a subsequent meeting of Council.

Council - means the Etheridge Shire Council.

Councillors - means the Mayor, Deputy Mayor and Councillors unless otherwise specified.

Expenses - means costs reasonably incurred, or to be incurred, in connection with Councillors discharging their duties. The expenses may be either reimbursed to Councillors or paid direct by



Council for something that is deemed a necessary cost or charge. Expenses are not included as remuneration.

Entertainment and hospitality - means the cost to council of providing entertainment or hospitality as outlined in council's Entertainment Hospitality Expenditure Policy.

Facilities - mean the facilities deemed necessary to assist Councillors in their role.

Professional development – includes activities undertaken by Councillors to improve their understanding, competence and knowledge of matters that specifically relate to local government functions, or to improve their competence and knowledge of matters that will assist them in carrying out their role as a Councillor. Examples of professional development include (but are not limited to): Local Government industry training, conferences, workshops, seminars or specific events that are relevant to a Councillors role; or that are relevant to the development of a Councillor's individual knowledge and competence in conducting their role.

Reasonable - shall mean Council must make sound judgements and consider what is prudent, responsible and acceptable to the community when determining reasonable levels of facilities and expenditure.

Training – any facilitated learning activity which is considered by council to be a requirement for councillors to discharge their duties and responsibilities as councillors.

6. RELATED LEGISLATION, DOCUMENTS AND REFERENCES

Local Government Act 2009
Local Government Regulation 2012
Code of Council for Councillors in Queensland
Procurement Policy
Purchase Card Policy
Entertainment Hospitality Policy

7. REVIEW

It is the responsibility of the Chief Executive Officer to monitor the adequacy of this policy and implement and approve appropriate changes. This policy will be formally reviewed every four (4) years or as required by Council.

The adopted policy can be amended, by resolution, at any time and must be able to be inspected and/or purchase by the public at the local government's public office and also published on the local government's website[4] [5].

4 Local Government Regulation (Qld) 2012. S250b

5 Local Government Regulation (Qld) 2012. S251

INTERNAL AUDIT

It is a requirement under Section 190 of the *Local Government Regulation 2012*, that the annual report has summary of the activities undertaken by the Internal Auditor.

The Internal Audit function represents an integral part of Etheridge Shire Council's governance framework. It is designed to provide the organisation's stakeholders with assurance that business processes are operating appropriately and effectively in accordance with organisational and legislative requirements. The Internal Audit function is designed to assess and evaluate the control measures the organisation has adopted, or plans to adopt, to manage the operational risks to which the local government operations are exposed.

During 2021/22 Council reviewed its Internal Audit function, adopting a new Internal Audit Charter (Policy), reinstating an Audit Committee and appointing Pacifica Chartered Accountants as its Internal Auditor (following the expiry of Arabon Pty Ltd appointment as Internal Auditor on 31st December 2021).

In accordance with s207 of the *Local Government Regulation 2012*, Council must:

- Undertake an internal audit each financial year;
- Prepare an internal audit plan after evaluating operational risks and relevant accounting documentation;
- Monitor its implementation of the internal audit plan;
- Prepare and present an internal audit progress report; and
- At least once per financial year, a summary of Internal Audit recommendations and the actions taken by management, if any, in response to the recommendations

The purpose of Council's Internal Audit function is to objectively evaluate the organisation's business processes, work practices and systems of internal control to report opportunities for improvement and recommend enhancements to improve effectiveness and control.

Internal Audit operates across all levels of the organisation, with the aim of developing practical recommendations to improve the adequacy and effectiveness of Council financial control systems, activities, operations and procedures.

The Internal Audit Committee reports to Council. To ensure the internal audit activity is directed to areas of most benefit, a number of Council processes have been selected for review over the three (3) year life of the Internal Audit Plan including:

- 2022/2023 - Recoverable Works in recognition of the value to Council of its contracting to Department of Transport & Main Roads, Queensland Reconstruction Authority and members of the public.
- 2023/2024 – Tender Evaluation and Contract Management review in recognition of the value to Council of its tender and procurement procedures for contracts totaling more than $200,000.



CORPORATE PLAN

2025-2029

Etheridge Shire Council

Corporate Plan Aims & Outcomes

Aim 1 – Roads/Transport

A sustainable transport network that meets community needs

Outcome

1.1 Shire rural roads are all weather, town streets are bitumen with footpaths, kerb, channelling and drainage.

1.2 Transport and Main Roads is committed to developing a network that is fully sealed to Road Train Route standard.

1.3 There are multiple public transport options.

Strategy No.	Strategy	Performance Measure
1.1.1	An asset management strategy to support the monitoring, maintenance, replacement and enhancement of council's road assets.	Asset management Works Program annually adopted.
1.1.2	Develop and implement a comprehensive, sustainable and funded, 10-year Capital Works Program for roads, incorporating road train access and drainage.	10 Year Capital Works Program annually adopted.
1.1.3	Lobby for adequate funding to enable the repair of the shire road network affected by natural disaster.	Quantity of work completed.
1.1.4	Work with regional groups and our communities to upgrade Local Roads of Regional Significance (LRRS).	Number of LLRS roads and funding opportunities.
1.2.1	Maintain relationship with the Department of Transport and Main Roads to undertake road construction and maintenance (Road Train Routes).	% of works program completed.
1.2.2	Continue to lobby to raise the national profile of the Georgetown to Forsayth, Kennedy, Gulf and Gregory Development Roads and Bridges and for additional funding for high priority widening and sealing.	% of works program completed.
1.3.1	An asset management strategy to support the monitoring, maintenance, replacement and enhancement of council's airports and airfield assets.	Asset management Works Program annually adopted.
1.3.2	Advocate for improved airfield infrastructure and services.	Number of meetings attended and funding obtained.
1.3.3	Advocate for improved rail and bus services.	Number of services available.

Aim 2 – Environment

A sustainable Environment of natural assets, water, wastewater and waste management

Outcome

2.1 Best practice water and wastewater management.

2.2 Best practice waste management.

2.3 Best practice natural environment and pest management.

2.4 An energy efficient shire.

2.5 Industry has sustainable environmental practices.

Strategy No.	Strategy	Performance Measure
2.1.1	An asset management strategy to support the monitoring, maintenance, replacement and enhancement of council's water and wastewater assets.	Asset management Works Program annually adopted.
2.1.2	Develop and implement a comprehensive, sustainable and funded, 10-year Capital Works Program to deliver good quality, reliable water and wastewater supplies for all communities.	10 Year Capital Works Program annually adopted.
2.1.3	Water Reservoirs are operating and environmentally compliant.	% Compliance.
2.1.4	Lobby for adequate funding to enable the repair and maintenance of shire water and wastewater network affected by natural disaster or other events.	Number of meetings attended and funding obtained.
2.2.1	An asset management strategy to support the monitoring, maintenance, replacement and enhancement of council's collection and waste management facilities throughout shire.	Asset management Works Program annually adopted.
2.2.2	Waste transfer stations are operating and environmentally compliant	% Compliance.
2.3.1	Develop Council's Biosecurity Plan in consultation with landowners and other stakeholders to reduce the impact of existing and emerging pests and weeds.	Works program annually adopted.
2.3.2	In partnership with the community and external agencies, promote and support best practice management of the natural environment.	Number of meetings attended and funding obtained.
2.4.1	Support of renewable energy, carbon reduction programs and council's carbon footprint.	Quantity of Renewable energy and carbon credits.
2.5.1	Companies and industries are environmentally compliant.	% Compliance.

Aim 3 – Economic

A diversified economic development ensures a prosperous Shire

Outcome

3.1 A variety of land and housing options for the community.

3.2 A diversified economic base: rural, tourism, mining and support services.

3.3 Large scale projects provide a legacy for our communities.

Strategy No.	Strategy	Performance Measure
3.1.1	Maintain a compliant planning scheme that supports the future development of our shire.	% Compliance.
3.1.2	Review and update the asset management strategy to support the monitoring, maintenance, replacement and enhancement of council's housing stock.	Asset management Works Program annually adopted.
	Plan and develop a range of land and housing options for youth, families and older members of the communities.	
3.1.3	Advocating for the release of land or State Land for future development across the shire.	Number of meetings attended and funding obtained.
3.2.1	Facilitate the development and marketing of a distinctive regional image.	Growth in economic development.
3.2.2	Support community development to expand and meet the growing needs of the region through infrastructure, income diversification and advocacy.	Growth in economic development, tourism numbers, rural products, mining, renewable energy.
3.2.3	Support skills development (youth, business, industry).	Number of programs conducted.
3.2.4	Career pathway and employment opportunities for youth.	% of under 35 consistent with state average.
3.2.5	Improve business and policy outcomes to support local businesses.	% of local spent dollars.
3.2.6	Advocate for the development of the Etheridge Agriculture Precinct and associated agricultural , including commodities ie water, industries.	Number of meetings attended and funding obtained.
3.3.1	Companies of large-scale projects operate with a suitable social licence to our community.	Employment by Industry.
3.3.2	Large-scale projects provide long term benefits to our community.	Value Added by Industry Sector.

Aim 4 – Social

Quality social infrastructure makes the shire a desirable place to live

Outcome

4.1 An active community with a variety of recreational activities.

4.2 An invigorated Community with a variety of multi-age services.

4.3 A culturally aware community.

4.4 A variety of modern communication mechanisms available for the whole Shire.

Strategy No.	Strategy	Performance Measure
4.1.1	Review and update the comprehensive asset management strategy to support the monitoring, maintenance, replacement and enhancement of council's parks, garden and recreational facilities.	Asset management Works Program annually adopted.
4.1.2	Establishment suitable recreational activities/facilities at water reservoirs.	% of works program completed.
4.1.3	Enhance and improve the aesthetics of each town.	% of works program completed.
4.1.4	Advocate for funding for additional sport and recreation infrastructure.	Number of meetings attended and funding obtained.
4.2.1	Review and update the comprehensive asset management strategy to support the monitoring, maintenance, replacement and enhancement of Council's Health, assisted living, childcare facilities	Asset management Works Program annually adopted.
4.2.2	Ensure that services to the community for childcare, youth hostel and assisted living services are provided.	Operational performance and customer feedback.
4.2.3	Construct care facilities to retain citizens in the community.	% of works program completed.
4.2.4	Advocate and facilitate the provision and improvement of central and remote health services.	Number of meetings attended and funding obtained.
4.2.5	Advocate and facilitate for improvements in educational services to be provided within the shire.	Number of meetings attended and funding obtained.
4.2.6	Advocate for policing and emergency capability and service delivery across the Shire.	Number of meetings attended.
4.3.1	Review and update the comprehensive asset management strategy to support the monitoring, maintenance, replacement and enhancement of council's social infrastructure.	Asset management Works Program annually adopted.
4.3.2	Provide libraries, as learning and information centres.	Operational performance and customer feedback.
4.3.3	Engage with and support local arts and cultural groups.	Number of meetings attended.

Strategy No.	Strategy	Performance Measure
4.3.4	Build and strengthen the Shire's identity through the support and provision of a variety of events and branding our corporate image.	Number of events held and funding obtained.
4.3.5	Encourage local historians to preserve and promote local history and heritage.	Number of meetings attended.
4.4.1	Improve co-operation and communication with relevant stakeholders and all levels of government in the strategic planning of future community infrastructure.	Number of meetings attended and funding obtained.
4.4.2	Review and update the comprehensive asset management strategy to support the maintenance, replacement and enhancement of council's communication assets.	Asset management Works Program annually adopted.



Aim 5 – Governance

Best practice corporate governance and organisational excellence

Outcome

5.1 Effective communication between council and the community and across the community.

5.2 Council operations support quality service provision and good governance.

5.1 Council provides community leadership through financial sustainability and an open and accountable governance structure.

5.4 Desirable staffing balance that reflects Council and community expectations.

5.5 Council is effective in attracting and retaining qualified, experienced and committed staff.

5.6 Council is effective in planning, preparing and responding to natural disasters.

Strategy No.	Strategy	Performance Measure
5.1.1	Using appropriate media, promote civil and respectful discussion and participation in relevant issues.	Community Survey.
5.1.2	Disseminate accurate and relevant information within the organization, the community and other relevant audiences.	Community Survey.
5.1.3	Review the current practice of holding consultation meetings throughout the Shire and distribution of newsletter 'Inform' to maximise effective community engagement.	Number of "community connect" meetings.
5.1.4	Council will embrace exceptional customer service, valuing staff and promoting ethical standards of practice, supported by clear policies and strategies.	Community Survey.
5.2.1	Ensure the transparency of council's administration and promote awareness within the community of council's financial management and other strategies.	Operational performance and customer feedback.
5.2.2	Pursue opportunities for external income sources to enhance financial capacity beyond traditional methods.	Financial Position.
5.2.3	Ensure the efficiency of procurement and stores activity.	% Compliance.
5.2.4	Ensure the efficiency of depot and engineering administration.	% of works program completed.
5.2.5	Maintain a profitable fleet business and manage contractor hire arrangements.	% profitability of plant.
5.3.1	Ensure a preparedness to respond to natural disasters and other emergencies and engage in planning activities aimed at minimising the impact of such disasters on the community.	Number of events and community feedback.

Strategy No.	Strategy	Performance Measure
5.3.2	Maintain a compliant, resourced disaster management plan.	% Compliance.
5.4.1	Expect an environment of honesty and integrity in which elected members, managers and staff work together in a spirit of trust and teamwork.	Annual Staff and contractor Survey.
5.4.2	Actively participate in the membership of regional development and other organisations in order to achieve mutual regional priorities.	Number of meetings attended.
5.4.3	Councillors take a leadership role in the community, serve as a role model and provide strategic direction for the continued growth and development of the region.	Number of meetings attended.
5.5.1	Develop, review and implement a staffing strategy to the efficiency of council operations.	Strategy adopted.
5.5.2	Council processes, service levels and use of technology provide an efficient use of resources.	Number of processes reviewed.
5.5.3	Provide accountable, professional, responsible, timely and accessible services to external and internal customers that reflect the values of the organization.	KPI: External - Snap send solve, Internal - Council Requests.
5.6.1	Ensure councillors and staff are provided with relevant skills and professional development opportunities to achieve stated strategic priorities and corporate objectives.	% of works program completed.
5.6.2	Implement effective HRM strategy throughout the organisation.	Staff turnover.
5.6.3	Develop and implement organisation well-being programs.	% Compliance.
5.6.4	Develop and implement proactive WHS and enterprise risk strategies to reduce threats to the council and the community.	% Compliance.



Financial Capability to Implement this Corporate Plan

Financing the infrastructure and services required to support the strategies and objectives outlined within the Corporate Plan, while improving services and public facilities remains a significant challenge.

The limited revenue base of the Council continues to result in high reliance on State and Federal Government funding for major projects. The implementation of a number of strategies identified within the plan is therefore subject to obtaining this funding. Economically, Council will develop a robust strategy to pursue funding streams to support all developments across Council's business.

Etheridge Shire Council maintains a 10 - year Strategic Financial Plan and is in the process of developing a 10 - year Asset Management Plan that will cover the life of the Corporate Plan and beyond. In simple terms, these plans identify planned expenditure and management of assets on council's activities and facilities over the 10 - years from where the funds have come and what the cumulative financial impacts of this will be on the shire as a whole. It is council's financial blueprint for the future and a living document that is required to be regularly reviewed.

The Corporate Plan encapsulates significant infrastructure improvements necessary to facilitate desired growth over the forthcoming five to ten years. The financial plan identifies the use of significant own - source revenue raised through rates and charges as well as external grants and borrowings as being necessary to implement these requirements.

The extension of the timeframe for the Financial Plan beyond that of the Corporate Plan ensures that council is aware of the ongoing impact of maintenance and debt servicing relating to new and improved facilities. Care is taken to ensure that debt relating to specific assets is extinguished well in advance of the end of the useful life of the asset.

Councillors and the Executive Management Team will ensure that council remains in a sustainable financial position.

The *Local Government Act 2009* requires all local governments to prepare and adopt a Corporate Plan covering a period of at least five years. Under the terms of the Act, the Corporate Plan is to be the basis for council's operational plans and budgets in each year.

Council discussed the development of this Corporate Plan at its regular community consultation meetings through-out the Shire, through articles in the 'Inform' newsletter and through its social media sites.

Council is required to make assessments of progress towards implementing its corporate and operational plans. Those assessments are contained in formal written reports and must be presented to a meeting of council at regular intervals of not more than three months.

The key threat to the sustainability of the Shire is the economic decline of its community. Council will continue to lobby for grants and subsidies to fund its operations, but will also seek to exploit opportunities and innovative ways to create jobs, economic growth and prosperity and address social and economic disadvantage.



ETHERIDGE SHIRE COUNCIL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2026

Etheridge Shire Council

Financial Statements

for the year ended 30 June 2026

Etheridge Shire Council
Financial statements
For the year ended 30 June 2026

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Etheridge Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2026

	Note	2026	2025 (restated)
Income		$	$
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	3,340,001	2,777,094
Fees and charges		78,080	95,960
Sales revenue	3(b)	16,997,172	6,336,960
Grants, subsidies, contributions and donations	3(c)	37,439,517	47,286,545
Total recurrent revenue		57,854,770	56,496,559
Rental income		181,357	191,612
Interest received		609,778	752,946
Other income		44,792	87,919
Total operating revenue		58,690,697	57,529,036
Capital income			
Grants, subsidies, contributions and donations	3(c)	8,479,936	8,702,574
Total capital income		8,479,936	8,702,574
Total income		67,170,633	66,231,610
Expenses			
Recurrent expenses			
Employee benefits	4	(9,203,592)	(7,691,155)
Materials and services	5	(40,377,181)	(38,362,252)
Finance costs		(179,604)	(282,062)
Depreciation	10	(5,780,816)	(6,095,282)
		(55,541,193)	(52,430,751)
Capital expenses	6	(557,536)	(646,607)
Total expenses		(56,098,729)	(53,077,358)
Net result		11,071,904	13,154,252
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	19	13,895,797	(11,578,821)
Total comprehensive income (loss) for the year		24,967,700	1,575,431

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Etheridge Shire Council
Statement of Financial Position
as at 30 June 2026

	Note	2026	2025 (restated)
		$	$
Current assets			
Cash and cash equivalents	7	25,409,772	19,152,016
Receivables	8	6,414,450	2,750,582
Inventories	9	445,909	401,364
Contract assets	11	11,806,741	8,458,514
Total current assets		44,076,872	30,762,476
Non-current assets			
Property, plant and equipment	10	299,057,618	280,132,353
Total non-current assets		299,057,618	280,132,353
Total assets		343,134,490	310,894,829
Current liabilities			
Payables	12	3,336,614	4,134,822
Contract liabilities	11	17,710,653	7,632,761
Borrowings	13	132,076	202,224
Provisions	14	1,083,101	943,805
Total current liabilities		22,262,444	12,913,612
Non-current liabilities			
Borrowings	13	3,423,070	5,594,193
Provisions	14	2,360,061	2,265,811
Total non-current liabilities		5,783,131	7,860,004
Total liabilities		28,045,575	20,773,616
Net community assets		315,088,915	290,121,213
Community equity			
Asset revaluation surplus		199,026,824	185,131,027
Retained surplus		116,062,091	104,990,187
Total community equity		315,088,915	290,121,213

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Etheridge Shire Council
Statement of Changes in Equity
For the year ended 30 June 2026

	Asset revaluation surplus	Retained surplus	Total
	$	$	$
Balance as at 1 July 2025	185,131,027	104,990,187	290,121,213
Net result	-	11,071,904	11,071,904
Other comprehensive income for the year			
Increase in asset revaluation surplus	13,895,797	-	13,895,797
Total comprehensive income for the year	13,895,797	11,071,904	24,967,700
Balance as at 30 June 2026	199,026,824	116,062,091	315,088,915
Balance as at 1 July 2024	196,709,848	91,835,935	288,545,783
Net result	-	13,154,252	13,154,252
Other comprehensive income for the year			
Decrease in asset revaluation surplus	(11,578,821)	-	(11,578,821)
Total comprehensive income (loss) for the yea	(11,578,821)	13,154,252	1,575,431
Balance as at 30 June 2025 (restated)	185,131,027	104,990,187	290,121,213

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Etheridge Shire Council
Statement of Cash Flows
For the year ended 30 June 2026

	Note	2026	2025
		$	$
Cash flows from operating activities			
Receipts from customers		17,305,410	19,577,086
Payments to suppliers and employees		(37,782,621)	(49,109,849)
		(20,477,211)	(29,532,763)
Interest received		609,778	752,946
Rental Income		181,357	191,612
Non Capital grants and contributions		34,809,564	39,853,879
Borrowing costs		(179,604)	(282,062)
Net cash inflow (outflow) from operating activities	21	14,943,884	10,983,612
Cash flows from investing activities			
Payments for property, plant and equipment	10	(11,673,418)	(13,724,619)
Grants, Subsidies, Contributions and Donations		4,845,560	11,064,133
Proceeds from sale of property plant and equipment	6	383,000	400,909
Net cash inflow (outflow) from investing activities		(6,444,858)	(2,259,577)
Cash flows from financing activities			
Repayment of borrowings		(2,241,270)	(190,734)
Net cash inflow (outflow) from financing activities		(2,241,270)	(190,734)
Net increase (decrease) in cash and cash equivalent held		6,257,756	8,533,301
Cash and cash equivalents at the beginning of the financial year		19,152,016	10,618,715
Cash and cash equivalents at end of the financial year	7	25,409,772	19,152,016

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Etheridge Shire Council

Notes to the financial statements

For the year ended 30 June 2026

1 Information about these financial statements

1.A Basis of preparation

Etheridge Shire Council ("Council") is constituted under the Queensland Local Government Act 2009 and is domiciled in Australia.

These general purpose financial statements, covering the period 1 July 2025 to 30 June 2026, have been prepared in accordance with the Local Government Act 2009 and the Local Government Regulation 2012.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities. These financial statements have been prepared under the historical cost convention except for the revaluation of certain items of property, plant and equipment.

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

There were no relevant new accounting standards mandatorily effective for the year ended 30 June 2026.

1.C Standards issued by the AASB, not yet effective.

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2026, 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 material impact for council then further information has been provided in this note.

1.D Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes.

1.D Estimates and judgements (continued)

The significant judgements, estimates and assumptions relate to the following items with specific information provided in the relevant note:

Valuation, depreciation and impairment of Property, Plant and Equipment - Note 10
Provisions - Note 14
Contingent Liabilities - Note 16
Revenue recognition - Note 3

1.E Rounding and comparatives

The Financial statements are denominated in Australian dollars. Figures may be subject to small, insignificant rounding adjustments. Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

1.F Taxation

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

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

2. Analysis of Results by Function

2(a) Council functions - component descriptions

1 **Governance**
Elected and executive corporate leadership. Comprises support functions for Mayor and Councillors, Council and committee meetings, statutory requirements, human resources, media and public relations, planning, economic development and workplace health and safety.

2 **Corporate Services**

Administration, finance and organisational support. Based on providing financial reporting and management reporting. This function includes the administration, building, finance, information technology and communication services of Council.

3 **Community Services**

Services directed toward meeting community outcomes. Community functions provide support to emergency services, growing aged care services and child care and education support, disaster management, sporting and recreation, animal control and day to day community and cultural activities.

4 **Infrastructure**

Civil works and services. Centered on providing high quality and effective road network. Provides and maintains transport infrastructure, including the maintenance and provision of the roads, drainage and footpath networks.

5 **Utilities**

Major goal is providing safe, sustainable water services. Includes activities relating to flood and waterways management. This function includes the goal of sustainably managing refuse sites including refuse collection and disposal services. Council does not provide sewerage infrastructure.

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

2 (b) Analysis of results by function

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

Year ended 30 June 2026

Functions	Gross program income				Elimination of inter-function transactions	Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital				Recurrent	Capital				
	Grants	Other	Grants	Other								
	$	$	$	$	$	$	$	$	$	$	$	$
Governance	381,757	9,942	5,376,389	-	-	5,768,088	(2,934,381)	-	(2,934,381)	(2,542,682)	2,833,707	-
Corporate Services	8,716,630	3,259,443	-	-	-	11,976,073	(2,237,210)	-	(2,237,210)	9,738,863	9,738,863	44,974,659
Community Services	213,191	393,933	1,991,731	-	-	2,598,855	(3,145,616)	-	(3,145,616)	(2,538,492)	(546,761)	5,596,792
Infrastructure	28,127,939	16,801,466	1,111,816	-	-	46,041,221	(45,834,668)	(557,536)	(46,392,204)	(905,263)	(350,983)	292,563,039
Utilities		786,396		-	-	786,396	(1,389,318)	-	(1,389,318)	(602,922)	(602,922)	-
Total Council	37,439,517	21,251,180	8,479,936	-	-	67,170,633	(55,541,193)	(557,536)	(56,098,729)	3,149,504	11,071,904	343,134,490

Year ended 30 June 2025

Functions	Gross program income				Elimination of inter-function transactions	Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital				Recurrent	Capital				
	Grants	Other	Grants	Other								
	$	$	$	$	$	$	$	$	$	$	$	$
Governance	240,866	10,288	302,859	-	-	554,013	-	-	-	251,154	554,013	-
Corporate Services	9,318,386	2,871,168	-	-	-	12,189,554	(4,910,135)	-	(4,910,135)	7,279,419	7,279,419	31,759,696
Community Services	87,064	513,160	264,153	-	-	864,377	(3,598,738)	-	(3,598,738)	(2,998,514)	(2,734,361)	211,297
Infrastructure	37,640,229	6,115,026	8,135,562	-	-	51,890,817	(42,797,496)	(646,607)	(43,444,103)	957,759	8,446,714	278,923,836
Utilities	-	732,849	-	-	-	732,849	(1,124,382)	-	(1,124,382)	(391,533)	(391,533)	-
Total Council	47,286,545	10,242,491	8,702,574	-	-	66,231,610	(52,430,751)	(646,607)	(53,077,358)	5,098,285	13,154,252	310,894,829

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

3 Revenue

(a) Rates, levies and charges

Rates, levies and other annual charges are recognised as revenue, when Council earns the right to entitlement, at the commencement of the associated rating period.

Prepaid rates are customer rates payments received prior to the rating period, initially recognised as a financial liability until the commencement of the rating period. Council has no entitlement to such funds, and consequently, any such receipts are held to the credit benefit of customers rates accounts, until commencement of the rating period.

	Note	2026 $	2025 $
General rates / Community levy		2,910,042	2,401,533
Water consumption, rental and sundries		547,422	539,690
Waste management		234,494	192,330
Total rates and utility charge revenue		3,691,958	3,133,553
Less: Discounts		(351,957)	(356,459)
		3,340,001	2,777,094

(b) Sales revenue

Sale of goods revenue is recognised at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in contract liabilities and is recognised as revenue in the period when the service is performed.

	Note	2026 $	2025 $
Rendering of services			
Contract and recoverable works		16,602,347	5,925,248
Private and other works		150,645	143,073
		16,752,992	6,068,321
Childcare Centre fees		129,348	141,950
Hostel fees		58,379	58,572
		187,727	200,522
Sale of goods			
TerrEstrial Centre - goods		56,453	68,117
		56,453	68,117
Total sales revenue		16,997,172	6,336,960

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

(c) Grants, subsidies, contributions and donations

Grant income under AASB15

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.
Performance obligations vary in each agreement but include milestone events, completion to a specification or standard, within a certain time frame. 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

Assets arising from transfers within the scope of AASB 1058, are recognised at the fair value of the asset at the time of transfer. Council recognises any associated liability or equity item relationships similarly at this time, with any resultant benefit then being recognised as either income or expense.

Capital grants

Where Council receive 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.

Physical assets contributed to Council by developers are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

	2026	2025 (restated)
	$	$
(i) Operating		
General purpose grants	11,638,968	12,461,988
State government subsidies and grants	25,384,904	34,693,905
Commonwealth Government subsidies and grants	130,940	127,935
Donations	284,705	2,717
Total recurrent grants, subsidies, contributions and donations	37,439,517	47,286,545

(ii) Capital

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

State government subsidies and grants	7,477,841	7,335,357
Commonwealth Government subsidies and grants	1,002,095	1,367,217
Total capital grants, subsidies and contributions	8,479,936	8,702,574

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

	2026 $		2025 (restated) $	
	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	12,040,362	33,594,386	13,775,703	42,210,699
Donations	284,705	-	2,717	-
	12,325,067	33,594,386	13,778,420	42,210,699

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

4 Employee benefits	Note	2026 $	2025 $
Staff wages and salaries		6,644,112	5,534,883
Councillors' remuneration		378,379	367,794
Annual, personal and long-service leave entitlements		1,457,360	1,232,024
Other employee related expenses		216,671	243,614
Superannuation		742,177	638,550
		9,438,699	8,016,865
Less: Capitalised employee expenses		(235,107)	(325,710)
		9,203,592	7,691,155

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

Total Council employees at the reporting date	2026	2025
Elected members	5	5
Administration staff (Inc exec)	24	22
Childcare	5	4
Depot and works staff	44	38
Total full time equivalent employees	78	69

5 Materials and services	Note	2026 $	2025 $
Consumables		420,201	412,663
Audit of annual financial statements by the Auditor General		169,392	101,016
Professional services		253,524	253,989
Contract works		29,471,998	29,019,804
Repairs and maintenance		4,298,405	3,548,899
Other materials and services		4,461,525	3,852,879
Water and waste management		898,671	726,463
Communications		105,488	149,577
Insurances		297,977	296,962
		40,377,181	38,362,252

Total audit fees quoted by the Queensland Audit Office relating to the 2025-26 financial statements are - **$111,600** (2024-25 - $102,750)

6 Capital expenses	Note	2026 $	2025 $
Increased/(decreased) provision for landfill closure and monitoring	14	77,402	77,402
Loss on disposal of non-current assets			
Proceeds from sale of property, plant and equipment		(383,000)	(400,909)
Less: Carrying value of disposed property, plant and equipment		863,134	970,114
		480,134	569,205
Total capital expenses		557,536	646,607

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

	Note	2026	2025
		$	$
7 Cash and cash equivalents			
Cash at bank and on hand		362,041	854,063
Deposits at call		25,047,731	18,297,953
Balance per Statement of Financial Position and Cash Flows		25,409,772	19,152,016

Cash is held with Bendigo Bank in standard business banking accounts. This bank has a standard and poor's short term credit rating of A1+ and a long term rating of AA-. Deposits at call are capital guaranteed and held with Queensland Treasury Corporation.

Restricted cash and cash equivalents over Government grants and subsidies

Council's cash and cash equivalents may be subject to internal and external restrictions identifying amounts for specific purpose allocation. Council's internal restriction are over financial assistance grants for the ensuing financial year, received in advance.

Unrestricted cash		
Cash and Cash equivalents	25,409,772	19,152,016
Less: Externally imposed restrictions on use	(17,710,653)	(8,232,761)
Unrestricted cash	7,699,119	10,919,255

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

Future capital works	2,588,401	5,677,059
Future constrained works	15,122,252	1,955,702
Unspent and restricted Government grants and subsidies	17,710,653	7,632,761

(ii) Internal allocations of cash at the reporting date:

Internal allocations of cash may be lifted by a Council with a resolution.

Future recurrent expenditure	7,502,377	7,502,377
Total internally allocated cash	7,502,377	7,502,377

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012* ,a separate, trust bank account and separate accounting records are maintained for funds held on behalf of external, third parties. Council performs a custodial role in respect of these monies, imposing internal restrictions on their use for other Council purposes, and they are neither considered revenue nor recognised as a Council asset as Council has no control over the assets.

	Note	2026	2025
Trust funds held for outside parties		$	$
Monies collected or held on behalf of other entities yet to be paid out		66,876	66,871
		66,876	66,871

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

8 Receivables

Settlement of receivables is required within 30 days from invoice date with additional transaction security not normally obtained. Council applies normal business credit protection procedures prior to providing goods or services, to minimise credit risk.Council does not impair rate receivables as it is empowered under the provisions of the *Local Government Act 2009* to recover any outstanding rate debt from proceeds on disposal of the rateable property.

Current	2026	2025
	$	$
Rates	429,083	90,725
Prepaid expenses	149,268	65,471
Trade receivables	5,841,026	2,659,386
Total current receivables	6,419,377	2,815,582
Less: Loss Allowance	(4,927)	(65,000)
	6,414,450	2,750,582

9 Inventories	Note	2026	2025
		$	$
Inventories held for distribution			
Plant and equipment stores		445,909	401,364
		445,909	401,364
Total inventories		445,909	401,364

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

10 Property, Plant & Equipment

30-Jun-26		Land	Buildings	Other Structures	Fleet, Plant and Equipment	Furniture and Office Equipment	Road, drainage and bridge network	Water	Waste	TerrEstrial Collection	Work in progress	Total
Basis of measurement		Fair Value	Fair Value	Fair value	At Cost	At Cost	Fair Value	Fair Value	Fair Value	Fair Value	At Cost	
Fair value category		Level 2	Levels 2 & 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3		
Asset values												
Opening gross value as at 1 July 2025		1,799,599	44,064,377	18,512,980	14,574,088	1,094,766	246,975,793	36,533,893	-	940,748	5,899,794	370,396,038
Additions		-	-	-	-	-	-	-	-	-	11,673,418	11,673,418
Disposals	6	-	-	(742,607)	(930,400)	-	(361,915)	(109,511)	-	-	-	(2,144,433)
Revaluation adjustment to other comprehensive income (asset revaluation surplus)	18	283,735	3,600,060	-	-	-	13,781,249	-	-	-	-	17,665,044
Transfers between classes		53,787	350,229	3,960,013	1,850,484	-	2,849,671	251,870	-	-	(9,316,054)	-
Closing gross value as at 30 June 2026		2,137,122	48,014,666	21,730,386	15,494,173	1,094,766	263,244,798	36,676,252	-	940,748	8,257,158	397,590,068
Accumulated depreciation and impairment												
Opening balance as at 1 July 2025		-	14,805,838	6,217,363	5,846,606	636,931	56,630,599	6,126,349	-	-	-	90,263,686
Depreciation expense			866,635	586,265	1,058,759	54,889	2,782,890	431,378	-	-	-	5,780,816
Depreciation on disposals		-	-	(535,486)	(388,689)	-	(302,974)	(54,151)	-	-	-	(1,281,300)
Revaluation adjustment to asset revaluation surplus	18	-	1,044,541	-	-	-	2,724,707	-	-	-	-	3,769,248
Accumulated depreciation as at 30 June 2026		-	16,717,014	6,268,142	6,516,676	691,820	61,835,222	6,503,576	-	-	-	98,532,450
Carrying amount as at 30 June 2026		2,137,122	31,297,652	15,462,244	8,977,497	402,946	201,409,576	30,172,676	-	940,748	8,257,158	299,057,618
Range of estimated useful life in years		Not depreciated	40 - 100	20-60	2 - 20	2 - 20	5 - 100 Formation - not depreciated	20 - 80	20 - 60	Not depreciated	-	-
Asset additions comprise												
Asset renewals		-	315,766	180,684	-	-	1,879,618	238,975	-	-	-	2,615,043
Other additions		53,787	34,463	3,779,330	1,850,484	-	970,053	12,895	-	-	-	6,701,012

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

10 Property, plant and equipment

30-Jun-25	Note	Land	Buildings	Other Structures	Fleet, Plant and Equipment	Furniture and Office Equipment	Road, drainage and bridge network	Water	Waste	TerrEstrial Collection	Work in progress	Total
Basis of measurement		Fair Value	Fair Value	Fair value	At Cost	At Cost	Fair Value	Fair Value	Fair Value	Fair Value	At Cost	
Fair value category		Level 2	Levels 2 & 3	Level 3	Levels 3	Level 3	Level 3	Level 3	Level 3	Level 3		
Asset values												
Opening gross value as at 1 July 2024		2,104,888	34,155,541	18,131,875	14,033,606	1,094,766	239,453,197	36,518,261	-	940,748	9,157,655	355,590,537
Additions											13,724,619	13,724,619
Disposals	6	-	-	(9,243)	(1,098,270)	-	(843,328)	-	-	-	-	(1,950,841)
Revaluation adjustment to other comprehensive income(asset revaluation surplus)	18	(305,289)	3,337,012	-	-	-	-	-	-	-	-	3,031,723
Transfers between classes		-	6,571,824	390,348	1,638,752	-	8,365,924	15,632	-	-	(16,982,480)	-
Closing gross value as at 30 June 2025		1,799,599	44,064,377	18,512,980	14,574,088	1,094,766	246,975,793	36,533,893	-	940,748	5,899,794	370,396,038
Accumulated depreciation and impairment												
Opening balance as at 1 July 2024		-	12,277,332	5,726,207	5,435,757	574,372	40,830,045	5,694,874	-	-	-	70,538,587
Depreciation expense			1,096,512	498,829	1,074,544	62,559	2,931,363	431,475	-	-	-	6,095,282
Depreciation on disposals		-	-	(7,673)	(663,695)	-	(309,359)	-	-	-	-	(980,727)
Revaluation adjustment to asset revaluation surplus	18	-	1,431,994	-	-	-	13,178,550	-	-	-	-	14,610,544
Accumulated depreciation as at 30 June 2025		-	14,805,838	6,217,363	5,846,606	636,931	56,630,599	6,126,349	-	-	-	90,263,686
Carrying amount as at 30 June 2025		1,799,599	29,258,539	12,295,617	8,727,482	457,835	190,345,194	30,407,544	-	940,748	5,899,794	280,132,353
Range of estimated useful life in years		Land: Not depreciated.	40 - 100	20-60	2 - 20	2 - 20	5 - 100 Formation - Not Depreciated	20 - 80	20 - 60	Not Depreciated	-	-
Asset Renewals		-	1,217,870	41,060	-	-	433,144	15,632	-	-	-	1,707,706
Other additions		-	5,353,954	349,288	1,638,752	-	7,932,780	-	-	-	-	15,274,774

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

10 Property, plant and equipment

(a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below asset recognition thresholds, currently $10,000 for infrastructure related assets, $1 in relation to land, and $10,000 for plant & equipment. Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. Routine operational maintenance, repair costs and minor renewals to maintain the asset component and useful life of the non-current asset are expensed as incurred. Individual assets valued below the asset recognition threshold, are recognised as assets when they form part of a larger, connected network (e.g. individual components of a park). Land beneath roads, and reserve land under the *Land Act 1994 or Land Title Act 1994*, is controlled by the Queensland State Government and not recognised in Council's Financial Statements.

(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.

(c) Depreciation

Land, work in progress, TerrEstrial mineral collection, road formations and formation work associated with the construction of dams, levee banks and reservoirs are not depreciated.

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

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

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions.

(d) Impairment

Each non-current physical asset and group of assets, 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 carrying amount of the asset exceeds this recoverable amount is recorded as the impairment loss.

(e) (i) Valuation

Council's valuation policies and procedures are set by Management. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Within every 5 year period, Council arranges a full comprehensive valuation of assets by engaging an external, professionally qualified valuer. During this year, Council has completed desktop reviews of its asset classes for the purposes of applying an index adjustment where appropriate. The purpose of these rolling valuations is to ensure carrying amount of each class of asset does not materially differ from its fair value at the reporting date. The valuation process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their assessments of the condition of the assets at the date of inspection.

During the intervening years, Council uses internal and external consulting engineers to assess for material differences in the assumptions for useful life, remaining lives and costs with all infrastructure assets. These results are also considered in combination with suitable indexes from the Australian Bureau Statistics. Jointly, these methods are combined to form the basis of a desktop valuation in the intervening years.

(ii) Valuation processes

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

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

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Index applied (change in index recognised 30/06/2026)	Other Interim revaluation adjustments
Land (Level 2) 2026:$2,137,122 2025: $1,799,599	Market Value	30-Jun-25	Australis Asset Advisory	The property market for residential land and houses is in limited supply, with only a few recent period sales and limited housing and building construction. Land values were assessed using the direct comparison approach, whereby Land owned by Council has a zoning particular to Council's ownership, such as "Community Infrastructure". In these cases, land values have been assessed based upon sale of other land with similar, physical attributes, with allowances being made for the restrictive zoning. Valuation inputs were used where comparable sales evidence was available and meaningful comparisons were possible, without significant adjustment or evidence analysis, or significant professional judgement by Australis Asset Advisory. Sales evidence was sourced from RP Data, active estate agents and gathered as part of Australis Asset Advisory normal business processes. Comparable sales evidence can be obtained from Australis Asset Advisory valuation report.	12.14%	Nil
Buildings (Level 2) 2026: $14,745,925 2025: $13,727,589	Market Value	30-Jun-25	Comprehensive Valuer 2025: Australis Asset Advisory	Comprehensive onsite inspections conducted in April 2025, in accordance with AASB13 and AASB16.The property market for residential land and houses is very small with only a few sales in recent years, and with few houses or buildings under construction during the inspection period. Where there is a market for Council building assets, fair value has been derived from sales prices of comparable properties. In the absence of sales evidence, reference has been made to: • Rawlinson's, Australian Construction Handbook; • Australis Asset Advisory industry experience and business processes. In determining the level of accumulated depreciation, the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolesce. Where "depth in market" can be identified, we have assessed the fair value of an asset as the best estimate of price reasonably obtained in the market at the date of valuation.	8.17%	Nil
Buildings (level 3) 2026: $16,551,727 2025: $15,530,950	Current Replacement Cost	30-Jun-25	Comprehensive Valuer Australis Asset Advisory	Where Council buildings are of 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 of similar type and service. The gross current values have been derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors. (Rawlinson's Australian Construction Handbook.) Where there is no depth of market, 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. In determining the level of accumulated depreciation, the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence. Once the accumulated depreciation has been calculated, it is aggregated into a parent asset for aggregation within the financial system.	8.17%	Nil

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

10 Property, Plant and Equipment (continued)

(e) (ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation Approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised 30/06/2026)	Other Interim revaluation adjustments
Water Infrastructure (Level 3)	Current Replacement Cost (CRC)	30-Jun-24	Comprehensive Valuer Shepherd	CRC was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life. Unit rates were developed from a combination of past construction project averages and first principles calculations for assets, where recent construction unit costs are not known. **Accumulated Depreciation** The accumulated depreciation cost was determined by an assessment of the age from either its construction date or by a condition assessment where an asset was close to the end of its life or where reliable construction data information was unavailable. Where site inspections were not conducted (i.e. for passive assets and active assets for which site inspections were not undertaken), the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.	Nil	Nil
Roads, Bridges and Drainage Networks (Level 3)	Current Replacement Cost	30-Jun-24	Comprehensive Valuer Shepherd	**Roads** Council categorises its road infrastructure into urban and rural roads and then further sub-categorises into sealed and unsealed roads. All road segments are then 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. CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs, and overhead allocations. Council assumes pavements are constructed to depths of 200mm for urban areas and 150mm for rural roads. For internal construction estimates, material and services prices were based on existing supplier contract rates or supplier price lists and labour wage rates were based on Council's Enterprise Bargaining Agreement (EBA). All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Where construction is outsourced, CRC was based on the average of completed similar projects over the last few years. Council undertook a condition assessment exercise at 30 June 2026 following a flood damage event which occurred earlier in the financial year. As a result of this exercise Council considered it appropriate to recognise an adjustment for damage sustained to Council's infrastructure as a result of the flood damage event. This has been recognised against the revaluation surplus. Accumulated depreciation In determining the level of accumulated depreciation, roads were disaggregated into significant components which exhibited different useful lives. A consumption assessment was undertaken based on defects / condition assessments for each segment. For sealed surfaces defected % by area and average internation roughness index, for sealed pavements % of rutting by area and average international roughness index for unsealed pavements % of gravel remaining were all used to determine remaining lives.	5.58%	Nil

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

10 Property, Plant and Equipment (continued)

(e) (ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation Approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised 30/06/2026)	Other Interim revaluation adjustments
Roads, Bridges and Networks (Level 3)	Current Replacement Cost	30-Jun-24	Comprehensive Valuer Shepherd	Bridges Each bridge was assessed individually, with the valuation varying according to deck area, condition and size. Construction estimates were determined on a basis similar to roads. Accumulated depreciation The accumulated depreciation cost was determined by an assessment of the age from either its construction date or by a condition assessment where an asset was close to the end of its life or where no reliable construction data information was available.	5.58%	Nil
				Drainage Infrastructure Similar to roads, drainage assets are managed by major components pipes, headwalls surfaces and pits. Consistent with roads, Council assumes 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 yet grouped into urban and rural types. Where drainage assets are located underground, and physical inspection is not possible the age, size and type of construction material are used to determine the fair value at reporting date. Accumulated depreciation The accumulated depreciation cost was determined by an assessment of the age from either its construction date or by a condition assessment where an asset was close to the end of its life or where no reliable construction data information was available.	5.58%	Nil
Other Infrastructure	Current Replacement Cost	30-Jun-24	Comprehensive Valuer Shepherd	Other Structures Include small shelters, play equipment, fencing and various airstrip and remaining land improvement assets. CRC was calculated based on expected replacement costs, where unit rates were developed from a combination of past construction project averages, from first principles' calculations or indexation. Accumulated depreciation The accumulated depreciation cost was determined by an assessment of the age from either its construction date or by a condition assessment where an asset was close to the end of its life or where no reliable construction data information was available. Where site inspections were not conducted, the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.	Nil	Nil

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

		Note	2026	2025 (restated)
11	**Contract balances**		$	$
(a)	Contract assets		11,806,741	8,458,514
(b)	Contract liabilities			
	Funds received upfront to construct Council controlled assets		2,588,401	5,677,059
	Non-capital performance obligations not yet satisfied		15,122,252	1,955,702
			17,710,653	7,632,761
(c)	Revenue recognised that was included in the contract liability balance at the beginning of the year			
	Funds received in advance to construct controlled assets		3,118,051	1,139,683
	Non-capital performance obligations not yet satisfied		1,955,702	-
			5,073,753	1,139,683

Satisfaction of Contract Liabilities

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

(d) Significant changes in contract balances

The increase of contract liabilities balance relates primarily to QRA flood damage grants whereby Council generally receives the initial 30% upfront prior to the commencement of construction, Council received the 2025 flood damage event upfront payment during the year. Whilst council did commence work, the funds expended prior to the end of the last financial year remained below the initial payment received. These funds are expected to be expended during the 2027 financial year.

12 Payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

Current		
Creditors	6,443	114,937
Accrued wages and salaries	187,970	171,837
Accrued expenses	2,876,923	3,687,669
Other creditors	265,278	160,379
	3,336,614	4,134,822

13 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears.

All borrowings are in $A denominated amounts and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment date is 15 March 2044.

Council also aims to comply with the Queensland Treasury Corporation's (QTC) borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Current		
Loans - QTC	132,076	202,224
	132,076	202,224
Non-current		
Loans - QTC	3,423,070	5,594,193
	3,423,070	5,594,193

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

14 Provisions

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.

Refuse dump restoration

Council has established and maintains a provision for the restoration of the five township landfill sites at the end of their useful lives. Council estimates these sites are estimated to close between 2028 and 2055 and the restoration program will continue over a subsequent thirty years post-closure care program.

The calculation of the provisions use assumptions including 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. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

Refuse restoration provision represents the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites.

		Current		Non-current	
	Note	2026	2025	2026	2025
Current		$	$	$	$
Annual leave		695,344	622,555	-	-
Long service leave		387,757	321,250	139,629	122,781
Refuse site rehabilitation		-	-	2,220,432	2,143,030
		1,083,101	943,805	2,360,061	2,265,811

Movements in non-employee benefit provisions:

Refuse site rehabilitation	2026	2025
	$	$
Balance at beginning of financial year	2,143,030	2,065,628
Increase due to unwinding of discount	77,402	77,402
Balance at end of financial year	2,220,432	2,143,030

15 Commitments for expenditure

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

Sandy Creek Bridge Upgrade	2,706,943	-
Terrestrial Upgrade	1,604,358	-
Community Hall	198,992	
Road Construction Projects	283,736	537,618
Staff Housing Projects	-	94,540
Independent Living Facility	-	2,468
Other Capital Projects	1,012,935	909,497
	5,806,964	1,544,123

16 Contingent assets and liabilities

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

Local Government Mutual

Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust 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 2025, the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Work Care

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Work Care. Under this scheme Council has provided an indemnity by way of bank guarantee in favour of LGW, drawn against deposits held with QTC to cover short fall funding in the event the self-insurance licence was cancelled and there were insufficient fund s available to cover the outstanding liabilities. Only the Queensland Government's workers regulator may exercise any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is $159,595 (2025: $115,819).

17 Correction of prior year error

During the course of the 2026 financial year it was identified that amounts of expenditure relating to both a particular type of capital grant funding and a particular recoverable works project had inadvertently been excluded from the calculations in relation to the contract balance assessment during the 2025 financial year. Accordingly this has been rectified in the current year financial statements by way of a prior period adjustment. the error related solely to the 2025 year and did not relate to any prior periods.

The error described above has been corrected by restating the prior year comparative balances such that they appear as if the treatment was consistent with what it should have been.

Comparative figures for 30 June 2025	Original balances as presented at 30 June 2025	Adjustments	Restated balances at 30 June 2025
Statement of financial position			
Contract asset	5,768,514	2,690,000	8,458,514
Contract liability	8,232,761	(600,000)	7,632,761
Statement of comprehensive income			
Capital revenue	5,412,574	3,290,000	8,702,574

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

		2026	2025
18	**Related party transactions**	**$**	**$**
	(a) Transactions with key management		
	Key Management Personnel : Etheridge Shire Council Mayor and Councillors, Chief Executive Officer, Director Corporate Services and Director Engineering Services		
	Compensation paid to KMP comprises:		
	Short-term employee benefits	1,151,660	1,102,558
	Long term benefits	6,332	12,735
	Post employment benefits	77,471	70,227
	Termination benefits	16,821	-
	Total	1,252,284	1,185,520
	(b) Loans and guarantees to/from related parties	-	-
	There are no loans or guarantees provided to or held with related parties.		
	(c) Commitments to/from other related parties		
	There are no specific commitments or contracts for future transactions.	-	-
	Unspecified transactions may occur during the ordinary course of business.	-	-
	(d) Transactions with related parties		
	Purchases of materials and services from entities controlled by KMP.	279,972	459,465
	Remuneration paid to close family members of key management personnel	107,090	120,485
	(e) Transactions with related parties that have not been disclosed		
	Most of the people and entities that may be considered related parties live and operate within Etheridge Shire. Consequently related party transactions may occur during the ordinary course of business. These may include payment of rates, use of community provided facilities at no charge (e.g.) Georgetown swimming pool and Council Library.		
19	**Asset revaluation surplus**		
	The asset revaluation surplus comprises movements of Council's non-current assets, reflecting changing values of assets under direct valuation, conducted by appropriately qualified and independent valuers		
	Balance at the beginning of the financial year	185,131,027	196,709,847
	Movement in reserves for year		
	Roads, Drainage and Bridges	11,056,542	(13,178,550)
	Land	283,735	(305,289)
	Buildings	2,555,519	1,905,018
	Increment (Decrement) in revaluation and indexation surplus on assets	13,895,797	(11,578,821)
	Balance at the end of the financial year	**199,026,824**	**185,131,027**
20	**Superannuation**		
	Total superannuation contributions paid by Council for employees	742,177	638,550
		742,177	**638,550**

All employees have contributions paid to compliant employee choice funds and LGIA. Council contributes at the current SGL rate of 12% of an employees eligible gross ordinary earnings before overtime.

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

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

	2026 $	2025 $
Net result	11,071,904	13,154,252
Non-cash items:		
Depreciation and amortisation	5,780,816	6,095,282
Impairment of receivables	4,927	65,300
Unwinding discount on provisions	77,402	77,402
	5,863,145	6,237,984
Investing and development activities (non-cash):		
Net (profit)/loss on disposal of non-current assets	480,134	569,205
Capital Grants and Contributions	(4,845,560)	(7,802,399)
	(4,365,426)	(7,233,194)
Changes in operating assets and liabilities:		
(Increase)/ decrease in receivables	(3,668,795)	1,581,265
(Increase)/ decrease in contract assets	(3,348,227)	(3,684,013)
(Increase)/decrease in inventory	(44,545)	73,731
Increase/(decrease) in payables	(798,208)	(1,122,081)
Increase/(decrease) in contract liabilities	10,077,892	1,768,290
Increase/(decrease) in provisions	156,145	207,378
	2,374,262	(1,175,430)
Net cash inflow (outflow) from operating activities	14,943,884	10,983,612

22 Events after the reporting period
There were no material adjusting events after the balance date.

23 Financial instruments and financial risk management

Financial assets and financial liabilities
Etheridge Shire Council has exposure to the following risks
- Credit risk
- Liquidity risk
- Market risk

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

Councillors approve 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 management 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.

Etheridge 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 from customers

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 the Etheridge Shire Council.

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

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2026

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.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 10.

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

Council		0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
		$	$	$	$	$
	2026					
Trade and other payables		6,443	-	-	6,443	6,443
Loans - QTC		308,810	1,235,239	3,937,326	5,481,375	3,555,146
		315,253	1,235,239	3,937,326	5,487,818	3,561,589
	2025					
Trade and other payables		114,937	-	-	114,937	114,937
Loans - QTC		490,577	1,947,880	6,695,836	9,134,293	5,796,417
		605,514	1,947,880	6,695,836	9,249,230	5,911,354

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

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

Interest rate risk
Etheridge Shire Council is exposed to interest rate risk through investments with QTC and other financial institutions.

The 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 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.

Council has conducted an interest rate sensitivity analysis depicting the impact of a 1% change in interest rates. Council has however elected not to separately disclose this table as its overall impact has been determined not to be material.

In relation to the QTC loans held by the Council, the following has been applied:
QTC Generic Debt Pool - the generic debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

Etheridge Shire Council
Financial statements
For the year ended 30 June 2026

Management Certificate
For the year ended 30 June 2026

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

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

(i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the general purpose financial statements, as set out on pages 2 to 24, 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.

B.E. Hughes.

Mayor
Barry Hughes

Date: 15 / 10 / 26

Chief Executive Officer
Louise Knol

Date: 15 / 10 / 26

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INDEPENDENT AUDITOR'S REPORT

To the Councillors of Etheridge Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Etheridge Shire Council (the council).

The financial report comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2026:

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.

c) In my opinion, the financial report:

   i. gives a true and fair view of the council's financial position as at 30 June 2026, and of its financial performance for the year then ended

   ii. complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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 (including Independence Standards)* (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

The council is responsible for the other information.

The other information comprises the information included in the council's annual report for the year ended 30 June 2026, but does not include the financial report and my auditor's report thereon.

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At the date of this auditor's report, the available other information in the council's annual report for the year ended 30 June 2026 was the current year financial sustainability statement – audited ratios, current year financial sustainability statement (contextual ratios) – unaudited and unaudited long-term financial sustainability statement.

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

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

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

Responsibilities of the council for the financial report

The council is responsible for:

- the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009* and the Local Government Regulation 2012, and other prescribed requirements and Australian Accounting Standards, and such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error
- the establishment and keeping of accounts in accordance with prescribed requirements
- 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. My auditor's report must state whether I have received all the information and explanations required, and whether I consider the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects.

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 financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

www.auasb.gov.au/auditors_responsibilities/ar4.pdf

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A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at: www.qao.qld.gov.au/audit-program/audit-standards

These descriptions form part of my auditor's report.

16 October 2026

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Etheridge Shire Council OFFICIAL
Current year Financial Sustainability Statement - Audited ratios
For the year ended 30 June 2026

Type	Measure	Target (Tier 7)	Actual Current Year	5-Year Average	Council Narrative
			Council		
Audited ratios					
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	1.86 months	N/A	Whilst Council holds a significant cash balance at 30 June 2026, much of this is externally restricted, primarily to fund ongoing flood damage recovery works. Notwithstanding the "tie up" of sizable cash balances, Council is also owed significant amounts by way of Contract Assets for other similar works.
Operating Performance	Operating Surplus Ratio	N/A	5.37%	-1.53%	The above delayed receipt of the Financial Assistance Grant has had a sizable effect on Council's operating performance for 2024.
	Operating Cash Ratio	Greater than 0%	15.52%	11.44%	Refer to above comments in relation to unrestricted cash cover
Asset Management	Asset Sustainability Ratio	Greater than 90%	56.03%	26.54%	Council has been investing significant amounts in new assets in recent years which have predominantly been funded by Capital Grants rather than from Council funds
	Asset Consumption Ratio	Greater than 60%	75.30%	80.46%	The above has allowed Council to maintain its positive asset consumption ratio
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	0.39 times	-0.41 times	Council has had very little debt in recent years, however Council has recently (2024) borrowed to fund the construction of accommodation units within the community.

The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 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 2026

The current year financial sustainability statements that are given to the auditor-general must each be accompanied by a signed certificate in the form below:

Certificate of Accuracy
For the year ended 30 June 2026

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.

B. G. Hughes.
Mayor
Barry Hughes

'Date: 15 / 10 / 26

Chief Executive Officer
Louise Knol

Date: 15 / 10 / 2026

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INDEPENDENT AUDITOR'S REPORT

To the Councillors of Etheridge Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Etheridge Shire Council (the council).

The financial sustainability statement for the year ended 30 June 2026, comprises 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 is accurately calculated in accordance with the Financial Management (Sustainability) Guideline 2024.

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 (including Independence Standards)* (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 2024 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

The council is responsible for the other information.

The other information comprises the information included in the council's annual report for the year ended 30 June 2026, but does not include the financial sustainability statement and my auditor's report thereon.

At the date of this auditor's report, the available other information in the council's annual report for the year ended 30 June 2026 was the general purpose financial statements, current-year financial sustainability statement (contextual ratios) – unaudited, and the unaudited long-term financial sustainability statement.

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

In connection with my audit of the financial sustainability statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial sustainability statement 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 council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Financial Management (Sustainability) Guideline 2024 and the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.

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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.

16 October 2026

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Etheridge Shire Council
Current-year Financial Sustainability Statement (Contextual Ratios) - unaudited
For the year ended 30 June 2026

Type	Measure	Target (Tier 7)	Actual Current Year	5-Year Average	Council Narrative
			Council		
Contextual ratios (unaudited)					
Financial Capacity	Council-Controlled Revenue*	N/A	5.82%	6.01%	As a remote and regional Council with a relatively low population base, the level of rates makes up on a fraction of Council's required income. As such, Council is significantly dependant upon Government support in the form of Grants to fund ongoing day to day operations and deliver a service standard to meet community expectations. This is not unique and is common of Western QLD Councils.
	Population Growth*	N/A	0.00%	-0.56%	

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 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 2026.

The current year financial sustainability statements that are given to the auditor-general must each be accompanied by a signed certificate in the form below:

Certificate of Accuracy
For the year ended 30 June 2026

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.

B. G. Hughes

Mayor
Barry Hughes

'Date: 15 / 10 / 26.

Chief Executive Officer
Louise Knol

Date: 15 / 10 / 2026

Etheridge Shire Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2026

Council

Type	Measure	Target (Tier 7)	Actuals as at 30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033	'30 June 2034	'30 June 2035
Financial Capacity	Council-Controlled Revenue	N/A	5.82%	8.3%	15.5%	15.4%	15.5%	15.5%	15.6%	15.6%	15.7%	15.8%
	Population Growth	N/A	0.00%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
Operating Performance	Operating Surplus Ratio	N/A	5.37%	0.9%	-17.5%	-14.7%	-13.3%	-12.1%	-10.8%	-9.7%	-8.6%	-7.7%
	Operating Cash Ratio	Greater than 0%	15.52%	14.6%	8.6%	10.7%	11.7%	12.8%	13.8%	14.9%	15.9%	17.0%
Asset Management	Asset Sustainability Ratio	Greater than 90%	56.03%	203%	60%	58%	60%	62%	64%	65%	67%	68%
	Asset Consumption Ratio	Greater than 60%	75.30%	76.6%	77.0%	77.3%	78.0%	78.2%	78.4%	78.6%	79.0%	79.4%
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	0.39 times	0.49 times	1.37 times	0.94 times	0.73 times	0.55 times	0.40 times	0.27 times	0.15 times	0.05 times

Council's long term financial management strategy is to foster sustainable growth within the community, and this is consistent with Council's long term forecast.

The long-term financial sustainability statement that is given to the auditor-general must be accompanied by a signed certificate in the form below:

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2026

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

B. S. Hughes

Mayor
Barry Hughes

Date: 15 / 10 / 26.

Chief Executive Officer
Louise Knol

Date: 15 / 10 / 2026