

NORTH BURNETT REGIONAL COUNCIL
ANNUAL REPORT
2019/20



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This document was adopted by Council
on 25 November 2020.



REGION OVERVIEW + STATISTICS

Just over four hours' drive north-west of Brisbane, you will find the naturally beautiful North Burnett. Inland from our coastal cousins of Bundaberg and Maryborough, our region encompasses six main townships including Biggenden, Eidsvold, Gayndah, Monto, Mount Perry and Mundubbera, which service a number of smaller villages, localities and farming catchments.

10,599

Population



19,669.85KM²

Land Area



4,203KM

Kilometres of Road



6

Customer Service
and Library Centres

31%

of the North Burnett workforce is
in Agriculture, Fishing and Forestry



16

Schools



\$675M

GRP



1,623

Number of Businesses

5

Council-owned
Caravan Parks



5

Pools

CEO'S MESSAGE



This year has been a year of contrasts for the North Burnett community, for Council and for the position of CEO. I stepped into the role in October 2019, and I'd like to thank my predecessor, Gary Rinehart for the legacy he left in leading Council to understand our financial constraints. In true North Burnett style, I was warmly welcomed into this diverse and proud community. At the time however, I didn't realise that I would soon witness, first hand, just how resilient, adaptable, caring and aware this community is, when, in March 2020, on the back of crippling droughts, we faced the very real risk of COVID-19.

Led by a highly responsive Mayor and hard-working Executive Leadership Team, Council staff swiftly stepped-up to the challenges – not only by continuing to provide the critical services of Council, but also by taking on additional tasks to keep the community safe, informed and positive. Our teams transitioned to working from home, Council's field teams adapted to new, COVID-safe work practices, and others such as those in our libraries, service centres and caravan parks understood and accepted Council's need to close these facilities temporarily.

Throughout all this, Council was itself undergoing a process of deliberation, assessment and change. In May, the elected members resolved to adopt the principles of a new Service Delivery Review. This critical review is the second phase of our Business Improvement Partnership with the State Government, through the Qld Treasury Corporation (QTC). The aims of the review are three-fold: to ensure that every aspect of the North

Burnett Regional Council is running as efficiently as possible; to address a burgeoning budget deficit; and to reposition the organisation towards a more sustainable financial future.

A new project management framework (PMF) was also implemented to promote greater transparency and efficiency across Council by ensuring that all new projects are scoped, resourced and costed correctly. It also allowed for an enhanced level of consistency in planning, prioritising, decision-making and monitoring of projects of all sizes and complexities.

Throughout the year, the Executive Leadership Team met with staff to seek their ideas, views and suggestions for the organisation, while at the same time impressing upon their teams the importance of good governance and workplace health and safety. The latter was a major focus this year as we strived to establish a culture of individual responsibility regarding workplace safety and the wellbeing of colleagues. A similar focus on sound administration and impartial service delivery sought to remind teams that we are all custodians of public money and community assets, and that all decisions and actions must reflect this.

In April, the 2020 Queensland local government elections saw a new Council take to the chamber. It is always a time of opportunity, as new members are introduced to the operations of Council and embark on setting the policy objectives for the future. Council staff worked tirelessly in assisting Councillors to familiarise themselves with the budgeting process, and the 2020/21 Operational Plan.

By the end of the 2019/20 year, almost all Council services and facilities had reopened, and Council was once again able to concentrate its efforts on providing all the key services to the community, and look to the next chapter in its growth and progress.

It has been a remarkable and challenging year for all. But it proved without doubt that the North Burnett Regional Council is indeed rich in energy, initiative, enthusiasm and, most of all, community spirit.

Rachel Cooper
Chief Executive Officer

MAYOR'S MESSAGE



If I had to choose a word to describe the 2019/20 year it would be: Transition.

In October 2019, we welcomed a new CEO, Rachel Cooper as we said goodbye to Gary Rinehart. Although Gary was only with us for a short time, I would like to thank him for the hard work he put into addressing Council's financial position.

I strongly believe that the appointment of a CEO is the single most important job elected Councillors are tasked with. Furthermore, it is now the *only* recruitment we are tasked with, after legislative changes to local government last year included removing responsibility for the recruitment and direction of General Managers (Directors) from the remit of Councillors.

The reason I say this is our most important job is because, although Councillors are responsible for the overall outcomes of Council, it is the CEO who is tasked with accurately translating the ideas and vision of Councillors and turning them into achievable actions, the highlights of which are contained within this annual report.

The next most important job of a Councillor is to advocate effectively on behalf of our community. The 2020 elections saw voters elect five new Councillors to fulfil the role of understanding community issues and represent their interests. To help provide insights into what Councillors have been doing, we have included a new section in this annual report that aims to further explain Council's advocacy actions this year.

If I've learned anything in this job, it's been that it takes a team to achieve outcomes for our community. This region is extremely fortunate to have been represented by a wonderful group of passionate and experienced Councillors for the greater part of this year, and an equally passionate and enthusiastic group of Councillors since the March elections.

I'd like to take this opportunity to thank the outgoing Councillors for their hard work, persistence and dedication to the North Burnett. You have all left a great legacy for others to continue to build upon.

Not only did our Council change in March, but the world as we knew it also changed, with a pandemic the likes of which none of us had ever seen. Upon reflection, I am immensely proud of not only the way Council transitioned to delivering services, but I am extremely honoured to be Mayor of a region that took care of themselves, took care of each other, and took care of our businesses.

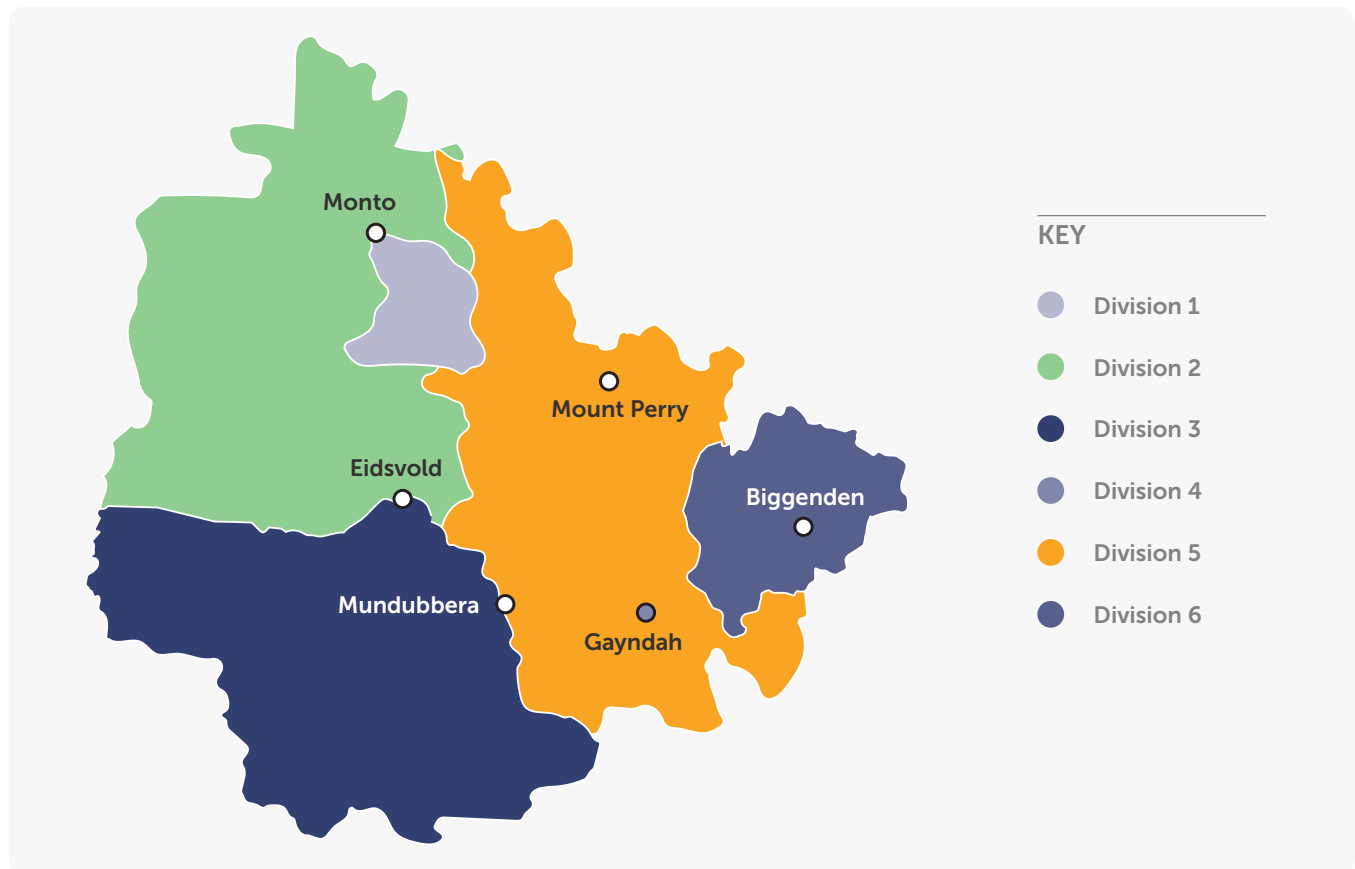
As I write this, the pandemic is ongoing, however, regardless of what may lay ahead, I know that if, and when, the going gets tough, we will come together as family, friends, colleagues and as a region again, as that's always been our unspoken commitment to each other.

Together, is how we do this.

Rachel Chambers
Mayor

OUR COUNCILLORS

The North Burnett Local Government Area is a divided Council area, comprising of 6 divisions. To find out which division you live in, you can use the Queensland Electoral Commissions interactive map www.ecq.qld.gov.au/electoral-boundaries/local-government-area-boundaries.



Councillors July 2019 to March 2020

Front: Left to right Cr Paul Lobegeier (Division 1) and Cr John Zahl (Division 4) **Back:** Left to right Cr John Bowen (Division 5), Cr Peter Webster (Division 2), Cr Rachel Chambers (Mayor), Cr Robbie Radel (Division 6) and Cr Faye Whelan (Division 3).



Councillors March 2020 to June 2020

Left to right Cr Susan Payne (Division 3), Cr Les Hotz (Division 2), Cr Robbie Radel (Division 6), Cr Rachel Chambers (Mayor), Cr Melinda Jones (Division 1), Cr Michael Dingle (Division 5) and Cr Dael Giddins (Division 4).

The local government quadrennial elections were held Saturday, 28 March 2020, with the new look Council commencing in April 2020.

OUR ADVOCACY

As Councillors, we often use the words 'advocate' and 'advocacy', with the assumption that the community understands what we mean when we say we are 'advocating on your behalf'.

From a Council perspective, advocacy involves influencing the opinions and decisions of people and organisations in order to achieve a desired outcome for our region.

Council uses the three Ps of advocacy: preparation, planning and persistence.

Preparation includes gathering evidence and data to prove our case, and researching our audience, which leads to the question: What is the benefit of this potential decision for them? It also includes 'devil's advocate' conversations so we can view the issue from our decision-makers' eyes.

Planning involves how we will attempt to influence. Do we set up a face to face meeting as the issue is better discussed in person, or do we write letters? Do we involve business and/or industry in our planning as this is an issue

which affects them substantially? Do we go to media or will that be detrimental to the desired outcome?

Persistence involves never giving up. There are some unresolved issues in the region that are older than many of us. The wheels of government move slowly and sometimes they stall for years. The key is to continually re-evaluate our preparation and our planning, and then to go again.

Council uses election cycles to re-evaluate our areas of focus, and releases advocacy plans accordingly. As an apolitical organisation, Council strives to build relationships with everyone in politics to ensure whatever the result, our region doesn't suffer.

A priority in our 2017 State Election Advocacy document was for more state government ministers to visit the region, as we believe that seeing things first-hand greatly benefits those people making the decisions. In 2019/20 we were visited by 3 state ministers, 1 federal minister and our elected members Mr Colin Boyce MP and Mr Ken O'Dowd MP. We also took our voices to Canberra, meeting with several ministers in Canberra on 24 July 2019.

ADVOCACY INITIATIVES UNDERTAKEN IN 2019/20.

We will take advice on how to present this. The theme is from our Advocacy Action Plan
<https://www.northburnett.qld.gov.au/advocacy/>.

THEME	WHAT WE HAVE DONE
Federal and State Funding	<ul style="list-style-type: none">■ Advocating for fairness in government funding for smaller, regional Councils. Specifically around requirements for matched funding in the competitive grants. We met with Scott Buckholz MP in Canberra.■ A major win has been the continuation of the QLD Governments W4Q Funding model.
Mobile Phone Coverage	<ul style="list-style-type: none">■ We submit a full list of black spot areas each time Black Spot Funding becomes available. We have been successful with a couple of spots receiving infrastructure in 2019/20. We met with Paul Fletcher MP in Canberra.
Roads and Transport	<ul style="list-style-type: none">■ Council continues to be actively involved in the Mundubbera to Jandowae Road Working Group, achieving a financial commitment by both State and Federal Governments to upgrade the John Peterson Bridge in 2021.■ Other announcements include a commitment to seal remaining areas of Monto-Mount Perry Road at \$8 million and Three Moon Creek Bridge replacement on Burnett Highway at \$18 million.■ We have been successful for funding to extend our HV Network on Glencoe Road at \$513,914.■ Our roads are key to moving produce rather than just people, we partnered in a pilot program with QUT to economically model our roads and advocate to move away from a traffic count as the sole KPI for funding.
Water	<ul style="list-style-type: none">■ North and South Burnett Councils have been part of a \$2 million study on water feasibility www.northburnett.qld.gov.au/burnett-water-feasibility-study-stage-1-complete, with outcomes to be seen in 2020-21.■ Securing quality, sustainable water for the township of Biggenden is a key agenda item for Council. We undertook the Urban Biggenden Water Project to assess options of this and continue to advocate to State Government for funding.■ Mayor Chambers is a member of the Paradise Dam Community Reference Group to represent the views of those in the North Burnett.
Aged Care	<ul style="list-style-type: none">■ Council are looking to bring everyone together for a regional approach to advocacy to both State and Federal Governments in the near future.
Tourism	<ul style="list-style-type: none">■ We were successful in funding for the Bush Tucker Trail and Sewerage Project at the RM Williams Australian Bush Learning Centre to the value of \$513,914.

OUR PRODUCTIVE REGION

Providing the region with lobbying support, regional policy, regional infrastructure and planning, and a strong regional identity that shapes a robust, diverse economy into the future. ~ NBRC Corporate Plan 2018-2020

Safe, Well Maintained and Effective Road Networks

The 2019/20 financial year was once again a busy period for the Civil Works department, which has responsibility for the management of capital and maintenance work for all Council roads (sealed and unsealed), bridges, drainage, footpaths, parks and open spaces, cemeteries, aerodromes, plant and fleet.

Council has a rural road network of almost 3700km, which is serviced by crews based out of six depots across a 20,000 km² area. Under a road maintenance contract (RMPC), Council is also responsible for undertaking maintenance on the state road network, which crosses the region.

Transport Infrastructure Development Scheme (TIDS)

Council completed \$2.2 million-worth of TIDS projects across the North Burnett this year. Work included the reconstruction and upgrade of a 700m section of Cynthia Range Road to a two-lane bitumen sealed road. The rehabilitation of 1.7km of Kerwee Road was undertaken to provide for smoother travel between the Burnett Highway and the Monto- Mount Perry Road. The Gayndah-Mundubbera Road also received further work with a section upgraded and widening at the road's Gayndah end.

School Safe

Council's TIDS School Safe funding was invested at Biggenden, Gayndah, Monto, Mulgildie and St Therese Schools for the renewal of footpaths, signage and road access to improve pedestrian safety around these schools.



Rural Roads Network

Rural road maintenance to the value of \$3 million was undertaken with work programs based on road condition assessments inspections. These inspections are used to identify the needs of the network and develop gravel re-sheeting, reseal and pavement rehabilitation schedules.

Gravel re-sheeting this year replaced gravel lost from traffic use and wet weather conditions on 44 roads across the region at a cost of almost \$1.4 million. Bitumen resealing was undertaken on 13 rural roads and 18 town streets across the region at a cost of \$900,000. Teams also renewed the seal on approximately 35km of pavement.

Bridges

Refurbishment works, valued at around \$240,000, were undertaken on three timber bridges, rated at condition-state five, resulting in structures capable of carrying the needs of the community for many years to come. In addition, the replacement of the Percy Hindmarsh Bridge was a major construction project, creating a new concrete structure which will service the region well into the next century. The project was co-funded by the Commonwealth Government and Council under the bridge renewal program, with a budget of \$2.7 million.

Cycleways

This year, Council delivered two cycleway projects, co-funded by the state government and Council, valued at \$700,000. The project delivered a 3-metre wide, 800-metre long cycleway in Mount Perry, as well as a 3-metre wide, 500-metre long section of the Gayndah Burnett Riverwalk and Cycleway along the Burnett River.



Left: Official opening of the Mt Perry Cycleway.

Top: Gayndah-Mundubbera Road reseal

Right: A birdseye view of Percy Hindmarsh Bridge

Events

Australia Day was celebrated across the region with ceremonies in each community, as well as an Australian Citizenship Ceremony in Monto. We were delighted to host two Australia Day Ambassadors in the region, with Mr William (Bill) Nancarrow attending the Monto celebrations and Ms Carmel Crouch attending Biggenden's Australia Day Awards. All events were well-attended, with 1,063 community members coming out to recognise our national day.

This year, the inaugural North Burnett Regional Australia Day Awards were introduced in addition to the local Australia Day Awards in each community. The Regional Awards strived to unite the North Burnett by recognising extraordinary talent, and officially acknowledge the valued contribution individuals have made to inspire and enrich the lives of others throughout our region.



Implementation of Tourism Strategy

Promotions and Associations

Maintaining important links to the broader tourism community, Council continued its membership of Bundaberg Tourism as the Regional Tourism Organisation, as well as the Drive Inland Promotions Association. Both organisations provide valuable marketing for the North Burnett tourism sector through a variety of channels including print, trade shows and online mediums, and the additional opportunity to supply articles and images that features on blogs, websites and social media accounts.

During the year, Council was represented at the Sunshine Coast Caravan and Outdoor Expo. The Sunshine Coast is home to a key drive market for the North Burnett, and promotion at this expo provided a great opportunity to showcase the region. As part of the membership with Drive Inland Promotions Association, the North Burnett also had a presence at the Melbourne Caravan Expo in March 2020. This presence would have also been repeated at the Brisbane and Sydney shows however they were both cancelled due to COVID-19.

Social Media

Social media has been an important part of regional promotion, with articles and imagery creating conversation and allowing the region to build its brand and trust with our audience. The renamed Facebook page, 'Visit North Burnett: Home of the RM Williams Australian Bush Learning Centre', shared engaging content designed to inspire residents and visitors to explore our diverse and beautiful region. The level of following and engagement on the page grew through organic and paid posts, with content showcasing our unique natural locations, interesting history, must-see attractions and diverse events all proving popular.

The @NorthBurnettRC Instagram page developed into the North Burnett tourism destination account, sharing predominately user-generated content captured in the North Burnett region and promoted by the #visitnorthburnett hashtag.

Top: 2020 Monto Australia Day Award Winners

Left: Sunshine Coast Caravan and Outdoor Expo

RM Williams Australian Bush Learning Centre

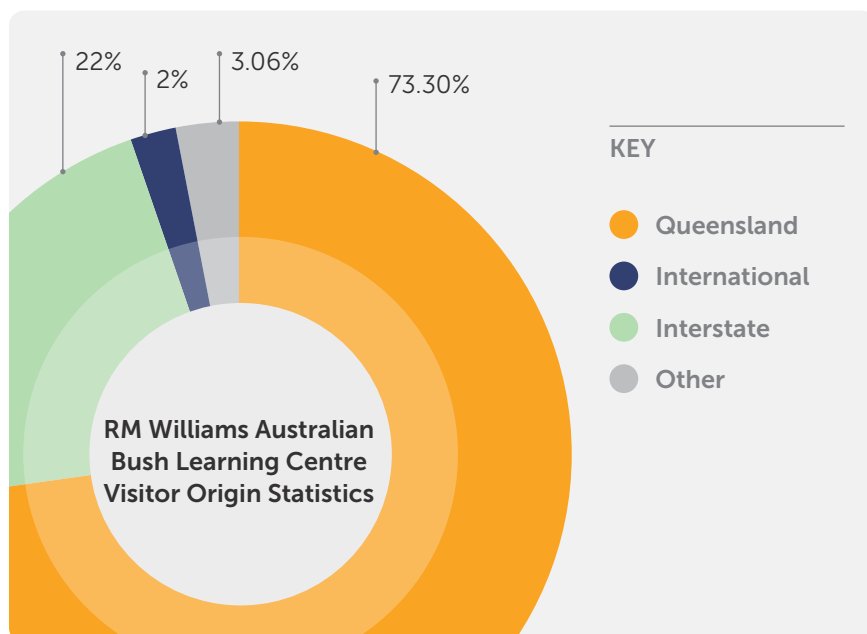
Now in its 9th year, the RM Williams Australian Bush Learning Centre welcomed 4,214 visitors in 2019/20 and hosted 316 self-contained overnight campers.

Challenged by COVID-19, the centre was closed for more than two months at the start of the peak tourist season, and a decline in visitor numbers reflected this challenge. Since reopening in early June however, the centre greeted a large volume of visitors, excited to be travelling again and supporting small town businesses.

Throughout the year, the centre hosted a diverse range of tour groups from caravan clubs to bus and school tours. A highlight for the year, was sharing the centre with over 100 children from Mundubbera State School in December 2019. Students, staff and volunteers enjoyed a guided tour, activities, bush poetry, morning tea and lunch at the bush camp kitchen, and the adventure playground. Demonstrations and workshops for bush crafts continued to draw great interest from locals and visitors to the region.

The centre participated in a Driver Reviver station trial, and this evolved into a permanent amenity. This vital road safety initiative aligned well with the Visitor Information services already offered, and provided travellers with a chance to take a break from driving and refresh with a drink, biscuits, chat and information on the region. During their travel pause, many tourists took the opportunity to visit the centre, while children expended built-up energy on the adventure playground.

Grant funding was received for the next stage of the Bush Tucker Trail. The trail follows a landscaped native plant track. The toilet amenities will also be upgraded in the process.



Top: Mundubbera State School visited Volunteer Russell the RMWABLC who introduced the children to a possum.

Above: Blacksmith Workshop held at the RM Williams Australian Bush Learning Centre

OUR HAPPY, HEALTHY AND SAFE REGION

Ensuring the region is provided with access to adequate products and services to secure our community's health and wellbeing. ~ NBRC Corporate Plan 2018-2020

Branding, Communications and Media

In 2019/20, Council took the opportunity to focus on how we connect with our community. We took stock of our resources and streamlined our communications processes, both internally and externally.

Social Media

Council's Facebook page has seen a 12% increase in likes, with a total in excess of 4,000 interactions over the year from our community. Keeping up-to-date with shifts in engagement, residents can now connect with Council via LinkedIn, Twitter, as well as following #VisitNorthBurnett on Facebook and Instagram using the handle @NorthBurnettRC.

Community Updates

Council placed a weekly half-page update in the local newspaper. This notice proved to be an important element in our strategic communications, ensuring that the organisation reached those who do not access social media or email, or do not readily access the internet.

Born out of the need to update our community regularly during COVID-19, we developed an eNewsletter to keep our community informed. The eNewsletter evolved into a monthly publication, which included Council's latest news, public events and important information for the community.

COVID-19

As Queensland came to a virtual standstill due to COVID-19 restrictions, the Media team worked with the Disaster Management team to ensure that Council was able to efficiently and effectively distribute up-to-date and reliable information to the community and seasonal workers. A dedicated page on the Council website was created to act as a digital noticeboard for communications, and this was supplemented by information via social media, radio and mailouts, as well as our eNews platform.

**Our Facebook page
has seen a**

12%

**increase in
likes with over**

4,000

**interactions from
our community.**

The team received

833

**AskMedia tickets,
with an average
completion time of**

57

minutes per request.

Operate and Enhance North Burnett Transport Service

The North Burnett Transport Service (NBTS) provides safe and comfortable transport for residents and visitors, between the North Burnett and the cities of Bundaberg and Maryborough from Tuesday to Friday each week.

Concession Card holders continued to be key users of the service, however, due to the impact of COVID-19, passenger numbers declined slightly. Caution surrounding the pandemic also saw some services cancelled for a period of time, and passenger numbers limited in order to adhere to social distancing best practice.

Once again, North Burnett Transport Service strived to deliver exceptional customer service and a comfortable passenger experience. Regular reporting to TransLink ensures all legislative policy and procedures are

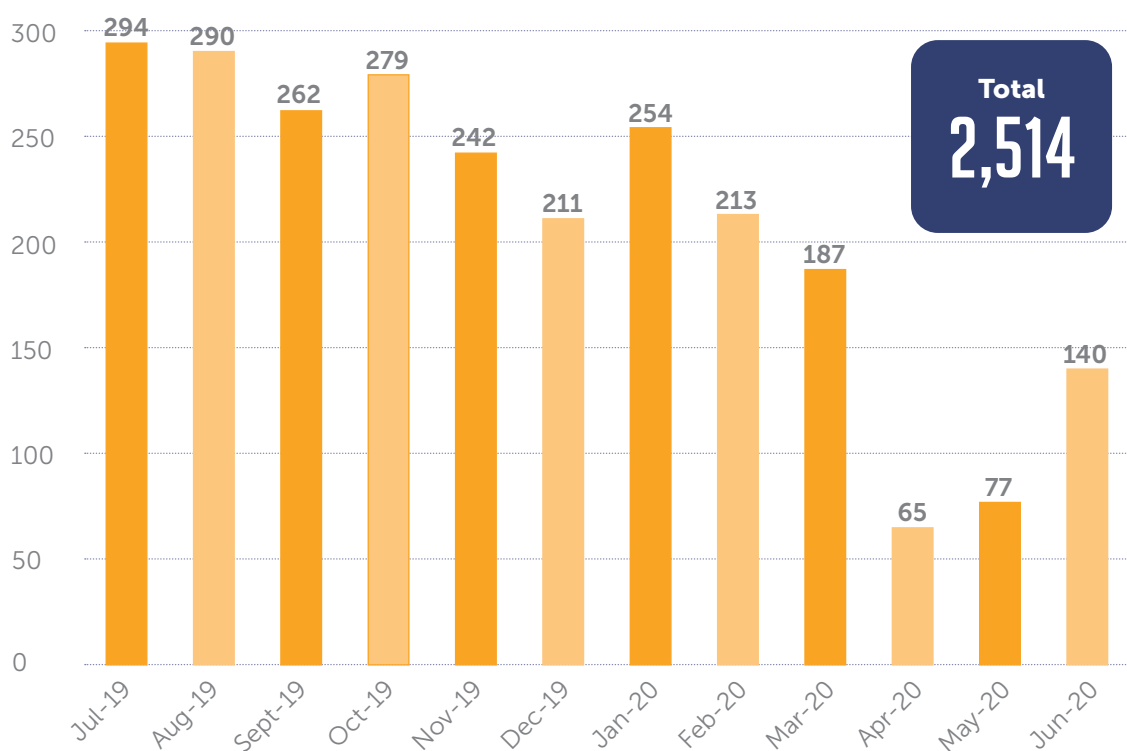
followed. This included monthly reporting of passenger statistics to reconcile with payments, and half-yearly maintenance reports to ensure government-regulated vehicle inspections were undertaken to meet or exceed minimum vehicle safety measures.

In addition to the Toyota HiAce receiving new external artwork featuring images depicting the beauty of the local region as a form of mobile advertising, funding was also allocated to promote the service throughout the North Burnett and Fraser Coast regions.



Above: North Burnett Transport Service vehicle sporting a 'new look' promoting the North Burnett.

North Burnett Transport Statistics 19/20



OUR UNITED REGION

Ensuring the North Burnett will be a region where everyone is made to feel part of the community. A community where everyone will love to work, live and visit. A united region is a strong region – we are six main townships and multiple villages who all have their own histories and futures, however, together we are one dynamic region. ~ NBRC Corporate Plan 2018-2020

A Region for All Abilities

The footpath kerb and channel program facilitated the replacement of many deformed sections of footpath and kerb throughout the region. These sections are identified and prioritised during regular asset inspections. The assessments target defects that match criteria set by industry guidelines that determine the overall condition of the asset. By scheduling regular inspections, Council staff can program repairs or replacement accordingly. As such, Council replaced 2580m of footpath and 594m of kerb at an overall cost of \$550,000.

A Region for All Interests

The 2019/20 financial year was an eventful one for sport and recreation within the North Burnett Region, even with the slowdown due to COVID-19. The region saw the construction of eye-catching new netball courts at Monto in the club colours of bright blue and pink. Also completed was the re-build of the Archer Park clubhouse, which included a new kitchen and first-aid rooms, to deliver an outstanding facility for use by local sports and community groups. The Mundubbera Gym was painted and security screens were installed at the Eidsvold Gym, with both facilities rewarded by increased memberships.



Far left: A recently developed section of footpath, completed under the Footpath, Kerb and Channel program.

Left: The community of Monto have been enjoying their newly constructed netball courts.

Advisory Committees

Advisory committees for sports complexes in Monto, Mundubbera and Gayndah were established to enable the relevant local sports groups to come together regularly and provide updates on their sports, and discuss issues and activities regarding their respective facilities. This open, systematic communication channel allowed groups to engage in purposeful discussion, highlighting both successes and problems, and to come together with co-operative future plans. The meetings also provided an efficient way to share information and proved particularly effective in understanding and implementing new COVID-safe plans regarding attendance, registration and other matters.

COVID-19

The impact of COVID-19 resulted in a number of local sports and competitions cancelled for their respective season, which, although necessary, was deeply felt by junior and senior participants, spectators, supporters, caterers and other service providers.

Fortunately, a handful of grants become available this year to help alleviate the effects of COVID-19 and assist clubs in returning to their activities, and tackle the additional costs and work required to re-boot their teams and competitions. Several of our clubs and organisations were very successful in their grant applications, with over 28 groups receiving the Active Club Kick Start from Sport and Recreation Queensland, while a number of clubs and organisations also received funding from the Gambling Grant.

Council recognises the value and importance of providing assistance to local and regional clubs and groups when applying for grants that can help them gain vital funding to improve their organisation, assets and capabilities.

Arts and Culture

Council continued to support creative initiatives across our region through the Regional Arts Development Fund program. Eleven projects, covering a wide range of art genres, were funded to a value of \$65,257 and involved over 600 people as either participants or audience members.

Supporting our region's art galleries and museums with up-to-date information during the COVID-19 shut-downs and assisted with the broader local response to the COVID-19 pandemic by liaising with local service organisations, community groups and businesses to prepare and coordinate local resources. Community asset mapping, undertaken by the Community Development Team, served as an invaluable tool during this time, as well as for ongoing promotion of current funding opportunities available for the region.





Top: Mundubbera State School Library visit
Bottom: Community members enjoying a Tech Savvy Seniors workshop being held at the Mundubbera Library.

United Communities

North Burnett Libraries delivered a range of programs for our community, to encourage life-long learning, share knowledge and stories, build community connection and foster skill development.

In 2019/20, the region's libraries held a wide range of children and young adult programs, including:

- First 5 Forever Storytime
- Summer Reading Club
- School holiday workshops
- Blue Gum Farm 'The Outback Boogie' and theatre workshops
- Children's Book Week activities
- School and kindergarten visits to the library

The libraries of the North Burnett region were not immune to the COVID-19 pandemic, which required Council to close libraries to the public on 26 March 2020. Library teams were delighted to re-open doors to their patrons again on 19 May 2020, albeit with some reduced services in place.

Programing Highlights

First 5 Forever – North Burnett Libraries delivered weekly storytime sessions as part of the state-wide First 5 Forever program – an initiative of the State Library of Queensland and Queensland Government. This year, a total of 166 storytime sessions were delivered to more than 1,075 children by Customer Service and Library officers across the region.

School visits – On Friday 6 December 2019, over 125 Mundubbera State School students from prep to grade 6 undertook an excursion to Eidsvold to visit the Library, RM Williams Bush Learning Centre and the Eidsvold Historical Complex and Museum. During the library component of the visit, students participated in a shared reading session, followed by a Christmas craft activity and two technology experiences using Virtual Reality equipment and iPad-based OSMO education activities. With the experience proving to be a huge success, the Mundubbera Library welcomed the students again on Tuesday 10 December 2019, with the aim of forging strong connections between the library and these young learners.

438

programs and
events with

3,329
attendees

6,365

eResource
transactions
e.g. eBook and
audiobooks,
music and video
streaming

▲ 60% from 2018-19

3,589 Library members

▲ 9% from 2018-19

37,872

physical items borrowed
across the region

OUR VIBRANT AND NATURALLY BEAUTIFUL REGION

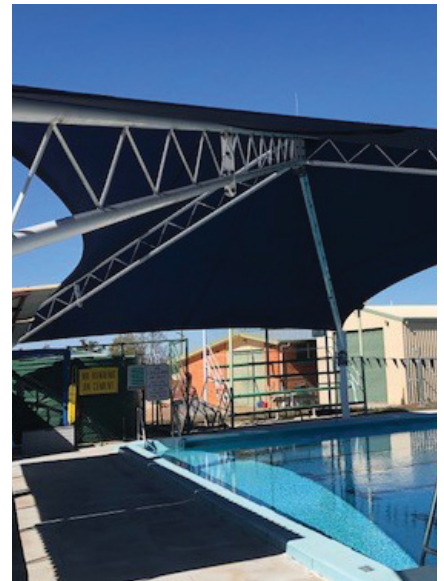
Developing a sense of place where the region's culture, aesthetics, environment, infrastructure, recreation and entertainment improve the liveability of the community. ~ NBRC Corporate Plan 2018-2020

Our Community Assets

A capital budget of \$645,782 was used to deliver key projects in 2019/20 including:

- Regional housing upgrades as part of Council's 5-Year Housing Plan. This included the upgrade of smoke alarms to comply with new legislation.
- Regional Contact Centre upgrades, which included the installation of automatic doors at Biggenden and Mount Perry Contact Centres.
- Regional Hall upgrades that saw the installation of new air conditioners in Gayndah and Mundubbera supper rooms.
- Regional swimming pool improvement as part of Council's 5-Year Plan, including the installation of new shade sails at the Monto swimming pool, and removal and installation of new grandstands at the Mundubbera swimming pool.
- Demolition of the damaged toilet facilities in Pineapple Street, Gayndah.

As part of the Works for Queensland grant funding, solar lighting was also installed at the Mundubbera ski area.



Three successful State Library of Queensland grants for a total of \$40,000 to improve aesthetics of children zones in our libraries in 2020/21 and to purchase interactive touchscreen panels.

Top: New Shade Sail at Monto Swimming Pool

Bottom: Automatic Door installation at Biggenden Customer Service and Library Centre

OUR EFFICIENT AND EFFECTIVE COUNCIL

Local Government is more than a provider of municipal services. It is the level of government charged with creating vibrant, diverse, supportive and sustainable communities. ~ NBRC Corporate Plan 2018-2020

Information & Communications Technology

2019/20 was a year of modernisation with significant work being undertaken to update systems and work practices in order to support a renewed drive within the organisation to take advantage of available technology.

Job Ticketing System

Following the introduction of the JitBit job ticketing 'help desk' system in 2018-19, Council was able to roll this functionality out to other departments and streams including Finance, Records, Fleet, Media and People & Performance. Staff in those departments are now able to effectively manage requests from internal customers and ensure the feedback loop is closed.

During the year, 5514 tickets were received into the job ticketing system across all departments.

Wide Area Network Upgrades

Council operates a wholly-owned private 'wireless wide area network' in order to improve communication speed, resiliency and reliability, and reduce costs. Council continued to roll out upgrades to the network, replacing class-licensed spectrum equipment with dedicated spectrum equipment at sites between Gayndah, Mount Perry and Monto.

In addition to removing the risk of uncontrollable interference, speeds on upgraded links have been increased by up to 300%.

In addition to its wireless wide area network, Council maintains private network links from a third-party supplier. With the completion of the NBN rollout in the region, upgrades to these services have been undertaken in order to improve speeds and reduce costs.

Working from Home

Council has maintained remote working capabilities for staff for more than ten years, but in March 2020, following the COVID-19 pandemic, these capabilities were significantly enhanced and expanded to allow up to 100 staff to work from home if it became necessary.



Asset Management

In 2019/20 Council's Asset Services Department main focus was on formulating the Asset Management Plans for our water and wastewater asset classes. These provide an essential service as part of Council's day-to-day operations and are Council's third- and fourth-largest asset classes by value. Unfortunately, they include a significant amount of ageing infrastructure, much of which dates back to the original commissioning of the systems across the towns of the North Burnett. This advanced age requires constant monitoring to ensure adequate service delivery.

As part of the Asset Management Plan project, a comprehensive revaluation was undertaken on the water and wastewater properties, which generated an increase in the asset value for these classes as well as an increase in the annual depreciation expense on these same assets.

By using the data collected, alongside the field knowledge and experience of Council staff, we will be able to better plan for the future investment required for the ongoing provision of safe drinking water and wastewater treatment across the region.

A successful grant application was lodged through the Queensland Government's Building Our Regions Fund for a dual-focused project at the RM Williams Australian Bush Learning Centre. This project will see a further section of Bush Tucker Trail added to the site, as well as the connection of the centre to the Eidsvold town wastewater treatment system. The works had been identified as necessary and will allow for future expansion of the centre's operations and ability to host events, and are scheduled to be completed in the coming year.

Also during the year, Council was successful in its application under the Commonwealth Government's Building Better Regions Fund. These works will be completed to allow B-double vehicle access along Glencoe Road, which had been identified as necessary through the North Burnett Ag-network in 2018. This project is stage two of the upgrade works along Glencoe Road, following on from the completion of the upgrade of the Percy Hindmarsh Bridge and other sections of the road at the northern end. These works will be completed over the next two financial years.

A major system refresh to Council's mapping program was completed this year, bringing Council up to the current version of Intramaps software and allowing further mapping works to be completed to improve our asset data capture.

Below: North Burnett Ag Network Meeting which triggered the Building Better Regions funding application for upgrades to Glencoe Road.



Customer Focus

North Burnett Regional Council is committed to delivering professional and friendly service to the public. The focus in 2019/20 was the development of systems and processes that provide consistency in service delivery.

Commencement of Knowledge Base Project

In 2019, we invested in Knowledge Base Manager Pro – a software tool to support and enhance knowledge creation, storage and retrieval. This platform is commonly used to share information among employees within an organisation.



Top: NBRC Customer Service & Libraries Staff.

Bottom: Our Customer Service and Library Centres are open Monday to Friday from 8.30am - 4.30pm.

13,813

**calls answered by
CSOs through our
1300 number**

2,561

**Smart Service
(QGAP) customers**

1,453

**Service Australia
(Centrelink/
Medicare) customers**

76,951

**visits to our
Customer Service
& Libraries**

5,707

Biggenden

13,768

Eidsvold

18,491

Gayndah

19,016

Monto

8,767

Mount Perry

16,381

Mundubbera

Cemetery Administration Review

The Cemetery Administration Review began in October 2018 and involved a full review of our cemetery administration practices, which included:

- Review and re-adoption of Council General Policy 252 Cemeteries
- Review of all existing cemetery procedures
- Review of existing task workflows for cemeteries' administration
- Overhaul of all existing cemetery forms
- Creation of electronic cemetery maps and registers for Council's 15 cemeteries
- Develop quality assurance process to ensure data integrity
- Liaising with local service providers to build relationships
- Developing and rolling out training plans for both internal and external staff.

The initial components of this project are now complete. This review has boosted service delivery for cemetery-related enquiries and strengthened relationships with our local service providers, and internally between departments.

The installation of information hutches was approved, and these will be constructed in regional cemeteries over the next few years. The hutches will include a map of the cemetery and a register of burials, to assist community members in locating gravesites.



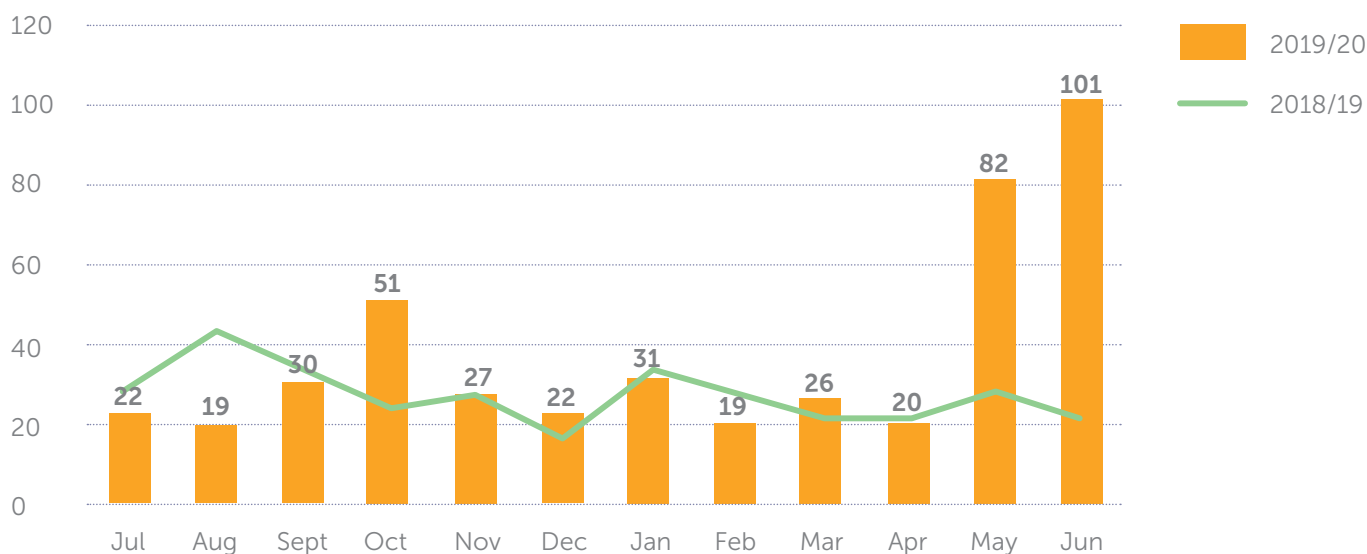
Above: Staff members Jacki, Tegan and Kirrily working on the Cemetery Administration Review

Animal Control

There were 1095 dogs registered in the North Burnett in 2019/20. Many animals, particularly dogs, can potentially cause a nuisance in our community by wandering, making loud noise or acting aggressively, and during the year, 450 customer requests to Council were made, resulting in 349 enforcement actions, including 17 Penalty Enforcement Notices to the value of \$7,319.

In late 2019, Council refitted the animal control vehicle with a new body that could house more dogs and cats in a safe and humane manner. The design also improves safety for staff obviating the need to lift heavy animals.

Animal Control Complaints / Customer Requests

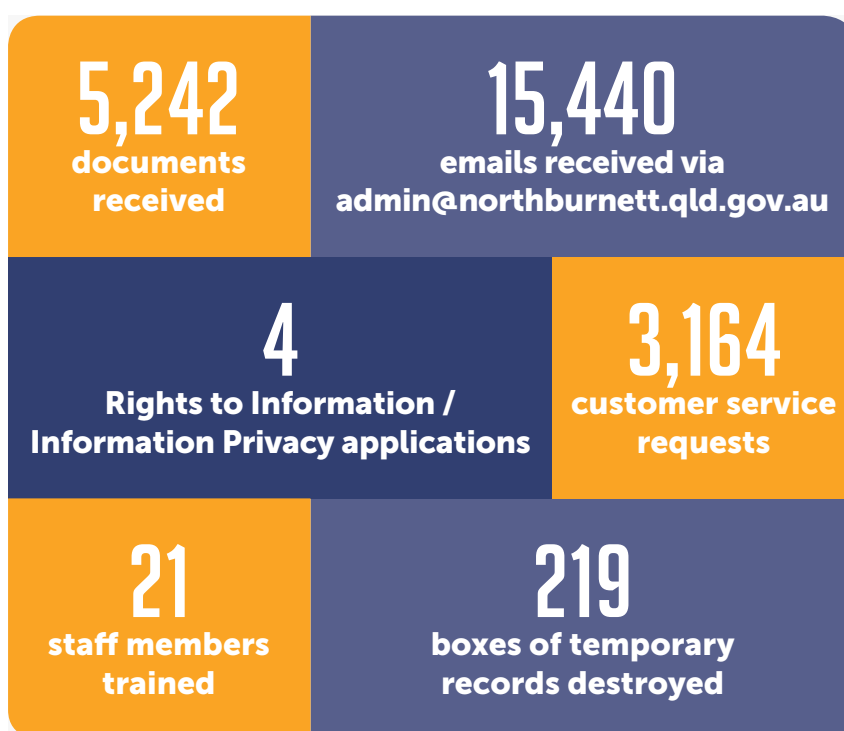


Records Management

Local government is often considered the tier of government 'closest to the people' and is involved in many activities that affect the everyday lives of the community. With such a broad scope of responsibilities, effective records management by Council is critical to protect and preserve records that provide evidence of business activities, decisions and actions.

Council engaged a conservator in September 2019 to evaluate the records Council currently manages, which identified high-value and at-risk records. All legacy Council agendas and minutes have been earmarked for digitisation and transferral to Queensland State Archives for preservation.

Records Statistics for 2019/20





Disaster Management

COVID-19

The COVID-19 pandemic saw many changes to conventional disaster management practices. The requirement to socially distance and isolate saw technology tested and utilised in place of face-to-face operations. The development of comprehensive Business Continuity Plans for Pandemic provided clarity and assurance around the operation of Council should restrictions require staged lockdowns.

COVID-Safe Plans were created for public facilities owned by Council to maximise the safety of our community when using these spaces. To ensure the region's residents, visitors and businesses received local COVID-19 messaging, Council created large-format posters promoting COVID-safe practices for installation throughout the six townships of the North Burnett. COVID-19 newsletters, social media updates and videos also helped to keep the community up-to-date with local issues and ways to access services within the North Burnett.

North Burnett Bushfire Risk Mitigation Plan

Members of the North Burnett Area Fire Management Group this year developed the first North Burnett Bushfire Risk Mitigation Plan (BRMP). The purpose of the plan was to identify and record high-risk localities, high-risk hotspots, and planned mitigation actions to reduce bushfire risk to the community. During the Cool Burn period (1 April – 31 August) the North Burnett took part in a trial of Bushfire Hazard Strike Team Operations, which saw volunteer Rural Fire Service personnel deployed to the region to undertake a series of burns across the district. This helped to reduce the bushfire risk to the small communities of the North Burnett, in preparation for the 2020 fire season.

Waste Management

The Queensland Waste Levy commenced in July 2019. This state government initiative imposes a levy for each tonne of waste buried at a landfill site. To comply with state legislation, we commissioned a new weighbridge in 2019 for the accurate measurement of waste, with Council now required to direct all vehicles above 4.5 tonnes over the weighbridge. The \$400,000 project was fully funded by the state government.

As Queensland moves to become a zero-waste society, legislative change will continue to challenge waste operations in the North Burnett. Council commenced planning for the construction of waste transfer stations before additional weighbridge requirements become due in 2024, and there is an expectation that landfills will eventually become redundant.

Top: Local Disaster Management meetings adapting to COVID-19 and being held via online meetings

Middle: Social Distancing and Public Health Signs for Community

Bottom: Mundubbera Waste Management Facility upgrade

Employer of Choice

In 2019/20 Council's focused on getting the right people in the right jobs, and working as effectively as possible.

Trainees and Apprentices

Council successfully secured funding from the state government's 'Skilling Queenslanders for Work' program to fund five new trainees and an apprentice. These roles were identified as providing the best ways of growing local capabilities in skills shortage professions. In January 2020 the following roles within Council commenced:

- Trainee administration officer (Customer Service & Library)
- Trainee administration officer (Finance)
- Apprentice mechanic
- Trainee water and wastewater treatment operator
- Trainee administration officer (Records)
- Trainee administration officer (People & Performance)

Recruitment – attraction and retention

In 2019/20, retirement was the most common reason for leaving the organisation, with seven long-serving staff members starting a new, well-deserved chapter in life.

Council's recruitment strategy for supporting local talent was applied whenever possible and saw 21 of the 36 vacant positions filled by people living within the region. Council also attracted 15 new staff from across Queensland and interstate who, along with their families, brought their skills and experience to our communities.

Workplace Health and Safety

Council began implementing improvements to our workplace health and safety system and culture, with our advisors conducting targeted workgroup safety training to all staff across the region. Council provided support through the many facets of Council's COVID-19 response, quickly adapting to the needs of our people with safety information and COVID-19 leave-management strategies. During this challenging time, Council partnered with managers to ensure that all staff remained employed, and the new service delivery procedures during the pandemic were performed safely.



Left: Apprentice mechanic Hayden maintaining a piece of fleet.

Above: Trainee Administration Officer Tarrissa working with Customer Service and Libraries Administration Officer Anna

Fleet

The Fleet section focused on the revision of several fleet processes and procedures. Among these have been:

- The introduction of procedures that ensure fuel utilisation accountability
- Streamlined pre-start processes and recording
- A new plant defect reporting workflow, which is compliant with industry practice and work health and safety legislation
- Controlled procurement processes and the introduction of a Vehicle Policy
- Adoption of Council's Fleet Management Information System to record workshop activity
- Procedures for using Council's fleet of light vehicles.

The organisation's entire fleet asset has a replacement value of \$29 million, to which Council allocated \$886,906 in 2019-20 for plant replacement. This allocation was supplemented by revenue from sales of Council plant amounting to \$238,906 thus making a total of \$1,125,190 available for investment in new assets.

This year, Council took delivery of one water truck, eight new light vehicles (including a new Queensland Fire and Emergency Services vehicle), two job trucks, five ride-on mowers, and several other minor plant items.



Above: Council's New Water Truck

Urban Water Supply and Sewerage

Drinking Water Quality Management Plan

As a requirement of the Water Supply (Safety and Reliability) Act 2008, a review of Council's Drinking Water Quality Management Plan was completed, and subsequently an amendment application was submitted and approved by the Department of Natural Resources, Mines and Energy. The amendment included the addition of the water schemes at Council-owned and operated caravan parks at Paradise Dam and Mingo Crossing. With this addition, Council's total potable water schemes have now increased to nine.

Operations and Maintenance

A large number of routine and operational maintenance programs were completed during the year, including:

- Valve and hydrant marking
- Valve and hydrant replacement
- Water mains flushing
- Water meter readings
- Water reservoir inspections and cleaning
- Online analyser servicing and calibration
- Flowmeter calibrations and servicing
- Confined space equipment servicing
- Sewer screw screen servicing
- Sewerage pump station inspections and servicing
- Sewer cleaning and CCTV inspections
- Sampling programs
- SCADA upgrades
- UV servicing

Capital

A capital budget of \$2,800,000 was used to deliver projects as part of Council's 10-year plan.

Alternate bore water for the Eidsvold township was sourced. Eidsvold relies on bore water for its reticulated scheme, of which the bores and equipment require routine maintenance and replacements. During the 2019/20 financial year, Bore #1 in Eidsvold was due for replacement owing to the age of the infrastructure and a substantial drop in production. Alternate bore sites were explored and new infrastructure installed.

A number of replacements, repair and upgrades to infrastructure took place throughout the region, some of these included:

- The carbon media at the Eidsvold Water Treatment Plant was replaced, as result of a recommendation from the Drinking Water Quality Management Plan Audit. The carbon media is replaced every 12 months.
- The filter media at Gayndah Water Treatment Plant required replacing due to age and condition.
- Regional water mains, valve and hydrants were replaced as part of the annual water main replacement program. The replacement of aging valve & hydrants ensures the reliability of potable water to the community.
- Mundubbera rising main was upgraded to the sewerage treatment plant. This asset was past its useful life and needed replacement to prevent any potential environmental harm.
- Upgrades to increase water pressure to the North side of Gayndah, this project was undertaken to improve flow and meet firefighting regulations.
- Installation of a UV disinfection unit at the Mundubbera water treatment plant. The aim of this project was the prevention of water borne viruses and other harmful bacteria in the treated potable water supply for the community of Mundubbera.
- The Telemetry Upgrades project identified the need to develop a SCADA Strategy to ensure that Councils SCADA system is keeping up with technology advances within the water industry.
- The replacement and repairs of regional sewer mains, manholes, pumps and pump stations is part of an annual program to upgrade Sewerage Pump Stations throughout the region to ensure continued reliability of the sewerage network and the health and safety of NBRC personnel.



Further, Council completed a detailed design and costings report for the Eidsvold water main replacement from Reservoir One to reticulation (households and businesses). The replacement of infrastructure is required due to age and condition, to ensure that Eidsvold community maintains a reliable water supply. This report will guide Council in prioritising funding to enable the replacement of critical infrastructure in Eidsvold.

The Mundubbera sewerage treatment plant upgrade has been carried over to next financial year. Council agreed upon an action plan to upgrade non-compliant sewerage treatment plants with Mundubbera Sewerage Treatment Plant identified as a zero release licence, which prompted Council to apply for a major amendment to this licence to enable it to be a recycled water irrigation scheme.



Lastly, Council joined with Wide Bay Burnett Regional Organisation of Councils to roll out the Sewer Relining Program. Joining with WBBROC to deliver this region-wide initiative boosted cost savings to Council. The need for this project was identified from previous sewer CCTV inspections, damaged sections have been repaired and sewers cleaned.



Top: Water main upgrades were undertaken in Mundubbera.

Middle: Mundubbera's sewerage treatment plant was upgrade has been carried over until next financial year.

Bottom: Council upgraded a section of the water main in Biggenden.

STATUTORY INFORMATION



Local Government Act 2009

Identifying beneficial enterprises (s41) A local government's annual report for each financial year must contain a list of all the beneficial enterprises that the local government conducted during the financial year.

Identifying significant business activities (s45) A local government's annual report for each financial year must-

Legislative Requirement	Compliance
(a) contain a list of all the business activities that the local government conducted during the financial year; and	Refer to section: <i>Financial Statements, Note 2</i>
(b) identify the business activities that are significant business activities; and	Refer to section: <i>Financial Statements, Note 2</i>
(c) state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied; and	N/A
(d) state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.	N/A

Annual report must detail remuneration (s201)

Legislative Requirement	Compliance				
(1) The annual report of a local government must state-	Council is required to report remuneration packages payable to the Chief Executive Officer and senior contract employees in bands. Senior contract employees are employees that report directly to the Chief Executive Officer and are considered to be in a senior position e.g. General Managers. In 2019-20 there were three (3) senior contract employee positions. The total remuneration packages payable in 2019-20 to senior management - \$696,731.08				
(a) 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					
(b) the number of employees in senior management who are being paid each band of remuneration.					
(2) The senior management of a local government, consists of the chief executive officer and all senior executive employees of the local government.					
(3) Each band of remuneration is an increment of \$100,000.00					
(4) To remove any doubt, it is declared that nothing in this section requires the exact salary of any employee in senior management to be separately stated in the annual report.					
	<table><tr><td>Package Range</td><td>200,000 - 300,000</td></tr><tr><td>No. of senior contract employees</td><td>3</td></tr></table>	Package Range	200,000 - 300,000	No. of senior contract employees	3
Package Range	200,000 - 300,000				
No. of senior contract employees	3				

Local Government Regulation 2012 - Chapter 5 - Part 3 - Division 3

Preparation of annual report (s182)

- (1) A local government must prepare an annual report for each financial year.
- (2) The local government must adopt its annual report within 1 month after the day the auditor-general gives the auditor-general's audit report about the local government's financial statements for the financial year to the local government.
- (3) However, the Minister may, by notice to the local government, extend the time by which the annual report must be adopted.
- (4) The local government must publish its annual report on its website within 2 weeks of adopting the annual report.

Financial statements (s183) The annual report for a financial year must contain:-

Legislative Requirement	Compliance
(a) the general purpose financial statement for the financial year, audited by the auditor-general; and	Refer to section: <i>Financial Statements</i>
(b) the current-year financial sustainability statement for the financial year, audited by the auditor general;and	
(c) the long term financial sustainability statement for the financial year; and	
(d) the auditor-general's audit reports about the general purpose financial statement and the current-year financial sustainability statement.	

Community financial report (s184)

Legislative Requirement	Compliance
The annual report for a financial year must contain the community financial report for the financial year.	Refer to section: <i>Community Financial Report</i>

Particular resolutions (s185) The annual report for the financial year must contain -

Legislative Requirement	Compliance
(a) a copy of the resolutions made during the financial year under section 250(1); and	Adopted at Policy and Planning Meeting - 02/04/2013, details in 2012/13 Annual Report. This policy was reviewed 01/03/2017 with no changes required.
(b) a list of any resolutions made during the financial year under section 206(2).	Nil

Councillors (s186)

(1) The annual report for a financial year must contain particulars of—

Legislative Requirement	Compliance
(a) for each councillor, the total remuneration, including superannuation contributions, paid to the councillor during the financial year; and	Council pays the following remuneration rates based on the Local Government Remuneration and Discipline Tribunal 2017 Report. In addition the total remuneration, superannuation and expenses incurred by each Councillor during the financial year is as follows. A full copy of Council's Reimbursement of Expenses and Provision of Facilities for Mayor and Councillors—Policy is available at Council's website (Policy 103). This policy was reviewed and amendments were made and adopted by Council on 1 March 2017.
(b) the expenses incurred by, and the facilities provided to each councillor during the financial year under the local government's expenses reimbursement policy; and	Refer to <i>Table 1, page 32</i> :
(c) the number of local government meetings that each councillor attended during the financial year; and	Refer to <i>Table 2, page 32</i> :
(d) the total number of the following during the financial year-	
(i) orders and recommendations made under 150I(2) of the Act;	Nil
(ii) orders made under s 150AH(1) of the Act;	Nil
(iii) decisions, orders and recommendations made under section 150AR(1) of the Act; and	Nil
(e) each of the following during the financial year-	
(i) complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government;	1
(ii) matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission;	Nil
(iii) notices given under section 150R(2) of the Act;	8
(iv) notices given under section 150(s)(a) of the Act;	Nil
(v) decisions made under section 150W(a), (b) and (d) of the Act;	s150W(a) - OIA dismissed complaint about 6 councillor's conduct; s150W(b) - 2 matters were referred back to Council.
(vi) referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act;	2
(vii) occasions information was given under section 150AF(4)(a) of the Act	Nil
(viii) occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor;	Nil
(ix) applications heard by the conduct tribunal about the alleged misconduct of a councillor.	Nil

Table 1: Councillor's Remuneration and Expenses

Councillor	Gross Remuneration	Super Contributions	Incidentals	Facilities
Cr Rachel Chambers	\$106,100	\$12,732		\$18,163
Cr Faye Whelan	\$49,609	\$5,713		\$11,478
Cr John Bowen	\$41,260	\$3,920		\$9,021
Cr Paul Lobegeier	\$41,260	\$4,951	\$382	\$10,070
Cr Robbie Radel	\$51,863	\$6,583		\$12,529
Cr Peter Webster	\$41,260	\$4,951		\$8,635
Cr John Zahl	\$41,260	\$4,951		\$783
Cr Melinda Jones	\$12,280	\$1,167		\$3,533
Cr Les Hotz	\$12,280	\$1,167		\$2,447
Cr Susan Payne	\$12,280	\$1,167		\$3,497
Cr Dael Giddins	\$12,280	\$1,167		\$3,533
Cr Michael Dingle	\$12,280	\$1,167		\$2,443
TOTAL	\$435,012	\$50,557	\$382	\$86,132

Council provides vehicles for Council related travel to all Councillors.

Table 2: Record of Meeting Attendance

	Mayor Rachel Chambers	Deputy Mayor Faye Whelan	Cr John Bowen	Cr John Zahl	Cr Robert Radel	Cr Paul Lobegeier	Cr Peter Webster
Budget Meeting 17/07/19	✓	✓	✓	✓	✓	✓	—
General Meeting 17/07/19	✓	✓	✓	✓	✓	✓	—
General Meeting 07/08/19	✓	✓	✓	✓	✓	✓	✓
General Meeting 28/08/19	✓	✓	✓	✓	✓	✓	✓
General Meeting 18/09/19	✓	✓	✓	—	—	✓	✓
General Meeting 09/10/19	✓	✓	✓	✓	✓	✓	✓
General Meeting 10/10/19	✓	✓	✓	✓	✓	✓	✓
General Meeting 20/11/19	✓	✓	✓	✓	—	✓	✓
General Meeting 15/01/20	✓	✓	—	✓	✓	✓	✓
General Meeting 05/02/20	✓	✓	—	✓	✓	✓	✓
General Meeting 04/03/20	✓	✓	✓	✓	✓	✓	✓
TOTAL	12/12	12/12	10/12	11/12	10/12	12/12	10/12

	Mayor Rachel Chambers	Deputy Mayor Robert Radel	Cr Michael Dingle	Cr Dael Giddins	Cr Susan Payne	Cr Melinda Jones	Cr Les Hotz
Post-Election Meeting 15/04/20	✓	✓	✓	✓	✓	✓	✓
General Meeting 27/05/20	✓	✓	✓	✓	✓	✓	✓
General Meeting 24/06/20	✓	✓	✓	✓	✓	✓	✓
TOTAL	3/3	3/3	3/3	3/3	3/3	3/3	3/3

Administrative action complaints (s187)

(1) The annual report for a financial year must contain-

Legislative Requirement	Compliance
(a) a statement about the local government's commitment to dealing fairly with administrative action complaints; and	Council is committed to ensuring that complaints are dealt with in a responsive, efficient, fair and economical way with due respect to confidentiality of the complainants.
(b) a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.	Please refer to Policy 116 - Administrative Action Complaints. Council staff, particularly from the customer services and records teams, have been provided with training regarding how to recognise and respond to a 'complaint' about local government decisions, including human right violations. As a Council we are committed to ensuring that complaints are dealt with in a responsive, efficient, fair and economical way with due respect to the confidentiality of the complaints.

(2) The annual report must also contain particulars of-

Legislative Requirement	Compliance
(a) the number of the following during the financial year-	
(i) administrative action complaints made to the local government;	14
(ii) administrative action complaints resolved by the local government under the complaints management process;	8
(iii) administrative action complaints not resolved by the local government under the complaints management process; and	6
(b) the number of administrative action complaints under paragraph (a) (iii) that were made in a previous financial year.	Nil

Overseas travel (s188)

(1) The annual report for a financial year must contain the following information about any overseas travel made by a councillor or local government employee in an official capacity during the financial year-

Legislative Requirement	Compliance
(a) for a councillor - the name of the councillor;	Nil
(b) for a local government employee - the name of, and position held by, the local government employee;	Nil
(c) the destination of the overseas travel;	N/A
(d) the purpose of the overseas travel;	N/A
(e) the cost of the overseas travel;	N/A
(2) The annual report may also contain any other information about the overseas travel the local government considers relevant.	N/A

Expenditure on grants to community organisations (s189) The annual report for a financial year must contain a summary of-

Legislative Requirement	Compliance
(a) the local government's expenditure for the financial year on grants to community organisations; and	Refer to <i>Table 3, page 35</i> :
(b) expenditure from each councillor's discretionary fund, including -	NIL
(i) the name of each community organisation to which an amount was allocated from the fund; and	
(ii) the amount and purpose of the allocation;	

Other contents (s190)

(1) The annual report for a financial year must contain the following information-

Legislative Requirement	Compliance
(a) the chief executive officer's assessment of the local government's progress towards implementing its 5 year corporate plan and annual operational plan.	7.1 2019-20 OPERATIONAL PLAN - Q4 PROGRESS REPORT RESOLUTION 2020/97 <i>Moved:</i> Deputy Mayor Cr Robert Radel <i>Seconded:</i> Cr Susan Payne That in accordance with section 174(3) of the Local Government Regulation 2012, Council receives the 2019-20 Operational Plan – Q4 Progress Report for the period 1 April 2020 through to 30 June 2020.
(b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year;	Refer to section: <i>Financial Statements</i>
(c) an annual operations report for each commercial business unit;	N/A
(d) details of any action taken for, and expenditure on, a service, facility or activity-	NIL
(i) supplied by another local government under an agreement for conducting a joint government activity; and	
(ii) for which the local government levied special rates or charges for the financial year;	
(e) the number of invitations to change tenders under section 228(7) during the financial year;	1
(f) a list of the registers kept by the local government;	Refer to <i>Table 4, page 36</i> :
(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;	NIL
(j) the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52 (3)	NIL

Table 3: Summary of Grants to Community Organisations

Program	#	Amount Funded
Cultural and Sports Performance Grants	16	\$5,500.00
In-kind Assistance Grants	70	\$33,152.30
Lifelong Grants	21	\$24,450.00
Major Events	4	\$29,494.35
Small Halls	3	\$28,494.35
RADF	12	\$51,522.00

Figure 1: Council levies

In line with Council's ongoing commitment to accountability and transparency and in accordance with the Local Government Act 2009 (the Act) and Section 190(1)(d)(ii) of the Local Government Regulation 2012 (the Regulation) details of Council levies and charges are presented below.

This section also details organisational information regarding staff policies and other information considered of interest in an Annual Report.

All special and separate levies and charges listed apply for the 2019-20 financial year.

Separate Charge – Natural Resource Management Levy. That in accordance with Section 92(5) of the Act and Chapter 4 Part 8 of the Regulation and on the basis of the principles set out in Council's Revenue Statement, Council make and levy a Separate Charge – Natural Resources Management Levy of \$55.00 for the year ended 30 June 2020 to be levied equally on all rateable properties within the Council area for the purpose of offsetting the weed and animal pest control measures combined with other Natural Resource functions within the region.

Separate Charge – Local Disaster Management Levy That in accordance with Section 92(5) of the Act and Chapter 4 Part 8 of the Regulation and on the basis of the principles set out in Council's Revenue Statement and Policy 261 – Local Disaster Management Levy, Council make and levy a Separate Charge – Local Disaster Management Levy of \$6.00 for the year ended 30 June 2020 to be levied equally on all rateable properties within the Council area to assist in Councils capability to meet its obligations in times of a disaster and contribute toward the ongoing operation of disaster preparedness facilities.

Separate Charge – Landfill Management Levy That in accordance with Section 92(5) of the Act and Chapter 4 Part 8 of the Regulation and on the basis of the principles set out in Council's Revenue Statement, Council make and levy a Separate Charge – Landfill Management Levy of \$150.00 for the year ended 30 June 2020 to be levied equally on all rateable properties within the Council area for the purpose of offsetting the costs of Landfill Management, compliance and future close out provisions

Special Charge - Road & Drainage Works Shand Street Subdivision, Mt Perry (Shand, Hunter & Mason Streets) That in accordance with Section 92(3) of the Act and Chapter 4 Part 6 of the Regulation, Council will make and levy a special charge on each parcel of land to recoup the cost of the works and the finance costs incurred by Council borrowing funds over ten (10) years to complete the associated project, to provide road infrastructure and/or stormwater drainage infrastructure to the unfinished Shand Street Subdivision.

Table 4: List of registers

Register	Register
<i>Election Gift Register</i>	<i>Road Map Register (s74 LGA)</i>
» Folder ID 121234	» 70260
<i>Significant Business Register (s56 LG Regs)</i>	» 70262
» Doc ID 97796	<i>Local Heritage Register</i>
» Doc ID 108123	» Folder ID 117084
» Doc ID 157401	» Folder ID 155951
» Doc ID 157402	» Folder ID 117637
» Doc ID 194407	<i>Statement of Interest – Related Parties Register</i>
<i>Asset Register</i>	» Folder ID 121205
» Doc ID 318490	<i>Conflict of Interest Register</i>
» Doc ID 588257 (Workspace)	» Folder ID 775449
<i>Beneficial Enterprises Register</i>	<i>Development Application Register</i>
» NIL	» NIL
<i>Cost-Recovery Fees Register (s98 LGA)</i>	<i>Designations Register</i>
» Folder ID 120776	» NIL
<i>Contract with Lobbyists Register</i>	<i>Infrastructure Chargers Register</i>
» 875752	» Folder ID 133148
» 962655	» Folder ID 183247
» 105250 & 105252 (General Policy)	<i>Private Certifier Application Register</i>
» 441410	» Folder ID 207170

(2) In this section - annual operations report, for a commercial business unit, means a document that contains the following information for the previous financial year-

Legislative Requirement	Compliance
(a) information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan;	N/A
(b) particulars of any changes made to the unit's annual performance plan for the previous financial year;	N/A
(c) particulars of the impact the changes had on the unit's;	N/A
(i) financial position; and	
(i) operating surplus and deficit; and	
(ii) prospects.	N/A
(d) particulars of any directions the local government gave the unit.	

COMMUNITY FINANCIAL REPORT

This Community Financial Report aims to simplify and provide a summary of the financial statements into a plain English explanation for our residents, businesses and other stakeholders.



Financial statements

Financial statements are formal records of the financial performance and position of Council.

There are four financial statements that assist in providing a high level picture of council finances - These include:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows

These statements are accompanied by supporting notes which provided details on the transactions which are included in the line item balances in the four statements.

Statement of Comprehensive Income

Purpose: Often referred to as the Profit & Loss or income statement. Shows all revenue the Council has earned and the expenses incurred for the financial year.

Operational Revenue

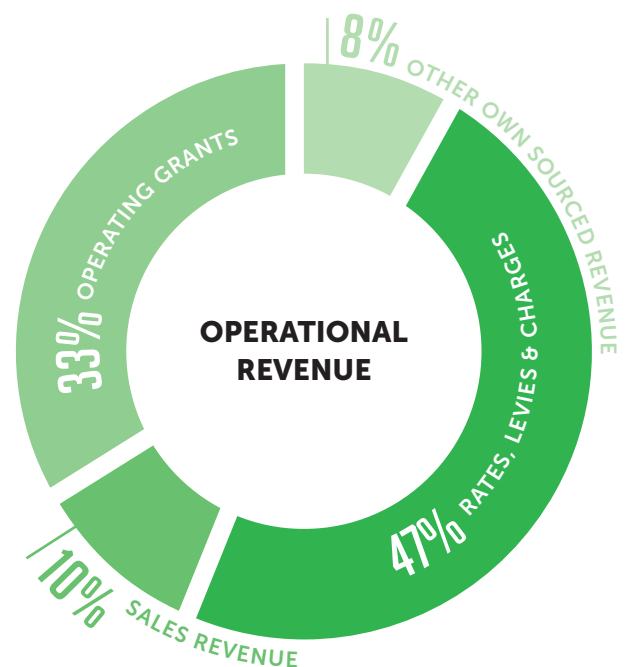
Council's operational income in 2019-20 was \$38.304 million. Grant income represents 35% of total income, with the remaining 65% of the operating income classed as own sourced income.

Total rates and charges levied (less discount) totalled \$17.855 million. This equates to 47% of council's operating income.

Operational Expenditure

Council spent \$29.438 million during the year on employee costs, materials and services. These items represent a cost to Council of providing services, operating facilities and maintaining assets.

Depreciation expenditure of \$14.389 million records the consumption of assets controlled by Council over the useful lives and provides an indication of what the level of expenditure on rehabilitation and renewal of existing assets is required annually.



Statement of Financial Position

Purpose: shows the assets and liabilities which make up community equity as at 30 June 2020..

Net Current Assets

Council's net current assets (that is current assets less current liabilities) are \$25.446 million for 2019-20. Current assets and liabilities are those which are likely to be turned over during the next financial year.

Total Assets

Councils total assets are made up of current assets of \$37.025 million and non-current assets of \$1.063 billion. The non-current assets are infrastructure assets such as roads, bridges, water and waste water facilities

Total Liabilities

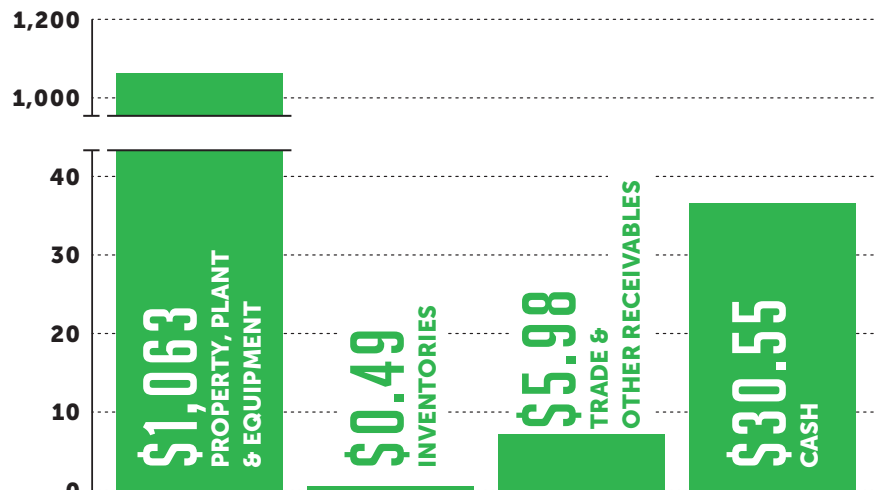
Council's total liabilities are made up of current liabilities of \$11.579 million and non-current liabilities of \$13.016 million.

Borrowings are made up of \$246k in current obligations and \$2.080 million in non-current obligations. Similarly, provisions are made up of \$3.121 million current and \$10.937 million non-current. The non-current provisions are primarily allocated to the future restoration of Council's waste management facilities.

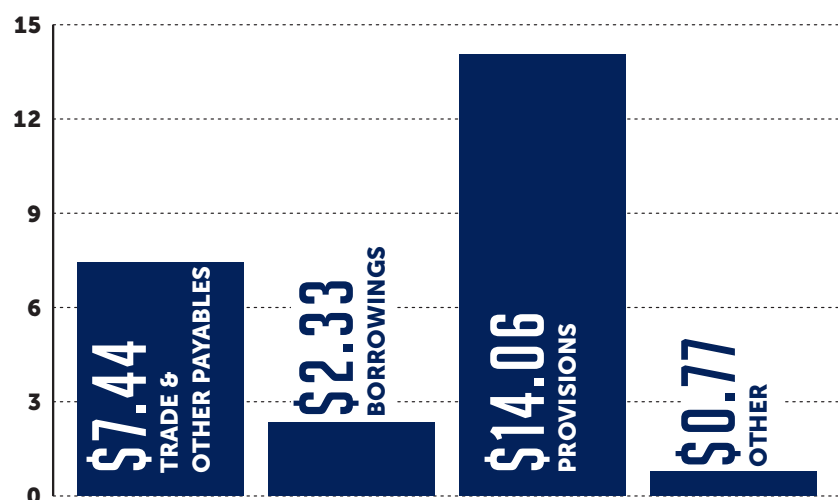
Council has a strong cash position at the end of 2019-20. This is due to receiving approximately \$7 million in funding that relates to projects being delivered in the 2020-21 financial year.

Overall Council has taken significant management action to manage costs and enhance its cash position.

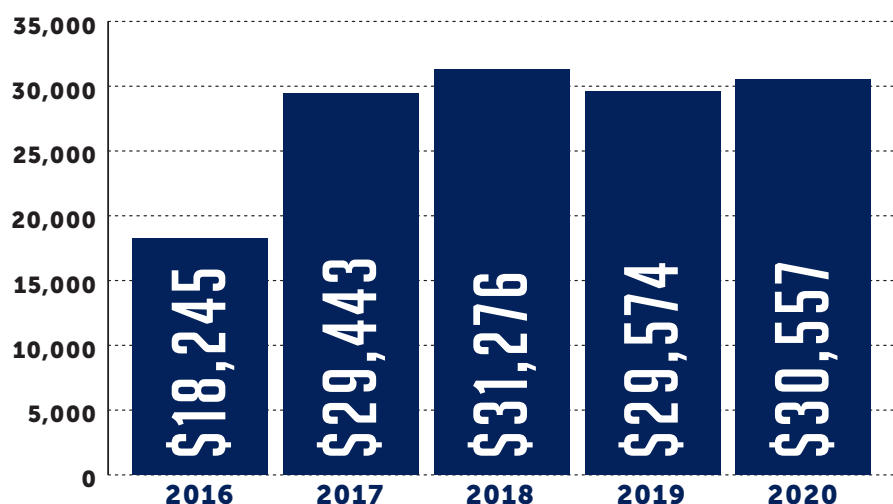
2019-20 ASSET TYPES (\$M)



2019-20 LIABILITIES TYPE (\$M)



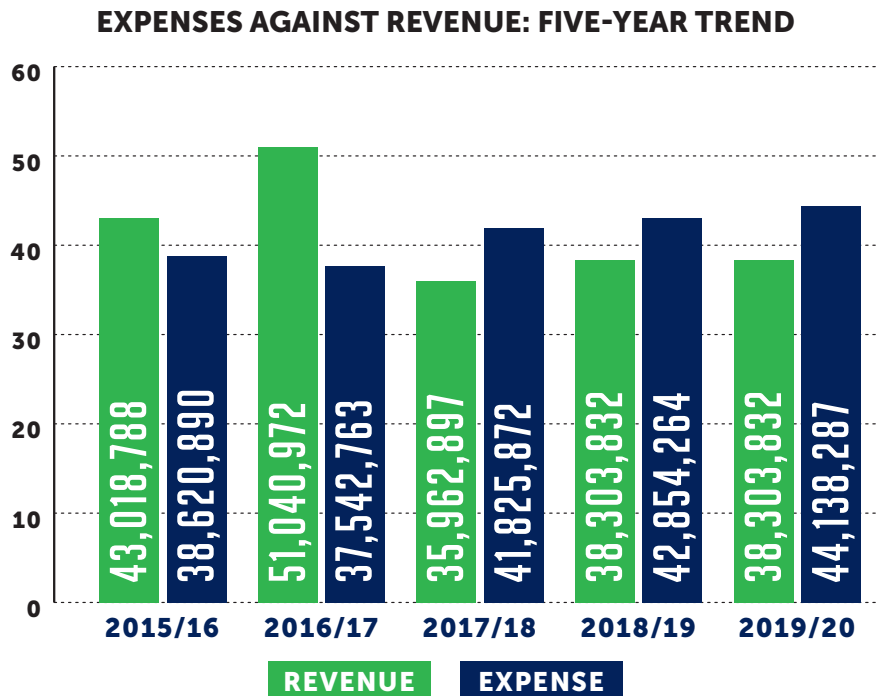
CASH POSITION BY YEAR: FIVE-YEAR TREND (\$M)



Comparative Trend Analysis: Revenue and Expenses

The below chart depicts Council’s operational revenues and expenditure performance over the last five years. This comparative information has been provided to assist stakeholders to gain a more comprehensive understanding of how Council is performing over a longer period of time. It provides a better oversight rather than what can be seen in a one year snap shot.

It should be noted that on an operational basis Council is generally making a loss, where our expenses are exceeding our income. The income figures do not include capital income received as grants nor does it include any gain/(loss) on disposal of assets.

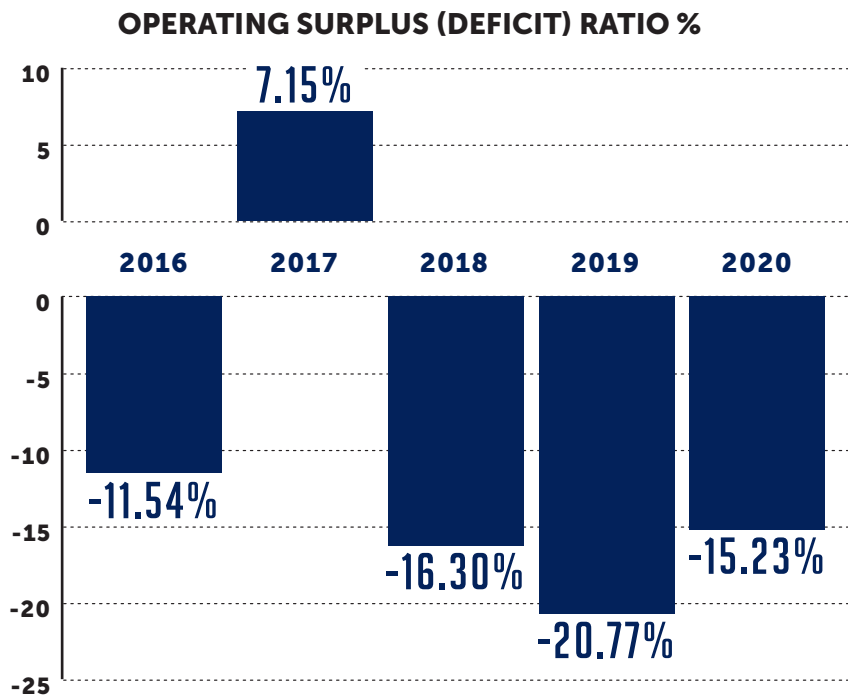


2019-20 Financial Ratio Summaries

Operating Surplus Ratio

Target between 0 and 10%

The operating surplus ratio measures the extent to which revenues raised (to cover operating expenses) are available for capital funding and other purposes. It is calculated as net operating result (presented in the income statement) divided by operating revenue. A positive ratio indicates that surplus revenue is available. A negative ratio indicates an operating deficit.



Net Financial Liabilities Ratio

Target is not greater than 60%

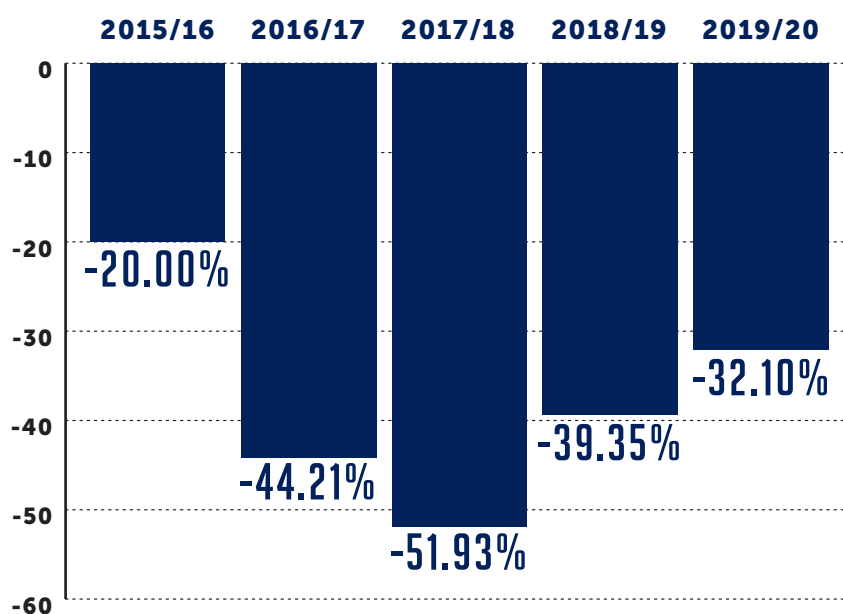
The net financial liabilities ratio measures the extent to which net financial liabilities can be serviced by operating revenues and is a short-term liquidity measure. The ratio determines how well placed we are to pay our liabilities out of current operating revenue and is calculated as the value of net financial liabilities (assets) divided by operating revenue. Net financial liabilities (assets) are calculated as total liabilities minus current assets, and a negative measure means that our current assets exceed total liabilities.

Asset Sustainability Ratio

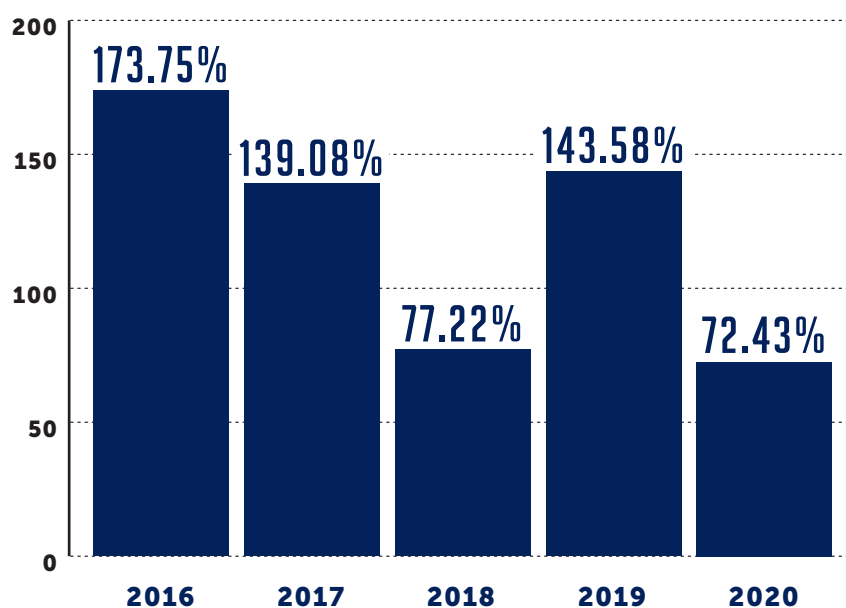
Target is greater than 90%

The asset sustainability ratio is an approximation of the extent to which the property, plant and equipment (PPE) assets that we manage are being replaced as they reach the end of their useful lives. In previous years there has been a significant increase in capital outlays as a result of natural disasters.

NET FINANCIAL LIABILITIES (ASSETS) RATIO %



ASSET SUSTAINABILITY RATIO %



NORTH BURNETT REGIONAL COUNCIL FINANCIAL STATEMENTS

for the year ended 30 June 2020



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North Burnett Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Revenue			
Recurrent Revenue			
Rates, Levies and Charges	3(a)	17,855,222	17,230,085
Fees and Charges	3(b)	1,149,138	1,281,243
Sales Revenue	3(c)	4,017,833	3,267,540
Grants, Subsidies, Contributions and Donations	3(d)	13,351,811	11,748,753
		36,374,004	33,527,621
Capital Revenue			
Grants, Subsidies, Contributions and Donations	3(d)	6,514,065	15,016,529
		6,514,065	15,016,529
Interest Received	4(b)	549,040	863,569
Other Income	4(a)	1,380,788	1,094,459
Total Income		44,817,897	50,502,178
Expenses			
Recurrent Expenses			
Employee Benefits	6	(15,161,264)	(15,303,105)
Materials and Services	7	(14,276,531)	(12,539,896)
Finance Costs	8	(311,254)	(324,444)
Depreciation expense	13	(14,389,238)	(14,686,819)
		(44,138,287)	(42,854,264)
Capital Expenses			
Loss on Disposal of Non-Current Assets	9	(4,525,673)	(9,273,397)
Provision for Landfill Restoration	9	(3,048,507)	(2,647,366)
		(7,574,180)	(11,920,763)
Total Expenses		(51,712,467)	(54,775,027)
Net Result		(6,894,570)	(4,272,849)
Other Comprehensive Income			
Items that will not be reclassified to net results			
Increase in Asset Revaluation Surplus	5	16,075,975	5,341,869
Total other comprehensive income for the year		16,075,975	5,341,869
Total Comprehensive Income for the Year		9,181,405	1,069,020

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

North Burnett Regional Council
Statement of Financial Position
As at 30 June 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash and Cash Equivalents	10 (a)	26,556,646	25,573,892
Other Financial Assets	10 (b)	4,000,000	4,000,000
Receivables	11	2,642,540	2,519,458
Inventories		490,665	496,799
Contract Assets	14	1,912,159	-
Other Assets	12	1,422,703	1,418,923
Total Current Assets		37,024,713	34,009,072
Non-Current Assets			
Property, Plant and Equipment	13	1,063,268,391	1,051,087,891
Total Non-Current Assets		1,063,268,391	1,051,087,891
Total Assets		1,100,293,104	1,085,096,963
Current Liabilities			
Payables	16	4,903,510	4,516,265
Contract Liabilities	14	2,534,383	-
Borrowings	17	246,143	662,024
Provisions	18	3,121,139	3,462,325
Other Liabilities	19	773,717	972,051
Total Current Liabilities		11,578,892	9,612,665
Non-Current Liabilities			
Borrowings	17	2,079,616	2,326,084
Provisions	18	10,936,938	8,107,682
Total Non-Current Liabilities		13,016,554	10,433,766
Total Liabilities		24,595,446	20,046,431
Net Community Assets		1,075,697,660	1,065,050,533
Community Equity			
Capital		784,156,442	785,216,557
Asset Revaluation Surplus	20	324,030,265	307,954,291
Retained Deficiency		(32,489,047)	(28,120,315)
Total Community Equity		1,075,697,660	1,065,050,533

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

North Burnett Regional Council
Statement of Changes in Equity
For the year ended 30 June 2020

		Capital	Asset Revaluation Surplus	Retained Surplus/(Deficiency)	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2019		785,216,557	307,954,291	(28,120,315)	1,065,050,533
Adjustment on initial application of AASB 15 / AASB 1058				1,465,723	1,465,723
Restated balance at 1 July 2019		785,216,557	307,954,291	(26,654,592)	1,066,516,256
Net operating deficit		-	-	(6,894,570)	(6,894,570)
Other comprehensive Income for the year					
Increase/(decrease) in asset revaluation surplus	3d, 5 & 9	-	16,075,975	-	16,075,975
Transfer to/from capital		(1,060,115)		1,060,115	-
Total comprehensive income for the year		(1,060,115)	16,075,975	(5,834,455)	9,181,405
Balances as at 30 June 2020		784,156,442	324,030,265	(32,489,047)	1,075,697,660
Balance at 1 July 2018		782,120,789	302,612,422	(20,751,700)	1,063,981,511
Net operating deficit				(4,272,847)	(4,272,847)
Other comprehensive Income for the year					
Increase/(decrease) in asset revaluation surplus	5		5,341,869		5,341,869
Total comprehensive income for the year		-	5,341,869	(4,272,847)	1,069,022
Transfers to and from reserves					
Transfer to/from capital	3d, 5 & 9	3,095,768		(3,095,768)	-
Total transfers to and from reserves		3,095,768	-	(3,095,768)	-
Balances as at 30 June 2019		785,216,557	307,954,291	(28,120,315)	1,065,050,533

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

North Burnett Regional Council
Statement of Cash Flows
For the year ended 30 June 2020

		2020	2019
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers		23,901,988	22,272,226
Payments to suppliers and employees		(29,836,093)	(26,989,972)
		(5,934,105)	(4,717,745)
Interest received	4(b)	549,040	863,569
Rental Income		340,374	289,954
Non Capital Grants and Contributions	3	14,112,873	11,748,753
Borrowing Costs	8	(244,593)	(145,203)
Net cash inflow (outflow) from operating activities		8,823,589	8,039,327
Cash flows from investing activities			
Payments for property, plant and equipment		(15,626,484)	(24,559,514)
Proceeds from sale of property and equipment	9	607,048	429,420
Grants, subsidies, contribution and donations	3(d)	7,840,950	15,016,529
Net cash inflow (outflow) from investing activities		(7,178,486)	(9,113,565)
Cash flows from financing activities			
Repayment of borrowings	17	(662,349)	(628,312)
Net cash inflow (outflow) from financing activities		(662,349)	(628,312)
Net increase (decrease) in cash and cash equivalents held		982,754	(1,702,550)
Cash and cash equivalents at beginning of the financial year		25,573,892	27,276,438
Cash and cash equivalents at end of the financial year		26,556,646	25,573,888

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

1 Significant Accounting Policies

a) Basis of Preparation

North Burnett Regional Council (NBRC) is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment and investment property.

b) New and revised Accounting Standards adopted during the year

NBRC adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2019, the standards which had an impact on reported position, performance and cash flows were those relating to revenue and leases.

Refer to the change in accounting policy note 28 for transition disclosures for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of NFP Entities* and AASB 16 *Leases*.

c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

**Effective for NFP annual report
periods beginning on or after:**

AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material*

1 January 2020

The above standard has been reviewed and it has been determined there is going to be no material impact to NBRC.

d) Estimates and judgements

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

Valuation and depreciation of property, plant and equipment (Note 13 (c) &(e))
 Impairment of property, plant and equipment (Note 13(d))
 Contingent liabilities (Note 22)
 Financial instruments and financial liabilities (Note 26)
 Revenue (Note 3)

e) Rounding and comparatives

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

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

f) Volunteer services

NBRC does not use volunteer services at the cost of existing employees and therefore would not purchase the services had they not been donated.

g) 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.

h) Impacts from the COVID-19 Pandemic

Council does not expect to experience any significant financial impacts from the COVID-19 pandemic. In response to the impacts on ratepayers in the community Council has provided a rates discount extension program for the 2020-2021 financial year. This is expected to have minor impact on rating revenue.

2. Analysis of Results by Functions

2(a) Components of NBRC Functions

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

Corporate Governance

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

Community Services

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

This function includes:

- Libraries
- Entertainment venues
- Environmental licences and approvals.

Planning and Development

This function facilitates NBRC's growth and prosperity through well planned and quality development. The objective of planning and development is to ensure the North Burnett Region is well designed, efficient and facilitates growth yet also preserves the character and natural environment of the region. This function includes activities and services related to city, neighbourhood and regional planning, and management of development approval processes.

Transport Infrastructure

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

The goal of this function is to protect and support our community and natural environment by sustainably managing refuse. The function provides refuse collection and disposal services, mosquito and other pest management programs.

Water Infrastructure

The goal of this program is to support a healthy, safe community through sustainable water services. This function includes all activities relating to water including flood and waterways management.

Sewerage Infrastructure

This function protects and supports the health of our community by sustainably managing sewerage infrastructure.

2. Analysis of Results by Functions

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

Year ended 30 June 2020

Functions	Gross Program Income						Gross Program expenses			Net result from recurring operations	Net Result	Assets
	Recurring		Capital		Total income	Recurring	Capital	Total Expenses				
	Grants	Other	Grants	Other								
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Corporate Governance	10,218,863	10,195,419	23,348	-	20,437,630	9,439,347	4,525,673	13,965,020	10,974,935	6,472,610	10,727,973	
Community Services	230,711	1,048,135	1,268,071	-	2,546,917	5,287,956	-	5,287,956	(4,009,110)	(2,741,039)	79,308,058	
Planning & Development	7,024	223,652	-	-	230,676	850,728	-	850,728	(620,052)	(620,052)	-	
Transport Infrastructure	2,886,420	4,335,875	4,937,760	-	12,160,055	19,912,214	-	19,912,214	(12,689,919)	(7,752,159)	920,527,486	
Waste Management	8,793	3,005,726	165,518	-	3,180,037	3,735,597	3,048,507	6,784,104	(721,079)	(3,604,067)	2,362,582	
Water Infrastructure	-	4,022,567	119,367	-	4,141,934	3,494,052	-	3,494,052	528,515	647,882	36,827,563	
Sewerage Infrastructure	-	2,120,648	-	-	2,120,648	1,418,392	-	1,418,392	702,255	702,255	25,943,998	
Total Council	13,351,811	24,952,021	6,514,065	-	44,817,896	44,138,286	7,574,180	51,712,466	(5,834,455)	(6,894,570)	1,075,697,660	

Year ended 30 June 2019

Year ended 30 June 2015												
Functions	Gross Program Income						Gross Program expenses			Net result from recurring	Net Result	Assets
	Recurring		Capital		Total income	Recurring	Capital	Total Expenses				
	\$	\$	\$	\$								
Corporate Governance	8,461,598	10,255,535	-	-	18,717,132	8,751,551	9,273,396	18,024,947	9,965,581	692,186	34,298,218	
Community Services	184,273	1,200,970	1,983,679	-	3,368,922	4,114,661	-	4,114,661	(2,729,418)	(745,739)	81,062,267	
Planning & Development	-	211,206	-	-	211,206	889,584	-	889,584	(678,378)	-	-	
Transport Infrastructure	3,102,883	3,588,302	12,486,217	-	19,177,402	8,746,549	-	8,746,549	(2,055,364)	10,430,853	922,770,116	
Waste Management	-	2,507,607	242,633	-	2,750,240	2,932,167	2,647,366	5,579,533	(424,560)	(2,829,293)	1,498,846	
Water Infrastructure	-	3,894,657	304,000	-	4,198,657	16,648,373	-	16,648,373	(12,753,716)	(12,449,716)	27,336,938	
Sewerage Infrastructure	-	2,078,619	-	-	2,078,619	771,379	-	771,379	1,307,240	1,307,240	18,130,578	
Total Council	11,748,754	23,736,896	15,016,529	-	50,502,178	42,854,264	11,920,762	54,775,026	(7,368,615)	(4,272,847)	1,085,096,963	

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2020

	Note	AASB 15 \$	AASB 1058 \$
3 Revenue			
Revenue recognised at a point in time			
Rates, levies and charges (excluding those related to services)	3(a)	-	17,855,222
Grants, subsidies, donations and contributions	3(d)	-	13,070,789
Fees and charges	3(b)	1,149,138	-
Sale of goods and services	3(c)	4,017,833	-
		<u>5,166,971</u>	<u>30,926,011</u>
Revenue recognised over time			
Grants and subsidies	3(d)	281,022	-
Revenue relating to grants for assets controlled by Council	3(d)	-	6,514,065
		<u>281,022</u>	<u>6,514,065</u>
Total revenue		<u>5,447,993</u>	<u>37,440,076</u>

(a) Rates, Levies and Charges

2020 accounting policy: Rates and annual charges are recognised as revenue when the council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Pepaid rates are recognised as a financial liability until the beginning of the rating period.

2019 accounting policy: Rates are recognised as revenue at the commencement of the rating period. If a rate payer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

	\$	\$
General Rates	10,151,095	9,992,404
Water	2,150,727	2,107,580
Water Consumption	1,963,070	1,770,606
Sewerage	2,288,256	2,244,897
Waste Management	2,365,336	2,159,260
Local Disaster Management Levy	40,982	34,198
Natural Resource Management Levy	377,075	370,250
Special Levy Mt Perry	40,644	40,644
Total Rates and Utility Charge Revenue	19,377,185	18,719,839
Less: Discounts	(1,521,963)	(1,489,754)
Net Rates, Levies and Charges	17,855,222	17,230,085

Note 3 Revenue (continued)

(b) Fees and Charges

2020 accounting policy: Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. There is no material obligation for Council in relation to refunds or returns.

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

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

2019 accounting policy: Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

	2020	2019
	\$	\$
Community Service Fees	193,127	222,727
Building & Development Fees	187,247	159,737
Licences & Registrations	59,848	56,130
Caravan Parks	423,404	560,940
Water & Sewer Fees	50,605	41,747
Trade Waste & Recycling	85,422	111,355
Other Fees and Charges	149,485	128,607
	1,149,138	1,281,243

(c) Sales Revenue

Sale of goods revenue is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. The contract work carried out is not subject to retentions.

Contract and Recoverable Works

- Transport & Main Roads	3,913,361	3,173,749
- Private Works	104,472	93,791
Total Sales Revenue	4,017,833	3,267,540

Note 3 Revenue (continued)

(d) Grants, Subsidies, Contributions and Donations

2020 accounting policy:

Grant income under AASB 15

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

The performance obligations are varied based on the agreement but include identifiable milestones which result in the completion of a designated activity. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Grant income under AASB 1058

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

Capital grants

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

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

2019 accounting policy: Grants, subsidies, donations and contributions that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of funds. Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) 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.

	2020	2019
	\$	\$
(i) Recurrent		
General Purpose Grants	12,703,085	10,902,124
State Government Subsidies and Grants	250,660	353,443
Commonwealth Government Subsidies and Grants	373,654	470,858
Contributions	24,412	22,328
	13,351,811	11,748,753

Note 3 Revenue (continued)

(ii) Capital

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

	2020 \$	2019 \$
State Government Subsidies and Grants	3,703,942	5,110,595
Commonwealth Government Subsidies and Grants	2,777,157	2,737,272
Contributions	-	18,500
Flood Damage Claims	32,966	7,150,162
Total capital grants, subsidies, contributions and claims	6,514,065	15,016,529

(iii) Conditions over grants

Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

Grants for expenditure on services	65,316	-
Grants for expenditure on infrastructure	-	1,766,983
	65,316	1,766,983

Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:

Grants for expenditure on services	6,338	-
Grants for expenditure on infrastructure	-	919,750
	6,338	919,750

4 Interest and Other Income

Revenue recognised at a point in time

	AASB 15 \$	AASB 1058 \$
Bus Revenue	430,568	-
Plant Hire & Rentals	34,623	-
Rentals - Council Housing	340,374	-
Centrelink Revenue	-	136,589
RMW Income	23,427	-
Other	39,497	375,710
	868,489	512,299

(a) Other Income

	2020 \$	2019 \$
Other Income	1,380,788	974,860
Bulk Water Sales	-	119,599
	1,380,788	1,094,459

(b) Interest Received

Interest received from term deposits is accrued on a pro-rata basis over the term of the investments.

Interest Received from Cash and Investments	371,165	708,036
Interest from Overdue Rates and Utility Charges	177,875	155,533
	549,040	863,569

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2020

		2020	2019
	Note	\$	\$
5 Capital Income			
Increase in Asset Revaluation Surplus			
Land		-	1,812,811
Buildings		-	1,686,551
Other infrastructure		-	1,842,508
Water	13	9,091,203	-
Sewerage	13	6,984,772	-
		16,075,975	5,341,869
6 Employee Benefits			
Total staff wages and salaries		12,163,068	12,752,671
Councillors' remuneration		435,394	424,197
Annual, sick and long service leave entitlements		1,782,421	2,174,455
Superannuation	23	1,549,941	1,622,905
		15,930,824	16,974,228
Other Employee Related Expenses		589,957	588,032
		16,520,781	17,562,260
Less: Capitalised Employee Expenses		(1,359,517)	(2,259,155)
		15,161,264	15,303,105

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

Total NBRC employees at the reporting date:

Elected members	7	7
Administration staff	83	86
Depot and outdoors staff	97	113
Trainee staff	10	6
Total full time equivalent employees	197	212

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2020

		2020	2019
		\$	\$
7	Materials and Services		
	Audit of annual financial statements by the Auditor-General of Queensland	127,381	150,500
	Community services	2,256,378	2,718,631
	Corporate governance	3,856,966	3,143,873
	Planning & development	223,628	260,330
	Sewerage Infrastructure	443,019	421,075
	Transport Infrastructure	3,348,404	2,568,406
	Waste management	2,206,981	1,487,182
	Water Infrastructure	1,813,774	1,789,899
		14,276,531	12,539,896
	Total audit fee quoted by the Queensland Audit Office relating to the 2019-20 financial statements \$140,760 (2019: \$148,000)		
8	Finance Costs		
	Finance costs charged by the Queensland Treasury Corporation	109,282	145,203
	Bank Charges	32,904	35,552
	Bad Debts Written-off During the Year	33,746	41,645
	Unwinding of Discount on Provisions	135,322	102,044
		311,254	324,444
9	Capital Expenses		
	Gain/(Loss) on Disposal of Non-Current Assets		
	Proceeds from sale of property, plant and equipment	607,048	429,420
	Less: Carrying value of property, plant and equipment disposed of	13 (5,132,721)	(9,702,818)
		(4,525,673)	(9,273,397)
	Provision for Restoration of Landfill		
	Discount rate adjustment to landfill restoration provision	3,048,507	2,647,366
		3,048,507	2,647,366

		2020	2019
	Note	\$	\$
10 (a) Cash and Cash Equivalents			
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.			
Current			
Cash on Hand		6,200	6,200
Cash at Bank		1,312,664	973,734
Deposits at Call		25,237,782	24,593,958
Balance per Statement of Cash Flows		26,556,646	25,573,892
NBRC's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:			
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent Recurrent Grants		785,343	85,710
Unspent Capital Grants		1,766,983	149,973
		2,552,326	235,683
Cash and deposits at call are held in the National Australia Bank. The bank currently has a short term credit rating of A1+ and long term rating of AA-. Deposits at call are held with Queensland Treasury Corporation.			
In accordance with the <i>Local Government Act 2009</i> and <i>Local Government Regulation 2012</i> , a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.			
Trust funds held for outside parties			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	19	773,717	972,051
10 (b) Other Financial Assets			
Term deposits with a maturity greater than 3 months are recognised as other financial assets.			
Term Deposits		4,000,000	4,000,000
		4,000,000	4,000,000

11 Receivables

Receivables, loans and advances are amounts owed to NBRC at year end. They are recognised as the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued. Terms for loans and advances are usually a maximum of five years with interest charged at non-commercial rates. Security is not normally obtained.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

Because NBRC is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, NBRC does not impair rate receivables unless the rate receivable is greater than the likely revenue to be received from sale of land.

	2020 \$	2019 \$
Current		
Rates and Charges	1,927,672	1,537,308
Other Debtors	855,749	1,089,285
	2,783,421	2,626,593
<i>Less: Loss Allowance</i>	(140,881)	(107,135)
	2,642,540	2,519,458
 Movement in loss allowance of debtors is as follows:		
Opening balance at 1 July	(107,135)	(65,492)
Less: Debts written off during the year	-	-
Additional impairments recognised	(33,746)	-
Closing balance at 30 June	(140,881)	(65,492)

Refer also to Note 26 for further information about credit risk.

Interest is charged on outstanding rates (9.83% per annum from 1 July 2019, previously 11% per annum). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

12 Other Assets

Water Charges not yet levied	896,766	896,949
GST Recoverable	785	1,143
Prepayments	525,152	520,831
	1,422,703	1,418,923

13 Property Plant & Equipment

30 June 2020

Basis of Measurement	Land	Landfill Cells	Buildings	Plant & Equipment	Road, Drainage & Bridges	Water	Sewerage	Other Infrastructure	Work in Progress	Total
	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	\$
Asset Values	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Opening Gross Value	13,396,200	5,268,470	66,840,870	29,000,982	1,080,718,090	44,832,805	45,886,983	49,693,593	5,653,117	1,341,291,110
Additions at cost	-	-	-	1,011,842	-	-	-	-	14,614,642	15,626,484
Disposals	(166,588)	-	(459,180)	(970,057)	(6,085,110)	(591,044)	(564,134)	(251,879)	(39,246)	(9,127,239)
Revaluations adjustment to the ARR	-	-	-	-	-	18,419,093	3,767,042	-	-	22,186,134
Transfers between classes	-	317,844	431,951	202,323	12,373,687	1,190,255	1,216,603	2,774,201	(18,506,864)	-
Closing Gross Value	13,229,612	5,586,314	66,813,640	29,245,089	1,087,006,667	63,851,108	50,306,493	52,215,915	1,721,650	1,369,976,489

Accumulated Depreciation

Opening Balance	-	3,050,934	36,300,368	13,734,988	174,996,653	18,420,088	27,758,312	15,941,876	-	290,203,219
Depreciation Provided in Period	-	172,798	1,643,011	1,773,569	7,996,783	752,073	646,994	1,404,011	-	14,389,238
Depreciation on Disposals	-	-	(187,631)	(701,695)	(2,332,217)	(310,944)	(362,250)	(99,781)	-	(3,994,519)
Revaluation Adjustment to ARR	-	-	-	-	-	9,327,890	(3,217,731)	-	-	6,110,159
Transfers Between Classes	-	-	-	-	-	-	-	-	-	-
Accum Depreciation at period end	-	3,223,732	37,755,748	14,806,862	180,661,219	28,189,107	24,825,325	17,246,105	-	306,708,098

Total Written Down Value at June 30

13,229,612	2,362,582	29,057,893	14,438,227	906,345,448	35,662,001	25,481,168	34,969,810	1,721,650	1,063,268,391
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Estimated Useful Life (years)

N/A

* Additions:

Renewals	-	-	-	-	-	-	-	-	9,137,088	9,137,088
Other additions	-	-	-	1,011,842	-	-	-	-	5,477,554	6,489,396
Total Additions	-	-	-	1,011,842	-	-	-	-	14,614,642	15,626,484

* Throughout the current financial period, council additions have been capitalised through WIP and subsequently transferred to appropriate asset class.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2020

13 Property Plant & Equipment (continued)

30 June 2019											
Basis of Measurement		Land	Landfill Cells	Buildings	Plant & Equipment	Road, Drainage & Bridges	Water	Sewerage	Other Infrastructure	Work in Progress	Total
Asset Values		Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	\$
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Gross Value		11,844,504	4,661,424	69,415,628	27,407,576	1,066,089,227	44,648,654	44,948,752	45,540,627	11,610,682	1,326,167,074
Additions at cost		-	607,046	899,583	2,595,830	13,465,488	506,601	835,330	775,256	4,874,381	24,559,514
Disposals		(261,115)	(7,402)	(7,309,765)	(1,115,840)	(7,456,088)	(676,214)	(120,910)	(705,799)	-	(17,653,133)
Revaluations adjustment to the ARR		1,812,811	-	3,684,857	-	-	-	-	2,719,987	-	8,217,654
Transfers between classes		-	7,402	150,567	113,416	8,619,463	353,764	223,811	1,363,522	(10,831,945)	-
Closing Gross Value		13,396,200	5,268,470	66,840,870	29,000,982	1,080,718,090	44,832,805	45,886,983	49,693,593	5,653,117	1,341,291,110

Accumulated Depreciation

Opening Balance	-	2,922,530	36,413,170	12,618,370	169,404,361	17,981,669	27,197,084	14,053,745	-	-	280,590,929
Depreciation Provided in Period	-	131,473	1,630,384	1,836,968	8,411,308	745,968	636,023	1,294,696	-	-	14,686,819
Depreciation on Disposals	-	(3,069)	(3,741,492)	(720,350)	(2,819,016)	(307,549)	(74,795)	(284,044)	-	-	(7,950,314)
Revaluation Adjustment to ARR	-	-	1,998,306	-	-	-	-	877,479	-	-	2,875,785
Asset recognised	-	-	-	-	-	-	-	-	-	-	-
Transfers Between Classes	-	-	-	-	-	-	-	-	-	-	-
Accum Depreciation at period end	-	3,050,934	36,300,368	13,734,988	174,996,653	18,420,088	27,758,312	15,941,876	-	-	290,203,219

Total Written Down Value at June 30

13,396,200	2,217,536	30,540,502	15,265,994	905,721,437	26,412,717	18,128,671	33,751,717	5,653,117	1,051,087,891
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Range of Estimated Useful Life in years

0 - Infinite	10 - 100	20 - 100	2 - 20	3 - 100	15 - 80	10 - 80	10 - 300	N/A
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Additions:

Renewals	-	-	503,092	2,141,411	13,465,488	437,493	835,330	335,877	2,872,893	20,591,584
Other additions	-	607,046	396,490	454,419	-	69,108	-	439,379	2,001,488	3,967,931
Total Additions	-	607,046	899,583	2,595,830	13,465,488	506,601	835,330	775,256	4,874,381	24,559,514

13 Property, plant and equipment (continued)

(a) Recognition

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

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

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

(b) Measurement

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

Cost is determined as the fair value of the assets given as consideration plus costs directly attributable to bringing the asset to a location and condition capable of being used by Council.

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost.

Property, plant and equipment received in the form of contributions or for significantly less than fair value are initially recognised at their fair value.

(c) Depreciation

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

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

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

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

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

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

Key judgements and estimates:

Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the Council.

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

13 Property, plant and equipment (continued)

(d) Impairment

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

(e) Valuation

Key judgements and estimates:

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

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

(i) Valuation Processes

NBRC's valuation policies and procedures are set by the Executive Leadership Team, comprising of Chief Executive Officer and general managers.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 - 5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

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

Management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by NBRC are appropriate.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life. Separately identified components of assets are measured on the same basis as the assets to which they relate.

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, such as prices for similar assets, for the asset or liability (level 2)
- Fair value based on unobservable inputs for the asset and liability (level 3)

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

(ii) Valuation techniques used to derive fair values

The fair values of Council's assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for the majority of Council's non-financial assets which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs and therefore are included in level 3.

13 Property, plant and equipment (continued)

Land (level 2)

Land fair values were determined by independent qualified valuer effective 30 June 2019. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Buildings (level 2 and 3)

The fair value of buildings were also determined by an independent qualified valuer effective 30 June 2019. Where there is a market for Council building assets, they are categorised as non-specialised buildings and fair value is derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size (level 2). The most significant inputs into this valuation approach were price per square metre.

Where NBRC buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees. The gross current values have been derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors. Where a depth in market can be identified, the net current value of a building asset is the difference between the market value of the asset as a whole (including land) and the market value of the land component. 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.

	2020	2019
	\$	\$
Buildings		
- Non-Specialised Buildings (level 2)	2,781,798	2,781,798
- Specialised Buildings (level 3)	26,276,095	27,758,704
Total	<u>29,057,893</u>	<u>30,540,502</u>

Infrastructure assets (level 3)

All NBRC infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. NBRC first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

Waste landfill cells fair values were determined by Council engineers effective 30 June 2019. CRC was calculated by reference to landfill cell area and volume specifications, estimated labour and material inputs, services costs, and overhead allocations. Material and services costs were determined by reference to existing supplier contracts and labour costs by reference to Council's EBA.

Site improvements are depreciated over their useful life to the council. The useful life of cells and some other improvements extends until the site becomes available for another use, as they continue to provide benefits over this period (including the monitoring period) by facilitating the safe disposal of waste.

Roads

Current replacement cost

NBRC categorises its road infrastructure into urban and rural roads and the further sub-categorises these into sealed and unsealed roads. Urban and rural roads are managed in segments via classification component of asset and hierarchy. All road segments are then componentised into formation, pavement and seal (where applicable). NBRC assumes that environmental factors such as soil type, climate and topography are consistent across each segment. NBRC 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 The last full valuation of road infrastructure was undertaken effective 30 June 2018. A full valuation of sealed roads and associated infrastructure is planned in 2021.

Accumulated depreciation

In determining the level of physical obsolescence, roads were disaggregated into significant components which exhibited different useful lives.

13 Property, plant and equipment (continued)

Bridges

Current replacement cost

A full valuation of bridges assets was undertaken by independent valuers effective 30 June 2018. Each bridge is assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and size. Construction estimates were determined on a similar basis to roads.

Accumulated depreciation

In determining the level of physical obsolescence, remaining useful lives were calculated based on condition assessments.

Drainage infrastructure

Current replacement cost

A full valuation of drainage infrastructure was undertaken by independent valuers effective 30 June 2018.

Consistent with roads, NBRC 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 and uses a consistent amount of labour and materials. Where drainage assets are located underground and physical inspection is not possible, the age, size and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date. Construction estimates were determined on a similar basis to sewerage.

Accumulated depreciation

In determining the level of physical obsolescence, drainage assets were disaggregated into significant components which exhibited different useful lives.

Estimates of expired service potential and remaining useful lives were determined on a straight line basis based on industry standard practices and past experience, supported by maintenance programs.

Water and Sewerage

Current replacement cost

Water and sewerage infrastructure fair values were determined by independent valuers effective 30 June 2020. 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.

Water and Sewerage assets have been assessed utilising valuation techniques that maximise the use of observable data where possible. Typically, the methodology applied will be determined based on the AASB13 Input Decision tree. Standard valuation principles dictate that a cost approach method (generally incremental Greenfield) is a suitable primary methodology when assessing infrastructure that has no active market nor has directly applicable income.

Accumulated depreciation

In determining physical obsolescence, assets were either subject to a site inspection or an assessment to determine remaining useful life. The Useful Life (UL) for asset components under the Cost Approach was varied based on the asset type (i.e. pumps or Pipework), and component type (i.e. Concrete, Steel and Timber). These UL's were measured in combination with NBRC's existing Asset Management process, and through collaboration with NBRC representatives as well as observing the pattern of service potential exhibited for equivalent assets within the geographical area (climate, usage, public expectations etc.). Inputs were reviewed by the client for appropriateness and alignment with asset management policies.

(iii) Changes in Fair Value Measurements using significant unobservable inputs (level 3)

2019: NBRC's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. During the year there were no transfers in or out of the level 3 fair value hierarchy.

14 Contract Balances

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, NBRC presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case NBRC recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to NBRC transferring a good or service to the customer, NBRC presents the funds which exceed revenue recognised as a contract liability.

	2020 \$
a Contract assets	<u>1,912,159</u>
b Contract liabilities	
Deposits received in advance of services to be provided	767,399
Funds received upfront to construct NBRC controlled assets	<u>1,766,984</u>
	<u>2,534,383</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year	
Funds received in advance to construct NBRC controlled assets	<u>919,750</u>
	<u>919,750</u>

c Significant changes in contract balances

The contract assets and liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously the revenue was recognised on receipt and therefore there was no effect on the statement of financial position.

15 Leases

Council as a lessee

Exceptions to Lease Accounting

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

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

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

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

There are no material leases to report.

16 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.

	2020 \$	2019 \$
Current		
Creditors and Accruals	4,108,521	3,835,996
Prepaid Rates	731,954	627,336
Other Entitlements	63,035	52,933
	4,903,510	4,516,265

17 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/semi annually/annually 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 dates vary from 15 June 2026 to 16 June 2036. There have been no defaults or breaches of the loan agreement during the period.

NBRC adopts an annual debt policy that sets out council's planned borrowings for the next nine years.

NBRC's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. NBRC also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

	2020 \$	2019 \$
Current		
Loans – Queensland Treasury Corporation	246,143	662,024
	246,143	662,024
Non-Current		
Loans – Queensland Treasury Corporation	2,079,616	2,326,084
	2,079,616	2,326,084
Loans – Queensland Treasury Corporation		
Opening Balance at beginning of financial year	2,988,108	3,616,420
Loans Raised	-	-
Principal Repayments	(662,349)	(628,312)
Book value at end of financial year	2,325,759	2,988,108
Future contractual cash flows		
0 to 1 year	330,537	771,632
1 to 5 years	1,003,502	1,109,717
Over 5 years	1,568,384	1,792,706
Contractual cash flows	2,902,423	3,674,055
Carrying amount	2,325,759	2,988,108
Fair Value	2,645,253	3,272,983

The QTC loan market value at the reporting date was \$2,645,253 (2019: \$3,272,983). This represents the fair value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by NBRC for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2020 or 2019 financial years.

18 Provisions

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

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

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 NBRC's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

Refuse dump restoration

A provision is made for the cost of restoring refuse dumps where it is probable the Council will have an obligation to rehabilitate when the use of the facilities is complete.

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

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

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2020

18 Provisions (continued)	2020	2019
	\$	\$
Current		
Provision for Landfill Restoration	30,092	-
Annual Leave	1,333,845	1,420,514
Long service leave	1,757,202	2,041,811
Total Current	3,121,139	3,462,325
Non-Current		
Provision for Landfill Restoration	10,871,016	7,831,395
Long service leave	65,922	276,287
	10,936,938	8,107,682
Provision for Landfill Restoration		
Balance at beginning of financial year	7,831,395	4,474,938
Initial recognition - Mundubbera	-	2,423,194
Impact of changes in discount rates	(5,361,758)	464,820
Impact of changes in cash flows	8,296,149	366,399
Increase in provision due to unwinding of discount	135,322	102,044
Balance at end of financial year	10,901,108	7,831,395
This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The significant movements within the landfill restoration provision for the financial year is due to a change in discount rate and Mundubbera closure date being brought forward.		

19 Other Liabilities	2020	2019
	\$	\$
Monto History & Cultural Centre	561	546
Mundubbera Art Gallery	6,701	7,451
Narayan Research Station	766,455	633,575
Waste levy refund received in advance	-	330,479
	773,717	972,051

The State government made an advance payment to Council in June 2019 to mitigate the impacts on households for 2019-20 of the State Waste Levy, which took effect from 1 July 2019. The Council is liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites from 1 July 2019. The State is required to make an annual payment to Council that essentially refunds the Council for the portion of the Levy that relates to households. Council will fund the portion of the Levy that relates to commercial waste through charges to commercial users of disposal sites from 1 July 2019.

20 Asset Revaluation Surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment. Increases and decreases on revaluation are offset within a class of assets.

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

	2020	2019
	\$	\$
Land	1,812,811	1,812,811
Buildings	7,866,375	7,866,375
Road, drainage and bridge network	281,449,708	281,449,708
Water	9,144,948	53,745
Sewerage	16,596,545	9,611,774
Other infrastructure assets	7,159,878	7,159,878
	324,030,265	307,954,291

21 Commitments for Expenditure

Contractual commitments

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

Swimming Pools	370,188	122,361
Caravan Parks	950,273	220,101
Cleaning Contracts	152,032	-
Waste Facility Contracts	1,075,807	1,584,683
	2,548,300	1,927,145

Capital commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Road, drainage and bridge network	449,927	20,669
Water	170,840	267,966
Sewerage	11,663	360,456
Other	82,853	95,060
	715,282	744,151

These expenditures are payable as follows:

Within one year	2,893,267	1,251,013
One to five years	538,255	1,420,283
Later than five years	274,200	-
Total Commitments	3,705,722	2,671,296

22 Contingent Liabilities

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

Local Government Mutual

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

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

Local Government Workcare

NBRC is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme NBRC has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self-insurance licence be cancelled and there were insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers' compensation authority may call on any part of the guarantee should the above circumstances arise. NBRC's maximum exposure to the bank guarantee is \$382,331 (2019: \$352,346).

Bank Guarantee

A performance bond is currently held with Queensland Treasury Corporation for NBRC's contract with Translink for the provision of the Long Distance Coach (LDC) service. The value of this guarantee is \$220,000 (2019: \$220,000).

23 Superannuation

Regional Defined Benefit Fund

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

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

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

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

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

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

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

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

23 Superannuation (continued)

		2020	2019
	Note	\$	\$
Superannuation contributions made to the Regional Defined Benefits		100,678	126,599
Other superannuation contributions for employees		1,449,263	1,496,306
Total superannuation contributions paid by NBRC for employees:	6	1,549,941	1,622,905

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

Net Result		(6,894,570)	(4,272,849)
Non-cash items:			
Depreciation and amortisation	13	14,389,238	14,686,819
Bad debts		33,757	-
		14,422,995	14,686,819
Investing and Development Activities (non-cash):			
Net loss on disposal of non-current assets	5	4,525,673	9,273,397
Provision for landfill restoration	9	3,048,507	2,647,366
Capital Grants, subsidies, contributions and donations	3(d)	(6,514,065)	(15,016,529)
		1,060,115	(3,095,766)
Changes in operating assets and liabilities:			
(Increase)/ decrease in receivables		(160,620)	(788,503)
(Increase)/ decrease in other assets		-	-
(Increase)/ decrease in contract assets		-	-
(Increase)/decrease in inventory		6,134	(34,087)
Increase/(decrease) in payables		387,245	382,138
Increase/(decrease) in contract liabilities		761,062	-
Increase/(decrease) in other liabilities		(198,334)	477,355
Increase/(decrease) in provisions		(560,438)	684,220
		235,049	721,123
Net cash inflow from operating activities		8,823,589	8,039,327

25 Events after the reporting period

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

26 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

NBRC has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Risk Management Framework

NBRC is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

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

The NBRC's audit risk committee 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. NBRC aims to manage volatility to minimise potential adverse effects on the financial performance of the NBRC.

NBRC's audit committee oversees how management monitors compliance with the NBRC's risk management policies and procedures, and reviews the adequacy of the risk management's framework in relation to the risks faced by the NBRC. NBRC 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.

NBRC does not enter into derivatives.

Credit Risk

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 financial assets held by NBRC.

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

Cash and cash equivalents

NBRC is exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Trade and Other Receivables

In the case of rate receivables, NBRC has the ability to sell the property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low.

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

By the nature of the NBRC's operations, there is a geographical concentration of risk in the region. Because the area is largely agricultural, there is also a concentration in the agricultural sector.

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

26 Financial Instruments (continued)

The exposure to credit risk was as follows:

	2020	2019
	\$	\$
Financial Assets		
Cash and Cash Equivalents	26,556,646	25,573,892
Receivables – Rates	1,927,672	1,537,308
Receivables – Other	855,749	1,089,285
Investments	4,000,000	4,000,000
	33,340,067	32,200,485
Other Credit Exposures		
Guarantees	602,331	572,346
	33,942,398	32,772,831

Accounting Policies

Accounting policies - Receivables

Receivables are measured at amortised cost which approximates fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

Accounting policies - Grouping

When NBRC has no reasonable expectation of recovering an amount owed by a debtor, and has ceased enforcement activity, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

NBRC has identified 3 distinctive groupings of its receivables: Rates & Charges, Statutory Charges and Other Debtors.

Rates and Charges: NBRC is empowered under the provisions of the Local Government Act 2009 to sell an owner's property to recover outstanding rate debts and therefore the expected credit loss is immaterial. Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds NBRC would receive from the sale of the respective property.

Other Debtors: NBRC identifies other debtors as receivables which are not rates and charges; statutory charges; lease receivables; or grants.

Disclosure – Credit risk exposure and impairment of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security.

NBRC uses a provision matrix to measure the expected credit losses on statutory charges and other debtors. Loss rates are calculated separately for groupings with similar loss patterns. The calculations reflect historical observed default rates calculated using credit losses experienced on past transactions from the last 5 years for each group. Loss rates are based on actual credit loss experience over the past 5 years, current conditions and NBRC's view of economic conditions over the expected lives of the receivables. NBRC has determined there are 3 material groupings for measuring expected credit losses based on a combination of their statutory status, NBRC's policies and procedures, sale of services and goods, and risk default profiles of these revenue streams.

In NBRC's statements after reviewing macro-economic conditions, NBRC reached the conclusion that forwards looking conditions indicated no foreseeable expected deviations from historically calculated ratios, thus no forward looking adjustments were made.

26 Financial Instruments (continued)

Expected credit loss assessment

NBRC uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Write offs throughout the year and End of Period Expected Credit Losses for Receivables

All amounts that were written off during the reporting period and are no longer subject to enforcement activity.

Council - 2020

Other debtors

Other debtors	Current	\$ 107,754	0.25%	100%	\$ 269
	1-30 days	\$ 15,183	0.25%	100%	\$ 38
	31-60 days	\$ 799	0.26%	100%	\$ 2
	61-90 days	\$ 61,484	0.27%	100%	\$ 166
	90+ days	\$ -	0.27%	100%	\$ -
		<u>\$ 185,220</u>			<u>\$ 475</u>

Council - 2019

Other debtors

Other debtors	Current	\$ 485,287	1.55%	100%	\$ 7,522
	1-30 days	\$ 92,625	1.57%	100%	\$ 1,454
	31-60 days	\$ 6,634	1.60%	100%	\$ 106
	61-90 days	\$ 48,854	1.65%	100%	\$ 806
	90+ days	\$ -	\$ -	100%	\$ -
		<u>\$ 633,400</u>			<u>\$ 9,888</u>

Refer to Note 11 for the movement in the allowance for impairment for receivables during the year.

Liquidity risk

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

NBRC'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 NBRC's reputation.

Exposure to liquidity risk

NBRC is exposed to liquidity risk through its normal course of business and through its borrowings with QTC.

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

NBRC does not have any overdraft facility as at reporting date.

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities for 2020) held by NBRC. 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:

26 Financial Instruments (continued)

	0 to 1 year	1 to 5 years	Over 5 years	Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2020					
Trade and other payables	4,903,510	-	-	4,903,510	4,903,510
Loans – QTC	330,537	1,003,502	1,568,384	2,902,423	2,325,758
	5,234,047	1,003,502	1,568,384	7,805,933	7,229,268
2019					
Trade and other payables	4,516,265	-	-	4,516,265	4,516,265
Loans – QTC	771,632	1,109,717	1,792,706	3,674,055	2,988,108
	5,287,897	1,109,717	1,792,706	8,190,320	7,504,373

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 indices, such as interest rates, will affect NBRC's income or the value of its holdings of financial instruments.

Interest Rate Risk

NBRC is exposed to interest rate risk through investments and borrowings with QTC and other financial institutions. NBRC has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity

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

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

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

	Net carrying amount	Effect on Net Result		Effect on Equity	
	\$	1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2020					
QTC cash fund	25,237,782	252,378	(252,378)	252,378	(252,378)
Other investments	4,000,000	40,000	(40,000)	40,000	(40,000)
Loans - QTC*	-	-	-	-	-
Loans - other	-	-	-	-	-
Net total	29,237,782	292,378	(292,378)	292,378	(292,378)
2019					
QTC cash fund	24,593,958	245,940	(245,940)	245,940	(245,940)
Other investments	4,000,000	40,000	(40,000)	40,000	(40,000)
Loans - QTC*	-	-	-	-	-
Loans - other	-	-	-	-	-
Net total	28,593,958	285,940	(285,940)	285,940	(285,940)

*QTC Fixed Rate Loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2020

27 Transactions with related parties
(a) Joint Controlled Entity

NBRC is a joint member of the Wide Bay Burnett Regional Organisation of Councils (WBBROC) Incorporated.

WBBROC represents the interests of all councils within the Wide Bay Burnett region. WBBROC lobbies Federal and State Governments on behalf of members Councils on matters of common interest and is often the point of contact for other levels of Government seeking the views of Councils on a broad range of issues.

WBBROC other member Councils are Bundaberg Regional Council, Cherbourg Community Council, Fraser Coast Regional Council, Gympie Regional Council and South Burnett Regional Council.

	2020 \$	2019 \$
The following transactions occurred with WBBROC:		
NBRC membership contributions	28,634	26,004
WBBROC is dependent on contributions from member Councils.		

(b) Transactions with key management personnel (KMP)

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

The compensation paid to KMP comprises:

	2020 \$	2019 \$
Short-term employee benefits	1,479,109	1,424,414
Post-employment benefits	130,236	153,526
Long-term benefits	30,436	39,441
Termination benefits	59,431	-
Total	1,699,211	1,617,381

Detailed remuneration disclosures are provided in the annual report.

(c) Transactions with other related parties

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

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

Details of Transactions	Additional Information	2020	2019
		\$	\$
Fees and charges charged to entities controlled by key management personnel	27(c)(i)	1,256	1,991
Infrastructure contributions from entities controlled by key management personnel	27(c)(i)	2,310	-
Employee expenses for close family members of key management personnel	27(c)(ii)	236,539	-
Purchase of materials and services from entities controlled by key management personnel	27(c)(iii)	177,789	17,046
Key management personnel services provided by a related entity	27(c)(iv)	673,905	-

27 Transactions with related parties (continued)

(i) The fees and charges charged to entities controlled by key management personnel were on an arm's length basis in accordance with the schedule of fees and charges adopted by NBRC. The total disclosed includes the following:

Fees and charges charged to entities controlled by key management personnel	Details of related party	2020 \$
Boundary Realignment	Boundary Realignment charged as per fees & charges. Application was assessed by an external party to keep transaction at arms length.	2,310
Other Fees & Charges	Pool inspection fees & Stock grazing permits	1,256

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

Cr Giddins' relatives are employed by Council. Their recruitment was completed through an arm's length process prior to Cr Giddins being elected, with all past and future employment related processes that are directly associated with these staff members undertaken by their direct supervisors.

(iii) The entity purchased the following material and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of NBRC operations.

- Cleaning Supplies
- Refreshments
- Floral Tributes
- Promotional Materials
- Hardware
- Uniforms

(iv) Payments totalling \$665,270 and \$8,636 were paid for the Earthmoving services by Staib's Earthmoving and supplies supplied to the Monto pool and sportsground works respectively. These monies were paid to related entity to a key management personnel.

(d) Outstanding balances

There were no overdue outstanding balances relating to transactions with related parties.

(e) Loans and guarantees to/from related parties

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

(f) Commitments to/from other related parties

Council have a memorandum of understanding with Bendigo Bank to invest funds in the local branch. Cr Zahl is a chair on the Bendigo board. The memorandum of understanding was entered into separately to Cr Zahl's position on the board. Cr Zahl's term in Council ended in March 2020. Council has no other outstanding commitments to/from other related parties.

27 Transactions with related parties (continued)

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

Most of the entities and people that are related parties of NBRC live and operate within the North Burnett Region. Therefore, on a regular basis ordinary citizen transactions occur between NBRC and its related parties. Some examples include:

- Payment of rates
- Dog registration
- Borrowing books from a council library
- Waste Management Charges
- Facility Hire

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

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2020

28 Changes in accounting policy

During the year ended 30 June 2020, the Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of NFP Entities and AASB 16 Leases using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 Construction Contracts, AASB 117 Leases, AASB 118 Revenue, AASB 1004 Contributions and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

Revenue standards - AASB 15 and AASB 1058

The following options have been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements
- Council has not retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modification were minor.

Changes in accounting policy on adoption of AASB 15 and AASB 1058

Opening contract balances on transition at 1 July 2019

	Council
	Balance at 1 July 2019
	\$
Contract assets	
- Under AASB 15	-
- Under AASB 1058	2,391,811
Total contract assets	<u>2,391,811</u>
Contract liabilities	
- Under AASB 15	6,338
- Under AASB 1058	919,750
Total contract liabilities	<u>926,088</u>

Comparison of affected financial statements lines between AASB 15 / 1058 and previous revenue standards

Statement of financial position at 30 June 2020

	Carrying amount per Statement of Financial Position Dr / (Cr) \$	Adjustments Dr / (Cr) \$	Carrying amount if previous standards had been applied Dr / (Cr) \$
Contract assets	1,912,159	(1,912,159)	-
Contract liabilities - current	(2,534,383)	2,534,383	-
Retained deficit	32,489,047	(622,224)	31,866,823
	<u>31,866,823</u>	<u>-</u>	<u>31,866,823</u>

28 Changes in accounting policy (continued)

Statement of comprehensive income for the year ended 30 June 2020

	Balance per Statement of Comprehensive Income (Dr) / Cr \$	Adjustments (Dr) / Cr \$	Carrying amount if previous standards had been applied (Dr) / Cr \$
Revenue - operating			
Grants	13,351,811	(808,879)	14,160,690
Revenue - capital	6,514,065	(1,184,170)	7,698,235
	<u>19,865,876</u>	<u>(1,993,049)</u>	<u>21,858,925</u>

The adjustments above relate to the recognition of contract assets and contract liabilities for revenue streams where the revenue is recognised over time rather than on receipt of funding under AASB 1004.

Statement of cash flows for the year ended 30 June 2020

The adoption of AASB 15 and AASB 1058 has not caused a material change to the Statement of Cash Flows for the year ended 30 June 2020.

Management Certificate
For the year ended 30 June 2020

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 37, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor

Rachel Chambers

Date: 24 November 2020



Chief Executive Officer

Rachel Cooper

Date: 24 November 2020

INDEPENDENT AUDITOR'S REPORT

To the Councillors of North Burnett Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of North Burnett Regional Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2020, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in North Burnett Regional Council's annual report for the year ended 30 June 2020 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

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



Melissa Read
as delegate of the Auditor-General

24 November 2020

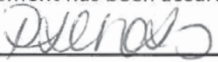
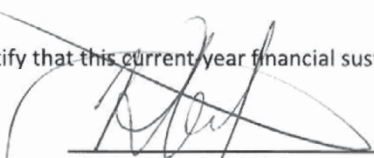
Queensland Audit Office
Brisbane

North Burnett Regional Council
Current Year Financial Sustainability Statement
For the year ended 30 June 2020

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2020
Council's performance at 30 June 2020 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	-15.23%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	72.43%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-32.10%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2020.

Certificate of Accuracy For the year ended 30 June 2020	
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the <i>Local Government Regulation 2012</i> (the Regulation).	
In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability statement has been accurately calculated.	
 Mayor Rachel Chambers Date: <u>24</u> November 2020	 Chief Executive Officer Rachel Cooper Date: <u>24</u> November 2020

INDEPENDENT AUDITOR'S REPORT

To the Councillors of North Burnett Regional Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year financial sustainability statement of North Burnett Regional Council (the council) for the year ended 30 June 2020 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of North Burnett Regional Council for the year ended 30 June 2020 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

At the date of this auditor's report, the available other information in North Burnett Regional Council's annual report for the year ended 30 June 2020 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

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



Melissa Read
as delegate of the Auditor-General

24 November 2020


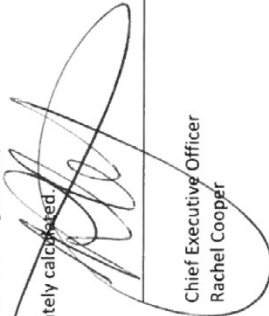
Queensland Audit Office
Brisbane

North Burnett Regional Council
Unaudited Long-Term Financial Sustainability Statement
For the year ended 30 June 2020.

Measures of Financial Sustainability	Measure	Target	Actuals at		Projected for the years ended									
			30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029		
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-15.23%	-20.10%	-14.50%	-14.30%	-14.40%	-14.80%	-15.10%	-15.30%	-15.50%	-13.40%		
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	72.43%	92.60%	90.20%	89.20%	88.00%	78.50%	73.70%	72.70%	71.00%	74.00%		
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-32.10%	-25.40%	-20.60%	-16.40%	-11.90%	-10.80%	-11.20%	-11.70%	-12.60%	-13.70%		

North Burnett Regional Council's Financial Management Strategy

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

<p align="center">Certificate of Accuracy</p> <p align="center">For the long term sustainability statement prepared as at 30 June 2020</p> <p>This long-term financial sustainability statement has been prepared pursuant to Section 178 of the <i>Local Government Regulation 2012</i> (the Regulation).</p> <p>In accordance with Section 212(5) of the regulation we clarify that this long-term financial sustainability statement has been accurately calculated.</p>	
 <p>Mayor Rachel Chambers</p>	 <p>Chief Executive Officer Rachel Cooper</p>

NOTES

NOTES



NORTH BURNETT

REGIONAL COUNCIL

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