NORTH BURNETT
REGIONAL COUNCIL

AGENDA

General Meeting

15 December 2021

NOTICE OF GENERAL MEETING

To:	**Cr Rachel Chambers**	**(Mayor)**
	Cr Robert Radel	**(Deputy Mayor/Division 6)**
	Cr Melinda Jones	**(Division 1)**
	Cr Leslie Hotz	**(Division 2)**
	Cr Susan Payne	**(Division 3)**
	Cr Dael Giddins	**(Division 4)**
	Cr Michael Dingle	**(Division 5)**

Please be advised that the General Meeting of the North Burnett Regional Council will be held at the Gayndah Boardroom on Wednesday, 15 December 2021 commencing at 9.00am.

An agenda is attached for your information.

Rachel Cooper
Chief Executive Officer

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1 WELCOME/HOUSEKEEPING

2 APOLOGIES/LEAVE OF ABSENCE

3 DEPUTATIONS/PETITIONS

Council will make time available at each General Meeting for public questions/ representations. This is an opportunity for members of the public to make a representation on a matter in which they have an interest on an item which is before the Council for decision e.g. development applications.

Members of the public are encouraged to contact the Mayor, if they are wanting to address Council. Public Question and Statements Time will commence at 9:30am.

4 DECLARATIONS OF INTEREST

5 CONFIRMATION OF MINUTES

5.1 MINUTES OF THE GENERAL MEETING HELD ON 24 NOVEMBER 2021

Doc Id: **1075188**

Author: **Kat Bright, Executive Assistant To The CEO And Mayor**

Authoriser: **Rachel Cooper, Chief Executive Officer**

Attachments: **1. Minutes of the General Meeting held on 24 November 2021**

RECOMMENDATION

That the Minutes of the General Meeting held on 24 November 2021 be confirmed.

MINUTES OF NORTH BURNETT REGIONAL COUNCIL
GENERAL MEETING
HELD AT THE BIGGENDEN BOARDROOM
ON WEDNESDAY, 24 NOVEMBER 2021 AT 9.00AM

COUNCILLORS: Mayor Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins, Cr Michael Dingle

OFFICERS: Rachel Cooper (Chief Executive Officer), Susie Glasson (GM Corporate and Community), Jason Erbacher (Strategic Projects Manager), Kat Bright (Executive Assistant to the CEO and Mayor)

1 WELCOME/HOUSEKEEPING

The Mayor declared the meeting open at 9.00am and welcomed all attendees.

2 APOLOGIES/LEAVE OF ABSENCE

Nil

3 DEPUTATIONS/PETITIONS

Nil

4 DECLARATIONS OF INTEREST

I, Cr Sue Payne inform this meeting that I have a pescribed conflict of interest in relation to **Item 10.2 Update of Outstanding Rates**. The nature of my interest is as follows:

This conflict of interest arises as I am an Executive in an organisation which may have an interest.

I propose to leave the room whilst this matter is considered and voted on.

MOTION

Moved: Cr Giddins
Seconded: Cr Radel

That in accordance with Section 150ES of the Local Government Act 2009, it is in the public interest that Cr Payne be asked to leave the room whilst to Item 10.2 Update of Outstanding Rates is debated and voted on.

In Favour: Cr Rachel Chambers Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 6/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/143

That in accordance with Section 150ES of the Local Government Act 2009, it is in the public interest that Cr Payne be asked to leave the room whilst to Item 10.2 Update of Outstanding Rates is debated and voted on.

UNCONFIRMED

5 CONFIRMATION OF MINUTES

5.1 MINUTES OF THE GENERAL MEETING HELD ON 20 OCTOBER 2021

OFFICERS RECOMMENDATION

That the Minutes of the General Meeting held on 20 October 2021 be confirmed.

MOTION

Moved: Cr Giddins
Seconded: Cr Radel

That the Minutes of the General Meeting held on 20 October 2021 be confirmed.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/144

That the Minutes of the General Meeting held on 20 October 2021 be confirmed.

UNCONFIRMED

6 MAYORAL MINUTE

6.1 COVID-19 RESTRICTIONS 17 DECEMBER 2021

Due to the time sensitivities of this matter, a report could not be prepared.

MOTION

Moved: Cr Rachel Chambers
Seconded: Not Required

That this council gives feedback to the Premier:

- That many of the North Burnett community are concerned as to the detrimental effect proposed mandates will have on their business and industries.
- That many of the North Burnett community are concerned that their freedom of choice and other associated freedoms are being taken away by coercive means.
- That many of the North Burnett community are not anti vax but are anti mandate.
- That there is still much confusion from business owners surrounding their obligations and liabilities.

And that we urge the State Government to consider alternative measures as the proposed mandates are causing great angst within our community.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/145

That this council gives feedback to the Premier:

- That many of the North Burnett community are concerned as to the detrimental effect proposed mandates will have on their business and industries.
- That many of the North Burnett community are concerned that their freedom of choice and other associated freedoms are being taken away by coercive means.
- That many of the North Burnett community are not anti vax but are anti mandate.
- That there is still much confusion from business owners surrounding their obligations and liabilities.

And that we urge the State Government to consider alternative measures as the proposed mandates are causing great angst within our community.

NFIRMED

7 OFFICE OF THE CHIEF EXECUTIVE OFFICER

7.1 GOVERNANCE POLICY - 2220 CONFIDENTIALITY

OFFICERS RECOMMENDATION

That Council adopt by Resolution:

1. Governance Policy – 2220 Confidentiality.

MOTION

Moved: Cr Radel
Seconded: Cr Hotz

That Council adopt by Resolution:

1. Governance Policy – 2220 Confidentiality.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/146

That Council adopt by Resolution:

1. Governance Policy – 2220 Confidentiality.

NOTE: Cr Radel highlighted a spelling error in the Policy definitions (not know to not known). Through the Chair, Rachel Cooper (CEO) noted that this would be corrected in the publised version.

UNCONFIRMED

7.2 RM WILLIAMS AUSTRALIAN BUSH LEARNING CENTRE - BUSH TUCKER TRAIL AND SEWERAGE UPGRADE UPDATE

OFFICERS RECOMMENDATION

That Council accept the report as presented and confirms:

1. That Council has budgeted its financial contribution to the project;
2. Is committed to delivering the project; and
3. Acknowledges responsibility for any funding shortfall if costs or other contributors change.

MOTION

Moved: Cr Giddins
Seconded: Cr Jones

That Council accept the report as presented and confirms:

1. That Council has budgeted its financial contribution to the project;
2. Is committed to delivering the project; and
3. Acknowledges responsibility for any funding shortfall if costs or other contributors change.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/147

That Council accept the report as presented and confirms:

1. That Council has budgeted its financial contribution to the project;
2. Is committed to delivering the project; and
3. Acknowledges responsibility for any funding shortfall if costs or other contributors change.

UNCONFIRMED

8 CORPORATE AND COMMUNITY

8.1 BIOSECURITY PROGRAM AUTHORISATION (SURVEILLANCE PROGRAM)

OFFICERS RECOMMENDATION

That Council pursuant to section 235 of the Biosecurity Act 2014 authorise a biosecurity program (program authorisation) as presented and subject to any Officers Recommendations by the Department of Agriculture and Fisheries for the surveillance of restricted and prohibited matter for the period 31 January 2022 to 27 January 2023.

ATTENDANCE: At 9.18am, Jeff Miles (Planning and Environment Manager) joined the meeting.

MOTION

Moved: Cr Radel
Seconded: Cr Payne

That Council pursuant to section 235 of the Biosecurity Act 2014 authorise a biosecurity program (program authorisation) as presented and subject to any Officers Recommendations by the Department of Agriculture and Fisheries for the surveillance of restricted and prohibited matter for the period 31 January 2022 to 27 January 2023.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/148

That Council pursuant to section 235 of the Biosecurity Act 2014 authorise a biosecurity program (program authorisation) as presented and subject to any Officers Recommendations by the Department of Agriculture and Fisheries for the surveillance of restricted and prohibited matter for the period 31 January 2022 to 27 January 2023.

ATTENDANCE: At 9.25am, Jeff Miles (Planning and Environment Manager) left the meeting.

UNCONFIRMED

8.2 MONTO AND DISTRICT HISTORICAL SOCIETY - DONATION OF ITEMS OF HISTORICAL VALUE

OFFICERS RECOMMENDATION

In pursuant of *Chapter 6, Section 224 and 236 of the Local Government Regulation 2012*, that Council resolve to donate the following items of historical value, in their current format, to the Monto and District Historical Society:

1. Small kerosene lamps with coloured lenses, currently located at the Monto Airport Residence.
2. Small trailer that was used to transport and distribute the kerosene lamps, currently located at the Monto Airport Residence.
3. Two water depth markers (iron bark posts), currently located at Monto Depot.
4. Two SES stretchers, currently located at the Monto Depot.

MOTION

Moved: Cr Hotz
Seconded: Cr Giddins

In pursuant of *Chapter 6, Section 224 and 236 of the Local Government Regulation 2012*, that Council resolve to donate the following items of historical value, in their current format, to the Monto and District Historical Society:

1. Small kerosene lamps with coloured lenses, currently located at the Monto Airport Residence.
2. Small trailer that was used to transport and distribute the kerosene lamps, currently located at the Monto Airport Residence.
3. Two water depth markers (iron bark posts), currently located at Monto Depot.
4. Two SES stretchers, currently located at the Monto Depot.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/149

In pursuant of Chapter 6, Section 224 and 236 of the Local Government Regulation 2012, that Council resolve to donate the following items of historical value, in their current format, to the Monto and District Historical Society:

1. Small kerosene lamps with coloured lenses, currently located at the Monto Airport Residence.
2. Small trailer that was used to transport and distribute the kerosene lamps, currently located at the Monto Airport Residence.
3. Two water depth markers (iron bark posts), currently located at Monto Depot.
4. Two SES stretchers, currently located at the Monto Depot.

UNCONFIRMED

8.3 FINANCE REPORT TO 31 OCTOBER 2021

OFFICERS RECOMMENDATION

That in accordance with section 204 *Local Government Regulation 2012 (Qld)*, Council receives the Finance Report for the period ended 31 October 2021.

MOTION

Moved: Cr Giddins
Seconded: Cr Dingle

That in accordance with section 204 *Local Government Regulation 2012 (Qld)*, Council receives the Finance Report for the period ended 31 October 2021.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/150

That in accordance with section 204 Local Government Regulation 2012 (Qld), Council receives the Finance Report for the period ended 31 October 2021.

202111_2 Item 8.3 QON

Cr Giddins requested a report to Council on the progress and process on over due rates. Through the Chair, Rachel Cooper (CEO) responded to Cr Giddins noting that this matter would be tabled at an upcoming Councillor Workshop and a report would be submitted to Council for noting.

202111_3 Item 8.3 QON

Cr Payne queired the cash decreases in current assets, trade and other receivables (page 41 of the Agenda). Through the Chair, Susie Glasson (General Manager Corporate and Community) responded to Cr Payne noting that the question would be taken on notice.

NOTE: Further explanation on changes (increases and decreases) to be noted in future reports.

UNCONFIRMED

8.4 WASTE FEES AND CHARGES 2021-22

OFFICERS RECOMMENDATION

That in accordance with section 97 of the *Local Government Act 2009 (Qld)*, Council amend the 2021-2022 Fees and Charges as follows effective from 2 December 2021:

1. That in "Domestic Waste (Including Contaminated Green Waste) – Car/Sedan/Station wagon/Van or Ute", add the words "or trailer only".
2. That in "Domestic Waste – Car towing a trailer single axle (6x4) or less", change the fee from $20.00 to $10.00
3. That in "Domestic Waste – Car towing a trailer greater than single axle (6x4)", change the fee from $30.00 to $20.00.
4. That in "Commercial & Industrial General Waste – (Includes contaminated green waste) – Car towing a trailer greater than single axle (6x4)", change the fee from $40.00 to $30.00.
5. That in "Bulky Waste – Car/Sedan/Station Wagon" add the words "or trailer only".
6. That in "Construction & Demolition – Car/Sedan/Station Wagon", add the words "or trailer only".
7. That in "Construction & Demolition – Van or Ute towing a trailer greater than single axle (6x4)", change the fee from $60.00 to $50.00.

MOTION

Moved: Cr Radel
Seconded: Cr Payne

That in accordance with section 97 of the *Local Government Act 2009 (Qld)*, Council amend the 2021-2022 Fees and Charges as follows effective from 2 December 2021:

1. That in "Domestic Waste (Including Contaminated Green Waste) – Car/Sedan/Station wagon/Van or Ute", add the words "or trailer only".
2. That in "Domestic Waste – Car towing a trailer single axle (6x4) or less", change the fee from $20.00 to $10.00.
3. That in "Domestic Waste – Car towing a trailer greater than single axle (6x4)", change the fee from $30.00 to $20.00.
4. That in "Commercial & Industrial General Waste – (Includes contaminated green waste) – Car towing a trailer greater than single axle (6x4)", change the fee from $40.00 to $30.00.
5. That in "Bulky Waste – Car/Sedan/Station Wagon" add the words "or trailer only".
6. That in "Construction & Demolition – Car/Sedan/Station Wagon", add the words "or trailer only".
7. That in "Construction & Demolition – Van or Ute towing a trailer greater than single axle (6x4)", change the fee from $60.00 to $50.00.

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AMENDMENT (ONE)

Moved: Cr Jones
Seconded: Cr Hotz

That in accordance with section 97 of the *Local Government Act 2009 (Qld)*, Council amend the 2021-2022 Fees and Charges as follows effective from 2 December 2021:

1. That in "Domestic Waste (Including Contaminated Green Waste) – Car/Sedan/Station wagon/Van or Ute", add the words "or trailer only".
2. That in "Domestic Waste – Car towing a trailer single axle (6x4) or less", change the fee from $20.00 to $10.00 and that this is clearly noted that this charge is for vehicles with refuse in both.
3. That in "Domestic Waste – Car towing a trailer greater than single axle (6x4)", change the fee from $30.00 to $20.00.
4. That in "Commercial & Industrial General Waste – (Includes contaminated green waste) – Car towing a trailer greater than single axle (6x4)", change the fee from $40.00 to $30.00.
5. That in "Bulky Waste – Car/Sedan/Station Wagon" add the words "or trailer only".
6. That in "Construction & Demolition – Car/Sedan/Station Wagon", add the words "or trailer only".
7. That in "Construction & Demolition – Van or Ute towing a trailer greater than single axle (6x4)", change the fee from $60.00 to $50.00.
8. That an extra column be added to the public information sheet to reflect what constitutes 1m3 i.e. 4 wheelie bins.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE AMENDMENT WAS CARRIED AND BECAME THE MOTION.

MOTION

Moved: Cr Jones
Seconded: Cr Hotz

That in accordance with section 97 of the *Local Government Act 2009 (Qld)*, Council amend the 2021-2022 Fees and Charges as follows effective from 2 December 2021:

1. That in "Domestic Waste (Including Contaminated Green Waste) – Car/Sedan/Station wagon/Van or Ute", add the words "or trailer only".
2. That in "Domestic Waste – Car towing a trailer single axle (6x4) or less", change the fee from $20.00 to $10.00 and that this is clearly noted that this charge is for vehicles with refuse in both.
3. That in "Domestic Waste – Car towing a trailer greater than single axle (6x4)", change the fee from $30.00 to $20.00.
4. That in "Commercial & Industrial General Waste – (Includes contaminated green waste) – Car towing a trailer greater than single axle (6x4)", change the fee from $40.00 to $30.00.
5. That in "Bulky Waste – Car/Sedan/Station Wagon" add the words "or trailer only".
6. That in "Construction & Demolition – Car/Sedan/Station Wagon", add the words "or trailer

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only".

7. That in "Construction & Demolition – Van or Ute towing a trailer greater than single axle (6x4)", change the fee from $60.00 to $50.00.
8. That an extra column be added to the public information sheet to reflect what constitutes 1m3 i.e. 4 wheelie bins.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/151

That in accordance with section 97 of the Local Government Act 2009 (Qld), Council amend the 2021-2022 Fees and Charges as follows effective from 2 December 2021:

1. That in "Domestic Waste (Including Contaminated Green Waste) – Car/Sedan/Station wagon/Van or Ute", add the words "or trailer only".
2. That in "Domestic Waste – Car towing a trailer single axle (6x4) or less", change the fee from $20.00 to $10.00 and that this is clearly noted that this charge is for vehicles with refuse in both.
3. That in "Domestic Waste – Car towing a trailer greater than single axle (6x4)", change the fee from $30.00 to $20.00.
4. That in "Commercial & Industrial General Waste – (Includes contaminated green waste) – Car towing a trailer greater than single axle (6x4)", change the fee from $40.00 to $30.00.
5. That in "Bulky Waste – Car/Sedan/Station Wagon" add the words "or trailer only".
6. That in "Construction & Demolition – Car/Sedan/Station Wagon", add the words "or trailer only".
7. That in "Construction & Demolition – Van or Ute towing a trailer greater than single axle (6x4)", change the fee from $60.00 to $50.00.
8. That an extra column be added to the public information sheet to reflect what constitutes 1m3 i.e. 4 wheelie bins.

NOTE: Cr Radel suggested that the information sheet be made available at entrances to the waste facilities for staff and community.

9 WORKS

9.1 REVISED ROAD MAINTENANCE PROGRAM - JULY TO SEPTEMBER

OFFICERS RECOMMENDATION

That Council receive the report as presented.

MOTION

Moved: Cr Payne
Seconded: Cr Dingle

That Council receive the report as presented.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/152

That Council receive the report as presented.

202111_4 Item 9.1 QON

Cr Hotz queiried if a community information session on Road Formation could be held. Cr Hotz suggested that a 1 hour allocation should suffice for information to be shared and community questions answered. Through the Chair, Rachel Cooper (CEO) responded to Cr Hotz agreeing to a community information session on Road Formation with Carl Bacon (Civil Works Manager) in attendance. Rachel Cooper (CEO), noted that a suitable date, time and location would be determined and communicated to community.

202111_5 Item 9.1 QON

Cr Hotz queried the numerical value in place of 'additional 4x4 utes (several?)' noted on page 70 of the Agenda. Through the Chair, Rachel Cooper (CEO) responded to Cr Hotz noting that the question would be taken on notice.

UNCONFIRMED

9.2 WIDE BAY BURNETT URBAN WATER ALLIANCE

OFFICERS RECOMMENDATION

That Council formally approves the creation of the Wide Bay Burnett Urban Water Alliance:

1. Council endorses the continuation of North Burnett Regional Council's cooperation and engagement with neighbouring councils
    (a) in the Queensland Regional Water Alliance Program
        (i) through membership in the Wide Bay Burnett Urban Water Alliance

MOTION

Moved: Cr Giddins
Seconded: Cr Jones

That Council formally approves the creation of the Wide Bay Burnett Urban Water Alliance:

1. Council endorses the continuation of North Burnett Regional Council's cooperation and engagement with neighbouring councils
    (a) in the Queensland Regional Water Alliance Program
        (i) through membership in the Wide Bay Burnett Urban Water Alliance.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/153

That Council formally approves the creation of the Wide Bay Burnett Urban Water Alliance:

1. Council endorses the continuation of North Burnett Regional Council's cooperation and engagement with neighbouring councils
    (a) in the Queensland Regional Water Alliance Program
        (i) through membership in the Wide Bay Burnett Urban Water Alliance

UNCONFIRMED

9.3 POLICY 2247 - DROUGHT MANAGEMENT URBAN WATER

OFFICERS RECOMMENDATION

That Council adopts 2247 – Drought Management Urban Water Policy.

MOTION

Moved: Cr Radel
Seconded: Cr Jones

That Council adopts 2247 – Drought Management Urban Water Policy.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/154

That Council adopts 2247 – Drought Management Urban Water Policy.

202111_6 Item 9.3 QON

Cr Hotz queried if notices attached to this policy have ever been enforced. Cr Hotz further requested if Councillor's could be advised as to the process of non compliance. Through the Chair, Rachel Cooper (CEO) responded to Cr Hotz noting that the question would be taken on notice.

10 COUNCILLOR REPORTS

Nil

UNCONFIRMED

11 CONFIDENTIAL REPORTS

OFFICERS RECOMMENDATION

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 275(1) of the *Local Government Regulation 2012*:

11.1 UPDATE - RECOVERY OF OUTSTANDING RATES

This matter is considered to be confidential under Section 254J(3)(a)-(i) - e of the Local Government Regulation, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with legal advice obtained by the local government or legal proceedings involving the local government including, for example, legal proceedings that may be taken be or against local government.

11.2 EMPLOYMENT OF CEO

This matter is considered to be confidential under Section 254J(3)(a)-(i) - a of the Local Government Regulation, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with the appointment, discipline or dismissal of the Chief Executive Officer.

MOTION

Moved: Cr Radel
Seconded: Cr Jones

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 275(1) of the *Local Government Regulation 2012*:

11.1 UPDATE - RECOVERY OF OUTSTANDING RATES

This matter is considered to be confidential under Section 254J(3)(a)-(i) - e of the Local Government Regulation, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with legal advice obtained by the local government or legal proceedings involving the local government including, for example, legal proceedings that may be taken be or against local government.

11.2 EMPLOYMENT OF CEO

This matter is considered to be confidential under Section 254J(3)(a)-(i) - a of the Local Government Regulation, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with the appointment, discipline or dismissal of the Chief Executive Officer.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/155

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 275(1) of the Local Government Regulation 2012:

10.1 UPDATE - RECOVERY OF OUTSTANDING RATES

This matter is considered to be confidential under Section 254J(3)(a)-(i) - e of the Local Government Regulation, and the Council is satisfied that discussion of this matter in an open

UNCONFIRMED

meeting would, on balance, be contrary to the public interest as it deals with legal advice obtained by the local government or legal proceedings involving the local government including, for example, legal proceedings that may be taken be or against local government.

10.2 Employment of CEO

This matter is considered to be confidential under Section 254J(3)(a)-(i) - a of the Local Government Regulation, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with the appointment, discipline or dismissal of the Chief Executive Officer.

ATTENDANCE: At 10.03am, Cr Payne left the room having earlier declared a conflict of interest in relation to item 10.1 Update – Recovery of Outstanding Rates.

THE MEETING MOVED INTO A CLOSED SESSION AT 10.04AM.

NOTE: During the confidential closed session, Councillors discussed the content in the report titled Update - Recovery of Outstanding Rates report.

OFFICERS RECOMMENDATION

That Council moves out of Closed Session into Open Session.

MOTION

Moved: Cr Hotz
Seconded: Cr Dingle

That Council moves out of Closed Session into Open Session.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/156

That Council moves out of Closed Session into Open Session.

THE MEETING MOVED BACK INTO AN OPEN SESSION AT 10.09AM.

UNCONFIRMED

11.1 UPDATE - RECOVERY OF OUTSTANDING RATES

OFFICERS RECOMMENDATION

1. That Council receives the report.
2. That Council write off outstanding rate balance of $1,713.65, the shortfall given insufficient sales proceeds to pay the rates in full for Assessment 2009600000000, 57 Moreton Street, Eidsvold, Lot 2 Crown Plan MPH40657.
3. That Council write off outstanding rate balance of $9,529.99, the shortfall given insufficient sales proceeds to pay the rates in full for Assessment 2021200000000, 2 Loader Bill Drive, Eidsvold, Lot 9 Crown Plan 804649.
4. That Council write off outstanding rate balance of $1,543.36 the shortfall given insufficient sales proceeds to pay the rates in full for Assessment 2022500000000, 3 Loader Bill Drive, Eidsvold, Lot 1 Crown Plan MPH34939.

MOTION

Moved: Cr Giddins
Seconded: Cr Dingle

1. That Council receives the report.
2. That Council write off outstanding rate balance of $1,713.65, the shortfall given insufficient sales proceeds to pay the rates in full for Assessment 2009600000000, 57 Moreton Street, Eidsvold, Lot 2 Crown Plan MPH40657.
3. That Council write off outstanding rate balance of $9,529.99, the shortfall given insufficient sales proceeds to pay the rates in full for Assessment 2021200000000, 2 Loader Bill Drive, Eidsvold, Lot 9 Crown Plan 804649.
4. That Council write off outstanding rate balance of $1,543.36 the shortfall given insufficient sales proceeds to pay the rates in full for Assessment 2022500000000, 3 Loader Bill Drive, Eidsvold, Lot 1 Crown Plan MPH34939.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 6/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/156

1. That Council receives the report.
2. That Council write off outstanding rate balance of $1,713.65, the shortfall given insufficient sales proceeds to pay the rates in full for Assessment 2009600000000, 57 Moreton Street, Eidsvold, Lot 2 Crown Plan MPH40657.
3. That Council write off outstanding rate balance of $9,529.99, the shortfall given insufficient sales proceeds to pay the rates in full for Assessment 2021200000000, 2 Loader Bill Drive, Eidsvold, Lot 9 Crown Plan 804649.
4. That Council write off outstanding rate balance of $1,543.36 the shortfall given insufficient sales proceeds to pay the rates in full for Assessment 2022500000000, 3 Loader Bill Drive, Eidsvold, Lot 1 Crown Plan MPH34939.

ATTENDANCE: At 10.10am, Cr Payne returned to the meeting.

UNCONFIRMED

OFFICERS RECOMMENDATION

That Council moves into a Closed Session.

MOTION

Moved: Cr Radel
Seconded: Cr Hotz

That Council moves into a Closed Session.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/157

That Council moves into a Closed Session.

ATTENDANCE: At 10.11am, Rachel Cooper (Chief Executive Officer), Susie Glasson (GM Corporate and Community), Jason Erbacher (Strategic Projects Manager) left the meeting.

THE MEETING MOVED INTO A CLOSED SESSION AT 10.12AM.

NOTE: During the confidential closed session, Councillors discussed the employment of the CEO including the employment contract, deed of settlement and resignation date.

OFFICERS RECOMMENDATION

That Council moves out of Closed Session into Open Session.

MOTION

Moved: Cr Hotz
Seconded: Cr Giddins

That Council moves out of Closed Session into Open Session.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne, Cr Dael Giddins and Cr Michael Dingle

Against: Nil

CARRIED 7/0

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/158

That Council moves out of Closed Session into Open Session.

THE MEETING MOVED BACK INTO AN OPEN SESSION AT 10.59AM.

UNCONFIRMED

ATTENDANCE: At 11.00am, Rachel Cooper (Chief Executive Officer), Susie Glasson (GM Corporate and Community) and Jason Erbacher returned to the meeting**.**

11.2 EMPLOYMENT OF CEO

RECOMMENDATION

It is with a heavy heart, that Council accepts the resignation of Rachel Cooper in accordance with the terms of her contract and an agreed deed of settlement between the Council and Ms Cooper.

MOTION

Moved: Cr Jones
Seconded: Cr Dingle

It is with a heavy heart, that Council accepts the resignation of Rachel Cooper in accordance with the terms of her contract and an agreed deed of settlement between the Council and Ms Cooper.

In Favour: Cr Rachel Chambers, Cr Robert Radel, Cr Melinda Jones, Cr Leslie Hotz, Cr Susan Payne and Cr Michael Dingle

Against: Cr Dael Giddins

CARRIED 6/1

THE MOTION WAS CARRIED AND BECAME THE RESOLUTION.

RESOLUTION 2021/159

It is with a heavy heart, that Council accepts the resignation of Rachel Cooper in accordance with the terms of her contract and an agreed deed of settlement between the Council and Ms Cooper.

12 CLOSURE OF MEETING

The Meeting closed at 11.09am.

The minutes of this meeting were confirmed at the General Meeting held on 15 December 2021.

.....

CHAIRPERSON

UNCONFIRMED

6 OFFICE OF THE CHIEF EXECUTIVE OFFICER

6.1 2020-2021 ANNUAL REPORT

Doc Id: **1059338**

Author: **Jason Erbacher, Strategic Projects Manager**

Authoriser: **Rachel Cooper, Chief Executive Officer**

Attachments:
1. **2020-21 Annual Report - Content.docx [1064523]**
2. **NBRCFinancialStatement30June2021(Signed) - signed.pdf [1075511]**

EXECUTIVE SUMMARY

The purpose of this report is to present to Council the 2020-2021 Annual Report for adoption.

CORPORATE PLAN

OUR VISION: A prosperous future for generations built on a solid foundation of customer focused, efficient and effective service delivery.

OUR PRIORITY AREAS:

1. Essential Service Delivery – Getting the basics right

RECOMMENDATION

That pursuant to section 182 of the *Local Government Regulation 2012 QLD*, Council adopts the 2020-2021 Annual Report.

REPORT

An Annual Report is a requirement under the *Local Government Act 2009 QLD* and *Local Government Regulation 2012 QLD*. The document has been collated in line with statutory provisions and reflects activities associated with the 2020-2021 financial year.

The Annual Report was completed in line with the Department of Local Government, Racing and Multicultural Affairs *Annual Report Compliance Checklist*.

Councils Annual Report is a key accountability document and the principal way for Council to report its financial and non-financial performance. The Annual Report supports transparency, increasing the communities trust and confidence in Council's service delivery, driving continuous improvement across the organisation.

Councils Annual Report maps out how Council performed against its strategic objectives, and the results in meeting the goals of the Corporate Plan. The Annual Report incorporates the Auditor's Report, Financial Statements, and other local government indicators.

This publication outlines the key highlights and provides details on the projects delivered. These include:

- Gayndah River Walk Project
- All Abilities Playground Project
- Mundubbera Water Treatment Plant Upgrade
- Waste Transfer Station Project
- Website Upgrade Project
- Bugger the Drought Regional Comedy Tour

The graphically designed version of the report will be made available to community within 2 weeks of adoption, with copies available digitally on our website and in print in all Customer Service and Library Centres.

CONSULTATION

Engagement was undertaken across all sections of Council to gather content.

RISK IMPLICATIONS

Reputation / Political

Statutory requirement. The risk of doing nothing and not endorsing the Annual Report is that Council would be in breach of state legislation. The Annual Report needs to be adopted within one month after the day the Auditor-General gives their audit report about Council's financial statements for the financial year. The Auditor-General provided their report to Council on week beginning 6 December 2021.

Occupational Health & Safety (WHS)

Not applicable.

Financial Impact

Main costs include the human resource component to pull together required information.

Legal & Regulatory

In developing this report to Council, the subject matter has been considered in accordance with the requirements of the Human Rights Act 2019. It is considered that the subject matter does not conflict with any human rights issues. The Annual Report is also in line with requirements of the *Local Government Regulation 2012 (Qld).*

Environmental

Not applicable.

Property & Infrastructure

Not applicable.

Human Resources

High resourcing requirement to collate and present document.

Information Communications Technology

Not applicable.

Service Delivery

No substantial impact on service delivery to complete report.

Climate

Not applicable.

KEY MESSAGE

We have been working hard behind the scenes to support out local community. We encourage our community to read the Annual Report to see all the things that Council achieved over the past financial year.

2020/2021

North Burnett Regional Council

Annual Report

CONTENT DRAFT

NORTH BURNETT
REGIONAL COUNCIL

This document was adopted by Council on _____.

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1300 696 272 admin@northburnett.qld.gov.au @NorthBurnettRC

CONTENT DRAFT

Mayor's Message

When asked to write this annual summary, last year I chose the word "transition" to describe the years events. Given the events of 2020-2021, I don't think one word is going to cut it and as such this year, I choose the phrase, "the great realisation".

I first heard this phrase when Tomos Roberts, a poet, wrote a poem in response to the Covid-19 pandemic. Written in the form of a bedtime story, it suggests that the world, "a world of waste and wonder, of poverty and plenty" needed a wake-up call to move us all from the trajectory we were on. It views the pandemic as a blessing in disguise as it helped people reconsider what was important in life. It finishes on an optimistic note as it tells the child to dream bigger and brighter, as tomorrow is going to be much better than it was.

This last twelve months has been a huge journey for all of us individually, in our businesses, industries and communities. It's been a journey where we have all looked after ourselves, each other and our businesses and I am extremely proud of how everyone has managed during this difficult time.

In early July, Covid restrictions began to ease with students going back to school much to the delight of many parents and children alike. During this time, I think many parents realised the crucial role teachers play in caring for our children. Our teachers across the region did a phenomenal job of making learning from home happen under extremely challenging circumstances. Thank you to our children, parents, and teachers for coming together to make this work.

At the same time, although our community's health was well protected (potentially a benefit of living regionally), many of our businesses struggled under the weight of extensive paperwork, work interruption and a lack of available information and foresight needed to forward plan. The way our businesses and industry changed the way they did things to continue providing a service to community or to keep staff employed was remarkable. Thank you, community, for keeping yourselves safe and to our small businesses and industry for keeping our towns alive.

October began council's community consultation on our new corporate plan, *"A Plan for Generations"*, with town-by-town meetings, phone calls and surveys to gather the thoughts of our community and listen to the vision that community had for future generations to come. Thank you to all those who gave input.

We then moved into drafting our budget, taking into consideration legislation, risk and of course the first round of community input. For a council running six individual communities this budget balancing act is always a tough gig. Thank you to all staff who worked tirelessly on this year's budgeting process and to councillors for respectful debate.

However, that wasn't the end of this year's budget, for the first time we then went back out to community through our *"Between a Rock and a Hard Place"* tour. We did this as we didn't feel we had enough information from community on which to base our decisions. Knowing they were going to have to be tough decisions we wanted to get as much input as possible and by the end of April, we had spoken face to face with over 1,000 members of community and had a great deal of insight into community sentiment. Councillors then thrashed out the good, bad and the ugly of the budget, assisted by the community feedback provided.

By June we delivered a budget that made progress towards financial sustainability while continuing to deliver essential services to sustain our community. Our community had told us loud and clear to get the basics right.

In 2020-2021 council's main role has been to bring our community along on its own "great realisation" journey. It's been a tough year in many ways, but there is light at the end of the tunnel. Council and Community have come together to be a formidable voice in Queensland for the sake of our community's future generations and I have great faith that this wake-up call has given us the motivation, external resources, and a short time frame to work as one into the future. The region will emerge from this better in the long run.

CONTENT DRAFT

Finally, as I end my tenure at the end of 2021, I'd like to say it has been the honour and privilege of my life to represent the North Burnett community. Thank you from the bottom of my heart for entrusting me with such a huge responsibility. I have given the role everything I had as I've aspired to serve you with passion, kindness, and strength always.

All the very best North Burnett, I'll be cheering loudly from the sidelines.

Rachel Chambers

CONTENT DRAFT

CEO'S Message

The past twelve months have seen important changes across all areas of Council as we embark on transforming our organisation. Underpinning this, we have strived to be more transparent, more collaborative in our information sharing, and more effective in our provision of key services.

With a shared vision and purpose, our Executive Leadership Team has expertly guided staff through the new Service Delivery Review (SDR) process. Commencing in 2019, the SDR is designed to help us carefully balance the cost of delivering services as efficiently as possible against the risk of keeping things as they are. Ultimately, the SDR aims to create a financially sustainable Council that can meet the challenges of today, and the future.

Change, although inevitable, can be difficult, and I must thank our Leadership Team for collaborating across the organisation to help ease concerns while also helping to find better ways of delivering services and constructively working towards a sustainable future.

This has all been against a backdrop of sustained drought throughout the region, and managing the impacts of COVID. But despite these and other challenges, I have never before seen a team of Councillors so bravely address the difficult decisions this region faces. Much of this success is due to the focused and inspiring leadership of our Mayor, Rachel Chambers. Although this report is a reflection on our achievement until 30 June 2021, I must take this time to thank Rachel for her passionate, enthusiastic, and tireless work for this Council and this community over the years.

While 2020/21 saw many changes, some things remain constant and, once again, the workplace health and safety of our staff remains a key priority. All of us want to work in a safe environment and to be able to go home safely each day. In February, former rugby league professional and now workplace safety advocate Shane Webcke spoke with our team on the importance of being responsible for our own safety at work. Behind the scenes, we have been working hard to improve the effectiveness of our Workplace Health and Safety training, culminating in the roll-out of the 'NBRC Ed' online training platform. North Burnett Regional Council will continue to invest in ways to create the safest workplace possible and foster a culture of safety in everything we do.

Good governance, procedures and policies continued to be vital in our organisation, ensuring we are working legally, safely, and ethically, and numerous policies and procedures were updated this year to help deliver that.

With Council responsible for so many projects across the region, our Project Management Framework has seen improvements in efficiency and accountability. We use this framework for understanding, planning, and monitoring our projects, operational plans, and budgets.

Council is a busy and complex business and the work our team undertakes every day is too vast to list on one page, however, some of our most notable achievements include:

- All Abilities Playground Project - Council undertook a range of infrastructure-related projects funded by the Federal Government's Drought Communities Program with the aim to increase accessibility and improve the liveability of the North Burnett. The townships of Biggenden, Eidsvold, Gayndah, Monto, and Mundubbera received upgrades to ensure access for all abilities to parks, facilities and play equipment was available at our regional-level parks. Improvements included: disability car parks, wheelchair accessible seat benches, new shelters, new playground equipment (some being wheelchair accessible), fencing, new soft-fall, and shade sails and footpaths.
- Gayndah River Walk Project – two decades in the planning, this community project provides easy and safe access to the river and promotes healthier living. The Riverwalk maintains the biodiversity and raises awareness and protection of the Queensland lungfish and platypus that inhabit this area, while local Wakka Wakka people assisted in the development of bush tucker and medicine trails. The project won the annual Australian Institute of Horticulture Green Space Regional Award.
- Mundubbera Water Treatment Plant Upgrade – Council's Parks and Gardens and Waste Water teams worked together to install a pivot irrigator in the Mundubbera Wastewater Treatment Plant. The irrigator uses treated effluent to water Rhodes grass pastures.

Through the 'Between a Rock and a Hard Place' community engagement tour, Council met with more than 1000 residents and collected over 400 individual submissions on what was important to the North Burnett community. I am proud that we have directly engaged with such a large proportion of our region's residents and open up the lines of communication, so we can all work together for a socially, environmentally and financially sustainable future.

In closing, I'd like to once again thank every member of the North Burnett Regional Council team. It has been a tough and challenging year, but I genuinely believe that every person within our organisation has stepped up to address those challenges and helped create a more solid foundation for a sustainable and responsible Council and, most importantly, a resilient and future-focused region.

CONTENT DRAFT

6

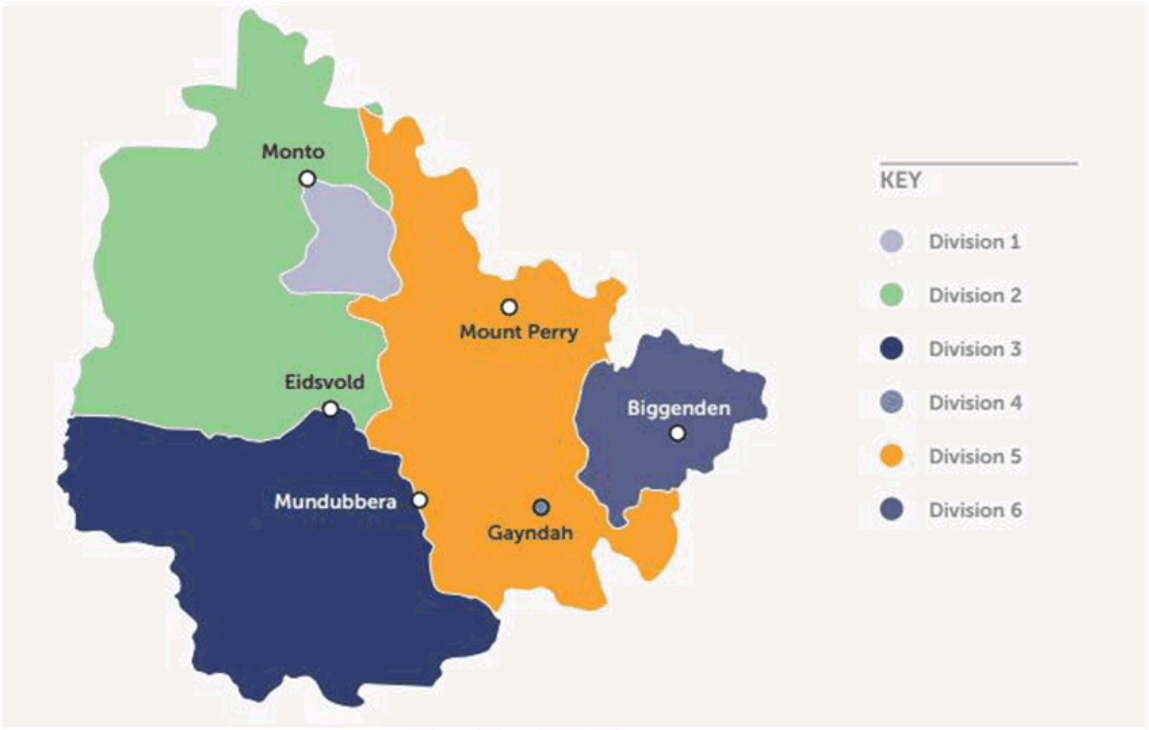
Rachel Cooper

CONTENT DRAFT

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 available on their website www.ecq.qld.gov.au.

Divisional Map



Councillors

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).

Region Overview

Just over four hours drive north-west of Brisbane lies the North Burnett region covering 19,700 square kilometres of diverse Australian landscape. This picturesque countryside is home to six main townships and 25 villages and farming catchments.

CONTENT D

Service Delivery Review

North Burnett Regional Council is facing financial sustainability issues, along with one third of local governments across Queensland (Queensland Audit Office Report 19/20).

At its general meeting of 30 October 2019, Council resolved to commence a Business Improvement Optimisation Program (BIOP) with the Queensland Treasury Corporation (QTC) to begin addressing its financial sustainability.

We went to the community in October 2020 to better understand the key services that the community values to help inform a new Corporate Plan, *A Plan for Generations*. It was important to test this and have firm data to back it up. We collected this through face-to-face engagement, hard copy and online surveys and phone interviews of more than 500 people.

In April and May 2021, we launched the *Between a Rock and a Hard Place* regional tour to lay it bare for community and state the facts of what challenges we are facing as a region. We also discussed some proposed changes to service levels and how any changes may impact on Council's financial sustainability.

It was encouraging to see that over 10% of the North Burnett community attended one of the community meetings with many more accessing a recorded version online. We received over430 submissions of feedback as part of the engagement which greatly informed Council's decision making. This Council has committed to balanced, transparent and evidenced-based decision making to discharge our responsibilities in line with the Local Government principles set out in the Act.

Council considered the collated data and scenarios targeting road maintenance, waste management, customer service and libraries, swimming pools, mowing of land and showground management at the General Meeting held 30 June 2021.

Council will continue to implement the recommendations of these reports in the 2021-2022 financial year.

Mayor Rachel Chambers presenting the Rock and a Hard Place presentation to a full house at the Monto Community Hall in May 2021.

CONTENT DRAFT

Our Advocacy

As a Local Government, it is our responsibility to deliver our core community services, however over many years we have also filled gaps in essential services at a grassroots level. It is a wide-ranging and holistic approach which extends far beyond the traditional view of "roads, rates, and rubbish." This is easier said than done, but this is not a Council which sticks its head in the sand. Our united and brave Council isn't afraid to get the job done and have the difficult conversations.

The latest Queensland Audit Office Report on Local Government shows that one third of Queensland Councils are at a high risk of being financially unsustainable.

We are one of a handful of Councils which are falling through the cracks, with sustainability issues stemming from:

- A small, stagnant, and aging population base – 10,599
- Low number of ratepayers – 6,291
- No readily available ability to generate income
- No regional centre in our area
- A lack of economies of scale
- A non-diversified industry (mainly agriculture)

In a concerted effort to make our challenges clear to community and all levels of Government, we launched our *Between a Rock and a Hard Place* initiative. Our Council is leading the way in having the difficult conversations with our community and all levels of government around the financial sustainability challenges facing local government across Queensland.

This year has been massive and here is just a snippet of what we have done:

- Between a Rock and a Hard Place Regional Tour – April 20 to May 6, 2021
- Petition to State Parliament asking them to make the financial sustainability of QLD Local Government a priority – tabled 25 May 2021
- Letters sent to our State Ministers regarding support to achieve a sustainable community, North Burnett water safety and swimming pools and asking to increase to the Federal Assistance Grants to name a few.
- Welcoming Opposition Leader David Crisafulli MP to our region in May 2021 and Assistant Minister for Local Government Nikki Boyd MP in July 2021
- Deputy Mayor Radel presenting our *Between a Rock and a Hard Place* initiative at the Australian Local Government Association conference in Canberra in June 2021

What has our advocacy achieved?

- Continuation of the QLD Governments W4Q Funding Program
- A partnership with NBN Co Ltd to work on projects to improve NBN connectivity in Biggenden and Eidsvold
- $16 million in State and Federal funding to seal the Monto-Mt Perry Road
- Confirmed construction commencing on the John Peterson Bridge on the Mundubbera-Durong Road in 2021-2022
- Three Moon Bridge replaced on the Burnett Highway – an investment of $16 million by the State Government
- Funding of over $5.5 million under the Federal Governments Building Better Regions Fund for a new Biggenden Water Treatment Plant
- Wide Bay Burnett Minerals Regional Investment Prospectus launched by the Queensland Minister of Resources, Scott Steward MP in September 2021

CONTENT DRAFT

Between a Rock and a Hard Place

The road of being an open and transparent Council.

Dear Community,

Last one out, please turn off the lights.

Growing up in Brisbane I never dreamed that I would one day be forced to regard adequate road maintenance, drinking water, recycling, sewerage and community swimming pools as luxury items.

Yet through April and May, as Mayor, I stood in front of my community, and shared the shocking news that due to the uncertainty of future funding, their council must consider restricting service delivery with such severity that all these essential services would be affected.

Imagine that, essential services which are only essential if you have the money within a geographic boundary to regard them as such. This is not the Queensland we want.

One third of local governments in Queensland are now at high risk of becoming financially unsustainable.

And I don't know why no one is talking about it.

Well no one, except everyone in local government, and many parliamentary reports and papers dating back more than a decade. Given local governments' role as the foundation on which all communities are built, the fact so many of these foundations are unstable, and crumbling, should sound deafening alarm bells at One William Street.

Right now, local government is concerned. State and federal governments have heavily relied on borrowings, to stimulate the Queensland and Australian economies. The grants which so many councils rely on are at risk. Councils have already been told to consider how to continue providing essential services in a "cost affordable manner" and are bracing themselves for more uncertainty to come.

But recent data tells a different story – the exact opposite is needed, and more funding secured as a vital piece of the local government puzzle.

The ability of local governments in Queensland to source their own revenue is vastly different based on location, population size, rate base and the ability to levy user charges. On the surface, spending less than you earn is a sound financial approach. Dig a bit deeper and this unrealistic and unfair demand on some Queensland communities begins to unravel.

The system of financial sustainability as it stands draws a 'line' around a geographic area (council) and implies a closed system where ratepayers must pay for the assets and services within this 'area'. The folly in this, lies in the fact that as Queenslanders we all use each other's infrastructure and even let people from other states, territories and countries use it on occasion.

When the ratepayers of a "geographic area" are unable to afford to maintain the shared assets within this "council area" alone, they are expected to cut costs by reducing maintenance and lowering service levels. This results in job losses and loss of liveability. Once on this roundabout, there's no getting off.

Financial sustainability of councils has long been touted as a 'challenge'. For councils like the North Burnett, just three hours northwest of Brisbane CBD, it's more like hiking barefoot up Everest, with the hopes and dreams of the community on your back.

With over a billion dollars in assets (including the 12th longest road network in Australian councils) and only 6291 ratepayers, the ability for this council to fund its own way has never been an option and will never be an option unless of course, the community can live without roads and water.

As Queenslanders living in 2021, our expectations are similar regardless of our home address. The difference is, as Queenslanders our home address dictates the level of services provided.

The system is broken. And there's work to do on all sides. The future of Queenslanders depends on it.

Councils have work to do, to get their long-term planning and asset management in order. I have confidence the sector can do that.

State Government must harness a better understanding and appreciation of the work councils do on behalf of Queenslanders. It's a glaring omission the Premier's charter letter to Local Government Minister, Steven Miles does not contain one word about local Government financial sustainability.

And the Federal Government must learn how to share the "Common wealth" starting with restoring Federal Assistance Grants to 1%.

In this era of buy now, pay later and instant gratification, communities also have a role to play. People have forgotten what it is like to wait for things, to plan for things. This in turn encourages political decision making where data and evidence is ignored in exchange for uninformed votes. Not a great way to make decisions affecting future generations.

The gap between community expectations and governments' ability to deliver them is ever widening

CONTENT DRAFT

Covid has given us all an opportunity to reimagine how communities and government sectors can work together for the benefit of future generations. It's time to shine a light on these challenges, not leave them, and Queenslanders, in the dark.

2021 – 2026 Corporate Plan: "A Plan for Generations"

At the June 2021 meeting, Council adopted the 2021-2026 Corporate Plan – *A Plan for Generations* which reflects the work that must be done to continue to deliver essential services, retain population, promote investment opportunities and ensure economic growth for future generations.

This Corporate Plan was developed following extensive community consultation and sets the strategic direction that Council's decisions and operations will follow for the next 5 years. The community spoke, and we've listened. Driving the plan is a mission to secure a bright future which the North Burnett deserves.

CONTENT DRAFT

A PLAN FOR GENERATIONS

A prosperous future for generations built on a solid foundation of customer focused, efficient, and effective service delivery.

COURAGEOUS LEADERSHIP | **COMMUNITY EMPOWERMENT** | **CONTINUOUS IMPROVEMENT**

1. ESSENTIAL SERVICE DELIVERY - GETTING THE BASICS RIGHT

Objectives		Success looks like	
1.1	Deliver services deemed essential by the Queensland Audit Office.	1.1.1	All essential services are delivered within Australian or Queensland guidelines, standards and legislation.
1.2	Deliver services legislatively required of Council.	1.1.2	Asset management plans are fully funded to deliver core services. In the case of insufficient funding, a fit for purpose solution is utilised.
		1.2.1	Services are delivered within legislative requirements. In the case of unreasonable costs associated with delivering these services, advocacy is initiated to seek an alternate solution for the benefit of community.
1.3	Deliver services deemed to be a community service obligation, that without, would leave the community disadvantaged (The service is not commercially viable or able to be provided by another entity).	1.3.1	Services are delivered to an acceptable standard.
1.4	Support the delivery of essential services.	1.4.1	Robust governance, processes and support to ensure the effective delivery of essential services.

2. SUSTAINABLE COMMUNITIES - TO RETAIN POPULATION AND ATTRACT INVESTMENT

Objectives		Success looks like	
2.1	Deliver community service obligations that retain population, contribute to liveability and attract investment.	2.1.1	Community services, facilities and spaces are well maintained and utilised.
2.2	Deliver services which contribute to community empowerment.	2.2.1	Strong and sustainable organisations and events supported by volunteers.
		2.2.2	Inclusive communities which are enriched by our multicultural community.
		2.2.3	Effective and timely communication with community.

3. PROSPEROUS FUTURE - TO ENSURE ECONOMIC GROWTH FOR FUTURE GENERATIONS

Objectives		Success looks like	
3.1	Encourage, enable and ensure economic growth for future generations.	3.1.1	Development and diversification of our region's business and industry where able.
		3.1.2	New business or industries emerge in the region.
		3.1.3	Urban and agricultural regional water security for future generations.
		3.1.4	A planning scheme for the future which enables growth.
		3.1.5	Political advocacy to achieve a prosperous and sustainable community for future generations

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 2020-21 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 4,000km, which is serviced by crews based across a 20,000 square km area. Under a road maintenance contract (RMPC), Council is also responsible for undertaking maintenance on components of the state road network, across the region.

Roads Network

326,667 square metres of bitumen roads were resealed at a cost of $900,000 around the region using S45R, a modern blend of traditional bitumen and recycled tyres. As part of this program, over 6,000 tyres were recycled into our roads.

Rehabilitation of 93,765 m2 of bitumen roads was undertaken around the region. Valued at $1.9 million, this rehabilitation used an in-situ stabilisation process that effectively recycles the existing pavement material to extend the asset life and vastly improve ride quality.

Transport Infrastructure Development Scheme (TIDS) Project – Bania Road

Bania Road received an upgrade from its original sealed, single lane state to a 7 metre wide sealed double lane road. This project also cleared dangerous trees, and improved: road drainage, horizontal curves for increased safety and sight distances and pavement strength. All clearing and formation work was completed by the Monto Construction Crew with support from Mount Perry and Eidsvold Maintenance Crews, sealing and line marking was completed by a contractor. This $355,000 project, of which 50% was contributed by Council, was delivered on time and within budget.

Before and After of Bania Road.

CONTENT DRAFT

Bridges

Council's Civil Works team have undertaken many Bridge load capacity upgrades and large maintenance programs to ensure bridges throughout the region remain in service for many decades to come.

Council has utilised a modern approach to cost-effectively repairing and maintaining timber bridges. 5 bridges received maintenance and remediation works valued to around $966,500.

Elliotts Creek Bridge on Elliotts Creek Road, Mt Perry: The structure was built in 1962 and consisted of a concrete substructure with a spotted gum timber superstructure. Recent inspections found the bridge to be in deplorable condition structurally with several defects resulting in an inferior ability to sustain traffic loads exceeding 10T gross. Specialist contractors were engaged to carry out many repairs using high strength fibre composite and resins to successfully restore the timber and increase the load capacity to 44T gross. These repairs are highly specialised and significantly more cost-effective than traditional treatments, which would have seen the bridge closed for many months while a new timber superstructure was constructed. Timber Restoration Systems carried out all repairs under traffic which the residents along Elliotts Creek Rd greatly appreciated.

Dunolly Bridge on Boondooma Rd: Dunolly Bridge is a complete timber bridge, both super & substructure. Council engaged the same specialist contractors to carry out repairs using the same method as Elliotts Creek Bridge.

Scrubby Creek #1, Binjour Branch Creek Road, Binjour: This was a complete bridge replacement due to the original structure being at the end of its useful life and not up to carrying the traffic loads expected of the present day. The original bridge was removed and replaced with a brand new timber structure with a design life of 80 years. It should serve the next few generations very well.

Jack Parr Bridge, Mundubbera and Hawkwood Bridge, Hawkwood Road, Mundubbera: Maintenance and minor component repairs were carried out to ensure the structure remains in a safe and serviceable condition for many years to come.

Dunolly Bridge on Boondooma Road had high strength fibre composite and resins used to restore the timber.

Jack Parr Bridge

Hawkwood Bridge

CONTENT DRAFT

Parks and Open Spaces

Drainage Infrastructure

Major erosion repairs were carried out to ensure the safety of visitors and community members at Zonhoven Park in Gayndah.

Zonhoven Park: works in progress.

Gayndah Burnett Riverwalk Project

The Burnett Riverwalk was a community project to connect people with easy and safe access to enjoy the river from a different perspective and promote a healthy lifestyle.

This project has been deeply embedded in, and helped in its implementation, by the local community for over two decades. Recent funding by North Burnett Regional Council, and the Department of Transport and Main Roads Queensland enabled a substantial stage of design and construction to be completed.

A key component of the project has been maintaining this region's special biodiversity. This includes a focus on raising the awareness and protection of the habitat of iconic indigenous species such as the Queensland Lungfish (*Neoceratodus spp.*) and the Platypus along with the local and transitory bird life. The local indigenous claim group, the Wakka Wakka, checked for cultural sites and assisted in the development of Bush Tucker and Bush Medicine Trails.

The Gayndah Riverwalk is home to the weekly Gayndah Parkrun which has been supported greatly by locals and visitors to the region.

The magnitude of community spirit this project brought together caught the attention of the contracted Arborist. This prompted their nomination to the highly respected Australian Institute of Horticulture Annual Awards, recognising exceptional environmental and horticultural projects. The Councillors, staff and community were thrilled to receive national recognition and win the "Green Space Regional Award" this year.

Gayndah Riverwalk; Gayndah Riverwalk Opening; Presentation of the Australian Institute of Horticulture Annual Green Space Regional Award

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

Supporting Our Communities

Council's Communities team have supported community organisations and Council to deliver a range of projects and initiatives including:

- Biggenden Wall of Fame Project
- Rural Aid Ten Town Makeover projects in Monto and Gayndah
- Seniors Week Movie Events in Mt Perry and Mundubbera with feature film '*A Beautiful Day in the Neighbourhood*'.
- Eidsvold NAIDOC Event
- Anzac Day services across the region
- Aged Care Forum in Biggenden
- Christmas decorations and Light competitions
- Youth Week activities included Flipside Circus, LEGO Robotics, Professor Stupendous, and Skateboarding workshops across the region.
- Australia Day events across the region
- "Bugger the Drought" Comedy Nights in Mundubbera, Monto and Biggenden, through funding from the Drought Communities Programme
- Town Entrance Signs for Biggenden, Eidsvold, Gayndah, Mt Perry and Monto, to match those already installed in Mundubbera, through funding from the Drought Communities Programme

The team were also involved in a range of community engagement activities, including the Biggenden Streetscape Renewal Plan, Between a Rock and a Hard Place community consultation, North Burnett Show Tour and supporting groups with ever-changing COVID restrictions and meeting compliance obligations with COVID safe events.

This year the team focus was on increasing the capacity of the region's community groups and organisations through the promotion of funding and training opportunities and facilitating Council letters of support for grant applications and community projects. Furthermore, building various community organisation's skills and knowledge in grant writing and securing funding, they gained confidence in managing events, retaining volunteers and improving their financial sustainability, thus reducing their reliance on Council resources.

Bugger the Drought Comedy Tour and Seniors Week Movie event in Mt Perry

Council's community grant funding program, administered by the Communities team, assessed 115 funding applications and awarded $117,000 of grant funding to groups across the region.

Funding Program	Applications	Funding awarded
In-kind Assistance Grants	68	$17,900
Streetscape Funding	13	$3,588
RADF	10	$52,946
Lifelong Grants and School Bursary's	21	$23,291
Small Halls	1	$18,544

CONTENT DRAFT

Cultural & Sports Performance Grants	2	$1,000
Totals	115	$ 117,270

North Burnett Transport Service

The North Burnett Transport Service (NBTS) provides safe and comfortable transport for residents and visitors, between the North Burnett and Bundaberg on Tuesday to Thursday, and Maryborough on Friday.

Concession Card holders continued to be the key users of the service. The ongoing impact of Covid-19 has continued to see passenger numbers lower than previous years. A key factor is the loss of seasonal workers in our region. We have started to see a slight increase in passenger numbers at the end of the period as community and visitors start to travel more. We hope to continue to see a boost in passenger numbers in the years ahead.

This year funding was allocated to promote the service throughout the North Burnett and Fraser Coast regions including Bundaberg and Maryborough. The current campaign is titled 'Pick Us!' to encourage locals and visitors to choose our service and to travel to the North Burnett. Our first ever billboard sign was installed on a large electronic billboard in Bundaberg with additional promotional items to come.

Month	Total Passenger Numbers
2020	
JULY	165
AUGUST	165
SEPTEMBER	188
OCTOBER	162
NOVEMBER	187
DECEMBER	195
2021	
JANUARY	189
FEBRUARY	175
MARCH	187
APRIL	215
MAY	176
Total	2,004

Image: North Burnett Transport Services advertised it's 'Pick Us' campaign on an electronic billboard in the Bundaberg CBD.

Disaster Management

Get Ready Queensland Program

Get Ready Queensland is a year-round program helping all Queenslanders prepare for natural disasters and is funded by the Queensland Government.

During 2020-21 Bundaberg, Fraser Coast and North Burnett teamed up to deliver television advertising for the Emergency Management Dashboards and to spread the preparedness message to our communities leading into storm season.

Council also enhanced the Emergency Management Dashboard with the addition of the Opt-In feature. This feature allows the community to subscribe to river station height data to trigger a SMS or email when river rises occur. This feature will assist the agriculture industry with early warning to elevate orchard pumps and infrastructure before flood waters rise.

The development of the Itinerant Traveller Guide provided information about disaster hazards and how to respond when visiting the Burnett Catchment. The guide was prepared in 8 different languages and circulated to farms, employment agencies and accommodation providers to help travellers understand the hazards within our region. This project was jointly prepared by Bundaberg and North Burnett Regional Councils.

Itinerant Worker Get Ready Guides wer translated into 9 languages and distributed t farms across the region.

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Paradise Dam Preparedness

During this year Sunwater undertook extensive essential works to make Paradise Dam safe. Sunwater, Bundaberg and North Burnett Regional Councils worked extensively with downstream residents to ensure adequate evacuation procedures were prepared to ensure their safety. These preparations included the review of the Dam Failure Sub Plan within the North Burnett Local Disaster Management Plan.

Branding, Communications and Media

In 2020-21, Council took the opportunity to continue to grow our connection with our community and improve the way in which we communicate important messages to our residents and ratepayers.

Social Media

Council's social media engagement has increased by 39% compared to last financial year, across Facebook, Twitter, LinkedIn and Instagram. Social Media has been a great tool to share public notices, emergency information, career opportunities, and interact and engage with our followers on topics that are important to them. Residents can continue to connect with us on these platforms as well as following #VisitNorthBurnett and #NorthBurnett.

Community Updates

Council has a fortnightly advert in our local newspaper. This advert remains an important element in our external communications, ensuring that the organisation reaches those who do not access social media, email, or do not readily access the internet in general.

For certain information, we have also utilised a region wide mailout which is delivered to 4,500 mailboxes throughout the North Burnett.

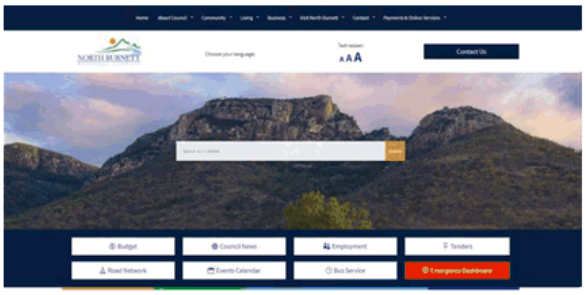
Council's eNewsletter continues to evolve, and our readership base has increased by 47% since its introduction in 2019. The monthly Community eNews continues to house Council's latest news, public events, and other important information for the community.

The major project for the Media team this financial year was the completion of a new look for Council's website, improving the user experience for customers and enabling more self-service. Online payments and services will be made available in the new financial year.

Internal Communications

The Media Team introduced an electronic staff newsletter as part of our internal communications strategy. The Staff Newsletter is an important communication tool which has been well received by the organisation.

During 2020-21 the Media Team received 1,402 internal requests, with an average completion time of 34 minutes per request. This is an efficiency increase of approximately 65% compared to last financial year.



Council's new look website was updated to provide a better user experience.

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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

Council undertook a range of infrastructure related projects across the townships of Biggenden, Eidsvold, Gayndah, Monto, and Mundubbera to ensure all abilities access to parks, facilities and play equipment were available at our regional level parks. Working included:

- Disability car parks
- Wheelchair access seat benches
- New shelters
- New playground equipment, some also being wheelchair accessible
- Fencing around the parks for safety
- New soft fall and shade sails
- Footpaths

The projects were funded by the Federal Government's Drought Communities Program with the aim to increase accessibility, the project was to build and improve the liveability of the North Burnett by making regional-level parks all-abilities friendly and accessible.

CONTENT DRAFT

A Region for All Interests

Sport and Recreation

The 2020/21 financial year has been a successful year for Sport and Recreation within the North Burnett Region, even with COVID restrictions in place. All sports across the region were back up and running, including Rugby League, Soccer, Netball, Cricket, Golf, Tennis, Swimming, Pony Club and Bowls, to name a few.

In partnership with LiveBetter and Stepping Black, Council supported a Volleyball event in Eidsvold to raise awareness of mental health. Special guest Teliqua Clancy, Olympic Volleyball Player, attended the event to network with attendees and give handy tips to the local teams who participated.

This year, our Sport and Recreation Officer has focused on increasing the capacity of our sport and recreation clubs to access grant funding opportunities. This was particularly important due to the increase in grant funding as part of the Queensland Government's COVID economic recovery plan. Over 20 North Burnett clubs were successful in receiving Sport Recovery Grant Funding from Sport and Recreation Queensland, totalling an incredible $107,000. This funding assisted clubs with the increased cost associated with delivering COVID-SAFE sport and recreation activities. A number of clubs were also successful with COVID Safe Active Club Kickstart and Community Benefit Grant funding for equipment and infrastructure improvements.

The Eidsvold and Mundubbera Gyms reopened after COVID shutdown with increased safety measures in place. Gym memberships remained steady even though fewer itinerant workers were in our region, thanks to community members continuing to support our gyms. Each gym received new equipment for members to enjoy: a box jump and medicine balls.

Eidsvold Volleyball Carnival was well supported by local teams and had an Olympian attend as a special guest.

Customer Experience and Communities

Our Customer Service Centres reopened to the public on 19 May 2020 following an eight-week mandatory closure due to the covid-19 pandemic. A considerable drop in customer enquiries and customers visiting our centres was noticed during the start of the financial year, slowly increasing to a new normal.

Contact Centre Calls: 14,833 | QGAP enquiries: 2929 | Services Australia enquiries: 862

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

This year, our Library Service continued to recover from the impact of COVID19, with reduced services on offer and reduction in library programming. A small range of programs were offered for children, youth and adults including:

- First 5 Forever Storytime (limited offerings)
- Summer Reading Club (online)
- School holiday workshops
- Technology support
- Book clubs
- Reader Advisory services

We are looking forward to re-starting our Library programming in 2022.

CONTENT DRAFT

Interactive Touch Screen Panels

Council's Library service was awarded a $30,000 Strategic Priorities Grant to purchase 6 interactive touch screen panels, proudly funded and supported by the Queensland Government and State Library of Queensland. The interactive panels were purchased to improve our Libraries capacity to function as a modern 21st century library and for community to access, explore and improve digital capabilities.

The interactive panels are a valuable addition to each of our libraries and are a tool to enrich educational outcomes of life-long learning, literacy, numeracy, communication, and problem-solving skills. The panels are currently being used to explore a variety of educational games, to draw using the touchscreen features, browse the internet, attend webinars, search the online library catalogue and much more.

The generous funding from the State Library of Queensland has allowed us to fund equipment that is new and innovative for our library services. We are so grateful for this support and can't wait to introduce more children, youth and adults to this technology.

Biggenden Library Enhancement Projects

Our Council Library Service was fortunate to be awarded two First 5 Forever Innovation Grants, proudly funded and supported by the Queensland Government and the State Library of Queensland (SLQ). The grants enabled our Library service to enhance and improve the aesthetics of the children's zone at the Biggenden Library and incorporate key First 5 Forever (F5F) messaging. The key messaging incorporated F5F 2020 market research findings and the top 5 most appealing key messages to families.

Our overall goal saw the creation of a children's zone that is family friendly, aesthetically pleasing and a space where children and families spend time talking, reading, singing and playing. The First 5 Forever decal exceeded our expectations in Biggenden and we are excited to transform the children's zones in our remaining libraries.

- 35,246 physical items borrowed across the region.
- 6941 *eResource* transactions e.g. eBook and Audiobooks, music and video streaming. This is an increase of 9% from the previous financial year.
- 3783 Library members. Increase of 5% from the previous financial year.

Your Council Experience

Council strives to provide a brilliant experience every time you contact us. We reviewed our existing Customer Service Charter, adopting the revised 'Your Council Experience' charter at the General Meeting in December 2020.

This document outlines the level of service we aim to provide when you interact with our team.

Implementation of the "Your Council Experience charter will occur in the 2021-2022 financial year.

CONTENT DRAFT

Arts and Culture

Council continued to support creative initiatives across our region through the Regional Arts Development Fund (RADF) program. Eight projects, covering a wide range of art genres, were funded to the value of $52,946 and involved over 1267 people as either participants or audience members.

The RADF Outdoor Artworks Project, funded by Arts Queensland, has gone full steam ahead with local artists or art groups from each North Burnett town creating artwork for display in a local park or outside public area. The installation of the artwork has been completed in Biggenden, Eidsvold and Monto, with the other towns to follow in 2022.

The Communities team collaborate with our region's art galleries and museums by providing guidance and support to a broad range of community stakeholders.

RADF projects funded in 2020-21 included:

- Photography workshops in Eidsvold
- Stand-up comedy workshops in Monto
- Interactive 3D Cartoon Room presentation of Gayndah's historical past
- Masonry workshops in Monto
- "Herstory" - a writing project documenting stories of region's womenfolk
- Film Makers' Workshop and Screening Event – coming to Gayndah
- Community presentation and video to commemorate Coalstoun Lakes' Church
- School holiday program to hold leatherwork and photography workshops for youth throughout the region

Biggenden artist, Karen Edwards and Cr Robbie Radel unveil "Bush Birds" as part of the RADF Outdoor Artworks Project

The RADF Program funded an opportunity for 18 youth in Monto to learn Stand Up Comedy from professional comedian, Anthony Lamond. Participants wrote their own scripts and performed to a crowd of over 80 people at the comedy night in Monto.

DRAFT

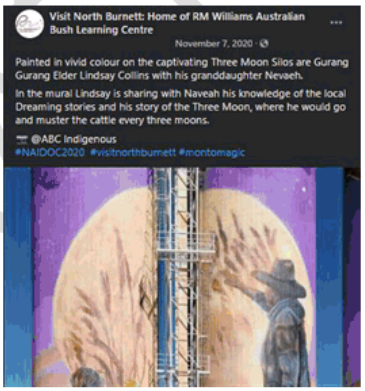
Our Vibrant and Naturally Beautiful Region

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

Tourism

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 and online mediums, and the additional opportunity to supply articles and images that feature on blogs, websites and social media accounts.

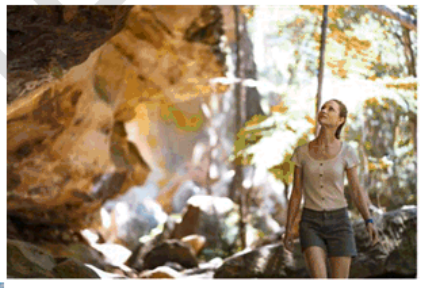
Social media has been an important part of regional promotion, with articles and imagery creating conversation and allowing the region to build its brand and trust with our audience. The Facebook page, 'Visit North Burnett: Home of the RM Williams Australian Bush Learning Centre', shared engaging content 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.



This post had more than 40,000 post impressions, a post reach of 34,500 and engagement of 2,455.

Facebook: Reach of 148,000 on our Facebook Account an increase of 106%

Instagram: Reach of 5,562 on our Instagram Account, an increase of 68.9%



High quality, user generated contented featured regularly on our social platforms.

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RM Williams Australian Bush Learning Centre

During the 2020/21 year the RMWABLC welcomed a record number of visitors, 8545 and hosted 777 self-contained overnight campers.

COVID's impact and marketing by industry bodies, encouraged Australian's to "holiday here this year" and undertake drive holidays. Given our location, the North Burnett is conveniently positioned along Australia's Country Way and can connect visitors from the coast to the outback.

The Son et Lumiere extended show was released in October 2020. The show now plays for 30 minutes and shares local stories from drovers, bush poets, and the legendary RM Williams. The show is projected onto the 'Language of the Land' sculpture, which took out the "Australian Street Art Awards" for Best Signature Landmark. This award brings recognition of this important tourist attraction in the region that honours local people, places and culture.

The vital road safety initiative, Drive Reviver, has continued this year at the Centre. The service aligns 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 gain information on the region. During their travel pause, many tourists took the opportunity to visit the centre, while children expend built-up energy on the adventure playground.

The Centre hosted multiple leathercraft workshops facilitated by talented local craftsman, Marshall Langston. These workshops have been well supported by local and visiting children and adults.

RMWABLC Visitor Origin Statistics			
Queensland	Interstate	International	Other
7,476	779	16	304

Environment

Gurgeena Vegetation Offset

In 2014 a vegetation offset site was established to meet the conditions of clearing permits required to conduct restoration work on the landslip site on Humphery Binjour Road. The permits required Council to establish an offset site for two threatened plant species.

The aim was to establish a sub-population of both species. Over 100 seedlings of both *Pomaderris clivicola* and *Bertya pedicellata* have been propagated and established at the Offset site.

An additional 60 *Pomaderris clivicola* seedlings were established at the offset site in 2020. Unfortunately, drought conditions during the project have made establishment of seedlings challenging. Seedlings were propagated from vegetative cuttings taken from adult plants. Propagation of both species throughout this site was undertaken by University of the Sunshine Coast.

Bertya pedicellata is successfully regenerating onsite with over 40 seedlings found.

The site, having now met its permit conditions, will be returning to the management of the Queensland Government Department of Environment and Science.

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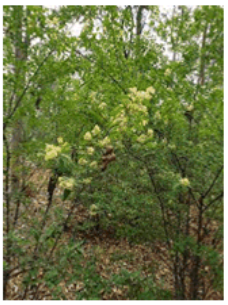

Bertya pedicellata *Pomaderris clivicola*

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

2020-21 was another year of technology transformation for the ICT team. The foundations set in previous years was built upon to continue to modernise systems and work practices with the goal to optimise processes and provide flexibility in access to systems.

During the year, we transitioned from to what was often described as 'a clunky' Citrix environment to the modern and cloud based Microsoft 365 products for all staff workstations. By updating staff workstations which this software allows greater collaboration, secure cloud based storage and it also allows our staff to work from anywhere where they have an internet connection.

Along with this change, an enhanced email security solution has been implemented to ensure the safety of our data and information.

The software as a service product called Smartsheet was implemented to enhance Council's project management framework. Smartsheet allows simple project monitoring, and increased reporting capabilities. Smartsheet provides the capability to demonstrate transparency when it comes to project reporting, for example; community members can now view a live Works Maintenance Program on our website.

The ICT team and staff from the Planning & Environment team obtained certification for use of Drones. This allows safer and quicker inspections of infrastructure such as communications towers.

Image: Drone image of the RM Williams Australian Bush Learning Centre taken by the ICT team whilst completing their drone certifications.

Animal Control

This year, the compliance team conducted an internal audit of the region's Animal Registration Database. This ensures that the data we keep is accurate, and therefore streamlines both Compliance and Customer Service staff's processes come Animal Registration time.

This year, Council is introducing life-time registration tags. A life-time tag will be provided to New Registrations and existing registrations will continue to use last year's tag and registration number. This process is practiced in other regions and aims to improve the customer experience when renewing animal registrations.

- 1,362 animals registered.
- Pound operations showed a 25% decrease of impoundments for this year compared to 2019/20
- a total of 68 animals impounded - 25 cats and 43 dogs.

CONTENT DRAFT

Water and Wastewater

Providing safe drinking water is paramount and every effort should be made to ensure that safe water is supplied to North Burnett residents. When it comes managing the risks and the methodology of providing safe drinking water, Council is directed by the Drinking Water Quality Management Plan (DWQMP), which sets the standard for drinking water services for the region.

Council is continually improving our efforts to keep our drinking water safe for residents. This year amendments were made to the DWQMP based on a reassessment of Council's risks in relation to potable water systems. Council also included a new set of priorities to assist in future planning and pending funding applications.

One of the main priorities of the update that Council focused on was how to better collect data to make Council aware of any developing issues before these become major problems.

The State Wide Information Management System (SWIMLocal) was introduced to Council's Water and Waste Water operations in 2020. This system improves the quality of data that we collect, which will enable us to be better prepared to access available funding for meaningful upgrades and improvements to our water and sewer schemes into the future.

Mundubbera Wastewater Treatment Plant Upgrade

Council's environmental compliance was markedly improved by the installation of a pivot irrigator to the Mundubbera Wastewater Treatment Plant as part of the recent upgrade. The irrigator will dispose of effluent by watering Rhodes' grass pastures which may be able to be harvested for reuse as mulch hay or drought feed.

Image: Mundubbera Water Treatment Plant effluent irrigator in action.

Upgrades to Potable Water Supply Network

More than $1 million in funding was invested in the replacement of unreliable water mains throughout the region to reduce risks in potential pipe bursts in the potable water supply network. Regional valves 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.

Image: Water mains being replaced.

Six towns in the region were provided with bulk water dispensers so people on rainwater tanks and caravaners can access safe drinking water. These will come online in early 2022.

Mt Perry Sewage Treatment Plant Replacement

Due to aging equipment and technology, the Mt Perry Sewage Treatment plant was replaced as part of Council's annual program to upgrade Sewerage Pump Stations throughout the region to ensure continued reliability of the sewerage network, as well as the health and safety of NBRC personnel. In addition to this replacement, Council also monitors and repairs regional sewer mains, manholes, pumps, and pump stations is part of the annual program.

Sewer Relining Program

To maximise cost savings, Council joined with Wide Bay Burnett Regional Organisation of Councils in the next stage of the award-winning, regionwide Sewer Relining Program. The need for this project was identified from previous sewer CCTV inspections, damaged sections have been repaired, manholes rehabilitated, and sewers cleaned. The Sewer Relining Program helps protect the environment and community health by preventing groundwater from entering and overloading the sewer system during rain events, and sewerage seeping into groundwater when times are dry.

Future Water and Wastewater Upgrades

Council's Water and Wastewater team commissioned designs for future years' works in both water and wastewater. This will enable Council to be best placed to seek funding to assist in infrastructure upgrades.

This led to the development of a major funding application for the Biggenden Water Treatment Plant Replacement and Upgrade which was submitted to the Federal Government's Building the Regions funding round. Council was notified that the application for funding was successful in October 2021!

CONTENT DRAFT

Natural Resource Management

Wide Bay Burnett Fighting Back Project

Alongside Bundaberg and South Burnett Regional Councils, Council received Commonwealth Funding under the Communities Combating Pest and Weed Impacts During Drought Program.

The program aims to reduce infestations of Prickly Acacia, African Boxthorn and Honey Locust across the region, as well as manage infestations of feral pigs and wild dogs.

Through this project, Council has completed the following activities:

- 1 1080 Baiting Program
- 2 Surveys and Control of Prickly Acacia and African Boxthorn
- 6 beginner pest animal trapping workshops
- 3 two day advanced pest animal trapping workshops
- Developed landholder led pest animal working groups. 3x Feral Pig and 1x Wild Dog.

African Boxthorn

Honey Locust

Trapping Workshops

Halting the March Down the Burnett Project

Council's Land Protection Officers targeted Rubbervine and Hymenachne in the Barambah Creek & Burnett River as part of the Halting the March Down the Burnett Project.

Round once of the survey and control has been completed for both target species with a draft management plan being developed with Bundaberg Regional Council and Sunwater.

This project will continue in the 2021/2022 financial year with the finalisation of the management plan and education days with school students.

Hymenachne being treated in the Burnett River.

CONTENT DRAFT

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 sent 19 Archive Boxes of Minutes and Agendas with dates ranging from 1951-1998 to be digitised. Searching the physical documents was the only way to source information before the digitisation process. Digitised copies means that anyone can search these records online – making it a more efficient and user-friendly process.

Records Statistics 2021-21

- 4,279 documents were received, over the counter or in the mail.
- 15,624 emails received via admin@northburnett.qld.gov.au
- 2,246 Customer Service Requests were received from ratepayers throughout 2019-2020. A customer service request is the initial piece of information that a customer provides Council when reporting a problem or making an enquiry.

Waste Management

Waste Reduction and Recycling

Amendments to the Waste Reduction and Recycling Act in 2019 not only introduced the waste levy but placed a requirement on Council to install weighbridges at small landfills by 2024. In response, Council brought forward actions in its Waste Strategy to install waste transfer stations in its townships and to transport waste to a regional landfill facility in Mundubbera. Mundubbera was identified as candidate site in the Strategy because it best complied to the required regulations in the region and its available space.

Mundubbera Waste Management Facility currently receives all kerbside collection services in the North Burnett.

Funds were contributed by the Queensland Government under the Local Government Grants and Subsidies Program to assist Council in this $1.2 million development. This initiative will reduce the risk and cost of maintaining several landfills across the area. Already, it has reduced the amount of waste levy payable to the State as all waste is accurately weighed and data recorded at the Mundubbera facility.

Image: Project Manager, Trevor Harvey, Cr Dael Giddins, and Mayor Rachel Chambers check in with CMC Contractors on the construction of the Gayndah Waste Transfer Station.

Image: Mayor Rachel Chambers with Environmental Health Stream Leader, Rachael Duncan demonstrating safe disposal of rubbish into a Waste Transfer Station.

Image: Biggenden's completed Waste Transfer Station.

Mundubbera Landfill

The Queensland Waste and Resource Recovery Strategy released in 2019 provided several actions for local government including the closure of redundant landfills and the environmental improvement of existing sites. Council in alignment with its Waste Strategy, made application to the Queensland Government for a lateral expansion of the existing Mundubbera Landfill Site. An Environmental Authority has been approved for the expansion that will incorporate lined landfill cells to collect and treat leachate (waste product). Landfill gas management will also be required if methane levels exceed 500 parts per million. It is important for Council to measure methane as it is a highly flammable gas and can form explosive mixtures with air if it concentrates in an enclosed space with poor ventilation.

A concept design will provide landfill as an option for Council over the next forty years. The design incorporates flexibility to enable early closure in favour of a bulk waste handling and transport facility if an energy from waste option becomes available to Council in the coming decades.

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Infographic: Did you know? Energy can be created from waste by being processed, headed and converted into electricity, gas or fuel.

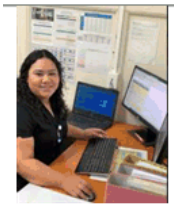
Employer of Choice

In 2020-21 Council focussed on getting the right people in the right jobs and working as effectively as possible.

Trainee and Apprenticeship Program

Council successfully secured funding from the state government's 'Skilling Queenslanders for Work' program to fund five new trainees. These roles were identified as providing the best ways of growing local capabilities in skills shortage professions.

Meet our Trainees!

	Name: Ciara Battle Position/Department: Trainee Water and Wastewater Operator What you do in your role/What you are learning: I test water daily, record data, help repair water leaks. I am learning how water is treated for drinking purposes and how to maintain water and wastewater distribution. What you enjoy about your role and working with Council: I like the variety of the job and opportunities working on the council gives me. How does your role help in serving the community: My role serves the community by providing quality drinking water.
	Name: Failelei Fokilelei Position/Department: Administration Officer (People and Performance) What you do in your role/What you are learning: I have been very fortunate enough to gain experience in a few different areas in Council. I have been able to gain some experience and knowledge in the People and Performance team and as the Acting Executive Assistant to the General Manager Corporate and Community which has been one very exciting learning journey. What you enjoy about your role and working with Council: The things I enjoy about my role and working with Council is the endless learning venture. I learn something new every day and being able to improve on my skills has been a great benefit of the Traineeship. All the staff have been absolutely amazing in helping me in areas I require improvements in. How does your role help in serving the community: I have always had a passion for helping people and being able to serve the community. Being in the role that I am currently in I have been able to serve the community in different ways through the managers, Councillors as well as in person.
	Name: Brittany Parr Position/ Department: Community Development What you do in your role/ What you are learning: Communities activities, grants/funding, continually helping the community to reach their goals individually and groups. This has included scheduling appointments, attending meetings with community and undertaking a range of administrative tasks. What you enjoy about your role and working with Council: The best part about my role in council is helping people, I love that I can listen and try and help the community. Another great part Is the education around administration and how working with Tania and the team has benefited me with life skills. How does your role help in serving the community: I am part of a team that guides and supports community to achieve their goals and build their capacity. We listen to the ideas of the community and provide support and advice such as matching project ideas with available funding.
	Name: Sebastian Smith Position/Department: Water and Waste Water Treatment Operator Trainee. What you do in your role/ What you are learning: I test the town's water supply to make sure that it is safe for consumption and take care of the sewage, I repair any water related issues such as main breaks/service repairs. What you enjoy about your role and working with Council: I enjoy working with my colleagues and being able to provide a service for the town that is important. How does your role help in serving the community: My role in the council helps the community by providing safe water for all to use and to repair any water related problems that may occur within.

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Name: Ashleigh Accornero Position/Department: Land Protection Officer
What you do in your role/ What you are learning I spray invasive plant species along council roads, help conduct property inspections, deal with wandering livestock and help with coordinated 1080 baiting of feral pigs and dogs.
What you enjoy about your role and working with Council: I enjoy the variety of the work and the constant opportunities to learn.
How does your role help in serving the community: We reduce the spread of invasive plants onto peoples properties.

Workplace Health and Safety

In January all Council staff attended a mandatory safety day in Mundubbera. The day provided an opportunity for all Council employees to come together as a team and strengthen their safety focus, to ensure that all staff return home from work safe and well every day. Council staff were fortunate enough to have former professional rugby league footballer, and Safety Ambassador for Workplace Health and Safety Queensland, Shane Webke, present a Safety Matters presentation. Shane's compelling discussion with staff highlighted the importance of staying safe at work and creating a strong safety culture in the workplace. North Burnett Regional Council will continue to invest in ways to create the safest workplace and foster a culture of safety in everything we do.

Staff Safety Day with Safety Ambassador for Workplace Health and Safety QLD, Shane Webke.

NBRC Ed

The online learning and development platform called 'NBRC Ed' was rolled out to staff this year. This platform is used to deliver Inductions, WH&S training, and updated policy, procedure, and governance training. The platform content is maintained by Council and provides flexibility for tailored training across a diverse workforce, reduces training expenses and reliance on printed materials, and delivery is more time efficient.

Fleet

This financial year saw the Fleet Section consolidate several new operational procedures and workflows to achieve significant efficiencies and savings. Notable of these was fuel management resulting in savings of over $150,000.

Council achieved this result by introducing a disciplined accounting process which is carefully monitored and managed. Every litre of fuel dispensed is now accounted for and assigned to a plant item. This updated process now provides accountability but also consumption data to assist in the proper maintenance of our plant.

A comprehensive rationalisation of fleet assets was undertaken to identify unused, under-utilised, and fleet items that were excess to requirements. Council held an auction in March 2021 to sell these and other items being upgraded, which returned $1.27 million to Council's budget.

Council has Fleet Assets with a replacement value of $26 million. A much-needed allocation of $2,030,500 was made in this financial year for plant replacement.

Council manages the efficient replacement of its Fleet Assets to ensure the safety of our personnel and to make sure that we have modern and appropriate plant and equipment that can get tasks completed. Being such a large region, Council vehicles are required to travel lots of kilometres during their period of use. It may appear that Council has a high turnover of vehicles at times, however proper management of the replacement of fleet allows Council to procure replacements whilst the existing fleet maintains significant value.

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Image: Amanda and Hailie from Council's Assets team provided administration assistance at the Fleet Auction which Council held in March 2021; one of the Council fleet items.

Statutory Information

LEGISLATIVE REQUIREMENT	COMPLIANCE
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-	
(a) contain a list of all the business activities that the local government conducted during the financial year; and	Refer to section: Financial Statements, Note 2
(b) identify the business activities that are significant business activities; and	Refer to section: Financial Statements, Note 2
(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	
(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.	
Annual report must detail remuneration (s201)	
(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 2020-21 there were three (3) senior contract employee positions. The total remuneration packages payable in 2020-21 to senior management - $700,747.78
(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.	
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.	

Package Range	No. of senior contract employees
200,000 - 300,000	3

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(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:-	
(a) the general purpose financial statement for the financial year, audited by the auditor-general; and	Refer to section: Financial Statements
(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)	
The annual report for a financial year must contain the community financial report for the financial year.	Refer to section: Community Financial Report
Particular resolutions (s185)	
The annual report for the financial year must contain -	
(a) a copy of the resolutions made during the financial year under section 250(1); and	This Policy was last adopted on 1 March 2017. A revised Policy was tabled on 22 September 2021, Policy was to lay on the table as Council sought further clarity and the Policy is now scheduled to be lifted from the table in November 2021.
(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—	
(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

Councillor	Gross Remuneration	Super Contributions	Incidentals	Facilities
Cr Rachel Chambers	$108,222	$12,986		$13,027
Cr Robbie Radel	$62,435	$7,492		$12,918
Cr Melinda Jones	$54,110	$5,140		$12,438
Cr Les Hotz	$54,110	$5,140		$11,181
Cr Susan Payne	$54,110	$6,493	$70	$13,392
Cr Dael Giddins	$54,110	$6,493		$11,558
Cr Michael Dingle	$54,110	$6,493		$11,520
Total	**$441,207**	**$50,237**	**$70**	**$86,034**
Council provides vehicles for Council related travel to all Councillors.				

c) the number of local government meetings that each councillor attended during the financial year; and

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Meeting	Councillor						
	Mayor Rachel Chambers	Deputy Mayor Robert Radel	Cr Michael Dingle	Cr Dael Giddins	Cr Susan Payne	Cr Melinda Jones	Cr Les Hotz
General Meeting 22/07/20	✓	✓	✓	✓	✓	✓	✓
General Meeting 26/08/20	✓	✓	✓	✓	✓	✓	✓
General Meeting 23/09/20	X	✓	✓	✓	✓	✓	✓
General Meeting 28/10/20	✓	✓	✓	✓	✓	✓	✓
General Meeting 25/11/20	✓	✓	✓	✓	✓	✓	✓
General Meeting 16/12/20	✓	✓	✓	✓	✓	✓	✓
General Meeting 27/01/21	✓	✓	✓	✓	✓	✓	✓
General Meeting 24/02/21	✓	✓	✓	✓	✓	✓	✓
General Meeting 24/03/21	✓	(Absent for opening of meeting and then joined at 10.39am)	✓	✓	✓	✓	✓
General Meeting 28/04/21	✓	✓	✓	✓	✓	✓	✓
General Meeting 26/05/21	✓	✓	✓	✓	✓	✓	✓
General Meeting Budget Meeting 23/06/21	x	✓	✓	✓	✓	✓	✓
Total	**10/12**	**12/12**	**12/12**	**12/12**	**12/12**	**12/12**	**12/12**

(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;		6
(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;		2
(iv)	notices given under section 150(s)(a) of the Act;	Nil
(v)	decisions made under section 150W(1)(a), (b) and (d) of the Act;	Nil
(vi)	Decisions made under section 150W(1)(a),(b) and (e) of the Act.	2
(vii)	referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act;	1
(viii)	occasions information was given under section 150AF(4)(a) of the Act	Nil
(ix)	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;	2
(x)	applications heard by the conduct tribunal about the alleged misconduct of a councillor.	Nil
(xi)	under chapter 5A, part 3, division 6 of the Act about whether a Councillor engaged in misconduct or inappropriate conduct.	Nil

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Administrative action complaints (s187)	
(1) The annual report for a financial year must contain-	
(a) a statement about the local government's commitment to dealing fairly with administrative action complaints; and	Council is committed to delivering high quality customer service, whilst acting fairly, ethically, responsibly, and lawfully. Council welcomes complaints as a form of feedback and will respond to complaints appropriately and use them as a means to improve our services, systems, procedures and policies.
(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 recognises every person's right to complain and is committed to resolving all complaints received. Having a consistent, fair and equitable approach to the way Council manages complaints will help to ensure a positive outcome for all parties. Efficient and effective complaints management increases customer satisfaction and community confidence in Council. Therefore, Council is committed to: • Creating a positive complaint management environment by encouraging feedback and viewing complaints as an opportunity for continuous improvement; • Providing a clear and simple process outlining how complaints will be managed, who will be involved in the process, their roles and responsibilities; • Ensuring employees are empowered to address the majority of complaints at the frontline or first point of contact with Council; • Providing options for internal review and escalation relative to the seriousness of the complaint and previous contact with Council; and • Maintaining a complaints management system that provides a practicable and systematic approach for receiving, recording, analysing and reporting complaints information.
(2) The annual report must also contain particulars of-	
(a) the number of the following during the financial year-	
(i) administrative action complaints made to the local government;	4
(ii) administrative action complaints resolved by the local government under the complaints management process;	4
(iii) administrative action complaints not resolved by the local government under the complaints management process; and	Nil
(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-	
(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

CONTENT DRAFT

(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-

(a) the local government's expenditure for the financial year on grants to community organisations; and

Program	#	Amount Funded
Cultural and Sports Performance Grants	2	$1,00
In-kind Assistance Grants	68	$17,900
Lifelong Grants	21	$23,291
Major Events	2	$10,000
Small Halls	1	$18,544
RADF	10	$52,946
Streetscape Funding	13	$3,588

(b) expenditure from each councillor's discretionary fund, including -

(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;

Nil

Other contents (s190)

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

(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 Moved: Deputy Mayor Cr Robert Radel Seconded: 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: Financial Statements
(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-	
(i) supplied by another local government under an agreement for conducting a joint government activity; and	Nil
(ii) for which the local government levied special rates or charges for the financial year;	

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

CONTENT DRAFT

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.	
(e) the number of invitations to change tenders under section 228(7) during the financial year;	NIL
(f) a list of the registers kept by the local government;	
Local Law Register - Doc ID 720210 Roads Register - Doc ID 787908 Register of Cost Recovery Fees Asset Register Councillor Conduct Register - Doc ID 999840 Register of Interests of Councillors, Councillor Advisors, Chief Executive Officers and Related Persons - Folder ID 121205 - Folder ID 196362 Administrative Action Complainants Register - Doc ID 792115 Register of Contact with Lobbyists - Doc ID 1056506 Gift Register - Doc ID 1044357 Delegations Register - Doc ID 1027444 – CEO to Employee - Doc ID 945905 – Council to CEO Policy and Procedures Register - Doc ID 1019541 Election Gift Register – Folder ID 121234 Significant Business Register (s56 LG Regs) – Doc ID 97796 - Doc ID 108123 - Doc ID 157401 - Doc ID 157402 - Doc ID 194407 Asset Register - Doc ID 318490 - Doc ID 588257 (Workspace) Beneficial Enterprises Register - NIL Cost-Recovery Fees Register (s98 LGA) - Folder ID 120776 Contract with Lobbyists Register - 875752 - 962655 - 105250 & 105252 (General Policy) - 441410 Road Map Register (s74 LGA) - 70260 - 70262	Local Heritage Register - Folder ID 117084 - Folder ID 155951 - Folder ID 117637 Statement of Interest – Related Parties Register - Folder ID 121205 Conflict of Interest Register - Folder ID 775449 Development Application Register/Development Application Register - NIL Designations Register - NIL Infrastructure Chargers Register - Folder ID 133148 - Folder ID 183247 Private Certifier Application Register - Folder ID 207170
(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;	Nil

CONTENT DRAFT

(j) the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52 (3)	
(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-	
(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;	
(c) particulars of the impact the changes had on the unit's; (i) financial position; and (ii) operating surplus and deficit; and (iii) prospects.	N/A
(d) particulars of any directions the local government gave the unit.	N/A

CONTENT DRAFT

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.

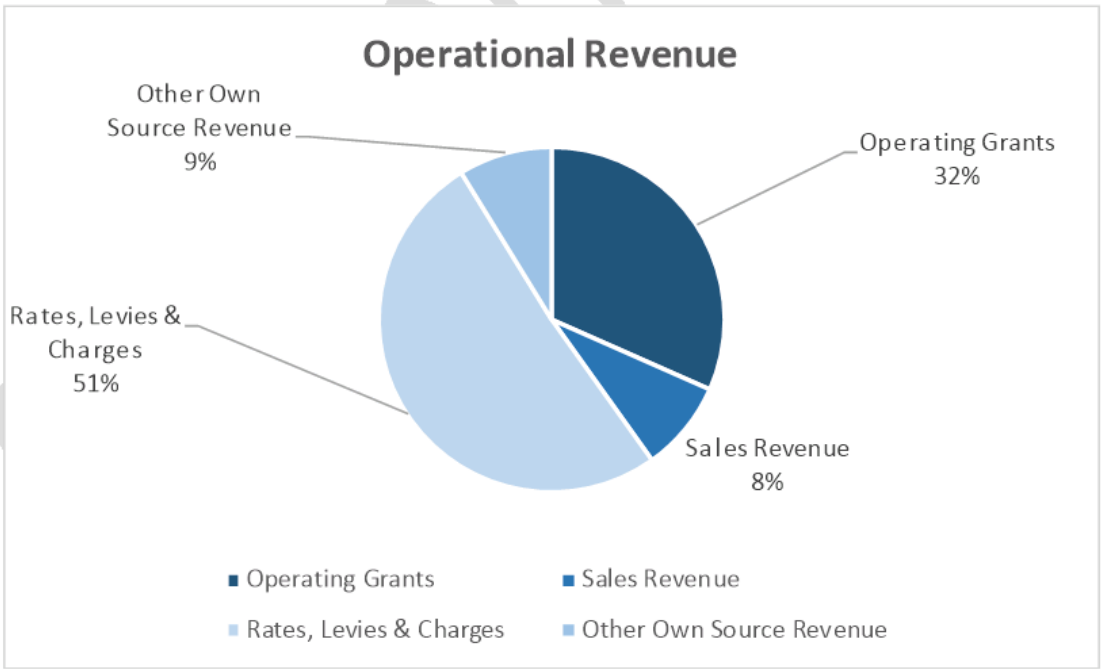
Statement of Comprehensive Income

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 2020-21 was $35.774 million. Grant income represents 32% of total income, with the remaining 68% of the operating income classed as own sourced income.

Total rates and charges levied (less discount) totalled $18.274 million. This equates to 51% of council's operating income.



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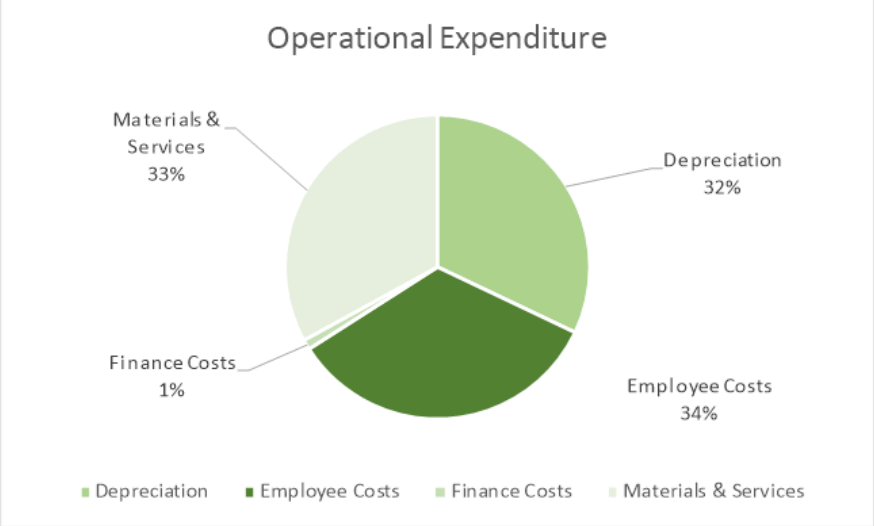
Operational Expenditure

Council spent $31.525 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 $15.126 million records the consumption of assets controlled by Council over their 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 2021.

Net Current Assets

Council's net current assets (that is current assets less current liabilities) are $24.239 million for 2020-21. 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 $33.362 million and non-current assets of $1.079 billion. The non-current assets are infrastructure assets such as roads, bridges, water and wastewater facilities.

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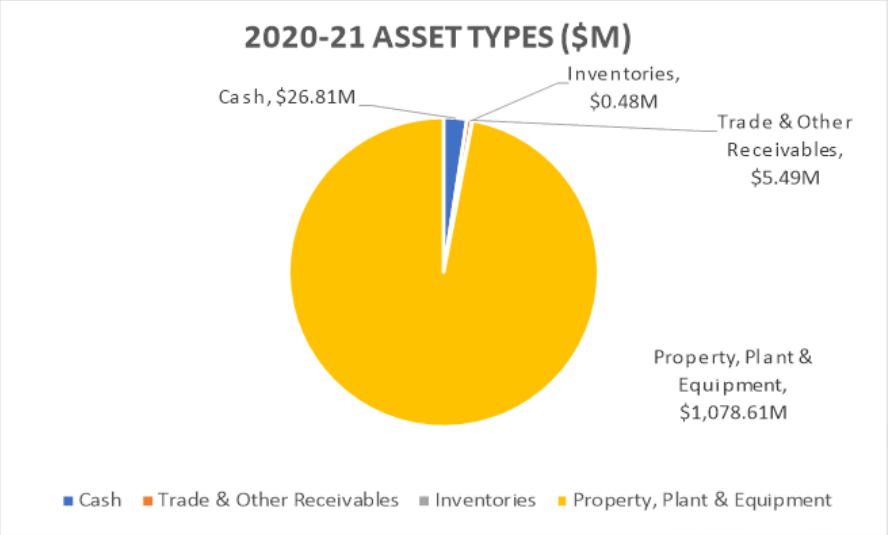
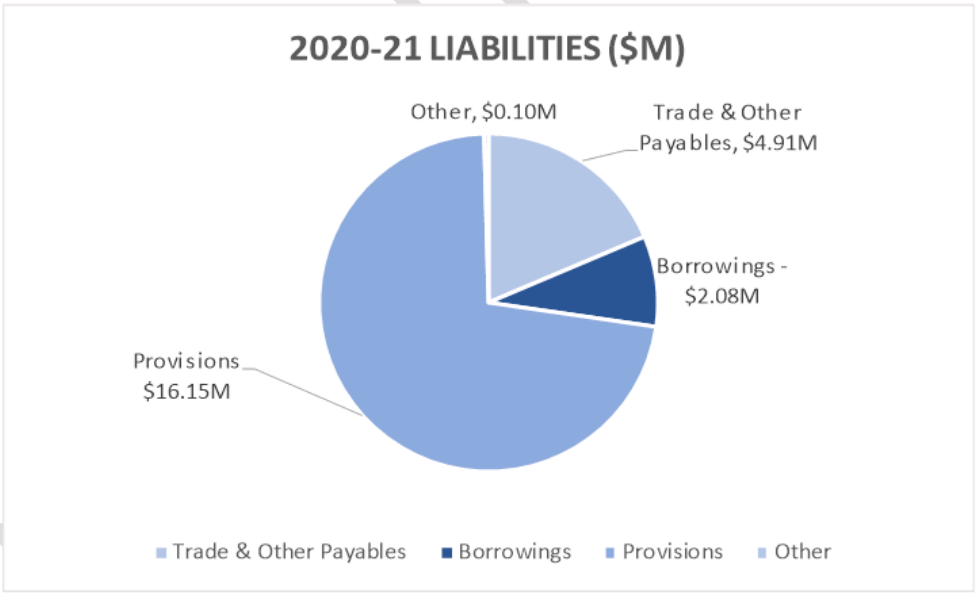


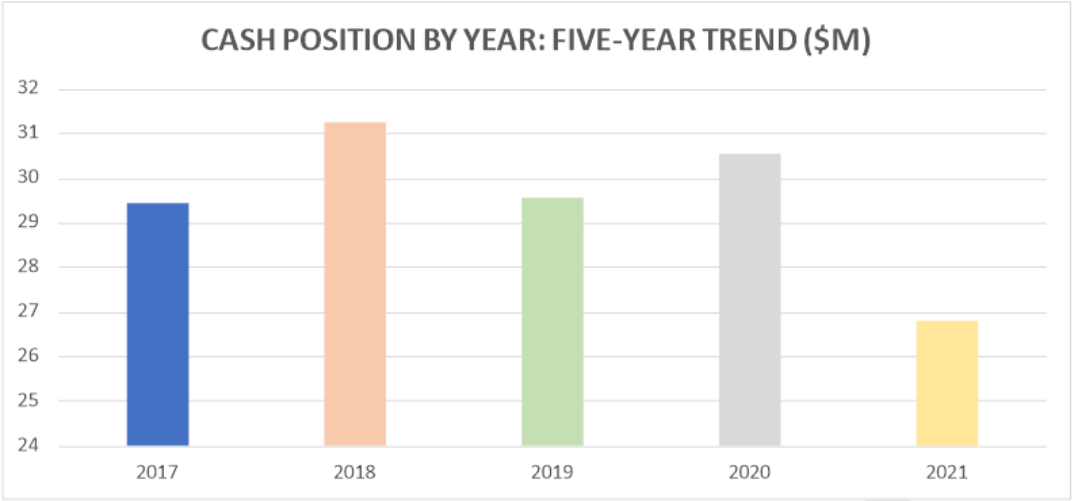
Total Liabilities

Council's total liabilities are made up of current liabilities of $9.123 million and non-current liabilities of $14.877 million.

Borrowings are made up of $255k in current obligations and $1.825 million in non-current obligations. Similarly, provisions are made up of $4.295 million current and $13.053 million non-current. The non-current provisions are primarily allocated to the future restoration of Council's waste management facilities and gravel quarries.



Council, despite a decrease in cash reserves, still has a strong cash position at the end of 2020-21. The reduced amount of cash at bank at 30 June 2021 can be attributed to the timing of Federal Assistance Grants being paid to Council, which varies year on year.



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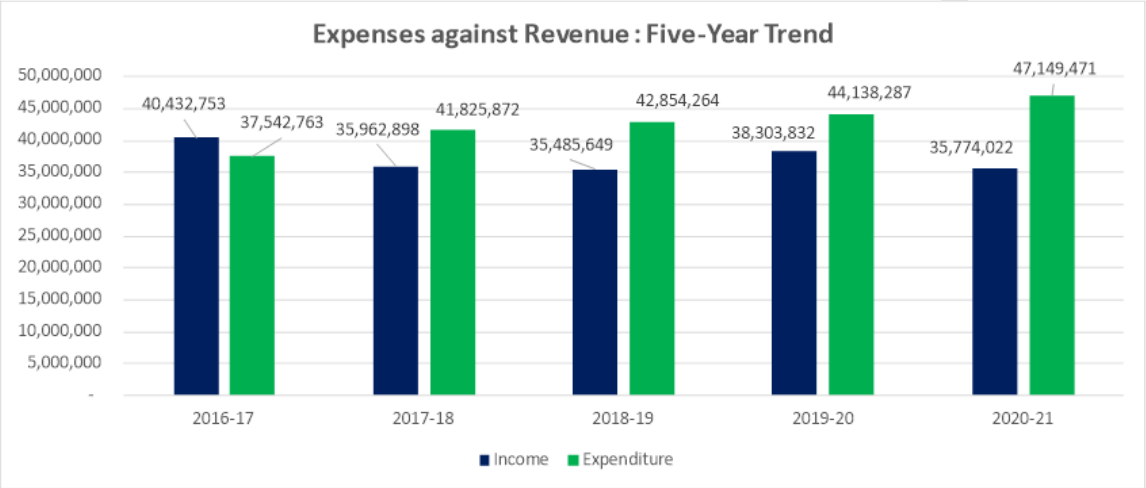
Comparative Trend Analysis: Revenue and Expenses

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 preforming 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.



2020-21 Financial Ratio Summary

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. 2020-2021's ratio is heavily impacted by the timing of Federal Assistance Grants being paid to Council, which varies year on year.

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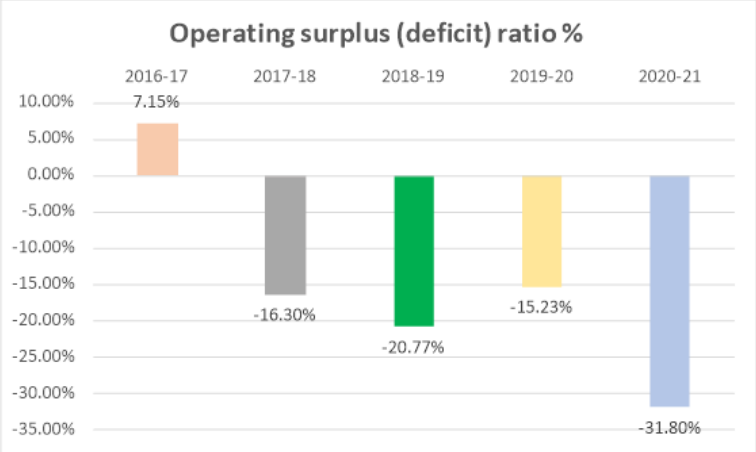

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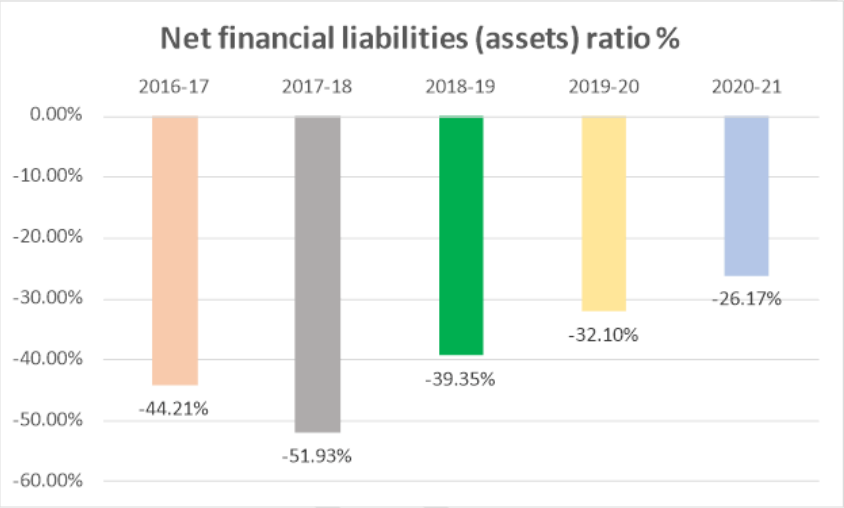
Net Financial Liabilities Ratio

Target is not greater than 60%

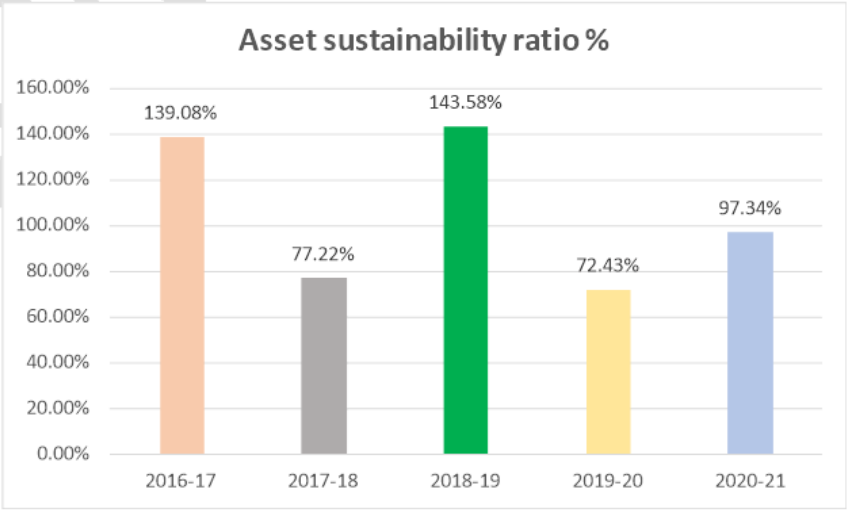
The net financial liabilities ratio measures the extent to which net financial liabilities can be serviced by operating revenues and is a short-term liquidity measure. The ratio determines how well placed we are to pay our liabilities out of current operating revenue and is calculated as the value of 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. In 2020-2021 Council invested millions of Council and external funding directly back into community assets like roads and bridges.



Financial Statements

CONTENT DRAFT

North Burnett Regional Council
Financial statements
For the year ended 30 June 2021

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North Burnett Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	2021 $	2020 $
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	18,273,572	17,855,222
Fees and charges	3(b)	1,382,218	1,149,138
Sales revenue	3(c)	3,046,195	4,017,833
Grants, subsidies, contributions and donations	3(d)	11,315,869	13,351,811
Total recurrent revenue		**34,017,854**	**36,374,004**
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	8,995,534	6,514,065
		8,995,534	**6,514,065**
Interest received	4(a)	352,037	549,040
Other income	4(b)	1,404,131	1,380,788
Total income		**44,769,556**	**44,817,897**
Expenses			
Recurrent expenses			
Employee benefits	5	(15,970,297)	(15,161,264)
Materials and services	6	(15,555,091)	(14,276,531)
Finance costs	7	(497,972)	(311,254)
Depreciation expense	13	(15,126,111)	(14,389,238)
		(47,149,471)	**(44,138,287)**
Capital expenses			
Loss on disposal of non-current assets	8	(3,688,991)	(4,525,673)
Provision for landfill and quarry restoration	8	(2,639,091)	(3,048,507)
		(6,328,082)	**(7,574,180)**
Total expenses		**(53,477,553)**	**(51,712,467)**
Net result		**(8,707,997)**	**(6,894,570)**
Other comprehensive income			
Items that will not be reclassified to net results			
Increase / (decrease) in asset revaluation surplus	19	21,103,593	16,075,975
Total other comprehensive income for the year		**21,103,593**	**16,075,975**
Total comprehensive income for the year		**12,395,596**	**9,181,405**

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

North Burnett Regional Council
Statement of Financial Position
As at 30 June 2021

	Note	2021 $	2020 $
Current assets			
Cash and cash equivalents	9 (a)	22,806,292	26,556,646
Other financial assets	9 (b)	4,000,000	4,000,000
Receivables	10	3,080,162	2,642,540
Inventories	11	481,826	490,665
Contract assets	14	1,525,851	1,912,159
Other assets	12	1,467,785	1,422,703
Total current assets		**33,361,916**	**37,024,713**
Non-current assets			
Property, plant and equipment	13	1,078,731,394	1,063,268,391
Total non-current assets		**1,078,731,394**	**1,063,268,391**
Total assets		**1,112,093,310**	**1,100,293,104**
Current liabilities			
Payables	15	2,979,676	4,903,510
Contract liabilities	14	1,491,529	2,534,383
Borrowings	16	254,587	246,143
Provisions	17	4,294,759	3,121,139
Other liabilities	18	102,137	773,717
Total current liabilities		**9,122,688**	**11,578,892**
Non-current liabilities			
Borrowings	16	1,824,690	2,079,616
Provisions	17	13,052,676	10,936,938
Total non-current liabilities		**14,877,366**	**13,016,554**
Total liabilities		**24,000,054**	**24,595,446**
Net community assets		**1,088,093,256**	**1,075,697,660**
Community equity			
Capital		784,156,442	784,156,442
Asset revaluation surplus	19	345,133,858	324,030,265
Retained deficiency		(41,197,044)	(32,489,047)
Total community equity		**1,088,093,256**	**1,075,697,660**

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

North Burnett Regional Council
Statement of Changes in Equity
For the year ended 30 June 2021

	Note	Capital	Asset Revaluation Surplus	Retained Surplus/(Deficiency)	Total
		$	$	$	$
Balance at 1 July 2020		784,156,442	324,030,265	(32,489,047)	1,075,697,660
Net result		-	-	(8,707,997)	(8,707,997)
Other comprehensive income for the year					
Increase/(decrease) in asset revaluation surplus	19	-	21,103,593	-	21,103,593
Total comprehensive income for the year		-	**21,103,593**	**(8,707,997)**	**12,395,596**
Balances as at 30 June 2021		**784,156,442**	**345,133,858**	**(41,197,044)**	**1,088,093,256**
Balance at 1 July 2019		785,216,557	307,954,291	(28,120,315)	1,065,050,533
Adjustment on intial 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 Result				(6,894,570)	(6,894,570)
Other comprehensive Income for the year					
Increase/(decrease) in asset revaluation surplus	19	-	16,075,975	-	16,075,975
Total comprehensive income for the year		-	**16,075,975**	**(6,894,570)**	**9,181,405**
Transfers to and from reserves					
Transfer to/from capital		(1,060,115)	-	1,060,115	-
Total transfers to and from reserves		**(1,060,115)**	-	**1,060,115**	-
Balances as at 30 June 2020		**784,156,442**	**324,030,265**	**(32,489,047)**	**1,075,697,660**

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

North Burnett Regional Council
Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		23,195,613	23,901,988
Payments to suppliers and employees		(33,831,000)	(29,836,093)
		(10,635,387)	**(5,934,105)**
Interest received	4(a)	352,037	549,040
Rental income		298,078	340,374
Non capital grants and contributions		11,357,622	14,112,873
Borrowing costs		(126,664)	(244,593)
Net cash inflow (outflow) from operating activities	23	**1,245,686**	**8,823,589**
Cash flows from investing activities			
Payments for property, plant and equipment		(14,371,445)	(15,626,484)
Proceeds from sale of property and equipment	8	1,324,650	607,048
Grants, subsidies, contribution and donations		8,297,236	7,840,950
Net cash inflow (outflow) from investing activities		**(4,749,559)**	**(7,178,486)**
Cash flows from financing activities			
Repayment of borrowings	16	(246,481)	(662,349)
Net cash inflow (outflow) from financing activities		**(246,481)**	**(662,349)**
Net increase (decrease) in cash and cash equivalents held		**(3,750,354)**	**982,754**
Cash and cash equivalents at beginning of the financial year		26,556,646	25,573,892
Cash and cash equivalents at end of the financial year	9(a)	**22,806,292**	**26,556,646**

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

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

1 Information about these financial statements

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 2020 to 30 June 2021. 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.

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 2020, none of the standards had a material impact on reported position, performance and cash flows.

c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a material impact for Council then further information has been provided in this note.

	Effective for reporting periods beginning on or after:
AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards*	1 January 2023
AASB 2020-23 *Amendments to Australian Accounting Standards - Annual Improvements 2018 - 2020 and Other Amendments*	1 January 2022

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))
Provisions (Note 17)
Contingent liabilities (Note 21)
Financial instruments and financial liabilities (Note 26)
Revenue recognition (Note 3)

e) Rounding and comparatives

The financial statements are in Australian dollars and have been rounded to the nearest $1, unless otherwise stated.

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

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 operations did not experience any significant financial impacts from the COVID-19 pandemic for the 2020 - 21 financial year and services were not changed as a result of COVID.

Rate payers experiencing difficulties in paying rates when they fell due were assisted with Council's Rates Recovery Policy; this is expected to have minor impact on rating revenue.

Council received grants specifically to assist with COVID to stimulate the economy projects included community halls improvements $130,000, public amenities at Mt Walsh $100,000, cemetery registry boards and fencing $95,000, other expenses relating to COVID include $22,800 for disaster management fees and the Australia Day COVID safe program of $12,185.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

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.

Business services and finance

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

Construction and maintenance

Construction and maintenance is responsible for constructing new and maintaining existing infrastructure across a diverse range of assets that underpin the wellbeing of the NBRC community. These assets include roads, drains, stormwater, boat ramps, cemeteries, parks and open spaces and coastal areas.

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, cemeteries, environmental, art galleries and museums, community centres and halls.

This function includes:
- Libraries
- Environmental licences and approvals.

Planning and development

This function facilitates the Region'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.

Recreation

These assets include sporting grounds and venues, parks and gardens and other sporting recreational services; including caravan parks.

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 footpaths and the maintenance and provision of the drainage network.

Waste management

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.

North Burnett Regional Council
Notes to the Financial Statements
For year ended 30 June 2021

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 2021

Functions	Gross program income					Gross program expenses			Net result from recurring operations	Net result	Assets
	Recurrent		Capital		Total income	Recurring	Capital	Total expenses			
	Grants	Other	Grants	Other							
	$	$	$	$	$	$	$	$	$	$	$
Corporate governance	8,028,835	10,199,869	-	-	**18,228,704**	7,458,615	-	**7,458,615**	10,770,089	10,770,089	25,038,980
Business services & finance	-	809	-	-	**809**	2,722,760	-	**2,722,760**	(2,721,951)	(2,721,951)	2,828,030
Community services	60,325	959,541	2,410,017	-	**3,429,883**	4,883,814	-	**4,883,814**	(3,863,948)	(1,453,931)	27,009,782
Construction and maintenance	-	111,490	1,319,580	-	**1,431,070**	2,176,765	3,688,991	**5,865,756**	(2,065,275)	(4,434,686)	17,752,302
Planning & development	-	267,871	-	-	**267,871**	812,511	-	**812,511**	(544,640)	(544,640)	
Transport infrastructure	3,226,709	3,421,288	4,919,245	75,769	**11,643,011**	19,154,076	18,408	**19,172,484**	(12,506,079)	(7,529,473)	972,062,979
Waste management	-	3,308,473	452,134	-	**3,760,607**	4,077,954	2,620,683	**6,698,637**	(769,481)	(2,938,030)	1,894,940
Water infrastructure	-	4,031,950	(214,901)	-	**3,817,049**	4,251,495	-	**4,251,495**	(219,545)	(434,446)	38,039,407
Sewerage infrastructure	-	2,156,862	33,690	-	**2,190,552**	1,611,481	-	**1,611,481**	545,381	579,071	27,466,890
Total Council	**11,315,869**	**24,458,153**	**8,919,765**	**75,769**	**44,769,556**	**47,149,471**	**6,328,082**	**53,477,553**	**(11,375,449)**	**(8,707,997)**	**1,112,093,310**

Year ended 30 June 2020

Functions	Gross program income					Gross program expenses			Net result from recurring operations	Net result	Assets
	Recurrent		Capital		Total income	Recurring	Capital	Total expenses			
	Grants	Other	Grants	Other							
	$	$	$	$	$	$	$	$	$	$	$
Corporate governance	10,164,676	10,195,419	23,348	-	**20,437,630**	6,555,892	-	**13,965,020**	13,804,203	6,472,610	24,773,296
Business services & finance	-	-	-	-		2,843,662	-		(2,843,662)	-	2,798,022
Community services	73,867	901,822	1,479,102	-	**2,546,917**	4,790,843	-	**5,287,956**	(3,815,154)	(2,741,039)	26,723,186
Construction and maintenance	-	146,313	534,270	-		2,110,315	4,525,673		(1,964,002)	-	17,563,935
Planning & development	7,024	223,652	-	-	**230,676**	850,728	-	**850,728**	(620,052)	(620,052)	-
Transport infrastructure	3,097,451	4,335,874	4,159,494	32,966	**12,160,055**	18,338,805	-	**19,912,214**	(10,905,480)	(7,752,159)	961,748,608
Waste management	8,793	3,005,726	119,367	-	**3,180,037**	3,735,597	3,048,507	**6,784,104**	(721,078)	(3,604,067)	1,874,834
Water infrastructure	-	4,022,567	165,518	-	**4,141,934**	3,494,052	-	**3,494,052**	528,515	647,882	37,635,779
Sewerage infrastructure	-	2,120,648	-	-	**2,120,648**	1,418,392	-	**1,418,392**	702,256	702,255	27,175,444
Total Council	**13,351,811**	**24,952,021**	**6,481,099**	**32,966**	**44,817,896**	**44,138,286**	**7,574,180**	**51,712,466**	**(5,834,454)**	**(6,894,570)**	**1,100,293,104**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

3 Revenue

(a) Rates, levies and charges

Rates and annual charges are recognised at 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.

	Note	2021 $	2020 $
General rates		10,364,423	10,151,095
Water supply services		2,202,608	2,150,727
Water consumption		1,879,989	1,963,070
Sewerage services		2,332,871	2,288,256
Waste management services		2,594,459	2,365,336
Local disaster management levy		41,063	40,982
Natural resource management levy		384,741	377,075
Special levy Mt. Perry		49,416	40,644
Total rates and utility charge revenue		**19,849,570**	**19,377,185**
Less: Discounts		(1,575,998)	(1,521,963)
Net rates, levies and charges		**18,273,572**	**17,855,222**

(b) Fees and charges

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

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

	2021 $	2020 $
Community service fees	165,423	193,127
Building & development fees	226,608	187,247
Licences & registrations	63,841	59,848
Caravan parks	519,996	423,404
Water & sewer fees	98,141	50,605
Trade waste & recycling	126,789	85,422
Other fees and charges	181,420	149,485
	1,382,218	**1,149,138**

(c) Sales revenue

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

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

Rendering of services	Note	2021 $	2020 $
Contract and Recoverable Works			
- Transport & Main Roads		3,010,131	3,913,361
- Private works		36,064	104,472
Total sales revenue		**3,046,195**	**4,017,833**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

Note 3 Revenue (continued)

(d) Grants, subsidies, contributions and donations

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.
Performance obligations vary in each 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, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

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

Capital grants

Where Council receives funding under an enforceable contract to acquire or construct a specific item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progress in accordance with costs incurred.

Donations and contributions

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

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

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

	2021	2020
(i) Operating	$	$
General purpose grants	10,539,134	12,703,085
State government subsidies and grants	209,557	250,660
Commonwealth government subsidies and grants	524,608	373,654
Contributions	42,570	24,412
	11,315,869	**13,351,811**

(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.

	2021	2020
	$	$
State government subsidies and grants	1,710,593	3,703,942
Commonwealth government subsidies and grants	7,209,172	2,777,157
Flood damage claims	75,769	32,966
Total capital grants, subsidies, contributions and claims	**8,995,534**	**6,514,065**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

Note 3 Revenue (continued)

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

	Note	2021 Revenue recognised at a point in time $	2021 Revenue recognised over time $	2020 Revenue recognised at a point in time $	2020 Revenue recognised over time $
Grants and subsidies	3(d)	10,839,051	9,429,782	13,046,377	6,795,087
Contributions	3(d)	42,570	-	24,412	-
		10,881,621	9,429,782	13,070,789	6,795,087

4 Interest and other income	2021 $	2020 $
(a) Interest received		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest received from term deposits	182,656	371,165
Interest from overdue rates and utility charges	169,381	177,875
	352,037	**549,040**
(b) Other Income		
RMW Sales, levies, other sundry income	1,404,131	1,380,788
	1,404,131	**1,380,788**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

		Note	2021 $	2020 $
5	**Employee benefits**			
	Employee benefit expenses are recorded when the service has been provided by the employee.			
	Staff wages and salaries		11,581,423	12,163,068
	Councillors' remuneration		441,278	435,394
	Annual, sick and long service leave entitlements		2,559,078	1,782,421
	Termination benefits		29,025	-
	Superannuation	22	1,552,386	1,549,941
			16,163,190	**15,930,824**
	Other employee related expenses		610,695	589,957
			16,773,885	**16,520,781**
	Less: Capitalised employee expenses		(803,587)	(1,359,517)
			15,970,297	**15,161,264**

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

Total NBRC employees at the reporting date:	2021 Number	2020 Number
Elected members	7	7
Administration staff	85	83
Depot and outdoors staff	94	97
Trainee staff	6	10
Total full-time equivalent employees	**192**	**197**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

		Note	2021 $	2020 $
6	**Materials and services**			
	Audit of annual financial statements by the Auditor-General of Queensland		140,950	127,381
	Community services		2,379,449	2,256,378
	Corporate governance		3,837,916	3,856,966
	Planning & development		178,946	223,628
	Sewerage infrastructure		516,417	443,019
	Transport infrastructure		4,126,100	3,348,404
	Waste management		2,405,562	2,206,981
	Water infrastructure		1,969,751	1,813,774
			15,555,091	**14,276,531**

Total audit fee quoted by the Queensland Audit Office relating to the 2020-21 financial statements $131,500 (2020: $140,760)

7	**Finance Costs**			
	Finance costs charged by the Queensland Treasury Corporation		84,055	109,282
	Bank charges		34,876	32,904
	Impairment of receivables		174,804	33,746
	Unwinding of discount on provisions		204,237	135,322
			497,972	**311,254**

8	**Capital expenses**			
	Loss on disposal of non-current assets			
	Proceeds from sale of property, plant and equipment		1,324,650	607,048
	Less: Carrying value of property, plant and equipment disposed of	13	(5,013,641)	(5,132,721)
			(3,688,991)	**(4,525,673)**
	Provision for restoration of land			
	Landfill Waste Restoration		1,837,069	3,048,507
	Gravel Quarry Rehabilitation		802,022	
			2,639,091	**3,048,507**

The discount rate adjustments to the quarry rehabilitation liability is recorded in expenses due to an insufficient asset revaluation surplus for that class.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

	Note	2021 $	2020 $
9 (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 Cash at bank and on hand.

Current		
Cash on hand	6,200	6,200
Cash at bank	2,266,723	1,312,664
Deposits at call	20,533,369	25,237,782
Balance per Statement of Financial Position	**22,806,292**	**26,556,646**
Less bank overdraft	-	-
Balance per Statement of Cash Flows	**22,806,292**	**26,556,646**

Council 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 investing in 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-", the likelihood of the counterparty not having capacity to meet its financial commitments is low.

Cash and cash equivalents		22,806,292	26,556,646
Less: Externally imposed restrictions on cash	(i)	(1,491,529)	(2,552,326)
Unrestricted cash		**21,314,763**	**24,004,320**

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

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

Unspent recurrent government grants and subsidies	68,100	785,343
Unspent capital government grants and subsidies	1,423,429	1,766,983
Total externally imposed expenditure restrictions on cash assets	**1,491,529**	**2,552,326**

Cash is held in the National Australia Bank in the business cheque account. Deposits at call are held with Queensland Treasury Corporation.

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012* , a separate trust bank account and separate accounting records are maintained for funds held on behalf of 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). The council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

	Note	2021 $	2020 $
Trust funds held for outside parties			
Monies collected or held on behalf of other entities yet to be paid out	18	102,137	773,717
		102,137	**773,717**

9 (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**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

10 Receivables

Receivables are amounts owed to Council at year end and are recognised at 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.

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.

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

The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

	2021 $	2020 $
Current		
Rates and charges	2,133,972	1,927,672
Grants	-	-
Other debtors	1,246,548	855,749
	3,380,520	**2,783,421**
Less: Loss allowance	(300,358)	(140,881)
	3,080,162	**2,642,540**

Council applies normal business credit protection procedures prior to providing goods or services to minimise credit risk.

There is a geographical concentration of risk in the Council's jurisdiction, and since the area is largely agricultural and timber, there is also a concentration in the agricultural and timber sector.

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

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, Grants and Other debtors.

Rates and charges: Council 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 Council would receive from the sale of the respective property.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

10 Receivables (continued)

Grants: payable by State and Commonwealth governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the state and Commonwealth governments have high credit ratings, accordingly NBRC determines the level of credit risk exposure to be immaterial and therefore does not record an Expected Credit Loss for these counterparties.

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

The exposure to credit risk for receivables was as follows:

	2021 $	2020 $
Movement in accumulated impairment losses is as follows:		
Opening balance at 1 July	(140,881)	(107,135)
Less: Debts written off during the year	15,327	-
Additional impairments recognised	(174,804)	(33,746)
Closing balance at 30 June	**(300,358)**	**(140,881)**

Impairment loss relates to rates and charges receivables

Expected credit loss assessment

The Council 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.

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

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

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

Interest is charged on outstanding rates. No interest is charged on other debtors.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

11 Inventories

Stores, raw materials and water held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads.

Inventories held for distribution are:
- goods to be supplied at nil or nominal charge and
- goods to be used for the provision of services at nil or nominal charge.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

	2021 $	2020 $
Inventories held for distribution		
Quarry and road materials	77,831	83,838
Plant and equipment stores	403,995	406,827
	481,826	490,665
Total inventories	481,826	490,665

12 Other assets

Water charges not yet levied	911,602	896,766
GST recoverable	2,344	785
Prepayments	553,839	525,152
	1,467,785	**1,422,703**

13 Property, plant and equipment (continued)

(a) Recognition

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

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the components of parks.

Land under roads and reserve land under the *Land Act 1994* or *Land Title Act 1994* is controlled by Queensland State Government and not recognised in the Council 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 consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

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

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised against asset revaluation surplus.

(c) Depreciation

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

Land, work in progress, certain cultural and heritage assets with heritage listing, road formations and formation work associated with the construction of dams, levee banks and reservoirs are not depreciated.

Land improvements have been recognised for quarry rehabilitation assets on Council owned land. These works relate to restoring this land to a usable condition.

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

The useful life of leasehold improvements is the shorter of the useful life of the asset or the remaining life of the lease.

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

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

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

(d) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, 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 Council's assets and liabilities are measured at fair value for financial reporting purposes.

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

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

13 Property, plant and equipment (continued)

(i) Valuation processes

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Every 3-5 years, council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes:
• A management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.
• A "desktop" valuation for land and improvements, buildings and major plant asset classes which involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

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

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

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Fair values are classified into three levels as follows:

- Level 1 - Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 - Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability

- Level 3 Fair value based on unobservable inputs for the asset and liability

There were no transfers between levels during the year.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

13 Property Plant & Equipment

30 June 2021	Land and Improvements	Landfill cells	Buildings	Plant & equipment	Road, drainage & bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	**Total**
Basis of measurement	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	$
Fair value category	Level 2	Level 2	Level 2 & 3		Level 3	Level 3	Level 3	Level 3		
Asset values	$	$	$	$	$	$	$	$	$	
Opening gross value as at 1 July 2020	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	1,369,976,488
Additions	125,000	-	212,457	1,143,960	6,777,797	1,036,699	901,074	1,273,730	3,028,447	14,499,164
Disposals	(268,000)		(212,458)	(3,992,200)	(5,308,151)	(301,839)	(148,026)	(19,347)	171,480	(10,078,541)
Revaluations adjustment to other comprehensive income (asset revaluation surplus)	-	-	2,968,510	-	19,125,716	1,879,452	1,485,833	(1,750,472)	-	23,709,039
Transfers between classes	-	(1,693,364)	4,567,451	-	11,387,764	-	-	(14,184,351)	(77,500)	-
Closing gross value as at 30 June 2021	**13,086,612**	**3,892,950**	**74,349,600**	**26,396,849**	**1,118,989,793**	**66,465,420**	**52,545,374**	**37,535,475**	**4,844,077**	**1,398,106,150**
Accumulated depreciation and impairment										
Opening Balance as at 1 July 2020	-	3,223,732	37,755,748	14,806,862	180,661,219	28,189,107	24,825,325	17,246,106	-	306,708,099
Depreciation expense	-	127,765	1,733,331	1,731,460	8,251,960	1,331,532	731,387	1,218,676	-	15,126,111
Depreciation on disposals	-		(111,846)	(2,764,770)	(1,945,214)	(162,019)	(65,573)	(15,478)		(5,064,900)
Revaluation adjustment to asset revaluation surplus	-		(2,673,102)		3,266,050	854,335	741,792	416,371	-	2,605,446
Transfers between classes	-	(779,014)	1,782,129		773,223			(1,776,338)	-	-
Accumulated depreciation as at 30 June 2021	-	**2,572,483**	**38,486,260**	**13,773,552**	**191,007,238**	**30,212,955**	**26,232,931**	**17,089,337**	-	**319,374,756**
Carrying amount as at June 30 2021	**13,086,612**	**1,320,467**	**35,863,340**	**12,623,297**	**927,982,555**	**36,252,465**	**26,312,443**	**20,446,138**	**4,844,077**	**1,078,731,394**
Range of estimated useful life in years	0 - Infinite	1 - 30	20 - 100	2 - 20	3 - 100	15 - 80	10 - 80	10 - 300	N/A	**0**
*** Additions:**										
Renewals	-	-	212,457	-	6,777,797	1,036,699	709,411	1,273,730	3,028,447	13,038,541
Other additions	125,000	-	-	1,143,960	-	-	191,663	-		1,460,623
Total additions	**125,000**	-	**212,457**	**1,143,960**	**6,777,797**	**1,036,699**	**901,074**	**1,273,730**	**3,028,447**	**14,499,164**

** 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 2021

13 Property Plant & Equipment (continued)

30 June 2020	Land	Landfill cells	Buildings	Plant & equipment	Road, drainage & bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	**Total**
Basis of measurement	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Fair value category	Level 2	Level 2	Level 2 & 3		Level 3	Level 3	Level 3	Level 3		$
Asset values	$	$	$	$	$	$	$	$	$	
Opening gross value as at 1 July 2019	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	-	317,844	431,951	1,214,165	12,373,687	1,190,255	1,216,603	2,774,201	(3,892,221)	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 other comprehensive income (asset revaluation surplus)	-	-	-	-	-	18,419,093	3,767,042	-	-	22,186,134
Transfers between classes	-	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2020	**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 and impairment										
Opening balance as at 1 July 2019	-	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 expense	-	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 asset revaluation surplus	-	-	-	-	-	9,327,890	(3,217,731)	-	-	6,110,159
Transfers between classes	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2020	-	**3,223,732**	**37,755,748**	**14,806,862**	**180,661,219**	**28,189,107**	**24,825,325**	**17,246,105**	-	**306,708,098**
Carrying amount as at June 30 2020	**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**
Range of estimated useful life in years	0 - Infinite	1 - 30	20 - 100	2 - 20	3 - 100	15 - 80	10 - 80	10 - 300	N/A	
Additions:										
Renewals	-	317,844	431,951	202,323	6,896,133	1,190,255	1,216,603	2,774,201	(3,892,222)	9,137,088
Other additions	-			1,011,842	5,477,554				-	6,489,396
Total additions	-	**317,844**	**431,951**	**1,214,165**	**12,373,687**	**1,190,255**	**1,216,603**	**2,774,201**	**(3,892,222)**	**15,626,484**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

13 Property, plant and equipment (continued)

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land and improvements (level 2)	Market value	30/06/2019	APV Valuers & Asset Management	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.	Nil	There has been no change to the valuation during the reporting period.
Landfill cells (level 3)	Cost approach	30/06/2012	Bellas and Reitan	Council's waste management facilities are located in Gayndah, Mundubbera, Biggenden, Eidsvold, and Monto. The waste management activities encompasses a landfilling operation as well as a wide range of waste disposal services, resource recovery services, recycled, and waste management educational activities. It has been recognised that there will be costs associated with the closure and post closure management of the landfill sites. Closure of the landfill will involve a wide range of activities including preparation of a landfill closure and management plan, final capping of the landfill waste and site re-vegetation, installation of a final landfill gas management system, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure. The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. The rehabilitation estimates have been included as a provision for the future with a planned closure date of 2026 for current site at Mundubbera and 2021 for other sites. Waste landfill cells fair values were determined by Council engineers effective 30 June 2019. Current replacement cost 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 Enterprise Bargaining Agreement (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.	Discounted rate, Discount rates obtained from indexed bond yield reported by the RBA (Table F16).	There has been no change to the valuation during the reporting period.
Buildings - non-specialised (level 2) **2021: $ 2,869,840** **2020: $ 2,781,798**	Market value	30/06/2021	AssetVal Pty Ltd	The fair value of buildings were also determined by an independent qualified valuer, AssetVal Pty Ltd effective 30 June 2021. 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.	Nil	Assets inspected 22-26 March 2021, and review of conditions, and estimated useful life completed.
Buildings - specialised (level 3) **2021: $ 32,993,500** **2020: $ 26,276,095**	Current replacement cost	30/06/2021	AssetVal Pty Ltd	The fair value of buildings were also determined by an independent qualified valuer, AssetVal Pty Ltd effective 30 June 2021, 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. Recent construction data (observable), Rawlinson's cost data & cost data indices for different regions in Queensland (observable), building size, material, type and structure to derive the unit rate (unobservable), Condition assessment (unobservable), Useful life and remaining useful life (unobservable), Restrictions associated with each site (unobservable), valuer's professional judgement (unobservable).	Rawlinson's Construction Handbook.	Assets inspected 22-26 March 2021, and review of conditions, and estimated useful life completed.

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(ii) Valuation techniques used to derive fair values (..../ continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Roads, drainage and bridge network (level 3)	Current replacement cost	30/06/2018	AssetVal Pty Ltd	**Roads:** 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. Current replacement cost 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 by AssetVal Pty Ltd. A full valuation of sealed roads and associated infrastructure is planned in 2022. In determining the level of physical obsolescence, roads were disaggregated into significant components which exhibited different useful lives. **Drainage infrastructure:** A full valuation of drainage infrastructure was undertaken by independent valuers AssetVal Pty Ltd 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. 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. **Bridges:** A full valuation of bridges assets was undertaken by independent valuers AssetVal Pty Ltd 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. In determining the level of physical obsolescence, remaining useful lives were calculated based on condition assessments.	The desktop indexation assessments are based on Australian Bureau of Statistics Catalogues 6427.0 Producer Price Indexes, Australia. Table 17, Index Number 3101, 'Roads and Bridge Construction Queensland'. The estimated index from June 2018 to June 2021 was 1.74%.	There has been no change to the valuation approach during the reporting period.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

(ii) Valuation techniques used to derive fair values (..../ continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Water (level 3)	Current replacement Cost	30/06/2020	Australis Asset Advisory Group	Assets within this class comprise bores, dams, pipelines & trunk mains, pumping stations, reservoirs, and water treatment plants. Valuations were completed by Australis Asset Advisory Group in June 2020 in accordance with "Fair Valuations" principles. These principles lead to valuations being made on the basis of a depreciated replacement cost. Current replacement cost 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 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. In determining physical obsolescence, assets were either subject to a site inspection or an assessment to determine remaining useful life. The useful life 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 useful lives 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 Council for appropriateness and alignment with asset management policies.	The desktop indexation assessments are based on Australian Bureau of Statistics Catalogues 6427.0 Producer Price Indexes, Australia. Table 17, Index Number 30, 'Buildings Construction Queensland'. The estimated index from June 2020 to June 2021 was 2.91%.	There has been no change to the valuation process during the reporting period.
Sewerage (level 3)	Current replacement cost	30/06/2020	Australis Asset Advisory Group	Assets within this class comprise sewer mains, sewage pumping stations, and sewage treatment plants. Valuations were completed by Australis Asset Advisory Group in June 2020 in accordance with "Fair Valuations" principles. These principles lead to valuations being made on the basis of a depreciated replacement cost. Current replacement cost 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. 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. In determining physical obsolescence, assets were either subject to a site inspection or an assessment to determine remaining useful life. The useful life 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 useful lives 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 Council for appropriateness and alignment with asset management policies.	The desktop indexation assessments are based on Australian Bureau of Statistics Catalogues 6427.0 Producer Price Indexes, Australia. Table 17, Index Number 30, 'Buildings Construction Queensland'. The estimated index from June 2020 to June 2021 was 2.91%.	There has been no change to the valuation process during the reporting period.
Other infrastructure assets (level 3)	Current replacement cost	30/06/2021	AssetVal	Assets within this class comprise tennis courts, cricket nets, synthetic surfaces, BBQ's, swimming pools, regional sporting facilities, park and gardens and playgrounds. The fair value of other infrastructure assets were also determined by an independent qualified valuer, AssetVal Pty Ltd effective 30 June 2021. While some elements of current replacement values could be supported from market evidence (Level 2 input), other inputs such as estimates of pattern of consumption, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.	Rawlinson's Construction Handbook.	Assets inspected 22-26 March 2021, and review of conditions, and estimated useful life completed.

13 Property, plant and equipment (continued)

(iii) Changes in fair value measurements using significant unobservable inputs (level 3)

2021: 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

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

		2021	2020
		$	$
a	Contract assets	1,525,851	1,912,159
b	Contract liabilities		
	Funds received upfront to construct Council controlled assets	799,251	767,399
	Non-capital performance obligations not yet satisfied	692,278	1,766,984
		1,491,529	2,534,383

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

	2021	2020
	$	$
Funds received in advance to construct NBRC controlled assets	985,242	919,750
	985,242	919,750

c Significant changes in contract balances

2021: Significant changes in contract balances relates to the completion of the Percy Hindmarch Bridge replacement with an outstanding liability as at 30 June 2020 of $1,454,047. Included in contract balances as at 30 June 2021 include funds received for bridge renewal of Aranbanga Creek Bridge of $535,300.

15 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.

	2021	2020
	$	$
Current		
Creditors	1,815,642	4,008,830
Prepaid Rates	868,509	731,954
Accrued wages and salaries	50,917	-
Accrued expenses	188,381	99,691
Other creditors	56,227	63,035
	2,979,676	**4,903,510**

16 Borrowings

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

All borrowings are in $A denominated amounts and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2022 to 16 June 2036. There have been no defaults or breaches of the loan agreement during the period.

Council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. 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.

	2021	2020
	$	$
Current		
Loans – Queensland Treasury Corporation	254,587	246,143
	254,587	**246,143**
Non-current		
Loans – Queensland Treasury Corporation	1,824,690	2,079,616
	1,824,690	**2,079,616**
Loans – Queensland Treasury Corporation		
Opening Balance at beginning of financial year	2,325,759	2,988,108
Loans Raised	-	-
Principal Repayments	(246,482)	(662,349)
Book value at end of financial year	**2,079,277**	**2,325,759**
Future contractual cash flows		
0 to 1 year	330,537	330,537
1 to 5 years	897,287	1,003,502
Over 5 years	1,344,063	1,568,384
Contractual cash flows	2,571,887	2,902,423
Carrying amount	**2,079,277**	**2,325,759**
Fair Value	**2,318,868**	**2,645,253**

The QTC loan market value at the reporting date was $2,318,868 (2020: $2,645,253). 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 2021 or 2020 financial years.

North Burnett Regional Council
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17 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 provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

Refuse dump restoration and quarry rehabilitation
A provision is made for the cost of restoring refuse dumps and quarries where it is probable the council will have an obligation to rehabilitate the site when the use of the facilities is complete.

The calculation of the provisions use assumptions including application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

The calculation of the provisions use assumptions including engineering survey estimates of affected areas, and unit rates to rehabilitate the land based on management cost estimates, which are subject to significant uncertainty. These uncertainities may also result in future actual expenditure differing from amounts currently provided. The areas will be reviewed and updated as surveys are completed. NBRC will review affected areas and obligations during 2021-22.

- Landfill (refuse dumps) - the last survey was completed in 2013;
- Quarry - no surveys have been completed.

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

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

Quarry rehabilitation provision represents the present value of the anticipated future costs associated with the closure of the quarries, refilling the basin, and reclamation and rehabilitation of these sites.

Rehabilitation costs for quarries which are situated on council controlled land are capitalised as land and improvement assets. The rehabilitation asset is then depreciated expected useful life of the quarry. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land and improvements. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases (if any). Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

Council has recognised the liability for rehabilitation of quarries in 2020-21. This provision for rehabilitation acknowledges the agreements in place with respective landowners, and government agencies. Council maintains a register of quarry sites, and estimates to date have been based on internal management engineering estimates as to the area and cost of rehabilitation. Management has engaged consultants in 2021-22 to support surveyed areas, and provide current scope of works to restore sites due for rehabilitation. These uncertainities in estimation may also result in future actual expenditure differing significantly from amounts currently provided. The areas will be reviewed and updated as surveys are completed. NBRC will review affected areas and obligations during 2021-22.

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17 Provisions (continued)

		Current		Non-current	
		2021	2020	2021	2020
	Note	$	$	$	$
Annual leave		1,311,247	1,333,845	-	-
Long service leave		1,966,652	1,757,202	207,833	65,922
Quarry rehabilitation		305,400	-	621,622	-
Landfill rehabilitation		711,460	30,092	12,223,221	10,871,016
		4,294,759	**3,121,139**	**13,052,676**	**10,936,938**

Movements in non-employee provisions:	2021	2020
Landfill rehabilitation	$	$
Balance at beginning of financial year	10,901,108	7,831,395
Increase due to unwinding of discount	204,237	135,322
Additional Provisions	2,745,348	8,296,149
Amounts used	(7,733)	-
Increase/(decrease) due to changes in discount rates	(908,279)	(5,361,758)
Balance at end of financial year	**12,934,681**	**10,901,108**

This is the present value of the estimated cost of restoring the refuse site to a useable state at the end of their useful life. The end of useful life for respective landfill sites is estimated to be as follows: Gayndah 2026, Biggenden 2025, Eidsvold 2031, Mt. Perry 2022, and Mundubbera Existing Site 2050.

	2021	2020
Quarry rehabilitation	$	$
Balance at beginning of financial year	-	-
Additional provisions	927,022	-
Balance at end of financial year	**927,022**	**-**

This is the present value of the estimated cost of restoring council's various gravel quarry site to a useable state at the end of its useful life which is expected to be 2024.

	2021	2020
	$	$
18 Other liabilities		
Monto history & cultural centre	745	561
Mundubbera art gallery	7,233	6,701
Narayen research station *	-	766,455
Bond monies payable	94,159	-
	102,137	**773,717**

* Council resigned from trustee for reserve for strategic land management and environmental purposes being lot 1 on plan WK 184 for Narayen research station. This was settled on 18th March 2021 for an amount of $756,943 (GST Exempt).

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19 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:

		2021	2020
		$	$
Land and improvements		1,812,811	1,812,811
Buildings		13,507,987	7,866,375
Road, drainage and bridge network		297,309,374	281,449,708
Water		10,170,065	9,144,948
Sewerage		17,340,586	16,596,545
Other infrastructure assets		4,993,035	7,159,878
		345,133,858	**324,030,265**
Increase/(decrease) in asset revaluation surplus			
Buildings	13	5,641,612	-
Road, drainage and bridge network	13	15,859,666	-
Other infrastructure	13	(2,166,843)	-
Water	13	1,025,117	9,091,203
Sewerage	13	744,041	6,984,772
		21,103,593	**16,075,975**

20 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	171,596	370,188
Caravan parks	917,770	950,273
Cleaning contracts	161,736	152,032
Waste facility contracts	1,191,655	1,075,807
	2,442,757	2,548,300

Capital commitments

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

Property Plant and Equipment

Plant & Equipment	1,083,162	-
Road, drainage and bridge network	308,615	449,927
Water	448,699	170,840
Sewerage	20,412	11,663
Other	128,866	82,853
	1,989,754	715,282
These expenditures are payable as follows:		
Within one year	3,823,153	2,893,267
One to five years	335,158	538,255
Later than five years	274,200	274,200
Total Commitments	**4,432,511**	**3,705,722**

21 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 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local government workcare

The Council 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 $361,269 (2020: $382,331).

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 (2020: $220,000).

22 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 pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the council level.

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

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measures of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. 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.

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

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

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

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

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

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22 Superannuation (continued)

	Note	2021 $	2020 $
Superannuation contributions made to the Regional Defined Benefits Fund		73,395	100,678
Other superannuation contributions for employees		1,478,991	1,449,263
Total superannuation contributions paid by NBRC for employees:	5	1,552,386	1,549,941

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

Net result		**(8,707,997)**	**(6,894,570)**
Non-cash items:			
Depreciation and amortisation	13	15,126,111	14,389,238
Impairment of receivables		174,804	33,757
		15,300,915	**14,422,995**
Investing and development activities (non-cash):			
Net loss on disposal of non-current assets	8	3,688,991	4,525,673
Provision for landfill & quarries restoration	8	2,639,091	3,048,507
Capital grants, subsidies, contributions and donations	3(d)	(8,995,534)	(6,514,065)
		(2,667,452)	**1,060,115**
Changes in operating assets and liabilities:			
(Increase)/ decrease in receivables		(612,425)	(160,620)
(Increase)/ decrease in other assets		(45,079)	-
(Increase)/decrease in inventory		8,839	6,134
Increase/(decrease) in payables		(1,930,555)	387,245
Increase/(decrease) in contract liabilities		41,753	761,062
Increase/(decrease) in other liabilities		(667,580)	(198,334)
Increase/(decrease) in provisions		525,267	(560,438)
		(2,679,780)	**235,049**
Net cash inflow from operating activities		**1,245,686**	**8,823,589**

24 Reconciliation of liabilities arising from financing activities

2021	As at 30 June 2020 $	Cash flows $	As at 30 June 2021 $
Borrowings	2,325,759	**(246,482)**	**2,079,277**
	2,325,759	**(246,482)**	**2,079,277**

2020	As at 30 June 2019 $	Cash flows $	As at 30 June 2020 $
Borrowings	2,988,108	(662,349)	**2,325,759**
	2,988,108	**(662,349)**	**2,325,759**

25 Events after the reporting period

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

26 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

NBRC has exposure to the following financial assets and liabilities:

- Cash
- Receivables
- Payables
- Borrowings

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 disabled its audit & risk committee on 25 November 2020 (resolution 2020/142).

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

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

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

Council 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 Council.

NBRC does not enter into derivatives.

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26 Financial Instruments (continued)

Credit risk

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

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

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.

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 the Council's reputation.

Exposure to liquidity risk

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

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

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

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

	0 to 1 year	1 to 5 years	Over 5 years	Contractual Cash Flows	Carrying Amount
	$	$	$	$	$
2021					
Trade and other payables	2,979,676	-	-	2,979,676	2,979,676
Loans – QTC	330,537	897,287	1,344,063	2,571,887	2,079,277
	3,310,213	897,287	1,344,063	5,551,563	5,058,953
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**

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

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

26 Financial Instruments (continued)

Market risk

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

Interest Rate Risk

NBRC is exposed to interest rate risk through investments and borrowings with QTC.

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity

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

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
	$	$	$	$	$
2021					
QTC cash fund	20,533,369	205,334	(205,334)	205,334	(205,334)
Other investments	4,000,000	40,000	(40,000)	40,000	(40,000)
Net total	24,533,369	245,334	(245,334)	245,334	(245,334)
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)
Net total	**29,237,782**	**292,378**	**(292,378)**	**292,378**	**(292,378)**

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

(b) **Fair value**

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		2021		2020	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
		$	$	$	$
Financial assets		20,533,369	20,533,369	25,237,782	25,237,782
QTC cash fund		4,000,000	4,000,000	4,000,000	4,000,000
Other investments		**24,533,369**	**24,533,369**	**29,237,782**	**29,237,782**
Financial liabilities					
Loans - QTC		2,079,277	2,318,868	2,325,759	2,645,253
Loans - Other		-	-	-	-
		2,079,277	**2,318,868**	**2,325,759**	**2,645,253**

Measurement of fair value

The valuation technique used in measuring financial liabilities is discounted cash flows. This valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

27 Transactions with related parties

(a) Subsidiaries

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 Aboriginal Shire Council, Fraser Coast Regional Council, Gympie Regional Council and South Burnett Regional Council.

	2021 $	2020 $
The following transactions occurred with WBBROC:		
NBRC membership contributions	5,280	28,634

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:

	2021 $	2020 $
Short-term employee benefits	1,262,221	1,479,109
Post-employment benefits	118,583	130,236
Long-term benefits	27,330	30,436
Termination benefits	-	59,431
Total	**1,408,134**	**1,699,211**

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	2021 $	2020 $
Fees and charges charged to entities controlled by key management personnel	27(c)(i)	1,168	1,256
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)	257,802	236,539
Purchase of materials and services from entities controlled by key management personnel	27(c)(iii)	496,724	177,789
Key management personnel services provided by a related entity	27(c)(iv)	-	673,905

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

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	2021 $
Infrastructure charge	Payment of Plumbing fees as per fees and charges	970
Other Fees & Charges	Private works - grading private access	198

(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.

(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
- Floral Tributes
- Hardware
- Refreshments
- Promotional Materials
- Uniforms

(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 has no outstanding commitments to/from other related parties.

(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 2021

Management Certificate
For the year ended 30 June 2021

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

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

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

(ii) the general purpose financial statements, as set out on pages 2 to 35, 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: 6th December 2021

Chief Executive Officer
Rachel Cooper
Date: 6th December 2021

Queensland Audit Office
Better public services

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 financial report of North Burnett Regional Council.

In my opinion, the financial report:

a) gives a true and fair view of the council's financial position as at 30 June 2021, 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 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in North Burnett Regional Council's annual report for the year ended 30 June 2021 was the current year financial sustainability statement, long-term financial sustainability statement, and the annual report itself.

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.

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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.

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- 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 2021:

a) I received all the information and explanations I required.

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

Prescribed requirements scope

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

M. Claydon

6 December 2021

Michael Claydon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

North Burnett Regional Council
Current Year Financial Sustainability Statement
For the year ended 30 June 2021

Measures of Financial Sustainability	Measure	Actuals at 30 June 2021	Target
Council's performance at 30 June 2021 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-31.80%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	97.34%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-26.17%	not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2021.

Certificate of Accuracy
For the year ended 30 June 2021

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

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

Mayor
Rachel Chambers
Date: 6th December 2021

Chief Executive Officer
Rachel Cooper
Date: 6th December 2021

Queensland Audit Office
Better public services

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 for the year ended 30 June 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of North Burnett Regional Council for the year ended 30 June 2021 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 2021 was the general purpose financial statements, long-term financial sustainability statement, and the annual report itself.

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.

Queensland Audit Office
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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.

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

M. Claydon

6 December 2021

Michael Claydon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

North Burnett Regional Council
Unaudited Long-Term Financial Sustainability Statement
For the year ended 30 June 2021.

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2021	Projected for the years ended 30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-31.80%	-14.30%	-4.10%	-1.30%	0.80%	1.00%	1.60%	2.30%	2.90%	3.50%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	97.34%	95.00%	92.00%	93.00%	91.00%	92.00%	90.00%	91.00%	91.00%	93.00%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-26.17%	-13.90%	-13.80%	-14.60%	-18.30%	-26.00%	-36.60%	-47.30%	-58.10%	-66.00%

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.

Certificate of Accuracy
For the long term sustainability statement prepared as at 30 June 2021

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

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

Mayor
Rachel Chambers
Date: 6th December 2021

Chief Executive Officer
Rachel Cooper
Date: 6th December 2021

6.2 BOARD SEAT ON BURNETT INLAND ECONOMIC DEVELOPMENT ORGANISATION INC

Doc Id: **1073888**

Author: **Jason Erbacher, Strategic Projects Manager**

Authoriser: **Rachel Cooper, Chief Executive Officer**

Attachments: **Nil**

EXECUTIVE SUMMARY

BIEDO (Burnett Inland Economic Development Organisation Inc.) was established in 1996 by North and South Burnett local governments, community and industry activists concerned about the impact of drought on the region. Today, the organisation operates as a not-for-profit economic development organisation servicing the North and South Burnett regions.

On 25 November 2021, Cr Payne resigned as the North Burnett Regional Council representative on the board of BIEDO. The BIEDO constitution provides for North Burnett Regional Council to appoint a delegate for one of the board seats. This report seeks a Council resolution on the appointment of this delegate.

CORPORATE PLAN

OUR VISION: A prosperous future for generations built on a solid foundation of customer focused, efficient and effective service delivery.

OUR PRIORITY AREAS:

3. Prosperous Future – to ensure economic growth for future generations

RECOMMENDATION

That Council does not appoint a delegate to the BIEDO board at this time.

REPORT

BIEDO has operated at varying levels in the North Burnett since 1996, growing its presence significantly over the past couple of years. Since August 2020 Council has engaged BIEDO via a partnership agreement to deliver economic development initiatives on behalf of Council including the North Burnett Agriculture Network, a business extension program to link local business with relevant financial, coaching or business development support and strategic economic development support to assist businesses in preparing potential development proposals. The key objectives of the partnership agreement are to contribute to the economic development of the regions rural and town-based businesses.

Council is seeking the best return on investment in the economic development space, to achieve outcomes for the North Burnett business sector. Councillors will be discussing potential models and options in this space at future workshops in early 2022 as planning for the 2022-2023 budget commences.

At a time of major change for both North Burnett Regional Council and BIEDO, it may be a time to step back and consider the best path forwards to achieve the best outcomes for the North Burnett community.

Council may reconsider its position and nominate a delegate to the BIEDO board at any time, while the BIEDO constitution remains unchanged.

CONSULTATION

Councillors discussed this topic at a workshop in Eidsvold on Wednesday 1 December 2021.

RISK IMPLICATIONS

Reputation / Political

There is a risk that if the recommendation provided is endorsed that Council may suffer some political and reputational as it could be perceived. The risk of doing nothing is that Council would not be able to provide BIEDO a formal response as to their interest in appointing another delegate to the BIEDO board. An opportunity exists to re-look at how we deliver economic development in the North Burnett.

Occupational Health & Safety (WHS)

Not applicable.

Financial Impact

There is no financial impact from this decision. The current partnership agreement with BIEDO is not impacted by Council having a delegate on the board.

Legal & Regulatory

There is no obligation to have a delegate on the board. The constitution allows for one (1) North Burnett Regional Council delegate to be on the BIEDO board.

Environmental

Not applicable.

Property & Infrastructure

Not applicable.

Human Resources

Not applicable.

Information Communications Technology

Not applicable.

Service Delivery

The proposed recommendation does not change the service delivery in the economic development space for the remainder of the financial year. The current partnership agreement with BIEDO is not impacted by Council having a delegate on the board.

Climate

Not applicable.

KEY MESSAGE

Council appreciates the work that BIEDO has done to support the North Burnett community over many years and hopes to see the organisation prosper with good governance and leadership, both at the board and operational level. Council must always consider the best investment of resources against the outcomes achieved and will review the best model for economic development in the North Burnett as part of its 2022-2023 budget planning.

6.3 2020-2021 FINANCIAL STATEMENTS - FINAL AUDIT AND MANAGEMENT REPORT

Doc Id: **1074130**

Author: **Jason Erbacher, Strategic Projects Manager**

Owen Jensen, Financial Services Manager

Authoriser: **Rachel Cooper, Chief Executive Officer**

Attachments:
1. **NBRC Financial Statement 30 June 2021 (Incl. Auditors Report).pdf [1076071]**
2. **NBRC 2021 Final Management Audit Report.pdf [1076086]**

EXECUTIVE SUMMARY

The purpose of this report is to present to Council the Audited Financial Statements and the Final Management Report issued by Council's financial auditors for the 2020/21 financial year.

CORPORATE PLAN

OUR VISION: A prosperous future for generations built on a solid foundation of customer focused, efficient and effective service delivery.

OUR PRIORITY AREAS:

1. Essential Service Delivery – Getting the basics right

RECOMMENDATION

That pursuant to section 212 of the *Local Government Regulation 2012*, Council adopts the audited financial statements for the year ended 30 June 2021.

That pursuant to section 213 of the *Local Government Regulation 2012*, Council adopts the Auditor-General's Final Management Report for the year ended 30 June 2021.

REPORT

Council has completed the audit of the annual financial statements for 2020/21. The Queensland Audit Office has issued the certified statements with an unmodified opinion. A copy of the financial statements has been forwarded to the Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning.

Council's financial auditors, Pitcher Partners have issued the final management report for 2020/21 on behalf of the Queensland Audit Office. This report includes observations and suggestions made by the auditors in relation to items arising from the audit. It also includes an update on actions taken to address any outstanding items from previous audits.

There have been many items resolved and improved from the previous audit over the course of 2020/21. These improvements and items resolved included:

- Payroll systems and control processes (Control Activities)
- Property, plant & equipment valuation Process (Control Activities)
- Internal audit reviews (Monitoring Activities)
- Incomplete risk and compliance register (Risk Assessment)
- Application change process (Control Environment)
- Accounting for disposals of property, plant and equipment
- Financial reporting process

- Valuation method for other infrastructure

CONSULTATION

The management report, including management responses, has been reviewed by the Queensland Audit Office and Council's CEO and General Manager Corporate and Community.

RISK IMPLICATIONS

Reputation / Political

Not applicable.

Occupational Health & Safety (WHS)

Not applicable.

Financial Impact

The report identified some internal processes that need to be further developed. The report also provides practical advice and recommendations to improve internal processes which will assist with Council's financial sustainability. The recommendations and improvements which will assist Council financial sustainability include:

- Improved liaison between finance with works department in establishing the capital renewal program will lead to reduced loss on disposal of non-current assets

Legal & Regulatory

It is a requirement of the Local Government Act that the final report of Councils Auditors be tabled at a Council meeting.

HIGH – Council's business enterprise solution needs improvement to address internal control deficiencies.

Environmental

Not applicable.

Property & Infrastructure

Not applicable.

Human Resources

Not applicable.

Information Communications Technology

Not applicable.

Service Delivery

Not applicable.

Climate

Not applicable.

KEY MESSAGE

Council was issued with an unmodified audit opinion for 2020/21 and is addressing internal control deficiencies noted.

North Burnett Regional Council
Financial statements
For the year ended 30 June 2021

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North Burnett Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	2021 $	2020 $
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	18,273,572	17,855,222
Fees and charges	3(b)	1,382,218	1,149,138
Sales revenue	3(c)	3,046,195	4,017,833
Grants, subsidies, contributions and donations	3(d)	11,315,869	13,351,811
Total recurrent revenue		**34,017,854**	**36,374,004**
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	8,995,534	6,514,065
		8,995,534	**6,514,065**
Interest received	4(a)	352,037	549,040
Other income	4(b)	1,404,131	1,380,788
Total income		**44,769,556**	**44,817,897**
Expenses			
Recurrent expenses			
Employee benefits	5	(15,970,297)	(15,161,264)
Materials and services	6	(15,555,091)	(14,276,531)
Finance costs	7	(497,972)	(311,254)
Depreciation expense	13	(15,126,111)	(14,389,238)
		(47,149,471)	**(44,138,287)**
Capital expenses			
Loss on disposal of non-current assets	8	(3,688,991)	(4,525,673)
Provision for landfill and quarry restoration	8	(2,639,091)	(3,048,507)
		(6,328,082)	**(7,574,180)**
Total expenses		**(53,477,553)**	**(51,712,467)**
Net result		**(8,707,997)**	**(6,894,570)**
Other comprehensive income			
Items that will not be reclassified to net results			
Increase / (decrease) in asset revaluation surplus	19	21,103,593	16,075,975
Total other comprehensive income for the year		**21,103,593**	**16,075,975**
Total comprehensive income for the year		**12,395,596**	**9,181,405**

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

North Burnett Regional Council
Statement of Financial Position
As at 30 June 2021

	Note	2021 $	2020 $
Current assets			
Cash and cash equivalents	9 (a)	22,806,292	26,556,646
Other financial assets	9 (b)	4,000,000	4,000,000
Receivables	10	3,080,162	2,642,540
Inventories	11	481,826	490,665
Contract assets	14	1,525,851	1,912,159
Other assets	12	1,467,785	1,422,703
Total current assets		**33,361,916**	**37,024,713**
Non-current assets			
Property, plant and equipment	13	1,078,731,394	1,063,268,391
Total non-current assets		**1,078,731,394**	**1,063,268,391**
Total assets		**1,112,093,310**	**1,100,293,104**
Current liabilities			
Payables	15	2,979,676	4,903,510
Contract liabilities	14	1,491,529	2,534,383
Borrowings	16	254,587	246,143
Provisions	17	4,294,759	3,121,139
Other liabilities	18	102,137	773,717
Total current liabilities		**9,122,688**	**11,578,892**
Non-current liabilities			
Borrowings	16	1,824,690	2,079,616
Provisions	17	13,052,676	10,936,938
Total non-current liabilities		**14,877,366**	**13,016,554**
Total liabilities		**24,000,054**	**24,595,446**
Net community assets		**1,088,093,256**	**1,075,697,660**
Community equity			
Capital		784,156,442	784,156,442
Asset revaluation surplus	19	345,133,858	324,030,265
Retained deficiency		(41,197,044)	(32,489,047)
Total community equity		**1,088,093,256**	**1,075,697,660**

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

North Burnett Regional Council
Statement of Changes in Equity
For the year ended 30 June 2021

	Note	Capital	Asset Revaluation Surplus	Retained Surplus/(Deficiency)	Total
		$	$	$	$
Balance at 1 July 2020		784,156,442	324,030,265	(32,489,047)	1,075,697,660
Net result		-	-	(8,707,997)	(8,707,997)
Other comprehensive income for the year					
Increase/(decrease) in asset revaluation surplus	19	-	21,103,593	-	21,103,593
Total comprehensive income for the year		-	**21,103,593**	**(8,707,997)**	**12,395,596**
Balances as at 30 June 2021		**784,156,442**	**345,133,858**	**(41,197,044)**	**1,088,093,256**
Balance at 1 July 2019		785,216,557	307,954,291	(28,120,315)	1,065,050,533
Adjustment on intial 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 Result				(6,894,570)	(6,894,570)
Other comprehensive Income for the year					
Increase/(decrease) in asset revaluation surplus	19	-	16,075,975	-	16,075,975
Total comprehensive income for the year		-	**16,075,975**	**(6,894,570)**	**9,181,405**
Transfers to and from reserves					
Transfer to/from capital		(1,060,115)	-	1,060,115	-
Total transfers to and from reserves		**(1,060,115)**	-	**1,060,115**	-
Balances as at 30 June 2020		**784,156,442**	**324,030,265**	**(32,489,047)**	**1,075,697,660**

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

North Burnett Regional Council
Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		23,195,613	23,901,988
Payments to suppliers and employees		(33,831,000)	(29,836,093)
		(10,635,387)	**(5,934,105)**
Interest received	4(a)	352,037	549,040
Rental income		298,078	340,374
Non capital grants and contributions		11,357,622	14,112,873
Borrowing costs		(126,664)	(244,593)
Net cash inflow (outflow) from operating activities	23	**1,245,686**	**8,823,589**
Cash flows from investing activities			
Payments for property, plant and equipment		(14,371,445)	(15,626,484)
Proceeds from sale of property and equipment	8	1,324,650	607,048
Grants, subsidies, contribution and donations		8,297,236	7,840,950
Net cash inflow (outflow) from investing activities		**(4,749,559)**	**(7,178,486)**
Cash flows from financing activities			
Repayment of borrowings	16	(246,481)	(662,349)
Net cash inflow (outflow) from financing activities		**(246,481)**	**(662,349)**
Net increase (decrease) in cash and cash equivalents held		**(3,750,354)**	**982,754**
Cash and cash equivalents at beginning of the financial year		26,556,646	25,573,892
Cash and cash equivalents at end of the financial year	9(a)	**22,806,292**	**26,556,646**

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

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

1 Information about these financial statements

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 2020 to 30 June 2021. 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.

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 2020, none of the standards had a material impact on reported position, performance and cash flows.

c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a material impact for Council then further information has been provided in this note.

	Effective for reporting periods beginning on or after:
AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards*	1 January 2023
AASB 2020-23 *Amendments to Australian Accounting Standards - Annual Improvements 2018 - 2020 and Other Amendments*	1 January 2022

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))
Provisions (Note 17)
Contingent liabilities (Note 21)
Financial instruments and financial liabilities (Note 26)
Revenue recognition (Note 3)

e) Rounding and comparatives

The financial statements are in Australian dollars and have been rounded to the nearest $1, unless otherwise stated.

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

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 operations did not experience any significant financial impacts from the COVID-19 pandemic for the 2020 - 21 financial year and services were not changed as a result of COVID.

Rate payers experiencing difficulties in paying rates when they fell due were assisted with Council's Rates Recovery Policy; this is expected to have minor impact on rating revenue.

Council received grants specifically to assist with COVID to stimulate the economy projects included community halls improvements $130,000, public amenities at Mt Walsh $100,000, cemetery registry boards and fencing $95,000, other expenses relating to COVID include $22,800 for disaster management fees and the Australia Day COVID safe program of $12,185.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

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.

Business services and finance

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

Construction and maintenance

Construction and maintenance is responsible for constructing new and maintaining existing infrastructure across a diverse range of assets that underpin the wellbeing of the NBRC community. These assets include roads, drains, stormwater, boat ramps, cemeteries, parks and open spaces and coastal areas.

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, cemeteries, environmental, art galleries and museums, community centres and halls.

This function includes:
- Libraries
- Environmental licences and approvals.

Planning and development

This function facilitates the Region'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.

Recreation

These assets include sporting grounds and venues, parks and gardens and other sporting recreational services; including caravan parks.

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 footpaths and the maintenance and provision of the drainage network.

Waste management

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.

North Burnett Regional Council
Notes to the Financial Statements
For year ended 30 June 2021

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 2021

Functions	Gross program income					Gross program expenses			Net result from recurring operations	Net result	Assets
	Recurrent		Capital		Total income	Recurring	Capital	Total expenses			
	Grants	Other	Grants	Other							
	$	$	$	$	$	$	$	$	$	$	$
Corporate governance	8,028,835	10,199,869	-	-	**18,228,704**	7,458,615	-	**7,458,615**	10,770,089	10,770,089	25,038,980
Business services & finance	-	809	-	-	**809**	2,722,760	-	**2,722,760**	(2,721,951)	(2,721,951)	2,828,030
Community services	60,325	959,541	2,410,017	-	**3,429,883**	4,883,814	-	**4,883,814**	(3,863,948)	(1,453,931)	27,009,782
Construction and maintenance	-	111,490	1,319,580	-	**1,431,070**	2,176,765	3,688,991	**5,865,756**	(2,065,275)	(4,434,686)	17,752,302
Planning & development	-	267,871	-	-	**267,871**	812,511	-	**812,511**	(544,640)	(544,640)	
Transport infrastructure	3,226,709	3,421,288	4,919,245	75,769	**11,643,011**	19,154,076	18,408	**19,172,484**	(12,506,079)	(7,529,473)	972,062,979
Waste management	-	3,308,473	452,134	-	**3,760,607**	4,077,954	2,620,683	**6,698,637**	(769,481)	(2,938,030)	1,894,940
Water infrastructure	-	4,031,950	(214,901)	-	**3,817,049**	4,251,495	-	**4,251,495**	(219,545)	(434,446)	38,039,407
Sewerage infrastructure	-	2,156,862	33,690	-	**2,190,552**	1,611,481	-	**1,611,481**	545,381	579,071	27,466,890
Total Council	**11,315,869**	**24,458,153**	**8,919,765**	**75,769**	**44,769,556**	**47,149,471**	**6,328,082**	**53,477,553**	**(11,375,449)**	**(8,707,997)**	**1,112,093,310**

Year ended 30 June 2020

Functions	Gross program income					Gross program expenses			Net result from recurring operations	Net result	Assets
	Recurrent		Capital		Total income	Recurring	Capital	Total expenses			
	Grants	Other	Grants	Other							
	$	$	$	$	$	$	$	$	$	$	$
Corporate governance	10,164,676	10,195,419	23,348	-	**20,437,630**	6,555,892	-	**13,965,020**	13,804,203	6,472,610	24,773,296
Business services & finance	-	-	-	-		2,843,662	-		(2,843,662)	-	2,798,022
Community services	73,867	901,822	1,479,102	-	**2,546,917**	4,790,843	-	**5,287,956**	(3,815,154)	(2,741,039)	26,723,186
Construction and maintenance	-	146,313	534,270	-		2,110,315	4,525,673		(1,964,002)	-	17,563,935
Planning & development	7,024	223,652	-	-	**230,676**	850,728	-	**850,728**	(620,052)	(620,052)	-
Transport infrastructure	3,097,451	4,335,874	4,159,494	32,966	**12,160,055**	18,338,805	-	**19,912,214**	(10,905,480)	(7,752,159)	961,748,608
Waste management	8,793	3,005,726	119,367	-	**3,180,037**	3,735,597	3,048,507	**6,784,104**	(721,078)	(3,604,067)	1,874,834
Water infrastructure	-	4,022,567	165,518	-	**4,141,934**	3,494,052	-	**3,494,052**	528,515	647,882	37,635,779
Sewerage infrastructure	-	2,120,648	-	-	**2,120,648**	1,418,392	-	**1,418,392**	702,256	702,255	27,175,444
Total Council	**13,351,811**	**24,952,021**	**6,481,099**	**32,966**	**44,817,896**	**44,138,286**	**7,574,180**	**51,712,466**	**(5,834,454)**	**(6,894,570)**	**1,100,293,104**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

3 Revenue

(a) Rates, levies and charges

Rates and annual charges are recognised at 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.

	Note	2021 $	2020 $
General rates		10,364,423	10,151,095
Water supply services		2,202,608	2,150,727
Water consumption		1,879,989	1,963,070
Sewerage services		2,332,871	2,288,256
Waste management services		2,594,459	2,365,336
Local disaster management levy		41,063	40,982
Natural resource management levy		384,741	377,075
Special levy Mt. Perry		49,416	40,644
Total rates and utility charge revenue		**19,849,570**	**19,377,185**
Less: Discounts		(1,575,998)	(1,521,963)
Net rates, levies and charges		**18,273,572**	**17,855,222**

(b) Fees and charges

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

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

	2021 $	2020 $
Community service fees	165,423	193,127
Building & development fees	226,608	187,247
Licences & registrations	63,841	59,848
Caravan parks	519,996	423,404
Water & sewer fees	98,141	50,605
Trade waste & recycling	126,789	85,422
Other fees and charges	181,420	149,485
	1,382,218	**1,149,138**

(c) Sales revenue

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

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

Rendering of services	Note	2021 $	2020 $
Contract and Recoverable Works			
- Transport & Main Roads		3,010,131	3,913,361
- Private works		36,064	104,472
Total sales revenue		**3,046,195**	**4,017,833**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

Note 3 Revenue (continued)

(d) Grants, subsidies, contributions and donations

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.
Performance obligations vary in each 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, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

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

Capital grants

Where Council receives funding under an enforceable contract to acquire or construct a specific item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progress in accordance with costs incurred.

Donations and contributions

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

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

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

	2021	2020
(i) Operating	$	$
General purpose grants	10,539,134	12,703,085
State government subsidies and grants	209,557	250,660
Commonwealth government subsidies and grants	524,608	373,654
Contributions	42,570	24,412
	11,315,869	**13,351,811**

(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.

	2021	2020
	$	$
State government subsidies and grants	1,710,593	3,703,942
Commonwealth government subsidies and grants	7,209,172	2,777,157
Flood damage claims	75,769	32,966
Total capital grants, subsidies, contributions and claims	**8,995,534**	**6,514,065**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

Note 3 Revenue (continued)

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

	Note	2021 Revenue recognised at a point in time $	2021 Revenue recognised over time $	2020 Revenue recognised at a point in time $	2020 Revenue recognised over time $
Grants and subsidies	3(d)	10,839,051	9,429,782	13,046,377	6,795,087
Contributions	3(d)	42,570	-	24,412	-
		10,881,621	9,429,782	13,070,789	6,795,087

4 Interest and other income	2021 $	2020 $
(a) Interest received		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest received from term deposits	182,656	371,165
Interest from overdue rates and utility charges	169,381	177,875
	352,037	**549,040**
(b) Other Income		
RMW Sales, levies, other sundry income	1,404,131	1,380,788
	1,404,131	**1,380,788**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

		Note	2021 $	2020 $
5	**Employee benefits**			
	Employee benefit expenses are recorded when the service has been provided by the employee.			
	Staff wages and salaries		11,581,423	12,163,068
	Councillors' remuneration		441,278	435,394
	Annual, sick and long service leave entitlements		2,559,078	1,782,421
	Termination benefits		29,025	-
	Superannuation	22	1,552,386	1,549,941
			16,163,190	**15,930,824**
	Other employee related expenses		610,695	589,957
			16,773,885	**16,520,781**
	Less: Capitalised employee expenses		(803,587)	(1,359,517)
			15,970,297	**15,161,264**

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

Total NBRC employees at the reporting date:	2021 Number	2020 Number
Elected members	7	7
Administration staff	85	83
Depot and outdoors staff	94	97
Trainee staff	6	10
Total full-time equivalent employees	**192**	**197**

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

		Note	2021 $	2020 $
6	**Materials and services**			
	Audit of annual financial statements by the Auditor-General of Queensland		140,950	127,381
	Community services		2,379,449	2,256,378
	Corporate governance		3,837,916	3,856,966
	Planning & development		178,946	223,628
	Sewerage infrastructure		516,417	443,019
	Transport infrastructure		4,126,100	3,348,404
	Waste management		2,405,562	2,206,981
	Water infrastructure		1,969,751	1,813,774
			15,555,091	**14,276,531**

Total audit fee quoted by the Queensland Audit Office relating to the 2020-21 financial statements $131,500 (2020: $140,760)

7	**Finance Costs**			
	Finance costs charged by the Queensland Treasury Corporation		84,055	109,282
	Bank charges		34,876	32,904
	Impairment of receivables		174,804	33,746
	Unwinding of discount on provisions		204,237	135,322
			497,972	**311,254**

8	**Capital expenses**			
	Loss on disposal of non-current assets			
	Proceeds from sale of property, plant and equipment		1,324,650	607,048
	Less: Carrying value of property, plant and equipment disposed of	13	(5,013,641)	(5,132,721)
			(3,688,991)	**(4,525,673)**
	Provision for restoration of land			
	Landfill Waste Restoration		1,837,069	3,048,507
	Gravel Quarry Rehabilitation		802,022	
			2,639,091	**3,048,507**

The discount rate adjustments to the quarry rehabilitation liability is recorded in expenses due to an insufficient asset revaluation surplus for that class.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

	Note	2021 $	2020 $
9 (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 Cash at bank and on hand.

Current		
Cash on hand	6,200	6,200
Cash at bank	2,266,723	1,312,664
Deposits at call	20,533,369	25,237,782
Balance per Statement of Financial Position	**22,806,292**	**26,556,646**
Less bank overdraft	-	-
Balance per Statement of Cash Flows	**22,806,292**	**26,556,646**

Council 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 investing in 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-", the likelihood of the counterparty not having capacity to meet its financial commitments is low.

Cash and cash equivalents		22,806,292	26,556,646
Less: Externally imposed restrictions on cash	(i)	(1,491,529)	(2,552,326)
Unrestricted cash		**21,314,763**	**24,004,320**

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

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

Unspent recurrent government grants and subsidies	68,100	785,343
Unspent capital government grants and subsidies	1,423,429	1,766,983
Total externally imposed expenditure restrictions on cash assets	**1,491,529**	**2,552,326**

Cash is held in the National Australia Bank in the business cheque account. Deposits at call are held with Queensland Treasury Corporation.

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012* , a separate trust bank account and separate accounting records are maintained for funds held on behalf of 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). The council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

	Note	2021 $	2020 $
Trust funds held for outside parties			
Monies collected or held on behalf of other entities yet to be paid out	18	102,137	773,717
		102,137	**773,717**

9 (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**

North Burnett Regional Council
Notes to the Financial Statements
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10 Receivables

Receivables are amounts owed to Council at year end and are recognised at 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.

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.

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

The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

	2021 $	2020 $
Current		
Rates and charges	2,133,972	1,927,672
Grants	-	-
Other debtors	1,246,548	855,749
	3,380,520	**2,783,421**
Less: Loss allowance	(300,358)	(140,881)
	3,080,162	**2,642,540**

Council applies normal business credit protection procedures prior to providing goods or services to minimise credit risk.

There is a geographical concentration of risk in the Council's jurisdiction, and since the area is largely agricultural and timber, there is also a concentration in the agricultural and timber sector.

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

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, Grants and Other debtors.

Rates and charges: Council 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 Council would receive from the sale of the respective property.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

10 Receivables (continued)

Grants: payable by State and Commonwealth governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the state and Commonwealth governments have high credit ratings, accordingly NBRC determines the level of credit risk exposure to be immaterial and therefore does not record an Expected Credit Loss for these counterparties.

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

The exposure to credit risk for receivables was as follows:

	2021 $	2020 $
Movement in accumulated impairment losses is as follows:		
Opening balance at 1 July	(140,881)	(107,135)
Less: Debts written off during the year	15,327	-
Additional impairments recognised	(174,804)	(33,746)
Closing balance at 30 June	**(300,358)**	**(140,881)**

Impairment loss relates to rates and charges receivables

Expected credit loss assessment

The Council 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.

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

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

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

Interest is charged on outstanding rates. No interest is charged on other debtors.

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

11 Inventories

Stores, raw materials and water held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads.

Inventories held for distribution are:
- goods to be supplied at nil or nominal charge and
- goods to be used for the provision of services at nil or nominal charge.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

	2021 $	2020 $
Inventories held for distribution		
Quarry and road materials	77,831	83,838
Plant and equipment stores	403,995	406,827
	481,826	490,665
Total inventories	481,826	490,665

12 Other assets

Water charges not yet levied	911,602	896,766
GST recoverable	2,344	785
Prepayments	553,839	525,152
	1,467,785	**1,422,703**

13 Property, plant and equipment (continued)

(a) Recognition

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

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the components of parks.

Land under roads and reserve land under the *Land Act 1994* or *Land Title Act 1994* is controlled by Queensland State Government and not recognised in the Council 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 consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

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

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised against asset revaluation surplus.

(c) Depreciation

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

Land, work in progress, certain cultural and heritage assets with heritage listing, road formations and formation work associated with the construction of dams, levee banks and reservoirs are not depreciated.

Land improvements have been recognised for quarry rehabilitation assets on Council owned land. These works relate to restoring this land to a usable condition.

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

The useful life of leasehold improvements is the shorter of the useful life of the asset or the remaining life of the lease.

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

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

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

(d) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, 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 Council's assets and liabilities are measured at fair value for financial reporting purposes.

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

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

13 Property, plant and equipment (continued)

(i) Valuation processes

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Every 3-5 years, council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes:
• A management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.
• A "desktop" valuation for land and improvements, buildings and major plant asset classes which involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

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

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

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Fair values are classified into three levels as follows:

- Level 1 - Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 - Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability

- Level 3 Fair value based on unobservable inputs for the asset and liability

There were no transfers between levels during the year.

North Burnett Regional Council
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For the year ended 30 June 2021

13 Property Plant & Equipment

30 June 2021	Land and Improvements	Landfill cells	Buildings	Plant & equipment	Road, drainage & bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	**Total**
Basis of measurement	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	$
Fair value category	Level 2	Level 2	Level 2 & 3		Level 3	Level 3	Level 3	Level 3		
Asset values	$	$	$	$	$	$	$	$	$	
Opening gross value as at 1 July 2020	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	1,369,976,488
Additions	125,000	-	212,457	1,143,960	6,777,797	1,036,699	901,074	1,273,730	3,028,447	14,499,164
Disposals	(268,000)		(212,458)	(3,992,200)	(5,308,151)	(301,839)	(148,026)	(19,347)	171,480	(10,078,541)
Revaluations adjustment to other comprehensive income (asset revaluation surplus)	-	-	2,968,510	-	19,125,716	1,879,452	1,485,833	(1,750,472)	-	23,709,039
Transfers between classes	-	(1,693,364)	4,567,451	-	11,387,764	-	-	(14,184,351)	(77,500)	-
Closing gross value as at 30 June 2021	**13,086,612**	**3,892,950**	**74,349,600**	**26,396,849**	**1,118,989,793**	**66,465,420**	**52,545,374**	**37,535,475**	**4,844,077**	**1,398,106,150**
Accumulated depreciation and impairment										
Opening Balance as at 1 July 2020	-	3,223,732	37,755,748	14,806,862	180,661,219	28,189,107	24,825,325	17,246,106	-	306,708,099
Depreciation expense	-	127,765	1,733,331	1,731,460	8,251,960	1,331,532	731,387	1,218,676	-	15,126,111
Depreciation on disposals	-		(111,846)	(2,764,770)	(1,945,214)	(162,019)	(65,573)	(15,478)		(5,064,900)
Revaluation adjustment to asset revaluation surplus	-		(2,673,102)		3,266,050	854,335	741,792	416,371	-	2,605,446
Transfers between classes	-	(779,014)	1,782,129		773,223			(1,776,338)	-	-
Accumulated depreciation as at 30 June 2021	-	**2,572,483**	**38,486,260**	**13,773,552**	**191,007,238**	**30,212,955**	**26,232,931**	**17,089,337**	-	**319,374,756**
Carrying amount as at June 30 2021	**13,086,612**	**1,320,467**	**35,863,340**	**12,623,297**	**927,982,555**	**36,252,465**	**26,312,443**	**20,446,138**	**4,844,077**	**1,078,731,394**
Range of estimated useful life in years	0 - Infinite	1 - 30	20 - 100	2 - 20	3 - 100	15 - 80	10 - 80	10 - 300	N/A	**0**
*** Additions:**										
Renewals	-	-	212,457	-	6,777,797	1,036,699	709,411	1,273,730	3,028,447	13,038,541
Other additions	125,000	-	-	1,143,960	-	-	191,663	-		1,460,623
Total additions	**125,000**	-	**212,457**	**1,143,960**	**6,777,797**	**1,036,699**	**901,074**	**1,273,730**	**3,028,447**	**14,499,164**

** 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 2021

13 Property Plant & Equipment (continued)

30 June 2020	Land	Landfill cells	Buildings	Plant & equipment	Road, drainage & bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	**Total**
Basis of measurement	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Fair value category	Level 2	Level 2	Level 2 & 3		Level 3	Level 3	Level 3	Level 3		$
Asset values	$	$	$	$	$	$	$	$	$	
Opening gross value as at 1 July 2019	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	-	317,844	431,951	1,214,165	12,373,687	1,190,255	1,216,603	2,774,201	(3,892,221)	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 other comprehensive income (asset revaluation surplus)	-	-	-	-	-	18,419,093	3,767,042	-	-	22,186,134
Transfers between classes	-	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2020	**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 and impairment										
Opening balance as at 1 July 2019	-	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 expense	-	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 asset revaluation surplus	-	-	-	-	-	9,327,890	(3,217,731)	-	-	6,110,159
Transfers between classes	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2020	-	**3,223,732**	**37,755,748**	**14,806,862**	**180,661,219**	**28,189,107**	**24,825,325**	**17,246,105**	-	**306,708,098**
Carrying amount as at June 30 2020	**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**
Range of estimated useful life in years	0 - Infinite	1 - 30	20 - 100	2 - 20	3 - 100	15 - 80	10 - 80	10 - 300	N/A	
Additions:										
Renewals	-	317,844	431,951	202,323	6,896,133	1,190,255	1,216,603	2,774,201	(3,892,222)	9,137,088
Other additions	-			1,011,842	5,477,554				-	6,489,396
Total additions	-	**317,844**	**431,951**	**1,214,165**	**12,373,687**	**1,190,255**	**1,216,603**	**2,774,201**	**(3,892,222)**	**15,626,484**

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13 Property, plant and equipment (continued)

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land and improvements (level 2)	Market value	30/06/2019	APV Valuers & Asset Management	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.	Nil	There has been no change to the valuation during the reporting period.
Landfill cells (level 3)	Cost approach	30/06/2012	Bellas and Reitan	Council's waste management facilities are located in Gayndah, Mundubbera, Biggenden, Eidsvold, and Monto. The waste management activities encompasses a landfilling operation as well as a wide range of waste disposal services, resource recovery services, recycled, and waste management educational activities. It has been recognised that there will be costs associated with the closure and post closure management of the landfill sites. Closure of the landfill will involve a wide range of activities including preparation of a landfill closure and management plan, final capping of the landfill waste and site re-vegetation, installation of a final landfill gas management system, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure. The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. The rehabilitation estimates have been included as a provision for the future with a planned closure date of 2026 for current site at Mundubbera and 2021 for other sites. Waste landfill cells fair values were determined by Council engineers effective 30 June 2019. Current replacement cost 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 Enterprise Bargaining Agreement (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.	Discounted rate, Discount rates obtained from indexed bond yield reported by the RBA (Table F16).	There has been no change to the valuation during the reporting period.
Buildings - non-specialised (level 2) **2021: $ 2,869,840** **2020: $ 2,781,798**	Market value	30/06/2021	AssetVal Pty Ltd	The fair value of buildings were also determined by an independent qualified valuer, AssetVal Pty Ltd effective 30 June 2021. 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.	Nil	Assets inspected 22-26 March 2021, and review of conditions, and estimated useful life completed.
Buildings - specialised (level 3) **2021: $ 32,993,500** **2020: $ 26,276,095**	Current replacement cost	30/06/2021	AssetVal Pty Ltd	The fair value of buildings were also determined by an independent qualified valuer, AssetVal Pty Ltd effective 30 June 2021, 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. Recent construction data (observable), Rawlinson's cost data & cost data indices for different regions in Queensland (observable), building size, material, type and structure to derive the unit rate (unobservable), Condition assessment (unobservable), Useful life and remaining useful life (unobservable), Restrictions associated with each site (unobservable), valuer's professional judgement (unobservable).	Rawlinson's Construction Handbook.	Assets inspected 22-26 March 2021, and review of conditions, and estimated useful life completed.

North Burnett Regional Council
Notes to the Financial Statements
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(ii) Valuation techniques used to derive fair values (..../ continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Roads, drainage and bridge network (level 3)	Current replacement cost	30/06/2018	AssetVal Pty Ltd	**Roads:** 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. Current replacement cost 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 by AssetVal Pty Ltd. A full valuation of sealed roads and associated infrastructure is planned in 2022. In determining the level of physical obsolescence, roads were disaggregated into significant components which exhibited different useful lives. **Drainage infrastructure:** A full valuation of drainage infrastructure was undertaken by independent valuers AssetVal Pty Ltd 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. 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. **Bridges:** A full valuation of bridges assets was undertaken by independent valuers AssetVal Pty Ltd 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. In determining the level of physical obsolescence, remaining useful lives were calculated based on condition assessments.	The desktop indexation assessments are based on Australian Bureau of Statistics Catalogues 6427.0 Producer Price Indexes, Australia. Table 17, Index Number 3101, 'Roads and Bridge Construction Queensland'. The estimated index from June 2018 to June 2021 was 1.74%.	There has been no change to the valuation approach during the reporting period.

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(ii) Valuation techniques used to derive fair values (..../ continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Water (level 3)	Current replacement Cost	30/06/2020	Australis Asset Advisory Group	Assets within this class comprise bores, dams, pipelines & trunk mains, pumping stations, reservoirs, and water treatment plants. Valuations were completed by Australis Asset Advisory Group in June 2020 in accordance with "Fair Valuations" principles. These principles lead to valuations being made on the basis of a depreciated replacement cost. Current replacement cost 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 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. In determining physical obsolescence, assets were either subject to a site inspection or an assessment to determine remaining useful life. The useful life 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 useful lives 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 Council for appropriateness and alignment with asset management policies.	The desktop indexation assessments are based on Australian Bureau of Statistics Catalogues 6427.0 Producer Price Indexes, Australia. Table 17, Index Number 30, 'Buildings Construction Queensland'. The estimated index from June 2020 to June 2021 was 2.91%.	There has been no change to the valuation process during the reporting period.
Sewerage (level 3)	Current replacement cost	30/06/2020	Australis Asset Advisory Group	Assets within this class comprise sewer mains, sewage pumping stations, and sewage treatment plants. Valuations were completed by Australis Asset Advisory Group in June 2020 in accordance with "Fair Valuations" principles. These principles lead to valuations being made on the basis of a depreciated replacement cost. Current replacement cost 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. 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. In determining physical obsolescence, assets were either subject to a site inspection or an assessment to determine remaining useful life. The useful life 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 useful lives 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 Council for appropriateness and alignment with asset management policies.	The desktop indexation assessments are based on Australian Bureau of Statistics Catalogues 6427.0 Producer Price Indexes, Australia. Table 17, Index Number 30, 'Buildings Construction Queensland'. The estimated index from June 2020 to June 2021 was 2.91%.	There has been no change to the valuation process during the reporting period.
Other infrastructure assets (level 3)	Current replacement cost	30/06/2021	AssetVal	Assets within this class comprise tennis courts, cricket nets, synthetic surfaces, BBQ's, swimming pools, regional sporting facilities, park and gardens and playgrounds. The fair value of other infrastructure assets were also determined by an independent qualified valuer, AssetVal Pty Ltd effective 30 June 2021. While some elements of current replacement values could be supported from market evidence (Level 2 input), other inputs such as estimates of pattern of consumption, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.	Rawlinson's Construction Handbook.	Assets inspected 22-26 March 2021, and review of conditions, and estimated useful life completed.

13 Property, plant and equipment (continued)

(iii) Changes in fair value measurements using significant unobservable inputs (level 3)

2021: 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

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

		2021 $	2020 $
a	Contract assets	1,525,851	1,912,159
b	Contract liabilities		
	Funds received upfront to construct Council controlled assets	799,251	767,399
	Non-capital performance obligations not yet satisfied	692,278	1,766,984
		1,491,529	2,534,383

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

	2021 $	2020 $
Funds received in advance to construct NBRC controlled assets	985,242	919,750
	985,242	919,750

c Significant changes in contract balances

2021: Significant changes in contract balances relates to the completion of the Percy Hindmarch Bridge replacement with an outstanding liability as at 30 June 2020 of $1,454,047. Included in contract balances as at 30 June 2021 include funds received for bridge renewal of Aranbanga Creek Bridge of $535,300.

15 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.

	2021 $	2020 $
Current		
Creditors	1,815,642	4,008,830
Prepaid Rates	868,509	731,954
Accrued wages and salaries	50,917	-
Accrued expenses	188,381	99,691
Other creditors	56,227	63,035
	2,979,676	**4,903,510**

16 Borrowings

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

All borrowings are in $A denominated amounts and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2022 to 16 June 2036. There have been no defaults or breaches of the loan agreement during the period.

Council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. 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.

	2021 $	2020 $
Current		
Loans – Queensland Treasury Corporation	254,587	246,143
	254,587	**246,143**
Non-current		
Loans – Queensland Treasury Corporation	1,824,690	2,079,616
	1,824,690	**2,079,616**
Loans – Queensland Treasury Corporation		
Opening Balance at beginning of financial year	2,325,759	2,988,108
Loans Raised	-	-
Principal Repayments	(246,482)	(662,349)
Book value at end of financial year	**2,079,277**	**2,325,759**
Future contractual cash flows		
0 to 1 year	330,537	330,537
1 to 5 years	897,287	1,003,502
Over 5 years	1,344,063	1,568,384
Contractual cash flows	2,571,887	2,902,423
Carrying amount	**2,079,277**	**2,325,759**
Fair Value	**2,318,868**	**2,645,253**

The QTC loan market value at the reporting date was $2,318,868 (2020: $2,645,253). 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 2021 or 2020 financial years.

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17 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 provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

Refuse dump restoration and quarry rehabilitation
A provision is made for the cost of restoring refuse dumps and quarries where it is probable the council will have an obligation to rehabilitate the site when the use of the facilities is complete.

The calculation of the provisions use assumptions including application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

The calculation of the provisions use assumptions including engineering survey estimates of affected areas, and unit rates to rehabilitate the land based on management cost estimates, which are subject to significant uncertainty. These uncertainities may also result in future actual expenditure differing from amounts currently provided. The areas will be reviewed and updated as surveys are completed. NBRC will review affected areas and obligations during 2021-22.

- Landfill (refuse dumps) - the last survey was completed in 2013;
- Quarry - no surveys have been completed.

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

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

Quarry rehabilitation provision represents the present value of the anticipated future costs associated with the closure of the quarries, refilling the basin, and reclamation and rehabilitation of these sites.

Rehabilitation costs for quarries which are situated on council controlled land are capitalised as land and improvement assets. The rehabilitation asset is then depreciated expected useful life of the quarry. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land and improvements. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases (if any). Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

Council has recognised the liability for rehabilitation of quarries in 2020-21. This provision for rehabilitation acknowledges the agreements in place with respective landowners, and government agencies. Council maintains a register of quarry sites, and estimates to date have been based on internal management engineering estimates as to the area and cost of rehabilitation. Management has engaged consultants in 2021-22 to support surveyed areas, and provide current scope of works to restore sites due for rehabilitation. These uncertainities in estimation may also result in future actual expenditure differing significantly from amounts currently provided. The areas will be reviewed and updated as surveys are completed. NBRC will review affected areas and obligations during 2021-22.

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17 Provisions (continued)

		Current		Non-current	
		2021	2020	2021	2020
	Note	$	$	$	$
Annual leave		1,311,247	1,333,845	-	-
Long service leave		1,966,652	1,757,202	207,833	65,922
Quarry rehabilitation		305,400	-	621,622	-
Landfill rehabilitation		711,460	30,092	12,223,221	10,871,016
		4,294,759	**3,121,139**	**13,052,676**	**10,936,938**

Movements in non-employee provisions:	2021	2020
Landfill rehabilitation	$	$
Balance at beginning of financial year	10,901,108	7,831,395
Increase due to unwinding of discount	204,237	135,322
Additional Provisions	2,745,348	8,296,149
Amounts used	(7,733)	-
Increase/(decrease) due to changes in discount rates	(908,279)	(5,361,758)
Balance at end of financial year	**12,934,681**	**10,901,108**

This is the present value of the estimated cost of restoring the refuse site to a useable state at the end of their useful life. The end of useful life for respective landfill sites is estimated to be as follows: Gayndah 2026, Biggenden 2025, Eidsvold 2031, Mt. Perry 2022, and Mundubbera Existing Site 2050.

	2021	2020
Quarry rehabilitation	$	$
Balance at beginning of financial year	-	-
Additional provisions	927,022	-
Balance at end of financial year	**927,022**	**-**

This is the present value of the estimated cost of restoring council's various gravel quarry site to a useable state at the end of its useful life which is expected to be 2024.

	2021	2020
	$	$
18 Other liabilities		
Monto history & cultural centre	745	561
Mundubbera art gallery	7,233	6,701
Narayen research station *	-	766,455
Bond monies payable	94,159	-
	102,137	**773,717**

* Council resigned from trustee for reserve for strategic land management and environmental purposes being lot 1 on plan WK 184 for Narayen research station. This was settled on 18th March 2021 for an amount of $756,943 (GST Exempt).

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19 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:

		2021	2020
		$	$
Land and improvements		1,812,811	1,812,811
Buildings		13,507,987	7,866,375
Road, drainage and bridge network		297,309,374	281,449,708
Water		10,170,065	9,144,948
Sewerage		17,340,586	16,596,545
Other infrastructure assets		4,993,035	7,159,878
		345,133,858	**324,030,265**
Increase/(decrease) in asset revaluation surplus			
Buildings	13	5,641,612	-
Road, drainage and bridge network	13	15,859,666	-
Other infrastructure	13	(2,166,843)	-
Water	13	1,025,117	9,091,203
Sewerage	13	744,041	6,984,772
		21,103,593	**16,075,975**

20 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	171,596	370,188
Caravan parks	917,770	950,273
Cleaning contracts	161,736	152,032
Waste facility contracts	1,191,655	1,075,807
	2,442,757	2,548,300

Capital commitments

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

Property Plant and Equipment

Plant & Equipment	1,083,162	-
Road, drainage and bridge network	308,615	449,927
Water	448,699	170,840
Sewerage	20,412	11,663
Other	128,866	82,853
	1,989,754	715,282
These expenditures are payable as follows:		
Within one year	3,823,153	2,893,267
One to five years	335,158	538,255
Later than five years	274,200	274,200
Total Commitments	**4,432,511**	**3,705,722**

21 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 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local government workcare

The Council 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 $361,269 (2020: $382,331).

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 (2020: $220,000).

22 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 pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the council level.

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

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measures of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. 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.

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

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

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

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

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

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22 Superannuation (continued)

	Note	2021 $	2020 $
Superannuation contributions made to the Regional Defined Benefits Fund		73,395	100,678
Other superannuation contributions for employees		1,478,991	1,449,263
Total superannuation contributions paid by NBRC for employees:	5	1,552,386	1,549,941

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

Net result		**(8,707,997)**	**(6,894,570)**
Non-cash items:			
Depreciation and amortisation	13	15,126,111	14,389,238
Impairment of receivables		174,804	33,757
		15,300,915	**14,422,995**
Investing and development activities (non-cash):			
Net loss on disposal of non-current assets	8	3,688,991	4,525,673
Provision for landfill & quarries restoration	8	2,639,091	3,048,507
Capital grants, subsidies, contributions and donations	3(d)	(8,995,534)	(6,514,065)
		(2,667,452)	**1,060,115**
Changes in operating assets and liabilities:			
(Increase)/ decrease in receivables		(612,425)	(160,620)
(Increase)/ decrease in other assets		(45,079)	-
(Increase)/decrease in inventory		8,839	6,134
Increase/(decrease) in payables		(1,930,555)	387,245
Increase/(decrease) in contract liabilities		41,753	761,062
Increase/(decrease) in other liabilities		(667,580)	(198,334)
Increase/(decrease) in provisions		525,267	(560,438)
		(2,679,780)	**235,049**
Net cash inflow from operating activities		**1,245,686**	**8,823,589**

24 Reconciliation of liabilities arising from financing activities

2021	**As at 30 June 2020** $	**Cash flows** $	**As at 30 June 2021** $
Borrowings	2,325,759	**(246,482)**	**2,079,277**
	2,325,759	**(246,482)**	**2,079,277**

2020	**As at 30 June 2019** $	**Cash flows** $	**As at 30 June 2020** $
Borrowings	2,988,108	(662,349)	**2,325,759**
	2,988,108	**(662,349)**	**2,325,759**

25 Events after the reporting period

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

26 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

NBRC has exposure to the following financial assets and liabilities:

- Cash
- Receivables
- Payables
- Borrowings

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 disabled its audit & risk committee on 25 November 2020 (resolution 2020/142).

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

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

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

Council 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 Council.

NBRC does not enter into derivatives.

26 Financial Instruments (continued)

Credit risk

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

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

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.

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 the Council's reputation.

Exposure to liquidity risk

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

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

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

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

	0 to 1 year	1 to 5 years	Over 5 years	Contractual Cash Flows	Carrying Amount
	$	$	$	$	$
2021					
Trade and other payables	2,979,676	-	-	2,979,676	2,979,676
Loans – QTC	330,537	897,287	1,344,063	2,571,887	2,079,277
	3,310,213	897,287	1,344,063	5,551,563	5,058,953
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**

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

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26 Financial Instruments (continued)

Market risk

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

Interest Rate Risk

NBRC is exposed to interest rate risk through investments and borrowings with QTC.

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity

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

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
	$	$	$	$	$
2021					
QTC cash fund	20,533,369	205,334	(205,334)	205,334	(205,334)
Other investments	4,000,000	40,000	(40,000)	40,000	(40,000)
Net total	24,533,369	245,334	(245,334)	245,334	(245,334)
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)
Net total	**29,237,782**	**292,378**	**(292,378)**	**292,378**	**(292,378)**

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

(b) **Fair value**

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		2021		2020	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
		$	$	$	$
Financial assets		20,533,369	20,533,369	25,237,782	25,237,782
QTC cash fund		4,000,000	4,000,000	4,000,000	4,000,000
Other investments		**24,533,369**	**24,533,369**	**29,237,782**	**29,237,782**
Financial liabilities					
Loans - QTC		2,079,277	2,318,868	2,325,759	2,645,253
Loans - Other		-	-	-	-
		2,079,277	**2,318,868**	**2,325,759**	**2,645,253**

Measurement of fair value

The valuation technique used in measuring financial liabilities is discounted cash flows. This valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate

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27 Transactions with related parties

(a) Subsidiaries

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 Aboriginal Shire Council, Fraser Coast Regional Council, Gympie Regional Council and South Burnett Regional Council.

	2021 $	2020 $
The following transactions occurred with WBBROC:		
NBRC membership contributions	5,280	28,634

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:

	2021 $	2020 $
Short-term employee benefits	1,262,221	1,479,109
Post-employment benefits	118,583	130,236
Long-term benefits	27,330	30,436
Termination benefits	-	59,431
Total	**1,408,134**	**1,699,211**

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	2021 $	2020 $
Fees and charges charged to entities controlled by key management personnel	27(c)(i)	1,168	1,256
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)	257,802	236,539
Purchase of materials and services from entities controlled by key management personnel	27(c)(iii)	496,724	177,789
Key management personnel services provided by a related entity	27(c)(iv)	-	673,905

North Burnett Regional Council
Notes to the Financial Statements
For the year ended 30 June 2021

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	2021 $
Infrastructure charge	Payment of Plumbing fees as per fees and charges	970
Other Fees & Charges	Private works - grading private access	198

(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.

(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
- Floral Tributes
- Hardware
- Refreshments
- Promotional Materials
- Uniforms

(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 has no outstanding commitments to/from other related parties.

(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 2021

Management Certificate
For the year ended 30 June 2021

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

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

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

(ii) the general purpose financial statements, as set out on pages 2 to 35, 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: 6th December 2021

Chief Executive Officer
Rachel Cooper
Date: 6th December 2021

Queensland Audit Office
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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 financial report of North Burnett Regional Council.

In my opinion, the financial report:

a) gives a true and fair view of the council's financial position as at 30 June 2021, 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 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in North Burnett Regional Council's annual report for the year ended 30 June 2021 was the current year financial sustainability statement, long-term financial sustainability statement, and the annual report itself.

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.

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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.

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- 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 2021:

a) I received all the information and explanations I required.

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

Prescribed requirements scope

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

M. Claydon

6 December 2021

Michael Claydon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

North Burnett Regional Council
Current Year Financial Sustainability Statement
For the year ended 30 June 2021

Measures of Financial Sustainability	Measure	Actuals at 30 June 2021	Target
Council's performance at 30 June 2021 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-31.80%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	97.34%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-26.17%	not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2021.

Certificate of Accuracy
For the year ended 30 June 2021

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

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

Mayor
Rachel Chambers
Date: 6th December 2021

Chief Executive Officer
Rachel Cooper
Date: 6th December 2021

Queensland Audit Office
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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 for the year ended 30 June 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of North Burnett Regional Council for the year ended 30 June 2021 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 2021 was the general purpose financial statements, long-term financial sustainability statement, and the annual report itself.

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.

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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.

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

M. Claydon

6 December 2021

Michael Claydon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

North Burnett Regional Council
Unaudited Long-Term Financial Sustainability Statement
For the year ended 30 June 2021.

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2021	Projected for the years ended 30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-31.80%	-14.30%	-4.10%	-1.30%	0.80%	1.00%	1.60%	2.30%	2.90%	3.50%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	97.34%	95.00%	92.00%	93.00%	91.00%	92.00%	90.00%	91.00%	91.00%	93.00%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-26.17%	-13.90%	-13.80%	-14.60%	-18.30%	-26.00%	-36.60%	-47.30%	-58.10%	-66.00%

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.

Certificate of Accuracy

For the long term sustainability statement prepared as at 30 June 2021

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

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

Mayor
Rachel Chambers
Date: 6th December 2021

Chief Executive Officer
Rachel Cooper
Date: 6th December 2021

North Burnett Regional Council

2021 Closing Report

6 December 2021

Queensland Audit Office
Better public services

SENSITIVE

6 December 2021

Ms Rachel Cooper
Chief Executive Officer
North Burnett Regional Council
PO Box 390
GAYNDAH QLD 4625

Dear Ms Cooper

2021 Closing report

We present to you our closing report for North Burnett Regional Council ("council") for the financial year ended 30 June 2021. It includes the results of our audit, identified audit misstatements, and other matters.

Our audit was conducted in accordance with our external audit plan issued 9 April 2021. We confirm that up to the date of this report we have maintained our independence obligations in relation to our conduct of this audit.

Based on the information that has been assessed as part of our audit, we expect to issue an unmodified audit opinion.

The results of our audit of North Burnett Regional Council's financial statements will be included in our Local Government 2021 report to parliament. This report will also include comments on performance and sustainability matters, significant internal control issues, major transactions and events and the overall results of the local government sector. This report is prepared in accordance with the *Auditor-General Act 2009*.

QAO is keen to hear your views about the audit services we provide and will seek your feedback via an online survey. This survey will help us understand what is working well and where there are opportunities for us to improve our engagement with you.

If you have any questions or would like to discuss the audit report, please contact me on 07 3222 8341 or Sam Spellacy on 07 3222 8397.

Yours sincerely

Daniel Colwell
Partner

Enc.

cc. Cr. Rachel Chambers, Mayor

Queensland Audit Office
Level 13, 53 Albert Street, Brisbane Qld 4000
PO Box 15396, City East Qld 4002

Phone 07 3149 6000
Email qao@qao.qld.gov.au
Web www.qao.qld.gov.au
Queensland Audit Office (QAO)

1. Summary

This closing report summarises the results of our audit of North Burnett Regional Council's financial statements for the year ended 30 June 2021, including how we responded to significant financial reporting risks.

Our final audit opinion is subject to completion of the financial statement audit process. Key aspects to be finalised are included below.

Highlights

Expected audit opinion

We expect to issue an unmodified opinion on the financial statements.

Financial statement preparation maturity

Developing/Established

Refer to for further details. *Refer to section 7 Financial statement maturity*

Internal control environment

Control environment	Risk assessment	Control activities	Information and communication	Monitoring controls
Effective	Effective	Ineffective	Effective	Effective

Refer to *Section 6 Audit issues* for further details.

Materiality $530,0000

Increase of $90,000 to planning materiality.

Estimated final fees

To be confirmed* (EAP fee: $131,500)

* The estimated final fees are subject to final agreement in respect to additional audit costs for out-of-scope services required to ensure the accounting for revenue recognition materially complied with Australian Accounting Standards.

As a result of these out of scope procedures we identified several hundred thousand dollars in additional grant funding that is eligible to be claimed, that will result is a significant net financial benefit to Council.

Our audit fee variation will be communicated and agreed with management in due course.

SENSITIVE

1. Summary (Cont'd)

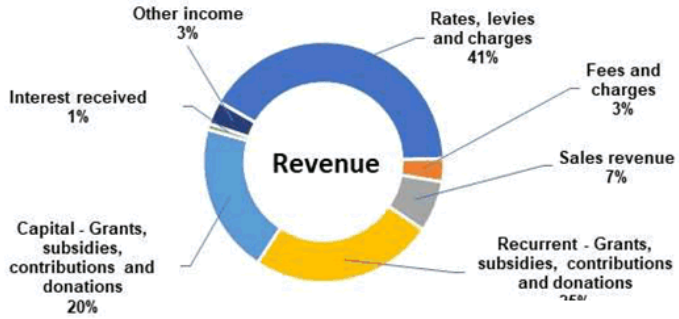
Outstanding audit matters

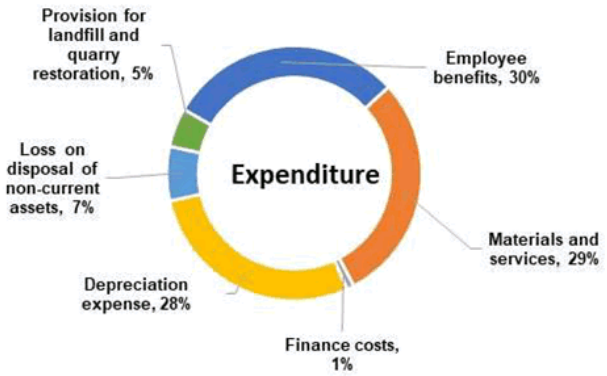
Item	Responsibility
Financial statements review—quality check over final version	Audit
Subsequent events update—review of transactions to date of signing	Management and Audit
Management representation letter—to be signed with the financial statements	Management
Financial report certification—signing of the financial statements by management following adoption by Council	Management and Audit

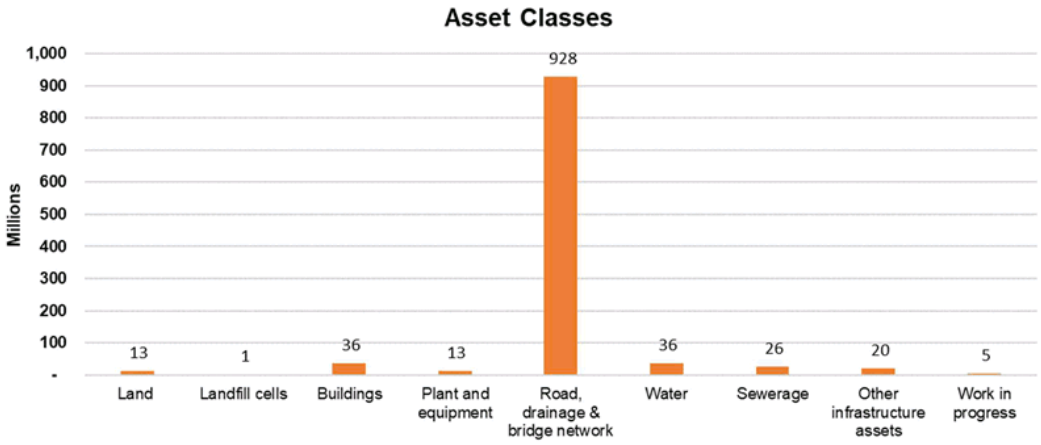
SENSITIVE

2. Key insights

This section includes a summary of council's revenue, expenditure and infrastructure balances by sub-category, as well as a comparison of council's financial results and balances against the prior year.







3. Financial statements overview

Statement of comprehensive income

Classes of transactions, account balances or disclosures	Change	Key drivers
Rates, levies and charges $18.28m	▲ $0.42m 2%	The rateable value of council's land has remained consistent between both periods. There is also a 2% capping increase on most general rates payable by Council ratepayers.
Fees and charges $1.38m	▲ $0.23m 20%	The increase in fees and charges is mainly driven by Council's caravan park revenue due to the increase in travel by Queenslanders within the state.
Sales revenue $3.05m	▼ $0.97m 24%	There was a decrease of $0.97m for recoverable works during the year. Council derives this revenue from the Department of Transport and Main Roads.
Recurrent - Grants, subsidies, contributions and donations $11.32m	▼ $2.43m 18%	The decrease in recurrent grants, subsidies, contributions and donations is attributable to the reduction in NBRC's federal assistance grant (FAG). This grant has decreased by $2.15m compared to prior year.
Capital - Grants, subsidies, contributions and donations $8.99m	▲ $2.86m 44%	Capital grants and contributions revenue is non-recurrent by nature and the timing of revenue recognition is dependent upon the completion of eligible capital works programs. In 2021 NBRC have new capital grants including works for QLD, the drought communities' program and the local roads and community infrastructure program.
Employee benefits $15.97m	▲ $0.81m 5%	The increase in employee benefits is a result of the new enterprise bargaining agreement fully applicable for the entire financial year, which resulted in a 2.5% increase in wages. Additionally, NBRC have recruited several senior local government employees that has increased employee benefits expense compared to prior year.

3. Financial statement overview (Cont'd)

Statement of comprehensive income

Classes of transactions, account balances or disclosures	Change	Key drivers
Materials and services $15.55m	▲ $1.28m 9%	The increase in the expense is related to town street and rural road maintenance services completed by council.
Depreciation expense $15.13m	▲ $0.74m 5%	The increase in depreciation is due to the water and sewerage asset revaluation increase on 30 June 2020 amounting to $16m.
Loss on disposal of non-current assets $3.69m	▼ $0.84m 18%	During FY21 council's loss on disposal of non-current assets decreased for the second year in a row by 18%.
Provision for landfill and quarry restoration $2.64m	▼ $0.41m 13%	During FY21 council identified 433 gravel pits within the region requiring rehabilitation, this led to the initial recognition of a $927k quarry rehabilitation provision. In addition to the recognition of a quarry provision, council revised its capping unit rates for all landfill sites that resulted in an increase of $1.84m to council's landfill provision was recorded.
Asset revaluation surplus $21.10m	▲ $5.03m 31%	Asset Val performed a comprehensive valuation over council's building and other infrastructure asset classes during FY21 that resulted in a $3.47m revaluation increase. In addition, council have applied indexation increases to water, sewerage and roads, drainage and bridge network assets that resulted in a $17.63m net revaluation surplus.

Statement of financial position

Classes of transactions, account balances or disclosures	Change	Key drivers
Cash and cash equivalents $22.81m	▼ $3.75m 14%	Council's non-capital grants and contributions spend in the current period wasn't matched by operating grant funding, resulting in a deficit generated from operating cash flows.
Receivables $3.08m	▲ $0.44m 17%	At 30 June 2021 Council had receivables in connection with recoverable works projects, rates debtors and general debtors. The increase in receivables is due to the timing of invoicing under these arrangements.
Contract assets $1.53m	▼ $0.39m 20%	The movement in contract assets relates to the timing of costs incurred for the construction of capital projects in progress at a specific point in time, offset by cash received by council under various capital grant funding agreements with the state and/or commonwealth.

SENSITIVE

3. Financial statement overview (Cont'd)

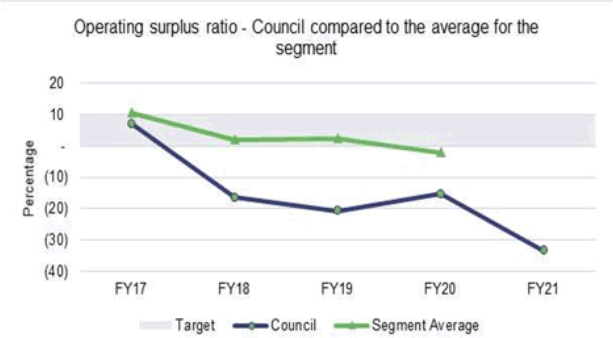
Statement of financial position (continued)

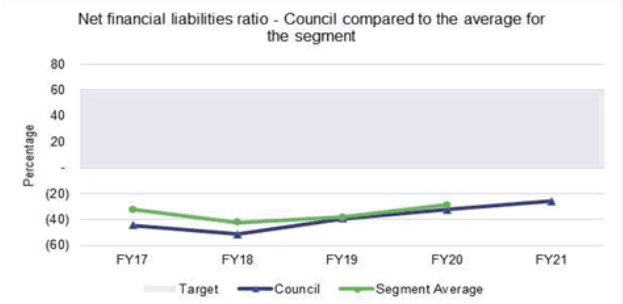
Classes of transactions, account balances or disclosures	Change	Key drivers
Property, plant and equipment $1,078m	▲ $15.24m 1%	The increase in asset values is primarily attributable to the adoption of Asset Val's comprehensive valuation of buildings and other structures as well as the annual indexation applied to other asset classes in FY21.
Trade and other payables $2.98m	▼ $1.92m 39%	The change is a result of timing differences and timing of works completed by council.
Contract liabilities $1.49m	▼ $1.04m 41%	Contract liabilities principally relate to funding received in advance for capital works projects. The major contract liability movement at 30 June 2021 includes $580k for the local road's community infrastructure program. Individually significant contract liabilities in the comparative period included Drought communities' grant funding and Percy Hindmarsh bridge renewal.
Provisions $17.35m	▲ $2.29m 23%	The 23% increase in provisions is due to the initial recognition of a quarry rehabilitation provision ($927k) and an increase in the landfill rehabilitation provision ($2m).
Other liabilities $0.1m	▼ $0.67m 87%	During FY21 council resigned as trustee for the Narayen Research Station. The resignation resulted in the return of funds ($756k) previously held on trust with council.
Asset revaluation reserve $345.13m	▲ $21.10m 7%	Refer to asset revaluation surplus comments within the statement of comprehensive income overview.
Retained deficiency $41.20m	▲ $8.71m 26%	Movement in the retained deficiency is attributable to council's net result ($8.71m).

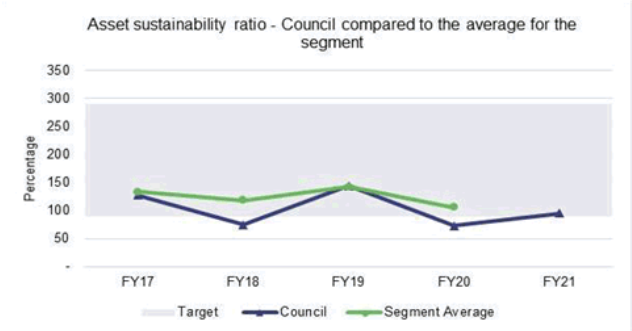
4. Financial sustainability assessment

The table below details our assessment of your financial sustainability and is based on the three ratios that council is required to report under the *Local Government Regulations*. Our assessment of council's overall financial sustainability risk is **High risk.**

Refer to Appendix D for guidance on how these ratios are calculated and our financial sustainability risk rating definitions.

Operating surplus ratio	Commentary
	Council's five-year **average** operating ratio is (15.67%). This is outside the target range of 0-10% and has resulted in our assessment that council's overall financial sustainability is high risk. The average operating surplus ratio indicates that council needs to consider increasing its own revenue source and reduce its expenditure to achieve the target. This could include considering the services council provides or the levels at which they are provided.

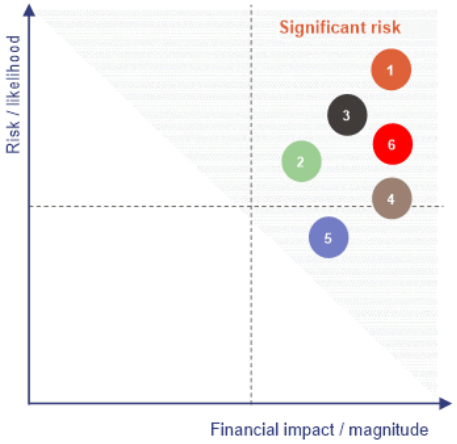
Net financial liabilities ratio	Commentary
	Council's net financial liabilities ratio as at 30 June 2021 is (25.23%) This is within the target range of not greater than 60%. Council's capital structure appears adequate for its size and in combination with the negative Operative Surplus Ratio indicates that Council may have difficulty servicing any large new borrowings.

Asset sustainability ratio	Commentary
	Council's average asset sustainability ratio is 102.84%. This is within the target range. The average asset sustainability ratio indicates that Council has monitored its assets in line with its asset management plans and has adequately replaced its assets as they near the end of their useful lives.

5. Audit conclusions

Areas of audit focus

Our external audit plan identified the areas of your financial report that we considered to be at greatest risk of material error. These areas of focus are reflected in the map below.



1 Risk 1 – Significant estimates and judgements applied in the valuation of infrastructure assets

2 Risk 2 – Significant estimates and judgements applied in the calculation of depreciation expense for infrastructure assets

3 Risk 3 - Revenue is materially misstated as a result of fraud

4 Risk 4 – The financial statements are materially misstated as a result of management override of controls

5 Risk 5 – Inappropriate procurement policies and practices

6 Risk 6 – Completeness and valuation of council's landfill restoration provision

Our overall conclusions on these areas of audit focus are outlined in the table below.

Risk	Description	Audit conclusion
1	**Significant estimates and judgements applied in the valuation of infrastructure assets.** • Property, plant and equipment is the most material balance in the financial statements at $1,079m. • Valuation of infrastructure assets involves significant estimates and judgements, particularly in years where comprehensive revaluation is undertaken. Council plans to complete a comprehensive revaluation of its buildings and other infrastructure sub-classes during the year ended 30 June 2021. • Significant capital works program, with complex asset capitalisation rules.	**Testing performed:** Procedures completed to address the risk included, but were not limited to, the following: • Evaluation of the appropriateness of the valuation methodology applied in the comprehensive valuation of buildings and other infrastructure sub-classes including testing the inputs and assumptions used to determine fair value; • Evaluation of the appropriateness of the valuation methodology applied in the desktop valuations on remaining asset classes held at fair value, including consideration of changes in value, review of indexation rates applied, and recalculation of valuation increments as a result of indexation. • Consideration of the adequacy of management's review of asset valuations, including the inputs and assumptions used by the valuer; and • Testing of work-in-progress balances to determine the extent to which WIP represents completed projects which should be capitalised, valued and depreciated at balance date. **Results and conclusion:** Based on the results of the procedures performed, we obtained sufficient appropriate evidence to obtain reasonable to conclude that the balance is not materially misstated.

5. Audit conclusions (Cont'd)

Risk	Description	Audit conclusion
2	**Significant estimates and judgements applied in the calculation of depreciation expense for infrastructure assets** • Depreciation expenditure is calculated subject to the application of significant estimates and judgements regarding asset componentisation and useful lives • Infrastructure assets generally have long lives which require significant estimation • Depreciation expenditure is also a critical element in the calculation of two of the ratios reported in the current year financial sustainability statement, increasing both the motivation for manipulation to occur and the potential implications of any errors in depreciation calculations	**Testing performed:** Procedures completed to address the risk included, but were not limited to, the following: • Evaluation of the appropriateness of useful lives adopted for individually significant classes of infrastructure asset (e.g. road surface, road pavements, etc.); • Evaluation of the appropriateness of useful lives adopted for a sample of the remaining asset population; • Recalculation of depreciation expenditure, to confirm both mathematically accurate and consistent with the expected annual depreciation expense as established in prior periods; and • Ensuring appropriateness of useful lives adopted within council's fixed asset register against its accounting policy. **Results and conclusion:** Based on the results of the procedures performed, we obtained sufficient appropriate evidence to obtain reasonable to conclude that the balance is not materially misstated.
3	**Revenue is materially misstated as a result of fraud** • There is a presumption under Australian Auditing Standards that risks of fraud exist with respect to revenue recognition • The introduction of new revenue standards (AASB 15 and AASB 1058) in FY20 increase the amount of judgement and degree of estimation in revenue recognition, and therefore the risk of fraud arising for revenue streams directly impacted by these standards, specifically grants and subsidies income • The timing and classification of revenue recognition can materially impact the calculation of financial sustainability ratios	**Testing performed:** Procedures completed to address the risk included, but were not limited to, the following: • Sampling of funding programs and customer contracts (recoverable works) under which income was recognised for the year, and evaluating whether revenue for that program has been recognised in accordance with the requirements of the relevant accounting standards; • Recalculating the amount of revenue recognised (and any contract assets/contract liabilities) for a sample of funding programs; • Substantive analytical review procedures over rates revenue; and • Tests of detail over a sample of other revenue transactions during the year. **Results and conclusion:** Based on the results of the procedures performed, we obtained sufficient appropriate evidence to conclude that the balance is not materially misstated.

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5. Audit conclusions (Cont'd)

Risk	Description	Audit conclusion
4	**The financial statements are materially misstated as a result of management override of controls** • The risk of management override of controls is a pervasive risk to the financial statements • Our assessment of the risk of management override of controls includes how those charged with governance (including elected officials) exercise oversight of management's processes for identifying and responding to risk of fraud and the internal control that management has established to mitigate these risks	**Testing performed:** Procedures completed to address the risk included, but were not limited to, the following: • Evaluation of key controls over the processing of manual journal entries, and testing of a sample of manual journal entries processed during the year and at year end; • Evaluation and testing of IT general controls and application controls over relevant system generated reports; and • Assessing material accounting estimates and one-off items for management bias. **Results and conclusion:** Based on the results of the procedures performed, we did not identify any instances of management override of controls.
5	**Inappropriate procurement policies and practices** • Large suppler base with decentralised purchasing • Council undertakes large projects where legislative requirements guide tendering and probity processes • Continued vendor fraud attacks across Queensland	**Testing performed:** Procedures completed to address the risk included, but were not limited to, the following: • Evaluation and testing of controls and other practices within the procurement process, including assessment of a sample of contracts entered into during the period for compliance with legislative requirements. • Testing of a sample of vendor Masterfile changes during the period. • Assessing the completeness and accuracy of related party disclosures **Results and conclusion:** Based on the results of the procedures performed, we have not identified any instances of inappropriate application of procurement policies and practices or fraud.

5. Audit conclusions (Cont'd)

Risk	Description	Audit conclusion
6	**Completeness and valuation of council's landfill restoration provision** • Landfill cell is a significant class within property, plant and equipment and also disclosed within provisions of council's balance sheet • Valuation involved significant estimates and judgements • There is no market-based evidence of fair value due to the specialised nature of the assets (comparable items are rarely sold)	**Testing performed:** Procedures completed to address the risk included, but were not limited to, the following: • Reviewing management's calculations and assumptions adopted for the current financial period; • Assessing the mathematical accuracy of the valuation calculations prepared by management • Assessing completeness and reasonableness of estimated future costs having regard to expected site closure, rehabilitation and post-closure monitoring costs; and • Reviewing management's accounting entries for the impact of changes in estimates to the existing landfill restoration provisions under Australia Accounting Standards. **Results and conclusion:** Based on the results of the procedures performed, we have not identified any material misstatements. .

Other audit opinions

In conjunction with our 2020-21 audit of the council, we have audited and issued the special purpose financial report for the Roads to Recovery grant acquittal and the Local Roads and Community Infrastructure grant acquittal. No matters of significance were noted.

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5. Audit conclusions (Cont'd)

Materiality

Our audit materiality thresholds have been reassessed based on your year-end financial statement balances and have changed since we communicated these in the external audit plan. There has been no change in the basis for determination of materiality of the benchmarks on which materiality has been based.

We used these thresholds in assessing misstatements.

Overall materiality	Performance materiality	Clearly trivial threshold	Specific—property, plant & equipment
$530,000	**$371,000**	**$26,500**	**$53.9m**
[per external audit plan $440,000]	[per external audit plan $374,000]	[per external audit plan $22,000]	[per external audit plan $52m]

Evaluation of misstatements

At the date of this report, we have identified a number of misstatements that have been corrected by council.

At the date of this report, we have also identified misstatements that remain uncorrected by management.

If corrected these would result in a decrease in net assets of ($55,603), an increase in equity of $181,385 and a decrease in the operating result of $125,782.

Details of these corrected and uncorrected misstatements are included in Appendix B to this closing report.

Evaluation of disclosure misstatements

At the date of this report, we have identified material misstatements in disclosures that required correction to the financial statements, as identified council have amended all material misstatements within the financial statements.

There are no material misstatements in disclosures that have not been corrected in the financial statements.

6. Audit issues

Internal controls

This table summarises our reporting on significant deficiencies/deficiencies in internal controls. See Appendix A1 for details.

	Number of significant deficiencies		Number of deficiencies		Rating
	Current year	Prior year unresolved	Current year	Prior year unresolved	
Control environment *Structures, policies, attitudes and values that influence daily operations*	-	-	-	-	●
Risk assessment *Processes for identifying, assessing and managing risk*	-	-	-	1	●
Control activities *Implementation of policies and procedures to prevent or detect errors and safeguard assets*	1	1	2	1	●
Information and communication *Systems to capture and communicate information to achieve reliable financial reporting*	-	-	-	-	●
Monitoring activities *Oversight of internal controls for existence and effectiveness*	-	-	-	-	●

● Effective	● Partially effective	● Ineffective
No significant deficiencies identified	One significant deficiency	More than one significant deficiency

Financial reporting issues and other matters

This table summarises our financial reporting and other issues raised in the current year and those carried forward from prior years. See Appendix A2 for details.

	Financial reporting issues—risk ratings			Other matters*
	High	Moderate	Low	
Current year				
Unresolved	1	-	-	-
Resolved	-	-	-	-
Prior year				
Unresolved	1	1	-	1
Resolved	3	-	-	-

* We only track resolution of other matters where management has committed to address the item raised.

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7. Financial statement maturity

QAO has developed a financial statement preparation maturity model. This model replaces our previous assessment processes. The model brings scalability, responding to the client specific factors that influence reporting practices across the public sector. It aims to bring focus to areas of development to allow clients to reach their targeted positioning. The model also facilitates the sharing of better practices across the public sector.

The model outlines the key components that result in high-quality and timely financial reports, providing a maturity assessment for each of the components. During our interim audit, we worked with management as they self-assessed their financial statement preparation processes. We acknowledge there was judgement involved in the principle-based assessments.

The following table sets out the range and average responses for North Burnett Regional Council's financial statement preparation process for each component.

Component	Developing	Established	Integrated	Optimised
Quality month end processes				
Early financial statement close process				
Skilled financial statement preparation and use of technology				
Resolution of financial reporting matters				

North Burnett Regional Council's financial statement preparation processes generally sit between developing and established. From discussions with management, the ratings for these areas are considered appropriate based on the systems in place. The ratings are driven by the following key strengths and improvement opportunities identified during management's self-assessment.

Key strengths	Improvement opportunities
• Clearly assigned roles and responsibilities within the financial reporting team and a comprehensive financial reporting timetable • Identification of and direction of attention towards risks of material misstatement in the financial reporting process • Early action on valuation of infrastructure assets and proforma financial statement preparation	• Timely identification of new accounting issues and engagement with external audit • Investment in systems, processes & controls to account for revenue in accordance with accounting standards. • Increased automation of the financial statement preparation process, with reduced reliance on spreadsheets and manual processes to prepare the statements/information for disclosures • An increased focus on alignment of management and statutory financial reporting • Increasing training opportunities for the financial reporting team • Increasing resources within the finance function to allow for better segregation of duties, and oversight over accounting processes. • Proactive (rather than reactive) preparation of position papers for significant areas such as accounting estimates (infrastructure valuation review, useful life review, landfill provisions) and emerging accounting issues.

We do not expect that entities will consistently sit in the integrated and optimised categories. The cost of moving categories should always be considered in the context of the benefits that will be provided.

8. Other required information

We are required to report certain matters to those charged with governance. The table below provides a summary of the matters usually communicated at the end of our audit.

Matters for QAO to consider	How these were addressed
Disagreements with management	During our audit, we received full co-operation from management and had no unresolved disagreements over the application of accounting principles and the scope of our audit.
Significant difficulties	*Revenue recognition* We encountered significant difficulties and delays in auditing council's accounting for revenue recognition. This resulted in significant unbudgeted time incurred to work through a number of material issues with management to ensure the current and prior period revenue recognition was not materially misstated. A number of adjustments were identified which were booked in the current period, and which also remained uncorrected where they fell below our materiality threshold. *Landfill restoration provision* There were also significant difficulties in auditing council's landfill restoration provision. The difficulties and delay in this audit area were due to council significantly reducing the landfill cell capping areas by as much as 50% across all their landfill sites without adequate evidence or support for doing so. Management took more than one month to respond to audit queries. Subsequently it was agreed with management that capping areas would remain the same as those applied in the prior year, until such time as a comprehensive survey is completed to justify reducing the landfill capping areas in the provision calculation. *Other delays in finalising the audit* There was also significant delay in completing the audit due to the unfortunate circumstance of council's finance manager falling very ill after our audit fieldwork visit in September. At the completion of our fieldwork visit there remained a significant number of outstanding queries, information requests and open audit issues with management. In the finance manager's absence (over the next month or so) there was little to no progression of these matters due to the lack of depth in knowledge, skills and resources within council.
Compliance with laws and regulations	We did not identify any instances of non-compliance with laws and regulations having a material effect on the financial report.
Matters significant to related parties	We did not identify any significant matters in relation to related parties during the audit.
Changes to accounting policies	We confirm there were no significant changes to accounting policies during the period.
Other matters significant to the oversight of the financial reporting process	We did not identify any significant matters in relation to the financial reporting process during the audit.
Fraud and illegal acts	We enquired of management regarding: • knowledge of any fraud or suspected or alleged fraud affecting the entity involving management, employees who have significant roles in internal control, or others where fraud could have a material effect on the financial report • knowledge of any allegations of fraud, or suspected fraud, affecting the financial information. We are not aware of any fraud or illegal acts during our audit.
Other information in the entity's annual report	We performed audit procedures to verify other information in the entity's annual report as required by Australian Auditing Standard ASA 720 *The Auditor's Responsibilities Relating to Other Information*. Our review examined whether annual report financial information and non-financial information is inconsistent with the financial report. No inconsistencies were identified from this review.

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Appendix A1—Internal control deficiencies

The following table outlines control deficiencies and other matters identified since our last interim report dated 31 May 2021. It includes a response from management.

Our risk ratings are as follows—refer to Internal controls rating definitions for more detail.

Significant deficiency	Deficiency	Other matters

Significant Deficiencies

SD21CR-1 Disposal of non-current assets (Control Activities)

Observation

Audit noted a significant loss on disposal of non-current assets of $3,688,991 (2020FY: $4,525,673) within North Burnett Regional Council's Statement of Other Comprehensive Income. The losses in the current year relate to the general disposal of non-current assets totalling $199,037 and the renewal of non-current assets totalling $3,489,954.

The loss on disposal of non-current assets within renewals has highlighted key control deficiencies below:

- Council may potentially be commencing capital renewal projects prior to the asset reaching the end of its useful life.
- A lack of communication between the council's general works and finance team to ensure appropriate useful lives have been allocated and that council's asset management plans accurately reflect each asset class.

A sample of disposals have been substantively tested from North Burnett Regional Council's disposal reports, audit have gained assurance that the loss on disposal of assets has been accurately calculated. Where a significant loss has been recorded audit made inquiry with NBRC's Civil Works Manager to understand the nature and reasons for the renewal or disposal.

Implication

Where council's non-current asset useful lives do not accurately reflect their life or renewal works are commenced earlier than required there is an increased risk of asset not being fully utilised which will result in a significant capital expenditure being recorded.

QAO recommendation

It is strongly recommended that controls are implemented to ensure a regular review of council's fixed asset register is completed to ensure the integrity and accuracy of useful lives adopted. The review shall involve members from both council's finance and asset management team to ensure the accuracy of information being used for service delivery and asset management planning purposes.

Management response

Management agrees with the recommendation to ensure a review of Council's fixed asset register is completed by both the finance and asset management teams to ensure its integrity and accuracy of the useful lives adopted. This will be conducted routinely, and in detail as a result of the comprehensive revaluation for the asset class, roads, drainage and bridges to be completed by June 2022.

Responsible officer:	Financial Services Manager
Status:	Work in progress
Action date:	30 June 2022

Appendix A1—Internal control deficiencies (Cont'd)

Deficiencies

D21CR-1 Inadequate reconciliation process for annual leave provision (Control Activities)

Observation

During the 2020/21 financial year an unreconciled variance has been identified within North Burnett Regional Council's annual leave entitlement provision recorded as at 30 June 2021 (Refer Appendix B Misstatements). The variance between council's trial balance and annual leave entitlement workings is as a result of a lack of review controls over month end close and balance sheet reconciliation process.

Implication

The weakness significantly increases the risk of material misstatement of council's provisioning for employee entitlements at year end.

QAO recommendation

It is recommended council ensure that monthly reconciliations are performed which are independently reviewed and authorised by a delegate with sufficient skill and experience other than the preparer.

Management response

Management agrees with the recommendations to ensure all monthly reconciliations are independently reviewed to improve controls over month end close and year-end balance sheet reconciliations process.

Responsible officer:	Senior Accountant
Status:	Work in progress
Action date:	31 December 2021

D21CR-2 IT systems security requires improvement (Control Activities)

Observation

Audit observed that there is a lack of regular review and monitoring of user access rights and privileges within the IT environment. QAO's Report to Parliament Local Government 2020 (Report 17: 2020-21) recommended that all councils -

- assign employees only the minimum access required to perform their job, and ensure important stages of each process are not performed by the same person
- regularly review user access to ensure it remains appropriate
- monitor activities performed by employees with privileged access (allowing them to access sensitive data and create and configure within the system) to ensure they are appropriately approved

Implication

A strong IT general control environment forms the basis for accurate and reliable information for financial reporting purposes. A lack of control increases the risk of fraud, error or loss of critical data.

QAO recommendation

It is recommended council direct resources to improve its IT general control environment, specifically by implementing review and monitoring (including regular testing) of the above deficiencies.

Management response

Management agrees with the recommendation and will allocate resources to improve its IT general control environment. North Burnett Regional Council will review and monitor:

- IT security training to Council employees.
- review and monitor user access rights and privileges within the IT Environment.

Responsible officer:	General Manager Corporate and Community
Status:	Work in progress
Action date:	30 June 2022

SENSITIVE

Appendix A2—Financial reporting issues

The following table outlines financial reporting issues identified through our audit since our last interim report dated 31 May 2021. It includes a response from management.

Our risk ratings are as follows—refer to Financial reporting issues rating definitions for more detail.

High Medium Low

Quarry Provision

21FR-1 Landfill and Quarry Provision

Observation

Throughout the 2021 financial year North Burnett Regional council have identified 433 gravel sites of various sizes requiring rehabilitation throughout the region. Of these, approximately 200 sites are closed, 150 are still being investigated and 100 are currently classified as active. Of the 100 active sites, 31 are licensed through Department of Environment and Science (DES) or Department of Agriculture and Fisheries (DAF). The remainder are mostly freehold properties with leases. During FY2021 Council has recognised a quarry rehabilitation provision for the 31 sites licenced through DES and DAF of $927,022 (Current: $304,400 and Non-Current $621,622).

The required accounting treatment on initial recognition of the quarry restoration provision is summarised below:

- The restoration provision booked for gravel sites located on 'State land' is recognised as a capital expense on initial recognition, these cannot be capitalised to a landfill cell asset because Council does not control the land and therefore capitalising the cost does not satisfy the recognition criteria under accounting standards.
- Council is required to review the quarry restoration provision and make adjustments to reflect the current best estimate at each reporting date. Changes in the estimated amount of quarry restoration provision can arise from changes in the estimated timing or quantum of amounts required to settle the obligation; and/or changes in the discount rate. The impact of these changes is recognised through profit or loss as either capital expenditure (changes in the quantum or timing of cash outflows) or finance costs (unwinding of the discount).

In addition to the initial recognition of a quarry provision in FY2021, council reviewed costing, capping area , indexation rate and discount rate inputs within their landfill calculation. Below are the results of council's review of these inputs:

- Unit rate costing: Council adopted unit rate costings for capping from recent rehabilitation work and accepted tender submissions, audit have substantiated these revised costings and are comfortable they are free of material misstatement.
- Capping volumes: Council performed an in-house review of capping volumes for each landfill site, however due to a lack of sufficient evidence no changes have been made to capping volumes from the prior year. This input is subject to significant uncertainty and Council will need to engage an expert to provide an assessment of the accuracy of the capping volumes and costs to complete these works in FY2022.
- Indexation and discount rates: Council have adopted rates consistent with the commonwealth government bond yield rates, audit have substantively tested these and has assured that these are consistent with other comparable LGs.

Outlined in council's 2021 annual financial report at note 17 are the significant estimation uncertainty regarding the provision for refuse dump and quarry rehabilitation.

Implication

There is a risk that Council has additional sites requiring remediation that have not yet been identified. In the absence of specific site assessments and preparation of rehabilitation plans, there is also a risk that amounts provided for rehabilitation may be inaccurate.

QAO recommendation

It is recommended that Council engage a qualified expert to undertake a survey and assessment of the cost to remediate Council's quarry and landfill sites in FY2022. In the absence of an independent assessment the accuracy of the provisions are at risk of being qualified in next year's audit opinion.

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Appendix A2—Financial reporting issues (Cont'd)

21FR-1 Landfill and Quarry Provision (continued)

Management response

Management agrees with the recommendation and will allocate resources to undertake an independent survey and assessment of the cost to rehabilitate Council's quarry and landfill sites in FY2022.

Responsible officer:	Planning and Environment Manager
Status:	Work in progress
Action date:	30 June 2022

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Appendix A2—Financial reporting issues (Cont'd)

Revenue recognition – AASB 15 and 1058 considerations

20FR-3 Accounting Treatment of AASB 15 and 1058

Observation

Whilst auditing council's contract assets and contract liabilities, we observed the following matters:

- Budgeted and actual expenditure amounts (e.g. for capital grant projects) did not to reflect changes in the budget over time or actual expenses incurred – for example, budget overruns which would typically be funded by Council were not factored into the calculation of contract balances.
- Incomplete grant fund receipting information had been included within council's contract assets and liabilities schedule.
- Lack of supporting documentation accessible for council to accurately assess grant positions – for example, some signed grant agreements were unable to be located.
- Contract liabilities for capital grants are determined by deducting project expenditure incurred to date from grant funding received to date. For co-funded projects (e.g. where council contribute a percentage of the total project cost), this essentially allocates the grant funding to the project first. For accounting purposes, we consider that revenue should be recognised on a pro-rata co-contribution funding basis, based on the percentage of completion of the project.
- AASB 15 and 1058 considerations are only considered at the end of financial year, with no system, process or controls in place that would enable a monthly reconciliations or reviews to be performed over revenue recognition.

Implication

For the current year, audit completed substantive testing procedures to determine the contract assets and liabilities at year-end. As a result of audit's assessment, numerous corrected and uncorrected misstatements have been identified within current and prior period.

Description	Closing 30 June 2021 (Unaudited)	Adjustment booked	Closing 30 June 2021 (Audited)
Contract Asset	798,618	727,233	1,525,851
Contract Liability	(1,929,386)	437,857	(1,491,529)

QAO recommendation

It is recommended management develop internal guidance for the contract asset and contract liability calculation in future periods. This guidance should include policies to ensure grant schedules are reviewed monthly and developed to strengthen the cohesion between the finance and asset management teams.

Based on shortfalls observed in FY2021 and FY2020 we also recommended that management prepare a position paper in FY2022 detailing their analysis and accounting impact of AASB 15 and 1058 next financial year.

Management response

Management agrees with the recommendation to improve monitoring of grant revenue income and record management to enable detailed analysis and accurate accounting impact of AASB15 and 1058. Council will monitor the contract asset and contract liability on a monthly basis and liaise with various teams to understand the progress milestones per respective grants. The ongoing review and monitoring will enable the detailed preparation of a position paper for end of financial year 2022.

Responsible officer:	Financial Services Manager
Status:	Work in Progress
Action date:	30 June 2022

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Appendix A3—Matters previously reported

The following table summarises previously reported control deficiencies, financial reporting issues and other matters that we reported this year in our interim management letter(s) and unresolved issues raised in in prior years.

Reference	Issue	Status/Comment action date
	Internal control issues	
	Significant deficiencies	
SD20CR-1	***SD20CR-1 Property, Plant & Equipment Reconciliation (Control Activities)*** There is no month-end close or reconciliation process between Council's detailed fixed asset register (FAR) and the general ledger.	**Work in progress** Monthly reconciliations are now performed by the asset management team and reviewed by the finance team. Audit reviewed Council's reconciliations as part of year-end fieldwork where it was identified that numerous unreconciled differences still remained. Council will continue to perform monthly reconciliations which audit will review again as part of its interim audit visit for the 2022FY. **Action date:** 31 March 2022
19SD-1	***Payroll Systems and Control Processes (Control Activities)*** Audit noted the following operational and accounting process deficiencies: • Superannuation is paid to all employees despite some not reaching the $450 before tax earnings per calendar month threshold; • Council does not perform a review of changes to the payroll Masterfile to verify that changes to master data are appropriate; • Council was not able to provide support for general ledger and job costing allocations of the payroll clearing accounts; and • Council does not reconcile payroll amounts recorded in the general ledger to summary payroll reports.	**Resolved** Management had considered the issue raised for Superannuation being paid when < $450, and decided to make the payment, as there would have been a lot of system changes required. Subsequently, there has been a change to the legislation to make these payments from 01.07.2021. Management has reviewed the payroll Masterfile changes on a monthly based and when the Financial Services Manager commenced in December 2020, this was also reviewed retrospectively back to July 2020. Management has provided a reconciliation of the financial statements to the payroll system. **Action date:** 30 June 2021
	Deficiencies	
D20CR-1	***Property, Plant & Equipment Valuation Process (Control Activities)*** The fixed asset register (FAR) and general ledger (GL) did not reconcile with the Australis external valuation report provided over water and sewerage infrastructure assets in FY2020.	**Resolved** Management had reconciled the fixed asset register (FAR) and General Ledger (GL) to the valuation report. **Action date:** 30 June 2021

Appendix A3—Matters previously reported (Cont'd)

	Deficiencies	
D20CR-2	***Rate Debtors (Risk Assessment)*** Rates in arrears that exceed the land valuation this is a strong indicator that the debtor may be impaired. In these circumstances action is required by Council to enforce the sale of the property under their legislative powers. It is recommended that Council continue to actively monitor and report on the recoverability of rates in arrears in order for those charged with governance to decide on the appropriate actions to recover the debt.	**Work in progress** Council will continue to improve the reporting on the recoverability of rates in arrears. **Action date:** 31 January 2022
D20CR-3	***Internal Audit Reviews (Monitoring Activities)*** North Burnett Regional Council have not completed a scheduled internal audit in the 2020 financial year as outlined within Councils' three-year internal audit plan adopted in the 2019 financial year.	**Resolved** Management has completed seven Internal Audit Programs within 2020.21 as follows: 1. Cash Handling; 2. Financial Statement Preparation Maturity Assessment; 3. Payroll; 4. Plant & Fleet; 5. Budgeting & Reporting; 6. Corporate Governance; and 7. Procurement. **Action date:** 30 June 2021
D20CR-4	***Significant Employee Entitlements (Control Activities)*** Upon review of council's employee entitlement report we identified significant employee entitlements (in excess of 4 weeks leave accrued) for 58 Council employees. Of these 58 employees 24 had leave balances exceeding 8 weeks.	**Work in progress** Council completed at the beginning of the year to reduce leave balances. In light of the outcomes which could affect staff positions as a result of the Service Delivery Review, there has been a hesitancy for staff to take leave until further notice of the outcomes from SDR in how that may affect their position. The status of the outstanding leave balances has been discussed with Executive Management Team and remains a work in progress **Action date:** 30 June 2021

Appendix A3—Matters previously reported (Cont'd)

	Deficiencies	
20IRD-2	***Incomplete Risk and Compliance Register (Risk Assessment)*** Council has not maintained a compliance register for recording and monitoring Councils ongoing compliance with relevant laws and regulations. Council are required to monitor and document its regulatory compliance responsibilities to ensure all legislative requirements have been complied with. It was recommended that a risk and compliance register be created and maintained on an ongoing basis. This register will ensure council identifies, reports and resolves breaches on a timely basis. The audit and risk committee would be responsible for providing oversight of Councils risk and compliance register.	**Resolved** Council has maintained a compliance register and statutory checklist using the statutory checklists issued by the Department of Local Government, Racing and Multicultural Affairs (DLGRMA). These registers are available on the NBRC Governance Portal. **Action date:** 30 June 2021
17FY	***Application Change Process (Control Environment)*** It was identified that the 'application change' management process could be enhanced. It was recommended that council review the change management processes to ensure that there is a formal procedure for authorising changes and a formal report / sign off on the outcome of the testing.	**Resolved** Council have developed a draft software change management form to be used in conjunction with documentation for each software installation. **Action date:** 30 June 2021
	Other matters	
190-2	***Cyber Security Awareness Training (Final)*** Council do not conduct annual cybersecurity awareness training for council employees. The need for regular cybersecurity awareness training is due to the ever changing threat of IT system breaches. Cybersecurity risk is the probability of financial exposure, loss of critical assets and sensitive information, or reputational harm as a result of a cyber-attack or breach within an organisation's network. Cybersecurity breaches occur in many forms such as malware, password theft, ransomware and phishing attacks so increasing awareness through annual training modules is key to mitigating the cybersecurity risk of Council.	**Work in progress** Council are reviewing suitable cyber security awareness modules within its online training platform (NBRC ED) which will be assigned to all staff. In addition to this council are getting quotes for 3rd party email phishing training and testing for staff with email accounts. Council are also waiting for a quote for a dedicated cyber security training session for high target staff such as managers. **Action date:** 01 January 2022

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Appendix A3—Matters previously reported (Cont'd)

	Financial Reporting Issues	
20FR-1	***Accounting for disposals of property, plant and equipment (High risk)*** Council had not accounted for the disposal of assets in property, plant and equipment which were replaced throughout the financial year. Management in charge of the 2020 financial year numbers were unaware of such a disposal's report, which resulted in the material adjusting entry identified as part of the year end audit procedures.	**Resolved** Council has accounted for the disposal of assets in property, plant and equipment, disposals disclosed within the fixed asset register are complete and reporting accurately **Action date:** 30 June 2021
20FR-2	***Financial Reporting Process (High risk)*** Each reporting period the DLGRMA issue councils with illustrative Tropical Council Financial Statements which provides a standardised template to assist in drafting the annual financial statements. All local government entities are encouraged to use Tropical as a guide when drafting their financial reports. During the 2020 financial year Council were unable to meet their submission deadlines for the delivery of the pro forma and draft financial statements. Additionally, the draft financials were inconsistent with the latest Tropical Council template. The root cause of this issue was that staff who are not experienced in financial reporting were charged with preparing the financial statements and there was no review control conducted independent of the preparer prior to submission for audit.	**Resolved** Council provided the pro-forma Financial Statements and Draft Financial Statements for 2021 financial year per the external audit timeline. Due to unforeseen circumstances during audit, Council requested an extension for the lodgement of the financial Statements. The draft financial statements for most part adhered to the Tropical Council guidelines. **Action date:** 30 June 2021
20FR-3	***Accounting treatment of AASB 15 and 1058 (High risk)*** Whilst auditing council's contract assets and contract liabilities, we observed the following matters: • Financial impact assessment and detailed analysis of the initial application of AASB 15 and 1058 had not been performed by North Burnett Regional Council; • Budgeted expenditure amounts (e.g. for capital grant projects) were not updated to reflect changes in the budget over time – for example, budget overruns which would typically be funded by Council were not factored into the calculation of contract balances; and • Contract liabilities for capital grants are determined by deducting project expenditure incurred to date from grant funding received to date. For co-funded projects (e.g. where council contributes a percentage of the total project cost), this essentially allocates the grant funding to the project first. For accounting purposes, we consider that revenue should be recognised on a pro-rata co contribution funding basis, based on the percentage of completion of the project.	**Work in progress** Whilst council has done considerable work regarding the accounting treatment of AASB 15 and 1058, there is still further work to be achieved in the ongoing management, recording of grants and associated revenue recognition. In the preparation of the 2020-2021 accounts, there was considerable re-work around the revenue recognition of specific grants. **Action date:** 31 December 2021

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Appendix A3—Matters previously reported (Cont'd)

Financial Reporting Issues		
FY15	***Valuation Method for Other Infrastructure (High risk)*** Valuation methods and plans require review and development by the Asset Services Manager.	**Resolved** A full comprehensive Valuation of other infrastructure has been completed in FY21. **Action date:** 30 June 2021
20FR-4	***Long Service Leave Entitlement (Moderate risk)*** The long service leave calculation was inaccurate and did not reconcile to Magiq Enterprise entitlement reports. An individual's long service leave entitlement in Magiq Enterprise only accrues in the system on their employment anniversary date, therefore the entitlements at 30 June are reliant on a manual override and are subject to human error. Evidenced through the lack of review of LSL calculation, Council had not incorporated an accurate wage inflation increase within the calculation for the financial year.	**Work in progress** Council will continue to work with its software provider to ensure the accurate recording of its long service leave entitlements. **Action date:** 31 March 2022

Appendix A4—Our rating definitions

Internal controls rating definitions

	Definition	Prioritisation of remedial action
Significant deficiency	A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action. Also, we increase the rating from a deficiency to a significant deficiency based on: • the risk of material misstatement in the financial statements • the risk to reputation • the significance of non-compliance with policies and applicable laws and regulations • the potential to cause financial loss including fraud, or • where management has not taken appropriate timely action to resolve the deficiency.	This requires immediate management action to resolve.
Deficiency	A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter	An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.	Our recommendation may be implemented at management's discretion.

Financial reporting issues rating definitions

	Potential effect on the financial statements	Prioritisation of remedial action
High	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
Medium	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements.	We expect management action will be taken in a timely manner.
Low	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	We recommend management action to resolve; however, a decision on whether any action is taken is at management's discretion.

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Appendix B—Misstatements

In total, the corrected misstatements improved the net result by $551,717 and increased net assets by $551,717 in the financial statements.

Summary of corrected misstatements

We identified the following misstatements during the audit. They were subsequently corrected by management in the financial statements.

#	Details	Profit or loss Dr/(Cr)	Asset Dr/(Cr)	Liabilities Dr/(Cr)	Equity Dr/(Cr)
		$	$	$	$
1	Shire Capital	-	-	-	4,349,252
	Accumulated Surplus	-	-	-	6,893,934
	Appropriation	-	-	-	(11,243,186)
	(To adjust council shire capital for 2021 financial year operating and capital results)				
2	Provision for credit notes	-	-	33,546	-
	Provision for Long service leave	-	-	(33,546)	-
	(Late client adjustment)				
3	Annual leave expense – Wages	(145,833)	-	-	-
	Provision for annual leave	-	-	145,833	-
	(Adjustment to reconcile council's annual leave entitlement workings and trial balance)				
4	Capital grant works for QLD 2017-19	(2,680)	-	-	-
	Capital grant works for QLD 2019–21 Street	(33,770)	-	-	-
	Capital grant works for QLD 2019–21 Parks	36,450	-	-	-
	(Late client adjustment)				
5	Bad debt expense	178,887	-	-	-
	Provision for doubtful debts	-	(178,887)	-	-
	(To increase provision for Aboriginal housing and general rate debtors as at 30 June 2021)				

Appendix B—Misstatements (Cont'd)

Details		Profit or loss Dr/(Cr)	Asset Dr/(Cr)	Liabilities Dr/(Cr)	Equity Dr/(Cr)
		$	$	$	$
6	Contract liabilities	-	-	88,585	-
	Grant – NBRC multi-site waste transfer	(88,585)	-	-	-
	(Revenue recognition – Multi-site waste transfer)				
7	Grants – Other	(75,000)	-	-	-
	Contract liabilities	-	-	75,000	-
	(Revenue recognition – Mental health initiatives)				
8	Capital expenditure – other	673,507	-	-	-
	Waste – Restoration provision (NC)	-	-	(673,507)	-
	(To increase landfill restoration provision due to capping volume correction)				
9	Site improvement – Gravel Quarry	-	125,000	-	-
	Restoration provision expense	(93,188)	-	-	-
	Provision – Gravel quarry rehabilitation (C)	-	-	(5,400)	
	Provision – Gravel quarry rehabilitation (NC)	-	-	(26,412)	-
	(Adjustment to the initial recognition of gravel quarry rehabilitation provision)				
10	Capital grant – TIDS / Safest	(726,500)	-	-	-
	Contract asset	-	452,228	-	-
	Contract liabilities	-	-	274,272	-
	(Revenue recognition – TIDS and Safest grants)				
11	Capital grants – LRCIP	(275,005)	-	-	-
	Contract assets	-	275,005	-	-
	(Revenue recognition – LRCIP phase 2)				
	Total	**(551,717)**	**674,346**	**(121,629)**	**-**

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Appendix B—Misstatements (Cont'd)

Summary of uncorrected misstatements

Our audit identified the following misstatements which we reported to management. These misstatements have been assessed by management as not material (either to the financial statements as a whole or to individual line item presentations). We concur with management's assessment.

#	Details	Profit or loss Dr/(Cr)	Asset Dr/(Cr)	Liabilities Dr/(Cr)	Equity Dr/(Cr)
		$	$	$	$
1	Incorrect revenue recognition*	125,782	306,684	(251,081)	(181,385)
	Total	**125,782**	**306,684**	**(251,081)**	**(181,385)**

Impact of FY21 uncorrected misstatements on FY22 reporting period

The uncorrected audit differences in FY21 contain several material differences that offset and result in the net impact on the FY21 financial report being immaterial and as a result, have remained uncorrected.

Council will need to understand the financial impact of the FY21 uncorrected misstatements on the revenue recognition for the FY22 financial reporting period.

Summary of corrected / uncorrected disclosure misstatements

During our audit we identified material misstatements in disclosures that required correction to the financial statements, as at the date of this report, council has amended all material disclosure misstatements within the financial statements.

We have also not identified any material misstatements in disclosures that remain uncorrected in the financial statements.

Appendix C—Next year planning considerations

We identified the following financial reporting matters during the current year audit for consideration in planning next year's audit.

Next year audit planning considerations	Potential effect on financial statements	Potential effect on audit
Completion of landfill and quarry site surveys and remediation cost estimates.	Rehabilitation provisions Capital expenditure	Enable Council to provide evidence to substantiate the accuracy of remediation costs for NBRC's landfill and quarry sites.
Early engagement with valuers to scope and complete the full comprehensive valuation of NBRC's roads, drainage and bridge network. An indexation review shall also be undertaken on all other asset classes reported at fair value.	Property, plant and equipment Asset revaluation surplus/(deficit)	Allow for the timely completion of: • Asset valuations; • Indexation reviews; • Council position papers; and • Reconciliation of Council fixed assets registers and asset revaluation reserves.
Systems, processes and controls to be implemented that assure accuracy in accounting for revenue under AASB 15 and AASB 1058. These should be developed with the intention of reconciling movements in revenue, contract assets and contract liabilities on a monthly basis.	Revenue recognition	The potential affect on the audit is to: • Improve accuracy of Council's revenue recognition in the financial report • Improve audit efficiency
Determine the turnaround effect of uncorrected revenue recognition misstatements identified in FY21	Contract assets and liabilities Grant revenues Retained earnings	Any material misstatements in FY22 revenue recognition as a result of prior period uncorrected misstatements are identified on a timely basis (before the interim audit).

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Appendix D—Assessment of financial sustainability

Assessment of financial sustainability

Section 169(5) of the *Local Government Regulation 2012* outlines the following relevant measures of financial sustainability for all Queensland local governments must report on:

Sustainability measure	Purpose	How is it measured?	Target
Operating surplus ratio	The Operating Surplus Ratio indicates the extent to which operating revenues raised cover operating expenses.	*Net operating result/Total operating revenue (excluding capital items)*	Between 0% and 10% per annum
Net financial liabilities ratio	The Net Financial Liabilities Ratio indicates the extent to which operating revenues (including grants and subsidies) can cover net financial liabilities (usually loans and leases).	*(Total Liabilities—current assets)/Total operating revenue*	< 60% per annum
Asset sustainability ratio	The Asset Sustainability Ratio indicates the extent to which assets are being replaced as they reach the end of their useful lives.	*Capital Expenditure on replacement of assets (renewals)/Depreciation*	> 90% per annum

We assigned a risk rating to each measure using the below criteria.

Risk rating measure for Individual Ratios	Operating surplus ratio	Net financial liabilities ratio	Asset sustainability ratio
Higher	Less than negative 10% (i.e. losses) Insufficient revenue is being generated to fund operations and asset renewal	More than 80% Potential long-term concern over ability to repay debt levels from operating revenue	Less than 50% Insufficient spending on asset replacement or renewal resulting in reduced service levels and increased burden on future ratepayers
Moderate	Negative 10% to zero A risk of long-term reduction in cash reserves and inability to fund asset renewals	60% to 80% Some concerns over the ability to repay debt from operating revenue	50% to 90% Irregular spending or insufficient asset management practices creating a backlog of maintenance/renewal work
Lower	More than zero (i.e. surpluses) Well positioned to fund operations and asset renewals	Less than 60% No concern over the ability to repay debt from operating revenue	More than 90% Likely to be sufficiently replacing or renewing assets as they reach the end of their useful lives

Appendix D—Assessment of financial sustainability (cont.)

Our assessment of financial sustainability risk factors does not take into account council's long-term forecasts or credit assessments undertaken by Queensland Treasury Corporation. We calculate the overall financial sustainability risk assessment using the ratings determined for each measure using the criteria in the table below.

Risk level	Detail of risk
Higher risk	Higher risk of sustainability issues arising in the short to medium term if current operating income and expenditure policies continue, as indicated by average operating deficits (losses) of more than 10 per cent of operating revenue.
Moderate risk	Moderate risk of sustainability issues over the longer term if current debt financing and capital investment policies continue, as indicated by: • current net financial liabilities more than 80 per cent of operating revenue or • average asset sustainability ratio over the last 5 years is less than 50 per cent or • average operating deficits (losses) over the last five years of between two and 10 per cent of operating revenue or • realising two or more of the individual ratios for moderate risk assessments (per the table opposite).
Lower risk	Lower risk of financial sustainability concerns based on current income, expenditure, asset investment and debt financing policies.

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Appendix E—Planned performance audits

Forward work program

QAO has published its *Forward work plan 2021–24*. We continue to focus our work where we can best advise and support entities, and where our insights can most effectively influence positive change. The plan outlines the strategic risks to public service delivery that QAO has identified and focus areas for our audits. We include all of our audit work in this plan—our financial audits, performance audits and assurance activities—which work together to provide a full picture of state and local government performance and accountability. On our website, we also provide an acquittal of our prior published plans.

Our forward-looking plan covers the next three years to ensure transparency around our work and to allow entities time to prepare for an audit. Each year, we will reconsider each topic's relative importance and timing, and republish a revised plan. We will continue to consult with entities to ensure we are proposing the right audits at the right time and we welcome suggestions for audit topics, or contributions to audits in-progress, from all our clients and stakeholders via www.qao.qld.gov.au/contact-us.

The following proposed topics are included in the current program which are of relevance to your entity:

Financial year	Report	Objective
2022	Improving asset management in local government	This audit will examine whether councils are effectively managing their infrastructure assets to maximise service potential, while minimising the total cost of owning these assets.
2023	Maintaining strong and prosperous regions	This audit will examine the Queensland Government's effectiveness in progressing the goals for strong and prosperous regions in its Queensland Plan.
2023	Managing invasive species	This audit will examine how effectively state government entities are managing invasive species.
2024	Effectiveness of local government audit committees	This audit will assess the effectiveness of audit committees in local governments.
2024	Sustainability of local governments	This audit will examine the sector's progress in meeting its sustainability challenges. The audit may consider how effectively the sector has acted to address previous Queensland Audit Office findings and recommendations on sustainability.
2024	Implementing recommendations from the Queensland Floods Commission of Inquiry	This audit will examine whether Queensland is better able to prevent and prepare for floods following the 2012 inquiry.

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Appendix F—Other matters of interest

QAO's online blog

Our blog available on our website: https://www.qao.qld.gov.au/blog

Our blog provides updates on topical accounting and auditing standard issues, as well as wider learnings from our recently tabled reports to parliament and general news from QAO.

The latest posts that may be of interest to your entity include:

Topic	Overview
The role of governance committees in managing cyber security risks *16 June 2021*	As cyber-attacks continue, cyber risk has become one of the top enterprise-wide risks facing entities. Entities need to remain vigilant and governance committees need to ensure they understand the impact of cyber risk on business strategy. Entities and governance committees should consider cyber threats as part of their risk management and governance framework, with risk registers reflecting the potential risk of cyber-attacks on key assets and business processes.
Leases: year two guidance *1 July 2021*	The standard AASB 16 Leases is now in its second year of operation for public sector entities. This blog covers a brief update on some specific accounting issues that you may not have dealt with on transition, including rent adjustments (rent escalations), lease renegotiations, reductions in space, and electing not to exercise an option originally included in the lease term.
Financial reporting requirements (FRRs) and the new accounting standards 2021 *7 July 2021*	Queensland Treasury's Financial Reporting Requirements for Queensland Government Agencies (FRRs) for 2020–21 are available on Treasury's website: www.treasury.qld.gov.au/resource/financial-reporting-requirements-queensland-government-agencies/. While local governments are not required to comply with the FRRs, the are a useful resource for local governments, particularly when it comes to applying the accounting standards in a public sector environment.
Configuration or customisation costs in a cloud computing arrangement *9 July 2021*	This blog post discusses the implications of the IFRS Interpretations Committee's (IFRIC) agenda decision *Configuration or Customisation Costs in a Cloud Computing Arrangement* (April 2021). Cloud computing covers software-as-a-service (SaaS) arrangements. The IFRIC decision outlines the accounting treatment applicable for configuration/customisation costs associated with cloud-based software, and will require entity's to assess the impact of the interpretation on its accounting policies and historical treatment of such costs. Each entity should assess whether it is able, in the time available to finalise 2020-21 financial statements, to adopt the IFRIC decision. This will depend on the complexity and volume of costs they incur and the complexity of their circumstances. We will support deferring the application of the agenda decision to the 2021-22 financial statements; however, if an entity defers, it should explain this in its 2020-21 financial statements.
We are changing the way we report on internal controls *11 November 2021*	We are developing assessment tools that will help us better communicate with our clients about the strength of their internal controls, and the areas they can improve. We will start to phase out our previous traffic light processes from 2021–22 as we roll out our assessment tools across different sectors of government We have prepared an annual assessment tool for understanding where entities sit on a maturity scale for efficient and effective internal controls. It uses a matrix approach, with relevant internal control areas described across four levels of maturity (consistent with our financial statement preparation model). The annual assessment should allow entities to highlight internal control areas for targeted improvement, and where we may consider performing a deep dive assessment. The assessment tools are scalable to an entity's size and complexity, and are principle based, so they respond to factors that influence an entity's practices. We are currently trialling the annual assessment tool with a small number of departments and consulting with department chief financial officers and heads of internal audit. We will then publish it on our website and use it with other public sector entities from 2021–22.

Appendix E—Other matters of interest (cont'd)

Audit committee chair briefing

QAO regularly briefs the chairs of public sector audit committees about the results of our audits, expectations for the financial audit process and client feedback obtained.

The last briefing for audit committee chairs was held on 6 May 2021. This briefing included information such as:

- Checks that audit committees should completed with respect to the annual financial statement preparation process
- Recap on the financial statement maturity model
- Insights from recent reports to parliament on results of 2020 audits
- The proposed changes to how we assess controls (moving to a maturity assessment for 2021-22)

A copy of the presentation slides is available on our website at: https://www.qao.qld.gov.au/reports-resources/events.

The next briefing for audit committee chairs is scheduled for 7 December 2021.

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7 CORPORATE AND COMMUNITY

7.1 RADF ROUND 1 2021-2022

Doc Id: **1073453**

Author: **Desiree Tomas, Customer Experience and Communities Manager**

Jenny Hall, Community Development Stream Leader

Authoriser: **Susie Glasson, General Manager Corporate and Community**

Attachments: **1. Minutes of RADF Assessment Meeting - 16 November 2021 - Mt Perry .docx [1073627]**

EXECUTIVE SUMMARY

The purpose of this report is to inform Council on the progress of the North Burnett Regional Council's Regional Arts Development Fund (RADF) Program and recommend 2021-22 Round 1 applications for endorsement and completed projects for successful acquittal.

The total budget for the 2021-22 RADF program is $ 40,532, to be allocated through two funding rounds by 31 August 2022.

CORPORATE PLAN

OUR VISION: A prosperous future for generations built on a solid foundation of customer focused, efficient and effective service delivery.

OUR PRIORITY AREAS:

2. Sustainable Communities – to retain population and attract investment

RECOMMENDATION

That Council:

1. Endorse the following Regional Arts Development Fund (RADF) applications:
    a) Gayndah Art Gallery - This is Us - $8,441
    b) Rachel Koster - Recording Project with Rick Price - $5,750
    c) Jasmine Slack - Professional Development - Oil Painting Portraiture Workshop - $1,408
    d) LiveBetter Community Services - International Women's Day Afternoon Spectacular - $3,350
    e) Cilla Pershouse - Theatre Mentoring Program for Children - $3,650
    f) Jess Postle – Professional Development: Qld Ballet Teacher Training PD - $1,125

2. Endorse the following Regional Arts Development Fund (RADF) Outcome Reports for successful acquittal:
    a) Margaret Kelly (Mundubbera QCWA) – Kurrimine Handcraft School - $708
    b) Cilla Pershouse – Young at Heart - $6,750
    c) Shelley Pisani – CQ Shopfront - $4,810
    d) Live Better Community Services – Anthony Lamond Comedy Workshop - $3,205
    e) Rachel Koster – Past to Present (Living History) - $6,037

REPORT

The North Burnett Regional Council partners with the Queensland Government through Arts Queensland to deliver the Regional Arts Development Fund (RADF) Program in our region. For

2021-22, the RADF program has an annual budget of $40,532 to be allocated through two rounds of funding by 31 August 2022. Should the funding not be fully expended in two rounds, a third round of funding will be considered. This report details the recommendations for the first round of funding.

RADF Round 1 2021-22 was released on Friday 1 October and applications closed on Wednesday 3 November 2021. The grant program was conducted online via SmartyGrants and assessed by the North Burnett Arts and Cultural Advisory Committee (NBACAC). Six applications were received in total for Round 1.

To assess Round 1 applications, four NBACAC members independently completed a standardised assessment checklist on each application, via SmartyGrants, prior to the RADF Assessment Panel Review meeting held on 16 November 2021 in Mount Perry. The initial assessment included:

- Declaring any conflicts of interest.
- Applying a scoring system to consider aspects of project quality, impact, reach and viability.
- Conditions of funding.
- A recommendation for funding (yes or no) and a recommended amount.
- A comment to justify decisions made.

This information was then collated and presented at the RADF Assessment Panel Review meeting for consideration.

Dr Geoff Walden chaired the Assessment Panel Review Meeting, three assessors attended in person and one assessor via Zoom. The Committee's recommendations were assessed in line with the NBACAC Terms of Reference and the RADF Guidelines and members' initial assessments and comments were factored into the overall decision making of the panel.

The North Burnett Arts and Culture Advisory Committee is an advisory committee to the Council. The RADF guidelines state any recommendations for funding through RADF require Council endorsement at a General meeting. It should be noted that RADF is administered separately to the 1004 Community Grants policy and guidelines due to RADF's joint funding with Arts Queensland.

The Committee's recommendations for Round 1 are as follows:

<u>2021-22 Round 1 Applications:</u>

This funding round was initially advertised as having a budget of $20,000 available. Due to the quality of the applications received, the RADF Assessment Committee recommended that all applications be funded to the value of $23,724 leaving $16,808 available to fund Round 2.

1. Gayndah Art Gallery: This is Us - $8,691 to hold art skills development workshops throughout 2022 in watercolour painting, pen and ink, charcoal, digital design skills, curating an exhibition and holding a grand opening event. Venue hire costs of $250 were not funded.

   1. Recommended funding to value of $8,441

2. Rachel Koster - Recording Project - $5,750 to produce three original songs with Australian music icon, Rick Price and high-profile vocalists, Lisa Edwards and Penny Dyer.

   3. Recommended funding to value of $5,750

3. Jasmine Slack - Professional Development: Oil Painting Portraiture Workshop - $1,408 to attend an oil painting workshop with Lyn Diefenbach at Bienarte in Brisbane, 2022.

   5. Recommended funding to value of $1,408

4. Live Better Community Services - International Women's Day Afternoon Spectacular - $4,915 to engage Brushes and Bubbles in the Bush to help celebrate International Women's Day for 2022 in Monto. Participants to contribute towards catering and art materials.

   7. Recommended funding to value of $3,350

5. Cilla Pershouse - Theatre Mentoring Program for Children - $5,900 to deliver a high-quality theatre arts' mentoring program and music theatre showcase for children in each North Burnett town. Participants to contribute towards cost of program delivery.

9. Recommended funding to value of $3,650

10.

6. Jess Postle - Professional Development: Qld Ballet Teacher Training PD - $1,250 to attend training to deliver "Petite Pointers" classes in Mundubbera in 2022. The committee recommended that the applicant contribute towards the cost as per the RADF guidelines.

11. Recommended funding to value of $1,125.

12.

Reasoning behind the recommendations of the North Burnett Arts and Cultural Advisory Committee can be found in the minutes, which are attached.

<u>The following RADF Outcome Reports were assessed for acquittal:</u>

1. Margaret Kelly/Mundubbera QCWA - Kurrimine Handcraft School - $708 **Recommended**
2. Cilla Pershouse - Young at Heart - $6,750 **Recommended**
3. Shelley Pisani - CQ Shopfront - $4,810 **Recommended**
4. Live Better Community Services - Anthony Lamond Comedy workshop **Recommended**

13. - $3,205

5. Rachel Koster - Past to Present (Living History) - $6,037 **Recommended**

14.

15. Reasoning behind the acquittal recommendations can be found in the minutes, which are attached.

16.

17. <u>Update on Outdoor Artworks Project</u>

18.

Staff have been working to finalise the ongoing 2019-20 RADF Committee Project. This project involved Council staff collaborating with key groups and individuals in each town to create an outdoor artwork piece, to be installed in an outdoor space in each town. Projects have been completed in Biggenden, Eidsvold, Mt Perry, Monto and Gayndah (installation to occur in December). The project in Mundubbera did not proceed due to the artist collaborating on the project recently pulling out and unable to complete the project within the required timeframes. Therefore, due to timing and funding requirements, the funding apportioned to this project will be returned to the funding body, Arts Queensland. Many of the projects were completed under budget, with funds un-spent also needing to be returned to the funding body.

This has been a successful project with positive outcomes in the community. Our preferred model moving forward is for RADF projects to be funded as part of the community grant rounds, where community groups have ownership of their projects to achieve community outcomes supported by Council, rather than driven by Council.

CONSULTATION

Four North Burnett Arts and Cultural Advisory Committee members individually completed a full assessment of the RADF 2021-22 Round 1 applications via SmartyGrants. This assessment was used to inform discussion at the Assessment Panel Review Meeting held on 16 November 2021 and factored into the overall decision making of the group.

Five outcome reports from completed RADF projects were considered individually by the North Burnett Arts and Cultural Advisory Committee either via SmartyGrants or in hard copy format at the assessment meeting.

All assessments and recommendations were made in accordance with the RADF Program Guidelines and the NBACAC Terms of Reference.

RISK IMPLICATIONS

Reputation / Political

LOW - Members of the NBACAC were successfully endorsed by Council as Advisory Committee members based on the skills and experience that they possess in the arts and cultural arena. The members are expected to serve the interests of the region. The risk of doing nothing and not endorsing the committee recommendations is that the Advisory Committee Panel would feel that their recommendations are not valued; and lack of endorsement would result in delays in RADF projects commencing and increased strain on Council's ability to fulfil the requirements of the 2021-22 RADF Funding Agreement.

The management of the RADF Program is conducted in line with the Arts Queensland funding agreement and is guided by the North Burnett Arts and Cultural Advisory Committee Terms of Reference, RADF Guidelines and the use of approved standardised applications, assessment checklists, forms and letters to mitigate any risk of harm to the reputation of Council and Arts Queensland.

Occupational Health & Safety (WHS)

N/A

Financial Impact

LOW – Council received funding of $25,000 from Arts Queensland for the 2021-22 RADF Program; in addition to Council's contribution of $13,000 and rolled over funds of $2,532.37 from 2019/20 providing a total budget of $40,532.37 for the Community Grants Program.

This funding round was initially advertised as having a budget of $20,000 available with total funding for the 2021-22 at $40,532. Due to the quality of the applications received, the RADF Assessment Committee recommended that all applications be funded to the value of $23,724 leaving $16,808 available to fund Round 2.

The 2019-20 RADF Committee Project "Outdoor Artworks Project" is ongoing with 5 out of 6 projects completed in Monto, Mt Perry, Biggenden and Eidsvold and Gayndah (installation to occur in December). The Mundubbera project will not be completed within the required timeframes and leftover funds will be returned to Arts Queensland.

	Budget as per Arts QLD Annual Bid	**Approved / Expended**	**Funds remaining**
2019/20 COMMITTEE PROJECT – Outdoor Artworks	**$20, 000**	$12,002	$ 7998
Current budget at 26/11/21. Mt Perry and Gayndah installation costs (e.g. labour) are still to be applied.			

Legal & Regulatory

LOW – The RADF Program complies with the Local Government Act 2009, the Local Government Regulation 2012, 3207 Arts and Culture Policy and Arts Queensland Funding Agreement.

Environmental

N/A

Property & Infrastructure

LOW – Where applicable, RADF applicants are required to show Certificates of Currency in respect to public liability insurance.

Human Resources

LOW – Council employs a Community Development Officer who undertakes work as a RADF Liaison Officer to manage the RADF Program within designated timeframes. Use of the online grants system SmartyGrants assists to streamline the process.

Information Communications Technology

N/A

Service Delivery

LOW – No impact on service delivery by proposed recommendations. The requirements of the RADF Program are managed in line with other service delivery responsibilities.

Climate

N/A

KEY MESSAGE

The RADF Program is a partnership between North Burnett Regional Council and Arts Queensland to support access to quality arts and cultural experiences in our region and build local cultural capacity, cultural innovation, and community pride. Media releases, website posting, Facebook posts will be undertaken following endorsement to celebrate and promote upcoming projects.

Minutes of RADF Assessment Meeting
North Burnett Arts and Cultural Advisory Committee
Date: Tuesday 16 November 2021
Time: 9.30am – 1.15pm
Venue: Mount Perry Boardroom

1. **Welcome** – Dr Geoff Walden (Chair)

2. **Attendance: (as per Signed Attendance Sheet)** Dr Geoff Walden, Melinda Jones, Gillian Nicholl, Lorraine Maskell (via Zoom), Tania Fraser (RLO)
   Apologies: Kerry Slack

3. **Reading of Minutes of Previous Meeting** – 17 June 2021

   The previous minutes were confirmed true and correct:
   Moved: G Nicholl **Seconded:** M Jones

4. **Business Arising from Previous Minutes:**
   4.1 RADF Guidelines: updated 6/10/21 and put into use for RADF Round 1 2021-22.

5. **Conflicts of Interest Declared:** declarations made prior to individual assessment of applications; this committee member was not present for the assessment panel meeting:
   - Dr Geoff Walden – (7.2) Rachel Koster – Recording Project with Rick Price – Rachel teaches his grandchild. Dr Walden left the room for the deliberation of this project.

6. **Outcome Reports for Acquittal:**

   The following outcome reports were assessed and recommended for successful acquittal:

   6.1 Margaret Kelly/Mundubbera QCWA – Kurrimine Handcraft School – Total Cost: $708
   Note: Due to Covid, the location for this professional development changed to Townsville. There were unspent funds returned on 2/8/21 for this project: $2,532.37 (Receipt 61152).
   Moved: G Nicholl **Seconded:** L Maskell Carried unanimously.

   6.2 Cilla Pershouse – Young at Heart (pre SmartyGrants) – $6,750
   Moved: M Jones **Seconded:** L Maskell Carried unanimously.

   6.3 Shelley Pisani – CQ Shopfront – (pre-SmartyGrants) - $4,810
   Moved: L Maskell **Seconded:** M Jones Carried unanimously.

   6.4 LiveBetter Community Services – Anthony Lamond Comedy Workshop - NB001RADF - $3,205
   Moved: M Jones **Seconded:** G Nicholl Carried unanimously.

   6.5 Rachel Koster – Past to Present (Living History) – NB003RADF - $6,037
   Moved: L Maskell **Seconded:** M Jones Carried unanimously.

7. **Applications for Assessment:**

   7.1 **RADF2122R1019 – Gayndah Art Gallery – This is Us - $8,691**
   Funds sought to hold art skills workshops throughout 2022 in watercolour painting, pen and ink, charcoal, digital design skills, curating and delivering an exhibition and holding a grand opening event. Venue hire fee of $250 not funded in lieu of Council's contribution towards the maintenance of the Gayndah Art Gallery building. The RADF Committee requested that this fee be donated by the applicant as in-kind.
   Recommended for approval to value of $8,441.
   Moved: G Nicholl **Seconded:** L Maskell Carried unanimously

   7.2 RADF2122R1020 – Rachel Koster – Recording Project with Rick Price - $5,750
   Dr Geoff Walden left the room for the assessment of this application.

Doc Id 1073627

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Funds sought to produce three original songs with Australian music icon, Rick Price and high-profile vocalists, Lisa Edwards and Penny Dyer.
Recommended for approval to value of $5,750.
Moved: L Maskell **Seconded**: M Jones Carried unanimously

7.3 RADF2122R1021 – Jasmine Slack – Professional Development - Oil Painting Portraiture Workshop - $1,408
Funds sought to attend an oil painting workshop with Lyn Diefenbach at Bienarte in Brisbane, 2022.
Recommended for approval to value of $1,408.
Moved: G Nicholl **Seconded:** M Jones **Carried unanimously**

7.4 RADF2122R1022 – Live Better Community Services – International Womens' Day Afternoon Spectacular - $4,915
Funds sought to engage Brushes and Bubbles in the Bush to help celebrate International Women's Day for 2022 in Monto. The RADF Committee requested that participants contribute an amount of $50 each to cover food, drinks and art materials provided; and further requested that an amount of $565 for administration costs be donated in-kind by the applicant.
Recommended for approval to value of $3,350.
Moved: M Jones **Seconded**: G Nicholl **Carried unanimously.**

7.5 RADF2122R1023 – Cilla Pershouse – Theatre Mentoring Program for Children - $5,900
Funds sought to deliver a high-quality theatre arts' mentoring program and music theatre showcase for children in each North Burnett community.
The RADF Committee requested that participants be asked to contribute $5 each per session towards the costs of delivering the program.
Recommended for approval to the value of $3,650.
Moved: L Maskell **Seconded:** G Nicholl **Carried unanimously**.

7.6 RADF2122R1024 – Jess Postle – Professional Development – Qld Ballet Teacher Training PD - $1,250
Funds sought to undertake Queensland Ballet Teacher Development Training with the aim of delivering "Petite Pointers" Classes in Mundubbera in 2022. As RADF funding will not fund 100% of project costs, the RADF Committee requested that the applicant contribute $125 towards the cost of the professional development program.
Recommended for approval to the value of $1,125.
Moved: G Nicholl **Seconded:** M Jones **Carried unanimously**

7.7 **Motion to increase funds available for 2021-22 Round 1:**
Due to the high quality of applications received for Round 1, the members of the assessment committee requested permission to raise the budget for the round in preference to declining funding to any one applicant.
Motion: That the total funds committed to Round 1 2021-22, out of a total funding allocation of $40,532 for the year, be increased from $20,000 to $23,724 to fund the committee's recommendations for this round; and leave $16,808 remaining for Round 2.
Moved: G Nichol **Seconded:** L Maskell **Carried unanimously**

Doc Id 1073627

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8. General Business:

8.1 **Cyndy Seabrook's resignation from NBACAC:** received 25/8/21. Tania sent an email to thank Cyndy for her contribution to the Committee.

8.2 **Call for Expressions of Interest for new Eidsvold and Biggenden reps for NBACAC** – Tania advised EOI form has been approved and publicity campaign will commence in the next few weeks.

8.3 **Request for NBACAC members to be invited and/or notified of RADF events**: Dr Geoff requested that members of the NBACAC Committee be extended an invitation to attend RADF funded events that occur in the community. This would give the committee a better understanding of the quality of outcomes to assess the grant acquittal. All agreed that this was a beneficial suggestion. Whilst many projects are promoted through FaceBook and social media channels, this medium does not reach everyone on the Committee. Tania to liaise with successful applicants and pass on event or project delivery details to the Committee as they are made known.

8.4 **Project Update – GJ Motley – Blue Film, Festival and Workshop -** Ref: RADF2021R3002: The RADF Committee were advised that this project, originally funded Round 3 2020-21, was terminated on 11 November 2021 and grant funds were returned to Council by the auspicing body, Gayndah Development Association. Finalisation of expenditure from project funds is currently in progress.

8.5 Project Update – 2019/20 RADF Outdoor Artworks Project: Tania presented an update on the quality outcomes for five outdoor artworks completed in Biggenden, Eidsvold, Gayndah, Monto, and Mount Perry. Due to many unforeseen circumstances, the project for Mundubbera was unable to be completed. As there is now insufficient time to initiate and complete a new community artwork for Mundubbera by 31 March 2022, it is proposed that this Council project will now be finalised, and remaining funds returned to the RADF Program. Should a Mundubbera art group wish to pursue a public art project for their town in lieu of the non-completion of this project, they may work with Council's Community Development Team to seek the necessary Council permissions and apply for RADF Community Grant funds from a future RADF round. This approach will allow sufficient time for a quality project to be conceived and delivered with maximum community outcomes in line with RADF Guidelines.

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9. Funding Outlook – 2021/22

Council received funding of $25,000 from Arts Queensland for the 2021-22 RADF Program; in addition to Council's contribution of $13,000 and rolled over funds of $2,532.37 from 2019/20 providing a total budget of $40,532.37 for the Community Grants Program.

	Budget as per Arts Qld Annual Bid	Funds Available	Grant Applications Received	Approved / Expended	Remaining
COMMUNITY GRANTS 2020-21	$40,532				
R 1 – 16/11/21		40,532	27,914	23,724	$16,808

	Originally Funded 2019/20	Proj. Funds available as at 1/9/21	Approved Expenses	Total Spent since 1/9/21	Project Funds Remaining
Ongoing 2019/20 COMMITTEE PROJECT – Outdoor Artworks	$20,000	$8,542			
D Bebbington – install plaque on Beautiful Monto Mural			136.36		
Gayndah Welding Works – Frames for Eidsvold & Mt Perry artworks			406.98	$543.34	$7,998

10. Next Meeting:

Town: Biggenden or Eidsvold (tba) Date: Thursday 28 April 2022
Venue: NBRC Boardroom Time: 9.30am – 1.30pm

11. Meeting Closed: 1.15pm

Doc Id 1073627

7.2 FINANCE REPORT TO 30 NOVEMBER 2021

Doc Id: **1074594**

Author: **Michelle A. Burns, Senior Accountant**

Authoriser: **Susie Glasson, General Manager Corporate and Community**

Attachments: **1. Finance Report - November 2021.pdf [1075287]**

EXECUTIVE SUMMARY

This report provides a summary of Council's financial performance against budget for the financial year to 30 November 2021.

CORPORATE PLAN

OUR VISION: By 2030, the North Burnett will be a region of choice for people to live, work and play:

OUR ROLE:

A Provider

OUR PRIORITY AREAS:

5. Our efficient and effective council

RECOMMENDATION

That in accordance with section 204 *Local Government Regulation 2012 (Qld)*, Council receives the Finance Report for the period ended 30 November 2021.

REPORT

The monthly financial report includes a Statement of Financial Performance, Statement of Financial Position and Rates Debtor Analysis. Exception reporting is noted within the reports comparing actual performance against budget. Key highlights as at the end of November 2021 include:

- Rates, Levies and Charges recorded in November 2021 totalling $8,495m, are slightly lower than budget year-to-date; this is mainly a result of discounts being applied to rates.
- Capital grants had been received for Regional Airports Program Round 2 of $554,500
- Capital grants had been received for Works for QLD 2019-21 Parks of $163,000
- Capital grants had been received for Works for QLD 2020-21 COVID of $560,000
- Capital grants had been received for Local Roads & Community Infrastructure Program of $756,453
- Capital grants had been received for TIDs of $312,531
- Materials and Services - The increase in Materials & Services relate to additional recoverable works which was above budget. This increase in expenditure is to be offset by an increase income over budget. For example:
    1. RPC Costs – M&S over the forecasted expenditure by $256k &
    2. RMPC Costs – M&S over the forecasted expenditure by $247k.
- Plant utilisation rates have been analysed and reviewed, and this will be monitored closely through 2021/22 to ensure optimal plant usage.
- Depreciation will be reviewed throughout 2021/22 as revaluations are prepared for the asset classes of roads, bridges, drainage, runways and carparks, and the water and sewer

infrastructure network. Due to this ongoing work, the deprecation is currently being recorded at $175,000 above budget and this has resulted in the overall YTD expenses also being above budget. It is anticipated that this will be corrected throughout 2021/22, as the depreciation review continues.

CONSULTATION

Report prepared with input from internal budget holders.

RISK IMPLICATIONS

Reputation / Political

Low risk if expenditure deviates slightly from budget or project delivery schedule.

Financial Impact

Low risk as expenditure in line with budget. The report highlights the need for continuing to closely monitor expenditure and incorporate efficiencies into operations.

KEY MESSAGE

Council is presenting this monthly financial report to provide information on the financial performance against budget and to comply with legislative requirements.

FINANCIAL PERFORMANCE (as at November 2021)

Areas to note

Overall, the council reported a YTD actual net operating loss before capital grants and contributions as at 30 November 2021 which is currently $304,000 higher than predicted. The net difference is comprised of revenue higher than budget by $277,000, and operating expenses above budget of $582,000.

Operating Revenue

- Rates revenue is slightly lower than budget as *Discounts* have increased by $47,092, *General Rates* has decreased to budget by 19,988, *Waste Management* has decreased by $16,661, *Water* has decreased by $6,452, Sewerage has decreased by $2,608 to budget and *Water Consumption* is slightly higher than budget.
- Fees and Charges have increased in November by $189,933 due to additional *Building and Development Fees* of $52,078, *Other Fees and Charges* have increased by $79,811 mainly due to rates search fees, aviation fuel sales and showgrounds fees for camping. *Trade Waste & Recycling* revenue has increased by $45,221 mainly relating to the Mundubbera waste site and recycling at Biggenden and Gayndah. *Water and Sewer Fees* have increased by $35,362. Whereas *Community Service Fees* are below budget by $8,037 and *Licences and Registrations* have reduced by $11,931 and *Caravan Park Takings* are below budget by $2,571.
- Interest received is lower than anticipated due to timing from term deposits.
- Other Income is above budget by $35,590. This is mainly relating to *State Waste Levy* being above budget by $18,597, *Waste - Regionwide Income* from drum musters & wheelie bin hire is above budget by $6,669, *RM Williams Centre* is above budget by $4,715 and *Wash Down Bay* facilities above budget by $3,592 and other small amounts being above budget.
- Recurrent Grants, subsidies, contributions, and donations is below budget by $37,191 which mainly relates to the Financial Assistant Grants.
- Rental Income has decreased from budget by 13,687, which is consistent as this increased in October by $17,637.
- Sales revenue has increased from budget by $225,329, which is mainly relating to RPC and RMPC not included in budget causing sales revenue to increase.

Operating Expenditure

- Materials and Services are above budget by $407,353 which is mainly due to stabilisation works at Biggenden and Isis Highway which in turn has lead to increased income. Plant utilisation rates have been analysed and reviewed and this will continue to be monitored throughout 2021-22 to ensure optimal plant usage.

Capital revenue and expenses

- Capital Revenue is on par with budget.

	YTD FY2022				
	Actual $000	*Budget $000*	*Variance $000*	*%*	*Impact on net result*
Recurrent Revenue					
Rates, levies and charges	8,495	8,586	(91)	(1%)	
Fees and charges	700	510	190	37%	▲
Interest Received	116	147	(32)	(21%)	▼
Other Income	526	490	36	7%	
Recurrent Grants, subsidies, contributions and donations	3,620	3,657	(37)	(1%)	
Rental Income	133	147	(14)	(9%)	
Sales Revenue	1,415	1,189	225	19%	▲
Total Operating Revenue	**15,004**	**14,727**	**277**	**2%**	
Recurrent Expenses					
Employee Benefits	(5,998)	(5,994)	(5)	(0%)	
Materials & Services	(6,997)	(6,590)	(407)	(6%)	
Depreciation	(6,158)	(5,984)	(175)	(3%)	
Finance Costs	(36)	(41)	5	12%	▲
Total Operating Expense	**(19,190)**	**(18,608)**	**(582)**	**(3%)**	
Operating Profit / (Loss)	**(4,185)**	**(3,881)**	**(304)**		
Capital Revenue and Expenses					
Capital Revenue	2,346	2,346	0	0%	
Capital Expenses	0	0	0	0%	
Net Capital Income Gain / (Loss)	**2,346**	**2,346**	**0**	**0%**	
Net Result	**(1,839)**	**(1,535)**	**(304)**	**(20%)**	▼

Legend:

- favourable movement
- unfavourable movement

FINANCIAL POSITION (as at November 2021)

	YTD FY2022	FY FY2022
	Actual	*Budget*
	$000	*$000*
Current Assets		
Cash and cash equivalents	28,168	24,046
Inventories	444	550
Trade and other receivables	3,953	2,050
	32,566	**26,646**
Non-Current Assets		
Property, plant and equipment	1,075,753	1,079,310
	1,075,753	**1,079,310**
Total Assets	**1,108,318**	**1,105,956**
Current Liabilities		
Current Borrowings QTC	(192)	(156)
Other Current Liabilities	(5,215)	(3,800)
Current Provisions	(1,520)	(2,455)
Trade and other payables	(1,178)	(1,900)
	(8,105)	**(8,311)**
Non Current Liabilities		
Borrowings Non Current	(1,825)	(1,665)
Provisions Non Current	(12,469)	(11,367)
	(14,294)	**(13,032)**
Total Liabilities	**(22,399)**	**(21,343)**
Net Community Assets	**1,085,920**	**1,084,613**
Community Equity		
Asset revaluation reserve	(345,134)	(341,632)
Retained surplus/(deficiency)	(740,786)	(742,981)
Total Community Equity	**(1,085,920)**	**(1,084,613)**

Areas to note

Assets

- YTD Cash and cash equivalents has decreased from 31 October 2021 to 30 November 2021 by $556,000.

- Trade and other receivables have increased from 31 October 2021 to 30 November 2021 by $466,000, due to recoverable contract works.

Liabilities

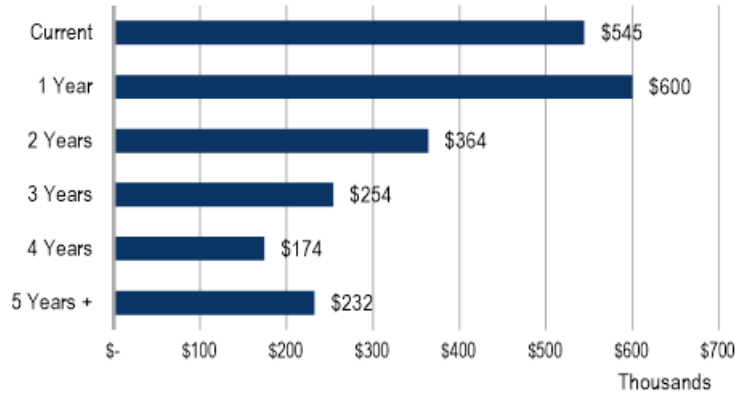
- Current Liabilities have decreased from 31 October 2021 to 30 November 2021 by $261,000. This is mainly due to grant funding received prior to work beng completed. The capital revenue will be recognised as the project works are completed.

RATES OVERDUE (as at November 2021)

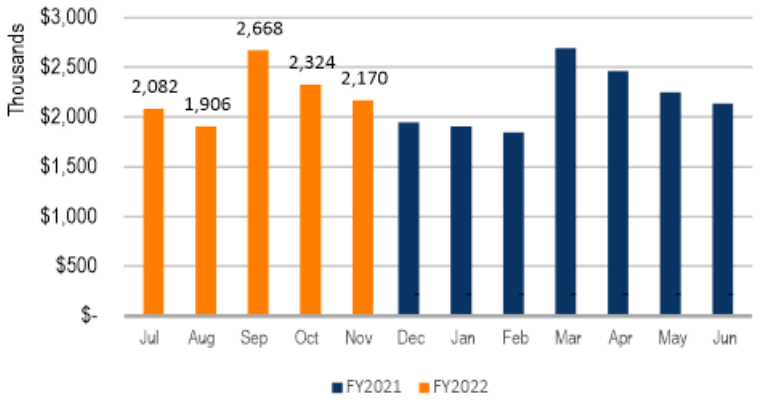
Areas to note

- In November 2021, the rates overdue has decreased from October 2021. This decline has been a reduction from October ($2,323,966) to November ($2,169,808) of $154,158.
- In November 2021, the rates overdue balance decreased by -6.63% compared to the previous month.
- Approximately 52.77% of rates overdue as at 30 November 2021 are less than one year overdue.

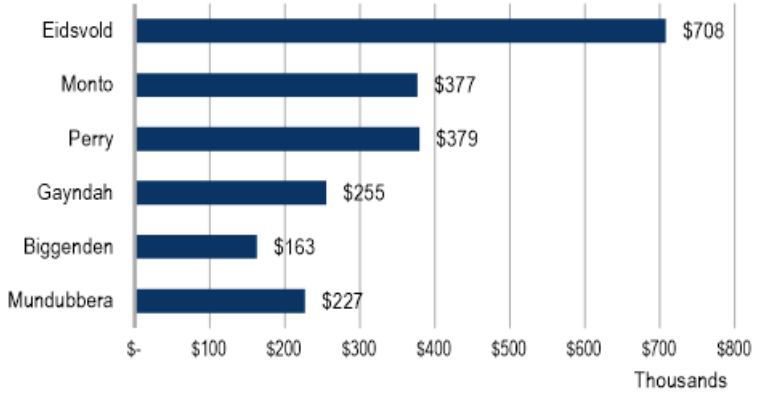
Overdue rates by age



Overdue rates balance



Overdue rates by location



8 WORKS

Nil

9 COUNCILLOR REPORTS

Nil

10 CONFIDENTIAL REPORTS

RECOMMENDATION

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 275(1) of the *Local Government Regulation 2012*:

10.1 Property Disposals

This matter is considered to be confidential under Section 254J(3)(a)-(i) - g of the Local Government Regulation, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government.

11 CLOSURE OF MEETING