



# **AGENDA**

**Special Meeting**

**5 April 2023**

**NOTICE OF SPECIAL MEETING**

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

Please be advised that the Special Meeting of the North Burnett Regional Council will be held at the Gayndah Boardroom on Wednesday, 5 April 2023 commencing at 8:30am.

An agenda is attached for your information.



Margot Stork  
Chief Executive Officer

## Order Of Business

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- 1 WELCOME/HOUSEKEEPING**
- 2 ATTENDEES**
- 3 APOLOGIES/LEAVE OF ABSENCE**
- 4 ACKNOWLEDGEMENT OF COUNTRY**
- 5 DEPUTATIONS/PETITIONS**

As this is a Special Meeting of Council, there are nil deputations for this meeting.

Council will make time available at each General Meeting for public questions/representations

Meetings proceed in accordance with the [Standing Orders Model Meeting Procedures PRO-5005](#), which is a Departmental directive outlining the procedures for meetings of local government.

- 6 DECLARATIONS OF INTEREST**

The Mayor to call for any declarations of interest.

## 7 OFFICE OF THE CHIEF EXECUTIVE OFFICER

### 7.1 2021-2022 ANNUAL REPORT

**Doc Id:** 1142598

**Author:** Owen Jensen, Financial Services Manager

**Authoriser:** Margot Stork, Chief Executive Officer

**Attachments:** 1. NBRC 2021-2022 Annual Report FINAL []

#### EXECUTIVE SUMMARY

The purpose of this report is to present to Council the 2021-2022 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*

#### OFFICERS RECOMMENDATION

That pursuant to section 182 of the *Local Government Regulation 2012 QLD*, Council adopts the 2021-2022 Annual Report.

#### REPORT

An annual report is a Queensland *Local Government Act 2009* and Queensland *Local Government Regulation 2012* mandatory obligation. The document has been collated in keeping with statutory provisions and reflects activities undertaken during the 2021-2022 financial year.

Council's annual report is a key accountability document and the predominant way for Council to provide a coherent report related to operational performance and financial status. The annual report supports transparency, fostering community confidence in Council's service delivery and demonstrates continuous improvement endeavours across the organisation.

Council's annual report illustrates how Council performed against strategic objectives and highlights efforts towards fulfilling Corporate Plan goals. The annual report incorporates a range of local government indicators including financial statements.

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

- Consolidation of Information Management with Information and Communications Technology;
- Introduction of Skytrust electronic Work Health and Safety software system;
- Eidsvold streetscape upgrade;
- Regional airport fencing upgrades;
- Installation of upgraded playground equipment, water fountains, fencing and pathways in Biggenden, Gayndah, Mundubbera, Eidsvold and Monto to comply with all abilities Australian Standards; and
- Monto reservoir valve and pipework renewal.

Councils Annual Report has been the subject of two separate reports to Council on 23 November 2022 and 14 December 2022 respectively. Council resolutions concerning the Annual Report were as follows:

Resolution 2022/167 (23 November 2022)

*That pursuant to section 182 of the Local Government Regulation 2012 QLD, Council adopts the 2021-2022 annual report.*

Resolution 2022-180 (14 December 2022)

*That Council receives and notes the final 2021-2022 Annual Report.*

Whilst the Annual Report has been before Council twice, it was presented each time without final audited financial statements as the process for final sign off by the Queensland Audit Office (QAO) was delayed. Sign off by the QAO has now been achieved and the Annual Report as attached is complete with the community financial report and the financial statements for North Burnett Regional Council for the year ended 30 June 2022.

The annual report will be made available for the community shortly after adoption, with copies available digitally on Council's website, as well as upon request, at all Customer Service and Library Centre points.







Included in the annual report is the community financial report and the financial statements for North Burnett Regional Council for the year ended 30 June 2022. The results of the audit of North Burnett Regional Council's financial statements will be included in the auditors Local Government 2022 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. Council received an unmodified audit opinion for the financial statements for the year ended 30 June 2022.

Council has achieved an improved net result of \$2,840,923 in 2021-2022, as compared to a deficit of (\$8,355,333) in 2020-2021. These results include grant and contributions provided for capital purposes. A surplus is used to fund capital expenditure and build up reserves for Council's assets to be renewed in accordance with Council's asset management plans.

After considering grants and contributions provided for capital purposes, Council posted a reduced operating deficit of (\$5,438,059) in 2021-2022 as compared to an operating deficit of (\$11,375,449) in 2020-2021.

Council's operational income in 2021-2022 was \$45.978million. Grant income represented 37% of total income, with the remaining 63% of the operating income classed as own sourced revenue. Total rates and charges levied (less discount) totalled \$18.463million. This equates to 40% of Council's operating income. Interest and investment revenue decreased in 2022 due to the lower interest rate environment. Council spent \$36.115million during the year on employee costs, materials and services. These items represent costs related to providing services, operating facilities and maintaining assets. Depreciation expenditure reduced slightly to \$14.952million, and this records the consumption of assets controlled by Council over their useful lives and provides an indication of what the level of expenditure on renewal of existing assets is required annually.







The following table summarises the reasons for the movement for respective items of the statement of comprehensive income:

Classes of transactions, account balances or disclosures	Change	Key drivers
Sales revenue \$7,104,388	\$4,058,193 133% 	Increase in the value of recoverable works for the Department of Transport and Main Roads during the current year in comparison to 2020-21
Recurrent - Grants, subsidies, contributions and donations \$16,857,896	\$5,542,027 49% 	Movement in the value is due to the Federal Assistance Grant increasing by \$5.9m.
Capital - Grants, subsidies, contributions and donations \$10,229,038	\$880,840 9% 	Increase in the value is due to the below significant net movements: <ul style="list-style-type: none"> <li>- Increase in Disaster Recovery Funding \$2.7m</li> <li>- Decrease in State Govt Subsidies and Grants of \$2.4m</li> <li>- Increase in Commonwealth Govt Subsidies and Grants of \$100k</li> </ul>
Employee benefits \$14,477,923	\$1,492,374 9% 	The decrease is a reflection of a decrease in headcount in comparison to 2020-21. Council's employee numbers have reduced to 169 compared to 185 in the prior year.
Materials and services \$21,636,679	\$6,081,588 39% 	Increase in the value of recoverable works for the Department of Transport and Main Roads during the current year in comparison to 2020-21.
Capital expenses \$1,95,056	\$4,378,026 69% 	Capital expenditure has decreased in the current financial year due to council's prior year initial recognition of quarry rehabilitation provision and change in estimates its landfill rehabilitation provision. No additional provisions have been recognised in the current financial year.

Council's total equity decreased to \$923,091,759 (2022) from \$ 1,088,627,305 (2021). This decrease was predominantly due to a full comprehensive valuation completed for Council's roads, drainage, and bridge network which resulted as a revaluation decrease of \$178.58million. Council had an increase in cash reserves of \$6,648,243 being an increase of 29%. This was due to Council's capital and operating works spend in the current year being matched by grant funding resulting in a cash surplus being generated.

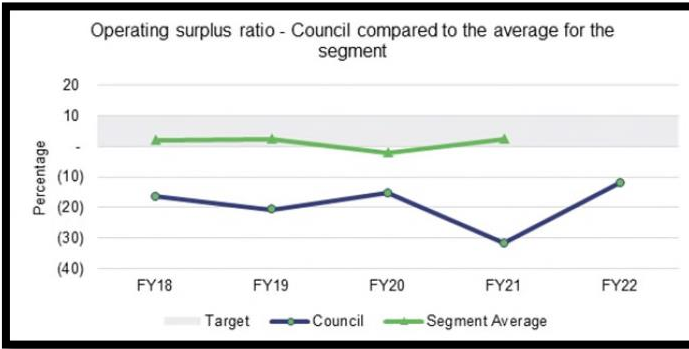


The following table summarises the reasons for the movement for the respective items of the statement of financial position:

Classes of transactions, account balances or disclosures	Change		Key drivers
Cash and cash equivalents \$29,454,535	\$6,648,243 29%		Council's capital and operating works spend in the current year was matched by grant funding, resulting in a cash surplus generated.
Contract assets \$2,655,257	\$953,472 56%		The increase in 2022 relates to grant funds claimable for the following capital work projects: <ul style="list-style-type: none"> <li>- Disaster recovery funding arrangements</li> <li>- Department of Transport and Main Roads capital projects</li> </ul>
Payables \$4,800,846	\$1,821,170 61%		The increase in payables for 2022 financial year predominately relates to the significant payable with Downer EDI Work Pty Ltd of \$1,013,204 for works performed late in the 2022 financial year.
Contract liabilities \$2,135,986	\$1,002,572 88%		Contract liabilities arise from cash received in advance for capital works. The major contract liability at June 2022 includes \$1.14 million for the Local Roads and community Infrastructure Program Phase 3.
Other liabilities \$1,999,338	\$1,897,201 1858%		Increase within other liabilities is due to the annual advance payments from the Department of Environment and Science relating to waste package and waste levy changes.
Asset revaluation surplus \$176,757,389	\$168,376,469 49%		A full comprehensive valuation over Council's Roads, Drainage and Bridge network which resulted in a revaluation decrease of \$178.58 million.  In addition Council applied indexation increases to Buildings, Land, Water, Sewerage and other infrastructure. This indexation review resulted in a revaluation increment of \$10.15 million.

The following is an assessment of Council's financial sustainability, based on the three (3) ratios that Councils are required to report under the local government regulations. Whilst there was an improved net result for the year ended 30 June 2022, the assessment of North Burnett Regional Council financial sustainability risk is still **high**.

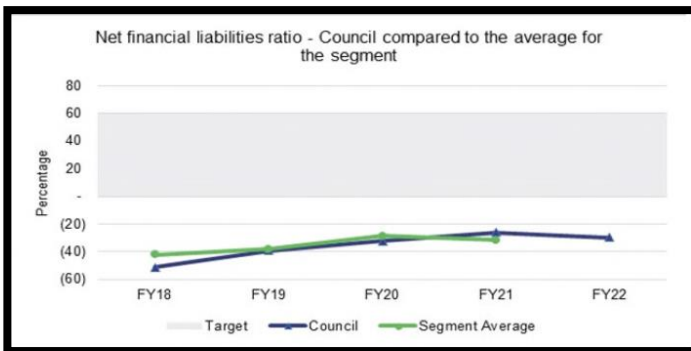
**1. Operating Surplus Ratio**



The operating surplus ratio measures the extent to which revenues raised (to cover operating expenses) are available for capital funding and other purposes.

North Burnett Regional Council's 5-year average operating ratio is (19.19%) which is outside the target range of 0 - 10%. 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. There was an improvement from (31.80%) in 2021 to (11.83%) in 2022.

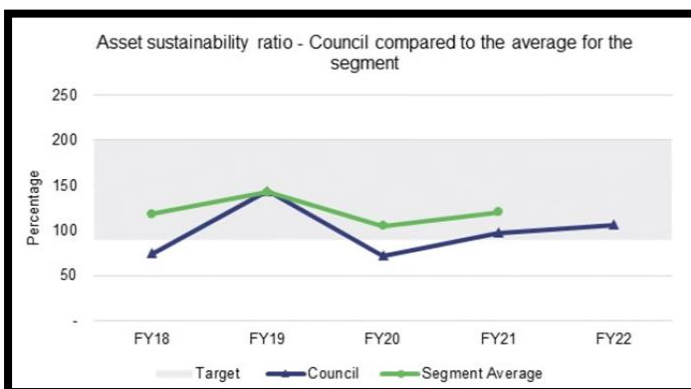
**2. Net Financial Liabilities Ratio**



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 from current operating revenue.

North Burnett Regional Council's net financial liabilities ratio as at 30 June 2022 is (29.45%). This is within the target range of not greater than 60%. Council has consistently trended above the segment average of (35.50%). If Council intends to obtain debt funding for future capital projects, its negative operating surplus ratio suggests Council may experience difficulty in repaying this debt.

**3. Asset Sustainability Ratio**



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.

North Burnett Regional Council's 5-year average asset sustainability ratio is 98.16%. This is within the target range of greater than 90%. The 2022 financial year sustainability ratio of 102.65% 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.

During the current year, a prior period error had been identified which resulted in the reinstatement of the 2021 financial year comparatives. The reinstatement improves North Burnett Regional Council's net asset position and net results reported in the 2021 financial year. The prior period error related to the recognition of capital grants, subsidies, contributions, and donations with an improvement to the net result by \$352,664 in 2021 and an improvement to net assets by \$534,049. The above error had an impact on the Statement of Financial Position as at 1 July 2020 to the value of \$181,385.

## **CONSULTATION**

An all of Council approach was undertaken to collate information and prepare content for the 2021-2022 Annual Report.

## **RISK IMPLICATIONS**

### **Reputation / Political**

Council has a mandatory statutory obligation in the context of the Queensland Local Government Act 2012 and Queensland Local Government Regulation 2012. A local government must prepare an annual report for each financial year. 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 16 March 2023.

### **Occupational Health & Safety (WHS)**

Not applicable.

### **Financial Impact**

The annual report document is prepared as a part of routine corporate and community operational pursuits. There is a small graphic design cost to professional present the document and costs associated with preparing audited financial statements.

### **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 keeping with requirements of the Queensland Local Government Regulation 2012.

### **Environmental**

Not applicable.

### **Property & Infrastructure**

Not applicable.

### **Human Resources**

Council staff undertake data collection, preparation of imagery and written commentary related to service provision as a part of routine activity reporting.

### **Information Communications Technology**

Not applicable.

### **Service Delivery**

Not applicable.

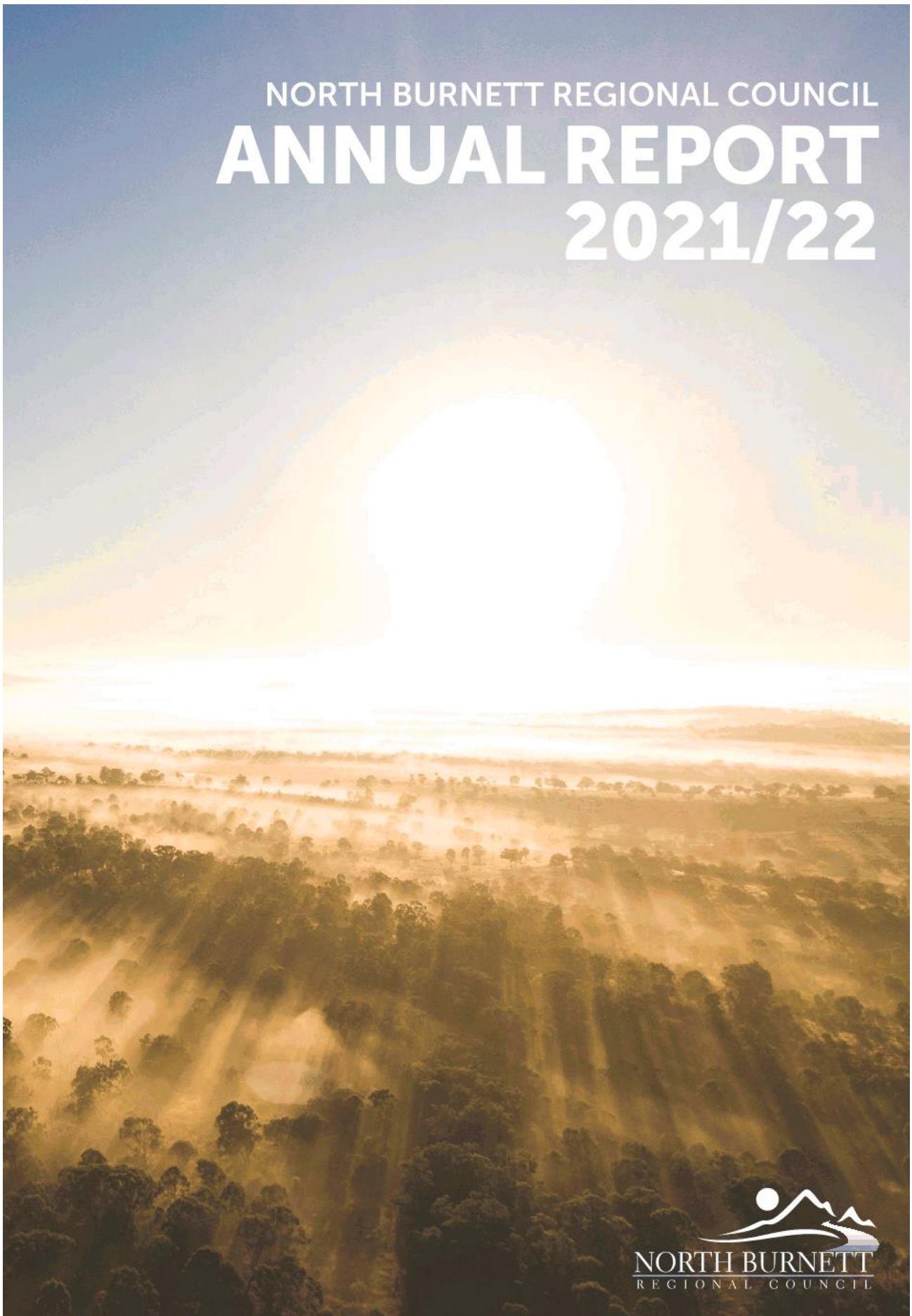
### **Climate**

Not applicable.

**KEY MESSAGE**

The annual report is an important document which highlights what Council initiatives have been pursued and achieved on behalf of our communities, during the 2021-2022 financial year. We encourage our community to read the Annual Report to see all the things that Council achieved over the past financial year.

NORTH BURNETT REGIONAL COUNCIL  
**ANNUAL REPORT**  
**2021/22**



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This document was adopted by Council  
on 14 December 2022.

## MAYOR'S MESSAGE

*Having been a local government professional for much of my working life, then serving as the Division 2 Councillor for North Burnett for two years, I was honoured and excited when on 2 February 2022 I was elected as Mayor of the North Burnett Regional Council.*

Whether as a local government employee, a Councillor, or as Mayor, I always have and always will endeavour to serve the people of the North Burnett through open and transparent process.

Coming into my role as Mayor was a challenging time for our community, our region and me. With the former Mayor's resignation in November 2021, and the Chief Executive Officer also resigning in 2021, I think that it would be fair to say that my first six months in the role was a time of rebuilding. With our new CEO, Margot Stork, commencing 23 May 2022, the Councillors, Executive and I have had an opportunity to stop for a moment and consider where we have come from; and where we need to go on the journey towards greater financial sustainability.

Former Mayor Chambers chose the phrase 'the great realisation' to describe the 2020/21 year. I characterise the 2021/22 year as the year of consolidation. Following the undertaking of the Rock and a Hard Place roadshow and the Service Delivery Review, Council has had an opportunity to consider an enormous amount of data including Auditor General recommendations and various audits. The result is the development of the continuous improvement program, an amalgam of all recommendations concerning improved sustainability, delivery and advocacy provided from different sources, over several years. This process takes the hard work that has already been undertaken and turns it into a roadmap for long term improvement.

As with much of Queensland, our community has been impacted by major flood incidents throughout the first half of 2022. I applaud council staff for working tirelessly to rectify damage caused because of these events and for supporting the community through emergency management, mitigation and recovery. Restoration work will be ongoing for some time to come. Applications for betterment works, such as the upgrade of the Bon Accord Bridge are complex, involving input from multiple professionals and stakeholders. We will update the community as progress occurs.



The Councillors and I are confident that North Burnett Regional Council is in a good position to continue along the path of operational improvement and sustainability commenced during this term of council, under the former Mayor. On behalf of council, I would like to thank former Mayor Chambers for her work engaging our community and advocating, to ensure North Burnett Regional Council's sound future.

*Les Hotz*

Mayor

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## CEO'S MESSAGE

*Having commenced my tenure as CEO of the North Burnett Regional Council in May 2022, I was immediately impressed with the tenacity and commitment of staff to deliver for the community during a period of organisational change, coupled with significant flooding events.*

Unfortunately, weather events continue to have a big impact on our region, resulting in continual staff engagement with significant emergent works and emergency recovery operations.

A priority during my time at council has been to work with my senior team to consolidate previous data collection, recommendations and work undertaken to futureproof the organisation for long-term sustainability. As a result of that consolidation, a program of continuous improvement has emerged. The program will facilitate long-term planning and implementation of various recommendations. The program will also incorporate and build on work undertaken during the Service Delivery Review process and embed long term structural and operational change in the organisation. The approach is to improve what we do and how we do it. I am confident that by working through this long-term strategy, council will be on the path to a long and prosperous future.

I would like to thank the community, staff and Councillors for the support that my family and I have received as we settle into our lives in Gayndah. This beautiful inland region is a hidden gem, and we enjoy exploring the North Burnett. I look forward to meeting many more of our community members over the coming year.



*Margot Stork*

Chief Executive Officer



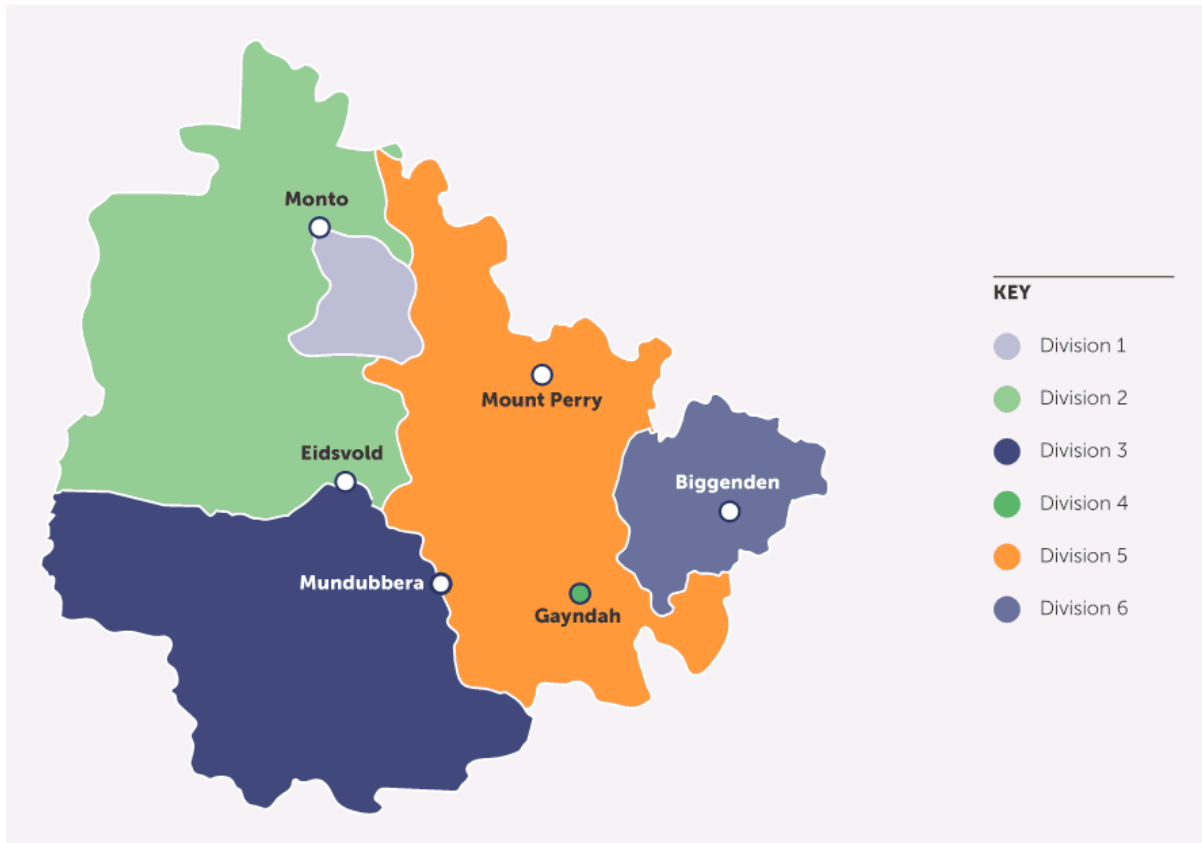


# OUR COUNCILLORS

The North Burnett Local Government area comprises six (6) divisions.

The divisions include the Biggenden region, Eidsvold region, Gayndah, Monto region, Mundubbera region and Mount Perry region. The Queensland Electoral Commission interactive map is available at [ecq.qld.gov.au](http://ecq.qld.gov.au), for additional information.

## DIVISIONAL MAP



## COUNCILLORS



Above left to right: Cr Michael Dingle, Cr Susan Payne, Cr Robert Radel (Deputy Mayor), Cr Dael Giddins, Cr Les Hotz (Mayor), Margot Stork (Chief Executive Officer), Cr Kingsley Mesner, Cr Melinda Jones.

NORTH BURNETT REGIONAL COUNCIL

## REGIONAL OVERVIEW

The North Burnett region is four hours' drive north-west of Brisbane, covering 19,700 square kilometres of diverse Australian landscape.

This picturesque countryside is home to six main townships and a number of villages and farming catchments.

The unique townships of our region comprise Biggenden, Eidsvold, Gayndah, Monto, Mundubbera and Mount Perry.

Eclectic villages of the North Burnett include Auburn, Ban Ban Springs, Boynewood, Byrnestown, Cania, Cockatoo, Cheltenham, Coomingleh, Coonanumbula, Dallarnil, Degilbo, Derri Derra, Didcot, Dykehead, Hawkwood, Kalpowar, Monal, Moonford, Mulgildie, Mungungo, Mungy, Rawbelle, Rockybar, Three Moon, Woodmillar, Yarrol, Abercorn, Monogorilby, Ideraway, Wetheron and Binjour.\*



\*This is not an exhaustive list of villages in the North Burnett region.

## OUR ADVOCACY

*Council's Advocacy Action Plan 2019–2023 outlines six critical considerations for the North Burnett region to be sustainable and prosperous.*

### REPAIR FEDERAL FUNDING FOR LOCAL GOVERNMENT

North Burnett Regional Council supports the Australian Local Government Association and Local Government Association Queensland's calls for Federal Assistance Grants to be restored to 1% of Commonwealth revenue.

### IMPROVED MOBILE TELEPHONE COVERAGE

Council seeks a commitment by the Commonwealth Government to co-fund a solution for seven critical areas along our highways, within the first year of the term; and a further five critical areas during the term of government.

### TRANSPORT

Council supports Australian Local Government Association's request to increase funding and to establish a fund for a Higher Productivity Investment Plan to support the North Burnett commitment to first and last mile projects.

### WATER FOR THE FUTURE

Council seeks commitment to provide funding for feasible capital investments for water reliability and access that will secure the prosperity of future generations.

### AGED CARE

Council seeks a commitment to partner with us and investors to ensure facilities are available and meet the required standards; and to ensure a high level of care is available within the North Burnett.

### TOURISM

Council seeks \$300k in the first year of the new term and ongoing funding to develop a celebration of our indigenous history at the award-winning Reginald Murray Williams Australian Bush Learning Centre and Ban Ban Springs.



NORTH BURNETT REGIONAL COUNCIL



## 2021-2026 CORPORATE PLAN: "A PLAN FOR GENERATIONS"

*Council's adopted 2021-2026 Corporate Plan – A Plan for Generations reflects the work that must be undertaken to continue essential services delivery, enhance liveability, achieve population retention, ensure investment attraction, and propel economic growth.*

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 five years. The community have spoken, and Council has listened. Driving the plan is the commitment to ensure a bright future for the North Burnett region.



# 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
<b>1.1</b> Deliver services deemed essential by the Queensland Audit Office.	<b>1.1.1</b> All essential services are delivered within Australian or Queensland guidelines, standards and legislation.
<b>1.2</b> Deliver services legislatively required of Council.	<b>1.1.2</b> Asset management plans are fully funded to deliver core services. In the case of insufficient funding, a fit for purpose solution is utilised. <b>1.2.1</b> 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.
<b>1.3</b> 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).	<b>1.3.1</b> Services are delivered to an acceptable standard.
<b>1.4</b> Support the delivery of essential services.	<b>1.4.1</b> 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
<b>2.1</b> Deliver community service obligations that retain population, contribute to liveability and attract investment.	<b>2.1.1</b> Community services, facilities and spaces are well maintained and utilised.
<b>2.2</b> Deliver services which contribute to community empowerment.	<b>2.2.1</b> Strong and sustainable organisations and events supported by volunteers. <b>2.2.2</b> Inclusive communities which are enriched by our multicultural community. <b>2.2.3</b> Effective and timely communication with community.

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

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

## ESSENTIAL SERVICE DELIVERY – GETTING THE BASICS RIGHT



### WASTE MANAGEMENT

Council completed installation of five transfer stations (Biggenden, Eidsvold, Mount Perry, Monto and Gayndah) and designated one regional landfill with transfer station (Mundubbera), following amendments to the *Waste Reduction and Recycling Act* in 2019 and operational review. North Burnett residents and businesses are provided access to a range of recycling, reuse and waste disposal opportunities across the region at our Waste Management Facilities. Council has received funding and is currently working towards the construction of a new landfill cell at the Mundubbera Waste Management Facility. The Mundubbera Waste Management Facility was selected as the regional landfill site, due to its location and capacity for expansion.

Council is also working towards advancing recycling opportunities within our region, encouraging residents to reduce and reuse items, minimising waste to landfill.

Council has had assessments completed on historic landfill sites at Biggenden, Eidsvold, Mount Perry, Monto and Gayndah waste facilities. As a part of these assessments, Council has been provided a landfill closure and rehabilitation plan for the nominated sites. This process is a requirement to ensure compliance with the *Waste Reduction and Recycling Act 2011*, for official closure of Council's redundant landfill sites. The outcome of assessments is to establish a proposed final footprint and landform for each of the landfill sites, with management of key infrastructure and compliance, upholding Queensland Government Department of Environment and Science guidelines.

### ILLEGAL DUMPING

Illegal dumping has been identified as an ongoing issue throughout the North Burnett. As a result, Council have been the successful recipient of funding relating to illegal dumping hotspot and partnership programs since 2019. Council have recently been the successful recipient of funding from the Queensland Government for the employment of a Waste Compliance Officer. This position conducts waste compliance audits in accordance with legislative requirements and Council policies, procedures and standards. Illegal dumping and littering has significant immediate and future impacts on our environment.

Council have recently completed a funded project relating to Local Government Road Litter Signage. This was external funding provided through the State Government Litter and Illegal Dumping Signage grant program. The program was used to identify five littering hotspots throughout the region. The aim of this project is to educate community members of their responsibilities under the *Waste Reduction and Recycling Act 2011*.

### POLICE CITIZENS YOUTH CLUBS (PCYC) CADET PILOT PROGRAM

Council facilitated a pilot project with the Biggenden PCYC Emergency Service Cadets to introduce a Container Drop Off point at Council's Biggenden Waste Facility. This cage is located at the Biggenden site for customers to recycle their eligible containers, donate to their local community group and divert waste from landfill.

This pilot project commenced during September 2021. PCYC Cadets have diverted 22,144 glass and plastic bottles, plastic and cans from landfill with the use of the recycling cage at Biggenden and other community container recycling initiatives.



*Above: Biggenden PCYC Emergency Service Cadets pictured with the Containers for Change cages located at the Biggenden Waste Management Facility for community members to utilise.*



## INFORMATION MANAGEMENT

In early 2022, the disparate Information and Communications Technology and Records teams joined together to form Council's first Information Management stream. The teams now share common leadership and will work closely to provide Council with high quality Information Management policy and support.

## INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

Council's ICT team had another mammoth year of shepherding technology modernisation within the organisation. Significant hardware and software changes were undertaken with a goal of increasing the organisation's efficiency and productivity.

Themes during the 2021/22 year include collaboration and mobility.

Council's meeting room facilities across the region are now equipped with Microsoft Teams videoconferencing technology which integrates with software used by staff, as well as other councils and Queensland Government departments. This allows for increased collaboration between internal and external stakeholders.

Council is now pursuing a "mobile-first" strategy for computing devices. Where desktop computers had been traditionally the first choice and laptop computers only offered where required, the opposite is now true. This change means that many more staff can easily move around the organisation or work remotely with their personally allocated device. Around one-third of staff have been migrated to the new operating environment during the 2021/22 year, with the remainder to follow over the next two years.

In addition to the mobile-first strategy, a significant boost to the number of mobile phones and tablets has been experienced across Council, reflecting an increased need for staff in the field to be able to access online systems and job-specific software packages. Work Health and Safety, training and administration related tasks can now be undertaken electronically while out of the office.

New software packages rolled out this year include a financial modelling package and Skytrust – a risk management platform which assists the Work Health and Safety team with incident reporting and risk mitigation.





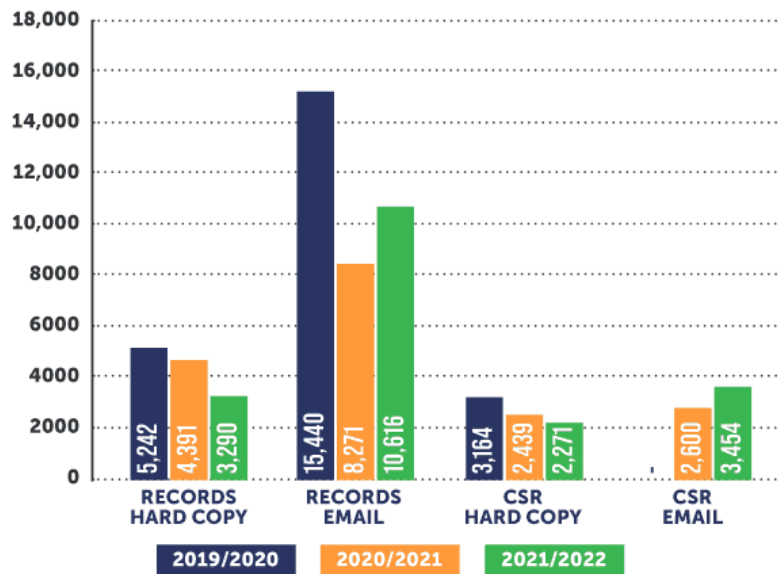
## RECORDS

Effective records management is critical to protect and preserve records. Records provide evidence of business activities, decisions, and actions of council. There was a reduced Records Management team in 2021/22. The focus of the team therefore was on business-as-usual activities with ongoing receipt of documents, document creation, classification and archiving of records.

There has been a slight increase in the total documents and emails received compared to 2021/22. Record Statistics for 2021/22:

- 3,290 documents received over the counter, or in the mail
- 10,616 emails received via admin@northburnett.qld.gov.au
- 2,271 face-to-face customer service requests. A customer service request is the initial piece of information that a customer provides Council when reporting a problem or making an enquiry
- 3,454 customer service requests emails received
- No Right to Information requests completed
- 3 Right to Information requests that did not proceed to information release
- No Information Privacy applications completed
- No boxes of temporary records destroyed
- Historical records dating from the 1900s were sent from all six towns to the Queensland State Archives for preservation. This included historical rates, minutes books and cemetery records.

**RECORDS MANAGEMENT DOCUMENTS RECEIVED**





### LIBRARY SERVICES

Council has six public libraries across the North Burnett region which provide a gateway to knowledge, culture and recreational materials. Public libraries are provided in partnership between Council and Queensland Government, via the State Library of Queensland.

North Burnett Regional Council encourages lifelong learning. We provide free library membership, access to our online catalogue, free library events and programs, as well as extensive access to a range of print and electronic resources including books, magazines, audiobooks and movies. Members can even access free online learning platforms like LinkedIn Learning from the comfort of home.

Our libraries continue to be used as community spaces for meeting and socialising, book club sessions, activity programming and browsing favourite non-fiction topics, as well as fiction genres.

Our libraries actively work towards building stronger, more socially connected communities. Throughout our greater region we enjoy providing customised service for library members and visitors.

There is something for everyone at our libraries, with free access to:

- Wi-Fi
- Public computers
- Large interactive touch screen panels
- Children’s toys
- Games and puzzles

### CUSTOMER EXPERIENCE

Our Customer Experience team is committed to delivering professional, timely and friendly service for our unique communities. The focus in 2021/22 has been the development of systems and processes which provide consistency in service delivery.

It has been a year of change, with altered operating hours for Customer Experience and Library points of contact. Retaining a service for all six communities based on attendance data has been the predominant focus. We have taken this opportunity to ensure that providing a strong customer experience is delivered for all visitors.

This year we also invested in Chronicle software, a program to enhance cemetery information, records and mapping. It provides easy navigation on a GPS map-based program and is accessible for the community 24 hours a day, 7 days a week, via Council’s website.

Covid19 impacts have seen a slight drop in customers visiting centres, but we have experienced an increase in phone enquiries through Contact Centres.



## PEOPLE AND PERFORMANCE (HUMAN RESOURCES MANAGEMENT)

The People and Performance section provides a range of internal services to support the management of Council's human resources. With a holistic and contemporary approach, Council can empower employees to perform at their best, provide safe work environments, as well as ensure that work practices and workforce planning aligns with service commitments for the North Burnett community, relevant for today and into the future. The team's services include, but are not limited to:

- Payroll
- Work Health and Safety
- Training and Development
- Recruitment and Selection
- Industrial Relations
- Annual Trainee and Apprentice Program



**Shane Kenny**  
**Trainee Water and Wastewater  
Treatment Operator (Gayndah)**

"In my role I run daily tests on the town's drinking water supply to make sure it is within the parameters of the safe drinking water guidelines and is safe for our customers. I also assist with water leaks, mains breaks; and installing new water connections. During my daily tasks I also monitor five sewer pump stations and the sewerage treatment plant. I enjoy working with my fellow workers and the variety of different tasks that we do each day. I would like to complete my traineeship and hopefully continue to work in the water and wastewater section within NBRC in years to come."



**Mitchell Evans**  
**Apprentice Mechanic (Mundubbera)**

"I am currently completing Certificate III in Engineering – Fixed and Mobile Plant. I am based at the Mundubbera Depot and work alongside council's mechanics to repair and maintain fleet, in addition to working out in the field in the event of any breakdowns. I really enjoy working with council's vehicles and machinery and plan to work as a mechanic following completion of my apprenticeship."

## TRAINING AND DEVELOPMENT

Council's commitment to promoting a culture which trains and develops our workforce has been demonstrated during 2021/22. Some key training programs included:

### Verification of Competency Program

Council successfully trained more than 100 workers, to ensure safe operation of plant and equipment, during the last calendar year. This training ensured familiarity with daily fit-for-purpose checks, accreditation for plant and equipment use, as well as an awareness of safety risks.

### Certificate IV in Civil Construction Supervision

Supervisors from the Civil Works, as well as Parks and Open Spaces sections commenced Certificate IV in Civil Construction Supervision through TAFE Queensland, funded by the Construction Skills Queensland (CSQ) program.



## TRAFFIC MANAGEMENT IMPLEMENTATION PROGRAM (TMIP)

Council commenced Traffic Management Implementation Planning training and renewals - a mandatory licence for many outdoor team members, providing them with skills and knowledge they need to implement traffic management plans and install / remove signs in accordance with traffic guidance schemes.



*Above: Civil Works staff completing the theory Verification of Competency for the operation of a roller and cut saw.*

*Above right: Civil Works staff completing the practical Verification of Competency for the operation of a roller and cut saw.*

*Right: Outdoor staff participating in the TMIP training and renewals.*

**WORKPLACE HEALTH AND SAFETY**

Council continues to work with team members to develop and implement safe systems of work to reduce worker related lost time injuries. Our statistics indicate that we remain below the average lost time injury for councils of similar size.

**Skytrust**

Throughout the 2021/22 period, Council introduced Skytrust, an electronic Work Health and Safety software system. Skytrust has empowered team members to electronically report incidents, hazards and undertake Worksite Hazard Inspections using portable devices. The improved capturing of hazard and incident data through Skytrust has enabled Council to better control risk and reduce potential worker related events.



Above: Skytrust training being undertaken with Parks and Open Spaces team members.

**CIVIL WORKS**

**Coonambula Road**

Final seal on the Coonambula Road Queensland Government Transport Infrastructure Development Scheme (TIDS) grant funded project. This project delivered reconstruction and widening along a one-kilometre section of Coonambula Road.



**Gravel Re-Sheet on Hawkwood Road**

Part of a region wide re-sheeting program which allowed Council team members and contractors to reform and re-sheet 28 kilometres of unsealed road during the 2021/22 year.



**S45R (Crumb Rubber) Sprayed Seal**

Council, in conjunction with Austek Spray Seal, undertook resurfacing works on 44 kilometres of roads around the region during the year. During the works, 330,500 litres of bitumen was sprayed.



**RAIN EVENTS AND ASSOCIATED FLOODING**

During the 2021/22 year the region experienced significant rainfall and flooding events on more than one occasion. This resulted in substantial damage being sustained to much of the region’s road network. Subsequently, Council work crews and contractors have undertaken emergent repairs across the region, totalling more than \$8 million.



Fleet continued rationalisation of fleet inventory and identified several plant items that were under-utilised or no longer required to fulfil operational levels. Redundant plant was stockpiled for disposal by auction.

\$2.41 million was committed to new plant and equipment orders, with a majority of deliveries expected in the next financial year. Procurement of specialised vehicles has focussed on operator safety and vehicles will be equipped with additional features not included in the mainstream specifications for these vehicles.

The accompanying images shows a crew from Parks and Open Spaces taking delivery of a new work vehicle with tailgate lifters fitted to the rear. This new accessory reduces the risk of manual handling injuries lifting items into the rear tray.



**FLEET**

During 2021/22, the Fleet team experienced significant supply and logistics challenges which resulted in delays receiving new plant and equipment. The useful life of existing plant was extended in some cases for nearly 18 months, to enable continuation of essential services and maintenance. Streamlined plant and equipment maintenance workflows were implemented during the previous financial year. This enabled the team to maintain our plant and equipment without disrupting Council’s planned operations.

This financial year also saw the signing of a tender for the supply of bulk diesel supplies to our depots estimated at over \$1 million annually. The competitive prices generated by this tender resulted in a significant cost saving for Council.



**PARKS AND OPEN SPACES**

Parks and Open Spaces have been involved in several regional projects, all of which have been made possible through Queensland Government grant funding and Council contributions.

**Eidsvold main street upgrade – streetscape works**

Removal of old gardens and trees and construction of six new garden beds.

**Regional Airport Fencing – Aerodrome Safety**

Gayndah, Mundubbera, Eidsvold and Monto: Removal of all old, dilapidated fencing and installation of new Clipex exclusion fencing with Queensland Government Works for Queensland funding.



**Accessibility playgrounds for parks**

In Biggenden, Gayndah, Mundubbera, Eidsvold and Monto, installation of playground equipment, water fountains, fencing and concrete footpaths occurred to ensure community amenity and to comply with all abilities Australian standards.



**Bush Tucker Gardens Eidsvold**

Creation of six new gardens and planting of 22 bush tucker species occurred, in consultation with local Aboriginal groups. Aesthetics of the Reginald Murray Williams Australian Bush Learning Centre complex were enhanced and most seeds were sourced from the North Burnett region.







## WATER AND WASTEWATER

Water and Wastewater operate to meet their customer service standards and regulatory requirements. Staff work tirelessly behind the scenes to provide seamless services that we often take for granted unless they cease to work properly. The following projects and results provide an overview of 2021/22 performance.

Category	Indicator	Units	Potable Water Scheme					
			Mingo Crossing Water	Paradise Dam Water	Biggenden Water	Eidsvold Water	Gayndah Water	Monto Water
Customer Service - overall	Number water and sewerage complaints: billing and accounts	Count	0.0	0.0	1.0	1.0	1.0	0.0
	Water and sewerage billing and account complaints per 1000 connections	per 1000 connections	0.0	0.0	2.2883	3.0769	0.9728	0.0
	Number water and sewerage complaints: all other	Count	0.0	0.0	0.0	0.0	0.0	0.0
	Number water and sewerage complaints: all	Count	0.0	0.0	1.0	4.0	7.0	2.0
	Water and sewerage complaints (all) per 1000 connections	per 1000 connections	0.0	0.0	2.2883	12.3077	6.8093	2.7174
Pricing	Annual bill based on 200kL/a: water+sewerage	\$						
	Typical residential bill: water+sewerage	\$						
Workforce	Total full-time equivalent water+sewerage employees	FTEs						

Potable Water Scheme			Sewerage Scheme					WSP North Burnett Regional Council WSP-wide
Mount Perry Water	Mulgildie Water	Mundubbera Water	Biggenden Sewerage	Eidsvold Sewerage	Gayndah Sewerage	Monto Sewerage	Mundubbera Sewerage	
3.0	0.0	1.0	0	0	0	0	0	7.0
13.3929	0.0	1.7637	0	0	0	0	0	2.0679
0.0	0.0	0.0	0	0	0	0	0	0.0
7.0	0.0	1.0	1	0	1	4	2	30.0
31.25	0.0	1.7637	2.392344	0	1.150748	6.069803	3.649635	8.8626
								1,675.0
								1,759.33
								16.0

**SUPPLY PRESSURE IMPROVEMENTS IN MUNDUBBERA HIGH LEVEL ZONE**

During September 2021, Council received advice from Mundubbera Hospital that they had no water pressure, and that this had been an ongoing problem for several months. Other properties in the high-level zone were also experiencing periodic pressure issues during periods of high demand. The network issues indicated a cast iron pipework restriction in the elevated storage. An investigation confirmed significant internal iron and manganese scaling had built up during the 55 years since it was installed.

Council’s water crew undertook descaling work during December 2021, with immediate system improvement. The tower was subsequently able to be filled 2½ times faster and to supply water at 3 times the previous rate. It is estimated that the descaling works cost about 1/10th of the capital cost of replacing the pipework. No pressure or supply issues have been reported in the Mundubbera High Level Zone since the work was undertaken.



**Eidsvold water main bypass**

Construction of the 800 metre long Eidsvold water main bypass around Reservoir 1 has enabled supply to be maintained in the event of a feedline failure, improving reliability and delivery of water supply for Eidsvold.



**Monto reservoir valve and pipework renewal**

Ageing valves and pipework around the Monto reservoirs were renewed to improve operational reliability and supply flexibility.



**Reginald Murray Williams Australian Bush Learning Centre sewerage upgrade**

Largely funded through Queensland Government Building Our Regions grant program, the Reginald Murray Williams Australian Bush Learning Centre (RMWABLC) sewerage upgrade involved the installation of a package pressure sewer pump station at RMWABLC and an associated pressure main to the Eidsvold Sewage Treatment Plant. The sewerage upgrade has improved the ability to accommodate large variations in sewage loading at the centre. The pressure main has been designed to enable future connection of the showgrounds, service station, washdown bay and customers along its route.



**RECYCLED WATER MAIN**

A recycled water main was constructed in parallel to the pressure main along the old railway corridor to enable optional future use of treated effluent on the golf course, showgrounds, streetscape and RMWABLC.

**NATURAL RESOURCE MANAGEMENT AND COMPLIANCE**

Council’s Land Protection Officers (LPO’s) conducted 1080 baiting throughout the year (1325 kilograms of baits were utilised and a total of 472 Doggone baits were also laid). LPO’s also targeted invasive weed and animal species and control programs throughout the area including the active management of:

- Prickly Acacia
- Honey Locust
- African Boxthorn
- Rubbervine
- Hymenachne
- Wild dog and pig snout bounty program

The LPO’s carried out targeted property inspections and spraying (59) of identified weed species and addressed wandering livestock reports (354 animals).

The Compliance team has been actively involved in assessing and issuing stock route grazing and travelling permits (14) to allow for the sustainable use of the stock route network.

The Compliance team concentrated on animal behaviour and registrations while also addressing overgrown allotments, abandoned vehicles, animal welfare and roadside dumping.



# SUSTAINABLE COMMUNITIES TO RETAIN POPULATION AND ATTRACT INVESTMENT

*Council is committed to shaping and maintaining communities in the interests of positive liveability, investment attraction, social capacity building and ultimate community empowerment. A range of community facilities, services and programs help achieve liveability outcomes.*

## LIBRARY PROGRAMMING

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

Our libraries, supported by Council’s Communities team, have delivered a variety of programs for children, youth and adults, including:

- First 5 Forever Storytime sessions
- Science and Robotics workshops
- Technology support
- Book clubs
- Creative writing workshops
- Readers Advisory services

We look forward to providing a full calendar of dynamic and inclusive library events during the next financial year.



*Above: Author, Kathryn Apel pictured with Nellie Staib and Bailey and Bellamy Rackemann at one of the First 5 Forever Storytime sessions held across the region.*

## HIGHLIGHTED LIBRARY PROGRAMS

### Storytime and Poetry with Kathryn Apel

During May 2022, Council libraries were delighted to host Gayndah born author Kathryn Apel, for seven spectacular First 5 Forever Storytime sessions across the region for children aged 0-5 years. First 5 Forever is an initiative of the Queensland Government, coordinated by State Library of Queensland and delivered in partnership with local government.

Kathryn Apel entertained 85 children during her visit with puppets and rhymes; and read her First 5 Forever (F5F) Stories for Little Queenslanders book, 'Up and Down on a Rainy Day'. Kathryn delighted the children with her other published books including 'Bird in the Herd' and 'This is Mud' and launched her new book, Miss Understood, where our region’s children were some of the first to hear this new story! Children were provided with a F5F bag with a range of resources and books to use at home.

### Poetry workshops

Gayndah author Kathryn Apel, partnered with North Burnett Regional Council libraries to deliver six engaging poetry workshops during May 2022. Writers and poets across the region learnt a range of poetry techniques and were inspired by Kathryn’s experience as a poet/novelist as she shared strategies on unlocking creatively and managing writer’s block. These sessions provided a wonderful gateway for discussions about editing, publishing, and writing authentically.

We were delighted to see that one of the attendees from Mundubbera workshop, Amanda Marchant, published her poem after the workshop.







## SUPPORTING OUR COMMUNITIES

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

- Anzac Day services across the region
- Seniors Month events
- NAIDOC week events
- Queensland Ballet Regional Tour in Mundubbera
- RACQ Foundation visit in Eidsvold and Mount Perry
- Rural Aid visit to Monto
- Christmas decorations and Light competitions
- Youth Week activities - Science and Robotics with Professor Stupendous (Aka Ted Carter) from Ascend Learning
- Australia Day Awards Ceremony in Mount Perry
- Citizenship Ceremonies
- Country Circus Roadshow in Eidsvold and Gayndah

A range of community engagement activities were successfully delivered including Biggenden streetscape renewal planning, North Burnett show tour and Eidsvold community meetings.

This year the team continued to focus on building the capacity of the region's community groups and organisations by promoting funding and training opportunities, as well as providing Council letters of support for grant applications and community projects. The Communities team also worked diligently supporting diverse community organisations to build skills and confidence in:

- Prioritising projects
- Sourcing appropriate grants opportunities, as well as writing grant applications and applying for funding
- Encouraging groups on the journey to become incorporated organisations
- Instilling confidence in improving governance, managing events, retaining volunteers and financial sustainability

The plethora of initiatives contribute to our community groups becoming more vibrant and sustainable.

*Above: New citizens and Yumbin Dancers at the Citizenship Ceremony in Eidsvold, 23 February 2022.*



Funding Program	Total Applications	Funding Awarded
In-kind assistance	53	\$19,960.87
Streetscape funding	8	\$7,175.00
Regional Arts Development Fund (RADF)	15	\$39,953.00
School bursaries	16	\$1,200.00
Individual development grants	2	\$750.00
<b>Totals</b>	<b>94</b>	<b>\$69,038.87</b>



Above: Australia Day Award ceremony in Mount Perry 5 March 2022.

Left: RACQ Foundation Community Assistance Program visit to the North Burnett Region, 15-16 October 2021.

## EXPLODING WATERMELONS IN YOUTH WEEK 2022

Twenty-four workshops were delivered across six towns with over 350 of our region's youth in attendance. Participants battled in a messy Marshmallow Melee, using their strategy and teamwork skills to craft a sturdy structure and defend themselves from cleverly crafted marshmallow-propelling cannons. A grand total of six watermelons were exploded using only rubber bands, and we learned how to program Ozobots to manoeuvre a tricky tabletop circuit.

Participants were also treated to a spectacular science show with Professor Stupendous, The Science of Sound. Attendees painted with music and witnessed the sheer strength of a single egg, followed by outdoor fun with water rockets.



## SPORT AND RECREATION

2021/22 has been a success for Sport and Recreation within the North Burnett Region, despite Covid-19 restrictions still being in place. All sports across the region launched into new seasons including rugby league, soccer, netball, cricket, golf, tennis, swimming, pony clubs and bowls.

This year, the focus of our sport and recreation portfolio has been on increasing the capacity of our sport and recreation clubs to access grant funding opportunities. A range of sporting clubs were successful recipients of grants:

- Gambling Community Benefit Funding grants
- Monto Netball was successful with a Sport and Recreation Infrastructure Grant to improve lighting at the Netball Courts at the Monto Combined Sports Ground
- 23 clubs received the Active Club Kick Start from Sport and Recreation Queensland totaling \$46,000 funding boost for clubs in the region.

Our Sport and Recreation Officer participated in the Monto State High School Year 10 Career Education class to mentor students with a particular focus on sport for youth and increasing sporting opportunities in our district. This was a valuable experience for both our Officer and students. We thank the school for the opportunity to participate in the program.

In Monto, Mundubbera and Gayndah, the Combined Sport Ground complexes are used by a range of sporting groups with management (Advisory) committees in place. Our Sport and Recreation Officer has continued to chair regular meetings to allow participating clubs to share information about their respective sports, solve problems, highlight success stories; as well as come together with cooperative future plans; and collaborative improvement opportunities.

Eidsvold and Mundubbera Community Gyms continued to operate in 2021/22 with increased safety measures in place due to Covid-19. Gym memberships remain stable even though fewer seasonal workers were in our region, thanks to community members and contractors continuing to support our gyms. Each gym received new equipment to enjoy including Air Bikes in Eidsvold. Out in the field, backboards and hoops were replaced at the Mundubbera multi-purpose courts.



## CARAVAN AND RECREATION PARKS

### Mingo Crossing

Council owns and operates Mingo Crossing Caravan and Recreational Park (MCCP), located at 2670 Gayndah - Mount Perry Road, Mount Perry. The MCCP is located on the banks of the Burnett River and is a popular recreational and rural tourist destination, primarily utilised for water sports and fishing. It has seen significant growth since opening and Council has been invested in ongoing development of the site and facilities.

To support tourism growth at MCCP, Council successfully obtained a Queensland Government grant.

The MCCP upgrade included:

- An additional nine powered caravan sites
- Six new glamping cabins and additional grassed campsites
- New amenities building
- New boat and trailer parking
- New children’s playground
- Upgrade to existing potable water and sewerage treatment facilities

The upgrade will provide long term employment and potential mobile micro-business opportunities. It will also provide a long-term income stream for Council and enhance our region’s tourism destination and outdoor experiences.

Due to extenuating circumstances, the grant funded construction project took longer than anticipated and was completed on 30 June 2022 at a total project cost of \$2.6 million.



### NORTH BURNETT TRANSPORT SERVICE

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

Passenger numbers have remained stable this year with impacts still being felt due to Covid-19 in our communities. Concession Card holders continue to be the key service users.

This year, funds were allocated to promote the service throughout the North Burnett, Bundaberg and Fraser Coast regions. The current advertising campaign is titled 'Pick Us!' to encourage locals and visitors to choose our service and to travel to the North Burnett. New promotional material was developed; and new posters were designed and shared via social media, newsletters, magazines, and newspapers.

NBTS continued to give-back to the community by providing a sponsorship program. The program supported community groups to access bus transport for events at minimal cost, or no cost. This year, we were proud to support the Biggenden Senior Citizens, Biggenden Women's Shed and Monto Junior Cricket Club with bus sponsorship to the equivalent of \$5,000 in total.

We thank the community for their continued transport service support and look forward to a growth in passenger numbers, during the next financial year.



<b>TUESDAY</b> MUNDUBBERA TO BUNDABERG
<b>WEDNESDAY</b> MONTO TO CERATODUS CONNECTION BUS - ON DEMAND ONLY
<b>WEDNESDAY</b> MUNDUBBERA TO BUNDABERG VIA EIDSVOLD
<b>THURSDAY</b> MUNDUBBERA TO BUNDABERG
<b>FRIDAY</b> MUNDUBBERA TO MARYBOROUGH

Month	Adult	Concession	Child <12	Total
<b>2021</b>				
July	57	115	2	174
August	48	89	0	137
September	73	132	2	207
October	28	122	2	152
November	36	114	3	153
December	32	100	7	139
<b>2022</b>				
January	19	81	7	107
February	45	115	11	171
March	50	104	4	158
April	60	144	19	223
May	56	117	2	175
June	77	139	1	217
<b>Grand Total</b>	<b>581</b>	<b>1372</b>	<b>60</b>	<b>2013</b>

**Pick us!**

**Bus to the North Burnett!**  
Bundaberg Tuesday, Wednesday & Thursday  
and Maryborough on Friday.

**NORTH BURNETT**  
Transport Service

**Queensland**  
Government

FOR FARE DETAILS OR TO MAKE A BOOKING  
CALL 1300 696 272 OR GO TO [www.northburnett.qld.gov.au](http://www.northburnett.qld.gov.au)

## VITAL TRANSPORT SERVICE SECURED FOR NORTH BURNETT

During December 2021, Council's Communities team successfully secured the Translink long-distance coach contract for a further five year term. This long-distance service is a vital connection between our communities and Bundaberg, Childers, Gin Gin and Maryborough.

Given the size of the region and our distance from major centres, this bus service is essential in helping many North Burnett residents to access medical, professional, and personal appointments, while also providing a public transport option for tourists and workers wishing to travel to our region.

Securing the Translink contract will allow Council to continue service provision and modernise our fleet through the purchase of accessible buses due to be delivered in 2022/23.

# PROSPEROUS FUTURE TO ENSURE ECONOMIC GROWTH FOR FUTURE GENERATIONS

## BUILDING AND DEVELOPMENT

The Development team continue to provide essential statutory building, planning and plumbing services which supports the sustainability of our communities and enables economic growth for the future.

The high levels of activity in the property market over the past 18 months has reflected in a doubling of requests for building approval reports. These reports are prepared as a desktop audit of Council records dating back as far as the early 1950s. The scanning of pre-amalgamation planning, building and plumbing files in recent years has greatly enhanced Council's ability to provide information in a timely manner.

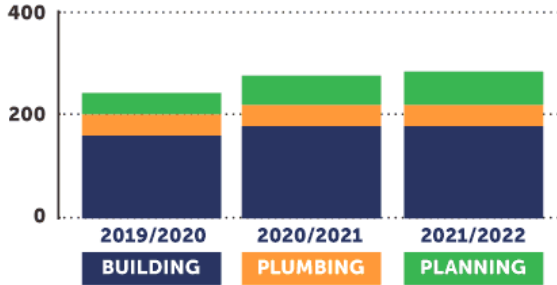
During 2021 Council commenced a major review of the Planning Scheme. Council is required under the *Planning Act 2016* to conduct a major review of the Planning Scheme every ten years. We commenced this review three years earlier than required because it was evident that Planning Scheme improvements can provide better outcomes for our communities by supporting rural industry, small businesses and creating opportunities for housing diversification. At the same time Queensland Government commenced a review of the Wide Bay Regional Plan, with a strengthened economic focus that will look at creating jobs, as well as supporting small businesses, economic development and communities and highlighting opportunities for the region over the next 25 years. Undertaking the two reviews simultaneously gives Council further justification and support for proposed Planning Scheme amendments, to ensure synergies between the two plans.



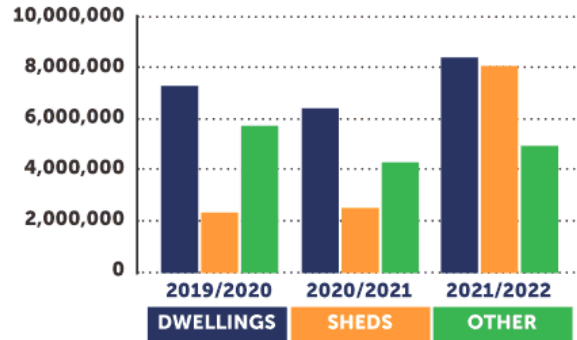
Building approvals have steadily increased over the past three years, with the last financial year seeing the value of building work increase 61% to more than \$21 million. This reflects the nationwide trend of rising building costs. Sheds continue to be built at twice the number of dwellings and several large commercial buildings have been built within the health care, industry, and rural sectors. Planning and plumbing applications continue to hold at a steady rate over the three years.



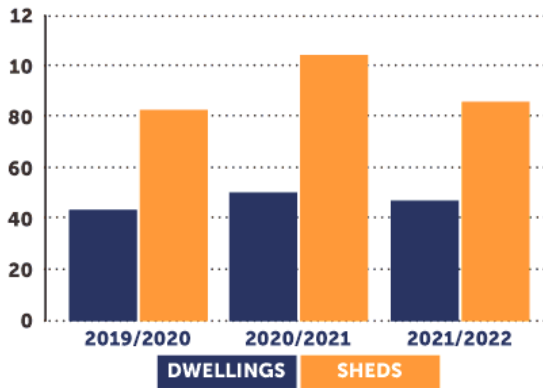
**BUILDING PLUMBING AND PLANNING APPLICATIONS**



**VALUE OF APPROVALS**



**APPROVALS OF DWELLINGS VS SHEDS**





**41**  
BUILDING  
REPORTS  
ISSUED  
2019/2020



**68**  
BUILDING  
REPORTS  
ISSUED  
2020/2021

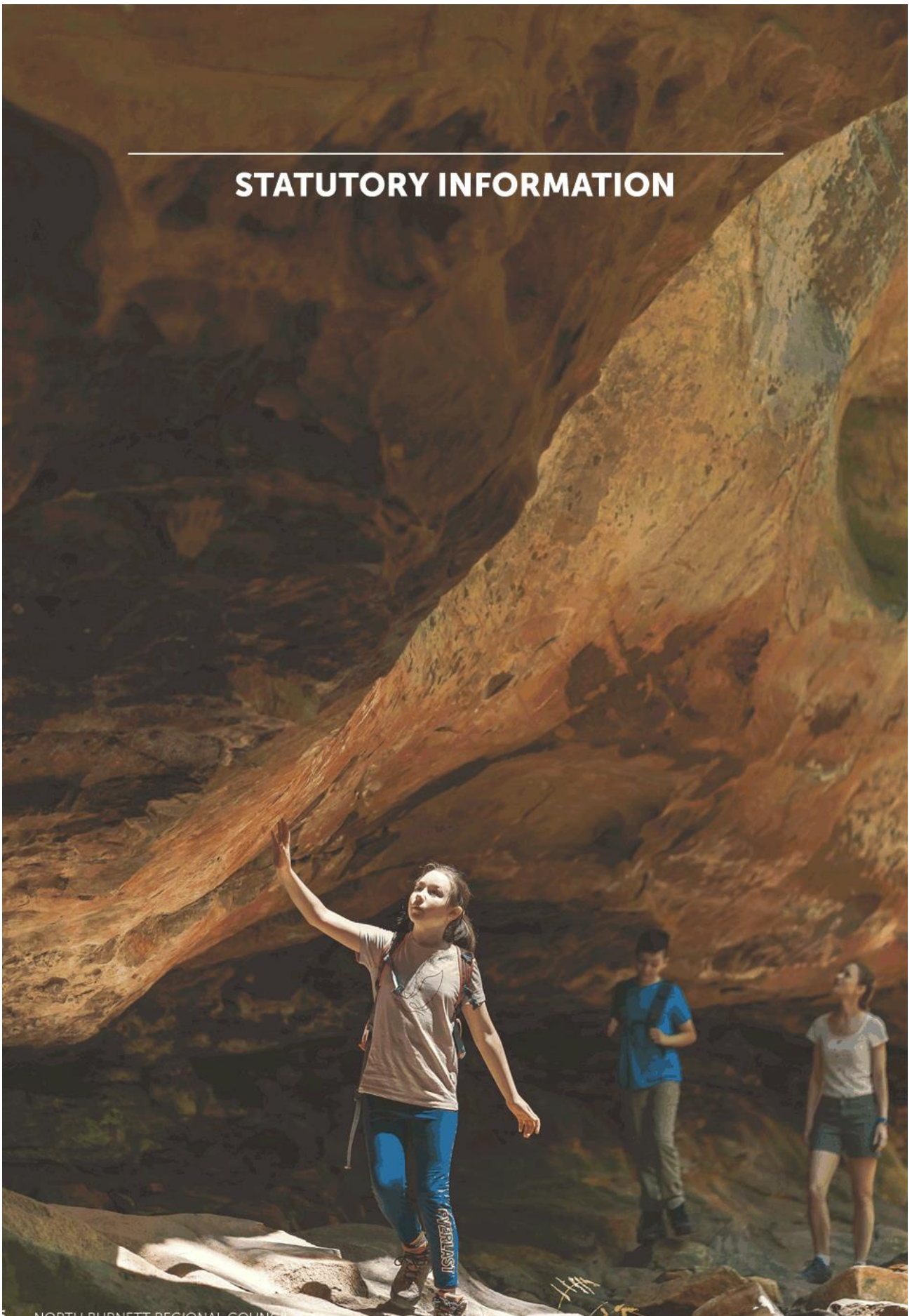


**120**  
BUILDING  
REPORTS  
ISSUED  
2021/2022



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## STATUTORY INFORMATION





## LOCAL GOVERNMENT ACT 2009

### Identifying beneficial enterprises (s41)

A local government’s annual report for each financial year must contain a list of all the beneficial enterprises that the local government conducted during the financial year.

### Identifying significant business activities (s45)

A local government’s annual report for each financial year must:

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

### Annual report must detail remuneration (s201)

The annual report of a local government must state:

Legislative Requirement	Compliance						
(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	<p>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.</p> <p>In 2021-22 there were three (3) senior contract employee positions.</p> <table border="1" data-bbox="943 1480 1362 1727"> <thead> <tr> <th>Package Range</th> <th>No. of senior contract employees</th> </tr> </thead> <tbody> <tr> <td>200,000 to 300,000</td> <td>2</td> </tr> <tr> <td>300,000 to 400,000</td> <td>1</td> </tr> </tbody> </table>	Package Range	No. of senior contract employees	200,000 to 300,000	2	300,000 to 400,000	1
Package Range		No. of senior contract employees					
200,000 to 300,000		2					
300,000 to 400,000		1					
(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.
- (3) However, the Minister may, by notice to the local government, extend the time by which the annual report must be adopted.
- (4) The local government must publish its annual report on its website within 2 weeks of adopting the annual report.

### Financial statements (s183)

The annual report for a financial year must contain:

Legislative Requirement	Compliance
(a) the general purpose financial statement for the financial year, audited by the auditor-general; and	Refer to section: 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:

Legislative Requirement	Compliance
(a) 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:

Legislative Requirement	Compliance
(a) a copy of the resolutions made during the financial year under section 250(1); and	The Statutory Policy – Reimbursement and Provision of Facilities Mayor and Councillors was adopted on 23 February 2022 (Resolution 2022/22).
(b) a list of any resolutions made during the financial year under section 206(2).	N/A

**Councillors (s186)**

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

Legislative Requirement	Compliance
(a) for each councillor, the total remuneration, including superannuation contributions, paid to the councillor during the financial year; and	Refer to Table 1: Page 40
(b) the expenses incurred by, and the facilities provided to each councillor during the financial year under the local government's expenses reimbursement policy; and	Refer to Figure 1: Page 40
(c) the number of local government meetings that each councillor attended during the financial year; and	Refer to Table 2: Page 40
(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;	4
(ii) matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission;	Nil
(iii) notices given under section 150S(2)(a) of the Act;	Nil
(iv) notices given under section 150S(2)(a) of the Act;	Nil
(v) decisions made under section 150W(1)(a), (b) and (e) of the Act;	4
(vi) referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act;	Nil
(vii) occasions information was given under section 150AF(4)(a) of the Act	Nil
(viii) occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor;	Nil
(ix) applications heard by the conduct tribunal about the alleged misconduct of a councillor.	Nil

**Table 1: Councillor's Remuneration and Expenses**

Councillor	Gross Remuneration	Super Contributions	Incidentals	Facilities
Cr Rachel Chambers	\$49,116	\$5,894	\$17	\$5,581
Cr Robbie Radel	\$69,440	\$8,295	\$2,194	\$10,500
Cr Melinda Jones	\$54,110	\$5,411	\$1,369	\$10,500
Cr Les Hotz	\$74,836	\$7,470	\$999	\$10,500
Cr Susan Payne	\$56,059	\$6,493	\$1,364	\$10,500
Cr Dael Giddins	\$54,110	\$6,493		\$10,500
Cr Michael Dingle	\$54,110	\$6,493		\$10,500
Cr Kingsley Mesner	\$12,279	\$1,473		\$2,301
<b>TOTAL</b>	<b>\$424,060</b>	<b>\$48,022</b>	<b>\$5,943</b>	<b>\$70,882</b>

Council provides vehicles for Council related travel to all Councillors.

**Figure 1: Facilities provided to Councillors**

Facilities provided to Councillors are the "tools of trade" required to enable them to perform their duties with relative ease and at a standard appropriate to fulfil the community expectation of their role.

**Council provides**

- vehicles for Council related travel to all Councillors.
- smartphone of approved/supported platform

**Other facilities that may be provided include**

- office space and meeting rooms
- internet access
- stationery
- access to photocopiers
- printers
- publications
- name badges
- safety equipment for use on official business. e.g. safety helmet /boots/high visibility shirt/vest.

**Table 2: Record of Meeting Attendance**

	Mayor Rachel Chambers	Cr Robert Radel	Cr Michael Dingle	Cr Dael Giddins	Cr Susan Payne	Cr Melinda Jones	Cr Les Hotz	Cr Kingsley Mesner
<b>TOTAL MEETINGS ATTENDED</b>	<b>5/12</b> (1 Jul 2021 to 11 Dec 2021)	<b>12/12</b>	<b>12/12</b>	<b>12/12</b>	<b>12/12</b>	<b>11/12</b>	<b>12/12</b>	<b>3/12</b> (6 Apr to 2022 30 Jun 2022)

**Administrative action complaints (s187)****(1)** The annual report for a financial year must contain:

Legislative Requirement	Compliance
<b>(a)</b> 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>(b)</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.	<p>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.</p> <p>Therefore, Council is committed to:</p> <ul style="list-style-type: none"> <li>• Creating a positive complaint management environment by encouraging feedback and viewing complaints as an opportunity for continuous improvement;</li> <li>• Providing a clear and simple process outlining how complaints will be managed, who will be involved in the process, their roles and responsibilities;</li> <li>• Ensuring employees are empowered to address the majority of complaints at the frontline or first point of contact with Council;</li> <li>• Providing options for internal review and escalation relative to the seriousness of the complaint and previous contact with Council; and</li> <li>• Maintaining a complaints management system that provides a practicable and systematic approach for receiving, recording, analysing and reporting complaints information.</li> </ul>

**(2)** The annual report must also contain particulars of:

Legislative Requirement	Compliance
<b>(a)</b> the number of the following during the financial year:	
<b>(i)</b> administrative action complaints made to the local government;	7
<b>(ii)</b> administrative action complaints resolved by the local government under the complaints management process;	7
<b>(iii)</b> administrative action complaints not resolved by the local government under the complaints management process; and	Nil
<b>(b)</b> the number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year.	Nil

**Overseas travel (s188)**

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

Legislative Requirement	Compliance
(a) for a councillor - the name of the councillor;	N/A
(b) for a local government employee - the name of, and position held by, the local government employee;	N/A
(c) the destination of the overseas travel;	N/A
(d) the purpose of the overseas travel;	N/A
(e) the cost of the overseas travel;	N/A

(2) The annual report may also contain any other information about the overseas travel the local government considers relevant. N/A

**Expenditure on grants to community organisations (s189)**

The annual report for a financial year must contain a summary of:

Legislative Requirement	Compliance
(a) the local government's expenditure for the financial year on grants to community organisations; and	Refer to Table 3, Page 42
(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	N/A
(ii) the amount and purpose of the allocation;	N/A

**Table 3: Summary of Grants to Community Organisations**

Program	#	Amount Funded
In-kind Assistance Grants	53	\$19,960.87
RADF	15	\$39,953.00
Streetscape Funding	8	\$7,175.00
School Bursaries	16	\$1,200.00
Individual Development Grants	2	\$750.00

**Other contents (s190)**

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

Legislative Requirement	Compliance
<p>(a) the chief executive officer's assessment of the local government's progress towards implementing its 5 year corporate plan and annual operational plan.</p>	<p>6.2 2021-2022 OPERATIONAL PLAN - Q4 OUTCOMES REPORT</p> <p>RESOLUTION 2022/121</p> <p>Moved: Cr Dingle Seconded: Cr Jones</p> <p>That in accordance with section 174(3) of the <i>Local Government Regulation 2012</i>, Council receives the 2021-22 Operational Plan – Q4 OUTCOMES REPORT for the period 1 April 2022 through to 30 June 2022.</p>
<p>(b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year;</p>	<p>Refer to section: Financial Statements</p>
<p>(c) an annual operations report for each commercial business unit;</p>	<p>N/A</p>
<p>(d) details of any action taken for, and expenditure on, a service, facility or activity-</p>	
<p>(i) supplied by another local government under an agreement for conducting a joint government activity; and</p>	<p>Nil</p>
<p>(ii) for which the local government levied special rates or charges for the financial year;</p>	<p>Refer to Figure 2, Page 44</p>
<p>(e) the number of invitations to change tenders under section 228(7) during the financial year;</p>	<p>Nil</p>
<p>(f) a list of the registers kept by the local government;</p>	<p>Refer Table 4, Page 44</p>
<p>(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;</p>	<p>Nil</p>
<p>(j) the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52 (3)</p>	<p>N/A</p>

**Figure 2: Council levies**

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

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

All special and separate levies and charges listed apply for the 2021/22 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 \$58.00 for the year ended 30 June 2022 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 2022 to be levied equally on all rateable properties within the Council area to assist in Councils capability to meet its obligations in times of a disaster and contribute toward the ongoing operation of disaster preparedness facilities.

**Separate Charge – Landfill Management Levy**

That in accordance with Section 92(5) of the Act and Chapter 4 Part 8 of the Regulation and on the basis of the principles set out in Council's Revenue Statement, Council make and levy a Separate Charge – Landfill Management Levy of \$216.00 for the year ended 30 June 2022 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 and Drainage Works Shand Street Subdivision, Mt Perry (Shand, Hunter & Mason Streets)**

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

**Table 4: List of registers**

Register
• Local Law Register
• Roads Register
• Register of Cost Recovery Fees
• Asset Register
• Councillor Conduct Register
• Register of Interests of Councillors, Councillor Advisors, Chief Executive Officers and Related Persons
• Administrative Action Complainants Register
• Register of Contact with Lobbyists
• Gift Register
• Delegations Register
• Policy and Procedures Register
• Election Gift Register
• Asset Register
• Cost-Recovery Fees Register (s98 LGA)
• Contract with Lobbyists Register
• Road Map Register (s74 LGA)
• Local Heritage Register
• Statement of Interest – Related Parties Register
• Conflict of Interest Register
• Infrastructure Chargers Register
• Private Certifier Application Register



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

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



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## COMMUNITY FINANCIAL REPORT

*This Community Financial Report aims to simplify and provide a summary of the financial statements into a plain English explanation for 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 and Loss or income statement. Shows all revenue the Council has earned, and the expenses incurred for the financial year.*

#### Operational Revenue

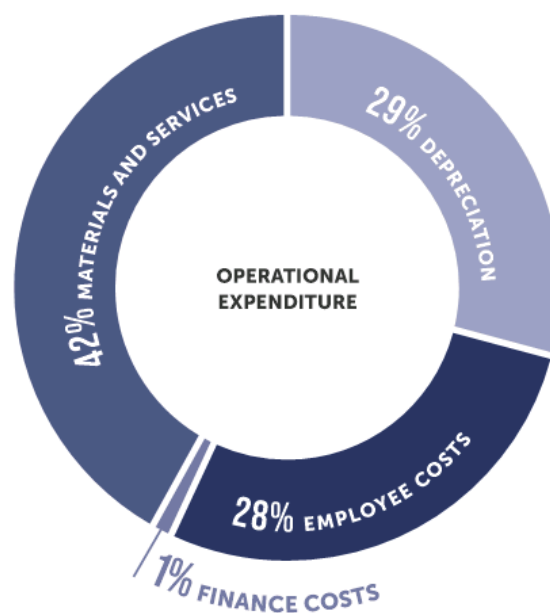
Council's operational income in 2021-22 was \$45.978 million. Grant income represents 37% of total income, with the remaining 63% of the operating income classed as own sourced income.

Total rates and charges levied (less discount) totalled \$18.463 million. This equates to 40% of council's operating income.

#### Operational Expenditure

Council spent \$36.115 million during the year on employee costs, materials and services. These items represent costs related to providing services, operating facilities and maintaining assets.

Depreciation expenditure of \$14.952 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 2022.*

#### Net Current Assets

Council's net current assets (that is current assets less current liabilities) are \$29.536 million for 2021-22. Current assets and liabilities are those which are likely to be turned over during the next financial year.

#### Total Assets

Council's total assets are made up of current assets of \$41.095 million and non-current assets of \$909.550 million. The non-current assets refer to infrastructure assets such as roads, bridges, water and wastewater facilities.

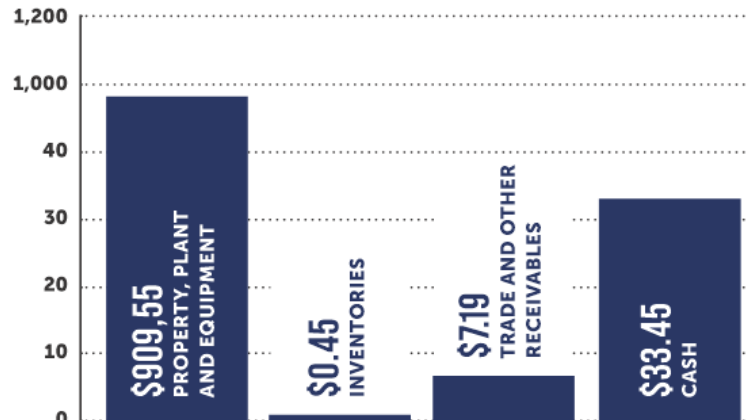
#### Total Liabilities

Council's total liabilities are made up of current liabilities of \$11.559 million and non-current liabilities of \$15.994 million.

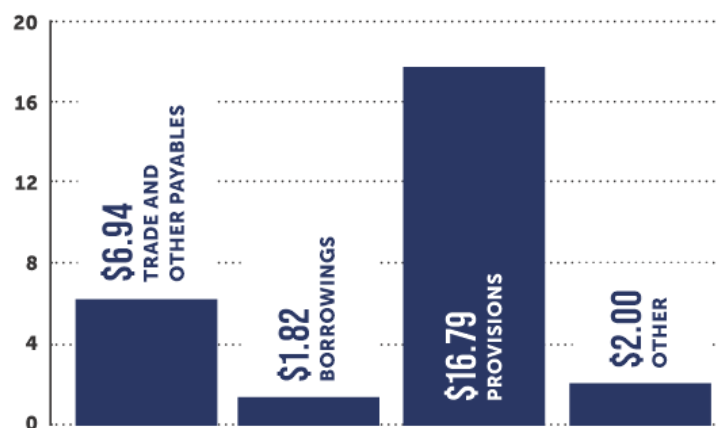
Borrowings are made up of \$156k in current obligations and \$1.668 million in non-current obligations. Similarly, provisions are made up of \$3.781 million current and \$13.012 million non-current. The non-current provisions are primarily allocated to the future restoration of council's waste management facilities, and council's gravel quarries.

Council had an increase in cash reserves and has a strong cash position at the end of 2021-22. Council delivered \$16.263 million in projects in the 2021-22 financial year.

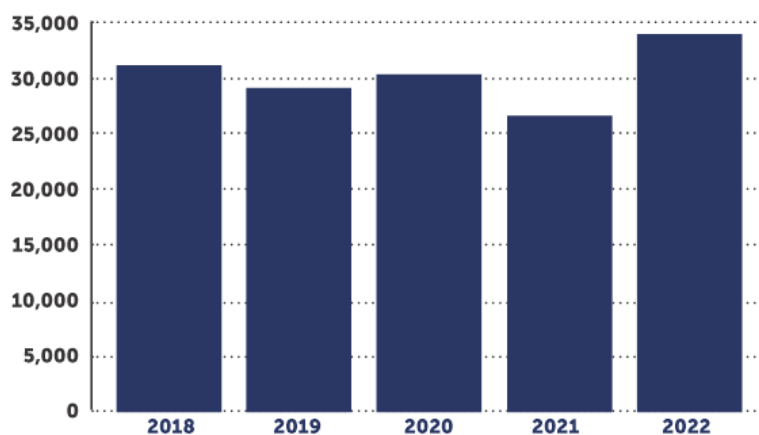
2021-22 ASSET TYPES (\$M)



2021-22 LIABILITIES (\$M)



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

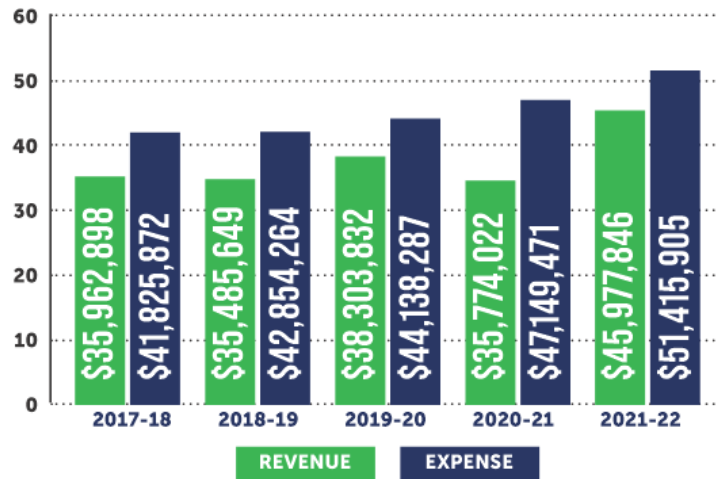


### COMPARATIVE TREND ANALYSIS: REVENUE AND EXPENSES

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

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

EXPENSES AGAINST REVENUE: FIVE-YEAR TREND

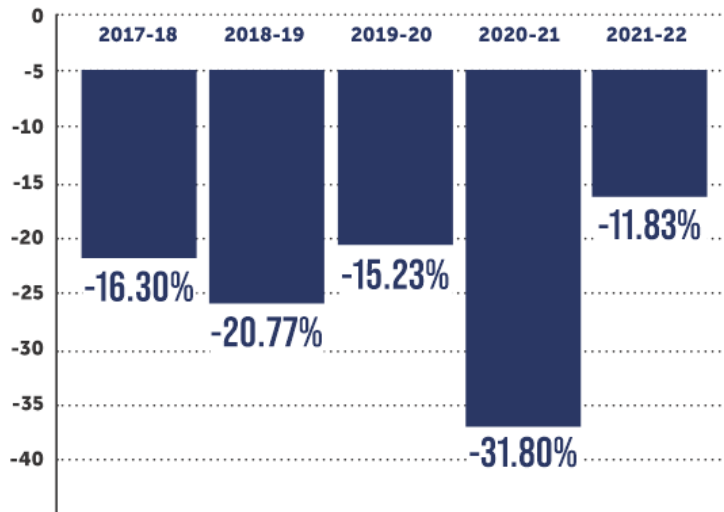


### 2021-22 FINANCIAL RATIO SUMMARY

**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. In 2021-22, there was a significant improvement in this ratio as compared to 2020-21.

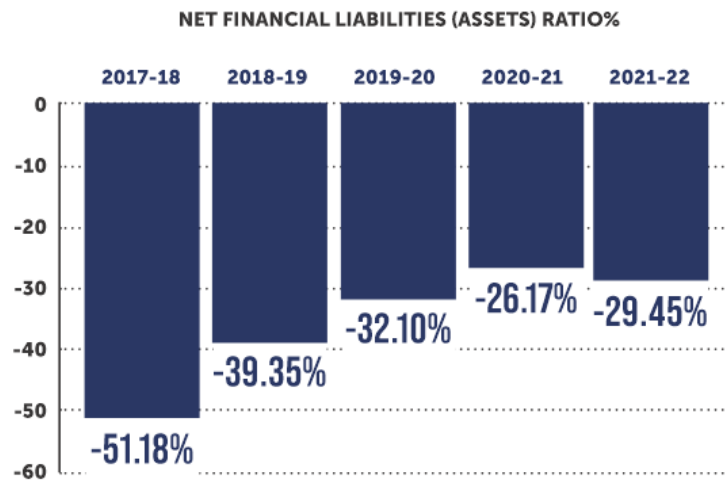
OPERATING SURPLUS (DEFICIT) RATIO%



### NET FINANCIAL LIABILITIES RATIO

Target is not greater than 60%

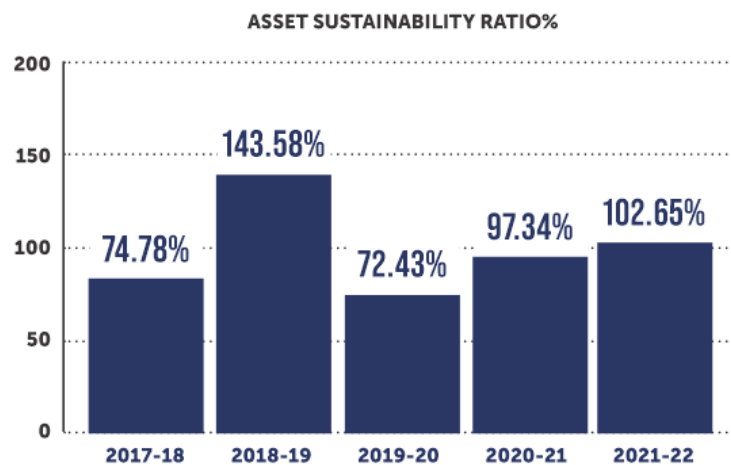
The net financial liabilities ratio measures the extent to which net financial liabilities can be serviced by operating revenues and is a short-term liquidity measure. The ratio determines how well placed we are to pay our liabilities from current operating revenue and is calculated as the value of net 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

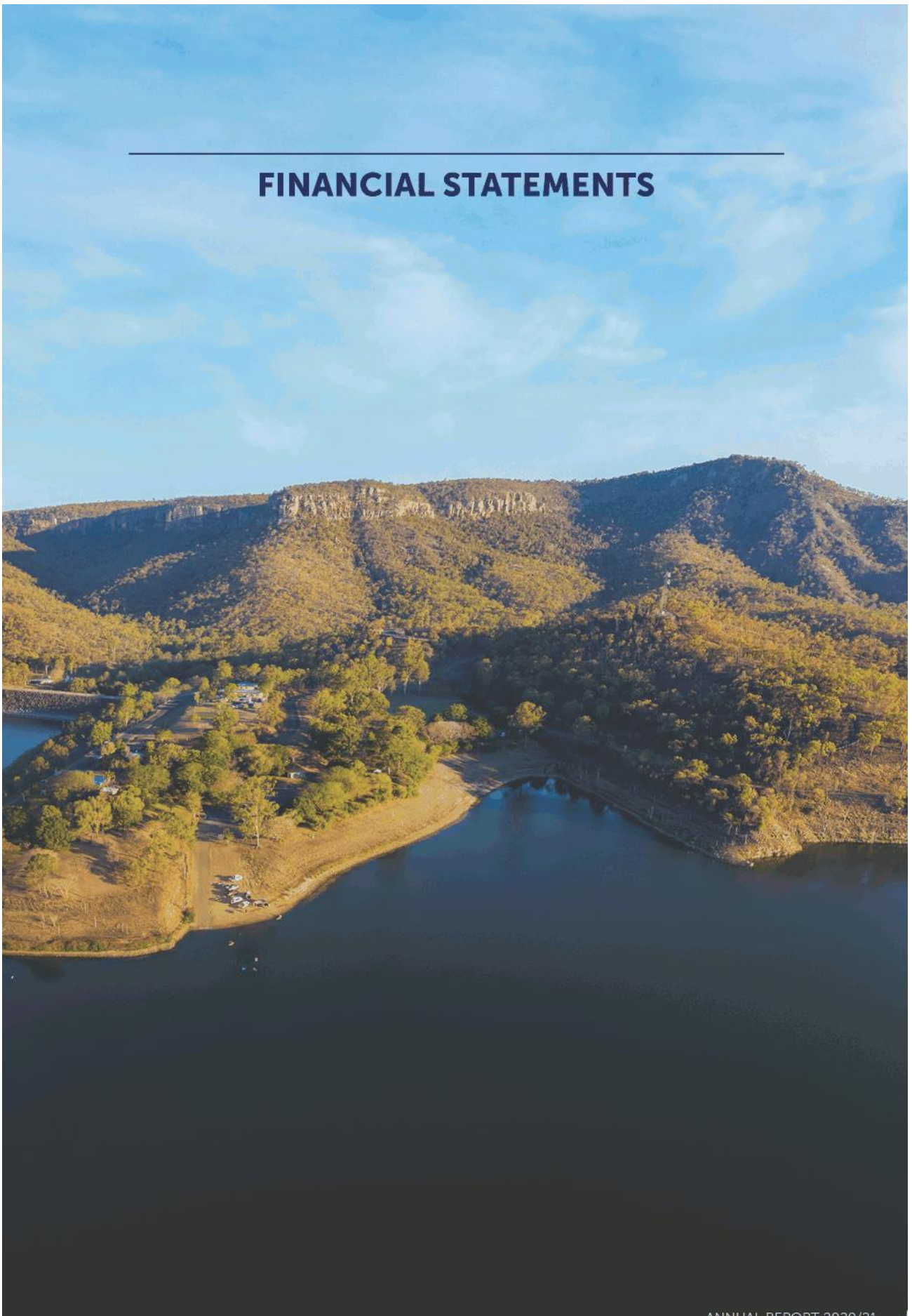
Target is greater than 90%

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 2021-22, council invested millions of council and external funding directly back into community assets like roads and bridges.



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# FINANCIAL STATEMENTS



ANNUAL REPORT 2020/21

## North Burnett Regional Council

Financial Statements 2022

## General Purpose Financial Statements

for the year ended 30 June 2022

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## North Burnett Regional Council

Financial Statements 2022

General Purpose Financial Statements  
for the year ended 30 June 2022

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## North Burnett Regional Council

Financial Statements 2022

Statement of Comprehensive Income  
for the year ended 30 June 2022

	Notes	2022 \$	Restated 2021 \$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	18,462,730	18,273,572
Fees and charges	3b	1,627,512	1,382,218
Sales revenue	3c	7,104,388	3,046,195
Grants, subsidies, contributions and donations	3d(i)	16,857,896	10,933,416
<b>Total recurrent revenue</b>		<b>44,052,526</b>	<b>33,635,401</b>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	3d(ii)	10,229,038	9,348,198
<b>Total capital revenue</b>		<b>10,229,038</b>	<b>9,348,198</b>
Interest received	4a	271,685	352,037
Other income	4b	1,653,635	1,786,584
<b>Total income</b>		<b>56,206,884</b>	<b>45,122,220</b>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	5	14,477,923	15,970,297
Materials and services	6	21,636,679	15,555,091
Finance costs	7	348,873	497,972
Depreciation of property, plant and equipment	13	14,952,430	15,126,111
<b>Total recurrent expenses</b>		<b>51,415,905</b>	<b>47,149,471</b>
Capital Expenses	8	1,950,056	6,328,082
<b>Total expenses</b>		<b>53,365,961</b>	<b>53,477,553</b>
<b>Net Result</b>		<b>2,840,923</b>	<b>(8,355,333)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to the net result</b>			
Increase / (decrease) in asset revaluation surplus	19	(168,376,469)	21,103,593
<b>Total other comprehensive (loss) / income for the year</b>		<b>(168,376,469)</b>	<b>21,103,593</b>
<b>Total comprehensive (loss) / income for the year</b>		<b>(165,535,546)</b>	<b>12,748,260</b>

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

## North Burnett Regional Council

Financial Statements 2022

Statement of Financial Position  
as at 30 June 2022

	Notes	2022 \$	Restated 2021 \$	Restated 1 July 2020 \$
<b>Current assets</b>				
Cash and cash equivalents	9	29,454,535	22,806,292	26,556,646
Financial assets	9	4,000,000	4,000,000	4,000,000
Receivables	10	3,452,416	3,080,162	2,642,540
Inventories	11	454,477	481,826	490,665
Contract assets	14	2,655,257	1,701,785	1,912,159
Other assets	12	1,078,052	1,467,785	1,422,703
<b>Total current assets</b>		<b>41,094,737</b>	<b>33,537,850</b>	<b>37,024,713</b>
<b>Non-current assets</b>				
Property, plant and equipment	13	909,550,351	1,078,731,394	1,063,268,391
<b>Total non-current assets</b>		<b>909,550,351</b>	<b>1,078,731,394</b>	<b>1,063,268,391</b>
<b>Total Assets</b>		<b>950,645,088</b>	<b>1,112,269,244</b>	<b>1,100,293,104</b>
<b>Current liabilities</b>				
Payables	15	4,800,846	2,979,676	4,903,510
Contract liabilities	14	2,135,986	1,133,414	2,352,998
Borrowings	16	156,231	254,587	246,143
Provisions	17	3,780,829	4,294,759	3,121,139
Other liabilities	18	685,253	102,137	773,715
<b>Total current liabilities</b>		<b>11,559,145</b>	<b>8,764,573</b>	<b>11,397,505</b>
<b>Non-current liabilities</b>				
Borrowings	16	1,668,105	1,824,690	2,079,616
Provisions	17	13,011,994	13,052,676	10,936,938
Other liabilities	18	1,314,085	–	–
<b>Total non-current liabilities</b>		<b>15,994,184</b>	<b>14,877,366</b>	<b>13,016,554</b>
<b>Total Liabilities</b>		<b>27,553,329</b>	<b>23,641,939</b>	<b>24,414,059</b>
<b>Net community assets</b>		<b>923,091,759</b>	<b>1,088,627,305</b>	<b>1,075,879,045</b>
<b>Community equity</b>				
Asset revaluation surplus	19	176,757,389	345,133,858	324,030,265
Retained deficiency		(37,822,072)	(40,662,995)	(32,307,662)
Capital		784,156,442	784,156,442	784,156,442
<b>Total community equity</b>		<b>923,091,759</b>	<b>1,088,627,305</b>	<b>1,075,879,045</b>

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

## North Burnett Regional Council

Financial Statements 2022

Statement of Changes in Equity  
for the year ended 30 June 2022

	Notes	Asset revaluation surplus \$	Retained deficiency \$	Capital \$	Total equity \$
<b>2022</b>					
Balance as at 1 July (Restated)		345,133,858	(40,662,995)	784,156,442	1,088,627,305
<b>Net result</b>		-	2,840,923	-	2,840,923
Other comprehensive (loss) / income for the year					
- Increase/(decrease) in asset revaluation surplus	19	(168,376,469)	-	-	(168,376,469)
<b>Total comprehensive (loss) / income for the year</b>		(168,376,469)	2,840,923	-	(165,535,546)
<b>Balance as at 30 June (Restated)</b>		176,757,389	(37,822,072)	784,156,442	923,091,759
<b>2021</b>					
Balance as at 1 July (Restated)		324,030,265	(32,307,662)	784,156,442	1,075,879,045
<b>Net result</b>		-	(8,355,333)	-	(8,355,333)
Other comprehensive (loss) / income for the year					
- Increase/(decrease) in asset revaluation surplus	19	21,103,593	-	-	21,103,593
<b>Total comprehensive (loss) / income for the year</b>		21,103,593	(8,355,333)	-	12,748,260
<b>Balance as at 30 June (Restated)</b>		345,133,858	(40,662,995)	784,156,442	1,088,627,305

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

## North Burnett Regional Council

Financial Statements 2022

Statement of Cash Flows  
for the year ended 30 June 2022

	Notes	2022 \$	Restated 2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		29,839,484	23,195,613
Payments to suppliers and employees		(34,842,346)	(33,831,000)
		<u>(5,002,862)</u>	<u>(10,635,387)</u>
<b>Receipts</b>			
Interest received		271,686	352,037
Rental income		320,548	298,078
Non capital grants and contributions		17,117,489	11,357,622
<b>Payments</b>			
Finance costs		(105,982)	(126,664)
<b>Net cash inflow from operating activities</b>	23	<u>12,600,879</u>	<u>1,245,686</u>
<b>Cash flows from investing activities</b>			
<b>Receipts</b>			
Proceeds from sale of property, plant and equipment		294,824	1,324,650
Grants, subsidies, contributions and donations		10,018,546	8,297,236
<b>Payments</b>			
Payments for property, plant and equipment		(16,011,065)	(14,371,445)
<b>Net cash inflow from investing activities</b>		<u>(5,697,695)</u>	<u>(4,749,559)</u>
<b>Cash flows from financing activities</b>			
<b>Payments</b>			
Repayment of borrowings		(254,941)	(246,481)
<b>Net cash outflow from financing activities</b>		<u>(254,941)</u>	<u>(246,481)</u>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<u>6,648,243</u>	<u>(3,750,354)</u>
Cash and cash equivalents at beginning of financial year		22,806,292	26,556,646
<b>Cash and cash equivalents at the end of the financial year</b>	9	<u>29,454,535</u>	<u>22,806,292</u>

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

## North Burnett Regional Council

Financial Statements 2022

### Notes to the Financial Statements

for the year ended 30 June 2022

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

Council is a not-for-profit entity for financial reporting purposes and these financial statements complies with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for 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 2021, 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 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. None of these standards are expected to have a material impact on NBRC.

##### (d) Estimates and Judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. 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. During the current year, a prior period error has been identified which resulted in the reinstatement of the 2021 financial year comparatives. Refer Note 25 for the details of the correction of the prior period error

##### (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 2021-22 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 \$82,692, public amenities at Mt Walsh \$687, Eidsvold pool upgrades \$6,800, Monto pool lighting upgrades \$9,450, and regional water main replacement \$1,986.

## North Burnett Regional Council

Financial Statements 2022

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 2a. Components of North Burnett Regional Council functions

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The activities relating to North Burnett Regional Council'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.

##### **Transport infrastructure**

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

##### **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 the year ended 30 June 2022

**Note 2b. Analysis of results by function**

Functions	Gross program income				Gross program expenses			Net result from recurrent operations	Net result	Total Assets
	Recurrent grants	Recurrent other	Capital grants	Capital other	Total income	Recurrent	Capital			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2022</b>										
Corporate governance	12,974,484	10,370,334	-	-	23,344,818	(7,670,205)	-	(7,670,205)	15,674,613	58,764,489
Business services and finance	-	-	-	-	-	(3,271,213)	-	(3,271,213)	(3,271,213)	4,507,026
Community services	50,501	1,128,973	531,708	-	1,711,182	(4,659,159)	-	(4,659,159)	(3,479,685)	29,382,359
Construction and maintenance	-	158,544	163,000	-	321,544	(2,233,077)	(1,921,313)	(4,154,390)	(2,074,533)	33,771,410
Planning and development	-	258,791	600,540	-	859,331	(834,289)	-	(834,289)	(575,496)	-
Transport infrastructure	3,830,713	7,460,376	4,807,988	2,774,765	18,873,872	(23,093,187)	(11,291)	(23,104,478)	(11,802,098)	754,953,431
Waste management	2,198	3,804,179	919,437	-	4,725,814	(3,721,004)	(17,452)	(3,738,456)	85,373	2,360,113
Water infrastructure	-	3,716,080	-	-	3,716,080	(4,307,267)	-	(4,307,267)	(591,187)	34,041,719
Sewerage infrastructure	-	2,222,673	431,570	-	2,654,243	(1,626,504)	-	(1,626,504)	596,169	32,864,541
<b>Total Council</b>	<b>16,857,896</b>	<b>29,119,950</b>	<b>7,454,253</b>	<b>2,774,765</b>	<b>56,206,884</b>	<b>(51,415,905)</b>	<b>(1,950,056)</b>	<b>(53,365,961)</b>	<b>(5,438,059)</b>	<b>950,645,088</b>
<b>2021</b>										
Corporate governance	7,646,382	10,582,412	-	-	18,228,794	(7,458,615)	-	(7,458,615)	10,770,179	25,038,980
Business services and finance	-	719	-	-	719	(2,722,760)	-	(2,722,760)	(2,722,041)	2,828,030
Community services	60,325	959,541	2,410,017	-	3,429,883	(4,883,814)	-	(4,883,814)	(3,863,948)	27,009,762
Construction and maintenance	-	111,490	1,319,580	-	1,431,070	(2,176,765)	(3,688,991)	(5,865,756)	(2,065,275)	17,752,302
Planning and development	-	267,871	-	-	267,871	(812,511)	-	(812,511)	(544,640)	-
Transport infrastructure	3,226,709	3,421,288	5,271,909	75,769	11,995,675	(19,154,076)	(18,408)	(19,172,484)	(12,506,079)	972,238,913
Waste management	-	3,308,473	452,134	-	3,760,607	(4,077,954)	(2,620,683)	(6,698,637)	(769,481)	1,894,940
Water infrastructure	-	4,031,950	(214,901)	-	3,817,049	(4,251,495)	-	(4,251,495)	(219,545)	38,039,407
Sewerage infrastructure	-	2,156,862	33,680	-	2,190,552	(1,611,481)	-	(1,611,481)	545,381	27,466,890
<b>Total Council</b>	<b>10,933,416</b>	<b>24,840,606</b>	<b>9,272,429</b>	<b>75,769</b>	<b>45,122,220</b>	<b>(47,149,471)</b>	<b>(6,328,082)</b>	<b>(53,477,553)</b>	<b>(11,375,449)</b>	<b>1,112,269,244</b>



## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 3. Revenue

	2022	2021
	\$	Restated \$
<b>(a) Rates, levies and charges</b>		
Rates, levies and charges are recognised at the beginning of the rating period to which they relate. Pre-paid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	10,608,914	10,364,423
Water supply services	2,251,732	2,202,608
Water consumption	1,532,605	1,879,989
Sewerage services	2,396,697	2,332,871
Waste management services	2,872,142	2,594,459
Local disaster management levy	40,715	41,063
Natural resource management levy	395,366	384,741
Special levy Mt Perry	19,219	49,416
<b>Total rates and utility charge revenue</b>	<b>20,117,390</b>	<b>19,849,570</b>
Less: discounts	(1,654,660)	(1,575,998)
<b>Total rates, levies and charges</b>	<b>18,462,730</b>	<b>18,273,572</b>

**(b) Fees and charges**

Revenue arising from fees and charges are recognised at the point in time when the performance obligation is completed, and the customer receives the benefit of the 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.

Community service fees	248,974	165,423
Building and development fees	223,818	226,608
Licences and registrations	61,726	63,841
Caravan parks	521,587	519,996
Water and sewer fees	99,116	98,141
Trade waste and recycling	211,784	126,789
Other fees and charges	260,507	181,420
<b>Total fees and charges</b>	<b>1,627,512</b>	<b>1,382,218</b>

## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 3. Revenue (continued)

**(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.

	2022	2021
	\$	Restated \$
<b>Rendering of services</b>		
<b>Contracts and recoverable works</b>		
- Transport and main roads	7,075,014	3,010,131
- Private works	29,374	36,064
<b>Total sales revenue</b>	<u>7,104,388</u>	<u>3,046,195</u>

**(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.

## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 3. Revenue (continued)

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.

	2022	2021
	\$	Restated \$
<b>(i) Operating</b>		
General purpose grants	16,484,846	10,539,134
State government subsidies and grants	246,431	209,557
Commonwealth government subsidies and grants	126,619	142,155
Contributions	–	42,570
<b>Total recurrent grants, subsidies, contributions and donations</b>	<b>16,857,896</b>	<b>10,933,416</b>

**(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.

State government subsidies and grants	1,664,644	3,519,941
Commonwealth government subsidies and grants	5,789,609	5,752,488
Flood damage claims	2,774,785	75,769
<b>Total capital grants, subsidies, contributions and donations</b>	<b>10,229,038</b>	<b>9,348,198</b>

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

	Notes	2022		2021	
		Revenue recognised at a point in time \$	Revenue recognised over time \$	Revenue recognised at a point in time Restated \$	Revenue recognised over time Restated \$
Grants and subsidies	3d	16,454,029	10,525,014	10,456,598	9,429,782
Contributions	3d	–	–	42,570	–
Other		107,891	–	352,664	–
		<b>16,561,920</b>	<b>10,525,014</b>	<b>10,851,832</b>	<b>9,429,782</b>

## North Burnett Regional Council

Financial Statements 2022

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 4. Interest and other income

	2022	2021
	\$	Restated \$
<b>(a) Interest received</b>		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest received from term deposits	116,126	182,656
Interest from overdue rates and utility charges	155,559	169,381
<b>Total interest received</b>	<b>271,685</b>	<b>352,037</b>
<b>(b) Other income</b>		
Bus revenue	485,687	382,453
Reginald Murray Williams Centre sales, levies, other sundry income	1,167,948	1,404,131
<b>Total other income</b>	<b>1,653,635</b>	<b>1,786,584</b>

## Note 5. Employee benefits

	2022	2021
	\$	Restated \$
Employee benefit expenses are recorded when the service has been provided by the employee.		
Staff wages and salaries	10,805,656	11,581,423
Councillors' remuneration	424,060	441,278
Annual, sick and long service leave entitlements	1,620,530	2,559,078
Termination benefits	238,659	29,025
Superannuation	1,434,372	1,552,386
	<b>14,523,277</b>	<b>16,163,190</b>
Other employee related expenses	657,539	610,694
	<b>15,180,816</b>	<b>16,773,884</b>
Less: capitalised employee expenses	(702,893)	(803,587)
<b>Total Employee benefits</b>	<b>14,477,923</b>	<b>15,970,297</b>

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

## North Burnett Regional Council

Financial Statements 2022

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 5. Employee benefits (continued)

	2022 Number	2021 Number Restated
<b>Additional information:</b>		
Total Council employees at the reporting date:		
Elected members	7	7
Administration staff	88	85
Depot and outdoors staff	77	94
Trainee staff	4	6
<b>Total full time equivalent employees</b>	<b>176</b>	<b>192</b>

## Note 6. Materials and services

	2022 \$	2021 Restated \$
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Audit of annual financial statements by the Auditor-General of Queensland	140,300	140,950
Community services	2,313,039	2,379,449
Corporate governance	4,395,165	3,837,916
Planning and development	229,008	178,946
Sewerage infrastructure	490,787	516,417
Transport infrastructure	9,723,853	4,126,100
Waste management	2,523,230	2,405,562
Water infrastructure	1,821,297	1,969,751
<b>Total materials and services</b>	<b>21,636,679</b>	<b>15,555,091</b>

Total audit fee quoted by the Queensland Audit Office relating to the 2021-22 financial statements \$126,250 (2021: \$131,500).

## Note 7. Finance costs

	2022 \$	2021 Restated \$
Finance costs charged by the Queensland Treasury Corporation	75,696	84,055
Bank charges	30,275	34,876
Impairment of receivables	206,734	174,804
Unwinding of discount on provisions	36,168	204,237
<b>Total finance costs</b>	<b>348,873</b>	<b>497,972</b>

## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 8. Capital expenses

		2022	2021
	Notes	\$	Restated \$
<b>(a) Loss on disposal of non-current assets</b>			
Proceeds from the sale of property, plant and equipment		294,824	1,324,650
Less: carrying value of disposed property, plant and equipment	13	<u>(2,115,486)</u>	<u>(5,013,641)</u>
<b>Loss on disposal of non-current assets</b>		<u>1,820,662</u>	<u>3,688,991</u>
<b>(b) Provision for restoration of land</b>			
Landfill waste restoration		17,452	1,837,069
Gravel quarry rehabilitation		111,942	802,022
	17	<u>129,394</u>	<u>2,639,091</u>
The discount rate adjustments to the quarry rehabilitation liability is recorded in expenses due to an insufficient asset revaluation surplus for that class.			
<b>Total capital expenses</b>		<u>1,950,056</u>	<u>6,328,082</u>

## Note 9. Cash and cash equivalents

		2022	2021
		\$	Restated \$
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques received but not banked at the year end, deposits held at call and cash on hand.			
<b>Cash and cash equivalents</b>			
Cash at bank		1,452,491	2,266,723
Cash on hand		5,770	6,200
Deposits at call		27,996,274	20,533,369
<b>Balance per Statement of Financial Position</b>		<u>29,454,535</u>	<u>22,806,292</u>
<b>Balance per Statement of Cashflows</b>		<u>29,454,535</u>	<u>22,806,292</u>
<b>Financial assets</b>			
Term deposits		4,000,000	4,000,000
<b>Total financial assets</b>		<u>4,000,000</u>	<u>4,000,000</u>

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		29,454,535	22,806,292
Less: externally imposed restrictions on cash		<u>(10,208,001)</u>	<u>(5,873,364)</u>
<b>Unrestricted cash</b>		<u>19,246,534</u>	<u>16,932,928</u>

## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 9. Cash and cash equivalents (continued)

	2022	2021
	\$	Restated \$
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:		
<b>(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:</b>		
Unspent recurrent government grants and subsidies	436,307	68,100
Unspent capital government grants and subsidies	2,198,062	1,423,429
Landfill Management Levy	5,855,315	4,381,835
Waste Management Levy	1,718,317	–
<b>Total externally imposed restrictions on cash assets</b>	<b>10,208,001</b>	<b>5,873,364</b>

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

Council has received in advance \$1,718,317 for the annual waste management levy for the four years 2022-2023 to 2025-2026. This revenue will be recognised annually in these respective future years.

Council has received through a landfill management levy totalling \$5,855,315 from 2016-2017 to 2021-2022. This has been raised to offset the costs of landfill management, compliance and future costs of landfill closures and restoration.

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.

**Trust funds held for outside parties**

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities

570,521	102,137
<b>570,521</b>	<b>102,137</b>

## Note 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.

## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 10. Receivables

	2022	2021
	\$	Restated \$
<b>Current</b>		
Rates and charges	1,793,273	2,133,972
Other debtors	2,160,086	1,246,548
<b>Total</b>	<u>3,953,359</u>	<u>3,380,520</u>
less: Loss allowance	(500,943)	(300,358)
<b>Total current receivables</b>	<u>3,452,416</u>	<u>3,080,162</u>

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.

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.



## North Burnett Regional Council

Financial Statements 2022

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 10. Receivables (continued)

	2022	2021
	\$	Restated \$
<b>Movement in accumulated impairment losses is as follows:</b>		
Opening balance at 1 July	300,358	140,881
Less		
Impaired debts written off during the year	(6,149)	(15,327)
Add		
Additional impairments recognised	206,734	174,804
<b>Closing balance at 30 June</b>	<u>500,943</u>	<u>300,358</u>

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 other debtors from rate debtors, 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 receivables**

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

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

## Note 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.

	2022	2021
	\$	Restated \$
<b>(a) Inventories held for distribution</b>		
Quarry and road materials	61,017	77,831
Plant and equipment stores	393,460	403,995
<b>Total current inventories</b>	<u>454,477</u>	<u>481,826</u>

## North Burnett Regional Council

Financial Statements 2022

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 12. Other assets

	2022	2021
	\$	Restated \$
<b>Current</b>		
Water charges not yet levied	679,598	911,602
GST recoverable	17,293	2,344
Prepayments	381,161	553,839
<b>Total current other assets</b>	<u>1,078,052</u>	<u>1,467,785</u>

North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment

	Land and improvements	Landfill Cells	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Infrastructure assets	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2022</b>										
Measurement basis	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost
Fair value category										
<b>Opening gross balance as at 1 July</b>	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
Additions	-	-	297,359	2,645,782	2,491,676	62,180	-	2,633,396	8,132,949	16,263,342
Disposals	(40,000)	-	(516,958)	(33,494)	(2,536,991)	(637,511)	(123,294)	(116,570)	-	(4,004,818)
Revaluation adjustment to other comprehensive income (asset revaluation surplus)	235,967	555,814	7,448,429	-	(266,779,564)	5,309,406	4,193,766	3,146,310	-	(245,889,872)
Transfers between classes	-	-	70,912	10,636	5,304,989	1,771,264	919,639	193,016	(8,270,456)	-
<b>Closing gross value as at 30 June</b>	13,282,579	4,448,764	81,649,342	29,019,773	857,469,903	72,970,759	57,535,485	43,391,827	4,706,570	1,164,474,802
<b>Opening accumulated depreciation as at 1 July</b>	-	2,572,483	38,486,280	13,773,552	191,007,238	30,212,955	26,232,831	17,089,337	-	319,374,756
Depreciation expense	-	127,725	1,742,253	1,686,047	7,897,286	1,370,713	793,562	1,334,844	-	14,952,430
Depreciation on Disposals	-	-	(329,650)	(25,120)	(1,228,164)	(139,126)	(85,523)	(81,749)	-	(1,889,332)
Revaluation adjustment to asset revaluation surplus	-	555,813	3,932,995	-	(88,195,945)	2,514,758	2,155,201	1,523,775	-	(77,513,403)
Transfers between classes	-	-	-	-	179,220	-	-	(179,220)	-	-
<b>Accumulated depreciation as at 30 June</b>	-	3,256,021	43,831,858	15,434,479	109,659,635	33,959,300	29,096,171	19,686,987	-	254,924,451
<b>Carrying amount as at 30 June</b>	13,282,579	1,192,743	37,817,484	13,585,294	747,810,268	39,011,459	28,439,314	23,704,640	4,706,570	909,550,351
Range of estimated useful life in years	0 - infinite	28-91	15-100	4-30	14-100	5-100	0-160	2-150	N/A	
<b>*Asset additions comprise</b>										
Asset renewals	-	-	297,359	-	2,491,676	62,180	-	2,633,396	8,132,949	13,617,560
Other additions	-	-	-	2,645,782	-	-	-	-	-	2,645,782
<b>Total asset additions *</b>	-	-	297,359	2,645,782	2,491,676	62,180	-	2,633,396	8,132,949	16,263,342

**North Burnett Regional Council**  
**Notes to the Financial Statements**  
 for the year ended 30 June 2022

**Note 13. Property, plant and equipment (continued)**

2021 Measurement basis Fair value category	Land and improvements		Landfill Cells		Buildings		Plant and equipment		Road, drainage and bridge network		Water		Sewerage		Infrastructure assets		Work in progress		Total	
	Restated	Fair Value	Restated	Fair Value	Restated	Fair Value	Restated	Cost	Restated	Fair Value	Restated	Fair Value	Restated	Fair Value	Restated	Fair Value	Restated	Cost	Restated	Fair Value
<b>Opening gross balance as at 1 July</b>	13,229,612	5,586,314	66,813,640	1,087,006,667	29,245,089	63,851,108	50,306,493	52,215,915	1,721,650	1,369,976,488	1,273,730	3,028,447	14,499,164	171,480	1,721,650	1,369,976,488	1,721,650	1,369,976,488	1,721,650	1,369,976,488
Additions	125,000	-	212,457	6,777,797	1,143,960	1,036,699	901,074	1,273,730	3,028,447	14,499,164	171,480	1,721,650	1,369,976,488	1,721,650	1,369,976,488	1,721,650	1,369,976,488	1,721,650	1,369,976,488	
Disposals	(268,000)	-	(212,458)	(5,308,151)	(3,992,200)	(301,839)	(148,026)	(19,347)	(19,347)	(10,078,541)	171,480	1,721,650	1,369,976,488	1,721,650	1,369,976,488	1,721,650	1,369,976,488	1,721,650	1,369,976,488	
Revaluation adjustment to other comprehensive income (asset revaluation surplus)	-	-	2,968,510	19,125,716	-	1,879,452	1,485,833	(1,750,472)	(14,184,351)	23,709,039	-	-	-	-	-	23,709,039	-	-	-	
Transfers between classes	-	(1,693,364)	4,567,451	11,387,764	-	-	-	-	-	-	-	-	-	-	(77,500)	-	-	-	-	
<b>Closing gross value as at 30 June</b>	13,086,612	3,892,950	74,349,600	1,118,989,793	26,396,849	66,465,420	52,545,374	37,535,475	4,844,077	1,398,106,150	1,273,730	3,028,447	14,499,164	171,480	1,398,106,150	1,273,730	3,028,447	14,499,164	171,480	
<b>Opening accumulated depreciation as at 1 July</b>	-	3,223,732	37,755,748	180,661,219	14,806,862	28,189,107	24,825,325	17,246,105	-	306,708,088	1,273,730	3,028,447	14,499,164	171,480	306,708,088	1,273,730	3,028,447	14,499,164	171,480	
Depreciation expense	-	127,765	1,733,331	8,251,960	1,731,460	1,331,532	731,387	1,218,676	15,126,111	15,126,111	171,480	1,721,650	1,369,976,488	1,721,650	15,126,111	1,273,730	3,028,447	14,499,164	171,480	
Depreciation on Disposals	-	-	(111,846)	(1,945,214)	(2,764,770)	(162,019)	(65,573)	(15,478)	-	(5,064,900)	171,480	1,721,650	1,369,976,488	1,721,650	(5,064,900)	1,273,730	3,028,447	14,499,164	171,480	
Revaluation adjustment to asset revaluation surplus	-	-	(2,673,102)	3,266,050	-	854,335	741,792	(1,776,338)	2,605,446	-	-	-	-	-	2,605,446	-	-	-	-	
Transfers between classes	-	(779,014)	1,782,129	773,223	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Accumulated depreciation as at 30 June</b>	-	2,572,483	38,486,260	191,007,238	13,773,552	30,212,955	26,232,931	17,089,337	4,844,077	1,398,106,150	1,273,730	3,028,447	14,499,164	171,480	1,398,106,150	1,273,730	3,028,447	14,499,164	171,480	
<b>Carrying amount as at 30 June</b>	13,086,612	1,320,467	35,863,340	927,982,555	12,623,297	36,252,465	26,312,443	20,446,138	4,844,077	1,078,731,394	1,273,730	3,028,447	14,499,164	171,480	1,078,731,394	1,273,730	3,028,447	14,499,164	171,480	
Range of estimated useful life in years	0 - infinite	28-91	15-100	14-100	4-30	5-100	0-160	2-150	N/A											
*Asset additions comprise																				
Asset renewals	-	-	212,457	6,777,797	-	1,036,699	709,411	1,273,730	3,028,447	13,038,541	171,480	1,721,650	1,369,976,488	1,721,650	13,038,541	1,273,730	3,028,447	14,499,164	171,480	
Other additions	125,000	-	-	-	1,143,960	-	191,663	-	-	1,460,623	-	-	-	-	1,460,623	-	-	-	-	
<b>Total asset additions*</b>	125,000	-	212,457	6,777,797	1,143,960	1,036,699	901,074	1,273,730	3,028,447	14,499,164	171,480	1,721,650	1,369,976,488	1,721,650	14,499,164	1,273,730	3,028,447	14,499,164	171,480	

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

## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 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.

## North Burnett Regional Council

Financial Statements 2022

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 13. Property, plant and equipment (continued)

##### (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. Due to ex tropical cyclone Seth in December 2021, structural damage was caused to Bon Accord bridge. It was determined from structural analysis that the current bridge is rated unsafe because of missing girders and corbels, undermined approaches, and decayed timber elements. The bridge remains closed, and has recognised an impairment loss of \$278,324 during the roads, drainage and bridges revaluation.

##### (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.

###### (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 other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly,

**Level 3:** Fair value based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

##### (2) Transfers between level 1 and level 2 fair value hierarchies

There were no transfers between levels during the year.

North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment (continued)

(3) Valuation techniques used to derive level 2 and level 3 fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	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	The desktop indexation assessments completed by Shepherd Services Pty Ltd are based on the Valuer-General Property Market Movement Report. This % movement was broken down to more specific categories and localities to improve accuracy across this asset class in total.	Not Applicable

Key assumptions and estimates (related data sources)

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.

Landfill cells (level 3)	Cost approach	30/06/2022	GHD Pty Ltd	Discounted rate, Discount rates obtained from indexed bond yield reported by the RBA (Table F16).	Not Applicable
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**North Burnett Regional Council**  
**Notes to the Financial Statements**  
 for the year ended 30 June 2022

**Note 13. Property, plant and equipment (continued)**

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
<p><b>Key assumptions and estimates (related data sources)</b></p> <p>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.</p> <p>The rehabilitation estimates have been included as a provision for the future with a planned closure date of the respective sites. The end of useful life for respective landfill sites is estimated to be as follows: Gayndah 2026-2027, Biggenden 2024-2025, Mt. Perry 2023, Monto 2024-2025, and Mundubbera existing site 2028-2029. 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).</p> <p>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.</p>					



North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Buildings - non-specialised (level 2) 2022: \$ 2,958,338 2021: \$ 2,869,840	Market value	30/06/2021	AssetVal Pty Ltd	The desktop indexation assessments completed by Shepherd Services Pty Ltd are based on the Australian Bureau of Statistics indexes. ABS Catalogues, 6427.0  Producer Price Indexes, Australia, Table 17. Index Number 3020, "Non-residential building construction". The estimated index from June 2021 to June 2022 was 9.96%.	Not Applicable

Key assumptions and estimates (related data sources)

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.

**North Burnett Regional Council**  
**Notes to the Financial Statements**  
 for the year ended 30 June 2022

**Note 13. Property, plant and equipment (continued)**

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Buildings - specialised (level 3) 2022: \$ 34,859,146 2021: \$ 32,993,500	Current replacement cost	30/06/2021	AssetVal Pty Ltd	The desktop indexation assessments completed by Shepherd Services Pty Ltd are based on the Australian Bureau of Statistics indexes. ABS Catalogues, 6427.0  Producer Price Indexes, Australia. Table 17. Index Number 3020, "Non-residential building construction". The estimated index from June 2021 to June 2022 was 9.96%.	Not Applicable

**Key assumptions and estimates (related data sources)**

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).

## North Burnett Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 13. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Roads, drainage and bridge network (level 3)	Current replacement cost	30/06/2022	Shepherd Services Pty Ltd	A comprehensive valuation of Council's Road, Drainage and Bridge asset class was completed as at 30 June 2022. These assets were inspected and a review of conditions, and estimated useful life completed.	Assets inspected April 2022, and review of conditions, and estimated useful life completed.

#### Key assumptions and estimates (related data sources)

**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 comprehensive valuation of road infrastructure was undertaken effective 30 June 2022 by Shepherd Services Pty Ltd. In determining the level of physical obsolescence, roads were disaggregated into significant components which exhibited different useful lives. In 2022, there was a significant decrease in the valuation of the road, bridges and drainage asset class. This decrease has been attributed to a change in valuation methodology and change in estimates in the valuation for 2022. Change in accounting estimates included changes in the formation and pavement layer surface area due to application of current standard drawings for road widths and driven road lengths. There was a reduction in gravel coverage from 100% to 70% in line with observed coverage on the current network. Change in foundation and pavement unit rates incorporated current observed work practices. These accounting estimate changes resulted in a decrement in the valuation of the roads infrastructure.

**Drainage infrastructure:** A full valuation of drainage infrastructure was undertaken by independent valuers Shepherd Services Pty Ltd effective 30 June 2022. 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 Shepherd Services Pty Ltd effective 30 June 2022. 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

**North Burnett Regional Council**  
**Notes to the Financial Statements**  
 for the year ended 30 June 2022

**Note 13. Property, plant and equipment (continued)**

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
<p>of physical obsolescence, remaining useful lives were calculated based on condition assessments. 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.</p> <p>Runways: A full valuation of airport runways assets was undertaken by independent valuers Shepherd Services Pty Ltd effective 30 June 2022. Current replacement cost was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs.</p> <p>Carparks: A full valuation of car park assets was undertaken by independent valuers Shepherd Services Pty Ltd effective 30 June 2022. Current replacement cost was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs.</p>					

Water (level 3)	Current replacement Cost	30/06/2020	Australis Asset Advisory Group	The desktop indexation assessments completed by Shepherd Services Pty Ltd are based on the Australian Bureau of Statistics indexes, ABS Catalogues, 6427.0 Producer Price Indexes, Australia, Table 17, Index Number 3109, "Other heavy and civil engineering construction". The estimated index from June 2021 to June 2022 was 8.00%.	Not Applicable
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**Key assumptions and estimates (related data sources)**

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

**North Burnett Regional Council**  
**Notes to the Financial Statements**  
 for the year ended 30 June 2022

**Note 13. Property, plant and equipment (continued)**

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
<p>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.</p> <p>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.</p>					

Sewerage (level 3)	Current replacement cost	30/06/2020	Australis Asset Advisory Group	The desktop indexation assessments completed by Shepherd Services Pty Ltd are based on the Australian Bureau of Statistics Indexes, ABS Catalogues, 6427.0 Producer Price Indexes, Australia, Table 17. Index Number 3109, "Other heavy and civil engineering construction". The estimated index from June 2021 to June 2022 was 8.00%.	Not Applicable
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North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
<p><b>Key assumptions and estimates (related data sources)</b></p> <p>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.</p> <p>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.</p>					

North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Other infrastructure assets (level 3)	Current replacement cost	30/06/2021	AssetVal	The desktop indexation assessments completed by Shepherd Services Pty Ltd are based on the Australian Bureau of Statistics indexes: ABS Catalogues, 6427.0 Producer Price Indexes, Australia, Table 17, Index Number 3109, "Other heavy and civil engineering construction". The estimated index from June 2021 to June 2022 was 8.00%.	Not Applicable

Key assumptions and estimates (related data sources)

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.

## North Burnett Regional Council

Financial Statements 2022

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 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.

	2022	2021
	\$	Restated \$
<b>(a) Contract assets</b>		
Contract assets	2,655,257	1,701,785
	<u>2,655,257</u>	<u>1,701,785</u>
<b>(b) Contract liabilities</b>		
Funds received upfront to construct NBRC controlled assets	1,712,293	334,163
Non-capital performance obligations not yet satisfied	423,693	799,251
	<u>2,135,986</u>	<u>1,133,414</u>
<b>Revenue recognised that was included in the contract liability balance at the beginning of the year</b>	<u>1,133,414</u>	<u>985,242</u>

**(c) Significant changes in contract balances**

Significant changes in contract balances relates to the pending completion of the local roads and community infrastructure program with an outstanding liability as at 30 June 2022 of \$1,148,896. Included in contract asset balances as at 30 June 2022 were works completed for disaster recovery funding arrangements with a value of \$1,774,785. Also included in contract liability balances as at 30 June 2022 was funds received for future resilience works of \$300,000.

## Note 15. Payables

	2022	2021
	\$	Restated \$
<b>Current</b>		
Creditors	3,208,850	1,815,642
Prepaid rates	930,364	868,509
Accrued wages and salaries	96,722	50,917
Accrued expenses	497,387	188,381
Other creditors	67,523	56,227
<b>Total current payables</b>	<u>4,800,846</u>	<u>2,979,676</u>

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.



## North Burnett Regional Council

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## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 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 2026 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 (QTC) borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

	2022	2021
	\$	Restated \$
<b>Current</b>		
Loans - Queensland Treasury Corporation	156,231	254,587
<b>Total current borrowings</b>	<u>156,231</u>	<u>254,587</u>
<b>Non-current</b>		
Loans - Queensland Treasury Corporation	1,668,105	1,824,690
<b>Total non-current borrowings</b>	<u>1,668,105</u>	<u>1,824,690</u>
<b>Reconciliation of Loan Movements for the year</b>		
<b>Loans - Queensland Treasury Corporation</b>		
Opening balance at beginning of financial year	2,079,277	2,325,759
Principal repayments	(254,941)	(246,482)
<b>Book value at end of financial year</b>	<u>1,824,336</u>	<u>2,079,277</u>
<b>Future contractual cash flows</b>		
0 to 1 year	224,322	330,537
1 to 5 years	863,307	897,287
Over 5 years	1,153,721	1,344,063
<b>Contractual cash flows</b>	<u>2,241,350</u>	<u>2,571,887</u>
<b>Carrying amount</b>	<u>1,824,336</u>	<u>2,079,277</u>
<b>Fair value</b>	<u>1,775,755</u>	<u>2,318,868</u>

The QTC loan market value at the reporting date was \$1,775,755 (2021: \$2,318,868). 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 2022 or 2021 financial years.

## North Burnett Regional Council

Financial Statements 2022

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 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 Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

##### 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 market request for quotation on scoped works, and management cost estimates, which are subject to significant uncertainty. These uncertainties may also result in future actual expenditure differing from amounts currently provided. NBRC has reviewed affected areas and obligations during 2021-22

- Landfill (refuse dumps) - the last survey was completed in 2022;
- Quarry - the surveys on sites due to be rehabilitated commenced in 2022 and is an ongoing program.

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. Council has engaged consultants GHD Pty Ltd in 2021-22 to support surveyed areas, and provide current scope and costings of works to restore sites due for rehabilitation.

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 independent surveys completed and scoping of works for prioritised sites to mitigate environmental impacts to support internal management engineering estimates as to the area and cost of rehabilitation. Management has engaged consultants Shepherd Services Pty Ltd in 2021-22 to support surveyed areas, and provide current scope of works to restore sites due for rehabilitation. These uncertainties 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 has reviewed affected areas and obligations during 2021-22.

## North Burnett Regional Council

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## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 17. Provisions (continued)

	2022	2021
	\$	Restated \$
<b>Current</b>		
Annual leave	1,207,942	1,311,247
Long service leave	1,468,788	1,966,652
Quarry rehabilitation	282,612	305,400
Landfill rehabilitation	821,487	711,460
<b>Total current provisions</b>	<b>3,780,829</b>	<b>4,294,759</b>
<b>Non-current</b>		
Long service leave	223,722	207,833
Quarry rehabilitation	689,888	621,622
Landfill rehabilitation	12,098,384	12,223,221
<b>Total non-current provisions</b>	<b>13,011,994</b>	<b>13,052,676</b>

## Movements in non-employee provisions:

## Quarry rehabilitation

Balance at beginning of financial year	927,022	-
Additional provision	111,941	927,022
Amounts used	(77,754)	-
Increase in provision due to unwinding of discount	11,291	-
<b>Balance at end of financial year</b>	<b>972,500</b>	<b>927,022</b>

## Landfill rehabilitation

Balance at beginning of financial year	12,934,681	10,901,108
Additional provision	1,399,548	2,745,348
Amounts used	(57,140)	(7,733)
Increase in provision due to unwinding of discount	24,878	204,237
Increase/(decrease) in provision due to change in discount rate	(1,382,096)	(908,279)
<b>Balance at end of financial year</b>	<b>12,919,871</b>	<b>12,934,681</b>

## Quarry rehabilitation

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 2025.

## Landfill rehabilitation

This is the present value of the estimated cost of restoring the refuse sites 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 2027-2028, Biggenden 2026-2027, Eidsvold 2025, Mt. Perry 2023, Monto 2024-2025, and Mundubbera existing site 2028-2029.

## North Burnett Regional Council

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Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 18. Other liabilities

	2022	2021
	\$	Restated \$
<b>Current</b>		
Waste Management Levy	404,232	–
Monto History and Cultural Centre	741	745
Mundubbera Art Gallery	7,384	7,233
Bond monies payable	272,896	94,159
<b>Total current other liabilities</b>	<u>685,253</u>	<u>102,137</u>
<b>Non-current</b>		
Waste Management Levy	1,314,085	–
<b>Total non-current other liabilities</b>	<u>1,314,085</u>	<u>–</u>

## Note 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.

\$	2022	2021
		Restated
The closing balance of the asset revaluation surplus comprises the following asset categories:		
- Land and improvements	2,048,778	1,812,811
- Buildings	16,907,331	13,507,987
- Road, drainage and bridge network	118,720,599	297,309,374
- Water	12,964,713	10,170,065
- Sewerage	19,379,151	17,340,586
- Other infrastructure assets	6,736,817	4,993,035
<b>Total asset revaluation surplus</b>	<u>176,757,389</u>	<u>345,133,858</u>

## Increase/(decrease) in asset revaluation surplus

\$	Note	2022	2021
			Restated
- Land and improvements	13	235,968	
- Buildings	13	3,515,434	5,641,612
- Road, drainage and bridge network	13	(178,583,619)	15,859,666
- Other infrastructure assets	13	1,622,535	(2,166,843)
- Water	13	2,794,648	1,025,117
- Sewerage	13	2,038,565	744,041
		<u>(168,376,469)</u>	<u>21,103,593</u>

## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 19. Asset revaluation surplus (continued)

In 2022, there was a significant decrease in the valuation of the road, bridges and drainage asset class. This decrease has been attributed to a change in valuation methodology and change in estimates in the valuation for 2022. The impact of the change can be summarised as follows:

- Change in formation layer surface area due to application of current standard drawings for road widths and driven road lengths.
- Change in pavement layer surface area due to application of standard drawings and reduced road length of which 100% of the road, bridge, footpaths and runways within this asset class were surveyed, and visually inspected.
- Reduction in gravel coverage from 100% to 70% in line with observed coverage on the current network.
- Change in foundation unit rates incorporating current observed work practices.
- Change in pavement unit rates incorporating current observed work practices.

There was sufficient funds within the asset revaluation reserve for this asset class to enable the decrease in the valuation within that reserve without impacting the net result.

## Note 20. Commitments for expenditure

	2022	2021
	\$	Restated \$

**Capital commitments (exclusive of GST)**

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

Property, plant and equipment

- Plant and equipment	2,046,574	1,083,162
- Road, drainage and bridge network	2,119,599	308,615
- Water	213,090	448,699
- Sewerage	18,679	20,412
- Other	594,920	128,866

<b>Total commitments</b>	<b>4,992,862</b>	<b>1,989,754</b>
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**The contractual and capital commitments for expenditure are payable as follows:**

Within one year	4,992,862	1,989,754
One to 5 years	-	-
Later than 5 years	-	-
<b>Total commitments</b>	<b>4,992,862</b>	<b>1,989,754</b>

## North Burnett Regional Council

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### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 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 2022 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 \$359,282 (2021: \$361,269).

##### 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 \$109,539 (2021: \$220,000).

#### Note 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 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The 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 2024.

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

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

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

## North Burnett Regional Council

Financial Statements 2022

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 22. Superannuation - regional defined benefit fund

		2022	2021
	Notes	\$	Restated \$
Superannuation contributions made to the Regional Defined Benefits Fund		62,022	73,395
Other superannuation contributions for employees		1,372,350	1,478,991
<b>Total superannuation contributions paid by Council for employees</b>	5	<b>1,434,372</b>	<b>1,552,386</b>

## Note 23. Reconciliation of operating activities

		2022	2021
		\$	Restated \$
<b>Net result</b>		<b>2,840,923</b>	<b>(8,355,333)</b>
<b>Non-cash items</b>			
Depreciation and amortisation		14,952,430	15,126,111
Impairment of receivables		206,734	174,804
		<u>15,159,164</u>	<u>15,300,915</u>
<b>Losses/(gains) recognised on fair value re-measurements through the income</b>			
Unwinding of discount rates on reinstatement provisions		(319,178)	–
		<u>(319,178)</u>	<u>–</u>
<b>Investing and development activities:</b>			
Net loss on disposal of non-current assets		1,820,662	3,688,991
Provision for landfill and quarries restoration		406,986	2,639,091
Capital grants and contributions		(10,229,038)	(9,348,198)
		<u>(8,001,390)</u>	<u>(3,020,116)</u>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/decrease in receivables		(372,256)	(612,425)
(Increase)/decrease in other assets		392,477	(45,079)
(Increase)/decrease in inventories		27,349	8,839
Increase/(decrease) in payables		1,789,789	(1,930,555)
Increase/(decrease) in contract liabilities		259,593	41,753
Increase/(decrease) in employee leave entitlements		(585,280)	–
Increase/(decrease) in other liabilities		(487,485)	(667,580)
Increase/(decrease) in provisions		1,897,173	525,267
		<u>2,921,360</u>	<u>(2,679,780)</u>
<b>Net cash inflow from operating activities</b>		<b>12,600,879</b>	<b>1,245,686</b>

## North Burnett Regional Council

Financial Statements 2022

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 24. Reconciliation of liabilities arising from finance activities

	as at 30/06/21		as at 30/06/22
	Opening Balance Restated	Cashflows	Closing balance
	\$	\$	\$
Borrowings	2,079,277	(254,941)	1,824,336
	<u>2,079,277</u>	<u>(254,941)</u>	<u>1,824,336</u>

	as at 30/06/20		as at 30/06/21
	Opening Balance Restated	Cashflows	Closing balance
	\$	\$	\$
Borrowings	2,325,759	(246,481)	2,079,277
	<u>2,325,759</u>	<u>(246,481)</u>	<u>2,079,277</u>

## Note 25. Correction of error

## Nature of prior-period error

During the current year, a prior period error has been identified which resulted in the reinstatement of the 2021 financial year comparatives. The reinstatement improves North Burnett Regional Council's net asset position and net results reported in the 2021 financial year. The prior period error related to the recognition of capital grants, subsidies, contributions and donations with a improvement to the net result by \$352,664 in 2021 and a improvement to net assets by \$534,049.

The above error had a impact on the Statement of Financial Position at 1 July 2020 to the value of \$181,385.

## Changes to the opening Statement of Financial Position at 1 July 2020

## Statement of Financial Position

	Original Balance 1 July, 2020	Impact Increase/ (decrease)	Restated Balance 1 July, 2020
	\$	\$	\$
Contract liabilities	2,534,383	(181,385)	2,352,998
Retained deficiency	(32,489,047)	181,385	(32,307,662)



## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 25. Correction of error (continued)

## Adjustments to the comparative figures for the year ended 30 June 2021

## Statement of Financial Position

	Original Balance 30 June, 2021 \$	Impact Increase/ (decrease) \$	Restated Balance 30 June, 2021 \$
Contract assets	1,525,851	175,934	1,701,785
Contract liabilities	1,491,529	(358,115)	1,133,414
Retained deficiency	(41,197,044)	534,049	(40,662,995)

## Statement of Comprehensive Income

	Original Balance 30 June, 2021 \$	Impact Increase/ (decrease) \$	Restated Balance 30 June, 2021 \$
Capital grants, subsidies, contributions and donations	8,995,534	352,664	9,348,198
<b>Total income</b>	<b>44,769,556</b>	<b>352,664</b>	<b>45,122,220</b>
<b>Net result</b>	<b>(8,707,997)</b>	<b>352,664</b>	<b>(8,355,333)</b>

## Note 26. Events after the reporting period

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

## Note 27. 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

## Financial risk management

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

## North Burnett Regional Council

Financial Statements 2022

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 27. Financial instruments and financial risk management (continued)

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.

##### 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.

## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 27. Financial instruments and financial risk management (continued)

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual 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 \$	Total contractual cash flows \$	Carrying amount \$
<b>2022</b>					
Payables	4,798,101	–	–	4,798,101	4,800,846
Loans - QTC	224,322	863,307	1,153,721	2,241,350	1,824,336
	<u>5,022,423</u>	<u>863,307</u>	<u>1,153,721</u>	<u>7,039,451</u>	<u>6,625,182</u>
<b>2021</b>					
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
	<u>3,310,213</u>	<u>897,287</u>	<u>1,344,063</u>	<u>5,551,563</u>	<u>5,058,953</u>

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

**Market risk**

Market risk is the risk that changes in market indices, such as interest rates, will affect 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 \$
<b>2022</b>					
QTC cash fund	27,996,274	279,963	(279,963)	279,963	(279,963)
Other investments	4,000,000	40,000	(40,000)	40,000	(40,000)
<b>Net total</b>	<u>31,996,274</u>	<u>319,963</u>	<u>(319,963)</u>	<u>319,963</u>	<u>(319,963)</u>
<b>2021</b>					
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)
<b>Net total</b>	<u>24,533,369</u>	<u>245,334</u>	<u>(245,334)</u>	<u>245,334</u>	<u>(245,334)</u>

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

## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 27. Financial instruments and financial risk management (continued)

**(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. 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.

	Notes	Carrying amount		Fair value	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	9	1,458,261	2,272,923	1,458,261	2,272,923
QTC cash fund	9	27,996,274	20,533,369	27,996,274	20,533,369
Other financial assets		4,000,000	4,000,000	4,000,000	4,000,000
<b>Total financial assets</b>		<b>33,454,535</b>	<b>26,806,292</b>	<b>33,454,535</b>	<b>26,806,292</b>
<b>Financial liabilities</b>					
Loans - QTC	16	1,824,336	2,079,277	1,775,755	2,318,868
<b>Total financial liabilities</b>		<b>1,824,336</b>	<b>2,079,277</b>	<b>1,775,755</b>	<b>2,318,868</b>

**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.

## Note 28. Transactions with related parties

**(a) Subsidiaries (ie. entities and operations controlled by Council)**

-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.

	2022	2021
The following transactions occurred with WBBROC:		
- NBRC membership contributions	7,920	5,280
- NBRC economic development project contributions	16,500	-
- NBRC training workshops	2,816	-
	<b>27,236</b>	<b>5,280</b>

WBBROC is dependent on contributions from member Councils.

## North Burnett Regional Council

Financial Statements 2022

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 28. Transactions with related parties (continued)

**(b) Transactions with key management personnel (KMP)**

	2022	2021
	\$	Restated \$
<b>The compensation paid to key management personnel for comprises:</b>		
Short-term employee benefits	1,245,914	1,262,221
Post-employment benefits	123,190	118,583
Long-term benefits	5,313	27,330
Termination benefits	116,894	-
<b>Total</b>	<b>1,491,311</b>	<b>1,408,134</b>

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	2022	2021
Fees and charges charged to entities controlled by key management personnel	27(c)(i)	719	1,168
Infrastructure contributions from entities controlled by key management personnel	27(c)(i)	-	-
Employee expenses for close family members of key management personnel	27(c)(ii)	291,614	257,802
Purchase of materials and services from entities controlled by key management personnel	27(c)(iii)	109,110	496,724
Key management personnel services provided by a related entity	27(c)(iv)	-	-

(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	2022
Development application fee	Re-approval fee for building demolition	475
Other fees and charges	Grazing permit fee	244

## North Burnett Regional Council

Financial Statements 2022

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 28. Transactions with related parties (continued)

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(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
- Gravel and clean fill
- Building services

#### (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

### General Purpose Financial Statements

for the year ended 30 June 2022

### Management Certificate

#### Management Certificate

for the year ended 30 June 2022

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulations) 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 Regulations 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 3 to 46, 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.



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**Cr Les Hotz**  
Mayor  
14 March 2023



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**Margot Stork**  
Chief Executive Officer  
14 March 2023





## 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 2022, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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

#### Basis for opinion

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

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

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

#### Other information

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

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

The councillors are responsible for the other information.

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

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

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

#### **Responsibilities of the councillors for the financial report**

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

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

#### **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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

#### **Report on other legal and regulatory requirements**

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

- I received all the information and explanations I required.
- 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.



Michael Claydon  
as delegate of the Auditor-General

16 March 2023

Queensland Audit Office  
Brisbane

## North Burnett Regional Council

Financial Statements 2022

## General Purpose Financial Statements

for the year ended 30 June 2022

## Current Year Financial Sustainability Statement

	Actual 2022	Target 2022
<b>Measures of financial sustainability</b>		
<b>1. Operating surplus ratio</b>		
Net result (excluding capital items) <sup>1</sup>		
Total operating revenue (excluding capital items) <sup>2</sup>	<b>(11.83)%</b>	0% - 10%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
<b>2. Asset sustainability ratio</b>		
Capital expenditure on the replacement of assets (renewals) <sup>3</sup>		
Depreciation expense	<b>102.65%</b>	> 90.00%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		
<b>3. Net financial liabilities ratio</b>		
Total liabilities less current assets		
Total operating revenue (excluding capital items) <sup>2</sup>	<b>(29.45)%</b>	< 60.00%
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

<sup>(1)</sup> Includes only recurrent revenue and recurrent expenditure disclosed in the income statement. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties, and any capital expenditure such as write-off of assets, movements in provisions for restoration and rehabilitation and revaluation decrements that hit the statement of comprehensive income.

<sup>(2)</sup> Includes only recurrent revenue disclosed in the income statement. Excludes capital revenue grants, contributions donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties.

<sup>(3)</sup> Asset renewals are defined as the replacement of existing assets to equivalent capacity or performance capability.

**Note 1 - basis of preparation**

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2022.

**North Burnett Regional Council**  
**General Purpose Financial Statements**  
for the year ended 30 June 2022

**Certificate of Accuracy**


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.



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**Cr Les Hotz**  
Mayor  
14 March 2023



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**Margot Stork**  
Chief Executive Officer  
14 March 2023

## 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 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

#### Basis of opinion

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

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

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

#### Emphasis of matter – basis of accounting

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

#### Other information

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

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

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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



Financial Statements 2022

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.

A handwritten signature in black ink that reads "M. Claydon".

Michael Claydon  
as delegate of the Auditor-General

16 March 2023

Queensland Audit Office  
Brisbane



**North Burnett Regional Council**  
**General Purpose Financial Statements**  
 for the year ended 30 June 2022  
**Unaudited Long Term Financial Sustainability Statement**

	Target		Forecast									
	2022	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Measures of financial sustainability</b>												
<b>1. Operating surplus ratio</b>												
Net result (excluding capital items) <sup>1</sup>												
Total operating revenue (excluding capital items) <sup>2</sup>	0% - 10%	<b>(11.83)%</b>	(15.90)%	(12.50)%	(10.30)%	(9.10)%	(8.30)%	(7.50)%	(6.90)%	(6.40)%	(5.90)%	(5.70)%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
<b>2. Asset sustainability ratio</b>												
Capital expenditure on the replacement of assets (renewals) <sup>3</sup>												
Depreciation expense	> 90.00%	<b>102.65%</b>	177.00%	92.00%	74.00%	84.00%	94.00%	94.00%	93.00%	85.00%	81.00%	75.00%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
<b>3. Net financial liabilities ratio</b>												
Total liabilities less current assets												
Total operating revenue (excluding capital items) <sup>2</sup>	< 60.00%	<b>(29.45)%</b>	(23.50)%	(13.50)%	(14.70)%	(16.30)%	(16.50)%	(17.20)%	(18.30)%	(20.90)%	(22.40)%	(26.40)%
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.												

(1) Includes only recurrent revenue and recurrent expenditure disclosed in the income statement. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of property, plant and equipment, financial assets, real estate and investment properties, and any capital expenditure such as write-off of assets, movements in provisions for restoration and rehabilitation and revaluation decrements that hit the statement of comprehensive income.

(2) Includes only recurrent revenue disclosed in the income statement. Excludes capital revenue grants, contributions donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of property, plant and equipment, financial assets, real estate and investment properties.

(3) Asset renewals are defined as the replacement of existing assets to equivalent capacity or performance capability.

## North Burnett Regional Council

### General Purpose Financial Statements

for the year ended 30 June 2022

#### North Burnett Regional Council Financial Management Strategy

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

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted three key financial performance indicators to guide our financial health. We have the above three sustainability indicators that have been set by the Department of State Development, Infrastructure, Local Government and Planning to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these indicators are calculated and reviewed by Senior Management Team. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

The table above summarises how we performed against set targets for the three key financial performance indicators established in our financial strategy. In summary, we achieved or bettered two of the financial targets, performing strongly in our ability to renew and replace our existing assets as required to be replaced in accordance to Council's asset management plans. Council maintains debt to conservative and manageable levels. This was achieved while maintaining community services and making ongoing investment in community infrastructure. Our operating result in this period all though below the target benchmarks, there has been a significant improvement in this ratio as compared to the previous period, due to efforts to improve efficiency of Council operations. North Burnett Regional Council has also been severely impacted by several rain events in 2021-22 which has been prioritised to restore community assets to a serviceable condition.

## North Burnett Regional Council

### General Purpose Financial Statements

for the year ended 30 June 2022

### Certificate of Accuracy - Long Term Financial Sustainability Statement

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

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



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Cr Les Hoptz  
Mayor  
14 March 2023



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Margot Stork  
Chief Executive Officer  
14 March 2023



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**8 CLOSURE OF MEETING**