

NORTH BURNETT REGIONAL COUNCIL
ANNUAL REPORT
2022/23



CONTENTS

MAYOR'S MESSAGE	3
CEO'S MESSAGE	4
REGIONAL OVERVIEW	6
OUR ADVOCACY	9
2021 – 2026 CORPORATE PLAN: "A PLAN FOR GENERATIONS"	10
ESSENTIAL SERVICE DELIVERY – GETTING THE BASICS RIGHT	12
SUSTAINABLE COMMUNITIES TO RETAIN POPULATION AND ATTRACT INVESTMENT	28
PROSPEROUS FUTURE TO ENSURE ECONOMIC GROWTH FOR FUTURE GENERATIONS	38
OUR COUNCILLORS	40
STATUTORY INFORMATION	41
COMMUNITY FINANCIAL REPORT	52
FINANCIAL STATEMENTS	59
AUDITOR'S REPORT	108

- ✉ **PO Box 390, Gayndah QLD 4625**
- ☎ **1300 696 272**
- ✉ **admin@northburnett.qld.gov.au**
- f **@NorthBurnettRC**
- ✕ **@northburnettrc**
- 📷 **@northburnettrc**
- in **@north-burnett-regional-council**

This document was adopted by Council
on 22 November 2023.

MAYOR'S MESSAGE

As I reflect on our last annual report before the 2024 election, it is hard to believe how quickly my time as Mayor is coming to an end.

Taking over the role mid-term from highly respected Mayor Rachel Chambers was a daunting task, but I am very proud of what this Council has achieved during a challenging term. As the Division 2 Councillor for the North Burnett, I was part of a strong and united Council that went out to the community and told it as it was.... this Council was in financial trouble. Then, as the newly elected Mayor, I worked with CEO Margot Stork to continue to find operating efficiencies and to work toward the ten-year goal of returning to an operating surplus. This has not been an easy term, and the ongoing support of Councillors to reach our economic targets has been greatly appreciated by me.

I understand that sometimes it is difficult for the community to see where their rate contributions are spent. Despite the challenging economic environment, we have continued to deliver for our community this year. Throughout the year, the Community Development Team focused on building the capacity of the region's not-for-profit community organisations across a variety of fields. Particular attention was focused on arts and culture, and sport and recreation groups. Opportunities were provided for groups to advance their skills, knowledge, and confidence to take ownership and control over the development of their ideas, planning and execution of projects or programs. Council has worked towards the expansion of the Mundubbera Landfill as the current waste facility nears capacity. The expansion is critical to allow Council to maintain kerbside waste collection. Public health and safety continue to be a priority, and our staff are currently partnering with Queensland Health to monitor mosquitoes across the region. The program is aimed at managing diseases such as Japanese Encephalitis.

Disaster management and recovery is also a major service which Council provides to the community. A major piece of infrastructure work due to flood damage is the replacement of the Bon Accord Bridge. Council appreciates the inconvenience caused by the closure of the bridge and is working closely with the project team to deliver the refurbished bridge.

Throughout my term, officers have worked diligently to manage and recover outstanding Council rates, which had not been actively pursued for several years. It is difficult for Council to pursue community members for outstanding rates, but it is heartening to see that the outstanding balance has decreased significantly in the past two years.

In addition to the services that we deliver to the community, Council has significant regulatory and compliance responsibilities, including governance and records management. Much time and effort is directed to a multitude of tasks, including reporting, to ensure that Council meets all requirements of its legal framework. You only need to look at the statutory information contained within this report to see the compliance frameworks that are part of Council's business.



Our people are a critical element in ensuring that Council runs smoothly and can meet all outcomes required. From library services to road grading to disaster management, our people are front and centre in delivering to our communities. It was therefore very special when it was announced that Gayndah Water and Wastewater Treatment Operator, Mitchell Gormley had been awarded the prestigious Water Industry Operators' Association of Australia (WIOAA) award for Young Operator of the Year in 2023.

Local government is a challenging environment, but equally rewarding, and I thank all in the community who have supported my fellow Councillors and I to achieve outcomes as we navigated our way through some very difficult times.

Les Hotz

Mayor

CEO'S MESSAGE

As a resident of the North Burnett region for a little over 18 months, I still enjoy exploring the beauty and diversity of our wonderful area.

One of the great joys of working in local government, particularly in a rural area, is that no two days are ever the same. From community services to roads, water, waste, and parks and gardens, our staff work tirelessly to ensure that we meet the expectations of our community. Often, competing needs can make it difficult for us to meet all of the community's expectations, but officers work passionately to deliver in a very challenging environment.

As we continue to undertake recovery works associated with recent flooding events, we face the very real prospect of further disaster management associated with the bushfire threat emanating from a very dry winter. As we monitor the threats created by our natural environment, I am proud of the joined-up approach that the organisation takes to disaster management and the support which is provided to Councillors in terms of both understanding and responding to such threats.

Councillors, with the support of myself and staff, continue the journey to financial sustainability. It is not an easy road in the current economic climate as costs soar and supply chains become more and more challenging. At every opportunity, we look for cost savings and operating efficiencies to help build a sustainable future for the North Burnett.

I look forward to working with our Council as we head towards the local government election in March 2024, and to being part of the team to assist an incoming Council in establishing its strategic agenda for the coming four years.

Margot Stork

Chief Executive Officer





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 includes six main townships and 25 villages and farming catchments.

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

While not an exhaustive list, eclectic villages of the North Burnett include Abercorn, Auburn, Ban Ban Springs, Binjour, Boynewood, Byrnestown, Cania, Coalstoun Lakes, Cockatoo, Cheltenham, Coomingleh, Coonanumbula, Dallarnil, Degilbo, Derri Derra, Didcot, Dykehead, Gooroolba, Grosvenor, Hawkwood, Ideraway, Kalpowar, Monal, Monogorilby, Moonford, Mulgildie, Mungungo, Mungy, Rawbelle, Rockybar, Three Moon, Wetheron, Woodmillar, and Yarrol.



6
Customer Service
and Library Centres

4,204KM
Council managed
roads*

5
Community
Swimming Pools

10,068
Total Population**

5TH
Longest
Road Network
in Queensland
(excluding Brisbane)*

33%
Regional Workforce
employed in
agriculture, forestry
and fishing industry**

\$28,860_{P.A.}
Average
personal income**

49+
Average age**

2,976KM²
Protected
National Parks,
forests or reserves***
(representing 15% of
the regions land area)

8
Water
Treatment Plants
and 7 Sewerage
Treatment Plants

1
Regional Landfill and
5 Waste Transfer
Stations

6,292
Rateable properties^

* Source: Comparative Local Government Data.

** Source: ABS, Census of Population and Housing, 2021, All persons QuickStats, North Burnett LGA.

*** Source: Queensland Department of Environment and Science.

^ Source: Queensland Department of Natural Resources Land Valuation Report.



OUR ADVOCACY

Council's Advocacy Action Plan 2019–2023 outlines six critical considerations for the North Burnett region to be sustainable and prosperous, with these being raised with relevant stakeholders throughout the duration of the plan.

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 Australia'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 Bush Learning Centre and Ban Ban Springs.



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

2. SUSTAINABLE COMMUNITIES - TO RETAIN POPULATION AND ATTRACT INVESTMENT

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

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

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

ESSENTIAL SERVICE DELIVERY – GETTING THE BASICS RIGHT



WASTE MANAGEMENT

Council continues to operate five waste transfer stations (Biggenden, Eidsvold, Mount Perry, Monto and Gayndah) and one regional landfill with a transfer station located at Mundubbera.

The Mundubbera Landfill Expansion Project has now progressed to the design phase, with Council receiving approval and funding. With the current landfill cell at the Mundubbera waste facility nearing capacity, the expansion will enable Council to continue its critical service of waste disposal through kerbside collection and transfer station sites at the Mundubbera landfill site.

Site assessments and concept designs have also been completed for the Landfill Rehabilitation Project, which will see the capping and rehabilitation of the region's closed landfill sites, which have now been converted into waste transfer stations. Council continues to progress with the detailed design process for the Biggenden, Mount Perry, Monto, Gayndah, and Mundubbera sites. This is a staged project, with construction proposed to commence in the 2023-2024 financial year. The objective is to establish a final footprint and landform for each closed landfill site, with the management of key infrastructure and compliance, in accordance with the Queensland Government's Department of Environment and Science guidelines.

Improved security fencing was identified as part of larger security upgrades required for Council's waste management facilities. Funding has been received as part of the Works for Queensland program to improve security fencing, with works expected to be completed in 2024.

Council continued to undertake mandatory legislative processes at Council's waste facilities, including annual water monitoring, volumetric surveys, data input, monthly detail data reporting to the State Government, and annual reporting.



Main image: Monto waste facility.

Above: Waste education onsite at Council waste facilities.

ILLEGAL DUMPING

Illegal dumping has been identified as an issue in the past and continues to be a challenge in the region. Since 2019, Council has been the recipient of funding, which enables Council to employ a full-time Waste Compliance Officer to focus on illegal dumping investigations, education, enforcement and to assist with compliance related tasks at waste management facilities.

ENVIRONMENT AND PUBLIC HEALTH

To better protect public health and the environment, Council has partnered with Queensland Health to participate in the Rapid Surveillance of Vector Presence Trapping Program. Mosquito eggs are captured from select locations across the North Burnett region, prepared in Council's laboratory, and then sent to a Queensland Health Laboratory for analysis. Data collected from this process determines the mosquito species present in our region.

Council also conducted multiple Japanese Encephalitis trapping programs throughout the region in partnership with Queensland Health. Japanese Encephalitis is a mosquito-borne disease that is common in rural and agricultural areas. The disease is spread through bites from mosquitoes that have become infected through biting infected pigs and waterbirds.

Council's Environment team continues to inspect, licence and work with food businesses in the North Burnett region to ensure they operate in accordance with relevant legislation.

Council applied for funding to improve and enhance current operations in relation to the ongoing management of flying fox roosts. A review of the current Flying Fox Management Plan was conducted.



Above: Environment Officers checking mosquito traps.



INFORMATION MANAGEMENT

Council's Records and Information and Communications Technology (ICT) teams had a productive year, with many projects completed and cohesive future planning undertaken. A solid foundation of documented processes and procedures has been implemented by Records, driving continued high-quality support for all Council departments. ICT developed and implemented a strategic plan that will guide resourcing and technology priorities for the next five years.

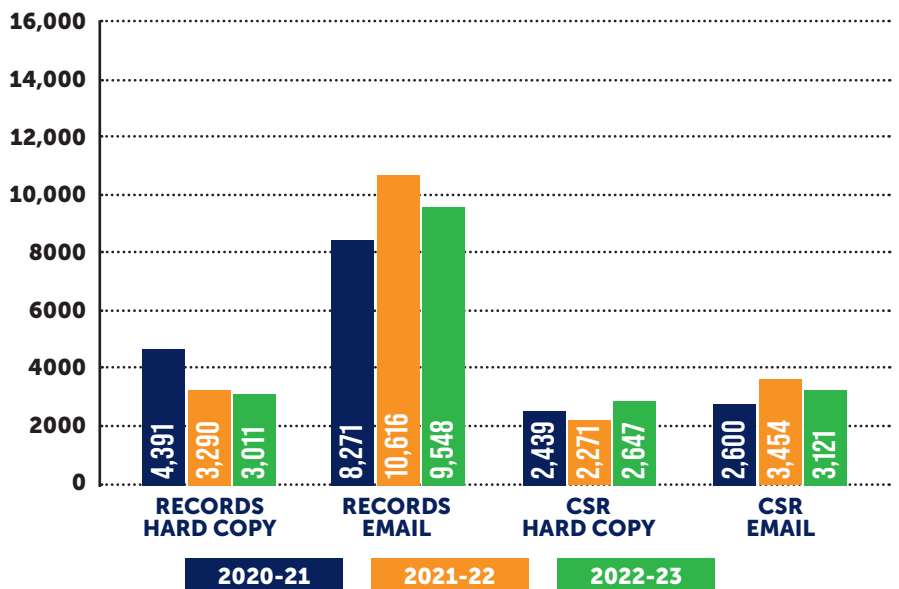
Records Management

Effective records management is critical to protecting and preserving records. Records provide evidence of business activities, decisions, and actions of Council. The core activities of the records team included ongoing receipt of documents, document creation, classification, archiving, and appropriate destruction of records where required in accordance with applicable disposal schedules, as well as the provision of training to the wider organisation on records procedures and best practices.

Record Statistics for 2022-23

- 3,011 documents received over the counter or in the mail.
- 9,548 emails received via admin@northburnett.qld.gov.au.
- 3,121 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.
- 5 Right to Information requests complete.
- 0 Right to Information requests that did not go to information release.
- 1 Information Privacy applications complete.
- 1 Administrative release.
- 53 archive boxes of temporary records destroyed and 39 processed for destruction.

2022-23 RECORDS MANAGEMENT DOCUMENTS RECEIVED



Main image: Archive boxes ready for destruction.

Information and Communications Technology (ICT)

Council's ICT Strategic Plan 2023-2028 was finalised and adopted. The plan provides a strategic direction for ICT operations over the coming years and encourages industry best practice in systems and processes, with an emphasis on cybersecurity and cloud technologies.

The ICT team undertook significant upgrades to physical network and server infrastructure including:

Networks

- Upgrades to NBN Enterprise Ethernet services in Gayndah, Monto, and Mundubbera, allowing data speeds up to 125x faster.
- Upgrades to NBN Fixed Wireless services in Biggenden, Eidsvold and Mt Perry, providing data speeds up to 15x faster.
- Expansion and repairs to Council's internal wireless network, adding resilience and capacity to the network. The network has now reached Eidsvold, with testing underway.

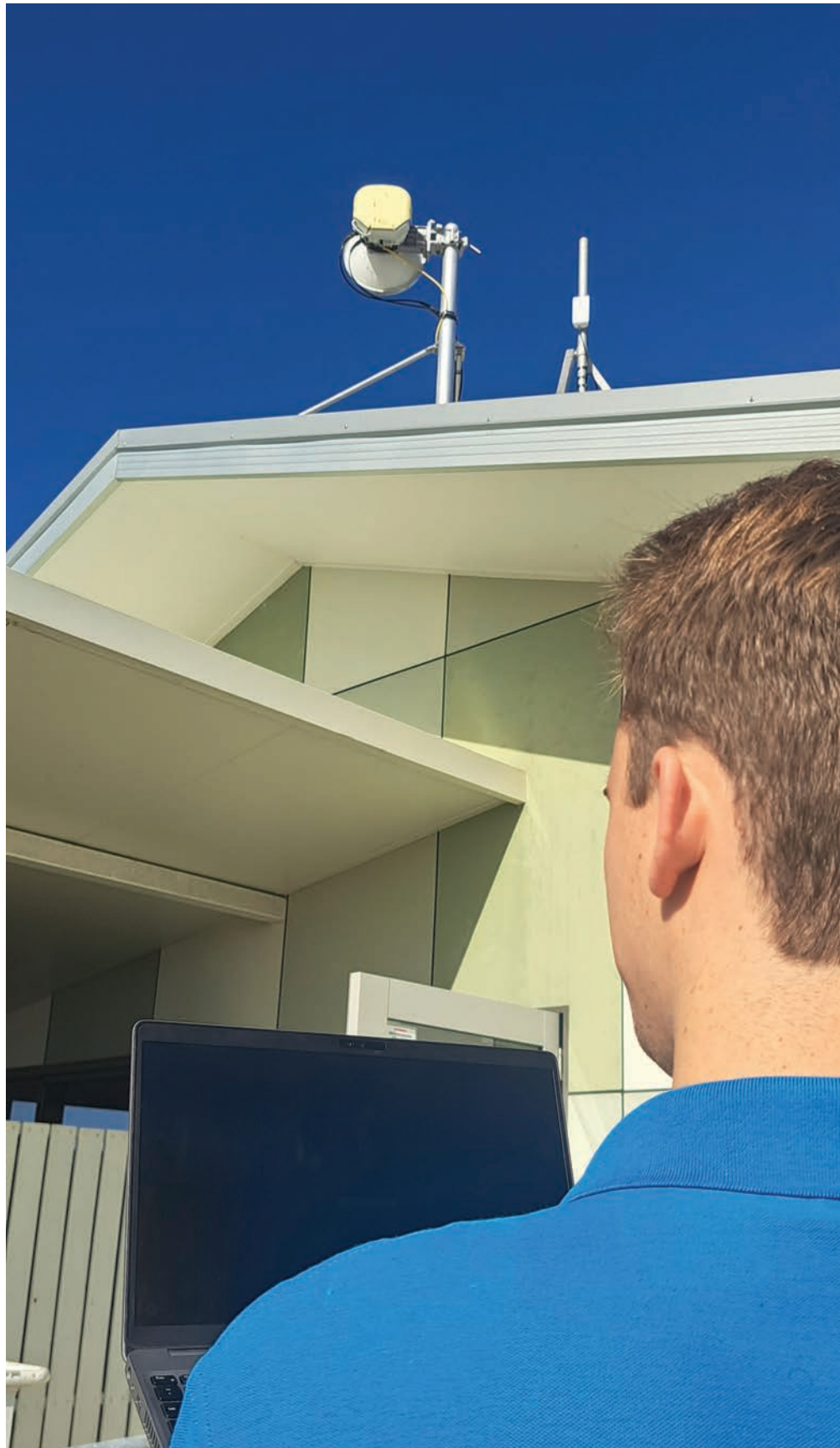
Hardware

- Installation of new core server and storage infrastructure, ensuring that Council is well placed to take advantage of technology improvements over the next five years.
- Upgrades to branch office servers improving network stability and providing lightning-fast access to datasets.

The Computer Replacement Scheme rolled out with upgrades concentrated in Mundubbera and Mt Perry. The laptop-first model continues to prove successful, empowering staff with remote access.

The Telephony Modernisation project is planned for 2023-24, and will replace one of Council's last remaining legacy ICT systems.

Right: ICT team monitor network performance.





CUSTOMER SERVICE AND CONTACT CENTRE

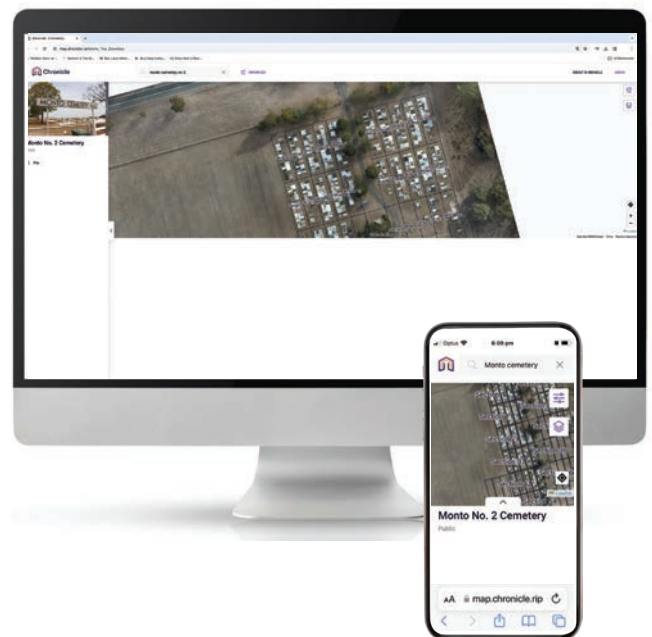
Knowledge Base

Council is passionate about improving our customer experience. Both Customer Service and Libraries teams have invested time developing a knowledge base system to allow consistent service delivery across all service centres. Over the past 12 months, the team have created 68 new articles to improve operational efficiencies, resulting in direct benefits to staff and the wider community.

Chronicle Cemetery Software System

A new investment by Council, Chronicle enables community members to independently access information about their loved ones in North Burnett Regional Council controlled cemeteries. All information is accessible on Council's website northburnett.qld.gov.au/cemetery-location/ and can be accessed using desktop/laptop computer, tablet or smartphone.

Members of the Customer Service and Libraries teams undertook professional development training sessions using Chronicle software and associated databases and procedures. Training continues to advance team skills and knowledge, meeting community needs and providing higher levels of customer service delivery.



Main: Customer Service Team.

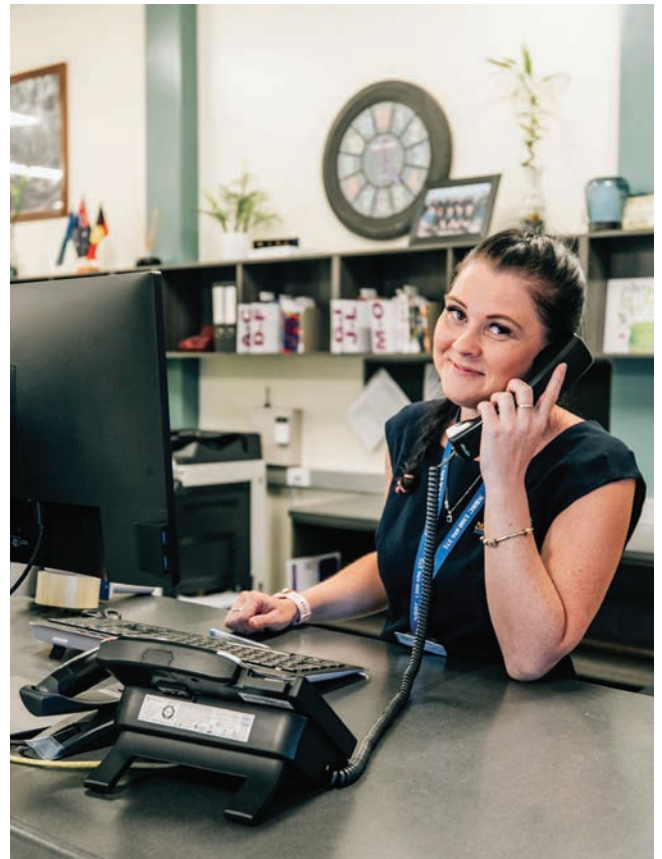
Above: Chronicle in use at Monto Cemetery.



JP Training

North Burnett Regional Council acknowledges that Justice of the Peace (JP) volunteers play an important role and provide valuable services to members of the community. Council supports opportunities for Customer Service and Libraries staff to undertake JP training. Five team members successfully completed and graduated from the JP Certification training course in 2022-23.

2022-23 CUSTOMER SERVICE STATISTICS



Images: Customer Service Team.

PEOPLE AND PERFORMANCE (HUMAN RESOURCES MANAGEMENT)

Workplace Health and Safety

Council continues to develop and implement safe systems of work to reduce worker related lost time injuries. The new Work Health Safety Management Plan was implemented to help WHS measure and monitor objectives that support Council's ongoing commitment to achieving safe work practices across all Council worksites.

There are eight strategic objectives within this plan:

1. WHS Culture and Leadership
 - a. Council is committed to and promotes a culture of positivity, improved safety, and wellbeing across workplaces.
 - b. All workers are dedicated to holding each other to account, safety is at the forefront of what we do.
2. All line managers and workers proactively lead and control the management of risks through consultation, developing risk management programs at all levels.
3. Council is continually improving workplace practices through a structured process for legislative compliance, embedding these into our daily activities.
4. Monitoring organisational WHS training to ensure all workers have the necessary skills, knowledge, and competencies to perform work activities in a safe manner.
5. Develop safety and wellbeing programs to measure accountability; monitor performance and communicate progress throughout Council.
6. Continually strive to improve workers wellbeing through effective rehabilitation and return to work programs.
7. Provide the Senior Management Team and Executive Leadership Team with an effective and tailored Safety Management System, meeting compliance and demonstrating commitment to worker safety and wellbeing.
8. Reduction in paper mediums with increased use of electronic means for collection and distribution of safety information, training, and compliance requirements.

The Skytrust reporting system empowers team members to electronically report incidents and hazards and undertake worksite hazard inspections using portable devices. The improved capture of hazard and incident data through Skytrust enables Council to better control risk and reduce potential worker related events.

Training and Development

Council is committed to training and upskilling its workforce. During 2022-2023, a large variety of training programs were facilitated to our diverse teams. Some of the training undertaken is outlined below.

Top right: Traffic Management Implementation Program Training.

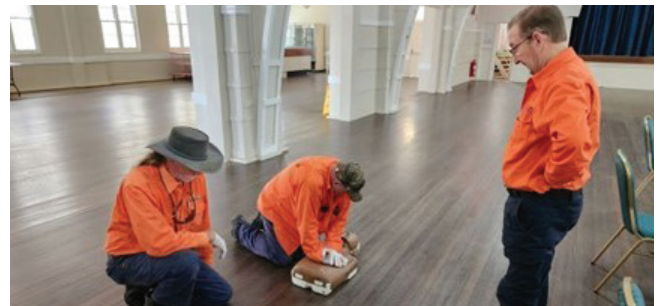
Certificate IV in Civil Construction Supervision

Supervisors from Civil Works and Parks and Open Spaces teams, successfully completed Certificate IV in Civil Construction Supervision through TAFE Queensland, funded by the Construction Skills Queensland (CSQ) program.



Traffic Management Implementation Program Training

Traffic Management Implementation Program training was delivered by Link Resources throughout the year. This training is for Council workers who are required to read, interpret, and implement traffic management plans and install/remove signs and devices.



First Aid Training

Council conducted First Aid training and renewals across the organisation's various locations. This training is essential for staff to attain the skills and knowledge needed to effectively provide first aid in the event of an incident.

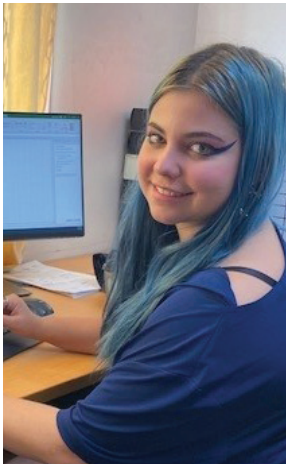
Verification of Competency Program

Council enhanced Verification of Competency procedures to ensure compliance with obligations under the WHS Act and WHS Regulations 2011 and safe operation of plant and equipment. This training ensures familiarity with daily fit-for-purpose checks, accreditation for plant and equipment use, as well as an awareness of safety risks.

Bottom right: First Aid Training.

Trainee and Apprentice Program

State Government 'Skilling Queenslanders for Work' funding was successfully secured by Council to partially fund four new trainees. It was identified that trainee roles provide the best outcome for growing local capability in skill shortage professions. This funding enabled the recruitment of the following positions:



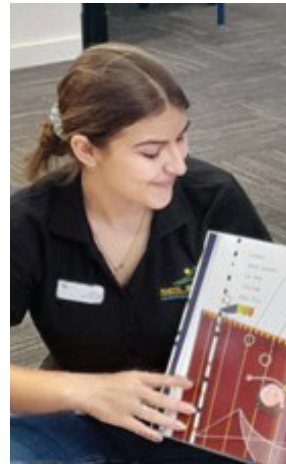
Tianni Hooper
Trainee Administration
Officer (Works)

"I was excited to gain the opportunity to work for North Burnett Regional Council whilst also completing a Certificate III in Business Administration. I am currently based at Mundubbera Depot and work within the Fleet department. My day-to-day activities include taking care of fleet tickets, entering important plant data, setting up purchase orders and more. During my traineeship I will also work with the other functions of the Works department including water and wastewater, civil works, assets and more. I enjoy working alongside my colleagues and learning new things each day. I would love to complete my traineeship, continue to grow my knowledge, and hopefully continue to work for Council in years to come."



Dylan Formica
Trainee Plant Operator

"I have been operating a variety of crucial equipment and machinery to help make sure each job is finished professionally and on time. I enjoy working with the team and learning new skills every day. I hope to continue to serve the North Burnett Region and give the community something to be proud of, keeping the community roads safe and the streets clean."



Ellie Gormley
Trainee Administration
Officer (People and
Performance)

"I've always had a love of learning. In my role as an Administration Officer (People and Performance) I've learned a lot quickly, with no two days being the same. The staff have been amazing, encouraging me to engage in a variety of areas. I've been privileged to work with WHS staff, managing training of staff and helping to organise the 2023 Staff Immunisation program. Working in the Library each Friday has been a fantastic opportunity to learn different skills as it requires me to engage with customers and read to children in story time. Every day is incredibly fulfilling and I'm excited to continue learning and expanding my knowledge."



Justin Puckering
Trainee Water and
Wastewater Treatment
Operator

"I have already gained a lot of knowledge since starting with North Burnett Regional Council in the Water and Wastewater department. The part I enjoy the most, is working with fellow co-workers, the variety of different jobs we complete daily, and the challenges we face. No two days are ever the same. I would like to complete my traineeship and continue to learn as much as I can. Once I have completed my traineeship, I hope to continue working in the water and wastewater team with Council."



CIVIL WORKS

Council's Civil Works crews were busy during 2022-2023, delivering improvements to the region's road network and maintaining parks and open spaces across the North Burnett. Many works were delivered with the assistance of grant funding. Key projects delivered include:

Glencoe Road

Funded under Australian Government 'Building Better Regions Fund' (BBRF), works involved improving road formation and shape, reinstating clear zones, installing guide and warning signage, and re-sheeting multiple sections of the road.

Hawkwood Road

50% funded under Queensland Government Transport Infrastructure Development Scheme (TIDS), works involved shoulder widening totalling four meters (two meters either side of existing) and seal, followed by a full width reseal and line marking upgrade.



*Main and above left images: Glencoe Road during works and on completion.
Right: Hawkwood Road.*



Above: Durong Road shoulder repairs: Grader trimming road base.



Above: Durong Road shoulder repairs: water truck driver complying with WHS whilst filling water truck.



Above: Durong Road shoulder repairs: Trucks being loaded with road base.



Above: Mount Perry Road stabilisation: Multi tyre roller in front of grader doing the final trim, steel flat drum roller.



Above: Mount Perry Road stabilisation: Stabiliser and water truck in action.



Above: Byrnestown Street reshape.



Above: Coalstoun Lakes Safe School road widening: finished project.



Above: Coalstoun Lakes Safe School road widening with multi tyre roller.



Above: Biggenden Mines Road shoulder repair: finished and marked out for bitumen seal.



Above: Shoulder repairs on the Biggenden - Gooroolba Road: shoulders boxed out.



Above: Cedar Creek Road patrol grade.



Above: Grading on Hawkwood Road.

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.

North Burnett Aviation Safety Upgrades

Council received grant funding under the Australian Government Regional Airports Program to improve safety. Funding was used to complete upgraded fencing at Council's Gayndah, Mundubbera, Eidsvold, and Monto airports.



*Top left: Eidsvold Airstrip fencing project.
Top right: Gayndah Airstrip fencing project.*

*Bottom left: Mundubbera Airstrip fencing project.
Bottom right: Monto Airstrip fencing project.*

GAYNDAH CEMETERY UPGRADES

Gayndah Cemetery works included upgrades to irrigation, hydromulch, and installation of seating and trees.



BEFORE YOU DIG AUSTRALIA

Before You Dig Australia (BYDA), is a highly valuable service for Council, developers, and contractors alike. Identifying underground assets before digging ensures the safety of workers, saves money, and reduces inconvenience caused by damage to critical infrastructure such as water mains and sewers.

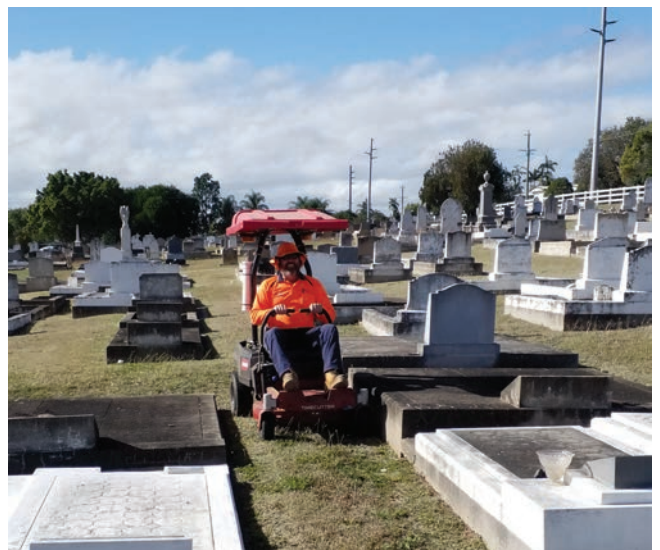
While Council has delivered this service for many years, it has come at a significant administrative cost, as each enquiry must be responded to within 24 hours.

BYDA introduced an automated version of its product this year. After consideration of the benefits and costs associated, Council moved to the automated service. Under this new service model, enquiries are automatically responded to without any involvement from Council administrative staff. Contractors on site can now access information almost immediately. The reduced administrative burden saves Council approximately \$8,900 per year.

Above: Civil works upgrades at Gayndah Cemetery included cemetery seating and cemetery footpath.

FLEET

Council has significantly increased efficiency in maintenance of Council cemeteries. Parks and Open Spaces identified the existing 42-inch zero turn mowers used to maintain Council's cemeteries were too large to manoeuvre between monumental grave sites. The Fleet team in collaboration with Parks and Open Spaces, successfully procured a fleet of 34-inch zero turn mowers. Cemeteries maintenance is now undertaken in almost half the time, allowing more time to maintain other parks and open spaces across the region.



Above: Parks and Open Spaces staff making use of the new mowers at one of the regions cemeteries.

WATER AND WASTEWATER

Additional and speciality training has been a priority within the Water and Wastewater team this year, ensuring staff in critical roles are suitably trained and experienced. Two team members completed the Certificate III, Water Industry Worker pilot program, along with another three participating in speciality water and sewerage reticulation programs. These training programs are implemented through alliances with neighbouring Councils through the Wide Bay Burnett Urban Water Alliance (WBBUWA).

Staff attended several industry conferences throughout the year, where some were recognised for outstanding innovation, contribution to the wider industry and their efforts in sharing their experiences with others.

Drinking Water Safety and Reliability Project

\$2 million in funding was approved for Council's Drinking Water Safety and Reliability Project under the Building Our Regions round 6 program. As an initial part of the project, 350 metres of water main was constructed in Hughes Street, Mulgildie. The new main replaces a section of ageing infrastructure that was prone to failure.

Asbestos Replacement Program

The ongoing Asbestos Replacement Program saw several asbestos roofs replaced on Council buildings around Monto. Works undertaken by a North Burnett contractor included buildings at the water treatment plant, sewage treatment plant, and several sewage pumping stations. Other programs to improve WHS compliance included gantry upgrades, electrical switchboard replacement program and well lid upgrades.

Biggenden Water Treatment Plant Upgrade

The \$7 million Biggenden Water Treatment Plant Upgrade and new Raw Water Reservoir Project works commenced and are at the halfway point, with site clearing, profiling, fencing, the new raw water reservoir, supernatant ponds, and most of the underground pipework and pumping stations completed by June 2023.



2022-23 WORKFLOW MEASURES - WATER AND WASTEWATER STATISTICS



Top: Upgrades to sewerage pump station well lids at Mt Perry and Mundubbera will now allow operators easier accessibility to wells and will improve safety for workers and the public.

Second from top: Ongoing asbestos removal actions included the replacement of the Monto Water Treatment Plant pumphouse roof.

Centre: Mitchell Gormley announced winner of the Queensland Water Young Operator of the Year Award at the Water Industry Operator's Conference.

Second from bottom: Shaun Johnston was awarded the 2022 Queensland Water SPG Industry Contribution Award.

Bottom: Tim Merrett received the award for Best Paper by an Operator at the 2022 Queensland Water Industry Operator's Conference.



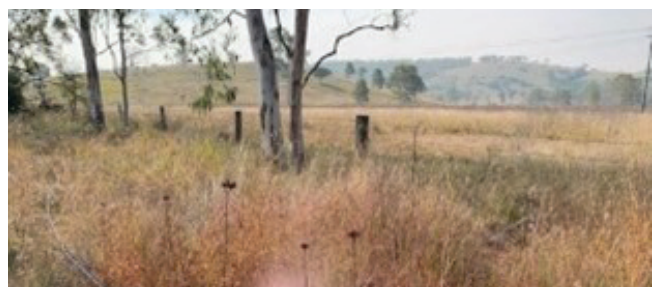
NATURAL RESOURCE MANAGEMENT AND COMPLIANCE

Lands Protection

Council's Land Protection Officers have targeted invasive weed and animal species and managed the annual 1080 Baiting Program.

Council successfully secured Queensland Government funding to take part in the Element 5 program. In this program Land Protection Officers inspected and controlled invasive weeds along roadsides managed by the Department of Transport and Main Roads within the North Burnett.

In 2022-2023 the Lands Protection team focused on building connections with local landholders, developing and refining processes and procedures and attending events, such as the NORCO Field day in Gayndah and an Invasive Grass Masterclass facilitated by the Queensland Government at Woolooga in May, with great educational and networking outcomes.



Main: Land Protection Team workshop at Monto - working with the community to manage pest animals.

Top: Council's Land Protection Team attend an Invasive Grass Masterclass at Woolooga in May 2023, upskilling and networking with other Councils.

Centre: Mother of Millions control at Degilbo.

Bottom: Council's Land Protection Team attend an Invasive Grass Masterclass at Woolooga in May 2023, upskilling and networking with other Councils.



Compliance

Council's Compliance team have been kept busy addressing responsible pet ownership, dog registrations, wandering animals, noise complaints, overgrown allotments, outdoor dining and footpath obstruction permits, and abandoned vehicles. Council continues to work closely with Queensland Police Service, the RSPCA and other animal rescue organisations for positive outcomes wherever possible.



Above: One of six pups recently surrendered to Council for rehoming.

Top right: Council's Compliance Officer hands a surrendered pup over to an animal rehoming operation for adoption by a new owner.

Bottom right: Council's Compliance Team tends to abandoned vehicles on a Council controlled road.

SUSTAINABLE COMMUNITIES TO RETAIN POPULATION AND ATTRACT INVESTMENT

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



2022-23 LIBRARY STATISTICS



27,543

**Physical items
borrowed
across the region**



5,774

**eResource transactions
(eBooks, eMagazines,
eAudiobooks)**

LIBRARY PROGRAMMING

Six Council-run public libraries are located across the region, playing a vital role in communities as a gateway to knowledge, culture, and recreation material. These libraries continue to be used as community spaces for meetings and social activities.

The Libraries team is actively working towards building stronger, more connected communities, fostering creativity, the exchange of ideas, and building community resilience.

Lifelong learning is encouraged with access to events and programs, wi-fi, public computers, children's toys, games, and puzzles. Free membership is also available across the libraries online catalogue, providing access to a vast range of print and electronic resources, including books, magazines, audiobooks, and movies. Members can access free online learning platforms, including LinkedIn learning options, from the comfort of their homes.

Public libraries are a partnership between Local Government and the Queensland Government through State Library of Queensland.

Library Programs Highlights

Throughout 2022-23, the region's Libraries service delivered a range of programs for the community to encourage learning, shared knowledge, community connection and skill development.

Libraries are supported by Council's Communities team offering a variety of programs for children, youth, and adults, including:

- First 5 Forever Storytime sessions
- Kindergarten visits
- Gayndah and Biggenden Under 8's Day
- Science and Robotics workshops
- Creative Writer's workshop
- Summer Reading Club
- A visit from the Flying Scientists
- Readers Advisory services
- Technology support

The region's Libraries team look forward to offering more events in 2023-24.





Storytime is back!

A major highlight was the recommencement of the region's First 5 Forever early literacy program, Storytime. From Monday, October 31, 2022, all Libraries held weekly Storytime sessions to talk, read, sing, and play. Libraries became a hive of activity as staff and participants shared stories, sang songs and nursery rhymes, and incorporated engaging play-based activities with children and families.

Council has a committed 'Young People in Library' team that is delighted to facilitate these sessions with age groups 0 to 12 years, both in the region's libraries and at externally held events. The team regularly attends professional development training to bring new and exciting material to Storytime. In June 2023, the regions Libraries were delighted to host local author, Lauren Corvino, for six spectacular Storytime sessions across the region for children aged 0-5 years.



Storytime with Author Lauren Corvino

More than 50 children attended Lauren's Storytime sessions and were treated to captivating readings from her first book, 'The Nearby Nanna', as well as her new release 'The Not-So-Far Pa'. Children were delighted to meet and sing along with Lauren's Nanna puppet before creating their very own. Lauren's visit was made possible thanks to First 5 Forever Funding from State Library of Queensland. First 5 Forever is an initiative of the Queensland Government, coordinated by State Library of Queensland and delivered in partnership with local government.



Monto Library - Talk, Read, Sing, Play – Everyday!

The Monto Library children's zone received a makeover, with vibrant and informative decals on the main wall and colourful new shelving units.



The creative decal wall design incorporates key First 5 Forever messages and endless opportunities for children and families to talk about varying elements on the wall, including farm animals, mythical creatures, stars, clouds, and, of course, a flying train!

This was a collaborative project between the Communities and Monto Customer Service and Library teams to bring their unique vision to life. The project exceeded the team's expectations, and the team is excited to transform the Eidsvold Libraries children's zone in 2023-24.

2022-23 LIBRARY PROGRAM ATTENDANCE STATISTICS

Program	Attendees	
	Children	Adults
Storytime	603	390
Kindergarten visits	126	37
Library events and programs	561	74
Totals	1290	501

Page 28 top: National Simultaneous Storytime.

Page 28 bottom: Storytime in Gayndah Library.

Top: Monto Library Authority Talk.

Second from top left to right: Craft at Mt Perry Library, Biggenden Under 8 Day.

Third from top: Gayndah Storytime.

Bottom: Monto Library children's zone makeover.



SUPPORTING OUR COMMUNITIES

During 2022-23 Council's Community Development team worked with communities to strengthen sustainability, resilience, and wellbeing outcomes.

The team continued to focus on building the capacity of the region's not-for-profit community organisations across a variety of fields. Particular attention was focused on arts, cultural, sport and recreation groups. Opportunities were provided for groups to advance their skills, knowledge and confidence to take ownership/control over the development of their ideas, planning and execution of projects and programs.

Mentor support included:

- Project management practices supporting future planning and prioritising project phases.
- Connecting and partnering with other organisations to maximise, opportunities and resources.
- Encouraging informal groups to become incorporated organisations.
- Improving governance practices, managing, and retaining volunteers and financial sustainability.
- Events management for small and medium events.
- Promoting grant funding and training opportunities.
- Navigating Council approval processes for letters of support.
- Guidance and direction to groups applying for infrastructure improvement project funding.

Projects and initiatives supported include:

Service Delivery

- Regional Australia Day Celebration in Eidsvold
- Citizenship Ceremonies
- Youth Week activities
- School Holiday Sport Fun Days in Monto and Eidsvold

Partnership and Support

- Queensland Ballet Regional Tour in Biggenden
- Disaster Recovery: Community Led Recovery workshops and Pillowcase program
- Volunteering Queensland workshops
- Anzac Day services
- Seniors Month events
- NAIDOC week events
- Christmas decorations and Light competitions
- Blueberry Festival
- Community Grants program
- Regional Arts Development Fund (RADF) – Community Grants program.

The North Burnett Regional Council community grant funding program is administered by Council's Communities team, to support incorporated not-for-profit community organisations with costs associated with the delivery of regional events and projects. The team also administered the Regional Arts Development Fund (RADF) community grants program. RADF actively promotes the benefits, role and value of arts, culture, and heritage as key drivers for stronger, diverse, and inclusive communities in regional areas throughout Australia.

Strong relationships and partnerships have formed between Council's Communities Team and regional community organisations/initiatives, enhancing the vibrancy, innovation, resilience, and sustainability of our region.

2022-23 COMMUNITY FUNDING STATISTICS

Funding Program	Total Applications	Funding Awarded
In-kind assistance	54	\$26,458
Streetscape funding	3	\$2,000
Regional Arts Development Fund (RADF)	7	\$22,367
School bursary's	16	\$1,200
Individual Development Grants	6	\$2,500
Totals	86	\$54,525



Page 30: Youth Week Chess.

Above: Youth Week Chess.

Bottom: Professor Stupendous - School Holiday workshop.



SPORT AND RECREATION

The 2022-23 financial year has been a success for sport and recreation in the North Burnett region, with a range of sports launching into new seasons, including rugby league, soccer, netball, cricket, golf, tennis, swimming, pony club, and bowls.

This year, the Sport and Recreation Team focused on increasing the capacity of clubs to access grant funding opportunities. Various sporting clubs completed grant-funded infrastructure improvements this year, having successfully applied for funding. Highlights include:

1. Monto Netball Club Inc. completed the lighting installation project to install lights at the Monto Combined Sports Complex netball courts.
2. Mount Perry Sport and Recreation Club commenced a grant-funded facility improvement project to convert the outdoor tennis court into a multipurpose court. The project includes new lines on the existing surface, the installation of a new basketball backboard, solar lights, and an open carport to safely house a kayak trailer and kayaks out of the weather.
3. 30 North Burnett sporting clubs received the Active Club Kick Start grant from Sport and Recreation Queensland. This resulted in a collective \$75,000 funding boost for clubs in the region.

Eidsvold Eagles Rugby League Club re-joined the Central Burnett Rugby League competition in 2023 after a 5-year break. Council's Sport and Recreation Officer was integral in supporting the club's revival, providing support and guidance.

Combined sport ground complexes in Monto, Mundubbera, and Gayndah are used by various sporting groups with management (advisory) committees in place. Council's Sport and Recreation Officer has continued to chair regular meetings, allowing participating clubs to share information about their respective sports, solve problems, highlight success stories, and collaborate on improvement opportunities.

Eidsvold and Mundubbera Community Gyms continued to operate. Gym memberships remained stable thanks to continued support from the community (48 Eidsvold, 71 Mundubbera). Short-term, weekly membership has proven to be extremely popular due to the increase in transient and contract workers in the region. Mundubbera gym received a new air bike and gym bench equipment.

Eidsvold tennis courts received a makeover, including cleaned courts, removal of debris, new basketball backboards and hoop installation. Court usage by children and families has since increased.

Left: Tennis in North Burnett.

NORTH BURNETT TRANSPORT SERVICE

North Burnett Transport Service (NBTS) provides residents and visitors wishing to travel throughout North Burnett and to the larger coastal cities of Bundaberg and Maryborough, with safe, comfortable transport. The service operates weekly to Bundaberg on Tuesday, Wednesday and Thursday, and Maryborough on Fridays.

Passenger numbers have steadily increased during 2022-2023. Concession card holders continued to be the key service users, and a noticeable increase in adult fare users has been observed as transient workers and visitors come to explore our region.

On Monday, November 7, 2022, Council hosted the North Burnett Transport Service Forum at the Mundubbera Community Hall. It was a successful afternoon, with over 25 people from the community attending along with elected members, Council staff, and officers from Translink and the Department of Transport and Main Roads. At the forum, Council shared news about its success in securing the long-distance coach contract for a further five-year term, along with service and performance updates. The community also shared valuable ideas and feedback on how Council can enhance the service.

NBTS also gave back to the community through the sponsorship travel program, supporting community groups with access to bus transport for events at minimal or no cost to the group. This year, NBTS was proud to support three community groups: the Biggenden PCYC Emergency Service Cadets, Biggenden Senior Citizens, and Mundubbera Q4 District Lions Club, with more than \$5,000 in sponsored travel.

2022-23 COMMUNITY FUNDING STATISTICS

Month	2021-22	2022-23	Passenger increase
July	174	211	37
August	137	230	93
September	207	239	32
October	152	224	72
November	153	238	85
December	139	200	61
January	107	149	42
February	171	182	11
March	158	243	85
April	223	165	58
May	175	252	77
June	217	238	21
Grand Total	2013	2571	558



It was identified that community groups and sporting clubs required safety bunting at their events to direct the flow of public traffic, restrict access to areas and create designated parking zones. NBTS positively responded by designing and printing NBTS reusable safety bunting for events. Community groups can apply to access safety bunting through Council's Community Grants In-Kind support program.

The North Burnett Transport Service team and passengers received the eagerly awaited new bus on Wednesday, June 28. The bus was modified to include wheelchair access and will be operational from 2023-2024 to ensure the comfort and safety of passengers for years to come.

NBTS thanks the community for their continued support and looks forward to even bigger growth in passenger numbers during the next financial year.



Above: North Burnett Transport Service bus.



AUSTRALIA DAY CELEBRATIONS

The first North Burnett Regional Australia Day celebration was hosted in Eidsvold on Thursday, 26 January 2023, with more than 400 people in attendance. Guests were treated to a delicious barbecue breakfast cooked and served by Eidsvold Lions Club, fruit platters by Eidsvold Horse and Pony Club, and refreshments served by Eidsvold Queensland Country Women's Association (QCWA). Breakfast was followed by the official awards ceremony, citizenship ceremony and address from Australia Day Ambassador, Rowena Dionysius who was also awarded the 2023 South Burnett Regional Council Citizen of the Year. Rowena shared an inspiring story of her journey, which led to volunteering countless hours and organising events to raise funds for Cancer Council Queensland.

The North Burnett community celebrated and acknowledged humble, courageous, generous, and talented award winners across the areas of sport, creative arts, culture, volunteering, active citizenship, and community.

10 new citizens pledged their commitment to Australia during the 2023 citizenship ceremony. Each individual was presented with a citizenship certificate and the gift of an Australian native plant. One highlight was acknowledging our youngest citizen, who received their citizenship certificate at age three.

Above: North Burnett Region Australia Day Celebration.

Eidsvold State School's Yumbin Dancers performed throughout the ceremony, showcasing North Burnett Indigenous culture through music, dance, storytelling, and singing the Australian National Anthem in Wakka Wakka language. Council extends sincere thanks and gratitude to the Yumbin Dancers for being an integral part of the ceremony and for their contribution to the community.

Live music by 'Cobblestone – The Essence of Australia' entertained the crowd throughout the day. Children and young adults enjoyed facepainting and entertainment by adopted scientist, Professor Stupendous. North Burnett region media producer EJ Garrett from Burnett River Media and Lorraine Maskell roamed the venue, engaging with community members and capturing photos and videography to commemorate the day. After the ceremony, band 'Mr Percival' enticed attendees to dance with their rendition of Wild Cherry's 'Play that Funky Music' and were followed with a second set by 'Cobblestone – The Essence of Australia'.

Council was successful with a 2023 Australia Day Community Events Program grant, assisted by the Australian Government through the National Australia Day Council. Council thanks and acknowledges the National Australia Day Council for supporting Council to deliver the first North Burnett regional Australia Day community celebration in Eidsvold.

Council would also like to warmly thank volunteers, community groups, organisations and individuals that contributed to the successful event.

2023 Australia Day Award Recipients

Regional Award Recipients

North Burnett Citizen of the Year	Estelle Hawkins
North Burnett Young Citizen of the Year	Toby and Cassie Worley
North Burnett Volunteer of the Year	Jenny and Kel Forsyth
North Burnett Community Organisation of the Year	Biggenden PCYC Emergency Service Cadets
North Burnett Cultural Award	Monto Art Group Inc
North Burnett Sportsperson of the Year	Jake Dingle
North Burnett Service to Sport	Adrian Brady

Local Legend Award Recipients

2023 Biggenden Local Legend	Colleen and Jim Cunliffe
2023 Eidsvold Local Legend	Geoff Price
2023 Gayndah Local Legend	Joan Weller
2023 Monto Local Legend	Cr Melinda Jones
2023 Mundubbera Local Legend	Doug McIver OAM
2023 Mt Perry Local Legend	Patricia Smith



Above: North Burnett Region Australia Day Celebration.





PROSPEROUS FUTURE TO ENSURE ECONOMIC GROWTH FOR FUTURE GENERATIONS

BUILDING AND DEVELOPMENT

In 2021, Council began the process of making a major amendment to the Planning Scheme. Unfortunately, substantial delays in the States finalisation of the regional plan have interrupted Council's draft of the planning scheme changes. The amendment, known as the 'Business Resilience Amendment', aims to support business recovery, encourage economic activity, and improve prosperity in the North Burnett region. The focus is to reduce red tape in commercial, industrial, and rural areas. The major amendment to the Planning Scheme is now ready to be given to the Minister for a state interest review. Once approval is received from the Minister, Council will undertake a thorough community consultation program with stakeholder groups and the broader community.

Over the last two years, the Development Team has been actively providing feedback to the State Government on the draft Wide Bay Burnett Regional Plan. The North Burnett submission in February 2023 confirmed Council's general support for the reviewed plan, which includes a greater emphasis on economic development. Originally, the State had planned to consult on the draft regional plan in early 2022, about a year earlier. The minister has not yet approved the release of the final regional plan.

The State made several important amendments to the Planning Regulation 2017 during the year. The changes are intended to facilitate rural workers' accommodation, secondary dwellings (for example, granny flats), emergency housing, and rooming accommodation (for example, boarding houses and hostels) in an effort to alleviate the current housing crisis.

Given the complexity of interpreting these changes and the broader planning system, updated fact sheets have been published on Council's website.

Council's website has all current development application records available and is now updated during the development assessment process, allowing easy access for the public to be informed of new development projects.

The National Construction Code (NCC) 2022 commenced on May 1, 2022, with some amendments, including new accessible housing requirements and moving to 7-star housing, being delayed until October 1, 2023.

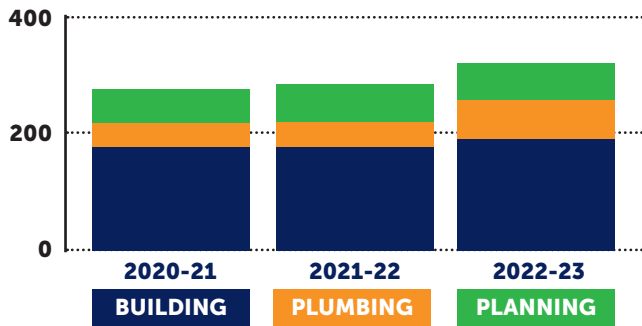
Building, planning, and plumbing applications continue to hold at a steady rate post the covid development period.



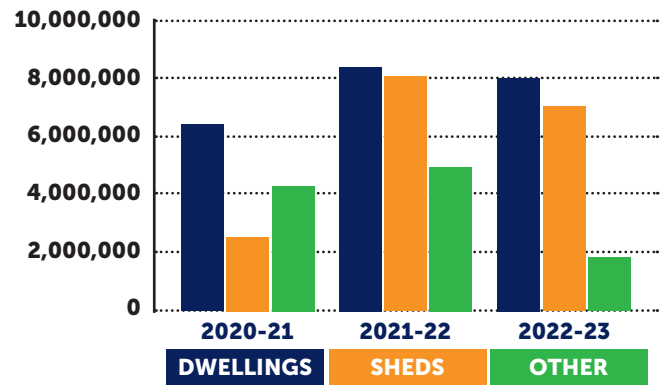
Above: Mount Walsh National Park.



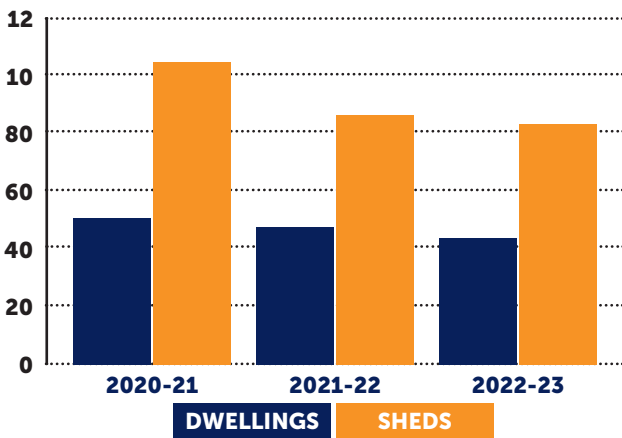
BUILDING PLUMBING AND PLANNING APPLICATIONS



VALUE OF APPROVALS



APPROVALS OF DWELLINGS VS SHEDS



68
BUILDING APPROVAL SEARCHES 2020-21

120
BUILDING APPROVAL SEARCHES 2021-22

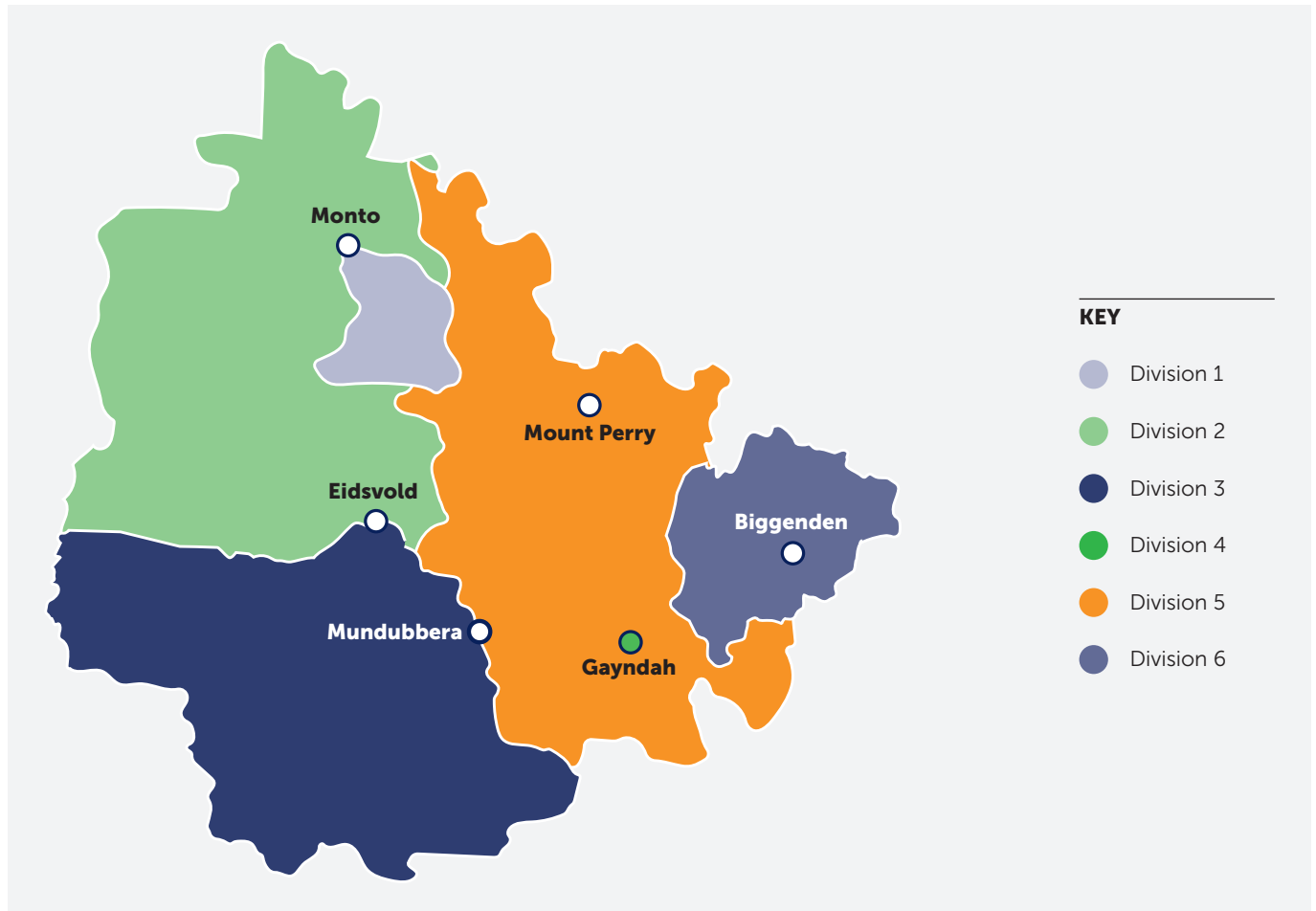
65
BUILDING APPROVAL SEARCHES 2022-23

Above: Mount Perry sunrise.

OUR COUNCILLORS

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

DIVISIONAL MAP



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, for additional information.

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.

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. Nil

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 2022-23 there were three senior contract employee positions.</p> <p>The total remuneration packages payable in 2022-23 to senior management - \$829,796.93.</p> <table border="1"> <thead> <tr> <th>Package Range</th> <th>No. of senior contract employees</th> </tr> </thead> <tbody> <tr> <td>200,000 to 299,999</td> <td>2</td> </tr> <tr> <td>300,000 to 399,999</td> <td>1</td> </tr> </tbody> </table>	Package Range	No. of senior contract employees	200,000 to 299,999	2	300,000 to 399,999	1
Package Range		No. of senior contract employees					
200,000 to 299,999		2					
300,000 to 399,999		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	Reimbursement of Expenses and Provision of Facilities for Councillors Policy was adopted by Resolution 2022-22 for a period of four years. The Policy will next be reviewed in February 2026, unless Council determines it necessary for an earlier review.
(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 44
(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 44
(c) the number of local government meetings that each councillor attended during the financial year; and	Refer to Table 2: Page 44

Table 1: Councillor's Remuneration and Expenses

Councillor	Gross Remuneration	Super Contributions	Incidentals	Facilities
Cr Les Hotz	\$110,386	\$11,591	\$1,471	\$22,325
Cr Melinda Jones	\$55,192	\$5,795	\$3,386	\$3,501*
Cr Kingsley Mesner	\$55,192	\$6,623	\$458	\$3,310*
Cr Susan Payne	\$55,192	\$6,623	\$10,647	\$6,127*
Cr Dael Giddins	\$55,192	\$6,623	\$6,604	\$3,295*
Cr Michael Dingle	\$55,192	\$6,623	\$3,366	\$3,156*
Cr Robbie Radel	\$63,684	\$7,642	\$4,248	\$2,472*
TOTAL	\$450,030	\$51,520	\$30,180	\$44,186

Council provides vehicles for Council related travel to all Councillors.

*Due to supply chain shortages, most Councillor vehicles are currently past their useful life and are in the process of being replaced. Consequently, no depreciation was incurred in supplying the vehicles to Councillors and Council expects to realise full residual value of the vehicles upon their eventual disposal.

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

Meeting	Cr Les Hotz	Cr Melinda Jones	Cr Kingsley Mesner	Cr Susan Payne	Cr Dael Giddins	Cr Michael Dingle	Cr Robbie Radel
Ordinary	11/12	11/12	12/12	12/12	12/12	10/12	12/12
Special and Budgetary	2/3	3/3	3/3	3/3	3/3	3/3	3/3
TOTAL	13/15	14/15	15/15	15/15	15/15	13/15	15/15

Legislative Requirement	Compliance
(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;	1 Order made per Resolution 2023/75
(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) the name of each councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made;	150I(2) - Nil, 150AH(1) - Councillor Hotz 150AR(1) - Nil
(ii) a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors	It is found that the Councillor had engaged in inappropriate conduct towards another Councillor and the conduct did breach a behavioural standard in the Code of Conduct for Councillors in Queensland.
(iii) a summary of the decision, order or recommendation made for each councillor; and	Pursuant to section 150AH of the Local Government Act 2009, no action be taken against the Councillor.
(f) the number of 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 150R(2) 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.	150W(1)(a) - Nil 150W(1)(b) - 4 150W(1)(e) - 3
(vi) referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act;	1
(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;	1
(ix) applications heard by the conduct tribunal about the alleged misconduct of a councillor. under chapter 5A, part 3, division 6 of the Act about whether a Councillor engaged in misconduct or inappropriate conduct.	Nil

Administrative action complaints (s187)

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

Legislative Requirement	Compliance
<p>(a) a statement about the local government’s commitment to dealing fairly with administrative action complaints; and</p>	<p>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.</p>
<p>(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>	<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"> • Creating a positive complaint management environment by encouraging feedback and viewing complaints as an opportunity for continuous improvement; • Providing a clear and simple process outlining how complaints will be managed, who will be involved in the process, their roles and responsibilities; • Ensuring employees are empowered to address the majority of complaints at the frontline or first point of contact with Council; • Providing options for internal review and escalation relative to the seriousness of the complaint and previous contact with Council; and • Maintaining a complaints management system that provides a practicable and systematic approach for receiving, recording, analysing and reporting complaints information.

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

Legislative Requirement	Compliance
<p>(a) the number of the following during the financial year:</p>	
<p>(i) administrative action complaints made to the local government;</p>	4
<p>(ii) administrative action complaints resolved by the local government under the complaints management process;</p>	4 (1 resolved as carry over from 2021-22)
<p>(iii) administrative action complaints not resolved by the local government under the complaints management process; and</p>	1 (Received 18/06/2023)
<p>(b) the number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year.</p>	Nil

Overseas travel (s188)

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

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

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

Expenditure on grants to community organisations (s189)

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

Legislative Requirement	Compliance
(a) the local government's expenditure for the financial year on grants to community organisations; and	Refer to Table 3, Page 47
(b) expenditure from each councillor's discretionary fund;	Pursuant to section 189(2) of the Local Government Regulation 2012 there were no discretionary fund expenditure by Councillors for community organisations in the reporting period. As such, reporting requirements set out under 189 (2)(a)-(e) are deemed not applicable.

Table 3: Summary of Grants to Community Organisations

Funding Program	# Applications	Amount Funded
In-Kind Assistance	54	\$26,458
Streetscape Funding	3	\$2,000
Regional Arts Development Fund (RADF)	7	\$22,367
School Bursary's	16	\$1,200
Individual Development Grants	6	\$2,500
TOTAL	86	\$54,525

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>Refer to Council’s July General Meeting Agenda/Minutes:</p> <p>Item 9.2 - 2022-2023 (FY23) - FINAL QUARTERLY PROGRESS REPORT (Q4)</p> <p>RESOLUTION 2023/127</p> <p>Moved: Cr Melinda Jones</p> <p>Seconded: Cr Dael Giddins</p> <p>That Council receive the 2022-23 (FY23) Q4 Progress Report for the period 1 April 2023 – 30 June 2023.</p> <p>Copies of the final progress report for FY23 detailing operational plan outcomes and progress can also be found on Council’s website (About Council > Plans and Reports).</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 49</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 49</p>
<p>(g) A summary of all concessions for rates and charges granted by the Local Government</p>	<p>Refer to Figure 3, Page 50</p>
<p>(h) the report on the internal audit for the financial year</p>	<p>Refer to Figure 4, Page 50</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 2022-2023 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 \$61.00 for the year ended 30 June 2023 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 \$15.00 for the year ended 30 June 2023 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 \$232.00 for the year ended 30 June 2023 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 and 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	
<ul style="list-style-type: none">Administrative Action Complaint RegisterAsbestos RegisterAsset RegisterCompliance Correspondence RegisterContact with Lobbyists RegisterCouncillor Conduct RegisterDelegations Register - CEO to EmployeeDelegations Register - Council to CEODevelopment Applications RegisterEmployee Conflict of Interest RegisterEnvironmentally Relevant Activity License RegisterFees and Charges RegisterFood Business License RegisterGift and Benefits RegisterGrants RegisterHigher Risk Personal Appearance Services Business RegisterLocal Heritage Register	<ul style="list-style-type: none">Local Law RegisterLost Stolen Assets RegisterPolicy Framework RegisterPrivate Certifier Application RegisterRegister for Greywater Use and Onsite Sewerage FacilitiesRegister of Contracts Over \$200KRegister of Interests of Councillors, Councillor Advisers, Chief Executive Officers and Related PersonsRegister of LeasesRegister of Mayor to CEO DirectionsRegister of Prequalified Suppliers (RPQS)Register of Show Clause and Enforcement NoticesRegister of Testable Backflow Prevention DevicesRegistered Dog RegisterRisk and Compliance RegisterRoads Register

Figure 3: Council concessions for rates and charges

Council's Revenue Policy, adopted annually as part of the budget process, sets out the principles employed by North Burnett Regional Council for:

- Levying rates and charges;
- Granting concessions for rates and charges;
- Recovering overdue rates and charges; and
- Cost-recovery methods.

In considering Council's powers to grant rebates and concessions, and in accordance with the endorsed Revenue Policy, Council will be guided by the following principles:

- (a) Similar treatment for ratepayers with similar circumstances;
- (b) Transparency by making clear the requirements necessary to receive rebates and concessions; and
- (c) flexibility to allow Council to respond to local economic issues, adverse seasonal conditions, and extraordinary circumstances; and Fairness in considering the provision of community service rebates and concessions.

The predominant purposes for which Council grants concessions are:

- (a) Water Consumption Charges
 - Concessions for Partial Relief from Water Consumption Charges in accordance with General Policy 2211 – Partial Relief from Water Charges.
- (b) Community Not for Profit Concessions
 - Remission to religious organisations, sporting groups, community groups who provide a public service or community benefit throughout the region – outlined in Council's General Policy, Rates – Not for Profit Organisations.
- (c) Concession for Subdivider
 - To support subdividers that contribute to Councils reticulated water and sewerage infrastructure.
- (d) Natural Disaster or Drought Relief
 - Council may at its discretion grant some relief to rural and commercial ratepayers who are financially stressed by drought or have been affected by natural disaster.
- (e) Other
 - Other remission or rate deferral requests will be assessed on their individual merits.

Figure 4: Report on the internal audit for the financial year

During the 2022-23 financial year, Council's internal audit function primarily focused on the development and implementation of an Audit and Risk Committee. While Council is not considered a large Local Government, and consequently is not required to have an Audit and Risk Committee, having an Audit and Risk Committee is considered advantageous and a best practice measure.

On 28 September 2022, Council resolved to re-instate the Audit and Risk Committee. Subsequently, following an expression of interest to recruit for independent members (including a Chair) of the Audit and Risk Committee, Council appointed three independent members to the Audit and Risk Committee at Council's general meeting held on 28 June 2023.

In addition to the reinstatement of the Audit and Risk Committee, Council also engaged a consultant auditor to undertake a review, and make recommendations regarding, a significant project. The recommendations of such are currently being reviewed, with any necessary action likely to be undertaken in the coming financial years.

- (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; <ol style="list-style-type: none"> (i) financial position; and (ii) operating surplus and deficit; and (iii) prospects. 	N/A
(d) particulars of any directions the local government gave the unit.	N/A

Human Rights Act 2019 (s97)

Public entities (including Local Governments) are required to act and make decision compatible with human rights, as well as take into consideration human rights when making a decision. *The Human Rights Act 2019* protects 23 Human Rights. Public entities, such as Council must uphold these rights when they make decisions, create laws, set policies and provide services. Council recognises that it has an important role in complying with *Queensland's Human Rights Act 2019* through its actions, decisions, proposals and recommendations.

Under the *Human Rights Act 2019* when individuals believe a public entity has breached their human rights obligations they have the right to complain and seek remedies. There are a number of different ways that people can complain and seek a remedy in relation to their human rights under the Act.

In the 2022-23 financial year Council did not receive any human rights complaints.

Public Sector Ethics act 1994 (s23)

Council reports the actions it has taken during the reporting period to comply with sections 15, 21, and 22, as required by section 23 of the *Public Sector Ethics Act 1994*. These actions are as follows:

Code of Conduct:

Council maintained and ensured the continuity of its Code of Conduct during the year. The Code of Conduct gives regard to the principles outlined in the *Public Sector Ethics Act 1994* and reflects Council's commitment to ensuring accountability, transparency, and fairness in its operations. All employees (and persons as defined by the act) have access to the Code of Conduct in either electronic or paper-based formats.

Education and Training:

Council seeks to deliver Code of Conduct refresher training to existing employees annually where possible, but no less than once every two (2) years or at the time the document is reviewed/readopted by Council (whichever occurs first). Additionally, all new Council employees undergo online Code of Conduct training as part of their onboarding process. Collectively, the training aims to raise awareness among employees about the conduct standards expected by Council and emphasizes the significance of maintaining an ethical culture built on good governance, sound decision-making, and high levels of integrity.

Additionally, employees received training in Record Keeping, Authorised Persons, and Right to Information and Privacy Training as applicable. Recurrent training will continue and forms part of a systematic electronic learning regime. Council is dedicated to providing governance-focused education and awareness programs to all employees, aiming to uphold the highest standards of employee conduct.

Procedures and Practices:

Council ensures that all policies and procedures are underpinned by the standards set in its Code of Conduct, which gives regard to the principles of the *Public Sector Ethics Act 1994*. These principles and standards serve as guiding principles for all employees' actions and decision-making within the organisation.

COMMUNITY FINANCIAL REPORT

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



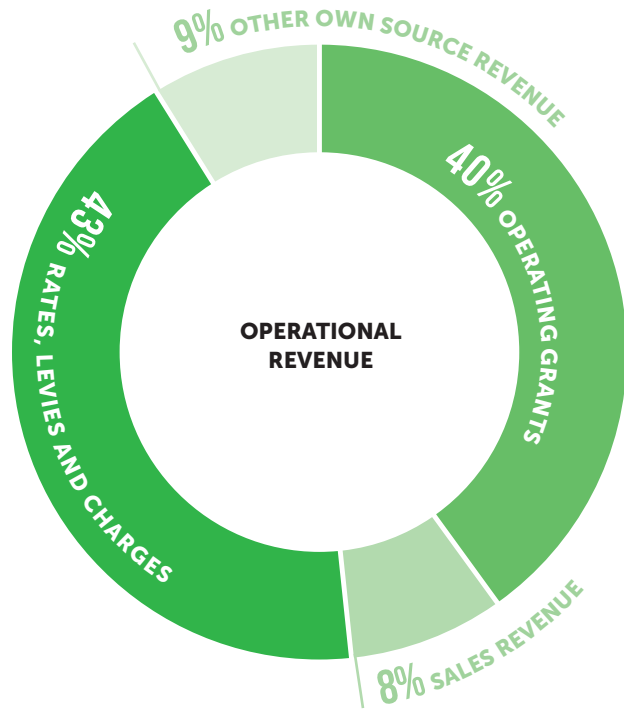
FINANCIAL STATEMENTS

Financial statements are formal records of the financial performance and position of Council (page 59). 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 provide details on the transactions which are included in the line item balances in the four statements.



STATEMENT OF COMPREHENSIVE INCOME

Purpose: Often referred to as the Profit & Loss or income statement it shows all revenue the Council has earned, and the expenses incurred for the financial year. This Statement is outlined through the following sections:

- Income
- Expenses

Income

Council’s total income in 2022-23 was \$54.079 million (\$56.207 million in 2021-22). Council’s operational revenue (total income excluding capital revenue) in 2022-23 was \$47.806 million. Grant income represents 40% of total income, with the remaining 60% of the operating income classed as own sourced income.

Total rates and charges levied (less discount) totalled \$20.453 million. This equates to 43% of council’s operational income.

Expenses

Council’s total expenses in 2022-23 was \$56.271 million (\$53.366 million in 2021-22) (inclusive of capital expenses). Council spent \$36.266 million during the year on employee costs, materials and services. These items represent a cost to Council of providing services, operating facilities and maintaining assets.

Depreciation expenditure of \$17.546 million records the consumption of assets controlled by Council over the useful lives and provides an indication of what the level of expenditure on rehabilitation and renewal of existing assets is required annually.



STATEMENT OF FINANCIAL POSITION

Purpose: shows the assets and liabilities which make up community equity as at 30 June 2023. This Statement is outlined through the following sections:

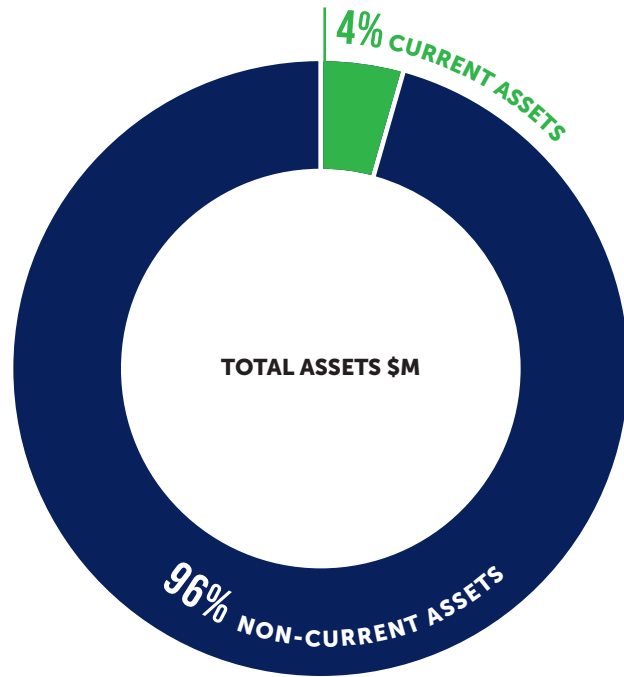
- Net Current Assets
- Total Assets
- Total Liabilities
- Total Cash and Cash Equivalents

Net Current Assets

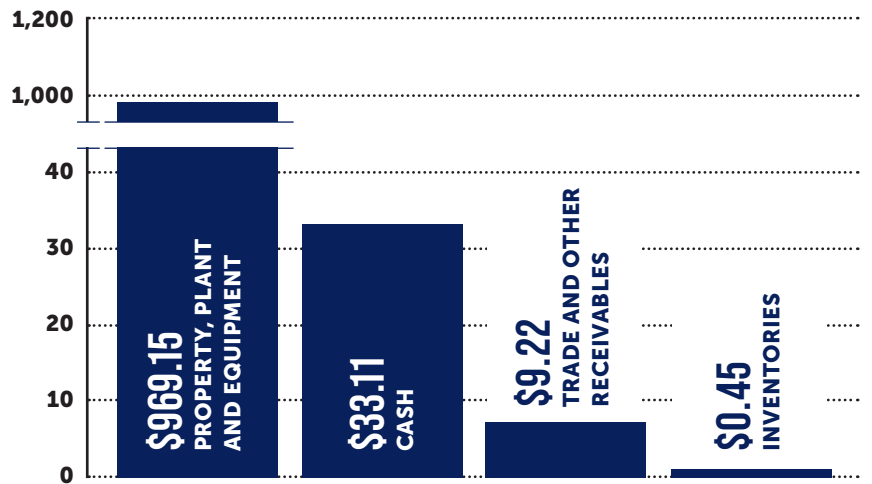
Council’s net current assets (that is current assets less current liabilities) are \$30.317 million for 2022-23. Current assets and liabilities are those which are likely to be turned over during the next financial year.

Total Assets

Councils total assets are made up of current assets of \$42.779 million and non-current assets of \$969.150 million giving a total of \$1,011.929 million. The non-current assets are infrastructure assets such as roads, bridges, water and wastewater facilities.



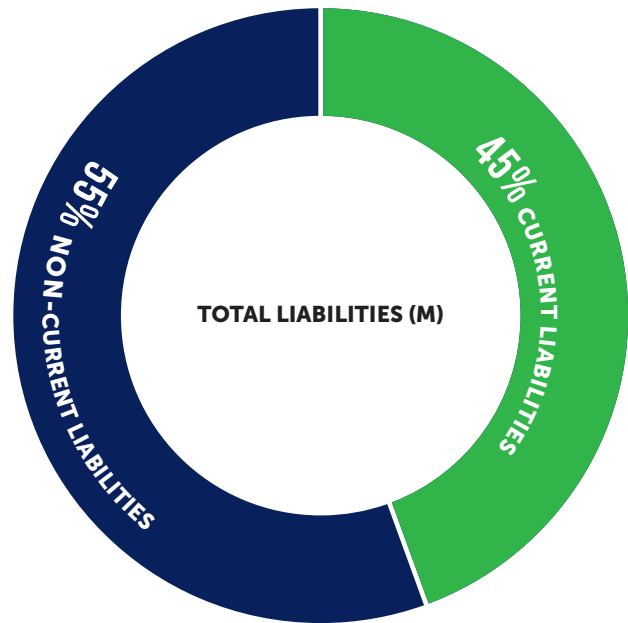
2022-23 ASSET TYPES (\$M)



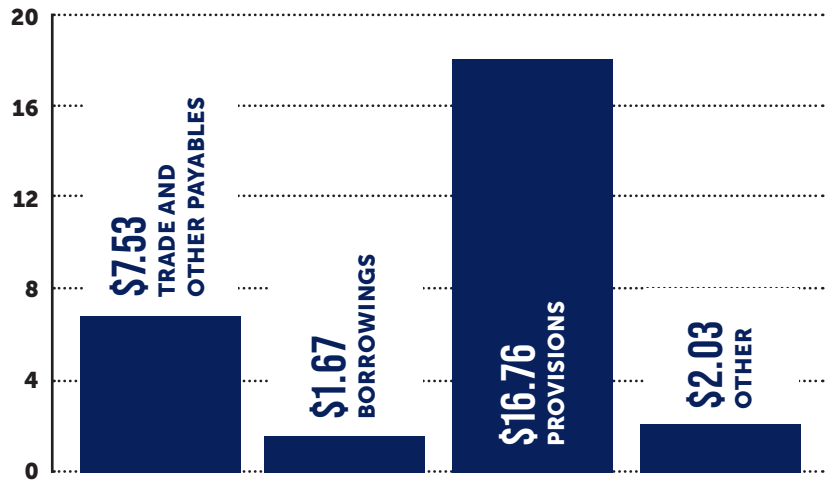
Total Liabilities

Council’s total liabilities are made up of current liabilities of \$12.461 million and non-current liabilities of \$15.530 million, giving a total of \$27.991 million.

Borrowings are made up of \$0.155 million in current obligations and \$1.513 million in non-current obligations. Similarly, provisions are made up of \$4.060 million current and \$12.702 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.



2022-23 LIABILITIES (\$M)

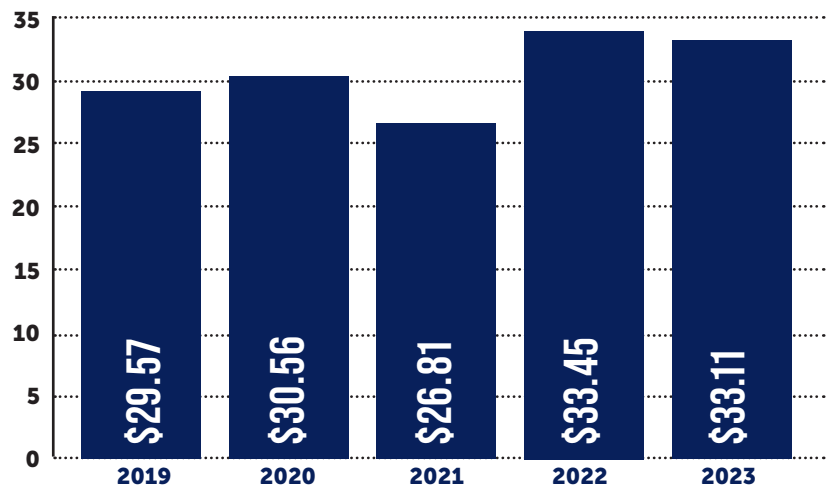


Total Cash and Cash Equivalents

Council delivered \$18.821 million in projects in the 2022-23 financial year. Council had similar cash reserves when compared to 2021-22 and maintained a sufficient cash position at the end of 2022-23 with cash and cash equivalents/financial assets totalling \$33.1 million. After considering externally imposed expenditure restrictions at the 30 June 2023, there was \$16.5 million in unrestricted cash.

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

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

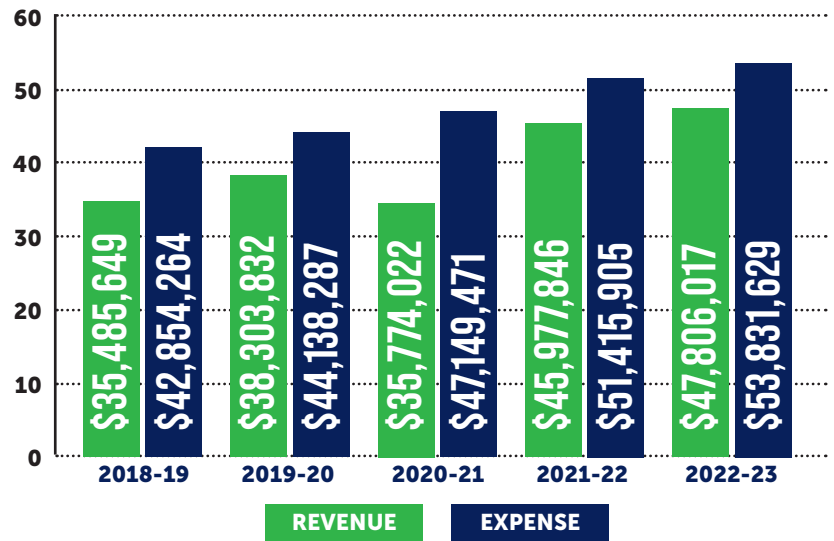


COMPARATIVE TREND ANALYSIS: REVENUE AND EXPENSES

The Expenses against Revenue chart depicts Council’s operational revenues and expenditure performance over the last five years. This comparative information demonstrates how Council has performed over a longer period of time.

It should be noted on an operational basis Council is 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



2022-23 FINANCIAL RATIO SUMMARY

Purpose: Council is required to outline the following relevant measures of financial sustainability. This Summary is outlined through the following sections:

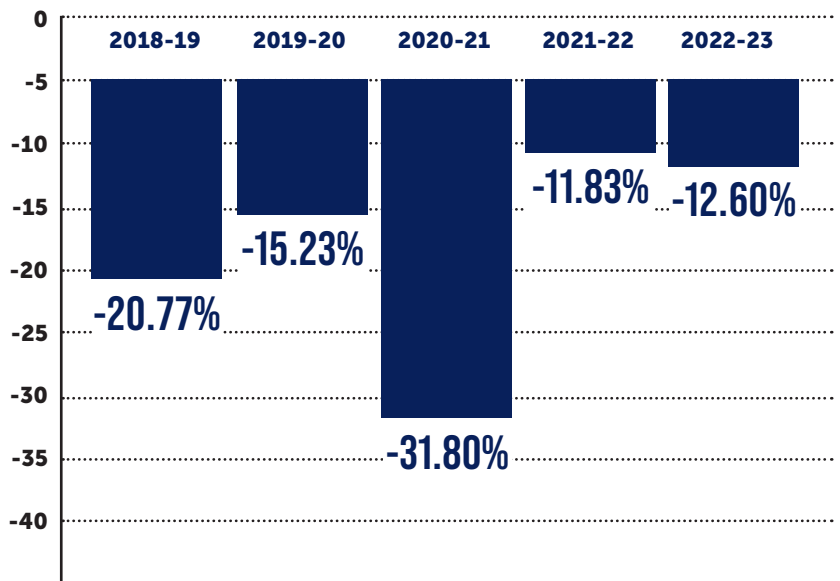
- Operating Surplus Ratio
- Net Financial Liabilities Ratio
- Asset Sustainability Ratio

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 2022-23, there was a similar ratio as compared to 2021-22.

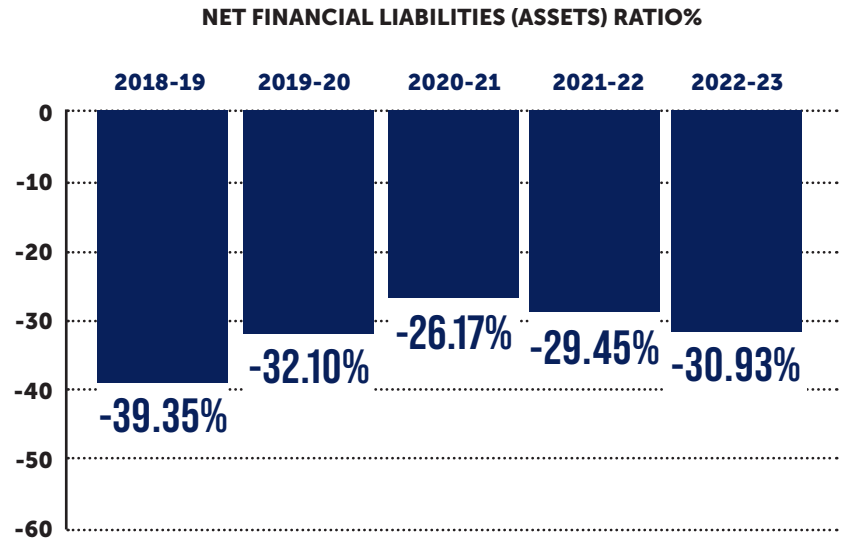
OPERATING SURPLUS (DEFICIT) RATIO%



Net Financial Liabilities Ratio

Target is not greater than 60%

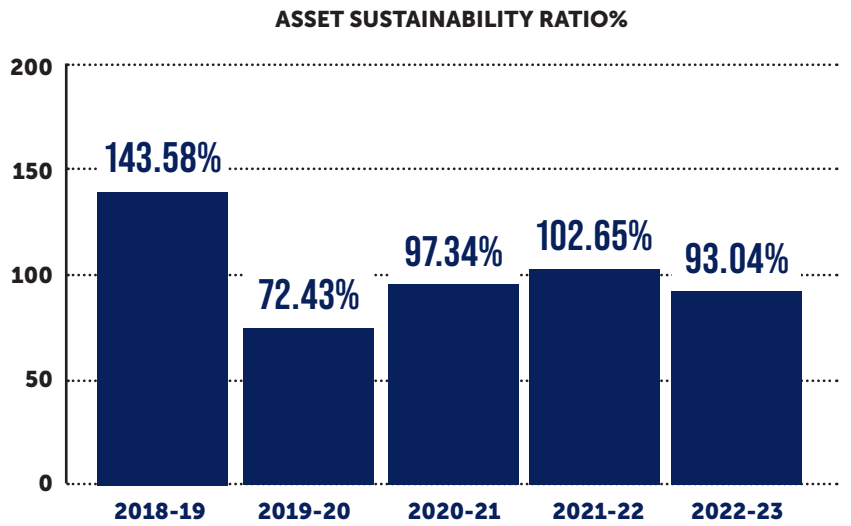
The net financial liabilities ratio indicates the extent to which operating revenues (including grants and subsidies) can cover net financial liabilities (usually loans and leases). The ratio determines how well placed we are to pay our financial liabilities out of current operating revenue and is calculated as the value of net financial liabilities (assets) divided by operating revenue. Net financial liabilities (assets) are calculated as total liabilities minus current assets, and a negative measure means that our current assets exceed total liabilities.



Asset Sustainability Ratio

Target is greater than 90%

The asset sustainability ratio is an approximation of the extent to which the property, plant and equipment 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 2022-23, Council invested millions of Council and external funding directly back into community assets like roads and bridges.





FINANCIAL STATEMENTS



General Purpose Financial Statements

for the year ended 30 June 2023

Contents

Primary Financial Statements

Statement of Comprehensive Income	62
Statement of Financial Position	63
Statement of Changes in Equity	64
Statement of Cash Flows	65

Notes to the Financial Statements

1	Information about these financial statements	66
2	Analysis of results by function	67
3	Revenue	69
4	Interest and other income	72
5	Employee benefits	72
6	Materials and services	73
7	Finance costs	73
8	Capital expenses	74
9	Cash and cash equivalents	75
10	Receivables	75
11	Inventories	77
12	Other assets	78
13	Property, plant and equipment	79
14	Contract balances	92
15	Payables	93
16	Borrowings	94
17	Provisions	95
18	Other liabilities	97
19	Asset revaluation surplus	97
20	Commitments for expenditure	98
21	Contingent liabilities	98
22	Superannuation - regional defined benefit fund	99
23	Reconciliation of net result for the year to net cash inflow (outflow) from operating activities	100
24	Reconciliation of liabilities arising from finance activities	101
25	Events after the reporting period	102
26	Financial instruments and financial risk management	103
27	Transactions with related parties	104

Management Certificate **107**

Independent Auditor's Report	108
------------------------------	-----

Current Year Financial Sustainability Statement **112**

Certificate of Accuracy	113
Independent Auditor's Report - Current Year Financial Sustainability Statement	114

Unaudited Long Term Financial Sustainability Statement **117**

Certificate of Accuracy - Long Term Financial Sustainability Statement	119
--	-----

Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	20,453,371	18,462,730
Fees and charges	3b	1,840,005	1,627,512
Sales revenue	3c	3,914,082	7,104,388
Grants, subsidies, contributions and donations	3d(i)	19,188,948	16,857,896
Total recurrent revenue		45,396,406	44,052,526
Capital revenue			
Grants, subsidies, contributions and donations	3d(ii)	6,273,089	10,229,038
Total capital revenue		6,273,089	10,229,038
Interest received	4a	1,016,079	271,685
Other income	4b	1,393,532	1,653,635
Total income		54,079,106	56,206,884
Expenses			
Recurrent expenses			
Employee benefits	5	15,447,521	14,477,923
Materials and services	6	20,818,072	21,636,679
Finance costs	7	19,905	348,873
Depreciation of property, plant and equipment	13	17,546,131	14,952,430
Total recurrent expenses		53,831,629	51,415,905
Capital Expenses	8	2,439,095	1,950,056
Total expenses		56,270,724	53,365,961
Net Result		(2,191,618)	2,840,923
Other comprehensive income			
Items that will not be reclassified to the net result			
Increase/(decrease) in asset revaluation surplus	19	63,037,421	(168,376,469)
Total other comprehensive (loss) / income for the year		63,037,421	(168,376,469)
Total comprehensive (loss) / income for the year		60,845,803	(165,535,546)

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

Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	9	29,109,013	29,454,535
Financial assets	9	4,000,000	4,000,000
Receivables	10	2,294,973	3,452,416
Inventories	11	448,370	454,477
Contract assets	14	5,747,259	2,655,257
Other assets	12	1,179,037	1,078,052
Total current assets		42,778,652	41,094,737
Non-current assets			
Property, plant and equipment	13	969,150,306	909,550,351
Total non-current assets		969,150,306	909,550,351
Total Assets		1,011,928,958	950,645,088
Current liabilities			
Payables	15	3,610,546	4,800,846
Contract liabilities	14	3,918,534	2,135,986
Borrowings	16	155,244	156,231
Provisions	17	4,060,201	3,780,829
Other liabilities	18	716,638	685,253
Total current liabilities		12,461,163	11,559,145
Non-current liabilities			
Borrowings	16	1,512,595	1,668,105
Provisions	17	12,702,184	13,011,994
Other liabilities	18	1,315,454	1,314,085
Total non-current liabilities		15,530,233	15,994,184
Total Liabilities		27,991,396	27,553,329
Net community assets		983,937,562	923,091,759
Community equity			
Asset revaluation surplus	19	239,794,810	176,757,389
Retained deficiency		(40,013,690)	(37,822,072)
Capital		784,156,442	784,156,442
Total community equity		983,937,562	923,091,759

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

Statement of Changes in Equity

for the year ended 30 June 2023

	Notes	Asset revaluation surplus \$	Retained deficiency \$	Capital \$	Total equity \$
2023					
Balance as at 1 July		176,757,389	(37,822,072)	784,156,442	923,091,759
Net result		–	(2,191,618)	–	(2,191,618)
Other comprehensive (loss) / income for the year - Increase/(decrease) in asset revaluation surplus	19	63,037,421	–	–	63,037,421
Total comprehensive (loss) / income for the year		63,037,421	(2,191,618)	–	60,845,803
Balance as at 30 June		239,794,810	(40,013,690)	784,156,442	983,937,562
2022					
Balance as at 1 July		345,133,858	(40,662,995)	784,156,442	1,088,627,305
Net result		–	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)
Total comprehensive (loss) / income for the year		(168,376,469)	2,840,923	–	(165,535,546)
Balance as at 30 June		176,757,389	(37,822,072)	784,156,442	923,091,759

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

Statement of Cash Flows

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		28,799,920	29,839,484
Payments to suppliers and employees		(37,726,285)	(34,842,346)
		<u>(8,926,365)</u>	<u>(5,002,862)</u>
Receipts			
Interest received		1,016,079	271,686
Rental income		225,510	320,548
Non capital grants and contributions		17,780,885	17,117,489
Payments			
Finance costs		(17,567)	(105,982)
Net cash inflow from operating activities	23	<u>10,078,542</u>	<u>12,600,879</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property, plant and equipment		2,281,155	294,824
Grants, subsidies, contributions and donations		6,273,089	10,018,546
Payments			
Payments for property, plant and equipment		(18,821,811)	(16,011,065)
Net cash inflow from investing activities		<u>(10,267,567)</u>	<u>(5,697,695)</u>
Cash flows from financing activities			
Payments			
Repayment of borrowings		(156,497)	(254,941)
Net cash outflow from financing activities		<u>(156,497)</u>	<u>(254,941)</u>
Net increase/(decrease) in cash and cash equivalents held		<u>(345,522)</u>	<u>6,648,243</u>
Cash and cash equivalents at beginning of financial year		29,454,535	22,806,292
Cash and cash equivalents at the end of the financial year	9	<u>29,109,013</u>	<u>29,454,535</u>

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

North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

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 2022 to 30 June 2023. 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 comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain 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 2022. 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 2023, 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. Comparative information is prepared on the same basis as prior year.

(f) Volunteer Services

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

(g) Taxation

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

North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2. Analysis of results by function

(a) Components of North Burnett Regional Council functions

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.

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.

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.

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 urban, 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 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 2023

Note 2. Analysis of results by function (continued)

(b) Analysis of results by function

Functions	Gross program income		Capital other	Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net result	Total Assets
	Recurrent grants	Recurrent other			Capital grants	Capital				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2023										
Corporate governance	9,505,492	12,077,595	—	21,583,087	(8,388,760)	—	(8,388,760)	13,194,327	13,194,327	61,475,034
Business services and finance	—	—	—	—	(2,975,893)	—	(2,975,893)	(2,975,893)	(2,975,893)	3,885,401
Community services	80,008	1,340,817	—	1,420,825	(5,488,746)	—	(5,488,746)	(4,067,921)	(4,067,921)	30,276,354
Construction and maintenance	—	164,450	—	164,450	(2,437,187)	(2,431,991)	(4,869,178)	(2,272,737)	(4,704,728)	38,481,341
Planning and development	—	388,648	—	388,648	(1,086,509)	—	(1,086,509)	(697,861)	(697,861)	—
Transport infrastructure	9,530,556	4,215,810	1,693,403	16,669,404	(22,011,282)	(59,788)	(22,071,070)	(8,264,916)	(5,401,666)	803,391,336
Waste management	72,892	4,078,902	329,394	4,481,188	(4,551,527)	52,684	(4,498,843)	(399,733)	(17,655)	2,891,704
Water infrastructure	—	3,916,569	3,050,633	6,967,202	(4,873,644)	—	(4,873,644)	(957,075)	2,093,558	38,009,350
Sewerage infrastructure	—	2,434,278	(29,976)	2,404,302	(2,018,081)	—	(2,018,081)	416,197	386,221	33,518,438
Total Council	19,188,948	28,617,069	5,043,454	54,079,106	(53,831,629)	(2,439,095)	(56,270,724)	(6,025,612)	(2,191,618)	1,011,928,958
2022										
Corporate governance	12,974,484	10,370,334	—	23,344,818	(7,670,205)	—	(7,670,205)	15,674,613	15,674,613	58,764,489
Business services and finance	—	—	—	—	(3,271,213)	—	(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)	(3,479,665)	(2,947,977)	29,382,359
Construction and maintenance	—	158,544	163,000	321,544	(2,233,077)	(1,921,313)	(4,154,390)	(2,074,533)	(3,832,846)	33,771,410
Planning and development	—	258,791	600,540	859,331	(834,289)	—	(834,289)	(575,498)	25,042	—
Transport infrastructure	3,830,713	7,460,376	4,807,998	18,873,872	(23,093,187)	(11,291)	(23,104,478)	(11,802,098)	(4,230,606)	754,963,431
Waste management	2,198	3,804,179	919,437	4,725,814	(3,721,004)	(17,452)	(3,738,456)	85,373	987,358	2,360,113
Water infrastructure	—	3,716,080	—	3,716,080	(4,307,267)	—	(4,307,267)	(591,187)	(591,187)	34,041,719
Sewerage infrastructure	—	2,222,673	431,570	2,654,243	(1,626,504)	—	(1,626,504)	596,169	1,027,739	32,864,541
Total Council	16,857,896	29,119,950	7,454,253	56,206,884	(51,415,905)	(1,950,056)	(53,365,961)	(5,438,059)	2,840,923	950,645,088

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue

	2023	2022
	\$	\$
(a) Rates, levies and charges		
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	11,268,351	10,608,914
Water supply services	2,380,901	2,251,732
Water consumption	1,532,287	1,532,605
Sewerage services	2,520,433	2,396,697
Waste management services	3,081,699	2,872,142
Local disaster management levy	102,186	40,715
Natural resource management levy	418,895	395,366
Special levy Mt Perry	28,288	19,219
Total rates and utility charge revenue	21,333,040	20,117,390
Less: discounts	(879,669)	(1,654,660)
Total rates, levies and charges	20,453,371	18,462,730

(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.

	2023	2022
	\$	\$
Building and development fees	284,404	223,818
Licences and registrations	76,337	61,726
Community service fees	225,566	248,974
Caravan parks	709,977	521,587
Water and sewer fees	75,095	99,116
Trade waste and recycling	249,209	211,784
Other fees and charges	219,417	260,507
Total fees and charges	1,840,005	1,627,512

Notes to the Financial Statements

for the year ended 30 June 2023

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.

	2023	2022
	\$	\$
Rendering of services		
Contracts and recoverable works		
- Transport and main roads	3,806,106	7,075,014
- Private works	107,976	29,374
Total sales revenue	<u>3,914,082</u>	<u>7,104,388</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.

Notes to the Financial Statements

for the year ended 30 June 2023

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.

	2023	2022
	\$	\$
(i) Operating		
General purpose grants	14,518,329	16,484,846
State government subsidies and grants	597,141	246,431
Commonwealth government subsidies and grants	4,026,263	126,619
Contributions	47,215	–
Total recurrent grants, subsidies, contributions and donations	19,188,948	16,857,896

(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	299,418	1,664,644
Commonwealth government subsidies and grants	4,744,036	5,789,609
Flood damage claims	1,229,635	2,774,785
Total capital grants, subsidies, contributions and donations	6,273,089	10,229,038

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

	Notes	2023		2022	
		Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
		\$	\$	\$	\$
Grants and subsidies	3d	19,396,480	5,903,384	16,454,029	10,525,014
Other		162,173	–	107,891	–
		19,558,653	5,903,384	16,561,920	10,525,014

Notes to the Financial Statements

for the year ended 30 June 2023

Note 4. Interest and other income

	2023 \$	2022 \$
(a) Interest received		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest received from term deposits	914,887	116,126
Interest from overdue rates and utility charges	101,192	155,559
Total interest received	1,016,079	271,685
(b) Other income		
Bus revenue	570,807	485,687
Reginald Murray Williams Centre sales, levies, other sundry income	418,493	729,560
State waste levy	404,232	438,388
Total other income	1,393,532	1,653,635

Note 5. Employee benefits

	2023 \$	2022 \$
Notes		
Employee benefit expenses are recorded when the service has been provided by the employee.		
Staff wages and salaries	11,591,962	10,805,656
Councillors' remuneration	451,766	424,060
Annual, sick and long service leave entitlements	2,102,632	1,620,530
Termination benefits	43,623	238,659
Superannuation	1,528,056	1,434,372
	15,718,039	14,523,277
Other employee related expenses	578,215	657,539
	16,296,254	15,180,816
Less: capitalised employee expenses	(848,733)	(702,893)
Total Employee benefits	15,447,521	14,477,923

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Employee benefits (continued)

	2023 Number	2022 Number
Additional information:		
Total Council employees at the reporting date:		
Elected members	7	7
Administration staff	87	88
Depot and outdoors staff	72	77
Trainee staff	6	4
Total full time equivalent employees	172	176

Note 6. Materials and services

	2023 \$	2022 \$
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	174,210	140,300
Community services	3,012,963	2,313,039
Corporate governance	4,624,006	4,395,165
Planning and development	563,795	229,008
Sewerage infrastructure	689,705	490,787
Transport infrastructure	6,699,739	9,723,853
Waste management	2,958,266	2,523,230
Water infrastructure	2,095,388	1,821,297
Total materials and services	20,818,072	21,636,679

Total audit fee quoted by the Queensland Audit Office relating to the 2022-23 financial statements \$130,800 (2022: \$169,670).

Note 7. Finance costs

	2023 \$	2022 \$
Finance costs charged by the Queensland Treasury Corporation	67,825	75,696
Bank charges	36,511	30,275
Impairment of receivables	(86,769)	206,734
Unwinding of discount on provisions	2,338	36,168
Total finance costs	19,905	348,873

Notes to the Financial Statements

for the year ended 30 June 2023

Note 8. Capital expenses

	Notes	2023 \$	2022 \$
(a) Loss on disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		2,281,155	294,824
Less: carrying value of disposed property, plant and equipment	13	(4,713,146)	(2,115,486)
Loss on disposal of non-current assets		2,431,991	1,820,662
(b) Provision for restoration of land			
Landfill waste restoration		(52,684)	17,452
Gravel quarry rehabilitation		59,788	111,942
	17	7,104	129,394
The discount rate adjustments to the quarry rehabilitation liability is recorded in expenses due to an insufficient asset revaluation surplus for that class.			
Total capital expenses		2,439,095	1,950,056

Note 9. Cash and cash equivalents

	2023 \$	2022 \$
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call and cash on hand.		
Cash and cash equivalents		
Cash at bank	969,379	1,452,491
Cash on hand	6,050	5,770
Deposits at call	28,133,584	27,996,274
Balance per Statement of Financial Position	29,109,013	29,454,535
Balance per Statement of Cashflows	29,109,013	29,454,535
Financial assets		
Term deposits	4,000,000	4,000,000
Total financial assets	4,000,000	4,000,000

Council is exposed to credit risk through its investments in the Queensland Treasury Corporation (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	29,109,013	29,454,535
Less: externally imposed restrictions on cash	(12,624,486)	(10,208,001)
Unrestricted cash	16,484,527	19,246,534

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Cash and cash equivalents (continued)

	2023 \$	2022 \$
(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent recurrent government grants and subsidies	457,992	436,307
Unspent capital government grants and subsidies	2,979,747	2,198,062
Landfill Management Levy	7,448,743	5,855,315
Waste Management Levy	1,738,004	1,718,317
Total externally imposed restrictions on cash assets	12,624,486	10,208,001

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 through a landfill management levy totalling \$7,448,743 from 2016-2017 to 2022-2023. This has been raised to offset the costs of landfill management, compliance and future costs of landfill closures and restoration.

Council has received in advance \$1,738,004 for the annual waste management levy for the four years 2023-2024 to 2026-2027. This revenue will be recognised annually in these respective future years.

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

655,571	570,521
655,571	570,521

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 impairment 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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Receivables (continued)

	2023	2022
	\$	\$
Current		
Rates and charges	1,143,025	1,793,273
Other debtors	1,464,225	2,160,086
Total	<u>2,607,250</u>	<u>3,953,359</u>
less: Loss allowance	(312,277)	(500,943)
Total current receivables	<u>2,294,973</u>	<u>3,452,416</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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Receivables (continued)

	2023 \$	2022 \$
Movement in accumulated impairment losses is as follows:		
Opening balance at 1 July	500,943	300,358
Less		
Impaired debts written off during the year	(101,897)	(6,149)
Add		
Additional impairments recognised	203,487	206,734
Impairments provided for but recovered during the year	(289,866)	–
Closing balance at 30 June	312,667	500,943

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.

	2023 \$	2022 \$
(a) Inventories held for sale		
Inventories - Held for sale	11,181	–
	<u>11,181</u>	<u>–</u>
(b) Inventories held for distribution		
Quarry and road materials	30,854	61,017
Plant and equipment stores	406,335	393,460
Total current inventories	448,370	454,477

Notes to the Financial Statements

for the year ended 30 June 2023

Note 12. Other assets

	2023	2022
	\$	\$
Current		
Water charges not yet levied	857,757	679,598
GST recoverable	4,140	17,293
Prepayments	317,140	381,161
Total current other assets	<u>1,179,037</u>	<u>1,078,052</u>

North Burnett Regional Council

Notes to the Financial Statements for the year ended 30 June 2023

Note 13. Property, plant and equipment

2023 Measurement basis Fair value category	Land and improvements		Landfill Cells		Buildings		Plant and equipment		Road, drainage and bridge network		Water		Sewerage		Other infrastructure assets		Work in progress		Total	
	\$	Fair Value	\$	Fair Value	\$	Fair Value	\$	Cost	\$	Fair Value	\$	Fair Value	\$	Fair Value	\$	Fair Value	\$	Cost	\$	\$
Opening gross balance as at 1 July	13,282,579	4,448,764	81,649,342	29,019,773	857,469,903	72,970,759	57,535,485	43,391,627	4,706,570	1,164,474,802										
Additions	16,250	–	421,942	2,480,783	15,250,045	–	285,593	36,346	330,853	18,821,812										
Disposals	(277,071)	–	(3,256,792)	(3,845,214)	(4,434,479)	(577,468)	(607,222)	(395,394)	–	(13,393,640)										
Revaluation adjustment to other comprehensive income (asset revaluation surplus)	2,024,242	–	4,182,195	–	63,211,182	3,697,616	–	2,195,615	–	78,234,478										
Transfers between classes	–	–	–	–	–	(32,901)	–	–	–	32,901										
Closing gross value as at 30 June	15,046,000	4,448,764	82,996,687	27,655,342	931,496,651	76,058,006	60,137,484	45,228,194	5,070,324	1,248,137,452										
Opening accumulated depreciation as at 1 July	–	3,256,021	43,831,858	15,434,479	109,659,635	33,959,300	29,096,171	19,686,987	–	254,924,451										
Depreciation expense	–	319,229	1,851,564	1,626,554	9,849,713	1,469,032	852,430	1,577,610	–	17,546,132										
Depreciation on disposals	–	–	(1,873,869)	(3,095,330)	(2,757,149)	(503,366)	(255,268)	(195,512)	–	(8,680,494)										
Revaluation adjustment to asset revaluation surplus	–	–	2,324,055	–	8,495,282	1,784,150	–	1,076,290	–	15,197,057										
Transfers between classes	–	–	–	–	–	–	–	–	–	–										
Accumulated depreciation as at 30 June	–	3,575,250	46,133,608	13,965,703	125,247,481	36,709,116	31,210,613	22,145,375	–	278,987,146										
Carrying amount as at 30 June	15,046,000	873,514	36,863,079	13,689,639	806,249,170	39,348,890	28,926,871	23,082,819	5,070,324	969,150,306										
Range of estimated useful life in years																				
*Asset additions comprise	–	–	421,942	–	15,250,045	–	285,593	36,346	330,853	16,324,779										
Asset renewals	16,250	–	–	2,480,783	–	–	–	–	–	2,497,033										
Other additions	16,250	–	421,942	2,480,783	15,250,045	–	285,593	36,346	330,853	18,821,812										
Total asset additions *																				

North Burnett Regional Council

Notes to the Financial Statements for the year ended 30 June 2023

Note 13. Property, plant and equipment (continued)

2022 Measurement basis Fair value category	Land and improvements		Landfill cells		Buildings		Plant and equipment		Road, drainage and bridge network		Water		Sewerage		Other infrastructure assets		Work in progress		Total
	Fair Value	\$	Fair Value	\$	Fair Value	\$	Cost	Fair Value	\$	Fair Value	\$	Fair Value	\$	Fair Value	\$	Fair Value	\$	Cost	
Opening gross balance as at 1 July	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)		–
Closing gross value as at 30 June	13,282,579		4,448,764		81,649,342		29,019,773		857,469,903		72,970,759		57,535,485		43,391,627		4,706,570		1,164,474,802
Opening accumulated depreciation as at 1 July	–		2,572,483		38,486,260		13,773,552		191,007,238		30,212,955		26,232,931		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)		–		–
Accumulated depreciation as at 30 June	–		3,256,021		43,831,858		15,434,479		109,659,635		33,959,300		29,096,171		19,686,987		–		254,924,451
Carrying amount as at 30 June	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		
*Asset additions comprise																			
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
Total asset additions *	–		–		297,359		2,645,782		2,491,676		62,180		–		2,633,396		8,132,949		16,263,342

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

Notes to the Financial Statements

for the year ended 30 June 2023

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: plant and equipment with a total value of less than \$5,000, and infrastructure assets (road, stormwater, bridge, water and sewerage assets), site improvements, airport assets and building with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other property, plant and equipment are capitalised and included in the relevant asset class.

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.

Notes to the Financial Statements

for the year ended 30 June 2023

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.

(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 is not 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 2023

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	30/06/2023	Shepherd Services Pty Ltd	Shepherd Services completed a comprehensive valuation of the land asset class as at 30 June 2023. The asset inspection and specific valuations were completed by Herron Todd White. These measures have been benchmarked against local government of similar composition and location.	Assets inspected June 2023.

Key assumptions and estimates (related data sources)

Land fair values were determined by independent qualified valuer effective 30 June 2023. 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	Discount rates obtained from indexed bond yield reported by the government yield report.	Assets inspected May 2022.
--------------------------	---------------	------------	-------------	--	----------------------------

North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

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
--------------------------------------	--------------------	-----------------------------------	----------------	--	--------------------------------------

Key assumptions and estimates (related data sources)

Council's waste management facilities are located in Gayndah, Mundubbera, Biggenden, Eidsvold, and Monto. The waste management activities encompasses a landfilling operation as well as a wide range of waste disposal services, resource recovery services, recycled, and waste management educational activities. It has been recognised that there will be costs associated with the closure and post closure management of the landfill sites. Closure of the landfill will involve a wide range of activities including preparation of a landfill closure and management plan, final capping of the landfill waste and site re-vegetation, installation of a final landfill gas management system, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure. The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements.

The rehabilitation estimates have been included as a provision for the future with a planned closure date of the respective sites. The end of useful life for respective landfill sites is estimated to be as follows: Gayndah 2028-2029, Biggenden 2027-2028, Eidsvold 2026, Mt. Perry 2024, Monto 2025-2026, and Mundubbera existing site 2029-2030. Waste landfill cells fair values were determined by Council engineers effective 30 June 2019. Current replacement cost was calculated by reference to landfill cell area and volume specifications, estimated labour and material inputs, services costs, and overhead allocations. Material and services costs were determined by reference to existing supplier contracts and labour costs by reference to Council's Enterprise Bargaining Agreement (EBA).

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

North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

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) 2023: \$ 2,341,895 2022: \$ 2,958,338	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	Not Applicable
				Producer Price Indexes, Australia. Table 17. Index Number 3020, "Non-residential building construction". The estimated index from June 2022 to June 2023 was 5.31%.	

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 2023

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) 2023: \$ 34,521,184 2022: \$ 34,859,146	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	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 2023

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	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, "Road and bridge construction". The estimated index from June 2022 to June 2023 was 7.28%.	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,

North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

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>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.</p> <p>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 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>					

North Burnett Regional Council

Notes to the Financial Statements for the year ended 30 June 2023

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
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 2022 to June 2023 was 5.11%.	Not Applicable

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 cost was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

Water assets have been assessed utilising valuation techniques that maximise the use of observable data where possible. Typically, the methodology applied will be determined based on the AASB13 input decision tree. Standard valuation principles dictate that a cost approach method (generally incremental Greenfield) is a suitable primary methodology when assessing infrastructure that has no active market nor has directly applicable income. In determining physical obsolescence, assets were either subject to a site inspection or an assessment to determine remaining useful life. The useful life for asset components under the cost approach was varied based on the asset type (i.e. pumps or pipework), and component type (i.e. concrete, steel and timber). These useful lives were measured in combination with NBRC's existing asset management process, and through collaboration with NBRC representatives as well as observing the pattern of service potential exhibited for equivalent assets within the geographical area (climate, usage, public expectations etc.). Inputs were reviewed by Council for appropriateness and alignment with asset management policies.

North Burnett Regional Council
Notes to the Financial Statements
 for the year ended 30 June 2023
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
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 2022 to June 2023 was 5.11%.	Not Applicable

Key assumptions and estimates (related data sources)

Assets within this class comprise sewer mains, sewage pumping stations, and sewage treatment plants. Valuations were completed by Australis Asset Advisory Group in June 2020 in accordance with "Fair Valuations" principles. These principles lead to valuations being made on the basis of a depreciated replacement cost. Current replacement cost was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

Sewerage assets have been assessed utilising valuation techniques that maximise the use of observable data where possible. Typically, the methodology applied will be determined based on the AASB13 Input Decision tree. Standard valuation principles dictate that a cost approach method (generally incremental Greenfield) is a suitable primary methodology when assessing infrastructure that has no active market nor has directly applicable income. In determining physical obsolescence, assets were either subject to a site inspection or an assessment to determine remaining useful life. The useful life for asset components under the cost approach was varied based on the asset type (i.e. pumps or pipework), and component type (i.e. concrete, steel and timber). These useful lives were measured in combination with NBRC's existing asset management process, and through collaboration with NBRC representatives as

North Burnett Regional Council

Notes to the Financial Statements for the year ended 30 June 2023

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 2022 to June 2023 was 5.11%.	Not Applicable

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.

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.

Notes to the Financial Statements

for the year ended 30 June 2023

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.

	2023	2022
	\$	\$
(a) Contract assets		
Contract assets	5,747,259	2,655,257
	<u>5,747,259</u>	<u>2,655,257</u>
(b) Contract liabilities		
Funds received upfront to construct NBRC controlled assets	3,396,232	1,712,293
Non-capital performance obligations not yet satisfied	522,302	423,693
	<u>3,918,534</u>	<u>2,135,986</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>1,647,163</u>	<u>1,133,414</u>

Satisfaction of contract liabilities

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income in the next two (2) years.

(c) Significant changes in contract balances

Significant changes in contract balances relates to the pending completion of the Disaster Recovery Funding Arrangement (DRFA) - Reconstruction of Essential Public Assets (REPA) & Betterment - 2022 event with an outstanding liability as at 30 June 2023 of \$1,440,732, and Building our Regions - Drinking Water Safety with an outstanding liability as at 30 June 2023 of \$600,000. Included in contract asset balances as at 30 June 2023 were works completed for Building Better Regions Fund - Infrastructure Projects Stream funding arrangements for the Biggenden Water Treatment Plant with a value of \$2,381,268. Also included in the contract asset balances as at 30 June 2023 is a balance of \$1,079,218 expected in relation to works completed under the Local Roads Community Infrastructure funding arrangement within 2023. In addition, the contract assets balances as at 30 June 2023 included a balance of \$1,121,632 for Disaster Recovery - Emergent Works in relation to the 2022 rain event.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 15. Payables

	2023	2022
	\$	\$
Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30-day terms.		
Current		
Creditors	1,374,454	3,208,850
Prepaid rates	977,224	930,364
Accrued wages and salaries	132,653	96,722
Accrued expenses	1,063,947	497,387
Other creditors	62,268	67,523
Total current payables	3,610,546	4,800,846

Notes to the Financial Statements

for the year ended 30 June 2023

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 \$AUD 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 QTC's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

	2023	2022
	\$	\$
Current		
Loans - Queensland Treasury Corporation	155,244	156,231
Total current borrowings	155,244	156,231
Non-current		
Loans - Queensland Treasury Corporation	1,512,595	1,668,105
Total non-current borrowings	1,512,595	1,668,105
Reconciliation of Loan Movements for the year		
Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	1,824,336	2,079,277
Principal repayments	(156,497)	(254,941)
Book value at end of financial year	1,667,839	1,824,336
Future contractual cash flows		
0 to 1 year	224,322	224,322
1 to 5 years	794,333	863,307
Over 5 years	998,373	1,153,721
Contractual cash flows	2,017,028	2,241,350
Carrying amount	1,667,839	1,824,336
Fair value	1,584,241	1,775,755

The QTC loan market value at the reporting date was \$1,584,241 (2022: \$1,775,755). 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 2023 or 2022 financial years.

Notes to the Financial Statements

for the year ended 30 June 2023

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 2022-23

- 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 had 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.

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 2022-23 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 2022-23.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 17. Provisions (continued)

	2023	2022
	\$	\$
Current		
Annual leave	1,388,189	1,207,942
Long service leave	1,591,193	1,468,788
Quarry rehabilitation	264,782	282,612
Landfill rehabilitation	816,037	821,487
Total current provisions	4,060,201	3,780,829
Non-current		
Long service leave	224,646	223,722
Quarry rehabilitation	549,676	689,888
Landfill rehabilitation	11,927,862	12,098,384
Total non-current provisions	12,702,184	13,011,994

Movements in non-employee provisions:**Quarry rehabilitation**

Balance at beginning of financial year	972,500	927,022
Additional provision	58,197	111,941
Amounts used	(217,830)	(77,754)
Increase in provision due to unwinding of discount	1,591	11,291
Balance at end of financial year	814,458	972,500

Landfill rehabilitation

Balance at beginning of financial year	12,919,871	12,934,681
Additional provision	44,736	1,399,548
Amounts used	(125,627)	(57,140)
Increase in provision due to unwinding of discount	2,338	24,878
Increase/(decrease) in provision due to change in discount rate	(97,419)	(1,382,096)
Balance at end of financial year	12,743,899	12,919,871

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 2026.

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 2028-2029, Biggenden 2027-2028, Eidsvold 2026, Mt. Perry 2024, Monto 2025-2026, and Mundubbera existing site 2029-2030.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 18. Other liabilities

	2023 \$	2022 \$
Current		
Waste Management Levy	422,550	404,232
Monto History and Cultural Centre	1,017	741
Mundubbera Art Gallery	7,800	7,384
Bond monies payable	285,271	272,896
Total current other liabilities	716,638	685,253
Non-current		
Waste Management Levy	1,315,454	1,314,085
Total non-current other liabilities	1,315,454	1,314,085

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.

	2023 \$	2022 \$
The closing balance of the asset revaluation surplus comprises the following asset categories:		
- Land and improvements	4,073,020	2,048,778
- Buildings	18,765,471	16,907,331
- Road, drainage and bridge network	173,436,499	118,720,599
- Water	14,878,179	12,964,713
- Sewerage	20,785,499	19,379,151
- Other infrastructure assets	7,856,142	6,736,817
Total asset revaluation surplus	239,794,810	176,757,389

Increase/(decrease) in asset revaluation surplus

	Note	2023 \$	2022 \$
- Land and improvements	13	2,024,242	235,968
- Buildings	13	1,858,140	3,515,434
- Road, drainage and bridge network	13	54,715,900	(178,583,619)
- Other infrastructure assets	13	1,119,325	1,622,535
- Water	13	1,913,466	2,794,648
- Sewerage	13	1,406,348	2,038,565
		63,037,421	(168,376,469)

Notes to the Financial Statements

for the year ended 30 June 2023

Note 20. Commitments for expenditure

	2023	2022
	\$	\$
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		
- Buildings	32,385	-
- Plant and equipment	1,516,417	2,046,574
- Road, drainage and bridge network	387,794	2,119,599
- Sewerage	-	18,679
- Waste Management	86,560	-
- Water	3,314,059	213,090
- Other	1,225	594,920
Total commitments	5,338,440	4,992,862

The contractual and capital commitments for expenditure are payable as follows:

Within one year	5,338,440	4,992,862
One to 5 years	-	-
Later than 5 years	-	-
Total commitments	5,338,440	4,992,862

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 2023 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 \$360,733 (2022: \$359,282).

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 (2022: \$109,539).

Mundubbera Wash Down Facility

Mundubbera Wash Down Facility is considered to be a risk to be non-compliant with modern day environmental protection practices and regulation. Officers have determined that the structural deficiency of the facility is the primary contributing factor towards this. Council has exercised its power as devolved to local government under the *Biosecurity Act 2014* and the Mundubbera Wash Down facility is temporarily closed. Council is unaware of any liability as at 30 June 2023, with respect to this facility, and Council notes from time to time legal obligations which arise in the future may lead to a future liability.

Notes to the Financial Statements

for the year ended 30 June 2023

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 managed by the LGIAsuper trustee for LGIAsuper trading as Brighter Super.

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 LGIAsuper 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.

		2023	2022
	Notes	\$	\$
Superannuation contributions made to the Regional Defined Benefits Fund		40,966	62,022
Other superannuation contributions for employees		1,487,090	1,372,350
Total superannuation contributions paid by Council for employees	5	1,528,056	1,434,372

Notes to the Financial Statements

for the year ended 30 June 2023

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

	2023	2022
	\$	\$
Net result	<u>(2,191,618)</u>	<u>2,840,923</u>
Non-cash items		
Depreciation and amortisation	17,546,131	14,952,430
Impairment of receivables	(86,379)	206,734
	<u>17,459,752</u>	<u>15,159,164</u>
Losses/(gains) recognised on fair value re-measurements through the income		
Unwinding of discount rates on reinstatement provisions	7,104	(319,178)
	<u>7,104</u>	<u>(319,178)</u>
Investing and development activities:		
Net loss on disposal of non-current assets	2,431,991	1,820,662
Provision for landfill and quarries restoration	102,933	406,986
Capital grants and contributions	(6,273,089)	(10,229,038)
	<u>(3,738,165)</u>	<u>(8,001,390)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	1,346,109	(372,256)
Increase/(decrease) in provision for doubtful debts	(308,153)	–
(Increase)/decrease in other assets	(100,985)	392,477
(Increase)/decrease in contract assets	(3,092,002)	–
(Increase)/decrease in inventories	6,107	27,349
Increase/(decrease) in payables	(1,834,396)	1,789,789
Increase/(decrease) in contract liabilities	1,782,548	259,593
Increase/(decrease) in employee leave entitlements	303,576	(585,280)
Increase/(decrease) in other liabilities	676,850	(487,485)
Increase/(decrease) in provisions	(238,185)	1,897,173
	<u>(1,458,531)</u>	<u>2,921,360</u>
Net cash inflow from operating activities	<u>10,078,542</u>	<u>12,600,879</u>

Notes to the Financial Statements

for the year ended 30 June 2023

Note 24. Reconciliation of liabilities arising from finance activities

	as at 30/06/22		as at 30/06/23
	Opening Balance	Cashflows	Closing balance
	\$	\$	\$
Borrowings	1,824,336	(156,497)	1,667,839
	<u>1,824,336</u>	<u>(156,497)</u>	<u>1,667,839</u>

	as at 30/06/21		as at 30/06/22
	Opening Balance	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>

Note 25. Events after the reporting period

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

Note 26. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

NBRC has exposure to the following financial assets and liabilities:

- Cash
- Receivables
- Payables
- Borrowings

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

- Credit Risk
- Liquidity Risk
- Market Risk

Financial risk management

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

NBRC had previously disabled its Audit and Risk Committee on 25 November 2020. During 2022-2023, to improve its management of its financial sustainability, Council had resolved to reinstate its audit and risk committee on 28 September 2022 (Resolution 2022/137). Council resolved to reinstate three independent members (including a chairperson) to the Audit and Risk Committee on 28 June 2023 (Resolution 2023/97 and 2023/101). Council appointed two councillors to the Audit and Risk Committee on 23 August 2023 (Resolution 2023/154 and 2023/155).

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 26. Financial instruments and financial risk management (continued)

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 26. 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 \$
2023					
Payables	3,524,250	–	–	3,524,250	3,610,546
Loans - QTC	224,322	794,333	998,373	2,017,028	1,667,839
	<u>3,748,572</u>	<u>794,333</u>	<u>998,373</u>	<u>5,541,278</u>	<u>5,278,385</u>
2022					
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>

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 \$
2023					
QTC cash fund	28,133,584	281,336	(281,336)	281,336	(281,336)
Other investments	4,000,000	40,000	(40,000)	40,000	(40,000)
Net total	<u>32,133,584</u>	<u>321,336</u>	<u>(321,336)</u>	<u>321,336</u>	<u>(321,336)</u>
2022					
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)
Net total	<u>31,996,274</u>	<u>319,963</u>	<u>(319,963)</u>	<u>319,963</u>	<u>(319,963)</u>

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 26. 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	
		2023	2022	2023	2022
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	9	975,429	1,458,261	975,429	1,458,261
QTC cash fund	9	28,133,584	27,996,274	28,133,584	27,996,274
Other financial assets		4,000,000	4,000,000	4,000,000	4,000,000
Total financial assets		33,109,013	33,454,535	33,109,013	33,454,535
Financial liabilities					
Loans - QTC	16	1,667,839	1,824,336	1,584,241	1,775,755
Total financial liabilities		1,667,839	1,824,336	1,584,241	1,775,755

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 27. 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.

	2023	2022
	\$	\$
The following transactions occurred with WBBROC:		
- QRRRF Flood Warning Infrastructure Upgrade Program	(40,337)	-
- NBRC membership contributions	-	7,920
- NBRC economic development project contributions	-	16,500
- NBRC training workshops	-	2,816
	(40,337)	27,236

WBBROC is dependent on contributions from member Councils.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 27. Transactions with related parties (continued)

(b) Transactions with key management personnel (KMP)

	2023	2022
	\$	\$
The compensation paid to key management personnel comprises:		
Short-term employee benefits	1,116,092	1,245,914
Post-employment benefits	106,057	123,190
Long-term benefits	7,689	5,313
Termination benefits	11,233	116,894
Total	1,241,071	1,491,311

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	2023	2022
		\$	\$
Fees and charges charged to entities controlled by key management personnel	27(c)(i)	607	719
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)	309,039	291,614
Purchase of materials and services from entities controlled by key management personnel	27(c)(iii)	174,799	109,110
Key management personnel services provided by a related entity	27(c)(iv)	-	-

(i) The fees and charges charged to entities controlled by KMP 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	2023
		\$
Other fees and charges	Grazing permit fee	536
Other fees and charges	Sewer disconnection fee	72

North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 27. Transactions with related parties (continued)

(ii) All close family members of KMP 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 services
- 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 2023

Management Certificate

Management Certificate

for the year ended 30 June 2023

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 3 to 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.



Cr Les Hotz

Mayor

25 October 2023



Margot Stork

Chief Executive Officer

25 October 2023

AUDITOR'S REPORT

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 2023, 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 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the certificate given by the Mayor and Chief Executive Officer.

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 2023 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the 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 material accounting policy information 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 2023:

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, 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.

Jacques Coetzee

26 October 2023

Jacques Coetzee
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

General Purpose Financial Statements

for the year ended 30 June 2023

Current Year Financial Sustainability Statement

	Actual 2023	Target
Measures of financial sustainability		
1. Operating surplus ratio		
Net result (excluding capital items) ¹		
Total operating revenue (excluding capital items) ²	(12.60)%	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.		
2. Asset sustainability ratio		
Capital expenditure on the replacement of assets (renewals) ³		
Depreciation expense	93.04%	> 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.		
3. Net financial liabilities ratio		
Total liabilities less current assets		
Total operating revenue (excluding capital items) ²	(30.93)%	< 60.00%
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.

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 2023.

North Burnett Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

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.



Cr Les Hotz
Mayor

25 October 2023



Margot Stork
Chief Executive Officer

25 October 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 2023, 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 2023 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 [name of council]'s annual report for the year ended 30 June 2023 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

However, as required by the Local Government Regulation 2012, I have formed 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 material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.

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

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

Jacques Coetzee

26 October 2023

Jacques Coetzee
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

North Burnett Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

Unaudited Long Term Financial Sustainability Statement

	Target	Actual 2023	Forecast						
			2024	2025	2026	2027	2028	2029	2030

Measures of financial sustainability

1. Operating surplus ratio

Net result (excluding capital items) ¹

Total operating revenue (excluding capital items) ²

0% - 10% **(12.60)%** (10.00)% (8.20)% (7.00)% (6.20)% (5.10)% (4.20)% (3.40)% (2.40)% (1.90)% (1.20)%

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals) ³

Depreciation expense

> 90.00% **93.04%** 98.00% 66.00% 92.00% 101.00% 102.00% 103.00% 95.00% 90.00% 85.00% 91.00%

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net financial liabilities ratio

Total liabilities less current assets

Total operating revenue (excluding capital items) ²

< 60.00% **(30.93)%** (35.10)% (31.40)% (30.20)% (28.10)% (26.50)% (25.70)% (26.30)% (26.40)% (28.90)% (29.60)%

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 2023

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 periods, due to efforts to improve efficiency of Council operations. North Burnett Regional Council was severely impacted by several rain events in 2021-22 which has been prioritised to restore community assets to a serviceable condition.

These events are still having an impact on current works as the community infrastructure still undertakes restoration of the damage caused.

North Burnett Regional Council

General Purpose Financial Statements for the year ended 30 June 2023

Certificate of Accuracy - Long Term Financial Sustainability Statement

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.



Cr Les Hotz
Mayor
25 October 2023



Margot Stork
Chief Executive Officer
25 October 2023



Australia Day

Reflect. Respect. Celebrate.

THE STORY OF
AUSTRALIA
IT'S THE STORY OF
US. IT'S THE
STORY OF
OUR PEOPLE,
OUR HISTORY,
OUR VALUES,
OUR BELIEFS,
OUR DREAMS,
OUR HOPE,
OUR FUTURE.
IT'S THE STORY OF
OUR COUNTRY,
OUR LAND,
OUR SEA,
OUR SKY,
OUR PEOPLE,
OUR HISTORY,
OUR VALUES,
OUR BELIEFS,
OUR DREAMS,
OUR HOPE,
OUR FUTURE.
IT'S THE STORY OF
OUR COUNTRY,
OUR LAND,
OUR SEA,
OUR SKY,
OUR PEOPLE,
OUR HISTORY,
OUR VALUES,
OUR BELIEFS,
OUR DREAMS,
OUR HOPE,
OUR FUTURE.

LISTENING TO EACH OTHER AND SHARING OUR PART. THE STORY OF AUSTRALIA IS THE STORY OF US. IT'S THE STORY OF OUR PEOPLE, FROM FAR AND WIDE. AND THESE WORDS BEING



NORTH BURNETT
REGIONAL COUNCIL

-  PO Box 390, Gayndah QLD 4625
-  1300 696 272
-  admin@northburnett.qld.gov.au
-  [@NorthBurnettRC](https://www.facebook.com/NorthBurnettRC)
-  [@northburnettrc](https://twitter.com/northburnettrc)
-  [@northburnettrc](https://www.instagram.com/northburnettrc)
-  [@north-burnett-regional-council](https://www.linkedin.com/company/north-burnett-regional-council)

