

NORTH BURNETT REGIONAL COUNCIL ANNUAL REPORT

2023-2024



NORTH BURNETT
REGIONAL COUNCIL

CONTENTS

MAYOR'S MESSAGE	2
CEO'S MESSAGE	3
REGIONAL OVERVIEW	4
PERFORMANCE HIGHLIGHTS FROM 2023-2024	5
OUR COUNCILLORS	9
STATUTORY INFORMATION	10
COMMUNITY FINANCIAL REPORT	22
ANNEXURE A: FINANCIAL STATEMENTS	31

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This document was adopted by Council
on 30 October 2024.

MAYOR'S MESSAGE

“Our collective efforts and dedication seek to build trust within our community, as we endeavour to meet their needs and also lay a strong foundation for future growth.”

Looking back at the year that was, I am reminded of both our successes and challenges. While we have achieved great outcomes and delivered several major projects, we have also faced significant headwinds, including persistently high inflation, significant supply chain delays and the impacts of natural disasters.

In March 2024, the community of the North Burnett elected a new Council, and I had the great privilege to be re-elected as Mayor. One of our first, and most important, tasks was to develop the 2024-25 Council budget – no easy task and particularly for those Councillors who were new to our operating environment. I want to acknowledge and thank all Councillors and staff who worked together to develop this Council's first budget, which lays the foundation from which we can build for the remainder of this term.

During 2023-24, we made significant strides in upgrading the Biggenden Water Treatment Facility. This is an essential service, and the project reflects years of planning, hard work, and dedication. Additionally, the Bon Accord Bridge project is progressing well, which, when completed, will reestablish this important road transport link for some of our rural residents and local agricultural producers.

In January 2024, Council endorsed its Local Housing Action Plan (LHAP) highlighting priority items to encourage housing supply where possible. This plan was shaped by diverse inputs and data, including community feedback, and will guide us in addressing housing and land supply constraints currently experienced in the region.

Following Council's success in securing funding from the Queensland Government and the Queensland Reconstruction Authority, major investments have been made in disaster management projects over the course of the year. These projects are primarily aimed at increasing flood risk awareness and enhancing community resilience. Current initiatives such as the Burnett and Tributaries Catchment Flood Study and Community Flood Action Plans are benefiting from the active involvement of our residents.



This year also saw the successful NAIDOC Community Exhibition in Eidsvold; a well-attended regional Australia Day event in Biggenden; and many other vibrant community events. Our caravan and recreation parks welcomed many visitors during the winter, highlighting their important contribution to our local economy.

I commend our councillors for their dedication to nurturing trust and relationships with our community and being strong advocates for the future and current needs of our residents. By working together, we are well placed to support the region as we strive for a prosperous future for our residents and communities.

Les Hotz

Mayor

CEO'S MESSAGE

“While my time with Council is only just beginning, I am supported by a passionate and skilled workforce – and their support has enabled me to hit the ground running.”

It is always easy to showcase the good work of others, and in presenting the 2023-2024 Annual Report, that is exactly what I am doing.

What has been delivered during the 2023-24 year is testament to the hard work, consideration, professionalism and care of the great team of people that make up the North Burnett Regional Council. The challenges are many and complex, and the opportunities are boundless, and I am constantly inspired by the authentic approach of our people at Council in being their best every day to help this beautiful region to thrive.

Since joining North Burnett Regional Council in early July 2024, my focus has been on two key priorities – building trust and confidence in the community in the work of Council and ensuring Council has a clear roadmap and understanding of what is needed as we progressively move to greater financial and service sustainability. These are not mutually exclusive – our ability to operate and respond to the service and infrastructure needs of our communities is intimately linked to the confidence that our residents will have in the responsiveness of their council. It is this partnership approach between Council and the community that will be integral to how we collectively set the North Burnett up for success for the future.

Unfortunately, all of our best efforts can be rapidly undermined by the decisions of other tiers of government – and this is exactly what we saw at the end of 2023-2024 when the Queensland Government chose to delay the payment of the annual Commonwealth Financial Assistance Grant to all councils. This annual payment – much of which is ordinarily paid in the June prior to the financial year to which it relates – was not paid to Council until 2 July 2024. This single decision had a significant (and fortunately, one-off) impact on Council's operating result for 2023-24, given the Grant was not received in the time frame when it was originally budgeted. While this did not impact our ability to deliver services, it has significantly impacted our 2023-24 financial results, with a one-off \$10.11 million erosion in our operating result for the 2023-24 period.

I wish to assure residents that Council remains focused on our long-term financial and service sustainability and community liveability. Community priorities balanced with prudent financial management will be the hallmark of how we go forward.



Equally, Council places the highest priority in keeping our people and community safe – and there is no better evidence of this than in our disaster management planning, response and recovery arrangements. I have been greatly impressed by what is effectively the well-oiled machine that is our disaster management arrangements, and I feel the North Burnett communities can have every confidence in their Council and our local disaster management partners when the natural disasters occur.

I am confident that our region will continue to grow and prosper in the coming years. I would like to express my sincere gratitude to the Mayor, Councillors, Managers, Leaders and council staff for their unwavering dedication to our efforts in this regard.

Craig Matheson
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, Coalstown Lakes, Cockatoo, Cheltenham, Coomingleh, Coonanumbula, Dallarnil, Degilbo, Derri Derra, Didcot, Dykehead, Gooroolba, Hawkwood, Ideraway, Kalpowar, Monal, Monogorilby, Moonford, Mulgildie, Mungungo, Mungy, Rawbelle, Rockybar, Three Moon, Wetheron, Woodmillar and Yarrol.



* 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.

PERFORMANCE HIGHLIGHTS FROM 2023 - 2024

Council's Corporate Plan outlines its vision and strategic goals, charting the path forward for Council and guiding project and service delivery. The goals of the Corporate Plan are progressed through annual Operational Plans, with outcomes reported quarterly.

SUMMARY

Council develops detailed reporting each quarter to provide updates on Council's progress, performance, and operational outcomes. These reports comprise several service measures, project status updates, and financial measures, and provide commentary on highlights, notable events, and challenges as appropriate. Quarterly reports, including the final progress report for the reporting period, can be found on Council's website (About Council – Plans and Reports).

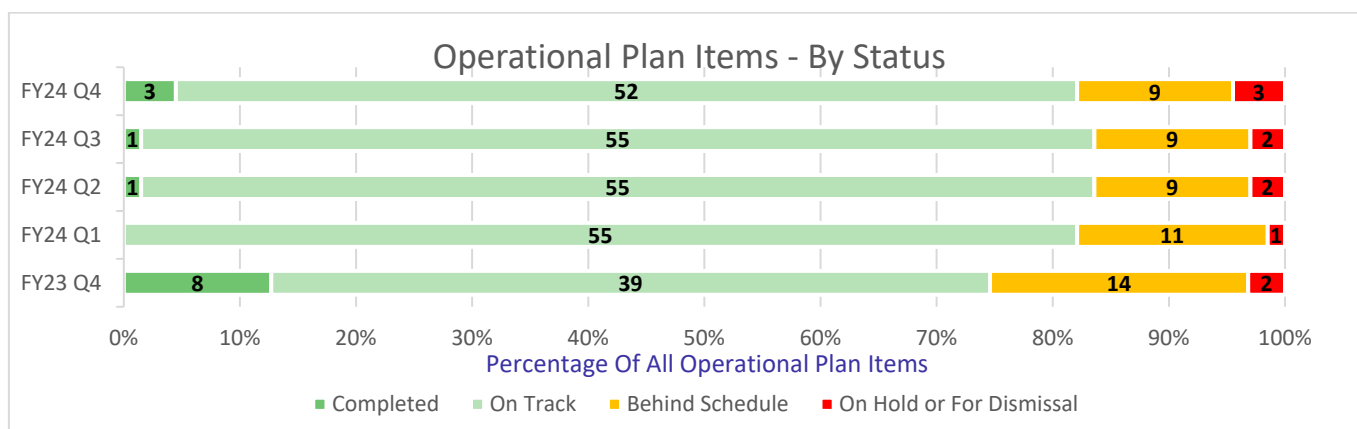
During 2023-24, of the 67 activities detailed in Council's Operational Plan, 82% (55) were considered complete or on track in line with their expected timelines. Council's target is to have 80% of all operational plan activities on track or completed in the financial year.

While the year presented ongoing workforce challenges and supply chain delays, most services continued with minimal disruption, and several projects progressed to completion. While the broader economic pressures appeared to stabilise towards the end of the period, a competitive employment market and housing supply constraints in the region are likely to pose ongoing obstacles to attracting and retaining skilled employees.

A significant pipeline of flood restoration projects necessitated the reprioritisation of resources and material from other projects, particularly in the final quarter of the reporting period. With over \$20 million in flood restoration works for completion in FY25, this trend is expected to continue, and the impacts will be monitored.

Despite the challenges, significant progress was made during the financial year in providing essential services and delivering several critical projects for the benefit of the community. The further momentum gained during this period is expected to carry over into the new financial year, setting a positive trajectory for continued progress.

A summary of progress throughout the reporting period has been included below, and key highlights for each of Council's Corporate Plan goals are included on the following pages.



ESSENTIAL SERVICE DELIVERY – GETTING THE BASICS RIGHT

Our essential services are delivered within legislative parameters and sufficient support is available to ensure effective and efficient delivery of these essential services.

TOP THREE OUTCOMES



Complete construction and commissioning of the new Biggenden water treatment plant and raw water reservoir.

During the year, construction was completed on the Biggenden Water Treatment Plant and Raw Water Reservoir Project. Staff are trained in its operation, and commissioning and cutover to supply the town have been achieved. Staff continue to familiarise themselves with the plant as they work to optimise its operation.

The project was officially opened in July 2024.



In collaboration with relevant stakeholders, develop an initial portfolio of service catalogues encompassing most of Council's services.

Early in the year, officers worked collaboratively to develop an initial portfolio of service catalogues, providing a sound foundation for ongoing development and refinement. The initial draft will continue to evolve over time to reflect the diversity of council service delivery.



Implement a revised customer experience charter.

The Customer Service Charter has been reviewed and released as appropriate.

TOP THREE SERVICE STATISTICS



1,657KM

Unsealed roads
graded



758

Water & Wastewater
service requests



153

Wandering animals
impounded



SUSTAINABLE COMMUNITIES - TO RETAIN POPULATION AND ATTRACT INVESTMENT

Our communities have access to services that retain population, contribute to liveability and attract investment.

TOP THREE OUTCOMES

Deliver library services as per State Library of Queensland Service Agreement, including First Five Forever Programming, consistently across the region.

Library programming continued throughout the year, with a range of events and outreach programs including (but not limited to):

- Continued delivery of the First 5 Forever program by facilitating Storytime and outreach programs in all six communities.
- Easter craft program in the April School holidays and two Boardgame Bonza sessions during the January school holidays, facilitated by Communities and Customer Service and Library Officers.
- Partnering with Arts worker Maxine Cooper to deliver creative writing workshops during Youth Week
- All six Libraries offered Christmas Craft workshops for children above 6 years of age.
- A number of author talks and creative writing workshops were held across the region's libraries, with all sessions well attended.
- Partnering with Queensland Art Gallery | Gallery of Modern Art (QAGOMA) to offer the 'Castle of Tarragindi' art and craft activities created by contemporary Australian artist, Natalya Hughes.
- National Simultaneous Storytime was held in each library with a special Monto Kindergarten session.

Continue to work with the community to maintain and deliver museum and art gallery facility programs across the region.

During the year, ongoing meetings and support were provided to various groups across the region, including the Mount Perry Arts Group, Monto and District Historical Society, Biggenden Museum, and Mundubbera Regional Art Gallery.

Prepare for and enact disaster management plans, when and as required.

The local disaster management plan (including subplans) is currently being rewritten, which incorporates lessons learned from previous events. Final drafting of the document was completed during Q4 FY24, with a final review scheduled during Q1 FY25.

TOP THREE SERVICE STATISTICS



13,570

Contact Centre
calls



35,522

Customers visiting
Customer Service &
Library (CSL) centres



24,546

Library items
borrowed

PROSPEROUS FUTURE – TO ENSURE ECONOMIC GROWTH FOR FUTURE GENERATIONS

Our local economy will be supported with initiatives and forward planning that enables growth for future generations.

TOP THREE OUTCOMES

✔ Support Councillors with a well-documented, targeted advocacy strategy.

Significant progress occurred during the 2023-24 period, with the draft advocacy plan largely finalised at the end of June 2024.

Final endorsement was targeted for later in 2024, which has subsequently been achieved.

✔ In partnership with relevant agencies, provide economic development support for the community, including supporting small businesses and local contractors to upskill.

Council's economic development function is predominantly delivered via a partnership with Burnett Inland Economic Development Organisation (BIEDO). During the year, a new agreement was reached with BIEDO, which will see BIEDO undertake several workshops across the region throughout the earlier months in 2024-25, gathering information and supporting economic development where possible.

✔ Deliver streetscape funding program in keeping with endorsed policy.

Council continues to support the streetscape funding program, targeted at local businesses to enhance aesthetics in our main CBD areas. A small volume of applications continued to be received during FY24 and were assessed accordingly.

TOP THREE SERVICE STATISTICS



4,763

Visitors to the Reginald Murray Williams Centre



138

Building applications received



4,587

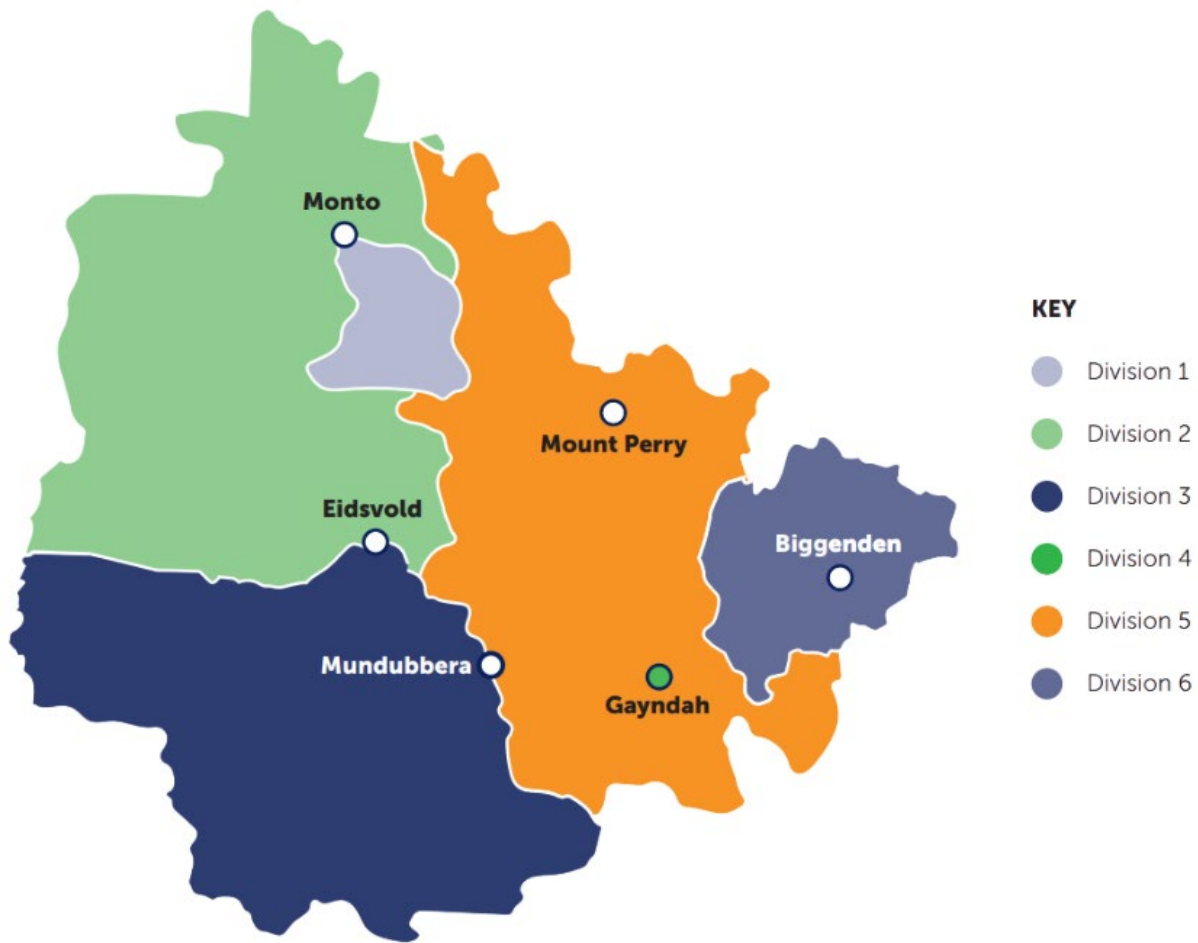
Purchase orders raised with local suppliers



OUR COUNCILLORS – AS AT 30 JUNE 2024

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

DIVISIONAL MAP



The Queensland Electoral Commission interactive map is available at ecq.qld.gov.au for additional information.



Above left to right: (Back row) Cr Trina Vaughn, Cr Les Hotz (Mayor), Cr Michael Dingle, Cr Susan Payne, (Front row) Cr Renee McGilvery, Cr Melinda Jones (Deputy Mayor), Cr Moira Thompson.

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. **Council does not operate any beneficial enterprises.**

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	Nil
(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>In addition to the Chief Executive Officer, 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 2023-2024 there were three senior contract employee positions.</p> <p>The total remuneration packages payable in 2023-2024 to senior management was \$863,807.44</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 an 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 the 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)

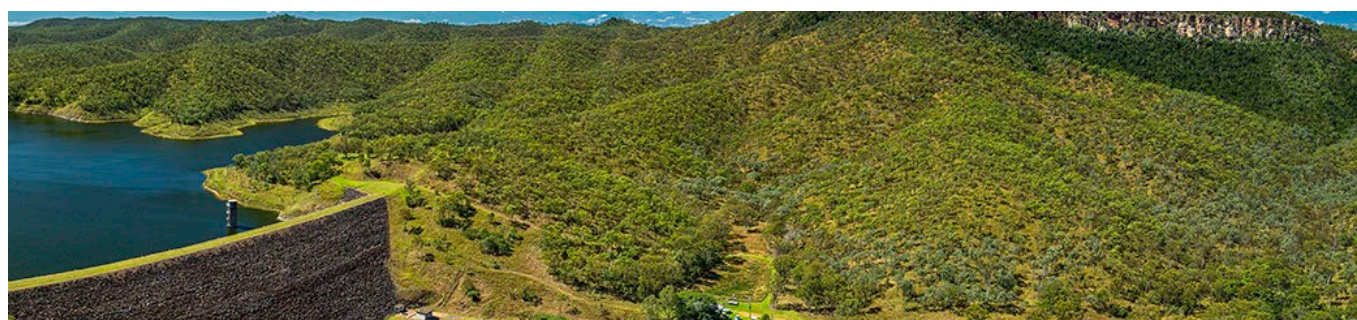
The annual report for the financial year must contain:

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) of the Regulation (adoption of an expenses reimbursement policy); and	Reimbursement of Expenses and Provision of Facilities for Councillors Policy was adopted on the 23 February 2022 for a period of four years. The Policy will next be reviewed in late 2025, unless Council determines that an earlier review is necessary for operational reasons.
(b) a list of any resolutions made during the financial year under section 206(2) of the Regulation (threshold for non-current physical asset to be treated as an expense).	Nil



Councillors (s186)

(1) The annual report for the 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: Below
(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 Table 1 and Figure 1: Below
(c) the number of local government meetings that each councillor attended during the financial year; and	Refer to Table 2: Page 14

Table 1: Councillor's Remuneration and Expenses

Councillor	Gross Remuneration	Super Contributions	Expenses Incurred	Facilities**
Cr Les Hotz	\$114,959	\$12,716	\$3,587	\$24,425
Cr Melinda Jones	\$58,532	\$6,464	\$3,972	\$7,401
Cr Kingsley Mesner*	\$43,492	\$5,219	\$2,614	\$4,938
Cr Trina Vaughan*	\$13,908	\$736	\$2,610	\$3,493
Cr Susan Payne	\$57,470	\$6,888	\$2,293	\$8,837
Cr Dael Giddins*	\$43,492	\$5,219	\$1,952	\$5,039
Cr Renee McGilvery*	\$13,908	\$675	\$2,307	\$3,437
Cr Michael Dingle	\$57,400	\$6,888	\$2,272	\$9,182
Cr Robbie Radel*	\$50,438	\$6,052	\$1,381	\$5,974
Cr Moira Thompson*	\$13,908	\$675	\$1,197	\$3,656
TOTAL	\$467,507	\$51,531	\$24,185	\$76,382

Council provides vehicles for Council related travel to all Councillors.

**Due to the March 2024 local government elections, this councillor only served part of the financial year.*

***Due to supply chain shortages, several Councillor vehicles were operated past their useful life. No depreciation was incurred in supplying these vehicles to Councillors until replacement occurred in December 2023.*

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
- Uniforms
- Name badges
- Safety equipment for use on official business.
e.g. safety helmet, boots, high visibility shirt/vest.

Table 2: Record of Meeting Attendance

Councillor	Ordinary	Special, Budgetary or Other**	Total
Cr Les Hotz	12/12	4/4	16/16
Cr Melinda Jones	12/12	4/4	16/16
Cr Kingsley Mesner*	9/9	0/0	9/9
Cr Trina Vaughan*	3/3	4/4	7/7
Cr Susan Payne	11/12	4/4	15/16
Cr Dael Giddins*	9/9	0/0	9/9
Cr Renee McGilvery*	3/3	4/4	7/7
Cr Michael Dingle	12/12	4/4	16/16
Cr Robbie Radel*	9/9	0/0	9/9
Cr Moira Thompson*	3/3	4/4	7/7

* Due to the March 2024 local government elections, this councillor only served part of the financial year.

** The 2024-2025 financial year budget meeting was held on 10 July 2024 and as such, no budget meeting was held in the applicable period. The statutory 'post election' meeting is also included in this column.

Councillors (s186) – Continued

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

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; (Unsuitable meeting conduct)	Nil
(ii) orders made under s 150IA(2)(b) of the Act; (Unsuitable meeting conduct of the chairperson)	Nil
(iii) orders made under s 150AH(1) of the Act; (Disciplinary action against a councillor for a conduct breach)	1
(iv) decisions, orders and recommendations made under section 150AR(1) of the Act; and (Disciplinary action against a councillor determined by the conduct tribunal)	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;	Councillor Sue Payne, matter C/23/00512.
(ii) a description of the unsuitable meeting conduct, conduct breach or misconduct engaged in by each of the councillors;	It was alleged, when engaging in discussion with a fellow councillor, Councillor Payne tendered a response comprising an inappropriate choice of vocabulary.
(iii) a summary of the decision, order or recommendation made for each councillor; and	Pursuant to section 150AC(3) of the Act the OIA recommend that in the first instance council consider dealing with this matter by way of early dispute resolution in lieu of an investigation. The matter was subsequently resolved with an apology.

Councillors (s186) – Continued

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

Legislative Requirement	Compliance
(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; (Notifications to the assessor about particular conduct of a councillor)	3
(iv) notices given under section 150S(2)(a) of the Act; (Notifications to the assessor about misconduct)	Nil
(v) occasions information was given under section 150AF(3)(a) of the Act; (Information given to the assessor for preliminary assessment for potential misconduct)	Nil
(vi) 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 conduct breach of a councillor;	1
(vii) applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or a conduct breach; and	Nil
(g) the total number of referral notices given to the local government under section 150AC(1) of the Act during the financial year; and (Referral by the assessor of suspected conduct breach)	1
(h) for suspected conduct breaches the subject of a referral notice mentioned in paragraph (g)—	
(i) the total number of suspected conduct breaches; and	1
(ii) the total number of suspected conduct breaches for which an investigation was not started or was discontinued under section 150AEA of the Act; and	1 (Resolved through early intervention – Letter of Apology)
(i) the number of decisions made by the local government under section 150AG(1) of the Act during the financial year; and (Decisions about a conduct breach by a councillor)	1
(j) the number of matters not decided by the end of the financial year under section 150AG(1) of the Act; and	1 (referral dated 28 June 2024 had not been assessed until after the 2024 reporting period)
(k) the average time taken by the local government in making a decision under section 150AG(1) of the Act.	27 days for the one matter in this reporting period.



Administrative action complaints (s187)

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

Legislative Requirement	Compliance
(a) a statement about the local government's commitment to dealing fairly with administrative action complaints; and	Council is committed to delivering high quality customer service, whilst acting fairly, ethically, responsibly, and lawfully. Council welcomes complaints as a form of feedback and will respond to complaints appropriately and use them as a means to improve our services, systems, procedures and policies.
(b) a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.	<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:</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
(a) the number of the following during the financial year -	
(i) administrative action complaints made to the local government;	7
(ii) administrative action complaints resolved by the local government under the complaints management process;	6
(iii) administrative action complaints not resolved by the local government under the complaints management process; and	1
(b) the number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year.	1

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. **Not applicable.**

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 below
(b) expenditure from each councillor's discretionary fund;	Pursuant to section 189(2) of the <i>Local Government Regulation 2012</i> 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	61	\$13,890
Streetscape Funding	6	\$3,311
Regional Arts Development Fund (RADF)	13	\$37,365
School Bursary's	16	\$1,200
Individual Development Grants	4	\$1,500
TOTAL	100	\$57,266

Other contents (s190)

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

Legislative Requirement	Compliance
(a) the chief executive officer's assessment of the local government's progress towards implementing its 5 year corporate plan and annual operational plan.	Refer to the contents of this annual report with further details available in the final quarterly progress report on Council's website (About Council > Plans and Reports).
(b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year;	Refer to section: Financial Statements
(c) an annual operations report for each commercial business unit;	N/A
(d) details of any action taken for, and expenditure on, a service, facility or activity-	
(i) supplied by another local government under an agreement for conducting a joint government activity; and;	Nil
(ii) for which the local government levied special rates or charges for the financial year;	N/A – Council did not undertake any joint local government activities in 2023/24.
(e) the number of invitations to change tenders under section 228(8) during the financial year;	1
(f) a list of the registers kept by the local government;	Refer to Table 4, Page 19
(g) A summary of all concessions for rates and charges granted by the Local Government;	Refer to Figure 2, Page 19
(h) the report on the internal audit for the financial year;	Refer to Figure 3, Page 20
(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;	Nil
(j) the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52 (3)	N/A



Table 4: List of Registers

Register	
<ul style="list-style-type: none"> • Administrative Action Complaint Register • Asbestos Register • Asset Register • Compliance Correspondence Register • Contact with Lobbyists Register • Councillor Conduct Register • Delegations Register - CEO to Employee • Delegations Register - Council to CEO • Development Applications Register • Employee Conflict of Interest Register • Environmentally Relevant Activity License Register • Fees and Charges Register • Food Business License Register • Gift and Benefits Register • Grants Register • Higher Risk Personal Appearance Services Business Register • Local Heritage Register 	<ul style="list-style-type: none"> • Local Law Register • Lost Stolen Assets Register • Policy Framework Register • Private Certifier Application Register • Register for Greywater Use and Onsite Sewerage Facilities • Register of Contracts Over \$200K • Register of Interests of Councillors, Councillor Adviser, Chief Executive Officer, Senior Executives, and their Related Persons • Register of Leases • Register of Mayor to CEO Directions • Register of Prequalified Suppliers (RPQS) • Register of Show Clause and Enforcement Notices • Register of Testable Backflow Prevention Devices • Registered Dog Register • Risk and Compliance Register • Roads Register • Unreasonable Customer Conduct (UCC) Register

Figure 2: 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:

- Similar treatment for ratepayers with similar circumstances;
- Transparency by making clear the requirements necessary to receive rebates and concessions; and
- 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:

- Water concession Charges
 - Concessions for Partial Relief from Water Consumption Charges in accordance with General Policy 2211 – Partial Relief from Water Charges.
- 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.
- Concession for Subdivider
 - To support subdividers that contribute to Councils reticulated water and sewerage infrastructure.
- 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.
- Other
 - Other remission or rate deferral requests will be assessed on their individual merits.

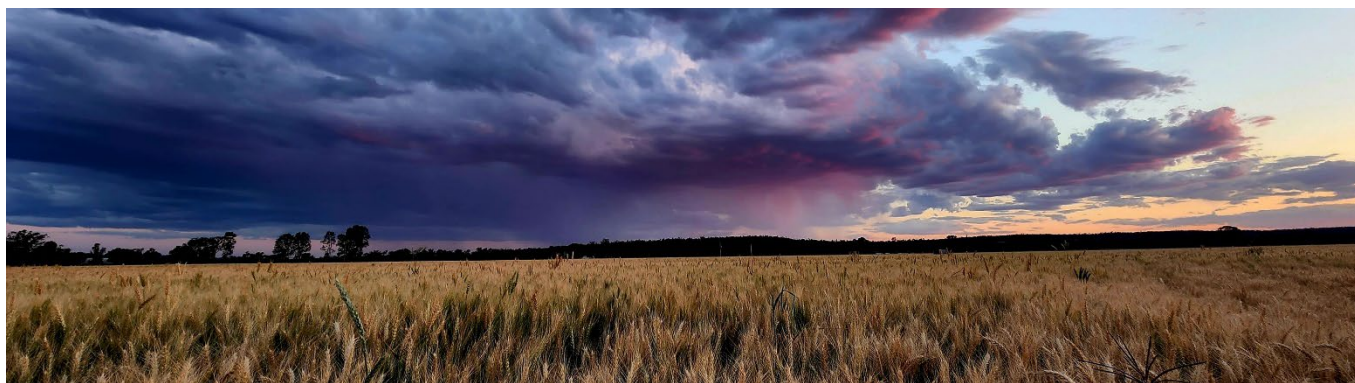


Figure 3: Report on the internal audit function for the financial year

Audit and Risk Committee:

Council's Audit and Risk Committee is an advisory committee of Council and operates under a charter, outlining its role, responsibilities, composition, and operating guidelines, in accordance with the *Financial and Performance Management Standard 2019*.

The Audit and Risk Committee monitors and provides advice to Council and the Chief Executive Officer on:

- Financial reporting
- Enterprise risk management
- Internal control systems
- Internal and external audit functions

Council's Audit and Risk Committee comprised five members, three independent members appointed by Council, and two councillors. An external member is appointed as Chairperson and the Committee generally meets three to four times a year. Four meetings were held in the 2023-24 financial year.

For the 2023-24 financial year, the committee comprised the following members:

Member	Member Type	Tenure
Peter Cochrane	Independent (Chair)	28 Jun 2023 – Current*
Genevieve Dent	Independent	28 Jun 2023 – Current*
Wendy Peebles	Independent	28 Jun 2023 – Current*
Les Hotz	Councillor (Mayor)	24 Apr 2024 – Current*
Renee McGilvery	Councillor	24 Apr 2024 – Current*
Melinda Jones	Councillor	23 Aug 2023 - 24 Apr 2024
Dael Giddins	Councillor	23 Aug 2023 - 01 Apr 2024

* At the time of publishing this report.

The Audit and Risk Committee adopted an annual work plan in November 2023. The annual work plan outlines what is to be reported, reviewed, and monitored across the applicable period by the Audit and Risk Committee.

Internal Audit:

During the year, a key focus was the reestablishment and embedding of the newly formed Audit and Risk Committee. In executing its duties, the Audit and Risk Committee endorsed the internal audit plan, supporting three internal audits:

- Management of after-hours service
- Grants management (accounting/documentation)
- Contracts management

Council has commenced procurement activities for the services of a suitably qualified and experienced auditing firm to undertake the after-hours service audit. Management has also implemented additional controls and enhancements to address known opportunities relevant to these focus areas, particularly grant management, where internal measures have been strengthened. Moving forward, the internal audit function will be engaged to review other areas for further improvement.

(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; <ul 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 decisions compatible with human rights, as well as take into consideration human rights when making a decision. The *Human Rights Act 2019* identifies 23 Human Rights. Public entities, such as Council are required to act and make decisions in a way compatible with human rights.

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 2023-2024 financial year, Council received one human rights complaint. The complaint was not supported by the provided information or the available evidence base. The complainant was advised of the outcome, who did not provide further information.

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 has 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. The training aims to raise awareness among employees about the conduct standards expected by Council and emphasises 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 (Annexure A). 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

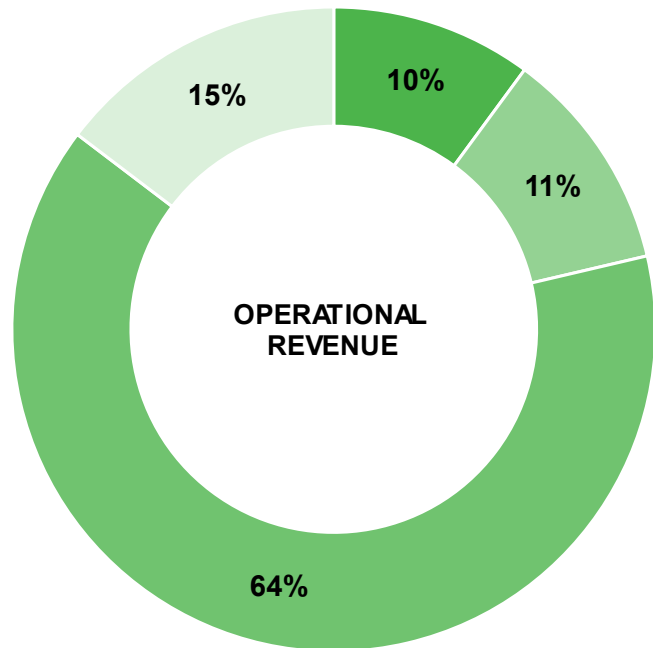
Council's total income in 2023-24 was \$47.58 million (\$54.08 million in 2022-23). Council's operational revenue (total income excluding capital revenue) in 2023-24 was \$34.36 million. Total rates and charges levied (less discount) totalled \$21.99 million, representing 64% of Council's operational income.

In 2023-24, grant income represented 10% of total income, down from 40% in 2022-23. Total revenue was significantly down in 2023-24 due to the timing of the initial payment of the 2024-25 Financial Assistance Grant. This has previously been paid before the end of the prior financial year; however, in 2024, the payment was received three days into the new financial year, requiring it to be recognised in 2024-25. While this has impacted the 2023-24 results, it did not impact Council's operations and management do not currently expect it to impact future financial year results.

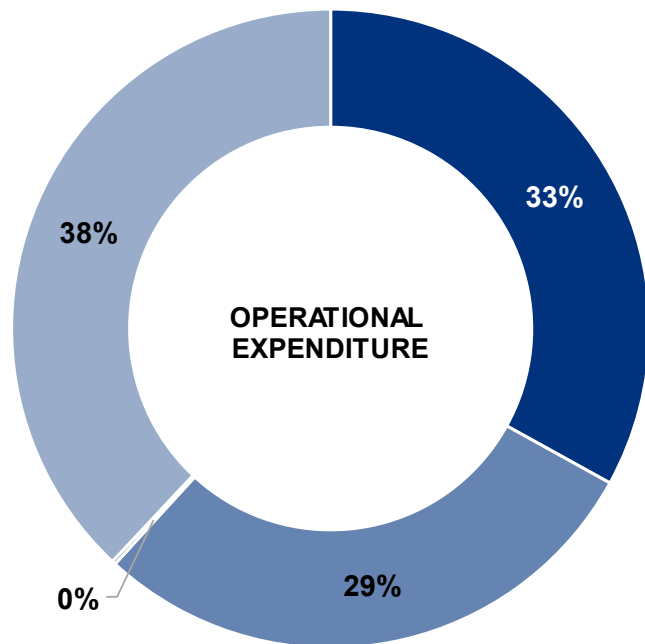
Expenses

Council's total expenses in 2023-24 was \$60.00 million (inclusive of capital expenses). Council spent \$38.44 million during the year on employee costs and materials and services. These items represent a cost to Council of providing services, operating facilities and maintaining assets.

Depreciation expenditure of \$19.01 million records the consumption of assets controlled by Council over their useful lives. It also provides an indication as to the level of annual rehabilitation and renewal expenditure required to maintain existing assets.



- Operating Grants (\$3.47M)
- Sales Revenue (\$3.86M)
- Rates Levies and Charges (\$21.99M)
- Other Own Source Revenue (\$5.04M)



- Depreciation (\$19.01M)
- Employee Costs (\$16.57M)
- Finance Costs (\$0.1M)
- Materials and Services (\$21.88M)

STATEMENT OF FINANCIAL POSITION

Purpose: shows the assets and liabilities which make up community equity as at 30 June 2024. This Statement is outlined through the following sections:

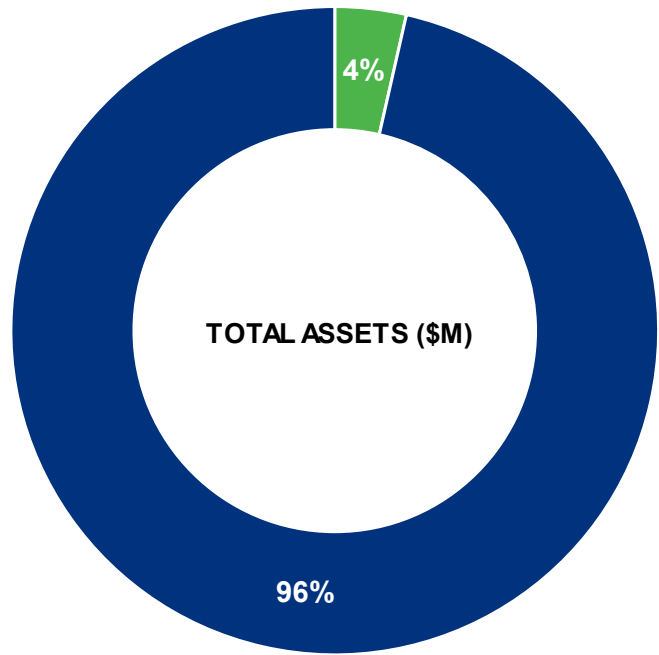
- Net Current Assets
- Total Assets
- Total Liabilities
- Total Cash and Cash Equivalents

Net Current Assets

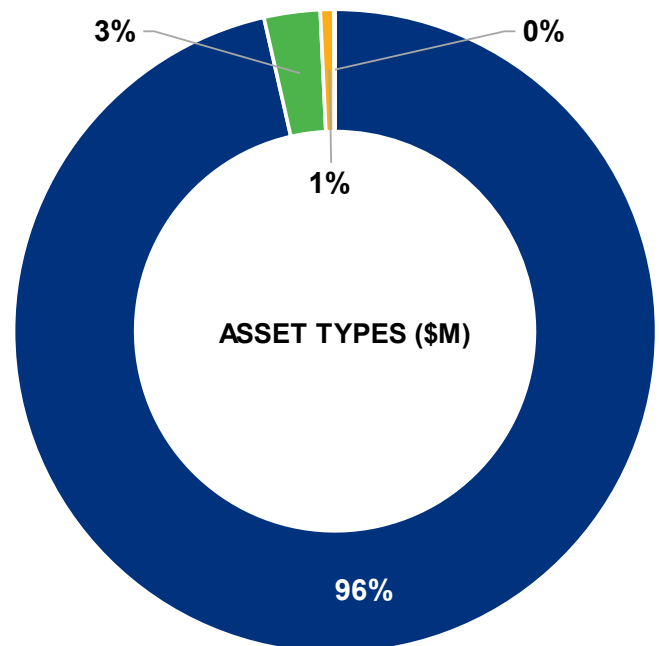
Council's net current assets (that is current assets less current liabilities) are \$19.66 million for 2023-24. Current assets and liabilities are those which are likely to be turned over during the next financial year.

Total Assets

Council's total assets are made up of current assets of \$37.09 million and non-current assets of \$1,005.76 million giving a total of \$1,042.85 million. The non-current assets are infrastructure assets such as roads, bridges, water and wastewater facilities.



- Current Assets (\$37.09M)
- Non-Current Assets (\$1,005.76M)

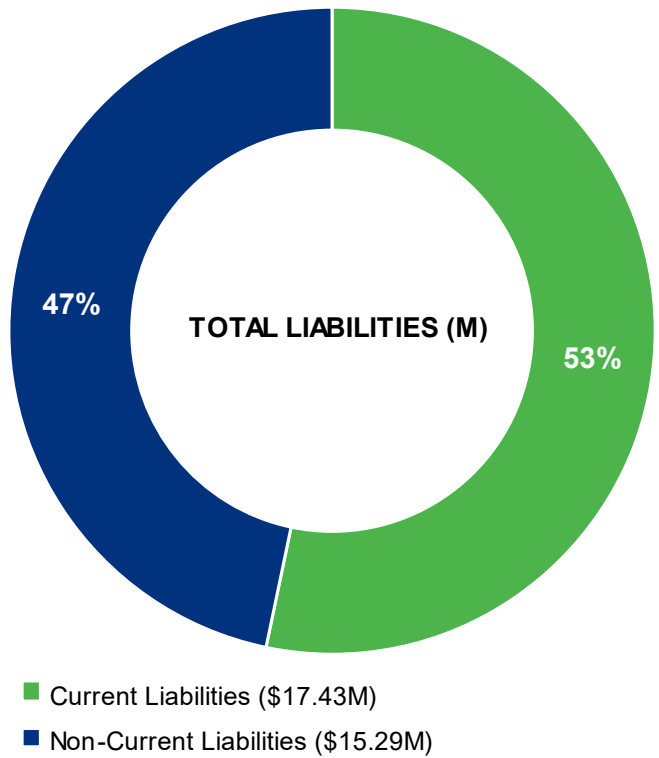


- Property, Plant and Equipment (\$1,005.76M)
- Cash (\$29.42M)
- Receivables, Prepaids, and Contracts (\$7.13M)
- Inventories (\$0.54M)

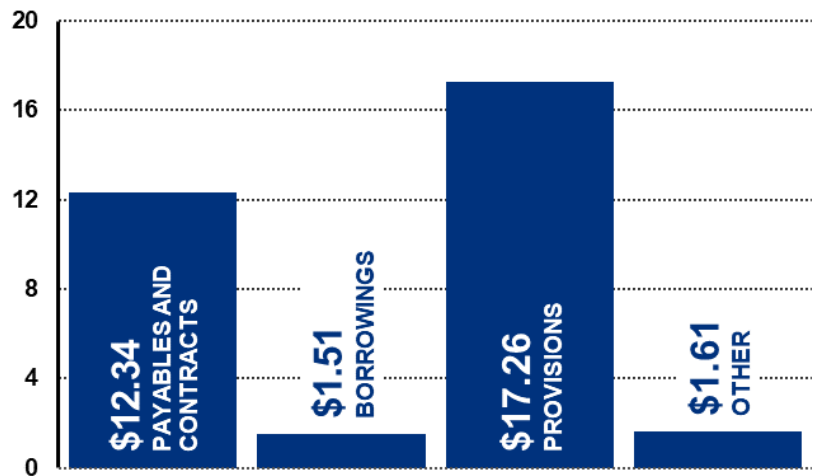
Total Liabilities

Council's total liabilities are made up of current liabilities of \$17.43 million and non-current liabilities of \$15.29 million, giving a total of \$32.71 million.

Borrowings are made up of \$0.17 million in current obligations and \$1.33 million in non-current obligations. Similarly, provisions are made up of \$4.24 million current and \$13.02 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.



2023-24 LIABILITIES (\$M)



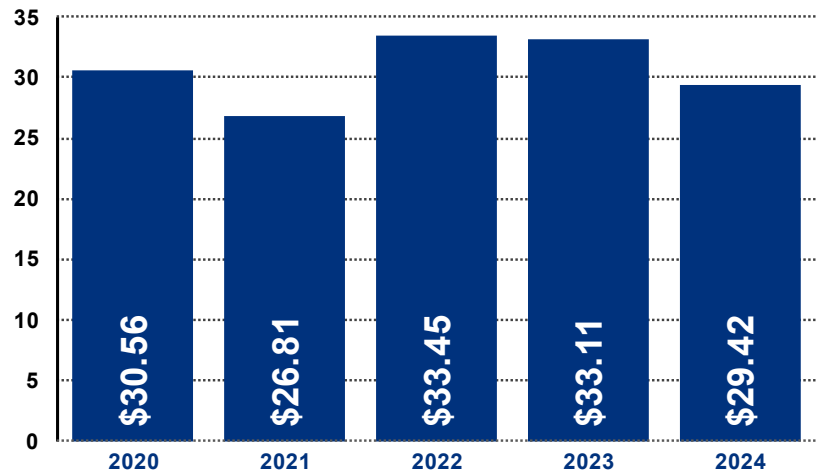
Total Cash and Cash Equivalents

Council delivered \$20.32 million in projects in the 2023-24 financial year. Council had similar cash reserves when compared to 2022-23 and maintained a sufficient cash position at the end of 2023-24 with cash and cash equivalents/financial assets totalling \$29.42 million. After considering externally imposed expenditure restrictions at 30 June 2024, there was \$11.03 million in unrestricted cash.

The decrease in cash reserves between 2023 and 2024 mainly (but not exclusively) relates to the payment of the 2024-25 Financial Assistance Grant after the end of financial year. In prior years, the payment added around \$10 million to Council's cash reserves shortly before the end of the reporting period. This did not occur this reporting period, reducing overall cash reserves at the end of the period.

Council had taken action to improve cashflow management in recent years. Overall, Council maintains sound cash reserves and remains able to meet its immediate obligations.

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



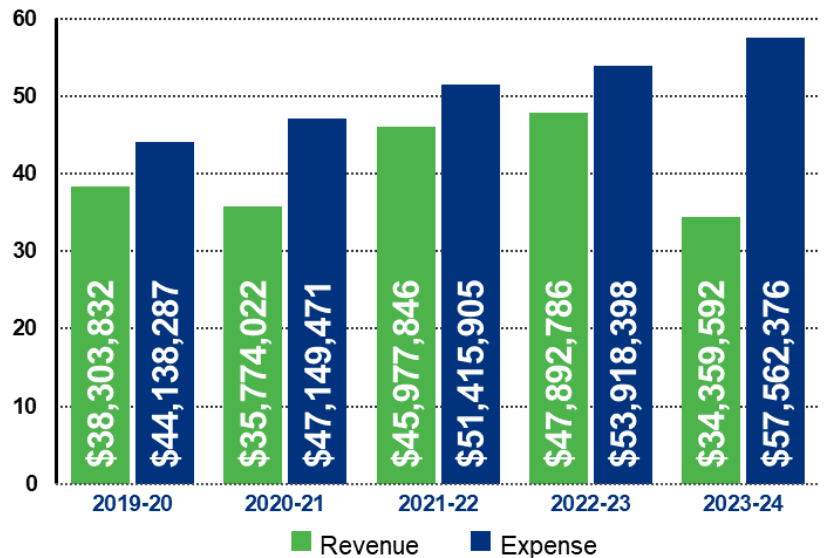
COMPARATIVE TREND ANALYSIS: REVENUE AND EXPENSES

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.

Notably, the 2023-24 operational loss amounts to \$23.20 million. This is mainly due to the timing of the Financial Assistance Grant payment, but is also impacted by unprecedented inflation pressures, impacting the cost of construction material and labour.

EXPENSES AGAINST REVENUE: FIVE-YEAR TREND



2023-24 FINANCIAL RATIO SUMMARY

Purpose: Council is required to outline relevant measures of financial sustainability in accordance with the financial management (sustainability) guideline. This Summary is outlined through the following sections:

- Operating Surplus Ratio
- Operating Cash Ratio (New)
- Unrestricted Cash Expense Coverage Ratio (New)
- Leverage Ratio (New)
- Asset Sustainability Ratio
- Asset Consumption Ratio (New)

Operating Surplus Ratio

Target: greater than -2%

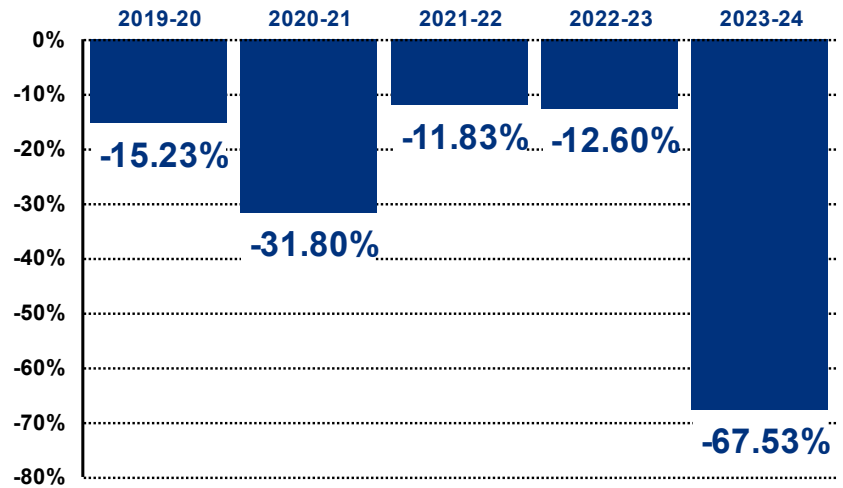
The operating surplus ratio measures the extent to which revenues raised (to cover operating expenses) are available for capital funding and other purposes. It is calculated as net operating result (presented in the income statement) divided by operating revenue. A positive ratio indicates that surplus revenue is available. A negative ratio indicates an operating deficit. In 2023-24, the result worsened compared to 2022-23, impacted primarily by timing of the 2024-25 Financial Assistance Grant payment.

Operating Cash Ratio

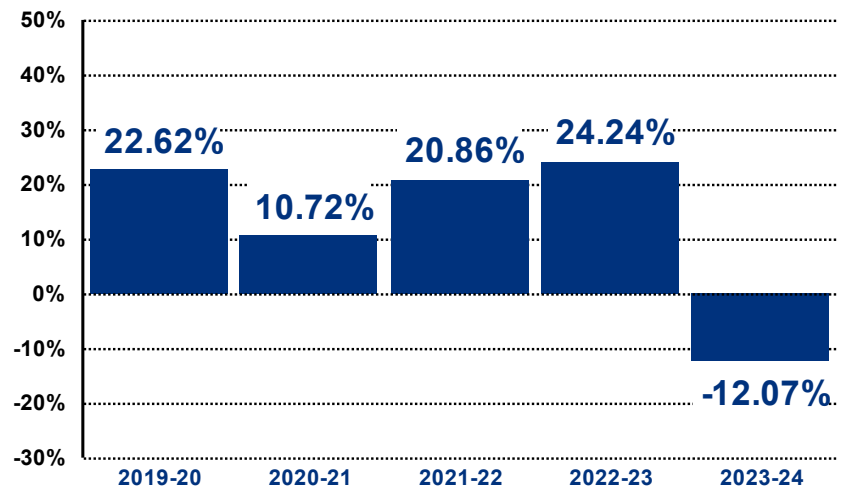
Target: greater than 0%

The operating cash ratio is a measure of Council's ability to cover its core operational expenses and generate a cash surplus from its operating revenue. It excludes non-cash costs, such as depreciation and amortisation, as well as finance costs as a cost of capital. A negative result indicates more cash is being spent on operational activities than is being generated from them, with the shortfall made up from cash reserves, debt, or capital income. Council's 2023-24 result was -12.07%; however, this was adversely impacted by the timing of the 2024-25 Financial Assistance Grant payment, which is a significant operational revenue source.

OPERATING SURPLUS (DEFICIT) RATIO (%)



OPERATING CASH RATIO (%)

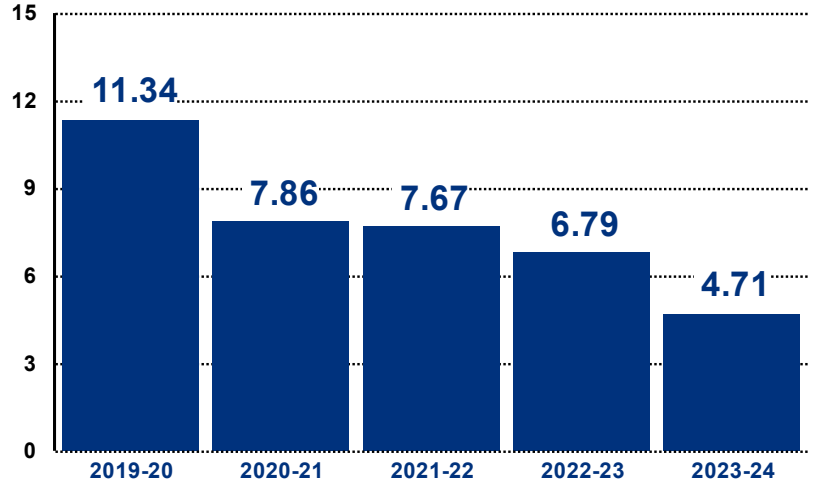


Unrestricted Cash Expense Coverage Ratio

Target: greater than four months

The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months Council can continue operating based on current monthly expenses if no cash inflows were received. As a new measure with point-in-time dependencies, it is not possible to calculate historical outcomes; however, Council's 2023-24 outcome of 4.7 months meets target. This indicates Council can remain operational in the event of short-term delays to revenue, such as the recent delay in the 2024-25 Financial Assistance Grant payment.

UNRESTRICTED CASH EXPENSE COVERAGE RATIO (MONTHS)

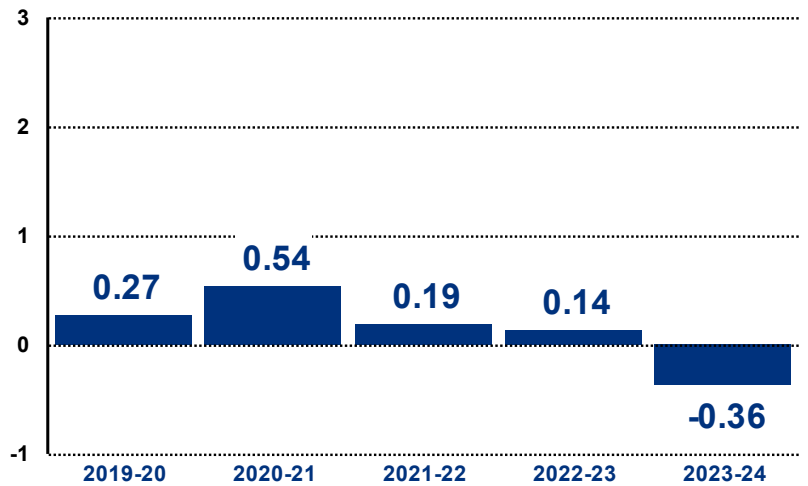


Leverage Ratio

Target: 0-3 times the cash operational result

The leverage ratio is an indicator of Council's ability to repay its existing debt. It measures the relative size of Council's debt to its operating performance. The total value of Council's debt is compared to its operational result, excluding non-cash costs, such as depreciation and amortisation. Council's five-year average result meets target at 0.2 times; however, the 2023-24 result is under target at -0.36. This is mainly due to the delay in payment of the 2024-25 Financial Assistance Grant payment, impacting the overall operating result.

LEVERAGE RATIO (TIMES)



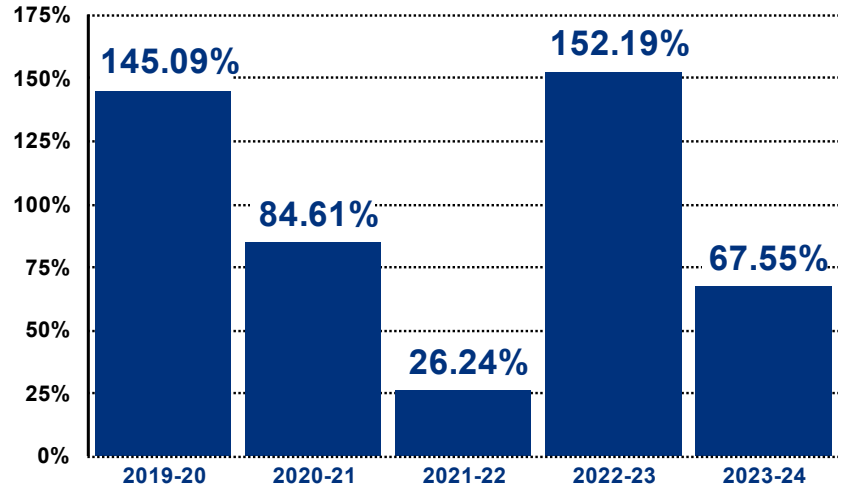
Asset Sustainability Ratio

Target: greater than 90%

The asset sustainability ratio is an approximation of the extent to which the infrastructure 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 2023-24, Council continued to invest Council and external funding directly back into community assets like roads and bridges. The 2023-2024 result of 67.55% is below target as depreciation outflows exceeded capital asset renewals during the period. This may indicate greater capital investment is needed to maintain Council controlled community assets.

Please note: The asset sustainability ratios for 2019-20 through to 2022-23 have been restated to solely include infrastructure assets in accordance with the latest Financial Management (Sustainability) Guideline.

ASSET SUSTAINABILITY RATIO (%)

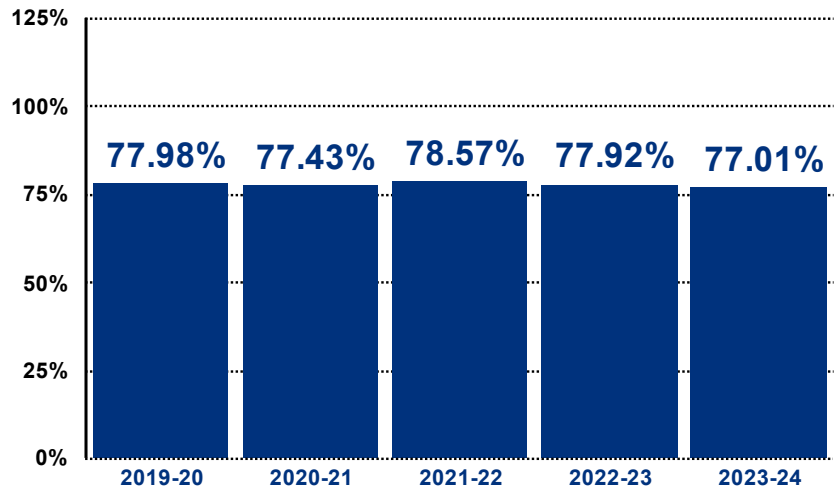


Asset Consumption Ratio

Target: greater than 60%

The asset consumption ratio approximates the extent to which Council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community. A result above target indicates community assets are, on balance, in sound and well-maintained condition, and are not being allowed to deteriorate excessively without intervention. The 2023-24 result of 77.01% comfortably meets target and is marginally below Council's five year average of 77.78%. This is in line with the periodic consumption of assets over their useful lives.

ASSET CONSUMPTION RATIO (%)



2023-24 CONTEXT RATIO SUMMARY

Purpose: Council is required to outline relevant context measures relating to financial sustainability in accordance with the financial management (sustainability) guideline. These context measures are outlined in the following sections:

- Council Controlled Revenue Ratio (New)
- Population Growth Ratio (New)

As these are contextual measures, there is no set target.

Council Controlled Revenue Ratio

The Council-controlled revenue ratio is an indicator of Council's ability to influence its operating revenue and respond to unexpected financial shocks. A lower rate indicates a council has limited capacity to influence its operating revenue and is more reliant on external funding sources, which are usually less reliable.

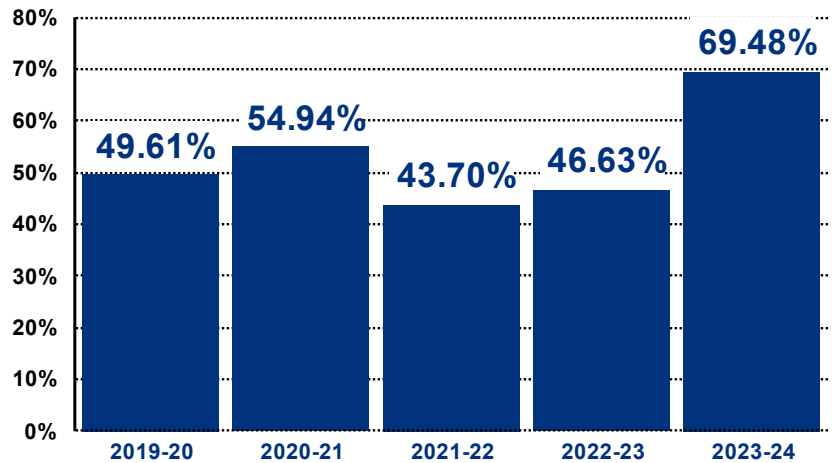
Council's 2023-24 result of 69.48% is higher compared to previous periods. Due to the delayed payment of the 2024-25 Financial Assistance Grant, rating revenue accounted for an unusually high percentage of total income, inflating the 2023-24 result. Council is moderately dependent on external funding sources, and reductions to these sources are a risk for Council.

Population Growth Ratio

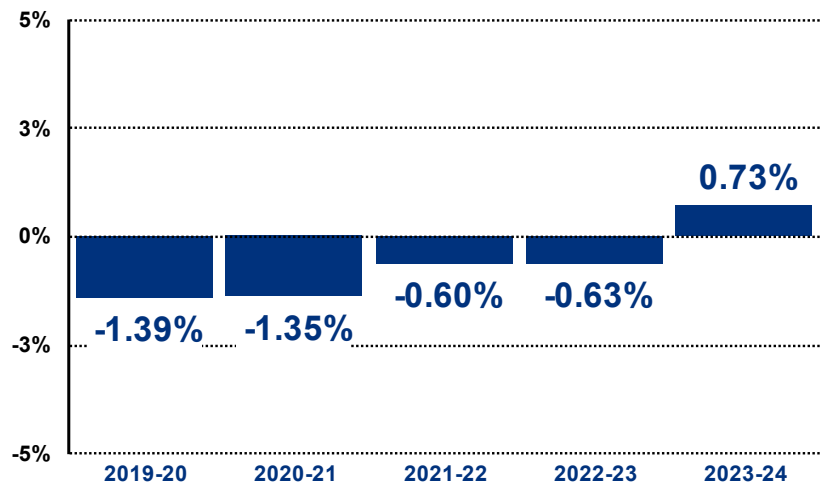
Population growth is a key driver of any council's operating income, service needs, and infrastructure requirements into the future. A growing population increases capacity to generate revenue, but also puts demands on infrastructure and services. On the other hand, declining population restricts revenue generation, and over time, a council will need to adjust its capital and operating expenses to reflect reduced demands. The measure is also limited by the availability of estimated population data and will not reflect the current reporting period.

While the population in the North Burnett has been declining, wider population demands across Queensland have seen minor growth in recent years. This trend will continue to be monitored.

COUNCIL CONTROLLED REVENUE RATIO (%)



POPULATION GROWTH RATIO (%)



**ANNEXURE A –
AUDITED FINANCIAL STATEMENTS
(INCLUDING FINANCIAL
SUSTAINABILITY STATEMENTS)**

For the period 1 July 2023 to 30 June 2024



North Burnett Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



General Purpose Financial Statements

for the year ended 30 June 2024

Primary Financial Statements

Statement of Comprehensive Income	34
Statement of Financial Position	35
Statement of Changes in Equity	36
Statement of Cash Flows	37

Notes to the Financial Statements

1	Information about these financial statements	38
2	Analysis of results by function	39
3	Revenue	41
4	Interest and other income	44
5	Employee benefits	44
6	Materials and services	45
7	Finance costs	45
8	Capital expenses	46
9	Cash and cash equivalents	46
10	Receivables	48
11	Inventories	49
12	Other assets	50
13	Property, plant and equipment	51
14	Contract balances	64
15	Payables	64
16	Borrowings	65
17	Provisions	66
18	Other liabilities	68
19	Asset revaluation surplus	68
20	Commitments for expenditure	69
21	Contingent liabilities	69
22	Superannuation – regional defined benefit fund	70
23	Reconciliation of net result for the year to net cash inflow (outflow) from operating activities.	71
24	Reconciliation of liabilities arising from finance activities	72
25	Events after the reporting period	72
26	Financial instruments and financial risk management	72
27	Transactions with related parties	75

Management Certificate 78**Independent Auditor's Report 79****Current Year Financial Sustainability Statement for the year ended 30 June 2024 82**

Certificate of Accuracy (audited ratios)	84
Independent Auditor's Report - Current Year Financial Sustainability Statement	85
Certificate of Accuracy (contextual ratios - unaudited)	89

Unaudited Long Term Financial Sustainability Statement 90

Certificate of Accuracy - Long Term Financial Sustainability Statement	93
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Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	21,986,919	20,453,371
Fees and charges	3b	1,783,455	1,840,005
Sales revenue	3c	3,861,972	3,914,082
Grants, subsidies and contributions	3d	3,470,648	19,188,948
Total recurrent revenue		31,102,994	45,396,406
Capital revenue			
Grants, subsidies and contributions	3d	13,224,263	6,273,089
Total capital revenue		13,224,263	6,273,089
Interest received	4a	1,697,301	1,016,079
Other income	4b	1,559,297	1,480,301
Total income		47,583,855	54,165,875
Expenses			
Recurrent expenses			
Employee benefits	5	16,566,935	15,447,521
Materials and services	6	21,877,118	20,818,072
Finance costs	7	104,734	106,674
Depreciation of property, plant and equipment		19,013,589	17,546,131
Total recurrent expenses		57,562,376	53,918,398
Capital Expenses	8	2,440,009	2,439,095
Total expenses		60,002,385	56,357,493
Net Result		(12,418,530)	(2,191,618)
Other comprehensive income			
Items that will not be reclassified to the net result			
Increase/(decrease) in asset revaluation surplus	19	38,619,327	63,037,421
Total other comprehensive (loss) / income for the year		38,619,327	63,037,421
Total comprehensive (loss) / income for the year		26,200,797	60,845,803

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

Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	9	25,421,745	29,109,013
Financial assets	9	4,000,000	4,000,000
Receivables	10	2,171,119	2,294,973
Inventories	11	538,991	448,370
Contract assets	14	3,355,361	5,747,259
Other financial assets	12	1,605,928	1,179,037
Total current assets		37,093,144	42,778,652
Non-current assets			
Property, plant and equipment	13	1,005,760,085	969,150,306
Total non-current assets		1,005,760,085	969,150,306
Total Assets		1,042,853,229	1,011,928,958
Current liabilities			
Payables	15	6,291,797	3,610,546
Contract liabilities	14	6,047,622	3,918,534
Borrowings	16	169,826	155,244
Provisions	17	4,237,915	4,060,201
Other liabilities	18	682,224	716,638
Total current liabilities		17,429,384	12,461,163
Non-current liabilities			
Borrowings	16	1,334,866	1,512,595
Provisions	17	13,021,938	12,702,184
Other liabilities	18	928,682	1,315,454
Total non-current liabilities		15,285,486	15,530,233
Total Liabilities		32,714,870	27,991,396
Net community assets		1,010,138,359	983,937,562
Community equity			
Asset revaluation surplus	19	278,414,137	239,794,810
Retained deficiency		(52,432,220)	(40,013,690)
Capital		784,156,442	784,156,442
Total community equity		1,010,138,359	983,937,562

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

Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	Asset revaluation surplus \$	Retained deficiency \$	Capital \$	Total equity \$
Balance as at 1 July 2023		239,794,810	(40,013,690)	784,156,442	983,937,562
Net result		–	(12,418,530)	–	(12,418,530)
Other comprehensive income for the year					
- Increase in asset revaluation surplus	19	38,619,327	–	–	38,619,327
Total comprehensive (loss) / income for the year		38,619,327	(12,418,530)	–	26,200,797
Balance as at 30 June 2024		278,414,137	(52,432,220)	784,156,442	1,010,138,359
Balance as at 1 July 2022		176,757,389	(37,822,072)	784,156,442	923,091,759
Net result		–	(2,191,618)	–	(2,191,618)
Other comprehensive income for the year					
- Increase 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 2023		239,794,810	(40,013,690)	784,156,442	983,937,562

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

Statement of Cash Flows

for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		29,103,526	28,799,920
Payments to suppliers and employees		(35,953,733)	(37,726,285)
		<u>(6,850,207)</u>	<u>(8,926,365)</u>
Receipts			
Interest received		1,697,301	1,016,079
Rental income		224,243	225,510
Grants and contributions		8,323,334	17,780,885
Other		149,716	–
Payments			
Finance costs		(100,511)	(17,567)
Net cash inflow from operating activities	23	<u>3,443,876</u>	<u>10,078,542</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property, plant and equipment		1,333,095	2,281,155
Capital grants, subsidies, contributions and donations		12,042,763	6,273,089
Payments			
Payments for property, plant and equipment		(20,343,855)	(18,821,811)
Net cash inflow from investing activities		<u>(6,967,997)</u>	<u>(10,267,567)</u>
Cash outflows from financing activities			
Payments			
Repayment of borrowings		(163,147)	(156,497)
Net cash outflow from financing activities		<u>(163,147)</u>	<u>(156,497)</u>
Net increase/(decrease) in cash and cash equivalents held		<u>(3,687,268)</u>	<u>(345,522)</u>
Cash and cash equivalents at beginning of financial year		29,109,013	29,454,535
Cash and cash equivalents at the end of the financial year	9	<u>25,421,745</u>	<u>29,109,013</u>

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

North Burnett Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

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 2023 to 30 June 2024. 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 2023. None of the standards had an impact on the reported position, performance and cash flows.

The adoption of the revisions to AASB 101 Presentation of Financial Statements resulted in disclosure of material accounting policy information only rather than significant accounting policies. This means that accounting policy information is disclosed only if it relates to material transactions, other events or conditions and:

a) Council has changed accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements.

b) Council chose (or was mandated to use) the accounting policy from one or more options permitted by Australian Accounting Standards.

c) The accounting policy was developed in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors in the absence of an Australian Accounting Standard that specifically applies.

d) The accounting policy relate to an area for which a Council is required to make significant judgements or assumptions in applying an accounting policy, and the Council discloses those judgements or assumptions in the financial statements.

e) The accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions.

(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 2024. 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 risk management (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 2024

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.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Analysis of results by function (continued)

(b) Analysis of results by function

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net result	Total Assets
	Recurrent grants	Recurrent other	Capital grants	Capital other		Recurrent	Capital				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2024											
Corporate governance	934,012	13,360,106	–	–	14,294,118	(9,418,449)	–	(9,418,449)	4,875,669	4,875,669	56,350,248
Business services and finance	–	149,814	–	–	149,814	(2,751,364)	–	(2,751,364)	(2,601,550)	(2,601,550)	3,594,552
Community services	71,477	1,362,477	–	–	1,433,954	(5,233,069)	–	(5,233,069)	(3,799,115)	(3,799,115)	31,444,699
Construction and maintenance	–	170,065	–	–	170,065	(2,297,584)	(2,006,719)	(4,304,303)	(2,127,519)	(4,134,238)	39,687,024
Planning and development	–	317,153	–	–	317,153	(1,292,721)	–	(1,292,721)	(975,568)	(975,568)	–
Transport infrastructure	2,449,382	4,158,410	135,297	8,236,427	14,979,516	(25,053,186)	(79,289)	(25,132,475)	(18,445,394)	(10,152,959)	836,630,048
Waste management	15,777	4,330,549	389,910	–	4,736,236	(4,251,266)	(354,001)	(4,605,267)	95,060	130,969	3,335,068
Water infrastructure	–	4,492,151	3,231,985	–	7,724,136	(5,113,603)	–	(5,113,603)	(621,452)	2,610,533	37,244,693
Sewerage infrastructure	–	2,548,219	1,230,644	–	3,778,863	(2,151,134)	–	(2,151,134)	397,085	1,627,729	34,566,897
Total Council	3,470,648	30,888,944	4,987,836	8,236,427	47,583,855	(57,562,376)	(2,440,009)	(60,002,385)	(23,202,784)	(12,418,530)	1,042,853,229
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	1,229,635	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	1,229,635	54,079,106	(53,831,629)	(2,439,095)	(56,270,724)	(6,025,612)	(2,191,618)	1,011,928,958

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Revenue

	2024	2023
	\$	\$
(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	11,859,688	11,268,351
Water supply services	2,498,777	2,380,901
Water consumption	1,949,112	1,532,287
Sewerage services	2,645,937	2,520,433
Waste management services	3,263,386	3,081,699
Local disaster management levy	136,621	102,186
Natural resource management levy	440,070	418,895
Special levy Mt Perry	27,942	28,288
Total rates and utility charge revenue	22,821,533	21,333,040
Less: discounts	(834,614)	(879,669)
Total rates, levies and charges	21,986,919	20,453,371

(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.

	2024	2023
	\$	\$
Building and development fees	253,248	284,404
Licences and registrations	95,349	76,337
Community service fees	213,445	225,566
Caravan parks	724,416	709,977
Water and sewer fees	68,131	75,095
Trade waste and recycling	218,009	249,209
Other fees and charges	210,857	219,417
Total fees and charges	1,783,455	1,840,005

Notes to the Financial Statements

for the year ended 30 June 2024

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.

	2024	2023
	\$	\$
Rendering of services		
Contracts and recoverable works		
- Transport and main roads	3,736,794	3,806,106
- Private works	125,178	107,976
Total sales revenue	<u>3,861,972</u>	<u>3,914,082</u>

(d) Grants, subsidies, contributions and donations**Grant income under AASB 15 Revenue from Contracts with Customers**

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 Income of Not-for-Profit Entities

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 2024

Note 3. Revenue (continued)

Commonwealth Financial Assistance Grant

In June 2023, Council received an amount of \$12,310,056 being an advance payment of the 2023-24 Commonwealth Financial Assistance Grant allocation. As these grants are considered untied grants, they were recognised upon receipt in the 2022-23 financial year. In the 2023-24 financial year, Council did not receive any such advance grant funding and as such, there is a decrease in Council's revenue.

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.

	2024	2023
	\$	\$
(i) Operating		
General purpose grants	539,652	14,518,329
State government subsidies and grants	921,625	597,141
Commonwealth government subsidies and grants	1,977,410	4,026,263
Contributions	31,961	47,215
Total recurrent grants, subsidies, contributions and donations	3,470,648	19,188,948

(ii) Capital

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

State government subsidies and grants	1,699,063	299,418
Commonwealth government subsidies and grants	3,288,773	4,744,036
Contributions	1,181,500	–
Flood damage claims	7,054,927	1,229,635
Total capital grants, subsidies, contributions and donations	13,224,263	6,273,089

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

	Notes	2024		2023	
		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	3,115,744	12,397,667	19,396,480	5,903,384
Other		1,181,500	–	162,173	–
		4,297,244	12,397,667	19,558,653	5,903,384

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. Interest and other income

	2024	2023
	\$	\$
(a) Interest received		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest received from term deposits	1,584,571	914,887
Interest from overdue rates and utility charges	112,730	101,192
Total interest received	1,697,301	1,016,079
(b) Other income		
Bus revenue	590,063	570,807
Reginald Murray Williams Centre sales, levies, other sundry income	546,684	505,262
State waste levy	422,550	404,232
Total other income	1,559,297	1,480,301

Note 5. Employee benefits

	2024	2023
	\$	\$
Employee benefit expenses are recorded when the service has been provided by the employee.		
Staff wages and salaries	12,036,541	11,591,962
Councillors' remuneration	467,507	451,766
Annual, sick and long service leave entitlements	2,057,661	2,102,632
Termination benefits	311,717	43,623
Superannuation	1,621,523	1,528,056
	16,494,949	15,718,039
Other employee related expenses	693,220	578,215
	17,188,169	16,296,254
Less: capitalised employee expenses	(621,234)	(848,733)
Total Employee benefits	16,566,935	15,447,521

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 2024

Note 5. Employee benefits (continued)

	2024 Number	2023 Number
Additional information:		
Total Council employees at the reporting date:		
Elected members	7	7
Administration staff	95	87
Depot and outdoors staff	75	72
Trainee staff	9	6
Total full time equivalent employees	186	172

Note 6. Materials and services

	2024 \$	2023 \$
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Audit Fees	135,950	174,210
Community services	3,006,875	3,012,963
Corporate governance	5,359,219	4,624,006
Planning and development	847,145	563,795
Sewerage infrastructure	700,481	689,705
Transport infrastructure	6,716,357	6,699,739
Waste management	2,856,468	2,958,266
Water infrastructure	2,254,623	2,095,388
Total materials and services	21,877,118	20,818,072

Total audit fee quoted by the Queensland Audit Office relating to the 2023-24 financial statements \$135,000 (2023: \$130,800).

Note 7. Finance costs

	2024 \$	2023 \$
Finance costs charged by the Queensland Treasury Corporation	61,174	67,825
Bank charges	39,337	36,511
Unwinding of discount on provisions	4,223	2,338
Total finance costs	104,734	106,674

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Capital expenses

	Notes	2024 \$	2023 \$
(a) Loss on disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		1,333,095	2,281,155
Less: carrying value of disposed property, plant and equipment	13	(3,339,814)	(4,713,146)
Loss on disposal of non-current assets		<u>2,006,719</u>	<u>2,431,991</u>
(b) Provision for restoration of land			
Landfill waste restoration		354,000	(52,684)
Gravel quarry rehabilitation		79,290	59,788
	17	<u>433,290</u>	<u>7,104</u>
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		<u>2,440,009</u>	<u>2,439,095</u>

Note 9. Cash and cash equivalents

	2024 \$	2023 \$
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques received but not banked at the year end, deposits held at call and cash on hand.		
Cash and cash equivalents		
Cash at bank	844,353	969,379
Cash on hand	5,950	6,050
Deposits at call	24,571,442	28,133,584
Balance per Statement of Financial Position	<u>25,421,745</u>	<u>29,109,013</u>
Balance per Statement of Cashflows	<u>25,421,745</u>	<u>29,109,013</u>
Financial assets		
Term deposits	4,000,000	4,000,000
Total financial assets	<u>4,000,000</u>	<u>4,000,000</u>

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	25,421,745	29,109,013
Less: externally imposed restrictions on cash	(14,388,992)	(12,624,486)
Unrestricted cash	<u>11,032,753</u>	<u>16,484,527</u>

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 2024

Note 9. Cash and cash equivalents (continued)

	2024	2023
	\$	\$
(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent recurrent government grants and subsidies	98,651	457,992
Unspent capital government grants and subsidies	4,638,090	2,979,747
Landfill Management Levy	8,287,088	7,448,743
Waste Management Levy	1,365,163	1,738,004
Total externally imposed restrictions on cash assets	14,388,992	12,624,486

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

Council has received in advance \$1,738,004 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

576,848	655,571
576,848	655,571

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Receivables

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.

	2024	2023
	\$	\$
Current		
Rates and charges	1,277,824	1,143,025
Other debtors	1,055,856	1,464,225
Total	2,333,680	2,607,250
less: Loss allowance	(162,561)	(312,277)
Total current receivables	2,171,119	2,294,973

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 and relevant judgements in relation to expected credit loss has been made for each group.

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 2024

Note 10. Receivables (continued)

	2024	2023
	\$	\$
Movement in accumulated impairment losses is as follows:		
Opening balance at 1 July	312,667	500,943
Less		
Impaired debts written off during the year	–	(101,897)
Add		
Additional impairments recognised	–	203,487
Impairments provided for but recovered during the year	(149,716)	(289,866)
Closing balance at 30 June	162,951	312,667

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.

	2024	2023
	\$	\$
(a) Inventories held for sale		
Inventories - Held for sale	18,786	11,181
	18,786	11,181
(b) Inventories held for distribution		
Quarry and road materials	76,587	30,854
Plant and equipment stores	443,618	406,335
Total current inventories	538,991	448,370

Notes to the Financial Statements

for the year ended 30 June 2024

Note 12. Other assets

	2024	2023
	\$	\$
Current		
Water charges not yet levied	834,824	857,757
GST recoverable	177,005	4,140
Prepayments	594,099	317,140
Total current other assets	<u>1,605,928</u>	<u>1,179,037</u>

Notes to the Financial Statements
for the year ended 30 June 2024

Note 13. Property, plant and equipment

	Land and improvements \$	Landfill Cells \$	Buildings \$	Plant and equipment \$	Road, drainage and bridge network \$	Water \$	Sewerage \$	Other infrastructure assets \$	Work in progress \$	Total \$
2024										
Measurement basis	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Fair value category	Level 2	Level 2	Level 2 & 3		Level 3	Level 3	Level 3	Level 3		
Opening gross balance as at 1 July	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
Additions	–	–	226,227	1,644,320	4,761,749	7,363,581	215,719	241,670	5,862,653	20,315,919
Disposals	(547,500)	–	(2,785,527)	(2,721,086)	(2,813,225)	(1,016,128)	(181,381)	(1,154,389)	–	(11,219,236)
Revaluation adjustment to other comprehensive income (asset revaluation surplus)	1,506,934	–	5,669,034	–	37,789,990	2,559,485	1,961,601	1,288,683	–	50,775,727
Transfers between classes	–	–	–	–	–	–	–	–	–	–
Closing gross value as at 30 June	16,005,434	4,448,764	86,106,421	26,578,576	971,235,165	84,964,944	62,133,423	45,604,158	10,932,977	1,308,009,862
Opening accumulated depreciation as at 1 July	–	3,575,250	46,133,608	13,965,703	125,247,481	36,709,116	31,210,613	22,145,375	–	278,987,146
Depreciation expense	–	294,493	1,888,826	1,800,521	10,924,941	1,614,382	897,432	1,592,994	–	19,013,589
Depreciation on disposals	–	–	(2,254,061)	(1,906,605)	(1,743,205)	(873,493)	(156,422)	(973,572)	–	(7,907,358)
Revaluation adjustment to asset revaluation surplus	–	–	3,684,354	–	5,467,420	1,235,088	1,041,623	727,915	–	12,156,400
Transfers between classes	–	–	–	–	–	–	–	–	–	–
Accumulated depreciation as at 30 June	–	3,869,743	49,452,727	13,859,619	139,896,637	38,685,093	32,993,246	23,492,712	–	302,249,777
Carrying amount as at 30 June	16,005,434	579,021	36,653,694	12,718,957	831,338,528	46,279,851	29,140,177	22,111,446	10,932,977	1,005,760,085
Range of estimated useful life years										
*Asset additions comprise										
Asset renewals	–	–	226,227	–	3,580,249	7,363,581	215,719	241,670	5,862,653	17,490,099
Other additions	–	–	–	1,644,320	1,181,500	–	–	–	–	2,825,820
Total asset additions	–	–	226,227	1,644,320	4,761,749	7,363,581	215,719	241,670	5,862,653	20,315,919

Notes to the Financial Statements
for the year ended 30 June 2024

Note 13. Property, plant and equipment (continued)

	Land and improvements \$	Landfill Cells \$	Buildings \$	Plant and equipment \$	Road, drainage and bridge network \$	Water \$	Sewerage \$	Other infrastructure assets \$	Work in progress \$	Total \$
2023										
Measurement basis	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Fair value category	Level 2	Level 2	Level 2 & 3		Level 3	Level 3	Level 3	Level 3		
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	2,923,628	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	1,517,280	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 years										
*Asset additions comprise										
Asset renewals	–	–	421,942	–	15,250,045	–	285,593	36,346	330,853	16,324,779
Other additions	16,250	–	–	2,480,783	–	–	–	–	–	2,497,033
Total asset additions	16,250	–	421,942	2,480,783	15,250,045	–	285,593	36,346	330,853	18,821,812

(*) 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 2024

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 2024

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).

There were no transfers between levels during the year.

Notes to the Financial Statements
for the year ended 30 June 2024

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	Shepherds Services Pty Ltd completed a comprehensive valuation of the land asset class at 30 June 2023. The asset inspection and specific valuations were completed by Herron Todd White. A desktop indexation assessment completed by Shepherd Services Pty Ltd was completed using the Valuer-General Property Market Movement Report. The estimated index from June 2023 to June 2024 was 12.6%.	Assets inspected June 2023, and review of conditions, and estimated useful life completed.

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.

Notes to the Financial Statements

for the year ended 30 June 2024

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
Landfill cells (level 2)	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 and review of conditions, and estimated useful life completed.

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 2029, Biggenden 2028, Eidsvold 2027, Mt. Perry 2025, Monto 2026, and Mundubbera existing site 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 Certified Agreement.

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.

Notes to the Financial Statements

for the year ended 30 June 2024

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) 2024: \$ 2,424,803 2023: \$ 2,341,895	Market value	30/06/2021	AssetVal Pty Ltd	The desktop indexation assessments completed by Shepherd Services Pty Ltd are based on the Australian Bureau of Statistics indexes, ABS Catalogues, 6427.0 Producer Price Indexes, Australia. Table 17. Index Number 3020, "Non-residential building construction". The estimated index from June 2023 to June 2024 was 8.05%.	Not Applicable

Key assumptions and estimates (related data sources)

The fair value of buildings were also determined by an independent qualified valuer, AssetVal Pty Ltd effective 30 June 2021. Where there is a market for Council building assets, they are categorised as non-specialised buildings and fair value is derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size (level 2). The most significant inputs into this valuation approach were price per square metre.

Notes to the Financial Statements

for the year ended 30 June 2024

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) 2024: \$ 34,228,891 2023: \$ 34,521,184	Current replacement cost	30/06/2021	AssetVal Pty Ltd	The desktop indexation assessments completed by Shepherd Services Pty Ltd are based on the Australian Bureau of Statistics indexes, ABS Catalogues, 6427.0 Producer Price Indexes, Australia. Table 17. Index Number 3020, "Non-residential building construction". The estimated index from June 2023 to June 2024 was 8.05%.	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).

Notes to the Financial Statements

for the year ended 30 June 2024

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 2023 to June 2024 was 4.06%.	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,

Notes to the Financial Statements

for the year ended 30 June 2024

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>					

Notes to the Financial Statements

for the year ended 30 June 2024

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 2023 to June 2024 was 3.26%.	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.

Notes to the Financial Statements

for the year ended 30 June 2024

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 2023 to June 2024 was 3.26%.	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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 13. Property, plant and equipment (continued)

<u>Asset class and fair value hierarchy</u>	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
<p>well as observing the pattern of service potential exhibited for equivalent assets within the geographical area (climate, usage, public expectations etc.). Inputs were reviewed by Council for appropriateness and alignment with asset management policies.</p>					
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 2023 to June 2024 was 3.26%.	Not Applicable

Key assumptions and estimates (related data sources)

Assets within this class comprise tennis courts, cricket nets, synthetic surfaces, BBQ's, swimming pools, regional sporting facilities, park and gardens and playgrounds. The fair value of other infrastructure assets were also determined by an independent qualified valuer, AssetVal Pty Ltd effective 30 June 2021. While some elements of current replacement values could be supported from market evidence (Level 2 input), other inputs such as estimates of pattern of consumption, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 14. Contract balances

	2024 \$	2023 \$
(a) Contract assets		
Contract assets	3,355,361	5,747,259
	<u>3,355,361</u>	<u>5,747,259</u>
(b) Contract liabilities		
Funds received upfront to construct NBRC controlled assets	5,857,020	3,396,232
Non-capital performance obligations not yet satisfied	190,602	522,302
	<u>6,047,622</u>	<u>3,918,534</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>2,695,503</u>	<u>1,647,163</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) with an outstanding liability as at 30 June 2024 of \$4,701,213 and 2022-24 Local Government Grants and Subsidies Program with an outstanding liability as at 30 June 2024 of \$943,570. Included in contract asset balances as at 30 June 2024 were works completed for Building Better Regions Fund - Infrastructure Projects Stream funding arrangements for the Biggenden Water Treatment Plant with a value of \$1,189,942. Also included in the contract asset balances as at 30 June 2024 is a balance of \$1,136,005 expected in relation to works completed under the Local Roads Community Infrastructure funding arrangement within 2024. In addition, the contract assets balances as at 30 June 2024 included a balance of \$630,643 for Building our Region - Drinking Water Safety.

Note 15. Payables

	2024 \$	2023 \$
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	4,788,536	1,374,454
Prepaid rates	1,078,038	977,224
Accrued wages and salaries	146,105	132,653
Accrued expenses	201,517	1,063,947
Other creditors	77,601	62,268
Total current payables	<u>6,291,797</u>	<u>3,610,546</u>

Notes to the Financial Statements

for the year ended 30 June 2024

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.

	2024 \$	2023 \$
Current		
Loans - Queensland Treasury Corporation	169,826	155,244
Total current borrowings	<u>169,826</u>	<u>155,244</u>
Non-current		
Loans - Queensland Treasury Corporation	1,334,866	1,512,595
Total non-current borrowings	<u>1,334,866</u>	<u>1,512,595</u>
Reconciliation of Loan Movements for the year		
Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	1,667,839	1,824,336
Principal repayments	(163,147)	(156,497)
Book value at end of financial year	<u>1,504,692</u>	<u>1,667,839</u>
Future contractual cash flows		
0 to 1 year	224,322	224,322
1 to 5 years	725,358	794,333
Over 5 years	843,026	998,373
Contractual cash flows	<u>1,792,706</u>	<u>2,017,028</u>
Carrying amount	<u>1,504,692</u>	<u>1,667,839</u>
Fair value	<u>1,415,204</u>	<u>1,584,241</u>

The QTC loan market value at the reporting date was \$1,415,204 (2023: \$1,584,241). 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 2024 or 2023 financial years.

Notes to the Financial Statements

for the year ended 30 June 2024

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 and Infrastructure 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 2023-24.

- 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. NBRC will review the affected areas and obligations during 2024-25.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 17. Provisions (continued)

	2024	2023
	\$	\$
Current		
Annual leave	1,543,034	1,388,189
Long service leave	1,656,232	1,591,193
Quarry rehabilitation	200,000	264,782
Landfill rehabilitation	838,649	816,037
Total current provisions	4,237,915	4,060,201
Non-current		
Long service leave	195,120	224,646
Quarry rehabilitation	642,964	549,676
Landfill rehabilitation	12,183,854	11,927,862
Total non-current provisions	13,021,938	12,702,184

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

Balance at beginning of financial year	814,458	972,500
Additional provision	77,492	58,197
Amounts used	(50,784)	(217,830)
Increase in provision due to unwinding of discount	1,798	1,591
Balance at end of financial year	842,964	814,458

Landfill rehabilitation

Balance at beginning of financial year	12,743,899	12,919,871
Additional provision	175,972	44,736
Amounts used	(79,619)	(125,627)
Increase in provision due to unwinding of discount	4,223	2,338
Increase/(decrease) in provision due to change in discount rate	178,028	(97,419)
Balance at end of financial year	13,022,503	12,743,899

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 18. Other liabilities

	2024	2023
	\$	\$
Current		
Waste Management Levy	436,481	422,550
Monto History and Cultural Centre	1,391	1,017
Mundubbera Art Gallery	8,137	7,800
Bond monies payable	236,215	285,271
Total current other liabilities	682,224	716,638
Non-current		
Waste Management Levy	928,682	1,315,454
Total non-current other liabilities	928,682	1,315,454

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.

	2024	2023
	\$	\$
The closing balance of the asset revaluation surplus comprises the following asset categories:		
- Land and improvements	5,579,953	4,073,020
- Buildings	20,750,152	18,765,471
- Roads, drainage and bridge network	205,759,069	173,436,499
- Water	16,202,576	14,878,179
- Sewerage	21,705,477	20,785,499
- Other infrastructure Assets	8,416,910	7,856,142
Total asset revaluation surplus	278,414,137	239,794,810

Increase/(decrease) in asset revaluation surplus

	Note	2024	2023
		\$	\$
- Land and improvements	13	1,506,933	2,024,242
- Buildings	13	1,984,681	1,858,140
- Roads, drainage and bridge network	13	32,322,570	54,715,900
- Water	13	1,324,397	1,913,466
- Sewerage	13	919,978	1,406,348
- Other infrastructure Assets	13	560,768	1,119,325
		38,619,327	63,037,421

Notes to the Financial Statements

for the year ended 30 June 2024

Note 20. Commitments for expenditure

	2024	2023
	\$	\$
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	112,587	32,385
- Plant and equipment	1,953,173	1,516,417
- Road, drainage and bridge network	4,705,221	387,794
- Waste Management	7,955	86,560
- Water	503,300	3,314,059
- Other	115,515	1,225
Total commitments	7,397,751	5,338,440

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

Within one year	7,397,751	5,338,440
One to 5 years	-	-
Later than 5 years	-	-
Total commitments	7,397,751	5,338,440

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 2024 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 \$401,286 (2023: \$360,733).

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 (2023: \$109,539).

Mundubbera Wash Down Facility

The Mundubbera Wash Down Bay is a non-compliant facility. Council's environmental risk assessment has led to the temporary closure of the facility whilst Council ascertains the potential viability, or otherwise, of the facility. Council is unaware of any liability as at 30 June 2024.

Notes to the Financial Statements

for the year ended 30 June 2024

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 actuarial review is due to be completed by 30 June 2025.

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.

		2024	2023
	Notes	\$	\$
Superannuation contributions made to the Regional Defined Benefits Fund		37,051	40,966
Other superannuation contributions for employees		1,584,472	1,487,090
Total superannuation contributions paid by Council for employees	5	1,621,523	1,528,056

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024	2023
	\$	\$
Net result	<u>(12,418,530)</u>	<u>(2,191,618)</u>
Non-cash items		
Depreciation and amortisation	19,013,589	17,546,131
Impairment of receivables	(149,716)	(86,379)
	<u>18,863,873</u>	<u>17,459,752</u>
Losses/(gains) recognised on fair value re-measurements through the income		
Unwinding of discount rates on reinstatement provisions	433,290	7,104
	<u>433,290</u>	<u>7,104</u>
Investing and development activities:		
Net loss on disposal of non-current assets	2,006,719	2,431,991
Provision for landfill and quarries restoration	47,625	102,933
Capital grants and contributions	(12,042,763)	(6,273,089)
	<u>(9,988,419)</u>	<u>(3,738,165)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	273,570	1,346,109
Increase/(decrease) in provision for doubtful debts	(149,716)	(308,153)
(Increase)/decrease in other assets	(426,891)	(100,985)
(Increase)/decrease in contract assets	2,391,898	(3,092,002)
(Increase)/decrease in inventories	(90,621)	6,107
Increase/(decrease) in payables	3,516,173	(1,834,396)
Increase/(decrease) in contract liabilities	2,129,088	1,782,548
Increase/(decrease) in employee leave entitlements	190,358	303,576
Increase/(decrease) in other liabilities	(1,154,017)	676,850
Increase/(decrease) in provisions	(126,180)	(238,185)
	<u>6,553,662</u>	<u>(1,458,531)</u>
Net cash inflow from operating activities	<u>3,443,876</u>	<u>10,078,542</u>

Notes to the Financial Statements

for the year ended 30 June 2024

Note 24. Reconciliation of liabilities arising from finance activities

	As at 30/06/23		As at 30/06/24
	Opening Balance	Cashflows	Closing balance
	\$	\$	\$
Borrowings	1,667,839	(163,147)	1,504,692
	<u>1,667,839</u>	<u>(163,147)</u>	<u>1,504,692</u>

	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>

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.

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

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

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

Council is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to Council.

NBRC does not enter into derivatives.

Notes to the Financial Statements

for the year ended 30 June 2024

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

Credit risk

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

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

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar State / Commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to financial assets held by NBRC.

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

Liquidity risk

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

NBRC's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Exposure to liquidity risk

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2024

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 \$
2024					
Payables	5,792,729	–	–	5,792,729	6,291,797
Loans - QTC	224,322	725,357	843,026	1,792,705	1,504,692
	<u>6,017,051</u>	<u>725,357</u>	<u>843,026</u>	<u>7,585,434</u>	<u>7,796,489</u>
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>

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 \$
2024					
QTC cash fund	24,571,442	245,714	(245,714)	245,714	(245,714)
Other investments	4,000,000	40,000	(40,000)	40,000	(40,000)
Net total	<u>28,571,442</u>	<u>285,714</u>	<u>(285,714)</u>	<u>285,714</u>	<u>(285,714)</u>
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>

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 2024

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	
		2024	2023	2024	2023
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	9	850,303	975,429	850,303	975,429
QTC cash fund	9	24,571,442	28,133,584	24,571,442	28,133,584
Other financial assets	9	4,000,000	4,000,000	4,000,000	4,000,000
Total financial assets		29,421,745	33,109,013	29,421,745	33,109,013
Financial liabilities					
Loans - QTC	16	1,504,692	1,667,839	1,415,204	1,584,241
Total financial liabilities		1,504,692	1,667,839	1,415,204	1,584,241

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.

	2024	2023
	\$	\$
The following transactions occurred with WBBROC:		
- QRRRF Flood Warning Infrastructure Upgrade Program	-	(40,337)
- NBRC membership contributions	(1,552)	-
	(1,552)	(40,337)

WBBROC is dependent on contributions from member Councils.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 27. Transactions with related parties (continued)

(b) Transactions with key management personnel (KMP)

	2024	2023
	\$	\$
The compensation paid to key management personnel comprises:		
Short-term employee benefits	1,491,676	1,116,092
Post-employment benefits	146,706	106,057
Long-term benefits	8,335	7,689
Termination benefits	299,270	11,233
Total	1,945,987	1,241,071

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	2024	2023
		\$	\$
Fees and charges charged to entities controlled by key management personnel	27(c)(i)	-	607
Employee expenses for close family members of key management personnel	27(c)(ii)	307,458	309,039
Purchase of materials and services from entities controlled by key management personnel	27(c)(iii)	307,717	174,799

(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	2024
		\$
Other fees and charges		-

Notes to the Financial Statements

for the year ended 30 June 2024

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.

General Purpose Financial Statements
for the year ended 30 June 2024

Management Certificate

for the year ended 30 June 2024

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

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

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 2 to 45, 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
17 October 2024



Craig Matheson
Chief Executive Officer
17 October 2024

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.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2024, and of its financial performance for the year then ended; and
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

Basis for opinion

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

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

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

Other information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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 2024 was the current-year financial sustainability statement – audited ratios, current year financial sustainability statement - contextual ratios (unaudited) and unaudited long-term financial sustainability statement.

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

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

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

Responsibilities of the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- 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

21 October 2024

Jacques Coetzee
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Current Year Financial Sustainability Statement for the year ended 30 June 2024

	Target Tier 5	Actual 2024	5 Yr Av. 2020-24
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Audited ratios

Council's performance at 30 June 2024 against key financial ratios and targets.

Liquidity**1. Unrestricted cash expense coverage ratio**

Total cash and equivalents add current investments add available ongoing QTC working capital limit less externally restricted cash

Total operating expenditure less depreciation and amortisation less finance costs

x 12

Greater
Than 4
months4.7
months

N/A

The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses.

Operating Performance**2. Operating surplus ratio**

Operating result

Total operating revenue

Greater
than (2)%

(67.53)%

(27.80)%

The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.

3. Operating cash ratio

Operating result add depreciation and amortisation add finance costs

Total operating revenue

Greater
Than 0%

(12.07)%

13.28%

The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.

Asset management**4. Asset sustainability ratio**

Capital expenditure on replacement of infrastructure assets (renewals)

Depreciation expenditure on infrastructure assets

Greater
than 90%

67.55%

95.14%

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives.

5. Asset consumption ratio

Written down replacement cost of depreciable infrastructure assets

Current replacement cost of depreciable infrastructure assets

Greater
than 60%

77.01%

77.78%

The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

	Target Tier 5	Actual 2024	5 Yr Av. 2020-24
Debt servicing capacity			
6. Leverage ratio			
Book value of debt			
Total operating revenue less total operating expenditure add depreciation and amortisation	0-3 times	(0.4) times	0.2 times

The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance.

Note 1 - basis of preparation

The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 6 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 2024.

Certificate of Accuracy (audited ratios)

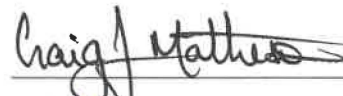
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

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

17 October 2024



Craig Matheson
Chief Executive Officer

17 October 2024

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 2024, 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 2024 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 (including Independence Standards)* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2024 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial sustainability statement and our auditor's report thereon.

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 2024 was the general-purpose financial statements, current-year financial sustainability statement - contextual ratios (unaudited) and the unaudited long-term financial sustainability statement.

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

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

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

Responsibilities of the 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.

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

Jacques Coetzee
as delegate of the Auditor-General

21 October 2024
Queensland Audit Office
Brisbane

Current Year Financial Sustainability Statement for the year ended 30 June 2024

	Target Tier 5	Actual 2024	5 Yr Av. 2020-24
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Contextual ratios (unaudited)

Financial Capacity

1. Council controlled revenue

Net rates, levies and charges add fees and charges			
Total operating revenue	N/A	69.48%	53.00%

Council controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.

2. Population growth

Prior year estimated population			
Previous year estimated population	-1	N/A	0.73% (0.65)%

Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future.

Asset management

Note 1 - basis of preparation

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 3 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 2024.

Certificate of Accuracy (contextual ratios - unaudited)

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

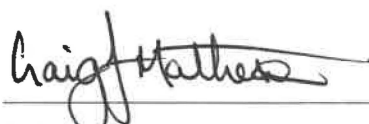
In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability statement has been accurately calculated.



CR Les Hotz

Mayor

17 October 2024



Craig Matheson

Chief Executive Officer

17 October 2024

Unaudited Long Term Financial Sustainability Statement

	Target 2024	Actual 2024	2025	2026	2027	2028	Forecast				
							2029	2030	2031	2032	2033

Measures of financial sustainability

Liquidity

1. Unrestricted cash expense coverage ratio

Total cash and equivalents add current investments add available ongoing QTC working capital limit less externally restricted cash												
	x 12	Greater than 4 months	4.7 months	8.5 months	9.5 months	10.0 months	9.3 months	9.6 months	9.7 months	9.4 months	10.2 months	9.8 months
Total operating expenditure less depreciation and amortisation less finance costs												

The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses.

Operating Performance

2. Operating surplus ratio

Operating result												
Total operating revenue		Greater than (2) %	(67.53)%	(16.00)%	(14.00)%	(13.00)%	(9.00)%	(6.00)%	(3.00)%	0.00%	1.00%	2.00%

The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.

3. Operating cash ratio

Operating result add depreciation and amortisation add finance costs												
Total operating revenue		Greater than 0%	(12.07)%	17.00%	17.00%	19.00%	21.00%	24.00%	26.00%	28.00%	29.00%	29.00%

The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.

Asset Management

4. Asset sustainability ratio

Capital expenditure on replacement of infrastructure assets (renewals)												
Depreciation expenditure on infrastructure assets		Greater than 90%	67.55%	137.00%	85.00%	78.00%	114.00%	99.00%	98.00%	111.00%	109.00%	108.00%

	Target 2024	Actual 2024	2025	2026	2027	2028	Forecast				
							2029	2030	2031	2032	2033

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives.

5. Asset consumption ratio

Written down replacement cost of depreciable infrastructure assets	Greater than 60%	77.01%	75.00%	75.00%	74.00%	73.00%	73.00%	72.00%	71.00%	70.00%	71.00%
Current replacement cost of depreciable infrastructure assets											

The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

Debt servicing capacity

7. Leverage ratio

Book value of debt											
Total operating revenue less total operating expenditure add depreciation and amortisation	0 - 3 times	(0.4) times	0.1 times	0.1 times	0.1 times	0.1 times	0.1 times	0.0 times	0.0 times	0.0 times	0.0 times

The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance.

Financial Capacity

8. Council controlled revenue

Net rates, levies and charges add fees and charges											
Total operating revenue	N/A	69.48%	47.00%	48.00%	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%

Council controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.

Unaudited Long Term Financial Sustainability Statement (continued)

		Target 2024	Actual 2024	2025	2026	2027	2028	Forecast				
								2029	2030	2031	2032	2033
9. Population growth												
Prior year estimated population												
Previous year estimated population	-1		0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%

Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future.

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 and Infrastructure 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.

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

17 October 2024



Craig Matheson
Chief Executive Officer

17 October 2024