



**AGENDA FOR ORDINARY MEETING  
TO BE HELD IN COUNCIL CHAMBERS, BUNDABERG  
ON FRIDAY 29 OCTOBER 2021, COMMENCING AT 10.00 AM**

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	<b>Page</b>
<b>1 Apologies</b>	
<b>2 Confirmation of Minutes</b>	
B1 Ordinary Meeting of Council - 28/09/2021	
<b>3 Executive Services</b>	
D1 Public Notice of Meetings 2022	3
<b>4 Strategic Projects &amp; Economic Development</b>	
E1 Procurement Methodology for the Engagement of a Construction Contractor for the Bundaberg Regional Aquatic Centre	5
<b>5 Finance</b>	
F1 Final Management Report for 2021 Financial Audit	8
F2 Financial Summary as at 1 October 2021	13
<b>6 Governance</b>	
G1 2020/2021 Annual Report	18
G2 2021/2022 Operational Plan - Quarter 1	100
G3 Audit and Risk Management Committee Minutes	120
G4 Specialised Supplier Arrangement - Monday.com Subscription	127
<b>7 Water &amp; Wastewater</b>	
J1 Specialised Supplier Arrangement - Handback of Rubyanna WWTP & RPS from Downer Group to Council	129

**8 Community & Cultural Services**

O1	Library Services Tender Consideration Plan	131
O2	Sole Supplier Arrangement - HTS Australia Pty Ltd T/A Australasia Sports Timing - Backstroke Ledges for Norville Swimming Pool	138

**9 Sport, Recreation, Venues & Disaster Management**

R1	Queensland Touch Football - Bundaberg Cup Sponsorship	140
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**10 Confidential**

T1	Write-off historical electricity charges - Debtor No 11521.07	
T2	Canterbury Bankstown Bulldogs Rugby League - NRL Game Sponsorship	

**11 Meeting Close**

**Item****29 October 2021****Item Number:**

D1

**File Number:****Part:**

EXECUTIVE SERVICES

**Portfolio:**

Executive Services

**Subject:**

Public Notice of Meetings 2022

**Report Author:**

Wendy Saunders, Executive Services Coordinator

**Authorised by:**

Stephen Johnston, Chief Executive Officer

**Link to Corporate Plan:**

Our organisational services - 3.3 Open communication - 3.3.1 Keep our community and workforce informed and up-to-date in matters of agency and community interest.

**Background:**

Section 254B of the *Local Government Regulation 2012* (the "Regulation") states:

(1) *A local government must, at least once in each year, publish a notice of the days and times when-*

(a) *its ordinary meetings will be held; and*

(b) *the ordinary meetings of its standing committees will be held.*

Further, section 257 of the *Regulation* states that a local government must meet at least once in each month and that the meetings are to be held at one of the local government's public offices.

Meeting dates will be published on Council's website and displayed in Council's public offices, in accordance with section 254B(2) and (3) of the *Regulation*.

**Associated Person/Organization:**

N/A

**Consultation:**

The proposed meeting dates have been discussed with all Councillors.

**Chief Legal Officer's Comments:**

The public notice of meetings set out in this report is in accordance with the provisions of the *Regulation*.

**Policy Implications:**

There appears to be no policy implications.

**Financial and Resource Implications:**

There appears to be no financial or resource implications.

**Risk Management Implications:**

There appears to be no risk management implications.

**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

Nil

**Recommendation:**

**That**

- **the first Ordinary meeting of Council for 2022 be held on 25 January 2022, commencing at 10.00 am, and thereafter generally on the last Tuesday of each calendar month;**
- **Council Briefing meetings be held generally on the Wednesday preceding the Ordinary meeting of Council, commencing at 9.00 am; and**
- **the above meetings be held in Council Chambers, Bundaberg.**

**Item****29 October 2021****Item Number:**

E1

**File Number:****Part:**STRATEGIC PROJECTS &  
ECONOMIC DEVELOPMENT**Portfolio:**

Executive Services

**Subject:**

Procurement Methodology for the Engagement of a Construction Contractor for the Bundaberg Regional Aquatic Centre

**Report Author:**

Chris Sampson, Manager Strategic Projects

**Authorised by:**

Ben Artup, Executive Director Strategic Projects &amp; Economic Development Co-ordination

**Link to Corporate Plan:**

Our community and environment - 1.1 Economic growth and prosperity - 1.1.4 Develop a sustainable pipeline of strategic projects that support organisational and economic development objectives, including procuring external grant funding.

**Background:**

The construction of the Bundaberg Regional Aquatic Centre will be one of the largest single contracts Council has ever awarded. The construction of large pools, including the associated plant and filtration equipment, is very technical in nature and should only be undertaken by specialist sub-contractors. Any issues during construction or any settlement post construction can be extremely expensive to rectify. The proposed two stage procurement process will assist in reducing Council's risk by ensuring it is undertaken by a contractor experienced in delivering these works.

There is a risk that if elements are undertaken by separate independent contractors and issues arise post construction it becomes difficult to determine which contractor is at fault. The appointment of a single head contractor ensures the responsibility for all quality assurance sits with a single agency who is experienced in managing this risk.

The assessment criteria for the initial EOI will focus on contractors demonstrating they have sufficient experience and meet requirements around insurances, and Corporate Social Responsibilities such as policies on:

- Local Industry Participation
- Construction Industry Training and Development
- Workplace Relations Management
- Indigenous Employment

A two-stage procurement will ensure that only experienced contractors are invited to submit a detailed tender. This is likely to improve Council's value for money as potential tenderers know they have a greater likelihood of winning the work and will therefore put more effort into refining their submission.

Council can continue to meet the intent of its local content policy by focusing the assessment on the value of local subcontractors that are included within the detailed tender submission. The two-stage procurement methodology creates an opportunity for a 'meet local suppliers' event whereby shortlisted potential head contractors can meet with local sub-contractors, creating opportunities for them to be included in their tenders.

**Associated Person/Organization:**

Branch Manager Major Projects, Adam Wyatt

Manager Strategic Procurement & Supply, Craig Doyle

Chief Legal Officer, Christine Large

Chief Financial Officer, Simon Muggeridge

**Consultation:**

All Councillors

**Chief Legal Officer's Comments:**

In accordance with section 228(3) of the *Local Government Regulation 2012*, a local government may only invite expressions of interest if the local government decides, by resolution, that it would be in the public interest to invite expressions of interest before inviting written tenders. The local government needs to record its reasons for making the resolution in the minutes of the meeting at which the resolution was made.

**Policy Implications:**

There appears to be no policy implications. Council will engage an independent probity advisor for this procurement.

**Financial and Resource Implications:**

Financial and Resource implications are to be updated upon submission of the 50% Design cost estimates and as part of the November 2021 budget review.

**Risk Management Implications:**

There appears to be no risk management implications. Council will undertake an independent project risk assessment which will be in addition to the safety in design risk assessment that will be undertaken as part of the design development.

**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

A tier one construction firm of the size that would be expected to undertake these works would be expected to have an Indigenous Employment plan or a Reconciliation Action Plan. The EOI allows this to initially be assessed broadly, with further specific

details of how it will be implemented for the construction of the Aquatic Centre provided in the detailed RFT.

**Attachments:**

Nil

**Recommendation:**

**Pursuant to Section 228(3)(a) of the *Local Government Regulation 2012*, Council invites open public expressions of interest before inviting written tenders for the construction of the Bundaberg Regional Aquatic Centre.**

**The construction of the Bundaberg Regional Aquatic Centre will be one of the largest single contracts Council has ever awarded. The construction of large pools, including the associated plant and filtration equipment, is very technical in nature and should only be undertaken by specialist sub-contractors. Any issues during construction or any settlement post construction can be extremely expensive to rectify. The proposed two stage procurement process will assist in reducing Council's risk by ensuring it is undertaken by a contractor experienced in delivering these works. The assessment criteria for the initial EOI will focus on contractors demonstrating they have sufficient experience and meet requirements around insurances, and Corporate Social Responsibilities.**

**Item****29 October 2021****Item Number:**

F1

**File Number:****Part:**

FINANCE

**Portfolio:**

Organisational Services

**Subject:**

Final Management Report for 2021 Financial Audit

**Report Author:**

Simon Muggeridge, Acting Chief Financial Officer

**Authorised by:**

Christine Large, Acting General Manager Organisational Services

**Link to Corporate Plan:**

Our organisational services - 3.1 A sustainable financial position - 3.1.1 Develop and maintain a long-term financial plan and fiscal principles for sustainable financial management.

**Background:**

As part of the annual financial audit, Council's external auditors provide a final management report summarising the findings of the audit. Council again received an unmodified audit opinion. There were no matters raised.

**Associated Person/Organization:**

Pitcher Partners and Queensland Audit Office

**Consultation:**

Audit and Risk Committee

**Chief Legal Officer's Comments:**

Pursuant to section 213 of the *Local Government Regulation 2012* the Mayor must present a copy of the auditor-general's observation report to the next Ordinary meeting of Council.

**Policy Implications:**

There appears to be no policy implications.

**Financial and Resource Implications:**

Audit costs are provided for in the 2021/2022 budget.

**Risk Management Implications:**

There appears to be no risk management implications.



**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

↓1 Final Management Letter BRC FY21

**Recommendation:**

**That the Final Management Report for the 2021 Financial Audit, be noted by Council.**



8 October 2021

Mayor Jack Dempsey  
Bundaberg Regional Council  
190 Bourbong St  
BUNDABERG QLD 4670

Dear Mayor Dempsey

#### **Final Management Report for Bundaberg Regional Council**

We have completed our 2021 financial audit for Bundaberg Regional Council. An unmodified opinion has been issued on your financial statements.

The purpose of this letter is to update you on any matters that have arisen since we presented our closing report to the audit committee on 7 October 2021. Please note that under section 213 of the Local Government Regulation 2012, you must present a copy of this letter at the next ordinary meeting of the Council.

#### **Reporting on issues identified after the closing report**

I can confirm that we have not identified significant issues since the presentation of our closing report. Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter. Our rating definitions for internal control deficiencies are shown in Appendix B.

#### **Report to parliament**

Each year we report the results of all financial audits and significant issues to Parliament.

This year we intend to include the results of our audit of Bundaberg Regional Council in our report to Parliament on the results of the Local Government sector. In this report we will comment on the results of our audit of your financial report, any significant internal control issues we identified, and the overall results of the sector, including major transactions and events. We will discuss the proposed content of our report with your Chief Financial Officer and will continue to consult as we draft our report. Formally, you will have an opportunity to comment on our report and for these comments to be included in the final report.

#### **Audit fee**

The final audit fee for this year is \$158,000 exclusive of GST (2020: \$157,500). This fee is unchanged from that estimated in our external audit plan.

We would like to thank you and your staff for their engagement in the audit this year, and look forward to working with your team again next year.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact myself or the engagement manager Clayton Russell on 3222 8444.

Yours sincerely

Jason Evans  
Partner

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 Queensland Audit Office (QAO)

## Appendix A—Matters previously reported



### Status

The following table summarises previously reported control deficiencies, financial reporting issues and other matters that we reported this year in our interim management letter and unresolved issues raised in prior years.

Our risk ratings are as follows—refer to [Our rating definitions](#) for more detail.

#### Internal control issues

#### Financial reporting issues

Significant deficiency	Deficiency	Other matters	High	Medium	Low

Ref.	Rating	Issue	Status / Comment Action Date
<b>Financial reporting issues</b>			
20FR-2		<p><b>Calculation of contract assets and contract liabilities</b></p> <p>We observed some errors in council's methodology for calculating contract assets and contract liabilities in the FY20 audit, which created a risk that contract balances may be materially misstated in future periods. It was recommended that management consider updating contract asset and contract liability calculation processes in future periods.</p>	<p><b>Resolved</b></p> <p>Management has corrected the calculation methodology for contract assets and contract liabilities in deriving these balances at 30 June 2021.</p>
<b>Other matters</b>			
20FR-1		<p><b>Compliance monitoring</b></p> <p>We previously identified that council did not have a central register or similar mechanism for recording all of its legislative compliance obligations. Compliance requirements were previously monitored and managed at the department level. Further, there was no formal process in place for reporting of compliance breaches to council.</p> <p>The decentralised nature of compliance monitoring and management processes created a risk that not all compliance risks were being addressed, or that compliance breaches were not identified on a timely basis or at all.</p> <p>It was recommended that council consider developing a central register of both compliance requirements and compliance breaches, and implement a process for regular breach reporting to council or the appropriate sub-committee.</p>	<p><b>Resolved</b></p> <p>A compliance management operational policy was published on 6 July 2021. A procedure will underpin this policy and is still being developed to ensure a whole-of-council approach to compliance management and how to manage and report non-compliance.</p> <p>Under the policy, executive leadership team members have responsibility for oversight and monitoring of compliance obligations within their areas of responsibility, and are required to make an annual attestation of compliance to the audit and risk committee. These attestations were reviewed at the most recent audit committee meeting.</p> <p>Although the associated procedure is still to be finalised, we are satisfied that Council has taken appropriate steps to resolve this matter.</p>

SENSITIVE

2

## Appendix B—Our rating definitions



### Internal rating definitions

	Definition	Prioritisation of remedial action
<b>Significant deficiency</b> 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> <li>the risk of material misstatement in the financial statements</li> <li>the risk to reputation</li> <li>the significance of non-compliance with policies and applicable laws and regulations</li> <li>the potential to cause financial loss including fraud, or</li> <li>where management has not taken appropriate timely action to resolve the deficiency.</li> </ul>	This requires immediate management action to resolve.
<b>Deficiency</b> 	A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.	We expect management action will be taken in a timely manner to resolve deficiencies.
<b>Other matter</b> 	An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.	Our recommendation may be implemented at management's discretion.

### Financial reporting issues

	Potential effect on the financial statements	Prioritisation of remedial action
<b>High</b> 	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
<b>Medium</b> 	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements.	We expect management action will be taken in a timely manner.
<b>Low</b> 	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	We recommend management action to resolve; however, a decision on whether any action is taken is at management's discretion.

SENSITIVE

3

**Item****29 October 2021****Item Number:**

F2

**File Number:****Part:**

FINANCE

**Portfolio:**

Organisational Services

**Subject:**

Financial Summary as at 1 October 2021

**Report Author:**

Simon Muggeridge, Acting Chief Financial Officer

**Authorised by:**

Christine Large, Acting General Manager Organisational Services

**Link to Corporate Plan:**

Our organisational services - 3.1 A sustainable financial position - 3.1.1 Develop and maintain a long-term financial plan and fiscal principles for sustainable financial management.

**Background:**

In accordance with section 204 of the *Local Government Regulation 2012*, a financial report must be presented to Council on a monthly basis. The attached financial report contains the financial summary and associated commentary as at 1 October 2021.

**Associated Person/Organization:**

N/A

**Consultation:**

Financial Services Team

**Chief Legal Officer's Comments:**

Pursuant to section 204 of the *Local Government Regulation 2012*, the local government must prepare, and the Chief Executive Officer must present, the financial report. The financial report must state the progress that has been made in relation to the local government's budget for the period of the financial year up to a day as near as practicable to the end of the month before the meeting in held.

**Policy Implications:**

There appears to be no policy implications.

**Financial and Resource Implications:**

There appears to be no financial or resource implications.

**Risk Management Implications:**

There appears to be no risk management implications.

**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

[↓](#)1 Financial Summary as at 1 October 2021

**Recommendation:**

**That the Financial Summary as at 1 October 2021 be noted by Council.**

Further to the Financial Summary Report as of 1 October 2021, the following key features are highlighted.

Financial Overview				
	YTD Actual*	YTD Budget		Variance
Operating Income	52.4m	51.8m	✓	0.6m
Operating Expenditure	53.6m	51.7m	✗	1.8m
Operating Surplus/(Deficit)	-1.2m	0.0m	✗	1.2m
Capital Expenditure	16.3m	22.8m	✗	-6.5m
Cash	178.1m	170.0m	✓	8.1m

Notes: \* denotes - YTD Actual includes annualised rates income, for the purpose of YTD comparative, this has been adjusted comparatively to the reporting period.

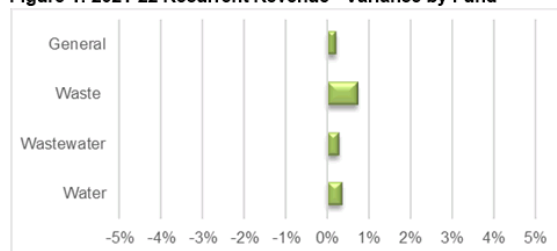
### Overall

- External auditors undertook audit during September 2021. Accounting adjustments for 2020-21 and 2021-22 reversal of prior year accruals have now been processed.

### Recurrent Revenue

- Rates and utility charges were levied in July 2021 for the first half year period and pensioner remissions applied. The levied amounts are consistent with the budget.
- Fees and charges are more than the year-to-date (YTD) budget. Dog and health registrations are issued annually which reflects higher values in the first quarter, similarly community halls YTD actuals show ahead favourable due to issue of annual invoices. The housing activity continues to positively influence results with YTD actuals being higher comparative to budget for Planning and Development (36% YTD actual against 25% year comparative); Water and Wastewater Plumbing Compliance (41% and 38% respectively), Revenue Services (search fees and change of ownership) (34%). Holiday Parks sites (majority) are trending ahead of YTD estimate (incorporates the September school holidays). Airport passenger revenue continues a lower trend than anticipated due to reduced flight frequency and passenger numbers following south-east Queensland restrictions and broader lockdowns across Australian states (month of August 2021 was 47% lower than July 2021 and 69% lower than May 2021; with May 2021 being the highest passenger numbers in past twelve months).
- Interest revenue is lower than the YTD budget. Interest on overdue rates is markedly lower due to historically low levels of arrears. Interest on Investments is trending in line with budget although interest rates remain low.
- Grants, Subsidies and Donations are less than the YTD budget. This is expected and reflects the payment cycle of many grants being paid quarterly.
- Council has settled one parcel of Land Developed for Sale this financial year, with a further 2 lots under conditional contracts. Any conditional contracts are not reflected in the financial summary. There was no annual budget allocated in the original budget for this item, with budget traditionally being provided once contracts have become unconditional at the time of formalising the budget.

Figure 1: 2021-22 Recurrent Revenue - Variance by Fund

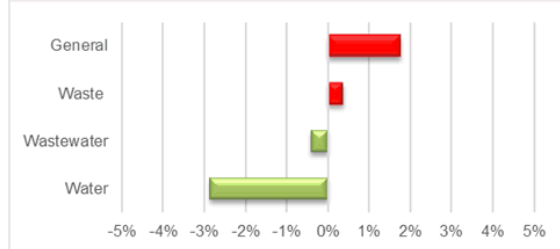


- Figure 1 presents the view across the funds being favourable or neutral, with comments outlined above. The General Fund budget anticipates a 2022-23 early payment of the Financial Assistance Grant (FAG) in June 2022.

**Recurrent Expenditure**

- Employee Costs are tracking slightly unfavourably against budget, due to payment of annual Workers Compensation premium, with budgets being monitored closely.
- Materials and Services are approximate to YTD budget. At a fund level, General actuals are showing marginally higher due to annual payments such as insurances and half-year rates, whilst Water actuals are under budget. Non-capital projects overall are comparatively underbudget (\$1.0 million spend against \$7.9 million budget, or 12.5%).
- Finance Costs and Depreciation are set to be in line with YTD budget.

**Figure 2: 2021-22 Recurrent Expenditure - Variance by Fund**

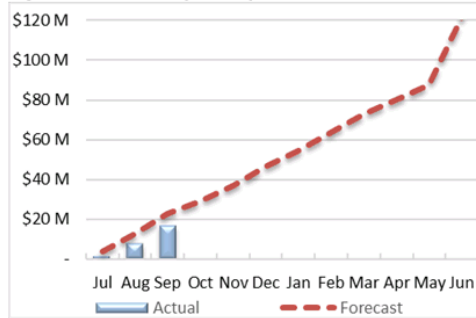


- Figure 2 shows General Fund is marginally unfavourable and Water Fund is trending favourable comparatively to appropriate budget, with comments outlined above under Materials and Services.

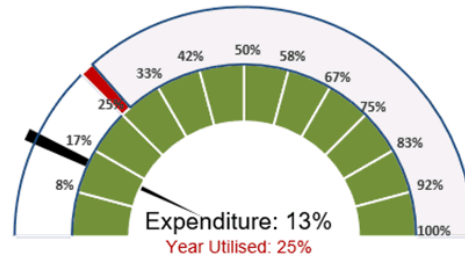
**Capital Expenditure and Capital Grants**

- Year-to-date capital expenditure is \$16.3 million (YTD budget \$22.8 million; total budget \$121.9 million).
- Historically quarter 1 has lower expenditure given the focus has been on end of prior financial year clearance and budget carryover. Therefore it is too early to reflect on indications illustrated in Figure 3 (capital expenditure profile against expected cashflows), Figure 4 (percentage of capital expenditure) and Figure 5 (capital expenditure by asset class this financial year).
- Capital grants are predominately on track. During August 2021, Council received \$6.5m being an upfront half of the grant allocation for the Regional Aquatic Facility (from Works for Queensland 2021-2024).

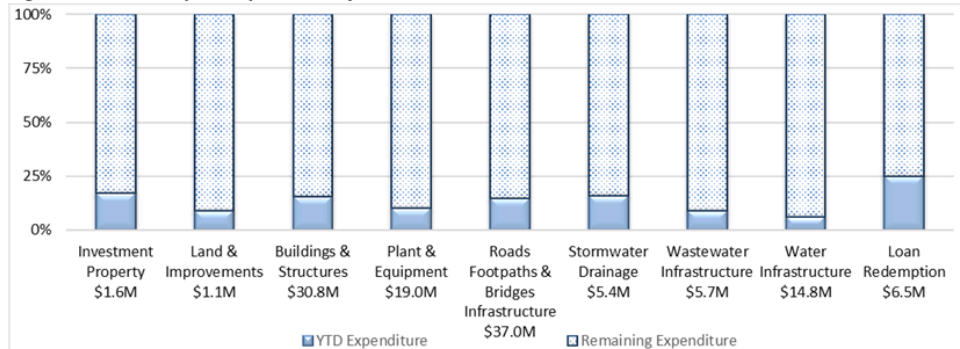
**Figure 3: 2021-22 Capital Expenditure**



**Figure 4: 2021-22 Capital Expenditure (financial delivery)**



**Figure 5: 2021-22 Capital Expenditure by Asset Class**

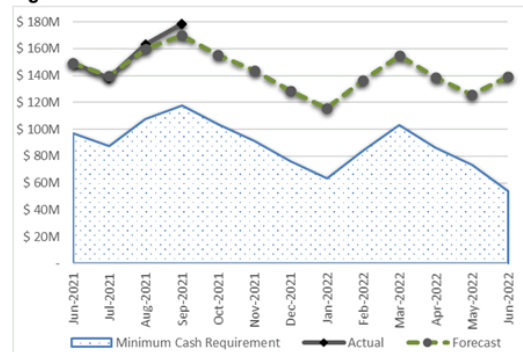




### Cash

- The cash balance at close of business on 30 September 2021 was \$178.1 million, being an increase of \$14.7 million from 31 August 2021 (\$163.4 million).
- No short-term liquidity issues are foreseeable.
- The actual and forecast cash movement is illustrated in Figure 6.
- Historically, July reflects a decreasing cash position as a result of outgoings on operations and delivery of the capital program, whilst August and September reflect inflows from rates and fees and charges (e.g. annual animal and health licences).

Figure 6: 2021-22 Cash Profile



### Rates Debtor

- Rates for the July-December 2021 half year were due in early September 2021. Rates outstanding at the end of September 2021 were \$7.7 million (8.5%) comparatively to September 2020 were \$13.3m (15.4%), noting that interest was not charged for the July-December 2020 period due to Covid. As at 31 August 2021, the rates outstanding were \$42.2 million (46.5%).
- More than 4,300 reminder notices for outstanding rates were issued at the end of September 2021.

### Other Debtors

- Infringements for 30 September 2021 total \$402,000 with 2,901 infringements (comparatively, end of June-2021 was \$392,000 with 2,854 infringements and end of September 2020 was \$399,000 with 2,824 infringements). Parking infringements represent the majority of the infringements outstanding at around 52%. The remaining relate to local laws, environmental health and development compliance.
- Sundry Debtors outstanding for more than 90 days total \$90,000 across 26 accounts (compared to, end of June 2021 was \$262,000 across 31 accounts and end of September 2020 was \$406,000 across 67 accounts).
- The majority of debtors are recovered via internal resources. Where appropriate, remaining outstanding debts are referred to Councils external agency for collection, specifically Infringements continue to be recovered via the State Penalties, Enforcement Registry (SPER) – which manages 87% quantity or 94% value of the outstanding debtors.
- During the quarter there were no debts above \$2,500 which were written off under delegation.

### Borrowings

- Loans balance of \$71.4 million at the reporting date are shown in Table 1.
- The quarterly debt service payment was made during September 2021.

Table 1: Loan Portfolio (\$000) 31 September 2021

Loan	Balance
Airport & Precinct	6,192
Hinkler Hall of Aviation	847
Holiday Parks	141
Fleet	646
Kolan Gardens Aged Care	107
Burnett Heads CBD Upgrade	2,377
General Facilities and Infrastructure	15,442
Waste	6,195
Sewerage	37,070
Water	2,374
<b>Total</b>	<b>71,391</b>

**Item****29 October 2021****Item Number:**

G1

**File Number:****Part:**

GOVERNANCE

**Portfolio:**

Organisational Services

**Subject:**

2020/2021 Annual Report

**Report Author:**

Amy Crouch, Senior Governance Officer

**Authorised by:**

Christine Large, Acting General Manager Organisational Services

**Link to Corporate Plan:**

Our organisational services - 3.2 Responsible governance with a customer-driven focus - 3.2.4 Exercise whole-of-Council adherence to, and compliance with, Council's policies and procedures, in keeping with our corporate values and community's expectations.

**Background:**

The *Local Government Act 2009* and *Local Government Regulation 2012* require Council to prepare an Annual Report for each financial year.

The Annual Report must be adopted within one month after the day the Auditor-General gives the Auditor-General's report about Council's financial statements for the financial year to Council.

The Auditor-General's report was received on 8 October 2021 and has provided Council with an unmodified audit opinion.

Attached is the 2020/2021 Annual Report for adoption by Council.

**Associated Person/Organization:**

External auditors

**Consultation:**

Councillors, Executive Leadership Team, Audit and Risk Committee

**Chief Legal Officer's Comments:**

This report satisfies Council's legal obligations under Section 182(2) of the *Local Government Regulation 2012*, requiring Council to adopt the Annual Report within one month of receiving the auditor-general's report relating to the audit of Council's annual financial statements.

The Annual Report complies with the requirements contained in the *Local Government Act 2009* and section 181-190 of the *Local Government Regulation 2012*.

**Policy Implications:**

There appears to be no policy implications.

**Financial and Resource Implications:**

There appears to be no financial or resource implications.

**Risk Management Implications:**

There appears to be no risk management implications.

**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

[↓1](#) 2021/2021 Annual Report

**Recommendation:**

**That the 2020/2021 Annual Report be adopted.**



# Annual Report

## 2020/21

Building Australia's  
best regional community



# Contents

<b>1</b>	Chief Executive Officer's Report	1
<b>2</b>	Community Financial Report	2
<b>3</b>	Annual Financial Statements	11
<b>4</b>	Statutory Information	70
	Index of Legislative Requirements	76

*Cover image: Gin Gin Community Hub*

# 1 Chief Executive Officer's Report



**I'm very pleased to report that Bundaberg Regional Council met the massive challenge of dealing with the global pandemic and achieved positive outcomes for the community.**

In 2020/21, Council successfully managed the COVID-19 response while continuing to provide essential services and turned around the budget position in circumstances where revenue was difficult to predict.

It's a credit to all staff that they rolled with the waves of volatility, remained agile, adapted to variable public health restrictions and maintained community services.

This contributed to the better-than-expected financial result, which saw a \$9.4 million surplus which was a great result and to a degree reflects the confidence in the local economy particularly with building and development.

The 2020 Local Government Financial Audit Report highlighted Bundaberg Regional Council's sound position and strong performance.

Tabled in State Parliament, the report provides an independent assessment of the state's 77 Councils. While the financial sustainability of some councils was considered at risk, Council is in a very sound position.

This means we're able to invest in local infrastructure such as drainage improvements, more footpaths and better roads.

Some of the projects delivered during 2020/21 include the Gin Gin Community Hub and streetscape improvements, Boreham Park upgrade, One Mile Creek bridge and the Innes Park roundabout.

Council appreciates funding assistance from the State Government's Works for Queensland program and the grants we receive from the Commonwealth, such as \$2.78 million for the Washpool Creek naturalisation.

It's important that Council retains financial capacity to apply for grants and be in a position to match the funds we receive from other levels of Government.

We listened to public feedback and provided greater transparency around the Community Wellbeing and Environment Charge, listing all the projects which are funded from this charge, including CCTV cameras and support for surf lifesavers. The budgeted rate rise was modest at 1.9 per cent, close to CPI at the time, although this is fluctuating from quarter to quarter.

Substantial progress was made last year on the Gregory River Water Treatment Plant. This will improve water quality in the Childers and Woodgate areas and increase capacity to cater for future growth.

Work commenced on the upgrade of Kalkie Water Treatment Plant, which services coastal communities.

Internally, we made massive strides in upgrading our Information Technology and to improve cyber security. We also added skills and expertise to our People and Culture department to support our greatest asset – the people who work for us.

Council adopted three important strategies during 2020/21 for Active Transport, Stormwater Management and Road Investment.

These strategies are critical to guide future planning and determine funding priorities. My thanks go to all the staff and community members who contributed, and it was pleasing to see the Stormwater Management Strategy receive an award at a major engineering conference.

COVID-19 impacts were most acute at Bundaberg Airport and with Council events. Last year the Childers Festival and many other events had to be cancelled but we're slowly getting back to normal.

We know that uncertainty and volatility will continue for at least the next year or so.

I'm confident the team at Bundaberg Regional Council has the skills, determination, aptitude and ability to meet all challenges.

**Stephen Johnston**  
Chief Executive Officer

## 2 Community Financial Report

The Community Financial Report is a plain English summary of Council's financial performance and position prepared in accordance with Section 179 of the *Local Government Regulation 2012*. It aims to give the reader an easy-to-follow summation of Council's financial statements along with key financial ratios and forecasts.

### About the financial statements

The financial statements are a formal audited record of Council's financial results for the year. There are four primary statements with accompanying notes that disclose Council's accounting policies and provide additional information and greater detail on the values contained in the statements. When read together, they assist in providing a high-level picture of Council's finances for the 2020/21 year.

Additionally, there are three financial sustainability ratios on which all local governments must report. Targets for each measure have been set in the Financial Management (Sustainability) Guideline 2013, issued by the Department of Local Government, Racing and Multicultural Affairs. These targets do not necessarily need to be achieved each financial year as any unforeseen circumstance can have a detrimental impact on results. Rather, the targets serve as indicators that provide feedback on Council's current sustainability strategy and may signify that a change in approach is needed to produce the desired outcomes over the long-term.

The financial statements and sustainability measures are:

1. **Statement of Comprehensive Income**  
A summary of Council's financial performance, showing what Council has earned (revenue) and what costs Council has incurred (expenses) for the year.
2. **Statement of Financial Position**  
A snapshot of Council's financial position as of 30 June 2021, recording what Council owns (assets) and what Council owes (liabilities).
3. **Statement of Changes in Equity**  
Summarises the movement in the community's net worth for the year.
4. **Statement of Cashflows**  
Indicates where Council's cash came from and where it was spent.
5. **Financial Sustainability Ratios**  
Measures of financial performance and sustainability
  - a. Operating Surplus Ratio
  - b. Net Financial Liabilities Ratio
  - c. Asset Sustainability Ratio

### An overview of Council's financial result and financial position

#### Statement of Comprehensive Income

The Statement of Comprehensive Income includes recurrent revenues and expenses from Council's operating activities and capital revenue and expenditure, with Table 1 illustrating a summary of key items.

Recurrent expenses are those incurred to run the day-to-day operations of Council, such as wages, materials, maintenance costs, depreciation expenses and finance costs.

Capital revenue is usually sourced from grants, subsidies and developers' contributions and spent on assets such as roads, stormwater drainage, water and sewerage infrastructure, buildings and plant and equipment.

**Table 1: Summary of Council's result**

Item	2021 \$'000	2020 \$'000
Recurrent Revenue	206,226	196,627
Capital Revenue	34,646	30,014
<b>Total Revenue</b>	<b>240,872</b>	<b>226,641</b>
	2021 \$'000	2020 \$'000
Recurrent Expenses	196,781	195,154
Capital Expenses	12,087	11,423
Total Expenses	208,868	206,577
<b>Net Result</b>	<b>32,004</b>	<b>20,064</b>
<b>Net Result Attributable to:</b>		
Operating Surplus	9,445	1,473
Capital Surplus	22,559	18,591
	<b>32,004</b>	<b>20,064</b>

The Net Result does not necessarily represent surplus cash funds available for general use as certain items of revenue have restrictions on their use. For example, capital grants are generally allocated to upgrade or expand Council's infrastructure, while other income may be of a non-cash nature, such as roads, sewerage and water mains, constructed and donated to Council by developers.

Council's operating position (recurrent revenue less recurrent expenses) reflects its ability to meet its day-to-day costs from operating revenue and is an important indicator of financial health.

## Revenue

Total revenue of \$241 million was recognised during the financial year.

Recurrent revenue represents 86% of this amount, with the remainder being capital revenue received through grants, subsidies, contributions and donations and other capital income.

### Recurrent revenue

Recurrent revenue is essential for delivering services, maintaining assets and funding daily operations.

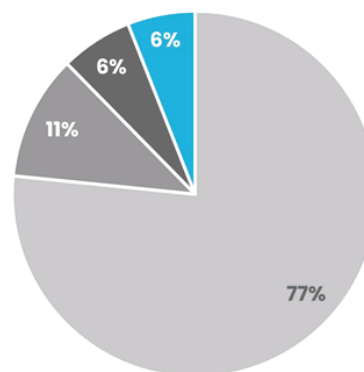
Council's main source of revenue is Rates and Utility Charges, which totalled \$158.4 million or 77% of operating revenue for the financial year. Fees and Charges is the second largest source of recurrent revenue. This comprises revenue collected from customers for the provision of services such as licence and registration fees, development application fees and includes rental income from Council's properties and facilities.

### Where did the money come from?

Figure 1 shows the source of recurrent revenue during 2020/21 with comparative financial information presented in Table 2.

**Figure 1: Sources of recurrent revenue**

- Rates and Utility Charges (\$158.4m)
- Fees and Charges (\$22.8m)
- Grants, Subsidies, Contributions & Donations (\$13.2m)
- Other Income (\$11.8m)





**Table 2: Summary of recurrent revenue**

Item	2021 \$'000	2020 \$'000
Rates and Utility Charges	158,426	152,293
Fees and Charges	22,840	20,108
Sales Revenue	6,629	5,570
Grants, Subsidies, Contributions and Donations	13,187	14,212
Interest Revenue and Other Income	5,144	4,444
<b>Total Recurrent Revenue</b>	<b>206,226</b>	<b>196,627</b>

**Why are rates and charges a significant portion of revenue?**

While every effort is made to supplement revenue by pursuing grants and subsidies from the state and federal governments, Council endeavours to raise its own source of revenue to maintain a degree of financial flexibility and prevent reliance on what are potentially volatile funding sources.

**Capital revenue**

Capital revenue consists mainly of grants and subsidies actively sought from the state and federal governments and infrastructure charges from development activities. Typically, this revenue is utilised on capital projects during the year or is held as restricted cash for future capital projects. Capital Revenue of \$34.6 million was recognised during the financial year.

**Expenses**

Council incurs both operational and capital expenditure in providing services to the community.

Capital Expenses, totalling \$12.1 million, does not represent Council's investment in assets but is rather a decrease in the asset base suffered primarily through a loss on the disposal of assets.

**Recurrent expenses**

Recurrent expenses are the main expenses of Council and represent the day-to-day cost of providing services, operating facilities and maintaining assets. The significant components include Employee Benefits (39%), Materials and Services (33%) and Depreciation and Amortisation (26%).

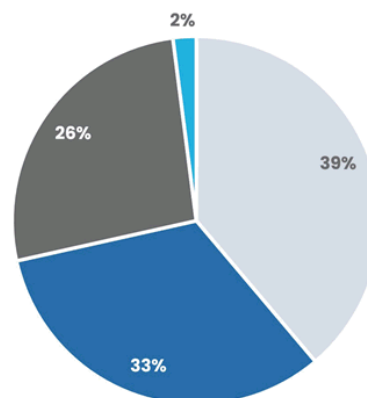
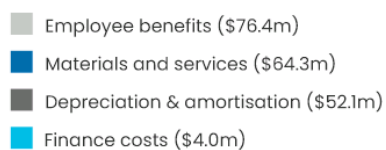
Employee benefits include wages and salaries, leave entitlements, Councillors' remuneration and superannuation. The wages incurred in the delivery of the capital works program are excluded from this figure.

Materials and services includes repairs and maintenance, the acquisition of goods and services and items such as insurance premiums, electricity expenses, consulting fees, licence fees and external plant hire.

Assets are used up, wear out or become obsolete over their lifetime and depreciation is an allocation of the consumption of an asset's value over its expected useful life. Depreciation and amortisation expense makes up just over a quarter of Council's operating expenses, which equates to approximately \$1,100 per rate assessment per annum.

**How was the money spent?**

Figure 2 illustrates the allocation of operating expenditure with comparative financial data shown in Table 3.

**Figure 2: Breakdown of recurrent expenditure**

**Table 3: Summary of recurrent expenditure**

Item	2021 \$'000	2020 \$'000
Employee Benefits	76,393	76,360
Materials and Services	64,319	64,212
Finance Costs	4,012	4,438
Depreciation and Amortisation	52,057	50,144
<b>Total Recurrent Expenditure</b>	<b>196,781</b>	<b>195,154</b>

## Statement of Financial Position

The Statement of Financial Position is a snapshot of Council's financial position as of 30 June 2021. The statement records what Council owns (assets) and what Council owes (liabilities). The difference between these two components determines the net financial worth of Council and our community.

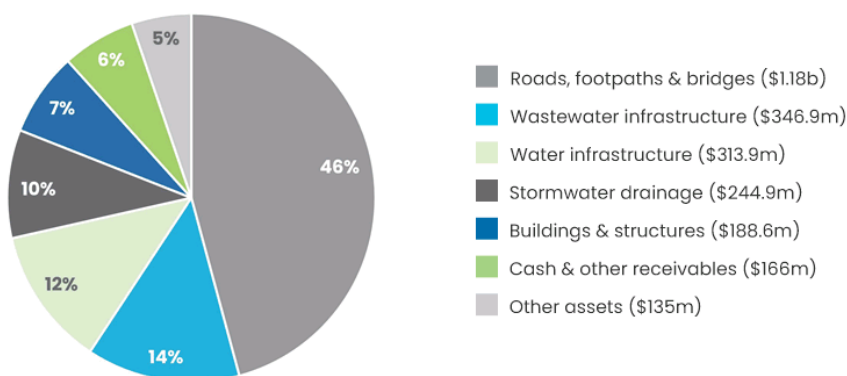
**Table 4: Summary of net worth**

Item	2021 \$'000	2020 \$'000
Total Assets	2,574,469	2,446,096
Total Liabilities	161,925	153,891
<b>Total Community Equity</b>	<b>2,412,544</b>	<b>2,292,205</b>

### Assets: what we own

Council is responsible for the provision of a diverse range of services, a significant number of which are provided through infrastructure and other assets owned by Council. Council controls and maintains community assets with a combined replacement value of over \$2.57 billion, the bulk of which are infrastructure assets such as roads, footpaths, bridges, water and sewerage networks and stormwater drainage, which account for over 80% of the asset base.

In addition, Council holds other short-term assets such as cash and cash equivalents in bank accounts and investments, to the value of \$149.1 million. To mitigate the risk surrounding this significant cash balance, Council has reduced its exposure to term deposits and maintains the majority of funds with the Queensland Treasury's Capital Guaranteed Cash Fund. The cash holdings include funds held for future capital works as well as funds tied to specific purposes.

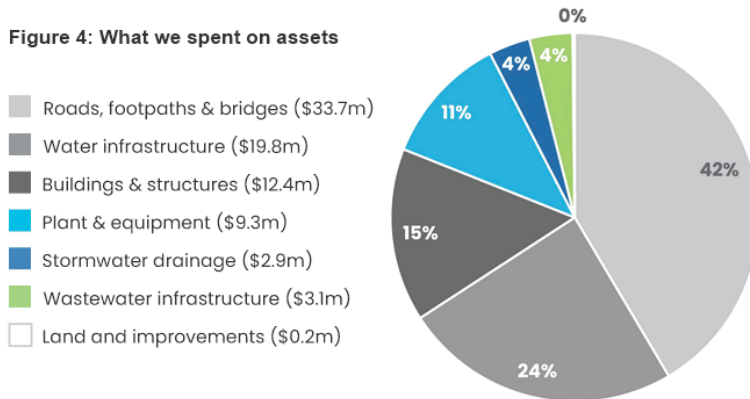
**Figure 3: What we own**

**Investment in community assets**

A significant focus is the renewal, upgrade and construction of assets to ensure infrastructure services effectively meet the needs of the community, now and into the future. These activities are undertaken in accordance with Council’s Long-term Asset Management Plan.

Additions to Council’s non-current assets during the period totalled \$81.3 million, the majority of which were a result of the construction of new assets funded from surplus funds, grants, subsidies and contributions. Figure 4 illustrates this expenditure by asset class.

**Figure 4: What we spent on assets**



**Liabilities: what we owe**

Liabilities are amounts owed to suppliers, lenders and employees. Liabilities also include Provisions which are created where there is some uncertainty about the timing or amount of future expenditures, such as long service leave payable to employees and amounts set aside to fund the future rehabilitation of landfill sites. Total liabilities as of 30 June 2021 were \$161.9 million.

Council’s largest liability are loans taken out with Queensland Treasury Corporation, which at 30 June 2021 totalled \$73.2 million or 45% of total liabilities. Borrowing will be sought for capital projects which cannot be fully funded by revenue, grants or subsidies, with terms approximating the asset’s useful life. Council reviews its loan requirements on an annual basis.

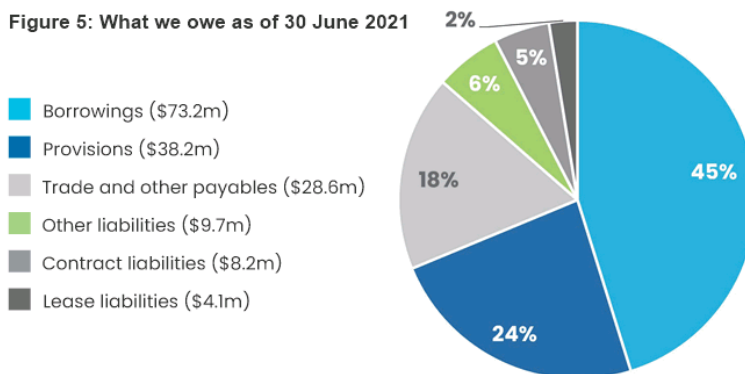
Total provisions as of 30 June 2021 were \$38.2 million, comprising \$13.9 million of long service leave payable to employees and \$24.3 million expected to be incurred in the restoration and post-closure monitoring of landfill sites.

Trade and Other Payables is made up of day-to-day creditors (\$20.6 million) for costs incurred in sourcing items ranging from bitumen to stationery, and employee entitlements of \$8.0 million consisting of annual leave, wages and other leave amounts (but excluding long service leave) payable at 30 June 2021.

Lease Liabilities represents financial obligations over the term of leases Council has entered into as lessee, whereas unspent grants, subsidies and contributions comprise the majority of Contract Liabilities.

The following graph shows total liabilities as of 30 June 2021.

**Figure 5: What we owe as of 30 June 2021**



## Statement of Cashflows

The Statement of Cashflows records the movement in cash holdings during the year i.e., the nature and amount of Council's cash inflows and outflows from all activities. Non-cash items such as depreciation and donated funds are excluded.

The statement shows Council's ability to pay bills and continue normal operations, repay debt and have money available for the construction of assets.

**Table 5: Summary of Council's cashflows**

Item	\$'000
Net cash inflow/(outflow) from operating activities	62,348
Net cash inflow/(outflow) from investing activities	(44,862)
Net cash inflow/(outflow) from financing activities	(5,032)
Net increase in cash and cash equivalents held	12,454
Cash and cash equivalents at beginning of the financial year	136,690
<b>Cash and cash equivalents at end of the financial year</b>	<b>149,144</b>

Council's closing cash balance was \$149.1 million, an increase of \$12.4 million from the previous year's balance of \$136.7 million. Council's cashflow from operating activities is positive, with surplus operating cash available for investing in assets and the repayment of loans.

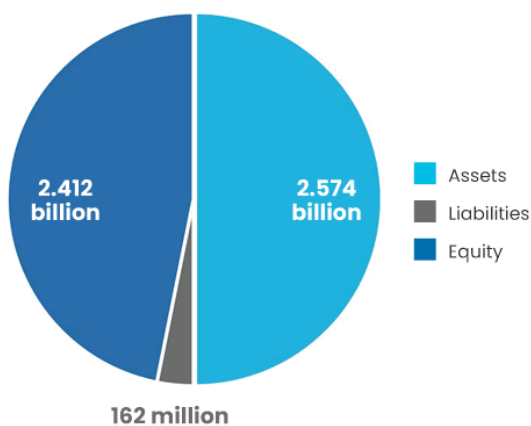
## Statement of Changes in Equity

The difference between assets and liabilities represents community equity or the net wealth of Council.

The Statement of Changes in Equity details the overall change in net wealth during the financial year. At 30 June 2021 community equity was \$2,412 million (assets of \$2,574 million less liabilities of \$162 million), an increase of \$120.3 million compared with the prior year.

Community equity consists of an Asset Revaluation Surplus and Retained Capital. The increase in equity is principally the result of an increase to Council's Asset Revaluation Surplus of \$76 million following a comprehensive revaluation of some of Council's infrastructure assets and the Net Result of \$32 million.

**Figure 6: Community Equity**



## Financial Sustainability Ratios

A financially sustainable local government is defined by its ability to maintain both financial and infrastructure capital over the long-term.

The relevant measures of financial sustainability on which Council must report are the Operating Surplus Ratio, Net Financial Liabilities Ratio and the Asset Sustainability Ratio. The ratios are measures of Council's capacity to continue operating over the long term, maintaining community assets at a standard that services the needs of the community and ensuring the continuity of essential services now and into the future.

### Operating Surplus Ratio

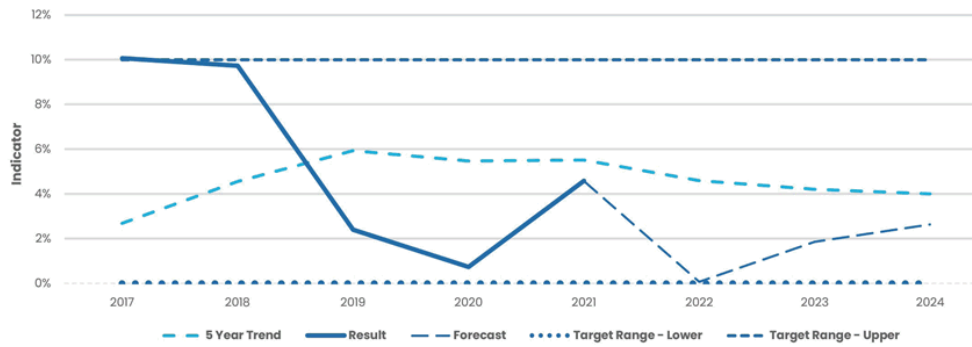
*This is an indicator of the extent to which operating revenues are available to help fund proposed capital expenditure.*

Council's operating surplus ratio is 5%, having recorded an operating surplus of \$9.4 million. The improvement from the budgeted operating position can be attributed to a quicker revival from the financial effects of COVID-19 than expected, lower materials and services expenditure stemming largely from a deferral of some non-capital projects and lower than anticipated employee costs.

Many aspects of the local economy recovered from COVID-19 restrictions more quickly than predicted and the surplus reflects additional revenue from increased flights to the region, greater occupancy rates at holiday parks and increased development and housing activity with the associated fees and charges. Interest revenue was also higher than expected due to higher cash balances resulting from the inflow of fee income and lower operating expenditure.

**Figure 7: Operating Surplus Ratio (and forecast)**

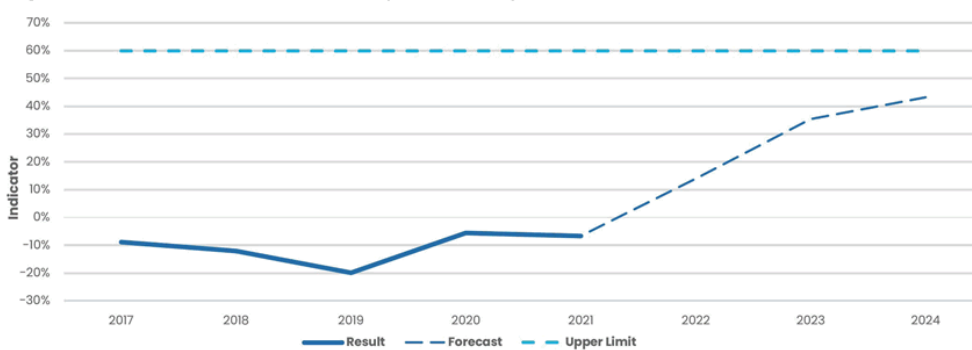
The Operating Surplus Ratio is forecast to remain positive, indicating that Council has sufficient revenue to service debt, provide for future growth requirements and fund planned capital expenditure.



### Net Financial Liabilities Ratio

*This is an indicator of the extent to which the net financial liabilities can be serviced by operating revenue.*

**Figure 8: Net Financial Liabilities Ratio (and forecast)**



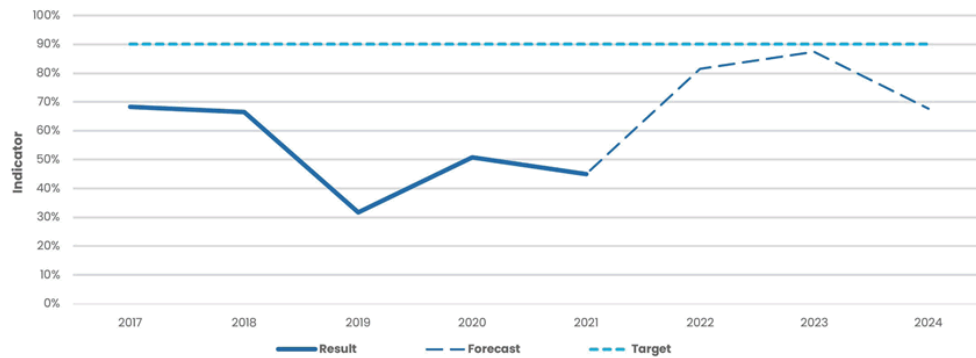
Note: A value less than 60% indicates the capacity to fund existing liabilities and the capability to increase loan borrowings if required.

The increase in the Net Financial Liabilities Ratio reflects Council's significant, planned investment in infrastructure and the necessary funding requirements. At all times the ratio remains below the upper threshold of 60% and Council exhibits adequate capacity to meet its financial commitments in the short, medium and long-term.

### Asset Sustainability Ratio

*An indicator of whether a council is renewing or replacing existing infrastructure assets at the same time that its assets are being expended.*

**Figure 9: Asset Sustainability Ratio (and forecast)**



The Asset Sustainability Ratio remains below the minimum target of 90%, showing that depreciation expenses exceed spending on asset renewals.

Renewal programs are generated from Council's Long-term Asset Management Plan (LTAMP) and Council believes the ratio reflects the condition of assets rather than any backlog of needed renewal expenditure.

An external review of the LTAMP's assumptions was commissioned in May 2019 to determine whether the planned level of asset renewal was appropriate or not. The review found that asset renewal requirements are appropriately identified with reference to a combination of age versus useful life and asset condition assessments. It confirmed that infrastructure networks do not require major renewals and the ratio reflects the condition of assets and actual renewal funding requirements.

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## 3 Annual Financial Statements

3.1	Statement of Comprehensive Income	12
3.2	Statement of Financial Position	13
3.3	Statement of Changes in Equity	14
3.4	Statement of Cash Flows	15
3.5	Notes to the Financial Statements	16
3.5.1	Information about these financial statements	16
3.5.2	Analysis of results by function	23
3.5.3	Revenue	26
3.5.4	Interest and other income	27
3.5.5	Capital income	27
3.5.6	Employee benefits	28
3.5.7	Materials and services	28
3.5.8	Finance costs	29
3.5.9	Capital expenses	29
3.5.10	Cash and cash equivalents	29
3.5.11	Trade and other receivables	30
3.5.12	Inventories	30
3.5.13	Other assets	30
3.5.14	Non-current assets held for sale	31
3.5.15	Investment property	31
3.5.16	Property, plant and equipment	32
3.5.17	Fair value measurements	35
3.5.18	Intangible assets	39
3.5.19	Contract balances	41
3.5.20	Leases	41
3.5.21	Trade and other payables	45
3.5.22	Borrowings	46
3.5.23	Provisions	46
3.5.24	Other liabilities	47
3.5.25	Asset revaluation surplus	47
3.5.26	Commitments for expenditure	47
3.5.27	Contingent liabilities	48
3.5.28	Superannuation - Regional Defined Benefit Fund	49
3.5.29	Trust funds	50
3.5.30	Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	50
3.5.31	Events after the reporting period	51
3.5.32	Financial instruments and financial risk management	51
3.5.33	Transactions with related parties	56
3.5.34	National competition policy	57
3.6	Management Certificate	59
3.7	Independent Auditor's Report - Financial Statements	60
3.8	Financial Sustainability Statements	
3.8.1	Current Year Financial Sustainability Statement	63
3.8.2	Current Year Financial Sustainability Statement - Certificate of Accuracy	64
3.8.3	Independent Auditor's Report - Current Year Financial Sustainability Statement	65
3.8.4	Long-term Financial Sustainability Statement	68
3.8.5	Long-term Financial Sustainability Statement - Certificate of Accuracy	69



### 3.1 Statement of COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent Revenue</b>			
Rates and utility charges	3(a)	158,426,086	152,293,587
Fees and charges	3(b)	22,839,706	20,107,992
Sales revenue	3(c)	6,629,452	5,570,128
Interest received	4	1,338,700	2,954,942
Grants, subsidies, contributions and donations	3(d)(i)	13,187,083	14,211,668
Profit on sale of developed land held for resale		3,805,321	1,488,699
<b>Total recurrent revenue</b>		<b>206,226,348</b>	<b>196,627,016</b>
<b>Capital Revenue</b>			
Grants, subsidies, contributions and donations	3(d)(ii)	34,401,784	29,896,301
Capital income	5	244,021	117,598
<b>Total capital revenue</b>		<b>34,645,805</b>	<b>30,013,899</b>
<b>TOTAL INCOME</b>		<b>240,872,153</b>	<b>226,640,915</b>
<b>Expenses</b>			
<b>Recurrent Expenses</b>			
Employee benefits	6	(76,392,724)	(76,360,052)
Materials and services	7	(64,319,344)	(64,212,587)
Finance costs	8	(4,012,135)	(4,437,822)
Depreciation and amortisation			
Property, plant and equipment	16	(51,238,016)	(49,201,367)
Intangible assets	18	(250,255)	(281,144)
Right-of-use assets	20(b)	(568,489)	(661,115)
<b>Total recurrent expenses</b>		<b>(196,780,963)</b>	<b>(195,154,087)</b>
<b>Capital Expenses</b>	9	(12,087,281)	(11,422,811)
<b>TOTAL EXPENSES</b>		<b>(208,868,244)</b>	<b>(206,576,898)</b>
<b>NET RESULT</b>		<b>32,003,909</b>	<b>20,064,017</b>
Net Result Attributable To:			
Operating surplus		9,445,385	1,472,929
Capital surplus		22,558,524	18,591,088
		<b>32,003,909</b>	<b>20,064,017</b>
<b>Other Comprehensive Income</b>			
<b>Items That Will Not Be Classified To Net Result</b>			
Increase/(decrease) in asset revaluation surplus	25	75,922,887	99,133,442
<b>Total Other Comprehensive Income</b>		<b>75,922,887</b>	<b>99,133,442</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>107,926,796</b>	<b>119,197,459</b>

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

### 3.2 Statement of FINANCIAL POSITION

As at 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10	149,144,168	136,689,730
Trade and other receivables	11	16,885,512	16,892,018
Inventories	12	3,555,102	4,959,476
Contract assets	19(a)	190,277	1,171,099
Other assets	13	4,983,603	4,019,997
Non-current assets held for sale	14	798,549	1,173,822
<b>Total Current Assets</b>		<b>175,557,211</b>	<b>164,906,142</b>
<b>Non-Current Assets</b>			
Investment property	15	16,619,878	14,375,985
Property, plant and equipment	16	2,372,576,434	2,256,160,696
Right-of-use assets	20(b)	3,957,965	4,533,753
Intangible assets	18	5,757,731	6,119,475
<b>Total Non-Current Assets</b>		<b>2,398,912,008</b>	<b>2,281,189,909</b>
<b>TOTAL ASSETS</b>		<b>2,574,469,219</b>	<b>2,446,096,051</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	21	28,621,479	21,842,503
Contract liabilities	19(b)	8,160,451	5,450,873
Borrowings	22	6,797,798	7,658,004
Lease liabilities	20	404,737	513,401
Provisions	23	12,940,824	13,339,869
Other liabilities	24	9,681,762	8,701,606
<b>Total Current Liabilities</b>		<b>66,607,051</b>	<b>57,506,256</b>
<b>Non-Current Liabilities</b>			
Borrowings	22	66,354,864	70,026,741
Lease liabilities	20	3,735,198	4,144,745
Provisions	23	25,227,971	22,213,481
<b>Total Non-Current Liabilities</b>		<b>95,318,033</b>	<b>96,384,967</b>
<b>TOTAL LIABILITIES</b>		<b>161,925,084</b>	<b>153,891,223</b>
<b>NET COMMUNITY ASSETS</b>		<b>2,412,544,135</b>	<b>2,292,204,828</b>
<b>Community Equity</b>			
Asset revaluation surplus	25	690,013,727	614,090,840
Retained capital		1,722,530,408	1,678,113,988
<b>TOTAL COMMUNITY EQUITY</b>		<b>2,412,544,135</b>	<b>2,292,204,828</b>

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

### 3.3 Statement of CHANGES IN EQUITY

For the year ended 30 June 2021

	Total Community Equity	Asset Revaluation Surplus Note 25	Retained Capital
	\$	\$	\$
<b>Balances as at 1 July 2020</b>	2,292,204,828	614,090,840	1,678,113,988
Assets not previously recognised/(derecognised)	13,309,863	-	13,309,863
Prior year work in progress expensed	(897,352)	-	(897,352)
<b>Restated balance at 1 July 2020</b>	2,304,617,339	614,090,840	1,690,526,499
Net result	32,003,909	-	32,003,909
Increase/(decrease) in asset revaluation surplus	75,922,887	75,922,887	-
<b>Total comprehensive income for the year</b>	107,926,796	75,922,887	32,003,909
<b>Balance at 30 June 2021</b>	2,412,544,135	690,013,727	1,722,530,408
<b>Balances as at 1 July 2019</b>	2,167,674,086	514,957,398	1,652,716,688
Assets not previously recognised/(derecognised)	12,729,636	-	12,729,636
Prior year work in progress expensed	(585,289)	-	(585,289)
Adjustment on initial application of AASB 15 and AASB 1058	(6,839,495)	-	(6,839,495)
Adjustment on initial application of AASB 16	28,431	-	28,431
<b>Restated balance at 1 July 2019</b>	2,173,007,369	514,957,398	1,658,049,971
Net result	20,064,017	-	20,064,017
Increase/(decrease) in asset revaluation surplus	99,133,442	99,133,442	-
<b>Total comprehensive income for the year</b>	119,197,459	99,133,442	20,064,017
<b>Balance at 30 June 2020</b>	2,292,204,828	614,090,840	1,678,113,988

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

### 3.4 Statement of CASHFLOWS

For the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		199,727,800	186,553,684
Payments to suppliers and employees		(153,523,055)	(148,426,533)
		46,204,745	38,127,151
Recurrent grants, subsidies, contributions and donations		13,043,807	14,970,055
Interest received		1,485,801	3,201,467
Proceeds from sale of developed land held for resale		4,928,339	1,819,587
Costs incurred on developed land held for resale		(1,543)	(911,736)
Borrowing costs		(3,186,106)	(3,403,077)
Interest on lease liabilities		(126,893)	(136,465)
<b>Net cash inflow/(outflow) from operating activities</b>	30	<b>62,348,150</b>	<b>53,666,982</b>
<b>Cash flow from investing activities:</b>			
Proceeds from sale of non-current assets held for sale		358,205	915,290
Proceeds from sale of property, plant and equipment		2,126,759	1,144,227
Proceeds from sale of investment property		-	76,942
Compensation for assets written off		23,559	18,636
Capital grants, subsidies, contributions and donations		28,942,647	17,455,662
Payments for property, plant and equipment		(73,662,271)	(80,909,728)
Payments for intangible assets		-	(624,939)
Payments for investment property		(2,650,986)	(2,065,525)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(44,862,087)</b>	<b>(63,989,435)</b>
<b>Cash flow from financing activities:</b>			
Proceeds from borrowings	22	3,000,000	7,500,000
Repayment of borrowings	22	(7,520,713)	(7,284,032)
Repayment of lease liabilities	20	(510,912)	(482,094)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(5,031,625)</b>	<b>(266,126)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>12,454,438</b>	<b>(10,588,579)</b>
Cash and cash equivalents at beginning of the financial year		136,689,730	147,278,309
<b>Cash and cash equivalents at end of the financial year</b>	10	<b>149,144,168</b>	<b>136,689,730</b>

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

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 1 Information about these financial statements

#### 1.01 Basis of preparation

These general purpose financial statements are for the period 1 July 2020 to 30 June 2021 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

#### 1.02 Constitution

Bundaberg Regional Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

#### 1.03 Currency

Council uses the Australian Dollar as its functional currency and its presentation currency.

#### 1.04 Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

#### 1.05 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:

- Revenue recognition (Note 3)
- Valuation of investment property (Note 17)
- Valuation of property, plant and equipment (Note 17) including:
  - \* valuation of infrastructure assets using the depreciated replacement cost method
  - \* useful lives; and
  - \* residual values.
- Impairment of property, plant and equipment (Note 1.16(iv))
- Impairment of intangibles (Note 18)
- Credit losses on receivables (Note 32)
- Employee provisions (Note 23)
- Restoration provisions (Note 23)

#### 1.06 Rounding and comparatives

Amounts included in the financial statements have been rounded to the nearest \$1.

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

#### 1.07 Taxation

Council is exempt from Commonwealth taxation, with the exception of Fringe Benefits Tax ('FBT') and Goods and Services Tax ('GST'). The net amount of GST recoverable from or payable to the Australian Taxation Office ('ATO') is shown as an asset or liability respectively.

Council pays Payroll Tax to the Queensland Government on certain activities.

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 1 Information about these financial statements (Cont'd)

#### 1.08 Recurrent and capital classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income on the following basis:

Capital revenue includes grants, subsidies, contributions and donations (cash and non-cash) which are tied to specific projects for non-current assets.

The following transactions are classified as either "Capital income" or "Capital expense" depending on whether they result in accounting gains or losses:

- disposal of non-current assets
- disposal of non-current assets held for sale
- adjustments to restoration provisions on land not controlled by Council
- revaluation of investment property
- revaluation of land and improvements
- disposal of property, plant and equipment
- disposal of intangibles
- sale of investment property

All other revenue and expenses have been classified as "recurrent".

#### 1.09 New and revised accounting standards adopted during the year

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2020. The adoption of new and revised standards has not resulted in any material changes to Council's accounting policies.

#### 1.10 Standards issued by AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not yet effective at 30 June 2021. These standards have not been adopted by Council and are not expected to have a material impact on Council's financial statements in the period of initial recognition.

#### 1.11 Revenue

Revenue is measured at the fair value of the consideration received or receivable once performance obligations have been appropriately satisfied or once control over a good or service has been transferred.

##### (i) Rates and utility charges

Rates and utility charges are recognised as revenue at the date they are levied and corresponding non-contractual receivables are recognised in accordance with AASB 9 Financial Instruments. Prepaid rates are recognised as a financial liability until the beginning of the applicable rating period.

##### (ii) Grants, subsidies, contributions and donations

###### Grant income under AASB 15

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for Council to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

###### Grant income under AASB 1058

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by Council. Special purpose capital grants are recognised as a contract liability when received, and subsequently recognised progressively as revenue as Council satisfies its obligations under the grant through construction of the asset.

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

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 1 Information about these financial statements (Cont'd)

#### 1.11 Revenue (Cont'd)

##### (iii) Fees and charges

Fees and charges are recognised once performance obligations are met, once the statutory event has occurred or the customer receives the benefit of the goods/services being provided.

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.

##### (iv) Contract and recoverable works

Council generates revenues from a number of services including contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity.

Where consideration is received for the service in advance, it is recognised as a contract liability and is recognised as revenue once the performance obligations are satisfied. A contract asset is recognised when consideration for services delivered have not yet been billed.

##### (v) Infrastructure charges

Infrastructure charges are non-contractual in nature and arise from statutory events detailed in the *Planning Act 2016*. Revenue is recognised once the trigger event occurs, usually at time of approval or on final inspection. Infrastructure charges received in advance are fully refundable to the applicant until the trigger date has passed, therefore a financial liability for prepaid infrastructure charges is recognised as a related amount in accordance with AASB 9 *Financial Instruments*.

##### (vi) Non-Monetary contributions

Non-cash contributions with a value in excess of the asset recognition thresholds are recognised as capital revenue and as non-current assets. Non-cash contributions below the asset thresholds are recorded as recurrent revenue and expenditure. Non-cash contributions are disclosed under grants, subsidies, contributions and donations.

Physical assets contributed to Council by developers are recognised as revenue when the development becomes "on maintenance" (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received.

#### 1.12 Receivables

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

Refer to Note 32 for Council's credit risk management policies.

#### 1.13 Inventories

Stores inventories are valued at cost and adjusted, when applicable, for any loss of service potential.

Land purchased for development and sale is classified as inventory. As inventory, this land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

#### 1.14 Non-Current assets held for sale

Items of property, plant and equipment are reclassified as non-current assets held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use.

Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable within 12 months. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are not depreciated. On the eventual sale of these assets a gain or loss is recognised.

Impairment occurs when, on transfer from property, plant and equipment, the asset is no longer measured at its fair value but at fair value less disposal costs.

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 1 Information about these financial statements (Cont'd)

#### 1.15 Investment property

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. This includes land and buildings held by Council for a currently undetermined future use.

Investment property is initially recognised at cost (including transaction costs) and subsequently at fair value.

Where investment property is acquired significantly below fair value, it is recorded at fair value on initial recognition. Investment property does not include community housing or other property held to provide a social service.

All investment property was valued at fair value at 30 June 2021. Further information about the valuation techniques used to derive fair value are included in Note 17.

Gains or losses arising from changes in the fair value of investment property are recognised as income or expense respectively, for the period in which they arise. Investment property is not depreciated.

#### 1.16 Property, plant and equipment

##### (i) Recognition

Buildings with a total value of less than \$10,000, plant and equipment with a total value of less than \$5,000 and land with a total value of less than \$1 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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

##### (ii) 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.

Property, plant and equipment received in the form of contributions are recognised as assets and revenues at fair value by Council valuation, where that value exceeds the recognition thresholds for the respective asset class.

##### (iii) Depreciation

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

Land and other identified asset components (road formation, specific excavation works and earthworks) are not depreciated as they have unlimited useful lives.

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.

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

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.

The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost (CRC) are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives are shown in Note 16.



## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 1 Information about these financial statements (Cont'd)

#### 1.16 Property, plant and equipment (Cont'd)

##### (iv) Impairment

Property, plant and equipment and intangible assets held at cost are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Council 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.

##### (v) Valuation

Land and improvements, buildings and structures and infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Plant and equipment is measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every five years.

Council continuously reviews asset conditions through the processing of capital expenditure via condition assessment data gathered during planned inspections and reactive maintenance work. Where unit rates are provided by independent valuers, the data is entered into the asset register and the condition score is used in calculating the fair value of the asset. The valuers physically inspect a sample of assets to confirm Council's condition assessment.

In the intervening years, Council will engage independent valuers to provide desktop valuations by indexation. All assets within an asset subclass, other than assets constructed or gifted during the year, will be revalued by the applicable indices.

On revaluation, the carrying amount of the asset is adjusted to the revalued amount. The accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 17.

#### 1.17 Intangible assets

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council. The amortisation method and useful lives are reviewed at the end of each reporting period where appropriate.

#### 1.18 Financial assets and financial liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

##### Financial assets

- Cash and cash equivalents - measured at amortised cost (Note 10)
- Trade and other receivables - measured at amortised cost (Note 11)

##### Financial liabilities

- Trade and other payables - measured at amortised cost (Note 21)
- Borrowings - measured at amortised cost (Note 22)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 1 Information about these financial statements (Cont'd)

#### 1.19 Contract balances

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

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

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

#### 1.20 Trade payables

Creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts and other contingent discounts. Amounts owing are unsecured and are generally settled 25 business days from receipt of invoice.

#### 1.21 Liabilities - employee benefits

##### (i) Wages and other employee entitlements

A liability for wages, superannuation, rostered days off and time off in lieu is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. These entitlements are recorded as a liability in Note 21.

##### (ii) Annual leave

A liability for annual leave is recognised. Amounts expected to be wholly settled within 12 months are calculated on current wage and salary levels indexed for the increase in the Enterprise Bargaining Agreement (EBA) (if applicable) 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. These projections are based on increases in the EBA (if applicable) and averaged CPI for years beyond the EBA and related employee on-costs which are then discounted to present values using Commonwealth Bond Yields.

As Council does not have an unconditional right to defer this liability beyond 12 months, annual leave is classified as a current liability. This liability is reported in Note 21.

##### (iii) Long service leave

A liability for long service leave is measured as 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 value of the liability is calculated using current pay rates and projected future increases in those rates based on increases in the EBA (if applicable) and averaged CPI for years beyond the EBA and related employee on-costs.

The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in 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 using Commonwealth Bond Yields. This liability is reported in Note 23.

Where employees have met the prerequisite length of service (five years) and Council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current liability. Otherwise it is classified as non-current.

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 1 Information about these financial statements (Cont'd)

#### 1.22 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost.

In accordance with the *Local Government Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next 10 years. Council's current policy is to only borrow for capital projects and for terms that approximate the assets useful life. Council also aims to comply with the Queensland Treasury Corporation's (QTC) guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

#### 1.23 Restoration provisions

The provision is measured at the expected future cost of the work required by applying averaged CPI and discounted to current day values using an appropriate rate. QTC's lending rates are considered an appropriate discount rate.

The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

##### (i) Restoration on land not controlled by Council

Where the restoration site is on State reserves which Council does not control, the cost of the provisions for restoration of these sites is treated as an expense in the year the provision is first recognised. Changes in the provision not arising from the passing of time are treated as capital income or capital expense.

##### (ii) Restoration on land controlled by Council

Where the restoration site is on Council controlled land, changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus, for buildings and structures. If there are no available asset revaluation surplus, then any increase in the provision is processed as an expense. Any future decreases in provision will then be recovered against this expense.

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

#### 1.24 Components of Equity

Equity represents the amount of wealth currently required and in use by Council for its operations and to maintain its conventional assets and infrastructure at existing levels of operating capability.

##### (i) Retained capital

This represents the amount of Council's net funds to meet specific future needs. The main part of this amount is not available for Council to spend as it has already been invested in assets used to provide services.

##### (ii) Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of non-current assets that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 2 Analysis of results by function

#### (a) Components of Council functions

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

##### **Community and Environment**

The objectives of Community and Environment include:

- Parks and road environment maintenance programs which meet agreed service standards and community expectations.
- Delivery of community awareness, protection and educational programs and initiatives.
- Increase community resilience to disaster events.
- Delivery of arts and cultural facilities and programs that promote social, cultural and economic development.

This activity includes branches for Regulatory Services, Parks, Sports and Natural Areas, Health Services, Disaster Management, Community Services, Library, Arts and Cultural Services, Airports and Tourism.

##### **Council Central Resources**

The objectives of Council Central Resources include:

- Provision of a range of central support functions, including recognition and allocation of general rates and grant revenue, interest revenue and expenses not allocated to Council's other functions.

##### **Development**

The objectives of Development include:

- Continual enhancement and review of Bundaberg Regional Development Schemes, Plans and Strategies.
- Consistent enforcement of relevant legislation and the planning scheme to meet statutory requirements in the community's interest.
- Ongoing development of land use policies to address contemporary and emerging planning matters.

This activity includes branches for Strategic Planning, Planning Development Assessment, Development Major Projects and Development Compliance.

##### **Executive Services and Communications**

The objectives of Executive Services and Communications include:

- Provide administrative support to the Mayor, CEO and Councillors.
- Prepare, publish and record Council meeting agenda and minutes.
- Manage the protocol functions of Council, including Sister City relationships.
- Ensure effective communications, internal and external.
- Promote Council activities and services and a positive image of the Bundaberg Region.

This activity includes branches for Communications and Media, and services to the Executive Office and Elected Members.

##### **Infrastructure**

The objectives of Infrastructure include:

- Delivery of network infrastructure maintenance to meet Council's approved plans and standards.
- Council's long-term and annual Capital Works Program delivered on time and on budget.
- Effective integration of land use and infrastructure planning.
- Continuing to enhance and review Asset Management Plans and Strategies.

This activity includes branches for Engineering and Civil Works, Major Projects, and Fleet & Trade Services.

##### **Organisational Services**

The objectives of Organisational Services include:

- Productive and engaged staff with high morale and a positive corporate culture.
- High standard of workplace health and safety outcomes.
- Key financial indicators meeting sustainability and operational standards.
- High community satisfaction with customer service and Council's overall performance.

This activity includes branches for Governance and Legal Services, Information Systems, Financial Services, Internal Audit, People and Cultural, and Strategic Procurement and Supply.

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

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### 2 Analysis of results by function (Cont'd)

#### (a) Components of Council functions (Cont'd)

##### ***Strategic Projects and Economic Development***

The objectives of Strategic Projects and Economic Development include:

- Delivery of strategic projects that position Bundaberg as Australia's best regional community.
- Coordinate and lead regional advocacy efforts to attract greater investment in local infrastructure, employment and human capital.

##### **Business Units**

The following business activities constitute significant business activities under the *Local Government Act 2009* and *Local Government Regulation 2012*.

##### ***Waste Management***

The objectives of Waste Management include:

- Waste services meeting industry and legislative standards.
- Implementation and monitoring of landfill services and rehabilitation of landfill sites.

##### ***Wastewater Services***

The objectives of Wastewater Services include:

- Wastewater services availability meeting customer standards.

##### ***Water Services***

The objectives of Water Services include:

- Water supply services availability meeting customer standards.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 2 Analysis of results by function

##### (b) Income and expenses are attributed to the following functions:

For the year ended 30 June 2021

Functions	Grant Revenue	Other Revenue	Total Revenue	Total Expenses	Net Result
	\$	\$	\$	\$	\$
Community and Environment	5,401,842	9,916,185	15,318,027	(60,029,721)	(44,711,694)
Council Central Resources	14,059,330	82,822,355	96,881,685	19,002,221	115,883,906
Development	-	3,859,306	3,859,306	(4,810,095)	(950,789)
Executive Services and Communications	-	-	-	(4,377,455)	(4,377,455)
Infrastructure Services	14,910,251	3,820,585	18,730,836	(55,859,814)	(37,128,978)
Organisational Services	479,075	5,376,338	5,855,413	(24,738,449)	(18,883,036)
Strategic Projects and Economic Development	1,100,785	16,020	1,116,805	(1,994,943)	(878,138)
Waste Management	-	25,422,051	25,422,051	(22,911,480)	2,510,571
Wastewater Services	(33,478)	36,321,200	36,287,722	(26,114,043)	10,173,679
Water Services	-	37,400,308	37,400,308	(27,034,465)	10,365,843
	35,917,805	204,954,348	240,872,153	(208,868,244)	32,003,909

For the year ended 30 June 2020

Functions	Grant Revenue	Other Revenue	Total Revenue	Total Expenses	Net Result
	\$	\$	\$	\$	\$
Community and Environment	4,539,582	10,031,872	14,571,454	(56,876,206)	(42,304,752)
Council Central Resources	8,276,911	83,285,302	91,562,213	17,645,252	109,207,465
Development	-	3,337,159	3,337,159	(4,976,725)	(1,639,566)
Executive Services and Communications	-	7,963	7,963	(4,533,829)	(4,525,866)
Infrastructure Services	17,478,685	3,656,151	21,134,836	(57,083,003)	(35,948,167)
Organisational Services	443,932	2,501,352	2,945,284	(23,909,837)	(20,964,553)
Strategic Projects and Economic Development	721,474	91,971	813,445	(3,882,125)	(3,068,680)
Waste Management	200,196	22,925,685	23,125,881	(21,598,149)	1,527,732
Wastewater Services	750,000	34,117,206	34,867,206	(26,443,473)	8,423,733
Water Services	6,000	34,269,474	34,275,474	(24,918,803)	9,356,671
	32,416,780	194,224,135	226,640,915	(206,576,898)	20,064,017

##### (c) Assets by activity

Assets are used across multiple functions. Assets are allocated to the business activity which receives the majority of the economic value from those assets.

Business activity	Assets	
	2021	2020
	\$	\$
Waste Management	42,231,109	38,206,655
Wastewater Services	384,359,811	381,647,697
Water Services	368,157,883	366,149,989
Rest of Council	1,779,720,416	1,660,091,710
	2,574,469,219	2,446,096,051

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun 21		30-Jun 20	
		AASB 15 \$	AASB 1058 \$	AASB 15 \$	AASB 1058 \$
<b>3 Revenue</b>					
<b>Revenue recognised at a point in time</b>					
Rates and utility charges	3(a)	15,242,492	143,183,594	14,599,588	137,693,999
Fees and charges	3(b)	21,887,436	952,270	18,918,549	1,189,443
Sale of goods and services	3(c)	1,166,203	-	1,100,287	-
Grants, subsidies, donations and contributions	3(d)	-	14,558,758	-	15,470,628
		<u>38,296,131</u>	<u>158,694,622</u>	<u>34,618,424</u>	<u>154,354,070</u>
<b>Revenue recognised over time</b>					
Sale of goods and services	3(c)	5,463,249	-	4,469,841	-
Grants, subsidies, donations and contributions	3(d)	826,089	8,756,704	202,255	9,809,218
Revenue relating to grants for assets controlled by Council	3(d)	-	23,447,316	-	18,625,868
		<u>6,289,338</u>	<u>32,204,020</u>	<u>4,672,096</u>	<u>28,435,086</u>
<b>Total Revenue per Note 3</b>		<u>44,585,469</u>	<u>190,898,642</u>	<u>39,290,520</u>	<u>182,789,156</u>
				30-Jun 21	30-Jun 20
				\$	\$
<b>(a) Rates and utility charges</b>					
General rates				78,491,441	84,074,488
Waste collection				16,048,384	15,324,504
Water				32,029,252	29,454,780
Wastewater				30,871,496	29,843,880
Special rates and charges				394,534	389,943
Separate rates				2,291,568	2,276,429
Total rates and utility charges				<u>160,126,675</u>	<u>161,364,024</u>
Less: Discounts				(316)	(7,392,514)
Less: Pensioner remissions				(1,700,273)	(1,677,923)
Net rates and utility charges				<u>158,426,086</u>	<u>152,293,587</u>
<b>(b) Fees and charges</b>					
Airport fees				1,941,007	3,632,669
Building, planning and plumbing fees				3,996,752	3,002,847
Cemetery fees				417,715	351,822
Commissions				209,798	214,894
Community care and aged care fees				149,513	145,523
Fines, penalties and infringements				263,176	258,614
Health, licenses and registrations				689,094	930,829
Hire of facilities and rental income				2,633,712	2,323,613
Holiday park income				2,961,997	2,005,372
Rate search fees				1,313,450	712,076
Tourism and events				501,982	204,326
Waste and recycling fees				7,733,829	6,148,184
Other fees and charges				27,681	177,223
				<u>22,839,706</u>	<u>20,107,992</u>

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun 21 \$	30-Jun 20 \$
<b>3 Revenue (Cont'd)</b>			
<b>(c) Sales Revenue</b>			
Contract and recoverable works		5,463,249	4,469,841
Sale of goods		1,166,203	1,100,287
		<u>6,629,452</u>	<u>5,570,128</u>
<b>(d) Grants, subsidies, contributions and donations</b>			
<b>(i) Recurrent</b>			
Grants and subsidies		12,896,924	13,899,467
Contributions and donations		290,159	312,201
		<u>13,187,083</u>	<u>14,211,668</u>
<b>(ii) Capital</b>			
Grants and subsidies		23,020,881	18,517,313
Infrastructure charges		2,197,764	1,461,215
Other capital contributions		426,435	108,555
Infrastructure assets contributed by developers at fair value*		8,756,704	9,809,218
		<u>34,401,784</u>	<u>29,896,301</u>
*Physical assets contributed to Council by developers in the form of roads, stormwater drainage, water and wastewater infrastructure, park equipment and plant.			
<b>4 Interest and other income</b>			
<b>Interest received</b>			
Interest received from cash and cash equivalents		1,152,970	2,671,742
Interest from overdue rates, levies and charges		185,309	283,113
Finance income on the net investment in the lease		421	87
		<u>1,338,700</u>	<u>2,954,942</u>
<b>5 Capital income</b>			
Decrease in provision for land restoration		174,955	98,962
Revaluation of investment property	15	45,507	-
Compensation for assets written off		23,559	18,636
		<u>244,021</u>	<u>117,598</u>



### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun 21 \$	30-Jun 20 \$
<b>6 Employee benefits</b>			
Staff wages and salaries		62,498,666	61,767,418
Councillors' remuneration*		1,244,099	1,084,868
Annual, sick and long service leave entitlements		9,881,204	10,854,241
Superannuation	28	7,734,881	8,173,071
Other employee related expenses		2,244,000	1,976,148
Total employee benefits		83,602,850	83,855,746
Less: Capitalised employee expenses		(7,210,126)	(7,495,694)
Net employee benefits		76,392,724	76,360,052

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

### 7 Materials and services

Audit of annual financial statements by the Auditor-General of Queensland		158,000	157,500
Chemicals		1,404,583	1,258,602
Digital platforms and connections		2,736,459	4,032,019
Electricity costs		4,280,795	4,579,002
External labour hire		1,804,619	1,495,259
External plant hire		7,560,672	7,438,900
Grants, contributions and donations		1,561,716	1,343,019
Insurance premiums		2,267,513	2,082,484
Licences and subscriptions		2,467,832	2,359,016
Non-capital projects*		4,666,902	5,325,601
Plant running costs		5,125,392	5,807,443
Professional services		6,619,074	5,872,062
Property expenses		2,626,416	2,162,589
Public safety and security		1,336,119	1,646,572
Raw water		1,537,022	1,443,580
Repairs and maintenance		7,341,037	7,244,287
Waste levy**		1,651,818	2,158,339
Other material and services***		9,173,375	7,806,313
		64,319,344	64,212,587

\*Value of non-capital projects includes costs associated with capital projects such as landscaping and service relocations. The value is exclusive of other costs reflected separately in Note 6 & 7.

\*\*Waste levy amount for 2020-21 contains \$3,119,414 rebated by the State Government to mitigate the direct impact on households.

\*\*\*Comparative balances for some items have been restated to ensure consistency with current period disclosures.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun 21 \$	30-Jun 20 \$
<b>8 Finance costs</b>			
Interest payable		3,174,737	3,393,206
Interest on lease liabilities	20(e)	126,893	136,465
Impairment of receivables		52,643	129,904
Bank charges		410,071	379,218
Landfill restoration - change in provision over time	23	247,791	399,029
		<u>4,012,135</u>	<u>4,437,822</u>
<b>9 Capital expenses</b>			
Loss on impairment of non-current assets held for sale	14	-	1,012
Increase in provision for landfill restoration		1,785,509	1,048,094
Loss on disposal of property, plant and equipment		10,284,704	9,139,481
Write off of intangibles		-	325,374
Loss on sale of investment property		-	182,580
Loss on sale of non-current assets held for sale		17,068	90,835
Donation of capital assets		-	635,435
		<u>12,087,281</u>	<u>11,422,811</u>
<b>10 Cash and cash equivalents</b>			
Cash at bank and on hand		25,744,168	1,389,730
Deposits at call		117,400,000	105,900,000
Term deposits		6,000,000	29,400,000
Balance per statement of cash flows		<u>149,144,168</u>	<u>136,689,730</u>
<p>Cash and cash equivalents include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions and other short-term, highly liquid investments with maturities of 12 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.</p> <p>Cash and deposits at call are held at the Commonwealth Bank, Bendigo Bank and in a QTC Capital Guaranteed Cash Fund account, with credit ratings ranging from A1+ to A2.</p> <p>Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit the amount that is available for discretionary or future use. These restrictions are managed using internal management accounting functions.</p>			
Internally imposed expenditure restrictions at the reporting date		65,308,817	63,948,888
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent capital grants, subsidies and contributions (contract liabilities)	19(b)	7,232,604	4,514,797
Unspent loan monies		1,623,464	2,669,941
		<u>8,856,068</u>	<u>7,184,738</u>
		<u>74,164,885</u>	<u>71,133,626</u>

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>11 Trade and other receivables</b>			
<b>Receivables</b>			
Rateable revenue and utility charges		4,152,971	5,644,225
Unbilled water charges		8,427,500	8,060,644
Trade receivables		4,469,466	3,179,274
Infrastructure charges receivable		157,267	434,583
		<u>17,207,204</u>	<u>17,318,726</u>
Less allowance for expected credit losses		<u>(321,692)</u>	<u>(426,708)</u>
		<u>16,885,512</u>	<u>16,892,018</u>
<b>Details of movement in allowance for expected credit loss:</b>			
Opening balance		426,708	495,983
Less: Debts written off during the year		(139,105)	(174,933)
Additional impairments recognised		101,604	158,968
Less: Impairments reversed		<u>(67,515)</u>	<u>(53,310)</u>
Balance at end of financial year		<u>321,692</u>	<u>426,708</u>
All amounts that were written off during the reporting period are no longer subject to enforcement activity.			
Interest was charged on outstanding rates at a rate of 8.53% per annum (2020-21) and 9.83% per annum (2019-20). Under the Coronavirus relief package, Council placed a moratorium on all interest charges from 1 April 2020 - 31 December 2020. No interest is charged on accounts receivable. All known bad debts were written-off at 30 June.			
<b>12 Inventories</b>			
<b>(a) Stores inventories</b>		<u>1,196,540</u>	<u>1,186,775</u>
Stores inventories are held for distribution. They are goods to be supplied at no or a nominal charge and goods to be used for the provision of services at no or a nominal charge.			
The value of inventory recognised as an expense during the period was \$3,732,593 (2020: \$3,561,808).			
<b>(b) Land purchased for development and resale</b>			
Opening balance		3,772,701	5,127,762
Additions		1,543	911,736
Less: Cost of developed land sold		(1,123,018)	(330,888)
Less: Transferred to property, plant and equipment	16	(145,167)	(1,738,934)
Less: Transferred to investment property	15	<u>(147,497)</u>	<u>(196,975)</u>
Closing balance at end of financial year		<u>2,358,562</u>	<u>3,772,701</u>
Total inventories		<u>3,555,102</u>	<u>4,959,476</u>
<b>13 Other assets</b>			
GST recoverable		2,457,359	2,224,621
Prepayments		<u>2,526,244</u>	<u>1,795,376</u>
		<u>4,983,603</u>	<u>4,019,997</u>

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>14 Non-current assets held for sale</b>			
Opening balance		1,173,822	1,942,834
Internal transfer from investment property	15	-	36,000
Assets sold during financial year		(375,273)	(804,000)
Impairment adjustment in period	9	-	(1,012)
Closing balance at end of financial year		<u>798,549</u>	<u>1,173,822</u>

Council has resolved to sell parcels of vacant land that serve no strategic purpose.

<b>15 Investment property</b>			
Fair value at beginning of financial year		14,375,985	7,472,760
Internal transfer from/(to) non-current assets held for sale	14	-	(36,000)
Internal transfer from/(to) buildings and structures	16	-	3,680,389
Internal transfer from/(to) land	16	(414,178)	284,273
Internal transfer from/(to) land inventory	12	147,497	196,975
Investment property acquired at cost		2,465,067	2,251,110
Donated assets		-	786,000
Net book value of asset sold		-	(154,273)
Net book value of asset written-off		-	(105,249)
Revaluation adjustment in period	5	45,507	-
Fair value at end of financial year		<u>16,619,878</u>	<u>14,375,985</u>

At reporting date there was no property being constructed or developed for future use as investment property.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 16 Property, plant and equipment

For the year ended 30 June 2021

Basis of measurement	Land and improvements		Buildings and structures		Plant and equipment		Roads, footpaths and bridges		Stormwater drainage		Wastewater infrastructure		Water infrastructure		Work in progress		Total
	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	
<b>Asset values</b>																	
Opening gross value as at 1 July 2020	59,240,403	63,671,601	312,002,605	1,484,992,194	331,052,838	480,439,081	486,613,753	39,845,616	3,257,858,091								
Assets not previously recognised/(derecognised)	88,000	253,512	(434,056)	1,380,137	4,533,445	(186,196)	435,516	-	6,070,358								
Additions at cost	151,549	8,392,047	5,654,425	20,227,821	1,752,323	2,338,374	2,801,526	40,047,895	81,305,960								
Contributed assets	-	-	45,000	2,567,470	3,050,943	2,243,761	849,530	-	8,756,704								
Internal transfers from work in progress	(61)	547,696	5,127,043	14,047,260	891,946	749,033	4,566,952	(25,929,869)	-								
Disposals	(68,362)	(7,516,137)	(6,704,986)	(17,535,016)	(359,976)	(3,606,230)	(1,959,405)	-	(37,750,112)								
Revaluation adjustment to the asset revaluation surplus	-	-	2,596,880	60,195,889	4,679,203	1,652,524	1,678,226	-	70,802,722								
Revaluation adjustment to profit and loss	-	-	-	-	-	-	-	-	-								
Assets transferred from/(to) other asset classes	559,680	86,716	-	-	-	-	24,773	-	671,169								
Prior year work in progress expensed	-	-	-	-	-	-	-	-	(897,352)								
Other internal transfers	-	20,909	713,648	(1,160,244)	984,031	(175,797)	(382,547)	-	(897,352)								
Donation of capital assets	-	-	-	-	-	-	-	-	-								
Closing gross value as at 30 June 2021	59,971,209	65,396,344	319,000,559	1,564,715,511	346,584,753	483,454,550	494,628,324	53,066,290	3,386,817,540								

#### Accumulated depreciation

Opening balance as at 1 July 2020	-	27,710,936	131,576,327	408,558,072	101,711,063	133,102,282	199,038,715	-	1,001,697,395								
Assets not previously recognised/(derecognised)	-	123	(493,124)	(1,724,994)	(5,175,155)	11,026	142,619	-	(7,239,505)								
Depreciation expense	-	5,109,102	9,532,072	20,064,214	3,512,660	6,366,608	6,653,360	-	51,238,016								
Contributed assets	-	-	-	-	-	-	-	-	-								
Depreciation on disposals	-	(5,655,020)	(4,836,677)	(11,138,434)	(256,922)	(2,544,414)	(1,090,428)	-	(25,521,895)								
Revaluation adjustment to the asset revaluation surplus	-	-	2,166,397	(15,056,341)	3,237,610	854,931	2,864,498	-	(5,932,905)								
Assets transferred from/(to) other asset classes	-	-	-	-	-	-	-	-	-								
Other internal transfers	-	(73,905)	-	-	-	-	-	-	-								
Closing accumulated depreciation as at 30 June 2021	-	27,091,236	138,016,900	400,702,517	103,029,256	137,790,433	207,608,764	-	1,014,241,106								
Total written down value at 30 June 2021	59,971,209	38,305,108	180,981,659	1,164,012,994	243,555,497	345,664,117	287,019,560	53,066,290	2,372,576,434								
Residual value	-	11,112,571	-	-	-	-	-	-	1,112,571								
Range of estimated useful life in years	-	3-100	5-150	10-200	90-120	7-90	10-100	-	11,112,571								

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 16 Property, plant and equipment (Cont'd)

##### For the year ended 30 June 2020

	Land and improvements		Buildings and structures		Plant and equipment		Roads, footpaths and bridges		Stormwater drainage		Wastewater infrastructure		Water infrastructure		Work in progress		Total
	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Basis of measurement																	
<b>Asset values</b>																	
Opening gross value as at 1 July 2019	64,290,088	308,764,889	62,473,223	1,440,288,791	312,140,566	488,379,156	373,260,315	23,660,774	3,053,257,582								
Assets not previously recognised/(derecognised)	-	(95,456)	5,415	9,366,443	6,787,680	(517,487)	272,132	884,901	16,703,628								
Additions at cost	23,756	7,049,489	7,320,978	24,097,110	3,695,006	2,077,391	1,769,992	36,002,449	82,036,171								
Contributed assets	345,100	117,000	-	3,627,227	2,091,224	2,067,143	805,366	-	9,053,060								
Internal transfers from work in progress	-	4,475,653	587,846	9,765,625	839,087	2,156,753	1,656,821	(19,481,785)	-								
Disposals	(52,361)	(4,508,318)	(6,428,162)	(15,757,280)	(574,146)	(31,630,812)	(2,874,834)	-	(61,825,913)								
Revaluation adjustment to the asset revaluation surplus	-	(802,509)	-	14,811,408	2,976,627	37,786,706	110,322,393	-	165,094,625								
Revaluation adjustment to profit and loss	-	-	-	-	-	-	-	-	-								
Assets transferred from/(to) other asset classes	(284,273)	(6,695,000)	-	828,516	626,397	112,914	171,107	-	(5,240,339)								
Prior year work in progress expensed	-	-	-	-	-	-	-	-	(585,289)								
Other internal transfers	(5,081,887)	3,697,057	(287,699)	(2,035,646)	2,470,397	7,317	1,230,461	-	-								
Donation of capital assets	-	-	-	-	-	-	-	-	(635,434)								
Closing gross value as at 30 June 2020	59,240,403	312,002,605	63,671,601	1,484,992,194	331,052,638	480,439,081	486,613,753	39,845,616	3,257,858,091								

##### Accumulated depreciation

Opening balance as at 1 July 2019	2,973,879	125,421,966	27,597,165	390,907,822	95,938,710	132,791,209	161,583,224	-	937,213,975
Assets not previously recognised/(derecognised)	-	191,510	27	2,601,797	1,677,616	(371,173)	(70,286)	-	4,029,491
Depreciation expense	-	9,399,393	4,991,499	19,987,300	3,356,247	5,831,578	5,635,350	-	49,201,367
Contributed assets	-	-	-	29,419	-	424	-	-	29,843
Depreciation on disposals	-	(3,461,035)	(4,877,755)	(11,096,794)	(230,940)	(30,009,074)	(1,693,738)	-	(51,369,336)
Revaluation adjustment to the asset revaluation surplus	-	1,049,353	-	5,140,157	973,673	24,859,318	33,584,165	-	65,606,666
Assets transferred from/(to) other asset classes	-	(3,014,611)	-	-	-	-	-	-	(3,014,611)
Other internal transfers	(2,973,879)	1,989,751	-	988,371	(4,243)	-	-	-	-
Closing accumulated depreciation as at 30 June 2020	-	131,576,327	27,710,936	408,558,072	101,711,063	133,102,282	199,036,715	-	1,001,697,395
Total written down value at 30 June 2020	59,240,403	180,426,278	35,960,665	1,076,434,122	229,341,775	347,336,799	287,575,038	39,845,616	2,256,160,696
Residual value	-	-	10,592,317	-	-	-	-	-	10,592,317
Range of estimated useful life in years	5-7	5-150	2-100	10-100	80	7-90	10-100	-	-

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 16 Property, plant and equipment (Cont'd)

##### Assets not previously recognised/(derecognised)

Adjustments relate to either assets which have been identified by Council and recognised for the first time, or assets which were unable to be located and have therefore been derecognised, in the current financial year. The movements are listed below:

- The stormwater drainage review project is nearing completion. An additional 1,000 assets with a fair value of \$3,161,255 was recognised and 425 assets worth \$916,466 was derecognised. Further data corrections increased the fair value by \$7,466,811. The overall fair value addition is \$9,708,600.
- Data validation of Roads, footpaths and bridges recognised 635 assets, mainly culverts, kerbs and traffic management devices, with a carrying amount of \$5,722,636 and 732 assets at \$6,641,438 being derecognised. Data corrections to existing assets added a further \$4,023,933. The net fair value increase is \$3,105,131.
- Adjustments to other asset classes with recognition/derecognition and data corrections saw a fair value increase of \$496,132.

The amount recognised in the comparative period relates to the following:

- The ongoing review of Stormwater assets increased the carrying amount by \$5,110,063. The addition of 1,143 assets and the derecognition of 209 assets accounted for \$2,789,703. The balance of \$2,320,360 was for data corrections to existing assets.
- In the Roads, footpaths and bridges asset class, there were approximately 452 assets recognised, primarily relating to kerbs and added to the asset register and 31 assets derecognised. These had a net carrying amount of \$3,294,626. Data corrections to existing assets increased the balance by a further \$3,470,020, resulting in a combined total of \$6,764,646.
- An amount of \$996,488 expensed through non-capital projects in the prior year relating to leased buildings, has now been identified as assets not previously recognised and added to the asset register.
- Other changes in Council's asset classes arising from the initial recognition/derecognition and data correction of assets amounted to a reduction of \$197,060.

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 17 Fair value measurements

Council's valuation policies are reviewed and endorsed by the Audit and Risk Committee for adoption by Council. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of Property, plant and equipment and Investment property (recurring fair value measurements) are set out in Note 1.16(v) and Note 1.15 respectively. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

#### (a) Recognised fair value measurements

Council measures and recognises the following assets at fair value on a recurring basis:

Investment property  
 Property, plant and equipment  
 - Land and improvements  
 - Buildings and other structures  
 - Roads, footpaths and bridges  
 - Stormwater drainage  
 - Wastewater infrastructure  
 - Water infrastructure

Council does not measure any liabilities at fair value on a recurring basis.

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 32 is provided by the QTC and represents the contractual undiscounted cash flows at balance date (level 2).

The carrying amount of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (level 2).

Council also has assets measured at fair value on a non-recurring basis as a result of being classified as assets held for sale. These comprise land as disclosed in Note 14. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading "Land and improvements (level 2 and 3)".

In accordance with AASB 13 fair value measurements are categorised into three levels as follows:

- Level 1 - fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - fair value based on inputs that are directly or indirectly observable for the asset or liability
- Level 3 - fair value based on unobservable inputs for the asset and liability

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



### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 17 Fair value measurements (Cont'd)

##### (a) Recognised fair value measurements (Cont'd)

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

	Note	Level 2		Level 3		Total	
		Significant other observable inputs		Significant unobservable inputs			
		2021	2020	2021	2020	2021	2020
		\$	\$	\$	\$		\$
<i>Recurring fair value measurements</i>							
Investment property	15						
- Land		9,427,807	9,607,565	519,000	1,485,121	9,946,807	11,092,686
- Rental property		6,673,071	3,283,299	-	-	6,673,071	3,283,299
Land and improvements	16	9,374,800	9,374,800	50,596,409	49,865,603	59,971,209	59,240,403
Buildings and structures	16						
- Market Value		1,963,416	1,914,848	-	-	1,963,416	1,914,848
- Specialised		-	-	179,018,243	178,511,430	179,018,243	178,511,430
Roads, footpaths and bridges	16	-	-	1,164,012,994	1,076,434,122	1,164,012,994	1,076,434,122
Stormwater drainage	16	-	-	243,555,497	229,341,775	243,555,497	229,341,775
Wastewater infrastructure	16	-	-	345,664,117	347,336,799	345,664,117	347,336,799
Water infrastructure	16	-	-	287,019,560	287,575,038	287,019,560	287,575,038
		27,439,094	24,180,512	2,270,385,820	2,170,549,888	2,297,824,914	2,194,730,400
<i>Non-recurring fair value measurements</i>							
Land held for sale	14	-	-	798,549	1,173,822	798,549	1,173,822
		-	-	798,549	1,173,822	798,549	1,173,822

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 17 Fair value measurements (Cont'd)

##### (b) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Specific valuation techniques used to value Council assets comprise:

###### Land and improvements - (level 2 and 3)

Land fair values were determined by independent and qualified Valuers, AssetVal Pty Ltd based on a comprehensive revaluation effective 30 June 2019. Where an observable market for Council's land assets could be identified, fair value was measured by way of a Market Approach (level 2), utilising sale prices of comparable properties after adjusting for differences in key attributes of the property, such as size. Where a significant adjustment was required between the sales prices of comparable properties, fair value was measured by way of a Market Approach (level 3). All land assets were assessed under a Market Approach as either level 2 or level 3. The most significant inputs into this valuation approach are price per square metre. For the 2021 financial year AssetVal determined that there was no increase in valuation.

Investment property land is measured at fair value. The fair value of the land was determined using the approach described in the preceding paragraph. These parcels were not revalued this year.

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the sales comparison approach described in the preceding paragraph.

###### Buildings and structures (level 2 and 3)

A comprehensive valuation assessment of Council's Buildings and structures was performed by AssetVal Pty Ltd effective 30 June 2019. The revaluation of assets was assessed using either a direct comparison approach (a level 2 assessment) or the cost approach (current replacement cost) which is a level 3 assessment. A desktop revaluation was undertaken by AssetVal at 30 June 2021, which resulted in indices of 0.75% applied to buildings and 1.09% for other structures.

Buildings and structures (level 3) were assessed by analysing data derived from Rawlinsons Australia Construction Handbook 2018, Construction Cost Consultants Handbook and the Australian Bureau of Statistics. Council assets are valued on the basis that the entity intends to retain the assets for a continuous use for the purposes of the enterprise and for the foreseeable future. Current use of the assets is presumed to be its highest and best use unless market or other factors suggest a different use would maximise its value. Valuers noted that industrial, retail and commercial markets have been largely subdued across the region as a reflection of local market conditions.

Investment property is measured at fair value. The fair value of the rental property was determined using the market value or cost approach described in a preceding paragraph.

###### Infrastructure assets (level 3)

All Council infrastructure assets were measured at fair value using a cost approach valuation technique. The fair value was the asset's CRC less accumulated depreciation on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within Council's planning horizon.

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 17 Fair value measurements (Cont'd)

#### (b) Valuation techniques used to derive fair values for level 2 and level 3 valuations (Cont'd)

##### Roads, footpaths and bridges

Council categorises its road infrastructure in urban and rural roads and then further sub-categorises these into sealed and unsealed roads. All road segments are then componentised into formation, pavement subbase, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

The Roads, footpaths and bridges fair values were determined by independent and qualified Valuers, APV Valuers & Asset Management Pty Ltd based on a comprehensive revaluation effective 30 June 2021. The valuation was based on determining the replacement cost of the modern equivalent and rates were adjusted to reflect local cost inputs for plant, labour and overheads.

In determining the level of physical obsolescence, remaining useful lives were determined based on condition assessments. The condition assessments were made using a 10 point scale. A zero condition assessment indicates an asset with a very high level of remaining service potential and 10 represents an asset at the end of its useful life.

##### Stormwater drainage

The Stormwater drainage fair values were determined by independent and qualified Valuers, APV Valuers & Asset Management Pty Ltd based on a comprehensive revaluation effective 30 June 2021.

Consistent with Roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Where drainage assets are located underground and physical inspection is not possible, the age, size and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date. Construction estimates were determined on a similar basis to roads.

In determining the level of physical obsolescence, remaining useful lives were determined based on condition assessments. The condition assessments were made using a 10 point scale. A zero condition assessment indicates an asset with a very high level of remaining service potential and 10 represents an asset at the end of its useful life.

##### Water and wastewater infrastructure

The fair value of Water and wastewater active infrastructure assets was determined by independent and qualified Valuers, Australis Asset Advisory Group based on a comprehensive revaluation effective 30 June 2017. Active assets include treatment plants, pump stations and reservoirs. These were componentised dependent on size, capacity, site conditions and other relevant factors. CRC was calculated by reference to asset linear and area specifications, or lump sum estimated labour and material inputs, service costs and overhead allocations. An indice of 0.23% for Wastewater and 0.17% for Water, provided by Australis Asset Advisory Group, was applied for the 2021 financial year.

A comprehensive valuation of Water and wastewater passive assets was undertaken by Cardno effective 30 June 2020. Visual inspections were undertaken on a sample of sewer manholes and an engineer reviewed existing CCTV footage of the sewer gravity mains. A desktop revaluation was undertaken by Cardno at 30 June 2021, which resulted in indices of 0.40% applied for Water and wastewater passive assets.

Estimated useful lives and residual values are disclosed in Note 16.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 18 Intangible assets

##### For the year ended 30 June 2021

Basis of measurement

##### Asset values

Opening gross carrying value as at 1 July 2020	
Additions at cost	
Assets not previously recognised/(derecognised)	
Internal transfers from work in progress	
Disposals	
Prior year work in progress expensed	
Assets transferred from/(to) property plant and equipment	
Closing gross carrying value as at 30 June 2021	

##### Accumulated amortisation

Opening balance as at 1 July 2020	
Amortisation provided in period	
Amortisation on disposals	
Closing accumulated amortisation as at 30 June 2021	
Total intangible assets at 30 June 2021	

	Computer Software		Land Lease		Water Rights		Work in progress		Total
	Cost	\$	Cost	\$	Cost	\$	Cost	\$	
	2,820,358		-		4,915,202		-		7,735,560
	-		-		-		-		-
	-		-		-		-		-
	(163,343)		-		-		-		(163,343)
	-		-		-		-		-
	(111,489)		-		-		-		(111,489)
	2,545,526		-		4,915,202		-		7,460,728
	1,616,085		-		-		-		1,616,085
	250,255		-		-		-		250,255
	(163,343)		-		-		-		(163,343)
	1,702,997		-		-		-		1,702,997
	842,529		-		4,915,202		-		5,757,731

Computer software have finite estimated useful lives of 3-50 years. Straight line amortisation has been used with no residual value.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 18 Intangible assets (Cont'd)

##### For the year ended 30 June 2020

Basis of measurement

##### Asset values

Opening gross carrying value as at 1 July 2019	
Additions at cost	
Assets not previously recognised/(derecognised)	
Internal transfers from work in progress	
Disposals	
Prior year work in progress expensed	
Assets transferred from/(to) property plant and equipment	
Closing gross carrying value as at 30 June 2020	

##### Accumulated amortisation

Opening balance as at 1 July 2019	
Amortisation provided in period	
Amortisation on disposals	
Closing accumulated amortisation as at 30 June 2020	
Total intangible assets at 30 June 2020	

	Computer Software		Land Lease		Water Rights		Work in progress		Total
	Cost	\$	Cost	\$	Cost	\$	Cost	\$	
	2,972,941		311,000		4,346,253		-		7,630,194
	111,489		-		513,449		-		624,938
	-		-		55,500		-		55,500
	(264,072)		(311,000)		-		-		(575,072)
	-		-		-		-		-
	-		-		-		-		-
	2,620,358		-		4,915,202		-		7,735,560
	1,584,639		-		-		-		1,584,639
	281,144		-		-		-		281,144
	(249,698)		-		-		-		(249,698)
	1,616,085		-		-		-		1,616,085
	1,204,273		-		4,915,202		-		6,119,475

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>19 Contract balances</b>			
<b>(a) Contract assets</b>		190,277	1,171,099
<b>(b) Contract liabilities</b>			
Funds received upfront to construct Council controlled assets		7,232,604	4,514,797
Deposits received in advance of services provided		927,847	936,076
Current contract liabilities		8,160,451	5,450,873
Revenue recognised that was included in the contract liability balance at the beginning of the year:			
Funds to construct Council controlled assets		4,510,765	7,617,978
Deposits received in advance of services provided		927,855	694,422
		5,438,620	8,312,400

#### 20 Leases

##### Council as lessee

##### (a) Terms and conditions of leases

###### *Land Leases*

Council has two leases of recreational land from the Department of Resources, for 30 years and 12.5 years each. Neither of these leases contains an extension option. Lease payments are reviewed annually based on provisions of the *Land Act 1994*, which is generally based on a percentage of the average land value over a period of time.

Council also holds a perpetual lease of land from the Department of Resources for a vacant site adjacent to the Burnett River. This site is held by Council for potential future use for community recreational purposes. The annual lease payments are reviewed periodically based on provisions of the *Land Act*.

###### *Buildings Leases*

Council has leases over three buildings which are used for office space and storage. The lease terms range from 1 to 10 years. All leases contain renewal options which are reasonably certain to be exercised at Council's discretion. The leases are subject to a variety of annual increases including a fixed annual increase, annual CPI increases and a market review increase.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 20 Leases (Cont'd)

##### Council as lessee (Cont'd)

###### Plant and Equipment Leases

Council routinely enters into leases for plant and equipment including office equipment, IT equipment and machinery. Some of these leases are short-term leases or leases of low-value assets and are therefore not subject to lease accounting.

Council has one lease that is recognised on the balance sheet. This lease is for surveying equipment which has a five year term, with no option to extend and no annual increases.

##### (b) Right-of-use assets

	Buildings \$	Land \$	Equipment \$	Total \$
Opening balance as at 1 July 2020	3,002,797	1,418,726	112,230	4,533,753
Adjustments to right-of-use assets due to re-measurement of lease liability	(7,299)	-	-	(7,299)
Depreciation charge	(377,496)	(83,745)	(107,248)	(568,489)
Balance at 30 June 2021	2,618,002	1,334,981	4,982	3,957,965
	Buildings \$	Land \$	Equipment \$	Total \$
Adoption of AASB 16 at 1 July 2019	3,379,172	1,502,239	311,226	5,192,637
Adjustments to right-of-use assets due to re-measurement of lease liability	2,231	-	-	2,231
Depreciation charge	(378,606)	(83,513)	(198,996)	(661,115)
Balance at 30 June 2020	3,002,797	1,418,726	112,230	4,533,753

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 20 Leases (Cont'd)

##### Council as lessee (Cont'd)

##### (c) Lease liabilities

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore, the amounts will not be the same as the recognised lease liability in the Statement of the Financial Position:

	<1 year	1-5 years	>5 years	Total	Total per Statement of Financial Position
	\$	\$	\$	\$	\$
	494,757	1,990,562	4,452,362	6,937,681	4,139,935
Current lease liabilities at 30 June 2021				<u>404,737</u>	
Non-current lease liabilities at 30 June 2021				<u>3,735,198</u>	
Opening balance as at 1 July 2020				4,658,146	
Reassessments during the year (non-cash)				(7,299)	
Repayments made on leases during the year (cash)				(510,912)	
Balance at 30 June 2021				<u>4,139,935</u>	
	<1 year	1-5 years	>5 years	Total	Total per Statement of Financial Position
	\$	\$	\$	\$	\$
	733,431	2,555,880	4,870,793	8,160,104	4,658,146
Current lease liabilities at 30 June 2020				<u>513,401</u>	
Non-current lease liabilities at 30 June 2020				<u>4,144,745</u>	
Adoption of AASB 16 at 1 July 2019				5,138,009	
Reassessments during the year (non-cash)				2,231	
Repayments made on leases during the year (cash)				(482,094)	
Balance at 30 June 2020				<u>4,658,146</u>	



### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 20 Leases (Cont'd)

##### Council as lessee (Cont'd)

##### (d) Liabilities not recognised - extension options

For all lease liability calculations Council includes extension options which can be exercised at Council's discretion and where it is reasonably certain that these options will be exercised. At each reporting date, Council assesses whether it is reasonably certain that the extension options will be exercised based on current operations and Council strategy.

##### (e) Amounts in the Statement of Comprehensive Income related to leases

The following amounts have been recognised in the Statement of Comprehensive Income for leases where Council is the lessee:

	30-Jun-21	30-Jun-20
	\$	\$
Interest on lease liabilities	126,893	136,465
Variable lease payment based on usage not included in the measurement of lease liabilities	17,378	18,595
Depreciation of right-of-use assets	568,489	661,115
Expenses relating to short-term leases	10,075	221,816
Expenses relating to low-value assets	150,739	130,835
Total cash outflows for leases	<u>873,574</u>	<u>1,168,826</u>

##### (f) Leases at significantly below market value - concessionary/peppercorn leases

Council has a number of leases significantly below market value for land and buildings, which are used for:

- Art gallery space
- Carpark
- Police Beat facility
- Jetty and wharf

The leases are generally between 10 and 30 years and require payments between \$1 and \$1,991 per annum. The use of the right-of-use asset is restricted by the lessors to specified community services which Council must provide. These services are detailed in the leases.

Council has not elected to recognise a right-of-use asset at fair value for these concessionary leases.

Council does not believe that any of the leases in place are individually material.

##### Council as lessor

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

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

Council only discloses expected lease income for leases with a yearly income greater than 1% of the total annual lease income of Council.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 20 Leases (Cont'd)

##### Council as lessor (Cont'd)

##### (g) Operating leases

Council properties are leased out under non-cancellable operating lease arrangements. Operating lease income is recognised on a straight-line basis over the lease term.

The minimum lease receipts arising from operating leases are as follows:

	30-Jun-21	30-Jun-20
	\$	\$
<b>(i) Lease receipts</b>		
Future minimum lease payments are expected to be received in relation to non-cancellable operating leases as follows:		
Not later than one year	731,129	515,062
Between one and two years	601,804	547,717
Between two and three years	496,713	460,517
Between three and four years	458,393	364,439
Between four and five years	260,270	323,609
Later than five years	869,199	994,063
	<u>3,417,508</u>	<u>3,205,407</u>
<b>(ii) Sub-lease receipts</b>		
Future minimum lease payments are expected to be received in relation to non-cancellable sub-leases as follows:		
Not later than one year	257,203	250,798
Between one and two years	223,308	257,203
Between two and three years	188,484	223,308
Between three and four years	148,270	188,484
Between four and five years	-	148,271
	<u>817,265</u>	<u>1,068,064</u>
<b>21 Trade and other payables</b>		
Creditors and accrued expenses	20,593,179	13,264,350
Annual leave	6,024,153	5,971,435
Wages and other employee entitlements	2,004,147	2,606,718
	<u>28,621,479</u>	<u>21,842,503</u>

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>22 Borrowings</b>			
<b>Current</b>			
Loans - QTC		6,797,798	7,658,004
<b>Non-Current</b>			
Loans - QTC		66,354,864	70,026,741
<b>Reconciliation of loan movements for the year</b>			
Opening balance		77,684,745	77,478,647
Loans raised (cash)		3,000,000	7,500,000
Principal repayments (cash)		(7,520,713)	(7,284,032)
Movement in interest payable (non-cash)		(11,370)	(9,870)
Balance at end of financial year		73,152,662	77,684,745

Financing facilities are limited by the requirement to obtain State Government approval for all loan applications. All loans are unsecured.

No interest has been capitalised during the current or comparative reporting period.

Expected final repayment dates vary from 15 December 2022 to 15 March 2041.

There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

#### 23 Provisions

##### Current

Landfill restoration		150,000	300,000
Long service leave		12,790,824	13,039,869
		12,940,824	13,339,869

##### Non-Current

Landfill restoration		24,160,975	21,339,891
Long service leave		1,066,996	873,590
		25,227,971	22,213,481

##### Details of movement in land restoration provision:

Opening balance		21,639,891	19,971,988
Increase in provision - finance cost due to change in time	8	247,791	399,029
Increase/(decrease) in provision - change in discount rate		(195,123)	1,445,577
Decrease in provision for actual restoration expenditure		-	(34,775)
Increase/(decrease) in estimate of future cost		2,618,416	(141,928)
Balance at end of financial year		24,310,975	21,639,891

A provision is made for the cost of restoration of assets and other future restoration costs where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of the facility. This liability is provided in respect of significant operational landfills.

It represents the present value of the anticipated future costs associated with the closure of the landfills, decontamination and monitoring of historical residues and leaching on these sites.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>24 Other liabilities</b>			
Prepaid rates		9,681,762	8,701,606
		<u>9,681,762</u>	<u>8,701,606</u>
<b>25 Asset revaluation surplus</b>			
<b>(a) Movements in the asset revaluation surplus were as follows:</b>			
Opening balance		614,090,840	514,957,398
Movement in property, plant and equipment	16	76,735,626	99,487,959
Movement in restoration provision	23	(812,739)	(354,517)
Balance at end of financial year		<u>690,013,727</u>	<u>614,090,840</u>
<b>(b) Asset revaluation surplus analysis</b>			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Buildings and structures		32,766,913	33,149,170
Roads, footpaths and bridges		306,530,278	231,278,047
Stormwater drainage		59,104,178	57,662,586
Wastewater infrastructure		126,960,312	126,162,718
Water infrastructure		164,652,046	165,838,319
		<u>690,013,727</u>	<u>614,090,840</u>
<b>26 Commitments for expenditure</b>			
<b>(a) Recurrent commitments</b>			
Significant recurrent contractual commitments at the reporting date but not recognised as liabilities		<u>8,026,423</u>	<u>12,862,777</u>
<b>(b) Capital commitments</b>			
Significant capital contractual commitments at the reporting date but not recognised as liabilities are as follows:			
Buildings and structures		7,658,278	780,629
Plant and equipment		6,634,980	2,946,076
Roads, footpaths and bridges		645,016	5,890,449
Stormwater drainage		1,244,248	-
Wastewater infrastructure		135,832	362,514
Water infrastructure		9,898,404	24,921,707
		<u>26,216,758</u>	<u>34,901,375</u>

Council only discloses individual contractual and capital commitments over \$200,000.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	30-Jun-21	30-Jun-20
Note	\$	\$
<b>27 Contingent liabilities</b>		
Details and estimates of maximum amounts of contingent liabilities are as follows:		
<b>Claims</b>		
Council is a defendant in a number of claims that arise as a result of the operations of Council. Council is of the opinion that the claims can be successfully defended and that no costs in excess of the recorded accruals will result. Information in respect of individual claims has not been disclosed in accordance with AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> on the basis that council considers such disclosures would seriously prejudice the outcome of the claims.		
<b>Landfills</b>		
Council has a number of operational and closed landfills throughout the region. Obligations for future remediation are determined annually, with the nature and extent of work required dependent on a condition assessment of the land and any proposed use of that land. The future use of the land has not yet been determined for closed landfills. Council has yet to make a formal determination on the closure of smaller operational landfills and has deferred a decision on the remediation of part of the University Drive Landfill. As a consequence, Council is unable to reliably estimate potential rehabilitation costs for these sites. A provision for restoration costs for larger operational landfills has been disclosed in Note 23.		
<b>Local Government Mutual</b>		
Council is a member of the local government mutual liability self-insurance pool, Queensland Local Government Mutual Liability Pool. In the event of the scheme being wound up, or if 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 scheme members in the same proportion as their contribution is to the total scheme contributions, in respect to any year that a deficit arises. As at June 2021 the financial statements reported an accumulated surplus and it is not anticipated that any liability will arise.		
<b>Local Government Workcare</b>		
Council is a member of the Local Government Self-Insurance Scheme, Local Government Workcare. Under this scheme Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled because of insufficient funds being available to cover outstanding liabilities. Only Local Government Workcare may call on any part of the guarantee should the above circumstances arise.		
Council's maximum exposure is:	2,356,430	2,150,578

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>28 Superannuation - Regional Defined Benefits Fund</b>			
<p>Council 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 <i>Local Government Act 2009</i>.</p> <p>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 a council level.</p> <p>Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of Council.</p> <p>Technically, Bundaberg Regional Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed, changes to Council's obligations will only be made on the advice of an actuary.</p> <p>The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of the benefit entitlements should all participating employees voluntarily exit the scheme. Council 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.</p> <p>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.</p> <p>The next triennial actuarial review is not due until 1 July 2021.</p> <p>The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:</p> <ul style="list-style-type: none"> <li>- Investment risk: The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.</li> <li>- Salary growth risk: The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.</li> </ul>			
Superannuation contributions made to the Regional Defined Benefits Fund		615,326	641,145
Other superannuation contributions		7,119,555	7,531,926
Total superannuation contributions paid by Council:	6	<u>7,734,881</u>	<u>8,173,071</u>

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>29 Trust funds</b>			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities:		4,669,917	3,600,542
Council performs only a custodial role in respect of these monies and because the monies cannot be used by Council, they are not brought to account in these financial statements.			
<b>30 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities</b>			
Net result		32,003,909	20,064,017
Non-cash operating items:			
Depreciation of property plant and equipment	16(a)	51,238,016	49,201,367
Depreciation of right-of-use assets	20(b)	568,489	661,115
Amortisation of intangible assets	18	250,255	281,144
Change in restoration provision to finance costs	8	247,791	399,029
Revaluation of investment property	15	(45,507)	-
Current cost of developed land sold	12(b)	1,123,018	330,888
Capital asset donated		-	635,435
		53,382,062	51,508,978
Investing and financing activities:			
Change in restoration provision		1,610,554	914,357
Capital grants, subsidies, other contributions and donations	3(d)	(34,401,784)	(29,896,301)
Loss on disposal of non-current assets	9	10,284,704	9,464,855
Loss on impairment of non-current assets held for sale	9	-	1,012
Loss on sale of investment property	9	-	182,580
(Profit)/Loss on sale of non-current assets held for sale	9	17,068	90,835
Compensation for assets written off	5	(23,559)	(18,636)
		(22,513,017)	(19,261,298)
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		208,593	1,514,159
(Increase)/decrease in other assets		(963,606)	(701,285)
(Increase)/decrease in contract assets		15,727	(16,303)
(Increase)/decrease in inventories		(11,306)	(1,052,345)
Increase/(decrease) in payables		(690,500)	2,542,125
Increase/(decrease) in contract liabilities		(8,229)	641,252
Increase/(decrease) in long service leave provision		(55,639)	1,197,385
Increase/(decrease) in unearned revenue		980,156	(2,769,703)
		(524,804)	1,355,285
<b>Net cash inflow from operating activities</b>		<b>62,348,150</b>	<b>53,666,982</b>

## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 31 Events after the reporting period

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

### 32 Financial instruments and financial risk management

#### (a) Financial assets and financial liabilities

Bundaberg Regional Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

#### Risk management framework

Exposure to financial risks is managed in accordance with Council's Risk Management Policy and its Risk Management Framework.

Council's Policy and Framework have been established to identify and analyse the risks faced, to set appropriate mitigation controls and to monitor these risks and adherence to limits. Council aims to manage volatility to minimise potential adverse effects on the financial performance of Council.

Council's Audit and Risk Committee oversees how management monitors compliance with Council's Risk Management Policy and Framework and reviews risks faced by Council. The Committee is assisted in its oversight role by Council's Internal Audit function who undertake regular and ad hoc reviews of risk management controls and procedures, with the results reported to the committee.

Council does not enter into derivatives or other high risk investments.

#### Credit risk

Credit risk is the risk of financial loss as a result of another party to a financial instrument failing to discharge their obligations. These obligations arise principally from Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

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

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

#### Cash and cash equivalents

Council is exposed to credit risk through its investments in the QTC Cash Fund and deposits held with banks and other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Other investments are held with regulated financial institutions which are rated AA- to BBB+ based on credit ratings agencies, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as rare.



## 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 32 Financial instruments (Cont'd)

#### (a) Financial assets and financial liabilities (Cont'd)

##### Credit risk (Cont'd)

###### *Trade and other receivables*

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts. In effect this power protects Council against credit risk in the case of these debts.

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

There is some geographical concentration of credit risk in Council's area. As the area is largely agricultural, the credit risk can be influenced by the current economic state of the agricultural sector.

Council does not require collateral in respect of trade and other receivables. Council does not have trade receivables for which no loss allowance is recognised because of collateral.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired and are stated at the carrying amounts as indicated.

###### *Expected Credit Loss assessment at 30 June 2021*

Council has identified there are four material receivable groupings for measuring expected credit losses (ECLs): Rateable revenue and utility charges (including infrastructure charges), government grants and subsidies, statutory charges - fines and penalties and other debtors.

With the exception of water consumption write-offs under Council's Water Relief Policy, no loss allowance is recorded for rates and utility charges or infrastructure charges where amounts are deemed to be a charge on the land. These are recoverable by way of a property sale under the *Local Government Act 2009*. There is also no loss allowance recorded for government grants, as these are effectively government guaranteed.

Council has identified Statutory charges - fines and penalties as a separate debtor group, as the underlying nature of the income streams is different to other trade receivables.

Council uses a provision matrix to measure ECLs. The provision matrix assigns the expected loss percentages to different aging bands of receivables to estimate the expected credit loss for the whole portfolio. The percentages are calculated based on historical credit loss experience, adjusted by current conditions and forward-looking data.

Within the other debtors group, several different debtor categories are collated, with each of these categories exhibiting different loss patterns. Therefore, Council estimates loss rates separately for each of these groups. The distinction between these categories is generally based on the services provided to these debtors by Council.

When considering historical credit loss rates, Council has drawn on its knowledge of past payment behaviour of categories of debtors. Although Council's current system does not capture this historical data, staff have a good understanding of the patterns of payments for the various categories. This knowledge has helped Council to build a profile of debt patterns for each category of debtors in the provision matrix.

In building the expected loss rates for each group of debtors, Council has also considered forecasts of macroeconomic conditions such as unemployment rates, economic growth and interest rates and assessed their expected impacts on the default rates of Council debtors. When revising the effect of these forward looking considerations Council is looking for major shifts in economic conditions - such as a spike in unemployment or interest rates which may affect the ability of debtors to meet their payment obligations.

Further disclosure on how expected credit losses have been determined has only been made for those groups that are deemed material.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 32 Financial instruments (Cont'd)

##### (a) Financial assets and financial liabilities (Cont'd)

##### Credit risk (Cont'd)

	Note	2021 \$	2020 \$
Rates and utility charges		12,580,471	13,704,869
Infrastructure charges		157,267	434,583
Government grants and subsidies		1,751,884	471,023
Statutory charges		392,149	383,477
Lease receivable		15,897	34,143
Other debtors		2,309,536	2,290,631
Less loss allowance		(321,692)	(426,708)
Total	11	16,885,512	16,892,018

Write-offs throughout the year and end of period expected credit losses for receivables:

##### Other debtors

	2021 \$	Weighted average loss rate %	2020 \$	Weighted average loss rate %
Current	1,576,364	6.21%	1,807,104	8.57%
31-60 days	621,682	4.96%	208,401	4.94%
61-90 days	10,214	7.65%	48,963	7.84%
90 + days	101,276	31.21%	226,163	19.21%
Less loss allowance	-161,124		-212,465	
	2,148,412	-	2,078,166	-

##### Rateable revenue and utility charges (including infrastructure charges)

	2021 \$	Weighted average loss rate %	2020 \$	Weighted average loss rate %
Rateable revenue and utility charges (including infrastructure charges)	12,737,738	0.827%	14,139,452	0.721%
Less loss allowance	-104,500		-102,000	
	12,633,238		14,037,452	

Refer to Note 11 for the movement in the allowance for expected credit losses during the year.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 32 Financial instruments (Cont'd)

##### (a) Financial assets and financial liabilities (Cont'd)

###### Liquidity risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting obligations associated with its financial liabilities.

Council'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 Council's reputation.

Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from QTC for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient cash reserves to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk of financial liabilities (excluding lease liabilities) held by Council. The amounts disclosed in the maturity analysis represent the contractual (principal and interest) undiscounted cash flows at balance date:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
<b>2021</b>					
Trade and other payables	28,621,479	-	-	28,621,479	28,621,479
Loans - QTC	9,573,999	31,823,047	50,761,451	92,158,497	73,152,662
	<u>38,195,478</u>	<u>31,823,047</u>	<u>50,761,451</u>	<u>120,779,976</u>	<u>101,774,141</u>
<b>2020</b>					
Trade and other payables	21,842,503	-	-	21,842,503	21,842,503
Loans - QTC	10,706,819	34,374,560	54,021,219	99,102,598	77,684,745
	<u>32,549,322</u>	<u>34,374,560</u>	<u>54,021,219</u>	<u>120,945,101</u>	<u>99,527,248</u>

The outflows in the above table are not expected to occur significantly earlier and are not expected to be 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 Council's income or the value of its holdings of financial instruments.

###### Interest rate risk

Council is exposed to interest rate risk through its investments held with financial institutions. Council's Treasury function manages cash allocations daily to maximise Council return and minimise risk exposure.

Financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity. Council's loan portfolio is subject to fixed interest rates.

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 32 Financial instruments (Cont'd)

##### (a) Financial assets and financial liabilities (Cont'd)

###### Market risk (Cont'd)

###### Sensitivity

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

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. If the rates decreased by 1% the impact would be equal in amount in the reverse direction. The *Local Government Regulation 2012* prescribes the way the maximum interest rates on overdue rates is calculated. Council believes that fluctuations will be immaterial in nature and therefore, no sensitivity analysis has been performed.

	Net carrying amount		Profit		Equity	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Deposits - Call	117,400,000	105,900,000	1,174,000	1,059,000	1,174,000	1,059,000
Term Deposits	6,000,000	29,400,000	60,000	294,000	60,000	294,000
	<u>123,400,000</u>	<u>135,300,000</u>	<u>1,234,000</u>	<u>1,353,000</u>	<u>1,234,000</u>	<u>1,353,000</u>

##### (b) Fair value

###### Financial liabilities

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is discussed below.

QTC applies a book rate approach in the management of debt. The book value represents the carrying value based on amortised cost using the effective interest method.

	Note	2021		2020	
		Carrying amount	Fair Value	Carrying amount	Fair Value
		\$	\$	\$	\$
Loans - QTC	22	<u>73,152,662</u>	<u>81,483,258</u>	<u>77,684,745</u>	<u>89,073,832</u>

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>33 Transactions with related parties</b>			
<b>(a) Joint controlled entities</b>			
Council was a joint member of the Wide Bay Burnett Regional Organisation of Councils (WBBROC) Incorporated until April 2021.			
WBBROC represents the interests of all Councils within the Wide Bay Burnett region. WBBROC lobbies Federal and State Governments on behalf of member 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 Cherbourg Aboriginal Shire Council, Fraser Coast Regional Council, Gympie Regional Council, North Burnett Regional Council and South Burnett Regional Council.			
The following transactions occurred with WBBROC:			
Council membership contributions		65,944	127,037
WBBROC contributions		(137,500)	(14,804)
		<u>(71,556)</u>	<u>112,233</u>
WBBROC is dependent on contributions from member Councils.			
WBBROC made contributions to Council to assist in the delivery of the Advancing Regional Innovations Program (2020), the Flood Warning Infrastructure Upgrade (2021) and for development of the Paradise Dam Economic Report (2020).			
<b>(b) Key management personnel (KMP) compensation</b>			
KMP include the Mayor, Councillors, Mayor's Chief of Staff, Chief Executive Officer and members of the Executive Leadership Team.			
The compensation paid to KMP comprises:			
Short-term benefits		3,131,649	2,861,386
Long-term benefits		39,248	42,507
Post-employment benefits		327,641	286,409
		<u>3,498,538</u>	<u>3,190,302</u>
Additional remuneration disclosures are provided in Council's Annual Report.			
<b>(c) Transactions with other related parties</b>			
Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.			
There have been no significant transactions between Council and other related parties.			
Council employs 870 full time equivalent staff. Less than 1% of staff are close family members of KMP with their remuneration representing less than 1% of employee benefits. All close family members of KMP were employed through an arm's length process. They are paid in accordance with the relevant industrial award for the job they perform and Council's enterprise bargaining agreement.			
<b>(d) Outstanding balances</b>			
Council has no outstanding balances to/from other related parties.			
No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.			
<b>(e) Loans and guarantees to/from related parties</b>			
Council does not make loans to, or receive loans from, related parties. No guarantees have been provided.			
<b>(f) Commitments to/from other related parties</b>			
Council has no outstanding commitments to/from other related parties.			

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 34 National competition policy

##### Business activities to which the code of competitive conduct (CCC) is applied

Bundaberg Regional Council has applied the competitive CCC to the following activities:

Water and Wastewater Operations;  
Waste Management;  
Holiday Parks; and  
Airport Operations.

This requires the application of full cost pricing, the identification of community service obligations (CSOs) and the elimination of any advantages or disadvantages of public ownership within that activity.

The CSO value is determined by Council and represents an activity's cost(s) which would not be incurred if the activity's primary objective was to make a profit. Council provides funding from general revenue to the business activity to cover cost of providing non-commercial community services or costs deemed to be CSOs by Council.

In calculating the value of some CSOs, management is required to make judgements, estimates and assumptions which may impact on the values disclosed. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following table summarises the financial performance of Council's activities subject to the CCC:

##### Financial performance of activities subject to competition reforms:

	Water	Wastewater	Waste Management	Council Holiday Parks	Bundaberg Airport
	2021	2021	2021	2021	2021
	\$	\$	\$	\$	\$
Revenue for services provided to Council	1,725,230	499,703	294,054	-	-
Revenue for services provided to external clients	32,460,537	31,307,569	24,120,528	3,328,417	2,170,869
Community service obligations	1,115,933	1,519,315	647,429	15,642	251,993
	35,301,700	33,326,587	25,062,011	3,344,059	2,422,862
Less: Expenditure	(21,775,657)	(19,562,452)	(18,928,672)	(2,390,174)	(3,350,048)
Surplus/(deficiency)	13,526,043	13,764,135	6,133,339	953,885	(927,186)

### 3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 34 National competition policy (Cont'd)

##### Description of CSOs provided to business activities

Activities	CSO description	Amount
		\$
Water	Pension remissions	190,823
	Provision of water allocations to unlicensed sporting clubs	271,123
	Internal bulk water provisions	80,446
	Water leak relief	101,954
	Infrastructure charges incentives	456,217
	Concessions to community organisations	15,369
Wastewater	Pension remissions	269,682
	Pedestal discounts for community and aged care facilities	332,194
	Pedestal discounts for not-for-profit sporting clubs	54,226
	Infrastructure charges incentives	400,384
	Concessions to community organisations	18,326
Waste Management	COVID-19 relief - Trade waste fees waived	444,504
	Pension remissions	242,156
	Provision of domestic waste vouchers	308,967
	Provision of bins and waste disposal for community events	12,540
	Charity bin residuals and in-kind assistance	66,716
	Concessions to community organisations	17,050
Holiday Parks	COVID-19 relief - Lease fees waived	15,642
Bundaberg Airport	COVID-19 relief - Commercial fees and charges waived	251,993

### 3.6 Management Certificate

For the year ended 30 June 2021


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**Management Certificate  
For the year ended 30 June 2021**

These general purpose financial statements have been prepared pursuant to Section 176 and Section 177 of the *Local Government Regulation 2012* 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, present a true and fair view, in accordance with Australian Accounting Standards, of Council's transactions for the financial year and financial position at the end of the year.

  
\_\_\_\_\_  
Mayor  
Date: 27, 09, 2021

  
\_\_\_\_\_  
Chief Executive Officer  
Date: 27, 09, 2021



### 3.7 Independent Auditor's Report – Financial Statements



#### INDEPENDENT AUDITOR'S REPORT

To the councillors of Bundaberg Regional Council

#### Report on the audit of the financial report

##### Opinion

I have audited the financial report of Bundaberg Regional Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2021, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

##### Basis for opinion

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

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

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

##### Other information

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

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

The councillors are responsible for the other information.

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

## Independent Auditor's Report cont'd

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

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

### Responsibilities of the councillors for the financial report

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

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

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

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

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

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

## Independent Auditor's Report cont'd

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

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

### Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

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

### Prescribed requirements scope

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

Michael Claydon  
as delegate of the Auditor-General

8 October 2021

Queensland Audit Office  
Brisbane

### 3.8.1 Current Year Financial Sustainability Statement

For the year ended 30 June 2021

#### Note 1 - Basis of preparation

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

#### Measures of Financial Sustainability

Council's performance at 30 June 2021 against key financial ratios and targets:

	How the measure is calculated	2021	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	5%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense for infrastructure assets.	45%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-7%	not greater than 60%

### 3.8.2 Current Year Financial Sustainability Statement - Certificate of Accuracy

For the year ended 30 June 2021

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**Certificate of Accuracy  
For the year ended 30 June 2021**

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

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

  
\_\_\_\_\_  
Mayor  
Date: 27, 09, 2021

  
\_\_\_\_\_  
Chief Executive Officer  
Date: 27, 09, 2021

### 3.8.3 Independent Auditor's Report – Current Year Financial Sustainability Statement



#### INDEPENDENT AUDITOR'S REPORT

To the councillors of Bundaberg Regional Council

#### Report on the current-year financial sustainability statement

##### Opinion

I have audited the accompanying current-year financial sustainability statement of Bundaberg Regional Council for the year ended 30 June 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Bundaberg Regional Council for the year ended 30 June 2021 has been accurately calculated.

##### Basis of opinion

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

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

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

##### Emphasis of matter – basis of accounting

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

##### Other Information

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

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

The councillors are responsible for the other information.

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

## Independent Auditor's Report – Current Year Financial Sustainability Statement cont'd

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

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

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

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

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

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

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

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

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

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

## Independent Auditor's Report – Current Year Financial Sustainability Statement cont'd

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

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

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

Michael Claydon  
as delegate of the Auditor-General

8 October 2021

Queensland Audit Office  
Brisbane



### 3.8.4 Long Term Financial Sustainability Statement

For the year ended 30 June 2021

#### Measures of Financial Sustainability

	How the measure is calculated	Target	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	0%	2%	3%	1%	1%	2%	4%	5%	6%
Asset sustainability ratio	Capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense for infrastructure assets.	greater than 90%	82%	87%	68%	70%	65%	83%	67%	66%	66%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	14%	35%	43%	49%	51%	52%	50%	51%	49%

#### Financial Management Strategy

Council's vision, expressed in the Corporate Plan 2021-2026, is to build Australia's best regional community, where residents enjoy a safe and healthy lifestyle in a region that is attractive, economically prosperous and inclusive and supportive of its members. Council's financial management strategy supports the delivery of these outcomes by ensuring that the allocation of financial and physical resources is aligned with this vision. The specific strategies are outlined in the Long Term Financial Plan 2022-2031 and summarised below:

- Optimising organisational efficiencies.
- Pursuing spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden.
- Ensuring that Council's decisions have due regard for the financial effects on future generations.
- Confronting issues of inter-generational equity so that the financial burden does not adversely affect current or future ratepayers.
- Making certain that 'whole of life costs' are recognised when new assets are acquired or constructed.
- Allocating sufficient funds annually towards maintaining and renewing assets and supporting service standards in the region.
- Reviewing assets, services and service levels.
- Ensuring that the delivery of projects meets the objectives of the financial strategy and that the level of debt remains within acceptable limits.
- Investing surplus funds subject to Council's approved risk profile, with the aim of maximising investment returns to minimise financial impacts on ratepayers.

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

For the year ended 30 June 2021

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**Certificate of Accuracy  
For the year ended 30 June 2021**

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

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

  
\_\_\_\_\_  
Mayor  
Date: 27, 09, 2021

  
\_\_\_\_\_  
Chief Executive Officer  
Date: 27, 09, 2021

## 4 Statutory Information

### 4.1 Administrative Action Complaints

In accordance with section 187 of the *Local Government Regulation 2012*, Council developed an overarching Complaints Management Policy which guides how Council effectively deals with all complaints in a fair, confidential, prompt and respectful manner. This revised policy was adopted by Council in October 2020 and is underpinned by various procedures, including the Administrative Action Complaints (AAC) Procedure. Information has also been published on Council's website about all types of complaints [bundaberg.qld.gov.au/complaints-disclosures](http://bundaberg.qld.gov.au/complaints-disclosures).

Council's Governance and Legal Services team is responsible for application of the policy and its associated procedures, coordinating complaints, staff guidance/training and reporting to the Executive Leadership Team when required. This team continues to undertake a holistic review of the complaints framework and providing information and guidance to staff to further develop a consistent approach in the way Council receive, handle and respond to complaints. As required by section 187(2) of the *Local Government Regulation 2012* the table below provides a summary of AAC outcomes for 2020/21.

Table 4.1

Item	No.
Number of AACs made to Council in 2020/21	54
Number of AACs resolved under the complaints management process in 2020/21	48
Number of AACs not resolved under the complaints management process in 2020/21	9
Number of AACs not resolved in 2020/21 that were made in 2019/20	0

The review of Council's complaints framework and further guidance and information provided to employees has seen an increase in the numbers reported. 83% of complaints received in the 2020/21 year were resolved within documented timeframes.

### 4.2 Beneficial enterprises

In accordance with section 41 of the *Local Government Act 2009*, Council advises that it did not engage in any beneficial enterprises during the reporting period.

### 4.3 Significant business activities

A business activity is defined in Schedule 4 of the *Local Government Act 2009* as the 'trading in goods and services by the local government'.

In accordance with section 45(a) of the *Local Government Act 2009*, Council conducted the following business activities during the financial year:

- Water and Wastewater
- Waste Management
- Council Holiday Parks
- Bundaberg Airport

In accordance with the threshold of expenditure and the methodology prescribed by section 19 and section 20 of the *Local Government Regulation 2012*, Council's Waste Management and Water and Wastewater activities were considered significant business activities for the period.

Pursuant to section 45(c) of the *Local Government Act 2009*, the principle of competitive neutrality has been applied to these activities and a review of the appropriate application of National Competition Policy reforms has determined that the adoption of full-cost pricing is the appropriate reform to apply. These activities were conducted in the preceding financial year.

### 4.4 Commercial Business Unit

A Commercial Business Unit is defined in the *Local Government Act 2009* as a business unit that conducts business in accordance with the key principles of commercialisation including clarity of objectives, management autonomy and authority, accountability for performance and competitive neutrality.

No Commercial Business Units were undertaken by Council in 2020/21.

### 4.5 Joint government activity

Council is required to disclose details of any joint local government activities, that is, action taken for, and expenditure on a service, facility or activity:

- Supplied by another local government under an agreement for conducting a joint government activity; and
- For which the local government levied special rates or charges for the financial year.

Council did not undertake any joint local government activities in 2020/21.

### 4.6 Competitive neutrality complaints

Council is committed to ongoing compliance with National Competition Policy principles and associated legislative obligations. Competitive neutrality requires Council to operate on a level playing field with the private

sector, making adjustments for any advantages and disadvantages of public sector ownership.

Prices for each business unit have been set to reflect the principles of full cost pricing such that total revenue, inclusive of identified and measured community service obligations and net of any advantages and disadvantages of public ownership, aims to recover direct and indirect operating costs, depreciation charges, notional tax equivalents, adjustments for any cost of funds advantages and a commercial return on capital.

No investigation notices relating to competitive neutrality complaints were issued by the Queensland Competition Authority during the reporting period. Consequently, no reportable recommendations were made by the competition authority in relation to a competitive neutrality complaint.

#### 4.7 Particular resolutions

Pursuant to section 185 of the *Local Government Regulation 2012*, Council must advise of particular resolutions made under section 250(1) and 206(2) of the *Local Government Regulation 2012*.

##### Adoption of an expenses reimbursement policy

There were no Council resolutions made in relation to the adoption of an expenses reimbursement policy.

##### Valuation of non-current physical assets

There were no Council resolutions made in relation to the valuation of non-current physical assets. The policies are available on Council's website.

#### 4.8 Changes to tenders

Pursuant to section 190(1)(e) of the *Local Government Regulation 2012*, Council advises that there was one change to a tender made pursuant to section 228(8) of the *Local Government Regulation 2012* during the 2020/21 financial year.

#### 4.9 Summary of concessions for rates and charges

In accordance with section 190(1)(g) of the *Local Government Regulation 2012*, a summary of all concessions for rates and charges granted by Council is provided in the following section and tables.

##### Pensioner rebates

Pensioners who are either registered owners or life tenants of their Principal Place of Residence and who hold a Queensland Pensioner Concession Card or a DVA Health Card (all conditions within Australia) or a DVA Health Card (Totally & Permanently Incapacitated) issued by either Centrelink or the Department of Veteran Affairs are eligible to claim a State Government Pensioner Rate Subsidy and a Council Pensioner Remission. The Council pensioner rate remission during

2020/21 was \$165.00 per annum for rates and charges.

##### Reduced rates and charges due to community organisations concessions

Council recognised the following not-for-profit organisations as providing a service to the community by encouraging community and cultural development. Council granted a rebate of up to a maximum \$1,700 per annum for the financial year 2020/21, towards the payment of rates and charges, except for water consumption charges, for the following:

- Avenell Heights Progress Association Hall
- Booyal Memorial Hall
- Bucca Hall
- Bullyard Hall
- Bundaberg & District Air Sea Rescue
- Bundaberg Kindergarten
- Bundaberg Players Incorporated
- Bundaberg Railway Historical Society
- Burnett Heads Community Kindergarten
- Burnett Heads Progress Hall
- Isis Community Kindergarten
- CWA Hall Bundaberg
- CWA Hall Childers
- CWA Hall Yandaran
- CWA Oakwood
- CWA Wallaville
- Drinan Hall
- Forestview Community Kindergarten
- Gin Gin & District Historical Society Hall
- Gin Gin Kindergarten
- Kepnock Progress Association Hall
- North Bundaberg Progress Association Hall
- Pacifique Surfriders Club
- Pine Creek Hall
- Sandy Hook Ski Club
- Sharon Hall
- South Kolan Community Kindergarten
- Tegege Hall
- Tegege Combined Sport and Recreation Club
- Wallaville Kindergarten
- Bundaberg Mens Shed
- Childers Mens Shed
- Woodgate Mens Shed
- Peirson Memorial Trust
- Legacy Inc. (Lot 2 RP 94171)

Council paid all rates and charges, with the exception of water consumption charges, for the following sports clubs:

- Bundaberg Surf Life Saving Club
- Elliott Heads Surf Life Saving Club

- Moore Park Surf Life Saving Club  
Council granted a full concession, for all rates and charges, to all Rural Fire Brigade properties.

#### Water rates concessions to unlicensed and restricted license sporting clubs

Council recognised unlicensed/restricted licensed sporting clubs as not for profit entities which provide a community service, namely the provision of recreational services and contribution to the region's aesthetics.

In recognition of this, Council charged unlicensed/restricted licensed sporting clubs a Water Access Charge for its largest connection on each assessment and no access charge levied for additional meters. For water meters above 20mm, if unlicensed sporting clubs reduced their largest water meter size to a smaller size, their Water Access Charge was reduced accordingly to the Water Access Charge applicable to the revised water meter size. Where it was impractical to do so, Council charged the equivalent of 40% of the 40mm Water Access Charge. Unlicensed/restricted licensed sporting clubs were entitled to 4,000 kilolitres of water per annum per hectare of playing surface, free of consumption charges, with an adjusted entitlement of 75% for seasonal sports. The Gin Gin Agricultural, Pastoral and Industrial Society was entitled to 4,800 kilolitres of water per annum free of consumption charges for use on the main arena. Water consumption per assessment in excess of these entitlements was levied for the first 300 kilolitres at the 1st tier rate, and any consumption in excess of 300 kilolitres was levied at the 2nd tier rate. The Moore Park Rural Fire Brigade was entitled to the equivalent of a 20mm Water Access Charge for its largest meter connection regardless of the size of the Brigade's water meter connection in recognition of the community service provided by protecting the community against fire and related hazards.

#### Sewerage rates concessions

Multi accommodation self-contained residential units for the aged under the control of charitable/church organisations (excluding care centres); and pedestals installed in the Department of Housing & Public Works units for the aged were granted a concession of 60% of sewerage rates.

Council granted a 50% concession on sewerage charges to not-for-profit sporting clubs and to Gin Gin Agricultural Pastoral and Industrial Society, which either have no liquor license or hold a restricted Community Other Liquor License in terms of section 80 of the *Liquor Act 1992*.

#### Water leak relief

Council has a Water Leak Relief Policy which provides relief for ratepayers who experience an undetected water leak. Provided ratepayers repair the water leak and apply for relief, Council may provide a concession in accordance with the Policy. The Policy allows for Council

to charge the water consumption at the first step in the water tariff, which in 2020/21 was \$1.16, instead of the second tier tariff, which was \$1.90.

#### Concessions to ratepayers for 2020/21

Table 4.2

Type of concession	Assistance provided
Council pensioner rates concessions	\$1,700,272.62
Rates concessions to community organisations	\$729,765.87
Water leak relief	\$101,953.70
<b>Total</b>	<b>\$2,531,992.19</b>

#### Analysis of concessions provided to community organisations

Table 4.3

Type of concession	Assistance provided
Reduced rates and charges to community organisations *	\$72,223.30
Free Water Consumption Allocation to Unlicensed Sporting Bodies	\$198,539.77
Benefit from only charging Water Access Charges to Unlicensed Sporting Bodies for largest meter	\$72,583.50
50% reduction in Sewerage Charges for Unlicensed/Community Other Licenced Sporting Bodies	\$54,225.70
60% reduction in Sewerage Charges to Community Organisations	\$332,193.60
<b>Total</b>	<b>\$729,765.87</b>

\* Refer to table below

Table 4.4

Type of organisation	No.	Annual Rates Levied	Assistance Provided	Average assistance per organisation
Halls	18	\$46,417.43	\$25,887.55	\$1,438.20
Kindergartens	7	\$27,427.92	\$10,979.20	\$1,568.46
Surf Lifesaving Clubs	3	\$15,424.87	\$14,035.83	\$4,678.61
Rural Fire Brigades	14	\$7,080.92	\$7,080.92	\$505.78
Other Community organisations	10	\$42,331.82	\$14,239.80	\$1,423.98
<b>Total</b>	<b>52</b>	<b>\$138,682.96</b>	<b>\$72,223.30</b>	<b>\$1,388.91</b>

## 4.10 Expenditure on grants to community organisations

In accordance with section 195 of the *Local Government Regulation 2012*, Council has an established Community Grants Policy.

In accordance with section 189(1) of the *Local Government Regulation 2012*, Council's expenditure on grants to community organisations is as follows.

Table 4.5

Community Organisation	Expenditure on Grants
Community Services Grants	\$80,491.64
Community Sport Support Program	\$186,016.35
Micro Grants	\$21,053.00
Partnerships and Sponsorships Program	\$105,909.09
Special Events Grant	\$5,899.00
Sport Championship Funding Program	\$3,750.00
Young Peoples in Sport	\$1,000.00
<b>Total</b>	<b>\$404,119.08</b>
<b>Other Donations</b>	
Community Events Donations	\$4,100.00
Royal Flying Doctors Service	\$50,000.00
Scripture Union	\$5,000.00
<b>Total</b>	<b>\$59,100.00</b>

Pursuant to section 189(2) of the *Local Government Regulation 2012* there were no discretionary fund expenditure by Councillors for community organisations in the reporting period.

#### 4.11 Council registers

In accordance with section 190(1)(f) of the *Local Government Regulation 2012*, the following registers are kept by Council:

- Register of Assets
- Register of Business Activities
- Register of Contact with Lobbyists
- Register of Cost-Recovery Fees
- Register of Councillor Conduct
- Register of Delegations - Chief Executive Officer to Employees
- Register of Delegations - Council to the Chief Executive Officer
- Register of Delegations – Mayor
- Register of Development Applications - PD Online
- Register of Impounded Animals
- Register of Interests for Chief Executive Officer and Senior Executive Employees
- Register of Interests of a Councillor and their Related Persons
- Register of Local Laws
- Register of Pre-Qualified Suppliers
- Register of Roads map

#### 4.12 Report on the Internal Audit

##### Audit and Risk Committee

Council's Audit and Risk Committee acts as an advisory committee to Council, providing independent comment, advice and counsel on audit and risk management

issues, covering all Council operations and projects reported and considered by the Committee. The Audit and Risk Committee is established in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Throughout 2020/21 the Audit and Risk Committee consisted of two Councillors and two independent external members appointed by the Council, with one of the external members appointed as Chairperson. The appointment of external, independent members is based on a publicly advertised, merit-based selection process which aims to ensure the committee has an appropriate mix of financial management, governance, risk management and local government skills and experience.

Council remunerates external, independent members of the Audit and Risk Committee to attract highly experienced professionals capable of fulfilling the Audit and Risk Committee Charter and adding value to Council. At 30 June 2021, the Audit and Risk Committee membership comprised of:

- Stephen Coates, Chairman and External Independent Representative
- Mitchell Petrie, External Independent Representative
- Mayor Jack Dempsey, Economic Development Portfolio spokesperson
- Cr Steve Cooper, Organisational Services Portfolio spokesperson

The Audit and Risk Committee is also attended by Chief Executive Officer, General Managers, Chief Financial Officer, Chief Legal Officer, External Auditors, Internal Auditors, Quality Auditor, Senior Governance Officer and other key staff. The Audit and Risk Committee held four meetings during the financial year in which the following matters were reviewed and assessed:

- Internal Audit reports
- Quality Audit reports
- External Audit reports and updates
- Risk Management updates
- Internal Audit Charter
- Audit and Risk Committee Charter
- Annual Internal Audit Plan
- Strategic Internal Audit Plan
- Accounting position papers
- Annual Report and Financial Statements
- Assessment of Financial Information.

##### Internal Audit

Internal Audit is an integral component of Council's corporate governance framework and is established

under section 105(1) of the *Local Government Act 2009*. Internal Audit provides independent, objective assurance and consulting activity designed to add value and improve Council's operations ensuring they are operating effectively and in accordance with organisational and legislative requirements. Internal Audit operates in accordance with Council's Internal Audit Policy and Charter, which is endorsed by the Audit and Risk Committee each year. The Charter sets out the mandate, roles and responsibilities of the Internal Audit function.

The scope of the Internal Audit activities is determined through a risk based strategic annual planning cycle which is endorsed by the Audit and Risk Committee. Internal Audit undertook 11 audits during the financial year, and 11 quality audits with reports presented to the Committee and ultimately Council. The performance of the Internal Audit section is managed by Organisational Services General Manager and throughout 2020/21 Council contracted an Internal Audit firm who were responsible for carrying out the internal audit function for Council.

### 4.13 People & Culture

In accordance with section 23 of the *Public Sector Ethics Act 1994*, Council reports the following actions taken during the reporting period to comply with sections 15, 21 and 22:

#### Code of Conduct

Council's employee Code of Conduct is based on the principles outlined within the *Public Sector Ethics Act 1994*. The Code of Conduct represents Council's commitment to building the community's confidence in the way which Council operates, through ensuring accountability, transparency and fairness. All employees have access to Council's Code of Conduct either electronically or paper-based.

#### Education and training

During the 2020/21 financial year, 806 employees completed Code of Conduct training. This comprised of the annual refresh for all staff delivered online during May/June 2021 and all new starters to Council throughout the financial year who attended a face-to-face training session. This training provides all employees with an awareness of conduct standards expected by Council and emphasises the importance of maintaining an ethical culture built on good governance, good decision-making and high levels of integrity.

Along with the Code of Conduct training, 816 employees completed training Fraud Awareness training. Employees also undertook training in Record Keeping and Authorised Persons.

Council is committed to continuing to develop and deliver governance focused education and awareness programs

to all employees to maintain the highest standards of employee conduct.

#### Procedures and Practices

Council ensures that the principles contained within the *Public Sector Ethics Act 1994* and the standards within Council's Code of Conduct underpin all policies and procedures, guiding all employees' actions and decision-making.

## Mayor and Councillors

### 4.14 Remuneration of the Mayor and Councillors

In accordance with section 186(1)(a) of the *Local Government Regulation 2012*, the total remuneration paid to each Councillor during the financial year and superannuation paid on behalf of each Councillor during the financial year are as follows.

Table 4.6

Div.	Councillor	Remuneration	Superannuation*
	Mayor Jack Dempsey	\$158,149.78	\$18,974.53
1	Cr Jason Bartels	\$91,543.33	\$13,505.24
2	Cr Bill Trevor OAM (Deputy Mayor)	\$104,027.64	\$15,003.43
3	Cr Wayne Honor	\$91,543.33	\$13,505.24
4	Cr Tracey McPhee	\$91,543.33	\$10,970.57
5	Cr Greg Barnes	\$91,543.33	\$13,145.39
6	Cr Tanya McLoughlin	\$91,543.33	\$11,989.31
7	Cr Vince Habermann OAM	\$91,543.33	\$11,989.31
8	Cr Steve Cooper	\$91,543.33	\$13,145.14
9	Cr May Mitchell	\$91,543.33	\$13,842.71
10	Cr John Learmonth	\$91,543.33	\$13,593.10

\*Includes superannuation paid on applicable allowances shown in Table 4.7

### 4.15 Reimbursement of expenses and provision of facilities

In accordance with section 186(1)(b) of the *Local Government Regulation 2012*, the total expenses incurred by, and the facilities provided to each Councillor during the financial year under the Council's Reimbursement of Expenses and Provision of Facilities for Councillors Policy are as follows.

Table 4.7

Div.	Councillor	Reimbursement of Expenses and Provision of Facilities
	Mayor Jack Dempsey	\$23,638.87
1	Cr Jason Bartels	\$22,240.63
2	Cr Bill Trevor OAM (Deputy Mayor)	\$21,534.90
3	Cr Wayne Honor	\$22,592.35

Div.	Councillor	Reimbursement of Expenses and Provision of Facilities
4	Cr Tracey McPhee	\$19,721.90
5	Cr Greg Barnes	\$23,470.01
6	Cr Tanya McLoughlin	\$10,430.65
7	Cr Vince Habermann OAM	\$10,704.62
8	Cr Steve Cooper	\$21,602.55
9	Cr May Mitchell	\$20,602.69
10	Cr John Learmonth	\$19,642.58

A full copy of Council's Reimbursement of Expenses and Provision of Facilities for Councillors Policy is available at Council's website.

#### 4.16 Overseas travel

In accordance with section 188 of the *Local Government Regulation 2012* there was no overseas travel expenses incurred by the Councillors or local government employees in an official capacity during the financial year.

#### 4.17 Attendance at Council meetings

In accordance with section 186(1)(c) of the *Local Government Regulation 2012*, the attendance of

Councillors to Ordinary and Special Meetings is detailed below.

**From 01 July 2020 - 30 June 2021** Table 4.8

Councillor	Ordinary	Special and budgetary	Total
Mayor Jack Dempsey	12	1	13
Cr Jason Bartels	12	1	13
Cr Bill Trevor OAM (Deputy Mayor)	12	1	13
Cr Wayne Honor	11	1	12
Cr Tracey McPhee	12	1	13
Cr Greg Barnes	12	1	13
Cr Tanya McLoughlin	12	1	13
Cr Vince Habermann OAM	12	1	13
Cr Steve Cooper	12	1	13
Cr May Mitchell	12	1	13
Cr John Learmonth	12	1	13

#### 4.18 Councillor conduct

The *Local Government Act 2009* (the Act) sets out the roles, responsibilities and obligations of Councillors. In accordance with reporting requirements, the table below outlines actions and outcomes relating to the conduct and performance of Councillors for the 2020/21 financial year.

Table 4.9

Section of Act	Type of order/complaint	No.
Section 150I(2)	Orders made by the chairperson about unsuitable meeting conduct.	0
Section 150AH(1)	Orders made by Council that: (a) No action be taken against the Councillor; (b) An order be taken against the Councillor, about inappropriate conduct.	0
Section 150AR(1)	Orders, decisions and recommendations made by the conduct tribunal that: (a) No action be taken against the Councillor; (b) An order be taken against the Councillor, about misconduct and connected inappropriate conduct.	0
Section 150P(2)(a)	Complaints received by Council and referred to the assessor about Councillor conduct.	2
Section 150P(3)	Matters about corrupt conduct of a Councillor notified to the Crime and Corruption Commissioner.	0
Section 150R(2)	Notices given to the assessor about Councillor misconduct.	2
Section 150S(2)(a)	Notices given to the assessor about Councillor misconduct. <i>Discipline councillor on 3 occasions within 1 year or council has engaged in same conduct again.</i>	0
Section 150W(1)(a)	Decision made by the assessor <b>to dismiss the complaint</b> about the conduct under section 150X.	17
Section 150W(1)(b)	Decision made by the assessor to refer the suspected inappropriate conduct to Council to deal with.	0
Section 150W(1)(e)	Decision made by the <b>assessor to take no further action in relation</b> to the conduct under section 150Y.	7
Section 150AC(3)(a)	Referral notice accompanied by a recommendation about how Council may investigate or deal with the conduct – conduct should be referred to another entity for consideration.	0
Section 150AF(4)(a)	Occasions where Council is investigating inappropriate conduct, information is given to the assessor for further investigation under Division 4.	0
Chapter 5A, Part 3, Division 5	Occasions Council asked another entity to investigate the suspected inappropriate conduct of a Councillor.	0
Chapter 5A, Part 3, Division 6	Applications heard by the conduct tribunal about whether a Councillor engaged in misconduct or inappropriate conduct.	0



## 4.19 Remuneration of senior management and Councillor advisors

In accordance with section 201 of the *Local Government Act 2009* the details of remuneration for senior management during the financial year were as follows.

Table 4.10

Number of Executives	Salary Range
1	\$50,000 - \$150,000
1	\$150,000 - \$250,000
4	\$250,000 - \$350,000
1	\$350,000 - \$450,000

The total remuneration packages payable in 2020/21 to senior management was \$2,020,460.95.

In accordance with section 201(c) of the *Local Government Act 2009* the details of remuneration for Councillor advisors during the financial year were as follows.

Table 4.11

Number of Councillor Advisors	Salary Range
1	\$50,000 - \$150,000
0	\$150,000 - \$250,000
0	\$250,000 - \$350,000
0	\$350,000 - \$450,000

The total remuneration packages payable in 2020/21 to Councillor advisors was \$64,602.70.

## Index of legislative requirements

Requirement	Title	Heading	Page
<b>Local Government Act 2009</b>			
Section 41	Identifying beneficial enterprises	4.2 Beneficial enterprises	70
Section 45	Identifying significant business activities	4.3 Significant business activities	70
Section 201	Remuneration senior management and Councillor advisors	4.19 Remuneration of senior management and Councillor advisors	76
<b>Local Government Regulation 2012</b>			
Section 183(a) & (d)	Financial Statements	3 Annual Financial Statements	11
Section 183(b) & (c)	Financial Statements	3 Financial Sustainability Statements	63
Section 184	Community Financial Report	2 Community Financial Report	2
Section 185	Particular resolutions	4.7 Particular resolutions	71
Section 186(1)(a)	Councillors	4.14 Remuneration of the Mayor and Councillors	74
Section 186(1)(b)	Councillors	4.15 Reimbursement of expenses and provision of facilities	74
Section 186(1)(c)	Councillors	4.17 Attendance at Council meetings	75
Section 186(1)(d)-(f)	Councillors	4.18 Councillor conduct	75
Section 187	Administration Action Complaints	4.1 Administrative Action Complaints	70
Section 188	Overseas travel	4.16 Overseas travel	75
Section 189	Expenditure on grants to community organisations	4.10 Expenditure on Grants to community organisations & discretionary funds	72
Section 190(1)(a) & (b)	Assessment of operations and performance	1 Chief Executive Officer's Report	1
Section 190(1)(c)	Annual operations report for each Commercial Business Unit	4.4 Commercial Business Unit	70
Section 190(1)(d)	Details of any action taken for, and expenditure on, a service, facility or activity	4.5 Joint government activity	70
Section 190(1)(e)	Tenders	4.8 Changes to tenders	71
Section 190(1)(f)	Registers	4.11 Council registers	73
Section 190(1)(g)	Concessions for rates and charges	4.9 Summary of concessions for rates and charges	71
Section 190(1)(h)	Report on the Internal Audit	4.12 Report on the Internal Audit	73
Section 190(1)(i) & (j)	Competitive neutrality complaints	4.6 Competitive neutrality complaints	70
<b>Public Sector Ethics Act 1994</b>			
Section 23	Reporting	4.13 People and Culture	74





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**Item****29 October 2021****Item Number:**

G2

**File Number:****Part:**

GOVERNANCE

**Portfolio:**

Organisational Services

**Subject:**

2021/2022 Operational Plan - Quarter 1

**Report Author:**

Amy Crouch, Senior Governance Officer

**Authorised by:**

Christine Large, Acting General Manager Organisational Services

**Link to Corporate Plan:**

Our organisational services - 3.2 Responsible governance with a customer-driven focus - 3.2.5 Provide and review systems, programs and processes to ensure effective, innovative and efficient service delivery to meet community expectations.

**Background:**

Council adopted its 2021/2022 Operational Plan at the Special Budget Meeting in June 2021. In accordance with section 174 of *Local Government Regulation 2012*, the Chief Executive Officer must present a written assessment of Council's progress towards implementing the annual operational plan at meetings held at regular intervals of not more than 3 months.

Quarterly reports provide a process for monitoring and assessing Council's progress in meeting the goals of the Corporate Plan. The attached report highlights the achievements of Council over the past 3 months with most areas achieving the targets set. Each manager has provided a comment in the report on their department or section's progress.

**Associated Person/Organization:**

Not applicable

**Consultation:**

Executive Leadership Team, Managers and Supervisors

**Chief Legal Officer's Comments:**Complies with section 174 of the *Local Government Regulation 2012*.**Policy Implications:**

There appears to be no policy implications.

**Financial and Resource Implications:**

All financial implications and resource utilisations have been identified in the report.

**Risk Management Implications:**

Results, comments and status symbols provide up-to-date information that informs ongoing risk management and mitigation.

**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

[↓](#)1 2021/2022 Operational Plan Quarter 1 Report






**Recommendation:**

**That the 2021/2022 Operational Plan Quarter 1 review be received and noted.**



# Quarterly Operational Report

Quarter 1, 2021/2022

Indicator	Status	Indicator Meaning
	On Track	Initiative is proceeding to plan with no indication of future impediments.
	Action Required	Progress is significantly behind schedule or is rated 'closely monitor'. Decisive action is required to get back on track.
	Monitor	Progress is not as expected but action is being/ has been taken and is expected to be on track within the next quarter or financial year.
	Trend	This data is being collected for observation and analysis.
	Completed	Initiative or project has been completed.

## 1: Our community and environment

### 1.1: Economic growth and prosperity

#### 1.1.1: Promote and support use of new technology across the organisation and region's economy as part of the Intelligent Community Strategy.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of community members participating in our Digital Literacy programs at libraries.	<b>Organisation</b> - Community & Environment - Library Services - Library Services	≥ 80	180	—	Coffee & Computers, Gamers Group & Virtual Reality Experience are some of the Digital Literacy sessions that help our citizens stay connected in our digital era.

#### 1.1.3: Promote our region as a preferred investment destination nationally and internationally.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of Holiday Park accommodation occupied.	<b>Organisation</b> - Community & Environment - Community Services	Trend	77.16%	—	Moore Park Beach Holiday Park 90.60%, Miara Holiday Park 69.31%, Burnett Heads Holiday Park 92.38% and Elliott Heads Holiday Park 90.83%.

### 1.2: Safe, active, vibrant and inclusive community

#### 1.2.1: Provide facilities, parks, open spaces, services, and programs that promote and support our community's safety and physical wellbeing.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of school students engaged in gallery programs.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Galleries - BRAG & ChArts	≥ 120	409	—	65 adults; 344 school aged children engaged in education programs at the Gallery this quarter.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of agreed service levels have been met.	<b>Organisation</b> - Community & Environment - Parks, Sport & Natural Environment - Parks Operations & Maintenance	≥ 85%	97%	✓	The agreed service levels were met or exceeded in 97% of all parks.

### 1.2.2: Support and facilitate community programs, networks, projects and events that promote social connectedness; and active and healthy community life.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Access to Services - Commonwealth Home Support Programme & Queensland Community Care (State and Federal funded): Number of service users with improved ability to access appropriate services.	<b>Organisation</b> - Community & Environment - Community Services	≥ 50	526	✓	Client numbers reflect an improved ability to access appropriate services. Group transport is offered from Gin Gin and Childers to Bundaberg to assist with the access to services not available in the regional areas. Clients receive information through newsletters, flyers and face to face.
Community Support Services Commonwealth Home Support Programme & Queensland Community Care (State & Federal Funded): Number of service users who received a service.	<b>Organisation</b> - Community & Environment - Community Services	Trend	600	✓	Client numbers over Gin Gin, Childers and Gracie Dixon are steadily increasing with availability in most service types.
Number of Community Services grants provided.	<b>Organisation</b> - Community & Environment - Community Services	Trend	11	—	This total includes microgrants and community services program.
Number of community development partnerships, projects and initiatives promoted and supported by Council.	<b>Organisation</b> - Community & Environment - Community Services	Trend	32	—	This total includes events, activities, workshops, presentations, community consultations and network meetings.
Number of community members participating in community development projects and initiatives.	<b>Organisation</b> - Community & Environment - Community Services	Trend	2,662	—	This figure includes Family Flourish Fun Day, Options Day and R U OK Day initiatives.








Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of community members participating in our free community programs and events hosted and facilitated by the Library Service.	<b>Organisation</b> - Community & Environment - Library Services - Library Services	≥ 750	2,088	—	Children's school holiday activities have been well attended with Board Games & Lego proving extremely popular.
Number of community members who have improved wellbeing through social connectedness.	<b>Organisation</b> - Community & Environment - Community Services	Trend	2,129	—	This figure is based on written and verbal feedback from participants at Community Development led events and workshops in the region.
Number of financial assistance requests/applications supported (individuals/sporting organisations/events).	<b>Organisation</b> - Community & Environment - Parks, Sport & Natural Environment - Sport & Recreation	Trend	6	—	6 young athletes supported under the Young People in Sport Financial Assistance program.
Number of occasions that information, advice and referral services were provided.	<b>Organisation</b> - Community & Environment - Community Services	Trend	4,651	—	Utilisation remains high.
Number of service users who received a service.	<b>Organisation</b> - Community & Environment - Community Services	Trend	2,903	—	Engagement remains high and increasing.
Number of service users with improved quality of life.	<b>Organisation</b> - Community & Environment - Community Services	Trend	4,169	—	Greater uptake on services resulting in ongoing improvement to quality of life.
Number of services users with improved ability to access appropriate services.	<b>Organisation</b> - Community & Environment - Community Services	Trend	5,646	—	We have had a significant increase in community presenting for assistance with technology (including photocopying, faxing and printing), financial help and general enquiries. We also distributed increased number of newsletters via email, drop offs to local schools,

Performance Measure	Organisation Link	Target	Actual	Status	Comments
					Doctors surgeries, businesses and mail out.
Quality of Life - Commonwealth Home Support Programme & Queensland Community Care (State and Federal funded): Number of service users with improved quality of life.	<b>Organisation</b> - Community & Environment - <a href="#">Community Services</a>	≥ 300	600	✓	Clients under the Commonwealth Home Support Program are supported to remain in their own home and within their community to maintain their independence and increase their quality of life.
Social Connectedness - Commonwealth Home Support Programme & Queensland Community Care (State and Federal funded): Number of service users with improved social connectedness.	<b>Organisation</b> - Community & Environment - <a href="#">Community Services</a>	≥ 150	600	✓	Clients interact with staff throughout all services. Clients are offered and supported to access a variety of social activities to increase and maintain their social contentedness.


### 1.3: A creative and environmentally friendly place

#### 1.3.1: Provide facilities, spaces, services and activities that promote and support lifelong learning and community engagement within the arts and culture sector.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of community engagement activities at libraries.	<b>Organisation</b> - Community & Environment - Library Services - <a href="#">Library Services</a>	≥ 10	21	—	Inhouse and Outreach sessions are held to engage with and inform our communities.
Number of community groups using the Moncrieff Entertainment Centre.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - <a href="#">Moncrieff Entertainment Centre</a>	Trend	10	✓	This number is greater than the first half of the calendar year due to the high number of schools, dance groups and sponsored local events.
Number of patrons visiting our library branches.	<b>Organisation</b> - Community & Environment - Library Services - <a href="#">Library Services</a>	≥ 40,000	45,721	—	Libraries are welcoming places for all members of the community and visitors to the area.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of patrons visiting the Moncrieff Entertainment Centre.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Moncrieff Entertainment Centre	≥ 8,000	6,165		Variation due to shows being postponed or cancelled as a result of COVID-19 related restrictions.
Number of people visiting the Galleries.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Galleries - BRAG & ChArts	≥ 6,000	8,765		Bundaberg Regional Art Gallery Visitation: 4023; Childers Arts Space Visitation: 4742.
Number of visitors to iconic facilities Hinkler Hall of Aviation and Fairymead House.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Tourism Facilities & Events	> 4,000	7,710		Exceeding target.
Percentage of total days booked at Moncrieff Entertainment Centre.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Moncrieff Entertainment Centre	Trend	75%		There were several shows that were in the venue for more than one day as part of their usage.
Percentage of total seats booked at Moncrieff Entertainment Centre.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Moncrieff Entertainment Centre	Trend	29%		Once again due to COVID-19 restrictions several shows were postponed to 2022 which reduced our overall ticket sales for this quarter.

### 1.3.2: Provide leadership in creative innovation and opportunities for learning and community social and cultural development.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of attendees to Galleries organised Programs and Events.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism	≥ 300	2,111		Includes Outdoor Art Room, Childers Festival Events, Friday Sessions, Exhibition Openings for Bundaberg

Performance Measure	Organisation Link	Target	Actual	Status	Comments
	Facilities and Events - Galleries - BRAG & ChArts				Regional Art Gallery and Childers Arts Space, Artist Dinner and Artist Talks.
Number of performing arts initiatives designed to engage with our community.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Moncrieff Entertainment Centre	≥ 3	4	✓	There were 4 major performing arts initiatives one being I've Been Meaning To Ask You, which engaged various groups from the community.

### 1.3.3: Advocate and support heritage and culture programs, projects, plans and events, which create a positive identity for the region.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Attendee satisfaction at Childers Festival from survey results.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Tourism Facilities & Events	≥ 90%	90%	✓	Percentage based on responses to the Survey - final report still to be received.
Attendee satisfaction at the Taste Bundaberg Festival from Survey results.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Tourism Facilities & Events	≥ 85%	90%	✓	Of actual survey results, 90% satisfaction was the average.
Estimated number of participants at Taste Bundaberg Festival.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Tourism Facilities & Events	Trend	10,442	✓	Sold out events across the Taste Festival Bundaberg suite of events.
Estimated number of participants Childers Festival.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - Tourism Facilities & Events	Trend	33,000	✓	Aggregate attendance for the event. Awaiting final report from IER.





#### 1.3.4: Manage environmental health services and rehabilitate our natural resources and regional ecosystems whilst educating and engaging with the community.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of community environmental protection and management activities participated in.	<b>Organisation</b> - Community & Environment - Parks, Sport & Natural Environment - Natural Resource Management	≥ 6	6	✓	Delivery of a diverse program of activities including a Community Dune Care activity at Elliott Heads and a National Tree Day planting at a local park with students from East State School as part of the 1 Million Trees Project with 183 trees planted.
Number of public awareness, education programs and activities delivered.	<b>Organisation</b> - Community & Environment - Parks, Sport & Natural Environment - Natural Resource Management	≥ 6	7	✓	A wide range of environmental educational activities have been delivered, highlights included a guided rockpool walk at Neilson Park Beach, guided zoo tours and weed awareness displays.

## 2: Our infrastructure and development

### 2.1: Infrastructure that meets our current and future needs

#### 2.1.3: Manage and maintain Council owned buildings, facilities and assets that support and facilitate social connectedness and community life.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of passengers processed through Bundaberg Regional Airport terminal.	<b>Organisation</b> - Community & Environment - <a href="#">Bundaberg Airport</a>	≥ 30,000	12,664		Passenger numbers fell by close to half of the previous quarter, following the impact of the Delta variant of COVID-19 in NSW / VIC, which led to the QLD border closure. September showed signs of improvement, but we are unlikely to return to target performance while borders remain closed.
Number of visitors attending events at the Bundaberg Multiplex Sport and Convention Centre.	<b>Organisation</b> - Community & Environment - Arts, Culture, Tourism Facilities and Events - <a href="#">Multiplex</a>	Trend	3,751		There were approximately 3751 visitors to the Bundaberg Multiplex Sport and Convention Centre during the period. COVID-19 uncertainty resulted in the cancellation of 4 events which would have seen an additional 2065 visitors.
Percentage usage of halls and community facilities including Coronation Hall, School of Arts and Gin Gin RSL.	<b>Organisation</b> - Community & Environment - <a href="#">Community Services</a>	Trend	36.27%		School of Arts 39.71%, Coronation Hall 35.51% and Gin Gin RSL Hall 33.61%.
Percentage usage of the Recreational Precinct.	<b>Organisation</b> - Community & Environment - <a href="#">Community Services</a>	Trend	56.05%		Usage of the Bundaberg Recreational Precinct is consistent for the current season and consistent with pre-COVID-19 usage.

## 2.2: Sustainable essential services

### 2.2.2: Supply potable water and wastewater services that ensure the health of our community in accordance with Council's service standards.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of reportable wastewater incidents.	<b>Organisation</b> - Infrastructure Services - Water Services - Water Services	≤ 5	10		6 exceedances in the hinterland catchments (Gin Gin, Childers & Woodgate). 4 In the Bundaberg and Coastal Catchments.
Percentage of customers who do not experience a planned water supply interruption.	<b>Organisation</b> - Infrastructure Services - Water Services - Water Services	≥ 95%	96%		1,311 water connections experienced a planned service interruption this quarter, from a total of 33,140 water connections.
Percentage of customers who do not experience wastewater interruption.	<b>Organisation</b> - Infrastructure Services - Water Services - Water Services	≥ 95%	99%		56 sewerage connections experienced a service interruption from a total of 26,774 sewerage connections the quarter 1 reporting period.
Percentage of raw water usage versus allocation.	<b>Organisation</b> - Infrastructure Services - Water Services - Water Services	≤ 80%	17%		Raw Water usage this quarter is 2,821ML from total combined yearly allocation of 16,593ML.
Percentage of water supply quality incidents per 1,000 connections.	<b>Organisation</b> - Infrastructure Services - Water Services - Water Services	≤ 5	1		Only 3 reportable incidents this quarter.
Sewer main breaks and chokes per 100km of mains.	<b>Organisation</b> - Infrastructure Services - Water Services - Water Services	≤ 40	7		53 Sewer main breaks and chokes were experienced in quarter 1.

### 2.2.3: Provide safe and efficient waste services to protect our community and environment.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of people utilising Councils Waste Facilities.	<b>Organisation</b> - Community & Environment - Waste Services	Trend	Data indicates that 137,628 customers will use waste facilities this financial year.	—	This is a 6% decrease on the 146,911 customers in 2020/2021. This decrease is most likely due to competition from private sector recyclers of concrete and green waste who offer a free or cheaper disposal option.

### 2.2.4: Provide effective and efficient fleet and trade services for operations and projects across Council.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of asset maintenance work tickets completed when scheduled.	<b>Organisation</b> - Infrastructure Services - Fleet & Trade Services	≥ 95%	94%	✓	Unexpected staff leave during the quarter 1 reporting period has affected Trade Services ability to meet the KPI target.
Percentage of internal client survey results satisfactory or above.	<b>Organisation</b> - Infrastructure Services - Fleet & Trade Services	> 75%	100%	✓	Survey response of 31% satisfied and 64% Very satisfied, is a good result.
Percentage of overall plant, vehicle and equipment availability.	<b>Organisation</b> - Infrastructure Services - Fleet & Trade Services	≥ 95%	98%	✓	A robust preventative maintenance program and optimised fleet replacement is having a positive effect on plant, vehicle and equipment availability.



### 2.3: Sustainable development

#### 2.3.2: Provide an efficient, effective and transparent development assessment service consistent with community and statutory expectations.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of development approvals audited for compliance.	<b>Organisation</b> - Development	= 6	7	✓	The required number of approvals were audited for compliance during the quarter.
Percentage of applications to endorse subdivision plans decided within 15 days or less.	<b>Organisation</b> - Development	≥ 95%	100%	✓	33 plans of subdivision were approved within 15 days or less for the quarter.
Percentage of low complexity development applications decided within 10 days or less.	<b>Organisation</b> - Development	≥ 90%	88%	✓	14 low complexity applications were decided in 10 days or less out of a total of 17 decided in the quarter.
Percentage of pre-lodgement meeting outcomes issued within 5 days or less.	<b>Organisation</b> - Development	≥ 80%	93%	✓	24 pre-lodgement meeting outcomes were issued within 5 days or less out of a total 26 that were issued for the quarter.
Percentage of total code assessable development applications decided within 25 days or less.	<b>Organisation</b> - Development	≥ 80%	84%	✓	32 code assessable applications were decided within 25 days or less out of a total of 43 decided for the quarter.
Percentage of total impact assessable development applications decided within 35 days or less.	<b>Organisation</b> - Development	≥ 60%	60%	✓	3 impact assessable applications were decided within 35 days or less out of a total of 5 decided for the quarter
Percentage of total referral agency assessments decided within 10 days or less.	<b>Organisation</b> - Development	≥ 95%	92%	✓	102 referral agency responses were issued within target timeframes out of a total 111 issued for the quarter.

### 2.3.3: Review and consistently enforce the planning scheme to ensure sustainable environmental practices.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of development and building related complaints investigated.	<b>Organisation</b> - Development	Trend	96	✓	96 compliance registers were opened for the quarter.

## 3: Our organisational services

### 3.1: A sustainable financial position

#### 3.1.1: Develop and maintain a Long-term Financial Plan and fiscal principles for sustainable financial management.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Business Unit Recurrent expenditure is within the budget parameters.	<b>Organisation</b> - Organisational Services - Financial Services - Financial Services	< 2.5%	Water Operating Expenditure: - 3% favourable; Wastewater Operating Expenditure: -1% favourable; Waste Operating Expenditure: 1% unfavourable; General Operating Expenditure: 1% unfavourable.	✓	A formal budget review will be presented in December 2021 for Council consideration to address minor variations to budget across Council. Broadly the operational budget is representative of the expected final operational result. Specifically Water operating expenditure is showing a comparatively higher favourable variance as a result of non-capital projects and timing across a range of expenses that are yet to materialise.
Investment returns compared to bank bill swap rate (BBSW).	<b>Organisation</b> - Organisational Services - Financial Services - Financial Services	≥ 1.3	18	✓	Although interest rates are historically low, the BBSW in comparison to these interest rates is significantly lower, which is reflected in the 18 reported. Council is holding the majority of funds "at call", which, at present, offers lower risk without compromising on return. When calculating the overall return, the quarterly BBSW has been used for amounts "at call" to better reflect the current market conditions.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of creditors paid within agreed terms.	<b>Organisation</b> - Organisational Services - Financial Services - Financial Services	≥ 95%	95%	✓	Accounts Payable (AP) have been working on the internal handling of invoices to reduce out of terms payments this quarter. AP paid an additional 3% of invoices within terms last quarter, when compared with the last quarter (92%).
Sufficient working capital is available to meet forecast operational needs and maintained over the long-term financial forecast. Level of funds available greater than Council's minimum cash requirement.	<b>Organisation</b> - Organisational Services - Financial Services - Financial Services	> 3 months	Yes	✓	Council holds sufficient cash to fund major projects scheduled for the 2021/2022 financial year, with no liquidity issues foreseeable in the short term.

### 3.1.3: Develop strong networks with local, state and national stakeholders.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of Accounts Payable supplier spend (excluding Corporate Purchase Cards) with local business category A, B and C, as defined in the Procurement and Contract Manual.	<b>Organisation</b> - Organisational Services - Strategic Procurement & Supply - Procurement Stores	= 50%	54%	✓	Average Year to Date result is 53.93%. Target is to achieve >50%.

## 3.2: Responsible governance with a customer-driven focus

### 3.2.1: Ensure our workforce is suitable, trained and supported to competently manage themselves and their work.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Average number of business days to complete recruitment process (approval to offer of employment).	<b>Organisation</b> - Organisational Services - People, Safety & Culture	= 30	31	●	Days to recruit is trending down. 50 recruitment processes finalised year to date.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of staff who successfully completed mandatory training requirements, including leadership development training.	<b>Organisation</b> - Organisational Services - People, Safety & Culture	≥ 90%	94%	✓	Strong compliance across all streams of mandatory training this quarter.

### 3.2.2: Provide friendly and responsive customer service, in keeping with Council values and community expectations.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Customer call-backs completed within 24 hours.	<b>Organisation</b> - Organisational Services - Financial Services - Financial Services	= 100%	100%	✓	3,500 call backs received. 100% cleared within 2 hours.
Percentage of call centre enquiries answered in accordance with Customer Service Charter.	<b>Organisation</b> - Organisational Services - Financial Services - Financial Services	> 90%	93%	✓	28,900 calls were received during the Property Rates Issue & Animal Renewal period. Staggered distribution of SMS reminders enhanced service delivery within this quarter.
Percentage of customer requests processed/investigated within timeframes.	<b>Organisation</b> - Development	≥ 90%	87%	✓	1020 CRMS were actioned within required timeframes out of a total of 1176 CRMS received for the quarter.
Percentage of new water and wastewater connections installed within 25 days.	<b>Organisation</b> - Infrastructure Services - Water Services - Water Services	≥ 95%	81%	✓	Outstanding applications have been received and paid, however scheduling of works is still required with the clients.
Percentage of planning and building searches issued within statutory and corporate timelines.	<b>Organisation</b> - Development	≥ 95%	100%	✓	442 Building Compliance Searches and 9 planning certificates were completed within required timeframes for the quarter.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of plumbing approvals decided within 10 days.	<b>Organisation</b> - Infrastructure Services - Water Services - Water Services	≥ 95%	99%	✓	214 applications from a total of 216 applications were processed for the quarter within the 10 day period. The outstanding applications required additional information from the applicant for the application to be assessed correctly.
Percentage of Road, Drainage and Footpath Customer Requests determined and responded to within allocated time periods.	<b>Organisation</b> - Infrastructure Services - Engineering Services	≥ 80%	72%	●	Out of 1264 requests received, 928 were closed in an average of 8.6 days.

### 3.2.3: Administer statutory compliant governance operations incorporating insurance; risk management; property management and Council policies and procedures.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Corporate and Operational risks are reported to Audit and Risk Committee.	<b>Organisation</b> - Organisational Services - Governance & Legal Services - Governance & Legal Services	Yes	Yes	✓	Operational risk update presented to Audit and Risk Committee in September, and Strategic Risk Register presented at the October meeting.
Number of Administrative Action Complaints processed within applicable timeframes.	<b>Organisation</b> - Organisational Services - Governance & Legal Services - Governance & Legal Services	Trend	66	✓	66 administrative action complaints (AACs) were received this quarter, and 12 of those are ongoing. 77 AACs were finalised, including matters received in previous quarters.
Operational risks are reviewed quarterly by risk owners.	<b>Organisation</b> - Organisational Services - Governance & Legal Services - Governance & Legal Services	= 100%	0%	✓	A strategic risk review was undertaken in lieu of the operational risk review this quarter. The Operational risk review from the last quarter has been rescheduled to occur in December.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of compliant Right to Information and Information Privacy applications processed within legislative timeframes.	<b>Organisation</b> - Organisational Services - Governance & Legal Services - Governance & Legal Services	= 100%	100%	✓	8 compliant Right to Information applications were received during this quarter, with one transferred to another agency and one application withdrawn. There were no Information Privacy applications received this quarter.
Percentage of insurance claims that are processed within timeframes.	<b>Organisation</b> - Organisational Services - Governance & Legal Services - Governance & Legal Services	≥ 95%	97%	✓	34 of 35 Insurance claims were processed within time frames (general insurance, motor vehicle and public liability claims).

#### 3.2.4: Exercise whole-of- Council adherence to, and compliance with, Council's policies and procedures, in keeping with our corporate values and community's expectations.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Internal Audits are progressing for completion in line with the Internal Audit Plan.	<b>Organisation</b> - Organisational Services - Audit Services - Audit Services	Trend	0	●	The scheduled internal audits for this quarter are still in progress and will be reported at the next quarterly review.
Number of Internal Quality, Safety and Environmental Audits completed.	<b>Organisation</b> - Organisational Services - Audit Services - Audit Services	≥ 2	1	●	During the period, Quality Audit resources were also utilised to assist with development and delivery of PULSE training to active PULSE users, address concerns with management responses to Chain of Responsibility audit recommendations and attend to outstanding Asignit audit recommendations.

### 3.3: Open communication

#### 3.3.1: Keep our community and workforce informed and upto- date in matters of agency and community interest.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Council stories published on Bundaberg Now and across digital platforms.	<b>Organisation</b> - Communications & Marketing - Communications - Communications	≥ 85	176	✓	The actual for this quarter was more than double the target across Bundaberg Now stories, videos and podcasts

#### 3.3.3: Develop consistent messaging and professional communications that establish a positive profile and identity for Council and our region.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Council e-newsletter open rate, measured against industry standard.	<b>Organisation</b> - Communications & Marketing - Communications - Communications	≥ 22%	25%	✓	The Bundaberg Now Daily Digest e-newsletter is maintaining a steady open rate with an average of 25.39% throughout the quarter.
Percentage of Bundaberg Now website traffic above or below the industry benchmark.	<b>Organisation</b> - Communications & Marketing - Communications - Communications	Trend	+96.34%	✓	Bundaberg Now sessions are sitting significantly higher than the industry benchmark set by Google Analytics for news websites in Australia.

**Item****29 October 2021****Item Number:**

G3

**File Number:**

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**Part:**

GOVERNANCE

**Portfolio:**

Organisational Services

**Subject:**

Audit and Risk Management Committee Minutes

**Report Author:**

Nicole Miller, Business Improvement Lead

**Authorised by:**

Christine Large, Acting General Manager Organisational Services

**Link to Corporate Plan:**

Our organisational services - 3.2 Responsible governance with a customer-driven focus - 3.2.3 Administer statutory compliant governance operations incorporating insurance; risk management; property management and Council policies and procedures.

**Background:**

The Audit and Risk Management Committee met on the 2 September 2021, and the minutes are attached for Council's information.

**Associated Person/Organization:**

N/A

**Consultation:**

Representatives of Audit and Risk Committee

**Chief Legal Officer's Comments:**

There appears to be no legal implications.

**Policy Implications:**

The recommendations within this report comply with Council's governance framework.

**Financial and Resource Implications:**

The annual budget provides for costs associated with the Committee, comprising the total remuneration for the external committee members.

**Risk Management Implications:**

The various audit issues identified will be addressed by Council.



**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

[↓](#)1 Audit & Risk Committee Minutes - 2 September 2021

**Recommendation:**

**That the minutes of the Audit and Risk Committee meeting held on 2 September 2021 be received and noted.**



## AUDIT & RISK COMMITTEE MINUTES

Meeting held Thursday 2 September 2021, commencing at 10:15am  
Council Committee Room, 190 Bourbong Street, Bundaberg

### Committee Attendance:

Stephen Coates (Chair and External Representative)  
Cr Jack Dempsey (Mayor and Council Representative)  
Cr Steve Cooper (Council Representative)  
Mitchell Petrie (External Representative)

### By Invitation:

Amanda Pafumi, General Manager Organisational Services  
Christine Large, Chief Legal Officer  
Gavin Steele, General Manager Community & Environment  
John McMullen, Quality Auditor  
Mitch Miller, Chief Information Officer  
Simon Muggeridge, Acting Chief Financial Officer  
Stephen Johnston, Chief Executive Officer  
Stuart Randle, General Manager Infrastructure Services  
Nicole Miller, Business Improvement Lead Organisational Services (Minuter)

### By Invitation via Teleconference:

Amy Crouch, Senior Governance Officer  
Bruce Janke, Maintenance Planner  
Clayton Russell, Pitcher Partners  
Colin Warmington, Manager Strategic Assets  
David Howie, KPMG Risk Advisor  
Deborah Arghyros, KPMG Internal Audit  
Michael Claydon, Queensland Audit Office  
Tony See, KPMG

### **1. Welcome & Apologies**

Stephen Coates welcomed all attendees to the meeting.

Apologies were noted from:

- Jason Evans, Pitcher Partners
- Allan Diano, Queensland Audit Office

### **2. Conflict of Interest & Declaration of Members**

- Stephen Johnston previously advised at the May meeting that a close family member is working for the tax division at Pitcher Partners. The Committee noted this as a standing declaration and determined there was no conflict arising.
- Mitchell Petrie advised the Committee he is currently engaged by KPMG as a consultant.

### **3. Confirmation of Minutes and Outstanding Action**

It was agreed that the minutes of the meeting held 13 May 2021, be taken as read and confirmed.

Delegations Policy and 2021 BRC Audit & Risk Committee Yearly Workplan were noted by the Committee.

**Note:** 2021 BRC Audit & Risk Committee Yearly Workplan to be standing item at end of agenda.

Action items were updated during the meeting and notes as complete.

### **4. CEO Verbal Update**

Stephen Johnston provided a verbal update on current matters affecting the Council. The ongoing consequences of Covid and the rise in property transfers and growth of population were noted by the Committee.

**10:35am John McMullen entered meeting**

## 5. Internal Quality Audit Update

### a. Internal Quality Audit Progress Report

John McMullen presented the internal quality audit progress report, updating the Committee on the findings of Audit Report Chain of Responsibility Obligations, Audit Report Process Requirements of ISO/IEC 17025 and Audit Report General & Structural Requirements of ISO/IEC 17025 and addressed any queries raised. The status of 54 outstanding corrective actions was provided.

Discussion was held on outstanding audit actions and revised due dates being moved and the risk associated.

**Action:** John McMullen to update outstanding audit actions that are based on the old risk matrix to the new risk matrix and Assignit audit actions to be discussed offline with management.

It was agreed that the information contained in the report be noted by the Committee

**11:00am John McMullen left meeting; Deb Arghyros & Tony See entered meeting.**

## 6. Internal Audit Update

### a. Progress Report

Deborah Arghyros presented the August Internal Audit Status Report noting that further verification had occurred after the report was completed and the tables presented within the report reflect the earlier verification results.

### b. Strategic Internal Audit Plan FY2022/2024

Deborah Arghyros presented the final Strategic Internal Audit Plan FY2022/24 and outlined the updates, noting the strategic risks have not yet been implemented and are waiting on consultation between Council's Executive Leadership Team and Council's Risk Adviser, David Howie from KPMG.

**Action:** Deborah Arghyros to update Internal Audit Plan with Strategic Risk alignment to proposed Audit Plan and return to meeting for noting.

### c. Executive Summary - Penetration Testing

Tony See and Mitch Miller spoke to the Penetration Test Audit Report, and addressed any queries raised. Tony See noted that it was a good outcome.

It was agreed that the information contained in the report, be noted by the Committee.

### d. Water Services Audit

Mitch Miller spoke to the report, and addressed any queries raised.

**11:26am Mitch Miller left meeting**

Committee discussed outstanding audit actions and revised due dates being updated.

**Action:** Deborah Arghyros will present at October's ARMC meeting, a report on any audit actions that have a revised due date or an amended risk level due to mitigations in place.

**11:25am Amy Crouch & David Howie entered meeting**

**11:32am Deborah Arghyros & Tony See left meeting**

## 7. Assessment of Risks

### a. Quarterly Risk Review

David Howie spoke to the quarterly risk review and provided the Committee with an update on the inclusions of 3 new risks and the removal of 8 risks.

Discussion was held on strategic risks and David Howie provided further clarification on Council's risk maturity and the benefits training will have to help management and staff identify risks and apply a consistent, measurable risk rating across Council.

It was agreed that the information contained in the report, be noted by the Committee.

### b. Matter of Emerging Risks

Stephen Coates spoke to emerging risks and a discussion was held.

**Note:** Nicole Miller to share with the Committee and Executive Leadership Team KPMG's report on emerging risks.

**11:53am Amy Crouch & David Howie left meeting; Clayton Russell & Michael Claydon entered meeting.**

## 8. External Audit

### a. Briefing Paper

Michael Claydon and Clayton Russell provided an overview of the briefing paper, and addressed any queries raised.

It was agreed that the information contained in the paper, be noted by the Committee.

## 9. Financial Reporting

### a. Assessment of Financial Information

Simon Muggerridge presented the financial summary 2 August 2021, adopted by Council on 31 August 2021.

It was agreed that the information contained in the report, be noted by the Committee.

**12:15pm Bruce Janke entered meeting.**

### b. 2020 Queensland Treasury Corporation Credit Review

Simon Muggerridge spoke to the report, and addressed any queries raised.

It was agreed that the information contained in the report, be noted by the Committee.

### c. Annual Asset Valuation Report

Simon Muggerridge spoke to the report, and answered any queries raised.

It was agreed that the information contained in the report, be noted by the Committee.

**Note:** Bruce Janke to attend October's ARMC meeting and brief Committee on Council's internal processes around comprehensive asset revaluations.

**12:21pm Bruce Janke left meeting.**

### d. Drafted Unaudited Annual Financial Statements

Simon Muggerridge spoke to the report, and addressed any queries raised.

It was agreed that the information contained in the report, be noted by the Committee. The Committee also thanked Simon Muggerridge for his ability to drill down and answer all their questions.

**12:35pm Clayton Russell & Michael Claydon left meeting; Amy Crouch entered meeting.**

**10. Legal & Governance Update**

## a. Legal Update

Christine Large spoke to the report, and addressed any queries raised.

It was agreed that the information contained in the report, be noted by the Committee.

## b. Draft Audit Report

Christine Large spoke to the report, and addressed any queries raised.

It was agreed that the information contained in the report, be noted by the Committee.

**Note:** Amendment will be made to the incorrect date for section 4.11.

## c. Compliance Management Policy - Attestation

Christine Large spoke to the report, and addressed any queries raised.

12:52pm Amy Crouch left meeting.

**11. Other Reports/Business**

## a. Cash Handling Auditing 2020-2021

Christine Large spoke to the report, and addressed any queries raised.

It was agreed that the information contained in the report, be noted by the Committee.

## b. Mid Term Health &amp; Safety Management system Audit Report.

It was agreed that the information contained in the report, be noted by the Committee.

**Action:** Simon Muggerridge to report on leave liability at October's ARMC meeting.

**Action:** The Committee will schedule an out of session meeting before end of year.

**Next Meeting – 7 October 2021**

Meeting Closed – 12:53pm



Stephen Coates

Committee Chair

Updated Action List

Audit & Risk Management Committee Closed Action List 2021					
Date	Description	Action	Responsible Officer	Update	Status
13-May-21	Financial Reporting	The latest Delegations Policy will be emailed to the Committee out of session and added to the agenda for noting in September's Audit & Risk Committee meeting after June adoption.	Nicole Miller	Added to Septembers ARMC Agenda Emailed to Committee on 2 June 21	Complete
13-May-21	Legal & Governance Update	Report back to the Committee on the results from the Code of Conduct & Fraud and Awareness training.	Christine Large	Results provided in the Legal Update Report within Septembers Audit & Risk Agenda	Complete

**Item****29 October 2021****Item Number:**

G4

**File Number:****Part:**

GOVERNANCE

**Portfolio:**

Organisational Services

**Subject:**

Specialised Supplier Arrangement - Monday.com Subscription

**Report Author:**

Mitch Miller, Chief Information Officer

**Authorised by:**

Christine Large, Acting General Manager Organisational Services

**Link to Corporate Plan:**

Our organisational services - 3.2 Responsible governance with a customer-driven focus - 3.2.5 Provide and review systems, programs and processes to ensure effective, innovative and efficient service delivery to meet community expectations.

**Background:**

A specialised supplier submission was previously approved in December 2019. Multiple Council branches are now using Monday.com to manage their Capital Projects and Operational Processes. Monday.com is now embedded in Council's Day to day operations.

Branches utilising member (full) licenses include:

- Civil Works
- Development
- Engineering Services
- Financial Services
- Fleet and Trade Services
- Major Projects
- Parks, Sports & Natural Areas
- People, Safety & Culture
- Strategic Procurement & Supply
- Water Services

Council currently has 100 Monday.com seats paid for up until 10 July 2022. The extension of the specialised supplier arrangement is required so that it lines up with the end date of the current contract.

Consideration will be given to product choice and a market process will be undertaken in the new year.

**Associated Person/Organization:**

Jack Taylor Group Pty Ltd ABN 39 159 555 889 t/as 'upstream tech'.

**Consultation:**

Procurement Board considered and endorsed this specialised supplier recommendation at their meeting on 18 August 2021 and approved for it to proceed to Council for formal approval.

**Chief Legal Officer's Comments:**

Section 235(b) of the *Local Government Regulation 2012* allows the local government to resolve that it is satisfied that it would be impractical or disadvantageous for Council to invite quotes or tenders as this is a specialised supplier.

**Policy Implications:**

There appears to be no policy implications.

**Financial and Resource Implications:**

Monday.com additional seats cost \$47.00 (excluding GST) per month. This cost has been significantly discounted. Pro-rata to 10 July 2022 for 50 seats would be approximately \$25,850 (excluding GST). A budget adjustment is required for as additional amount.

**Risk Management Implications:**

There appears to be no risk management implications.

**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

Nil

**Recommendation:**

**That:**

- a) Council extends the existing arrangement with Jack Taylor Group Pty Ltd ABN 39 159 555 889 t/as upstream tech for the provision of Monday.com subscriptions without first inviting written quotes pursuant to Section 235(b) of the *Local Government Regulation 2012*; and
- b) this arrangement be made for a period until 10 July 2022.



**Item****29 October 2021****Item Number:**

J1

**File Number:****Part:**

WATER &amp; WASTEWATER

**Portfolio:**

Infrastructure Services

**Subject:**

Specialised Supplier Arrangement - Handback of Rubyanna WWTP & RPS from Downer Group to Council

**Report Author:**

Narelle D'Amico, Branch Manager Water Services

**Authorised by:**

Stuart Randle, General Manager Infrastructure Services

**Link to Corporate Plan:**

Our infrastructure and development - 2.2 Sustainable and affordable essential services - 2.2.2 Supply potable water and wastewater services that ensure the health of our community in accordance with Council's service standards.

**Background:**

The Operation and Maintenance of the Rubyanna Plant will be handed back to Council on 7 May 2022. Water Services proposes to leverage off Downer's working knowledge of the plant to enter into a new contract to provide oversight and guidance for the operation and maintenance of the plant, work with Council's staff to create the asset management process for maintaining the plant in Council's systems, provide ongoing training for operators/maintainers and technical resource sharing to uplift the water business.

Water Services further proposes to leverage off this working relationship and Downer's working knowledge of Council's systems/resources to drive additional value for Council, by partnering with Downer Utilities to lead a Process and Optimisation Team to optimise the treatment process at Council's other treatment plants and lead a sustainable asset management process for all treatment assets.

This proposal will also mitigate operational risk to Council given the modern membrane treatment plant and its modern technology.

Because of the specialised nature of the services it would be impractical or disadvantageous for council to invite quote or tenders.

**Associated Person/Organization:**

Downer Utilities

**Consultation:**

Portfolio Spokesperson: Cr JP Bartels

Divisional Councillor: Cr TM McLoughlin

Council has been briefed on the new proposal

**Chief Legal Officer's Comments:**

Section 235(b) of the Local Government Regulation 2012 allows the local government to resolve that it is satisfied that it would be impractical or disadvantageous for the Council to invite quotes or tenders as this is a specialised supplier.

**Policy Implications:**

There appears to be no policy implications.

**Financial and Resource Implications:**

Costs for this arrangement are in accordance with Council's budget.

**Risk Management Implications:**

There appears to be no risk management implications.

**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

Nil

**Recommendation:**

**That:**

- 1. the contractor's offer for a Further Services Delivery Period as per Clause 32 of Contract SD/0180 Rubyanna Wastewater Treatment Plant – Stage 1 be rejected, resulting in the final handback of the plant to Bundaberg Regional Council on 7 May 2022.**
- 2. Council enters into a contractual arrangement with Downer Utilities for the supply of services for process and optimisation of treatment processes and assets without first inviting written quotes pursuant to Section 235(b) of the *Local Government Regulation 2012*.**

**Item****29 October 2021****Item Number:**

O1

**File Number:****Part:**

COMMUNITY &amp; CULTURAL SERVICES

**Portfolio:**

Community &amp; Environment

**Subject:**

Library Services Tender Consideration Plan

**Report Author:**

Georgia Lane, Supply Officer

**Authorised by:**

Gavin Steele, General Manager Community &amp; Environment

**Link to Corporate Plan:**

Our community and environment - 1.2 Safe, active, vibrant and inclusive community - 1.2.1 Provide facilities, parks, open spaces, services, and programs that promote and support our community's safety and physical wellbeing.

**Background:**

Council seeks to conduct several purchasing activities for Library Services, which include the purchase of print, audio, e-books, CDs, DVDs, audio books, newspapers, magazines, and other ad-hoc purchases. Due to copyright and ownership of different library materials, it is not practical or advantageous for Council to seek quotations or tenders. Council intends to depart from the quote or tendering processes provided in the regulation and conduct contracting by way of this Tender Consideration Plan.

**Associated Person/Organization:**

Library Services

**Consultation:**

Procurement Board

**Chief Legal Officer's Comments:**

Section 230 of the *Local Government Regulation 2012* ("Regulation") allows Council to prepare a quote or tender consideration plan. Council is then required to prepare and adopt the plan. The requirements of a quote or tender consideration plan are outlined in section 230(2) of the Regulation. A prepared quote or tender consideration plan is an exception to the contracting requirements contained in the Regulation for medium-sized and large-sized contractual arrangements.

**Policy Implications:**

There appears to be no policy implications.

**Financial and Resource Implications:**

There appears to be no financial or resource implications.

**Risk Management Implications:**

There appears to be no risk management implications.

**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

[↓](#)1 TEN/1347 Library Services Tender Consideration Plan

**Recommendation:**

**That Council decides and adopts the prepared tender consideration plan for Library Services, for a period of 3 years, pursuant to Section 230 of the *Local Government Regulation 2012*.**

## TEN/1347 Library Services Tender Consideration Plan

### Introduction

The *Local Government Act 2009* ('the Act') and the *Local Government Regulation 2012* ('the regulation') provide the considerations for, and methods by which Council may establish medium and large sized contracts. These regulations require local governments to use a written quote process for medium sized contracts and a written tender process for large sized contracts. The regulations also provide several exceptions to those processes. i.e., Preparation of a quote or tender consideration plan.

The regulations provide that a Quote or Tender Consideration Plan (TCP) will contain the following information:

1. The objectives of the plan
2. How the objectives are to be achieved
3. How the achievement of the objectives will be measured
4. Any alternative ways of achieving the objectives, and why the alternative ways were not adopted
5. The proposed terms of the contract for the goods or services
6. A risk analysis of the market from which the goods or services are to be obtained.

Council seeks to conduct several purchasing activities for Library Services, which include the purchase of print, audio, e-books, CDs, DVDs, audio books, newspapers, magazines, and other ad-hoc purchases. Due to copyright and ownership of different library materials, it is not practical or advantageous for Council to seek quotations or tenders. Council intends to depart from the quote or tendering processes provided in the regulation and conduct contracting by way of this tender consideration plan.

This plan will provide the information required to comply with the regulations and justify the use of the plan as an effective and appropriate alternative to the quote and tender processes.

### Background

A review of the core annual expenditure for library resources and services including print, audio, e-books, CDs, DVDs, audio books, newspapers, magazines, and other ad-hoc purchases.

Local Buy Contract *LB284 Library Resources: Goods, Services & Associated Technologies*, commenced in November 2020 with a term of two years plus two optional 12-month extension periods. Council Library staff have been utilising this arrangement; however, it has been identified that the aggregated spend of these goods and services has exceeded quotation thresholds in line with Council's Procurement and Contract Manual surrounding the utilisation of unpriced Local Buy arrangements. The Manual requires Council Officers to source quotations for purchases above \$2,000 ex. GST on unpriced Local Buy/Government Agency arrangements.

Given the nature of these purchases being specialised and often restricted in availability due to Copyright factors, a Tender Consideration Plan is deemed the best option to ensure governance and probity is achieved. A TCP will allow Library Services to enter into medium or large size arrangements without first inviting written quotes or tenders, which will ensure value for money can be maintained, goods and services requirements can be met and time spent on procurement activities and administration minimised.

#### 1. Objectives

The objectives of the Tender Consideration Plan are:

1. Ensure compliance with Local Government legislation
2. Ensure compliance with Council's Procurement and Contract Manual

3. Introduce efficiencies in the Procurement process
4. Enable consistency and clarity when purchasing and entering arrangements
5. Ensure Council's sound contract principles and met.

## 2. How the objectives are going to be achieved

The TCP will achieve the above objectives by:

1. Ensuring compliances and policies are met by seeking a Council Resolution under section 230 of the *Local Government Regulation 2012*.
2. Ensuring compliance with Council Procurement and Contract Manual through meeting quotation thresholds and requirements.
3. Introducing efficiencies in the procurement process by reducing administration tasks and paperwork through the reduction of tender and quotation documents and exemptions.
4. Enabling ongoing consistency and clarity by ensuring all Library and Procurement staff are aware of the arrangements in place and can achieve value for money and meet resource requirements in a fair and ethical way.
5. Allowing Council to meet the sound contracting principles of; value for money, open and effective competition, competitive local business and industry, environmental protection and ethical behaviour and fair dealing.

## 3. How the achievement of the objectives will be measured

Indicators for measuring the objectives and success of the TCP include:

1. A reduction in Failure to Meet Requirements being identified by Strategic Procurement and Supply and requiring actioning by Library Services.
2. Library Services meeting Council's Procurement and Contract Manual requirements for purchasing by seeking the TCP exemption for quotations.
3. A reduction in administration work for Library Services due to not needing to seek quotations for purchases covered by the TCP. Strategic Procurement and Supply will also benefit due to the time it currently takes to review and approve quotations being reduced as a result of the TCP.
4. Consistent and clear spend analysis data that will identify spend under the TCP and engagements that are not covered under the TCP. Library Services staff will have a definitive list of services and goods covered by the TCP, ensuring all staff know their requirements and responsibilities around when quotations need to be requested and when they are already covered.
5. Purchases in line with Council's contracting principles that identify savings, effective competition and engagements, ethical and fair dealing and protection for Council and Library Services.

## 4. Alternative ways of achieving the objectives and why not adopted

The alternative to implementing a TCP for Library Services is that staff would be required to seek quotations as per Council's quotation thresholds. This is not practical due to the specialised nature of the goods and services required and the constant need for these goods and services, as well as restrictions regarding Copyrighted materials. The pricing under Local Buy arrangements has already been subjected to negotiate through the process of suppliers becoming part of the Local Buy panel arrangements.

## 5. The proposed terms of the contract

It is proposed that the TCP will be in place for three (3) years. Local Buy contract LB284 will be in place until November 2022 and then extension options may be exercised, as mentioned above. Should this arrangement change during the duration of this TCP, the TCP will continue under the replacement Local Buy arrangement.

Purchases made under the TCP will need to be made via Standing Order only, not on Corporate Purchase Card. This will ensure Strategic Procurement and Supply is able to review spend and highlight purchases made under the TCP that are not covered under its scope.

It is proposed that the TCP will include the purchase of the below goods and services, as identified from the 2019/2020 Financial Year spend data:

- Print
- Audio-visual (e.g., CDs, DVDs, audiobooks)
- E-services (e.g., eBooks, eAudiobooks, eMusic, eMagazines, eMovies)
- Newspapers
- Magazines

The TCP is unique and specific to the following suppliers of services and/or goods. Goods or services outside of this scope will be required to be sourced through standard threshold requirements in line with BRC's Procurement and Contract Manual.

The TCP is proposed to include the following suppliers:

- Bolinda Publishing Pty Ltd
- Bolinda Digital
- Dymocks Bundaberg
- James Bennett Pty Ltd
- Keith Ainsworth Pty Ltd T/A MDM Books
- Library AV & Large Print Pty Ltd
- MDM Entertainment
- Sound Text Media Pty Ltd
- Ulverscroft Large Print
- Wavesound Pty Ltd
- Bibliotheca Australia Pty Ltd
- Lucky Dollar Newsagency.

Suppliers covered for providing the following services or goods under the below engagement terms:

**Table 1:**

Supplier	Service/Goods	Engagement Terms
Bolinda Publishing Pty Ltd	Books	Standing Order – Local Buy LB284
Bolinda Digital	eResources (e.g., eBooks, eAudiobooks)	Standing Order – Local Buy LB284
Dymocks Bundaberg	Books, Puzzles	Standing Order – Local Buy LB284
James Bennett Pty Ltd	Books, eResources	Standing Order – Local Buy LB284
Keith Ainsworth Pty Ltd T/A MDM Books	Books	Standing Order – Local Buy LB284
Library AV & Large Print Pty Ltd	Books	Standing Order – Local Buy LB284
MDM Entertainment	Audio-visual, eResources	Standing Order – Local Buy LB284
Sound Text Media Pty Ltd	Books, activity resources	Standing Order – Local Buy LB284

Supplier	Service/Goods	Engagement Terms
Ulverscroft Large Print	Books, Audiobooks	Standing Order – Local Buy LB284
Wavesound Pty Ltd	Books, Audiobooks	Standing Order – Local Buy LB284
Bibliotheca Australia Pty Ltd	eResources	Standing Order – Local Buy LB284
Lucky Dollar Newsagency	Newspapers, Magazines	Standing Order – BRC General Terms and Conditions

The following supply patterns apply to Local Buy contracts:

**Table 2:**

\*ARRP = Australian Recommended Retail Price

Supplier	Goods/Services
Bolinda Publishing Pty Ltd	All
	Audiobooks, Playaways and Large Print
James Bennett Pty Ltd	Audiobook, Large Print and Playaways
	Adult, Young Adult and Children's Fiction and Non-fiction, Graphic Novels, Picture Books, Beginner Readers, Board Books and Comics
	Reference and Educations (Text) Books, Single Copy Reference Material, Literacy Material and LOTE Resources, Music Scores and Print Music and Indigenous Resources
Keith Ainsworth	Adult, Young Adult and Children's Fiction and Non-Fiction and Picture Books, Beginner Readers and Board Books
	Reference and Educations (Text) Books, Audiobooks, Large Print, Single Copy Reference Material and Literacy Material and LOTE Resources
	Graphic Novels
Library AV & Large Print Pty Ltd	DVDs, Audiobooks, Playaways, Multimedia Kit (Book and CD/DVD), Large Print and Dyslexic Books Adult and Children
MDM Entertainment	Standard Orders for: DVDs, Music CDs, Audiobooks and Blu-Ray
	Standard Orders for: Adult, Young Adult and Children's Fiction and Non-Fiction, Graphic Novels, Picture Books, Beginner Readers and Board Books, Literacy Material and LOTE Resources, Music Scores and Print Music, Indigenous Recourses and Comics
	Standing Order Plans for: DVDs
	Standing Order Plans for: Music CDs
	Standing Order Plans for: Audiobook



Supplier	Goods/Services
	Standing Order Plans for: Adult, Young Adult and Children's Fiction and Non-Fiction, Picture Books, Beginner Readers and Board Books
Sound Text Media Pty Ltd	DVDs, Music CDs, Audiobooks, Playaways, Multi Media Kit (Books and CD/DVD), Music/Videos/Databases/Games, Console Games, Reference and Education (Text) Books, Graphic Novels, Large Print, Picture Books, Beginner Readers and Board Books, Single Copy Reference Material, Literacy Material and LOTE Resources, Music Scores and Print Music, Indigenous Recourses and Comics
	Adult, Young Adult and Children's Fiction and Non-Fiction
Ulverscroft Large Print	Audiobooks, eBooks, and Large Print
Wavesound Pty Ltd	Audiobook, Playaways and Large Print

Library services reserves the right to approach suppliers under Local Buy who are not listed in this TCP where goods/services required cannot be provided by the suppliers listed.

### 6. Risk Analysis

There is a low risk to Council as Library Services deal with reputable and industry known suppliers under Local Buy arrangements who have provided quality goods and services to Council in the past.

Additionally, these suppliers have been successful in meeting and continually upholding Local Buy's policies and contract obligations which provides confidence in their abilities and reputability.

The Tender Consideration Plan poses a low risk to Council.

### Recommendation

It is recommended that Council approve and adopt this Tender Consideration Plan for a term of three (3) years.

Engagements under the Tender Consideration Plan will be via Standing Order or Purchase Order and under Local Buy or BRC General Terms and Conditions as specified in Table 1.

**Item****29 October 2021****Item Number:**

O2

**File Number:****Part:**COMMUNITY & CULTURAL  
SERVICES**Portfolio:**

Community &amp; Environment

**Subject:**

Sole Supplier Arrangement - HTS Australia Pty Ltd T/A Australasia Sports Timing - Backstroke Ledges for Norville Swimming Pool

**Report Author:**

Kirstin Harrison, Branch Manager Community Services

**Authorised by:**

Gavin Steele, General Manager Community &amp; Environment

**Link to Corporate Plan:**

Our infrastructure and development - 2.1 Infrastructure that meets our current and future needs - 2.1.3 Manage and maintain Council owned buildings, facilities and assets that support and facilitate social connectedness and community life.

**Background:**

Members of the Bundaberg Swim Team Inc have requested Council purchase 10 Omega Pro backstroke ledges to be utilised at Norville Swimming Pool for the City of Charm Carnival which is being held 19 – 21 November 2021.

The City of Charm Carnival is hosted at Norville Swimming Pool each year and is now hosted by the Bundaberg Swim Team Inc. The carnival is an approved meet under Swimming Queensland and is considered an important preparation meet for regional championships later in the calendar year. Members of the Bundaberg Swim Team have made this request as the City of Charm Carnival brings hundreds of swimming families to Bundaberg including existing and future Olympians.

The ledges retail for \$1,557.05 inc GST each plus freight. The only Australian supplier of the ledges is Australasia Sports Timing in Melbourne who have the ledges in stock in their warehouse.

The ledges can only be utilised with specific Omega starting blocks therefore can only be transferred to pools with those starting blocks. Norville Pool and Council's other pools have Omega Starting blocks so are compatible for use of the ledges.

**Associated Person/Organization:**

Bundaberg Swim Team Inc

**Consultation:**

Portfolio Spokesperson: Cr Vince Habermann

Divisional Councillor: Cr Vince Habermann

**Chief Legal Officer's Comments:**

Section 235(a) of the *Local Government Regulation 2012* allows the local government to resolve that it is satisfied that there is only one supplier that is reasonably available.

**Policy Implications:**

There appears to be no policy implications.

**Financial and Resource Implications:**

The purchase of backstroke ledges has not been budgeted within the 2021/2022 Venues and Facilities budget therefore additional funds will be required to facilitate the purchase.

**Risk Management Implications:**

There appears to be no risk management implications.

**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

Nil

**Recommendation:**

**That:**

- a) **Council enters into an arrangement with HTS Australia Pty Ltd Trading as Australasia Sports Timing (ABN 52 094 419 717) for the supply of Omega Pro Backstroke Ledges to be utilised at Norville Swimming Pool without first inviting written quotes pursuant to Section 235(a) of the *Local Government Regulation 2012*; and**
- b) **this arrangement be made for an initial period of 3 years.**

**Item****29 October 2021**

<b>Item Number:</b>	<b>File Number:</b>	<b>Part:</b>
R1	.	SPORT, RECREATION, VENUES & DISASTER MANAGEMENT

**Portfolio:**

Community &amp; Environment

**Subject:**

Queensland Touch Football - Bundaberg Cup Sponsorship

**Report Author:**

Geordie Lascelles, Branch Manager - Parks, Sport &amp; Natural Areas

**Authorised by:**

Gavin Steele, General Manager Community &amp; Environment

**Link to Corporate Plan:**

Our community and environment - 1.2 Safe, active, vibrant and inclusive community - 1.2.2 Support and facilitate community programs, networks, projects, networks, projects and events that promote social connectedness; and active and healthy community life.

**Background:**

The Bundaberg Cup is a social community touch football event which has been delivered in the Bundaberg Region for the past 5 years by Touch Football Australia and Queensland Touch Football and supported by Tourism Events Queensland with financial support from the Bundaberg Regional Council.

The event has attracted 253 teams to the region resulting in 9,000 visitors across the 5 year period. This equals a total visitor spend of \$3,690,000<sup>1</sup> attributed to running the Bundaberg Cup in the Bundaberg Region. Further indirect economic impacts are estimated to be an additional \$1,228,751<sup>1</sup> resulting in a combined output of \$4,872,804 in the Bundaberg Region economy.

Queensland Touch Football are seeking a 3-year partnership agreement with Council:

- Year 1 (2022) - \$20,000 plus in-kind\*
- Year 2 (2023) - \$20,000 plus in-kind\*
- Year 3 (2024) - \$20,000 plus in-kind\*

\* In-Kind: Waste Services (bins/waste removal), additional water allocation of 4 megalitres to Bundaberg Touch Association.

Additional funding to support the event has been requested through Tourism Events Queensland (Queensland Destination Events Program).

Sponsorship Benefits for Council include:

- opportunity to create a dedicated promotional space for community/staff activity at the venue in Bundaberg
- opportunity to provide branded promotional items for giveaways during the event.
- opportunity for Council representative to be involved at key event announcements and presentations.
- PA announcements at venue in Bundaberg.
- sponsor logo on sponsors' page of [www.qldtouch.com.au/bundaberg-cup](http://www.qldtouch.com.au/bundaberg-cup)
- sponsor signage at the Bundaberg Cup venue
- promotion of relationship on social media.

**Associated Person/Organization:**

David Field, Coordinator Sport and Recreation

**Consultation:**

All Councillors, Geordie Lascelles, Manager Parks, Sport and Natural Areas

**Chief Legal Officer's Comments:**

Council may resolve to provide the funding and should enter into a sponsorship agreement to determine the terms and conditions of the funding.

**Policy Implications:**

There appears to be no policy implications.

**Financial and Resource Implications:**

If approved, the financial sponsorship will need be reflected in the yearly budgets.

**Risk Management Implications:**

There appears to be no risk management implications.

**Human Rights:**

There appears to be no human rights implications.

**Indigenous Land Use Agreement (ILUA) Implications:**

There appears to be no ILUA implications.

**Attachments:**

Nil

**Recommendation:**

**That Council enter into a 3-year Sponsorship Agreement with Queensland Touch Football for the Bundaberg Cup. The financial sponsorship will be allocated as follows:**

**Year 1 (2022) - \$20,000 cash plus in-kind (waste services, 4 megalitres of water)**

**Year 2 (2023) - \$20,000 cash plus in-kind (waste services, 4 megalitres of water)**

**Year 3 (2024) - \$20,000 cash plus in-kind (waste services, 4 megalitres of water)**