



**AGENDA FOR ORDINARY MEETING
TO BE HELD IN COUNCIL CHAMBERS, BUNDABERG
ON TUESDAY 27 OCTOBER 2020, COMMENCING AT 10.00 AM**

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**Item****27 October 2020****Item Number:**

D1

File Number:

.

Part:

EXECUTIVE SERVICES

Portfolio:

Executive Services

Subject:

Public Notice of Meetings 2021

Report Author:

Wendy Saunders, Executive Services Coordinator

Authorised by:

Stephen Johnston, Chief Executive Officer

Link to Corporate Plan:

Our People, Our Business - 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:

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.

Attachments:

Nil

Recommendation:

That

- **the first Ordinary meeting of Council for 2021 be held on 27 January 2021, 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**
- **due to COVID-19, it be noted that the venue for meetings will be advised on Council's website early in 2021.**

**Item****27 October 2020****Item Number:**

E1

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

Executive Services

Subject:

Bundaberg Regional Art Gallery Redevelopment Business Case

Report Author:

Chris Sampson, Manager Strategic Projects

Authorised by:

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

Link to Corporate Plan:

Our Community - 1.1 Economic growth and prosperity - 1.1.5 Develop a pipeline of strategic projects that support organisational and economic development objectives, including procuring external grant funding.

Background:

Council was successful in gaining funding through the State Government's Building Our Regions Fund to undertake a Business Case for the redevelopment of the Bundaberg Regional Art Gallery.

As part of the Funding Agreement with the State Government, a Council resolution is required confirming Council will undertake the project in accordance with the terms and conditions of the grant.

Associated Person/Organization:

AECOM in partnership with KPMG and the Blight-Rayner Architects have been engaged to undertake the business case.

Consultation:

Nil

Chief Legal Officer's Comments:

There appears to be no legal implications.

Policy Implications:

There appears to be no further policy implications beyond those described in the background.

Financial and Resource Implications:

There appear to be no further financial or resource implications. The works are within Council's existing budget.

Risk Management Implications:

Failure to provide the resolution will prevent Council from achieving the requirements of the first milestone of the grant.

Human Rights:

There appears to be no human rights implications.

Attachments:

Nil

Recommendation:

That Council:

- **has budgeted its financial contribution to the Art Gallery Business Case;**
- **is committed to delivering the Art Gallery Business Case; and**
- **acknowledges it retains responsibility for any funding shortfalls if costs change.**

**Item****27 October 2020****Item Number:**

F1

File Number:**Part:**

FINANCE

Portfolio:

Organisational Services

Subject:

Final Management Report for 2020 Financial Audit

Report Author:

Anthony Keleher, Chief Financial Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 3.1 A sustainable financial position - 3.1.2 Apply responsible 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 high-risk matters raised. The matters raised have been added to the Finance Risk Register for action and are monitored through reports to the Audit & Risk Committee.

Associated Person/Organization:

Pitcher Partners

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 2020/2021 Budget

Risk Management Implications:

The items identified in the final management letter have been added to the Finance Risk Register for action.

Human Rights:

There appears to be no human rights implications.

Attachments:

[↓1](#) Final Management Letter BRC 2020

Recommendation:

That the Final Management Report for the 2020 Financial Audit, be noted by Council.



12 October 2020

Mayor Jack Dempsey
Bundaberg Regional Council
190 Bourbong Street
Bundaberg QLD 4670

Dear Mayor Dempsey

Final Management Report for Bundaberg Regional Council

We have completed our 2020 financial audit for Bundaberg Regional Council. An unmodified audit opinion was issued on your financial statements.

The purpose of this letter is to provide Council with details on audit matters and other important information related to the audited financial statements. 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

Issues and other matters formally reported to management and an update on the actions taken by management to resolve these issues are 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 \$157,500 exclusive of GST (2019: \$156,000). This fee is in line with the fee estimated in our external audit plan.

Financial reporting maturity level

QAO are in the process of finalising a new financial statement preparation reporting tool, called the financial reporting maturity model. This model allows for scalable assessment of financial reporting preparation processes which aims to better reflect the differences in size and maturity of public sector entities. For future years, we are planning to move to assessing the process according to the new maturity model. In the interim we will commence working with management to understand their expected / desired positioning of maturity.

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 Queensland Audit Office (QAO)

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 either myself or the engagement manager Clayton Russell on 3222 8444.

Yours sincerely

A handwritten signature in black ink, appearing to read "J. Evans".





Jason Evans
Partner

Appendix A1—Internal control issues

Significant deficiencies, deficiencies and other matters

The following table details control deficiencies and other matters identified since our interim report dated 29 May 2020. It includes a response from management.

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

 Significant deficiency	 Deficiency	 Other matters
		<div style="background-color: #e0e0e0; padding: 5px;"> Other matters</div> <p>20FR-1 Compliance monitoring <i>Monitoring activities</i></p> <p>We identified that Council does not have a central register or similar mechanism for recording all of its legislative requirements. Compliance requirements are currently monitored and managed at the department level. Further, there is no formal process in place for reporting of compliance breaches up to Council.</p> <p>We have not identified any material instances of non-compliance with applicable legislation during the course of our audit, however The decentralised nature of compliance monitoring and management processes creates a risk that not all compliance risks are being addressed, or that compliance breaches are not identified and actioned on a timely basis or at all</p> <p>QAO recommendation It is 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>Management response Management had previously identified a central compliance software system as an opportunity for Council to improve monitoring and reporting throughout departments. This will be further investigated in the near future.</p> <p>Status Work in progress</p> <p>Action date 30 June 2021</p>

Appendix A2—Financial reporting issues

The following tables detail financial reporting issues identified through our audit since our interim report dated 29 May 2020. It includes a response from management.

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

 High  Medium  Low

Medium risk issues

20FR-2 Calculation of contract assets and contract liabilities

Observation

In auditing council's contract assets and contract liabilities, we observed the following matters:

- Budgeted expenditure amounts (e.g. for capital grant projects) were not updated to reflect changes in the budget over time – for example, budget overruns which would typically be funded by Council were not factored into the calculation of contract balances; and
- Contract liabilities for capital grants are determined by deducting project expenditure incurred to date from grant funding received to date. For co-funded projects (e.g. where council contributes a percentage of the total project cost), this essentially allocates the grant funding to the project first. For accounting purposes, we consider that revenue should be recognised based on the percentage of completion of the project.

There is a risk that contract balances may be materially misstated in future periods where a consistent approach is misstated. This will depend on the nature and timing of capital grants received in future periods.

QAO recommendation

It is recommended that management consider updating contract asset and contract liability calculation processes in future periods, in particular for capital grants, for the items identified above

Management response

Management will review calculation processes in the next financial year, in consultation with external advisors, and where necessary amend calculations to ensure that contract assets and contract liabilities are not misstated at 30 June 2021

Status

Work in progress

Action date

30 June 2021

Appendix A3—Matters previously reported 🏠

Status

The following table summarises all control deficiencies, financial reporting issues and other matters that have previously been raised but are not yet resolved.

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

Reference	Rating	Issue	Status/Comment action date
Internal control issues			
20IR-2		<p>Payroll Masterfile changes review control</p> <p>On review of the findings of internal audit during our interim audit visit, it was noted that there were instances identified by internal audit where the payroll maintenance audit report relied on in one of Council's key controls over masterfile changes does not correctly retrieve all changes over the relevant period, therefore impacting the design effectiveness of the control.</p>	<p>Resolved</p> <p>Management confirmed there are certain changes in the payroll module that will not create an audit trail transaction, including changes within an employee's deduction. These audit trail transactions will be available in a future release of Authority Altitude. Until this version is available, Council has implemented compensating controls to the extent that the risk of fraud associated with the relevant transactions is deemed significant to warrant such control processes.</p>
Financial reporting issues			
19FR-1		<p>Landfill cell assets and restoration provisions</p> <p>Immaterial inconsistencies were identified during the FY19 audit between council's current accounting for landfill cell assets and the requirements of the accounting standards.</p>	<p>Resolved</p> <p>These inconsistencies have been addressed in the 2019-20 financial statements.</p>

Appendix B—Our rating definitions



Internal rating definitions

	Definition	Prioritisation of remedial action
Significant deficiency 	<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"> the risk of material misstatement in the financial statements the risk to reputation the significance of non-compliance with policies and applicable laws and regulations the potential to cause financial loss including fraud, or where management has not taken appropriate timely action to resolve the deficiency. 	This requires immediate management action to resolve.
Deficiency 	<p>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.</p>	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter 	<p>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.</p>	Our recommendation may be implemented at management's discretion.

Financial reporting issues

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

**Item****27 October 2020****Item Number:**

F2

File Number:**Part:**

FINANCE

Portfolio:

Organisational Services

Subject:

Financial Summary as at 1 October 2020

Report Author:

Anthony Keleher, Chief Financial Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 3.1 A sustainable financial position - 3.1.2 Apply responsible 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 2020.

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 is 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.

Attachments:

[↓](#)1 Financial Summary as at 1 October 2020

Recommendation:

That the Financial Summary as at 1 October 2020 be noted by Council.

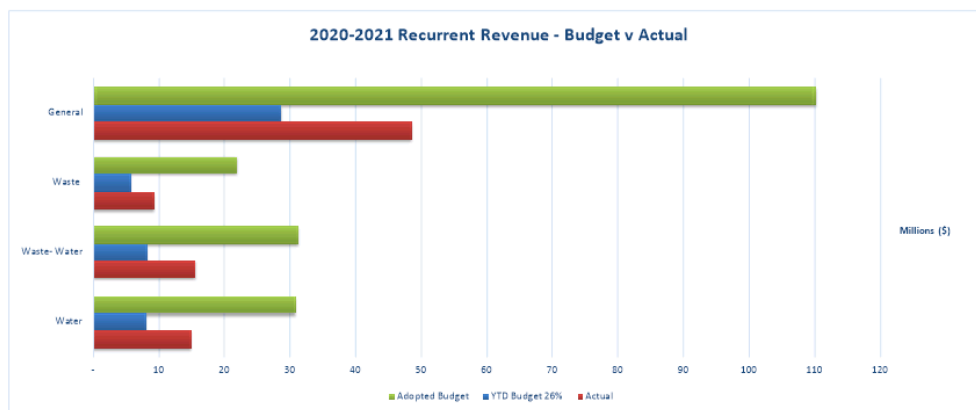
Financial Summary
as at 01 Oct 2020

	Council			General			Waste			Wastewater			Water		
	Actual YTD	Adopted Budget	% Act/ Bud	Actual YTD	Adopted Budget	% Act/ Bud	Actual YTD	Adopted Budget	% Act / Bud	Actual YTD	Adopted Budget	% Act/ Bud	Actual YTD	Adopted Budget	% Act/ Bud
Progress check - 26%															
Recurrent Activities															
Revenue															
Rates and Utility Charges	70,185,976	158,077,593	50%	41,592,456	83,461,322	50%	7,847,142	15,702,071	50%	15,456,758	30,238,858	51%	14,286,620	28,577,342	50%
Less: Pensioner Remissions	(845,540)	(1,713,674)	49%	(496,367)	(1,042,901)	48%	(120,442)	(228,169)	53%	(133,981)	(255,237)	52%	(94,750)	(187,367)	51%
	78,340,436	156,363,919	50%	41,096,089	82,418,421	50%	7,726,700	15,473,902	50%	15,322,777	29,981,621	51%	14,194,870	28,489,975	50%
Fees and Charges	6,208,475	23,576,503	26%	3,902,931	15,067,769	26%	1,446,097	5,971,134	24%	269,751	917,000	29%	569,696	1,820,600	36%
Interest Revenue	307,112	2,255,970	14%	107,469	785,338	14%	46,067	374,465	12%	52,209	394,114	13%	101,347	702,053	14%
Grants, Subsidies and Donations	3,193,924	12,177,757	26%	3,163,386	12,017,767	26%	30,538	160,000	19%	-	-	-	-	-	-
Sale of Developed Land Inventory	283,348	-	-	283,348	-	-	-	-	-	-	-	-	-	-	-
Total Recurrent Revenue	88,313,295	194,374,149	45%	48,533,243	110,289,285	44%	9,249,402	21,979,501	42%	15,644,737	31,292,735	50%	14,865,913	30,812,628	48%
Expenses															
Employee Costs	18,817,364	76,683,859	25%	14,302,879	59,384,503	24%	1,560,938	6,371,763	25%	1,441,651	5,576,413	26%	1,481,896	5,351,180	28%
Materials and Services	17,089,215	67,411,695	25%	10,508,776	39,598,624	27%	2,910,410	11,740,594	25%	1,608,849	7,075,701	23%	2,061,180	8,996,776	23%
Finance Costs	922,109	4,291,551	21%	321,362	1,531,258	21%	209,320	901,259	23%	335,228	1,608,563	21%	56,199	250,471	22%
Depreciation	12,811,361	51,245,441	25%	9,192,750	36,770,998	25%	405,291	1,621,162	25%	1,694,508	6,658,033	25%	1,548,812	6,195,248	25%
Total Recurrent Expenditure	49,640,049	199,632,546	25%	34,325,767	137,285,383	25%	5,115,959	20,634,778	25%	5,050,236	20,916,710	24%	5,148,087	20,793,675	25%
Operating Surplus	38,673,246	(5,258,397)		14,207,476	(26,996,098)		4,133,443	1,344,723		10,594,501	10,374,025		9,737,826	10,018,953	
Transfers to															
Restricted Capital Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NCP Transfers	-	-	-	(3,956,683)	(15,826,731)	-	5,519	22,073	-	2,017,466	8,069,947	-	1,933,678	7,734,711	-
Fund Capital Expenditure (Capital Account)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers	-	-	-	(3,956,683)	(15,826,731)	-	5,519	22,073	-	2,017,466	8,069,947	-	1,933,678	7,734,711	-
Movement in Unallocated Surplus	38,673,246	(5,258,397)		18,164,159	(11,169,367)		4,127,924	1,322,650		8,577,015	2,304,078		7,804,148	2,284,242	
Unallocated Surplus/(Deficit) brought forward	43,985,040	43,985,040		(24,947,334)	(24,947,334)		17,805,028	17,805,028		14,703,877	14,703,877		36,423,469	36,423,469	
Unallocated Surplus/(Deficit)	82,658,286	38,726,643		(6,783,175)	(36,116,701)		21,932,952	19,127,678		23,280,892	17,007,955		44,227,617	38,707,711	
Capital Activities															
Council Expenditure on Non-Current Assets	17,766,867	98,559,103	18%	13,689,295	75,273,768	18%	97,758	1,371,312	7%	349,006	3,109,765	11%	3,630,808	18,804,258	19%
Loan Redemption	1,880,178	7,509,801	25%	1,096,017	4,362,494	25%	174,697	700,376	25%	525,648	2,110,234	25%	83,946	336,697	25%
Total Capital Expenditure	19,647,045	106,068,904	19%	14,785,312	79,636,262	19%	272,325	2,071,688	13%	874,654	5,219,999	17%	3,714,754	19,140,955	19%
Cash															
Opening balance	136,689,730	136,689,730													
Movement - increase/(decrease)	26,792,835	(37,537,743)													
Closing balance	163,482,565	99,151,987													

Further to the Financial Summary Report as at 1 October 2020, the following key features are highlighted.

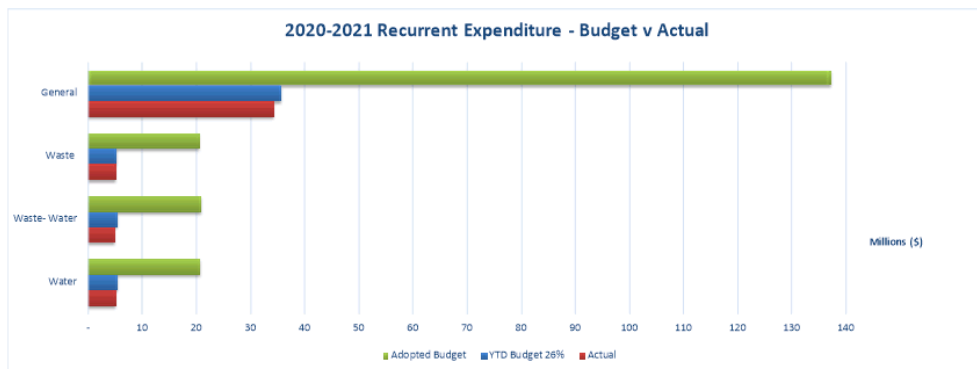
Recurrent Revenue

- Rates and Utility Charges have been levied for the first half year period and pensioner remissions applied. The levied amounts are consistent with the budget.
- Fees and charges are in accordance with the year-to-date budget. Fees and charges will be monitored in the coming months with the opening of the remainder of Council facilities as well as changes in airline service offerings.
- Interest Revenue is lower than the year-to-date budget. Current investment rates continue to be at historic lows and the outlook in future earnings is likely to be less than forecast.
- Grants, Subsidies and Donations are in accordance with the year-to-date budget. This reflects the payment cycle of many grants which are paid quarterly.
- Council has settled parcels of Land Developed for Sale this financial year. These parcels represent historic land developments at Kinkuna Waters. Council does not generally provide for an annual budget for these sales unless it has unconditional contracts at the time the budget is formulated.



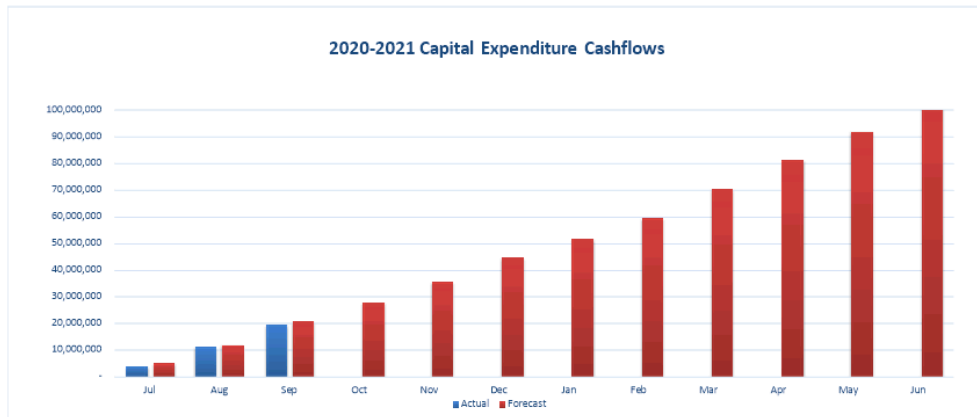
Recurrent Expenditure

- Employee Costs are tracking on budget. Employee costs will continue to be monitored with potential shifts in leave patterns the most likely variant in coming months.
- Materials and Services are tracking on budget. Timing in delivery of non-capital projects and one-off expenses are the main factors in variances throughout the year.
- Finance Costs are slightly lower than the year-to-date budget. The timing in the recognition of any bad debts can affect the level of finance costs across a financial year.
- Depreciation is in accordance with the adopted budget. Depreciation has been reviewed with the application of asset valuations in June last financial year. It's expected that there will be an increase in the depreciation forecast.

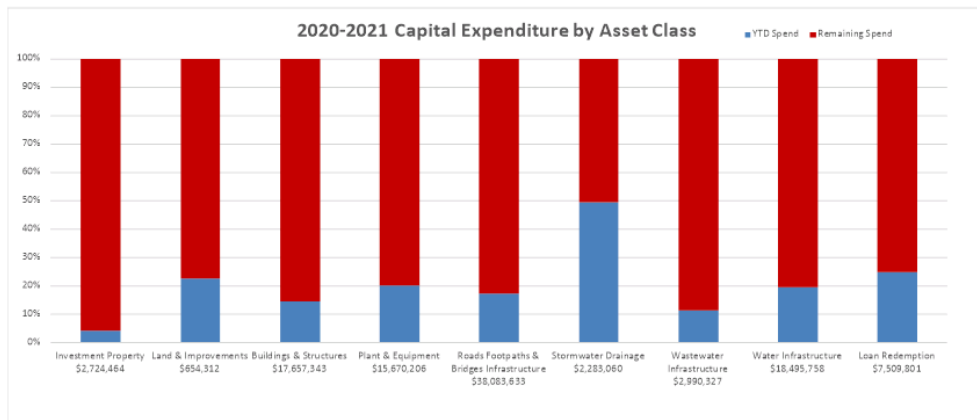


Capital Expenditure and Capital Grants

- Council has delivered 19% of this year's capital program during the first quarter. The majority of spend is in relation to projects that were in progress last financial year including the delivery of several significant fleet items as well as the delivery of key drainage projects.



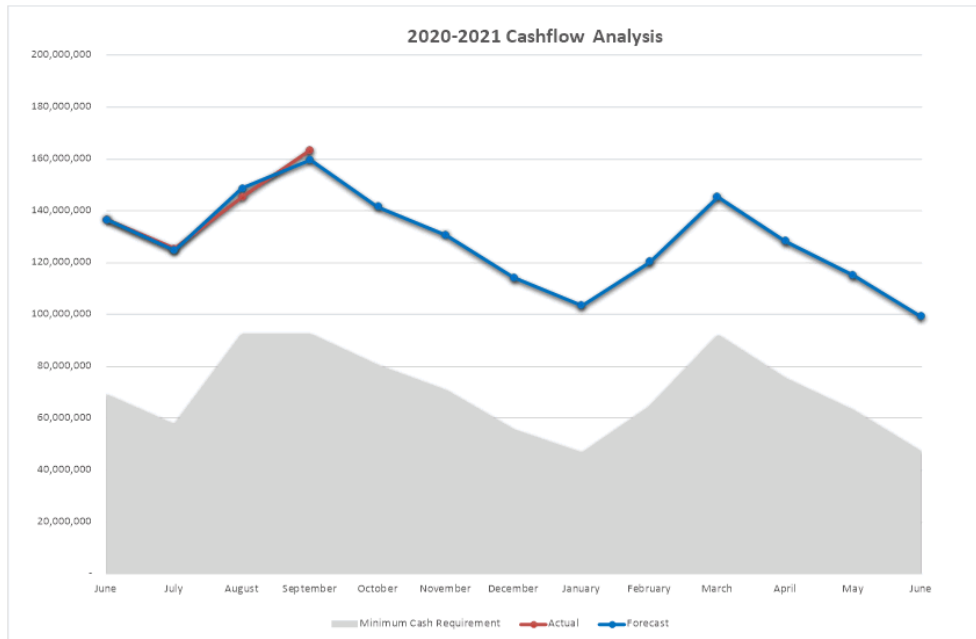
- The spend by asset class this financial year is shown below.



- Capital grants are on track with all milestones having been met. Council is seeking a variation to the grant agreement for the Aviation and Aerospace Precinct.

Cash

- The cash balance as at 1 October 2020 was \$163.5 million, an increase of \$18.2 million from the last report at 1 September 2020 reflecting receipt of rate payments during the month.
- No short-term liquidity issues are foreseeable.
- The actual and forecast cash movement is shown below.



Rates Debtor

- Rates outstanding at 1 October 2020 were \$13.3 million after the issuing of the rate notices. Comparatively, this time last year the rates outstanding totalled \$8.6 million. Reminder notices have been issued.

Other Debtors

- Infringements outstanding total \$399,000 with the number of infringements decreasing to 2,824. Infringements continue to be recovered via the State Penalties, Enforcement Registry.
- Sundry Debtors outstanding for more than 90 days total \$438,000 across 66 accounts. There has been increase in this balance during September with several infrastructure charges accounts now more than 60 days past the due date. The majority of debtors are recovered via internal resources.
- Section 7.5.7 of the Accounts Receivable procedure PD-7-288, states that individual bad debts due to Council up to a value of \$10,000, and which are deemed to be irrecoverable or uneconomic to recover may be written off. Council is to be informed of debts in excess of \$2,500 which have been written off and of the reasons for the write-off provided. During the quarter there were no debts above \$2,500 which were written off under delegation.

Loans

- Loan balances at the reporting date are shown below. The quarterly debt service payment was made during September.

Bundaberg Airport & Precinct	7,938,219
Hinkler Hall of Aviation	1,013,549
Holiday Parks	192,133
Fleet	1,136,130
Kolan Gardens Aged Care	149,661
Burnett Heads CBD Upgrade	2,483,788
General Facilities	13,912,319
Waste	6,917,672
Sewerage	39,261,199
Water	2,721,212
Total	75,725,882



Item

27 October 2020

Item Number:	File Number:	Part:
G1		GOVERNANCE

Portfolio:

Organisational Services

Subject:

Audit and Risk Management Committee Minutes

Report Author:

Nicole Miller, Executive Assistant

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 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 3 September 2020, 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.

Attachments:

[↓1](#) Audit and Risk Minutes 3 September 2020

Recommendation:

That the minutes of the Audit and Risk Committee meeting held on 3 September 2020 be received and noted.



AUDIT & RISK COMMITTEE MINUTES

Meeting held Thursday 3 September 2020, commencing at 10.00 am
Council Civic Centre, 190 Bourbong Street, Bundaberg

Committee Attendance:

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

By Invitation – Council Staff:

Amanda Pafumi, General Manager Organisational Services
Christine Large, Chief Legal Officer
Emma Edwards, Statutory Accounting Team Leader
Gavin Steele, General Manager Community & Environment
Jodie Bowden, Financial Controller
Jon Rutledge, Manager People, Safety and Culture
John McMullen, IMS Team Leader
Mitch Miller, Chief Information Officer
Simon Muggerridge, Acting Chief Financial Officer
Stephen Johnston, Chief Executive Officer
Stuart Randle, General Manager Infrastructure
Nicole Miller, Executive Assistant Organisational Services (Minuter)

By Invitation – Teleconference:

Clayton Russell, Pitcher Partners
Holly Harper, BDO Internal Auditor
Jason Evans, Pitcher Partners
Leon Fouche, BDO
Mitch Witt, BDO Internal Risk

1. In Camera Session (Committee Members only)

2. Welcome

Mitchell Petrie welcomed all attendees to the meeting.

3. Apologies

The below apologies were noted by the committee:

- Stephen Coates (Chair and External Representative)
- Anthony Keleher, Chief Financial Officer
- Allan Diano, Queensland Audit Office

Amanda Pafumi noted Stephen Coates spoke with her prior to the Committee meeting commencing, to provide a summary of his review of the meeting papers. Amanda confirmed Stephen raised no concerns with the papers as tabled, he noted the quality of the ARMC papers generally and he provided his confirmation and support for the financial statements as drafted.

4. Confirmation of Minutes and Outstanding Actions

It was agreed that the Minutes of the meeting held 9 June 2020, be taken as read and confirmed.

Action item was noted as complete.

5. Internal Quality Audit Update

John McMullen provided an update on the findings of two quality audits completed, the status of outstanding corrective audit and the update Internal Quality Auditing Procedure for noting. Nata recertification audit was recently conducted, which will be added to the next quality audit update.

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

Action: John McMullen to include in his audit update the progress completion of his audit plan.

10.50 am John McMullen left

6. CEO Verbal Update

Stephen Johnston provided a verbal update to the committee on the year to date management of Council matters.

7. Internal Audit Update

a) Internal Audit Update

Holly Harper spoke to the internal audit quarterly report, updating the Committee on the status of the 2020 Internal Audit Plan and completion of one audit and phase 2 and 3 of the Rates Review. Holly Harper also provided progress of Council's internal corrective actions and addressed any queries raised.

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

Action: Update on Controls Assurance audit items 25, 26 and 27 to be included in the next meetings papers.

b) Information Systems update

i. Cyber Security Presentation

Leon Fouche spoke to the presentation as tabled, and addressed any queries raised.

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

ii. BRC IS Cyber Security Presentation

Mitch Miller spoke to the presentation as tabled, and addressed any queries raised.

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

11:58 am Mitch Miller & Leon Fouche left Jason Evans & Clayton Russel entered

c) Payroll Improvement Program Update

Jon Rutledge and Amanda Pafumi spoke to the report as tabled, and addressed any queries raised.

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

12.13 pm Jon Rutledge left

8. External Audit Update

Representatives from Pitcher Partners presented the Briefing Paper, addressing any queries raised.

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

12:20 pm Jodie Bowden & Emma Edwards entered meeting

9. Financial Reporting Update

Simon Mugeridge presented the below items, and addressed any queries raised:

- a) Financial Summary as at 31 July 2020, adopted by Council on 25 August 2020;
- b) Annual Asset Valuation Methodology Report
- c) 2019-2020 Draft Unaudited Annual Financial Statements & Financial Sustainability Statement
- d) Adoption of new accounting standards FY2020

It was agreed that the information contained in the reports and position papers, be noted by the committee.

12.46 pm Jodie Bowden, Emma Edwards, Clayton Russell & Jason Evans left, Mitch Witt entered meeting

10. Assessment of Risks Update

Amanda Pafumi provided a risk management update noting the below items, and addressed any queries raised:

- Risk Management Framework
- Risk Profile report
- Operational High & Extreme Risks

It was agreed that the committee:

1. Note the Risk Profile report;
2. Provide feedback on the revised Risk Management Framework and advise of any changes recommended; and
3. Note only high and extreme risks will be reported on for future Committee meeting papers.

1.06 pm Mitch Witt, Stuart Randle & Gavin Steele left meeting

11. 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 Annual Report

Christine Large spoke to the draft report, and addressed any queries raised.

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

12. Other Reports/Business

a) 2020 BRC Audit & Risk Committee Yearly Workplan

Amanda Pafumi spoke to the workplan and provided the suggested ARMC dates for 2021, and addressed any queries raised.

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

Action: Nicole Miller to circulate proposed 2021 Committee dates to attendees out of session

13. Next Meeting – 7 October 2020

Meeting Closed – 1.30 pm



Mitchell Petrie
Acting Committee Chair

Updated Action List

Audit & Risk Management Committee Closed Action List 2020					
Date	Description	Action	Responsible Officer	Update	Status
09-Jun-20	Internal Corrective Actions	Internal corrective actions listed as low risk will be tabled at the September audit meeting for noting; going forward they will be removed from the report tabled to the Committee and managed offline, with a process to escalate back to the Committee where management deems it necessary.	Nicole Miller	This request has been actioned and is refelected in the report presented to the 3 September meeting	Complete

**Item****27 October 2020****Item Number:**

G2

File Number:**Part:**

GOVERNANCE

Portfolio:

Organisational Services

Subject:

Annual Report 2019/20

Report Author:

Christine Large, Chief Legal Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 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 statement for the financial year to Council.

The auditor-general's report was received on 9 October 2020 and has provided Council with an unmodified audit opinion.

Attached for Council's consideration is the 2019/20 Annual Report that also contains the 2019/20 Financial Statements.

Associated Person/Organization:

External Auditors

Consultation:

General Managers, Councillors, Audit & 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.

Attachments:

↓1 Annual Report 2019/20

Recommendation:

That the 2019/20 Annual Report be adopted.



- Building Australia's best regional community



Annual Report 2019/20

1300 883 699

bundaberg.qld.gov.au

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Cover image: Hughes Road roundabout

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1 Chief Executive Officer's Report



The 2019/20 financial year was a tale of two halves. The first six months were largely business as usual while the second half was the most challenging and difficult this Council has experienced since amalgamation.

To put that statement in context, the 2020 calendar year began with Council heading into election mode. It was the first Local Government elections post Belcarra which resulted in increased accountability for candidates.

The early days of the COVID-19 pandemic coincided with the election campaign and there was uncertainty for a while if the poll would even go ahead.

After the election on 28 March, there was a bigger delay than normal before results were finally declared, during which a strict lockdown was enforced.

The lockdown contained the public health crisis but triggered a financial and economic crisis which we are still grappling with.

The new Council had to manage social and operational aspects of the pandemic response while framing a budget in circumstances in which revenue was significantly reduced.

I'm proud to report that staff and Councillors have stepped up and met the challenges we faced.

The new Council adopted the Mayor's COVID-19 relief package as one of its first decisions.

The package included a moratorium on interest for outstanding rates and charges; the extension of all dog registrations by six months; rent relief for Council-owned commercial tourism and retail shop leases; waiving of airport fees; extended food licences; waiving of trade waste fees and charges; and assistance for sporting clubs and community organisations through a grants program.

Unlike some other Councils, we retained all our staff during the lockdown and afterwards, redeploying people whose regular jobs temporarily no longer existed. An external recruitment freeze was instituted, requiring internal transfers to meet critical vacancies.

I'm also very pleased that the main Service Centre in the Bourbong Street Administration building remained open and operational for the whole period, with health and distancing requirements being observed.

We also quickly activated IT systems to enable employees to work from home where practical. At one time we had nearly 100 staff utilising this option. We were also able to respond quickly to the COVID-19 social distancing requirements because of our disseminated work areas across the region, including multiple works depots and service counters.

I thank everyone for their flexibility during this time. The experience was beneficial in testing Council's capability to continue operating as normally as possible during an emergency situation.

Financially, we achieved a small surplus in 2019/20 despite lower revenue from operational areas such as holiday parks, the Moncrieff, Multiplex and Airport.

This showed the benefit of Council's prudent budgeting over the past few years.

It also meant we were able to offer rate relief for the vast majority of ratepayers in the 2020/21 Budget. Despite valuation changes in many cases, more than 80 per cent of ratepayers are paying the same or less than last year in general rates.

The new Council has already completed all its policy reviews in addition to setting the Budget for 2020/21.

I commend the camaraderie and spirit of teamwork that has been established among our newly elected members in a short period with the executive team.

Unless there is a second wave of coronavirus in our region, I'm confident that Council has the building blocks in place to move forward with minimal impact on regular services and operations.

We are progressing this year with major infrastructure projects including the Gin Gin Streetscape improvements and community hub; Gregory River and Kalkie water treatment upgrades and Elliott Heads community recreation facility.

Council has also adopted a 2020 Advocacy document which will be presented to candidates at the forthcoming state election. It provides a blueprint for implementing priorities around social infrastructure, community safety and job creation.

I'd like to thank all staff, councillors from both terms and the executive team for their support in continuing to build Australia's best regional community.

Stephen Johnston
Chief Executive Officer

2 Community Financial Report

The Community Financial Report is prepared to provide residents, businesses and other stakeholders with an understanding of Council's financial performance and position for the 2019/20 financial year. It aims to give the reader a summary of Council's financial statements along with key financial statistics and ratios, including trends and forecasts.

Key Points

- Despite COVID-19 challenges, Council has achieved an operating surplus of \$1.5 million. However, next financial year has an expected operating deficit of \$5.2 million.
- Significant investment in upgrading local roads and water and sewerage infrastructure.
- Debt balance has remained steady over the year.
- Implementation of new accounting standards has seen a significant change in reporting.
- Cash position remains strong.

Financial Statements

Financial Statements are an audited formal record of the performance and position of Council. There are four financial statements and three sustainability ratios that assist in providing a high level picture of Council finances. These are described as:

- 2.1 Statement of Comprehensive Income - revenue and expenses in the past 12 months
- 2.2 Statement of Financial Position - assets owned and liabilities owed at 30 June 2020
- 2.3 Statement of Cashflows - shows the effect of revenue and expenses, assets and liabilities on cash and investments
- 2.4 Statement of Changes in Equity - movement in the community's net wealth during the year
- 2.5 Financial Sustainability Ratios - for reviewing Council performance and sustainability
 - (a) Operating surplus
 - (b) Net financial liabilities
 - (c) Asset sustainability

2.1 Statement of Comprehensive Income

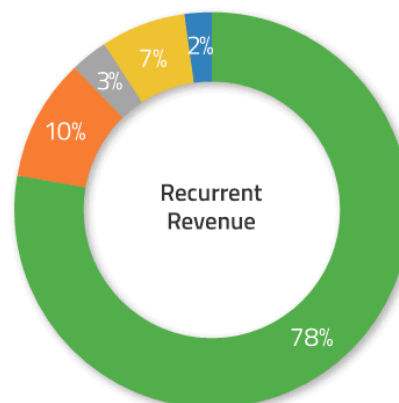
The Statement of Comprehensive Income shows what Council has earned (revenue) and what costs Council has incurred (expenses) throughout the year to determine the operating surplus and net result of Council. Although Council achieved a net Result of \$20 million, it focuses on the operating surplus as an important indicator of Council's financial health. The Operating Surplus is the amount of recurrent revenue less recurrent expenses and denotes whether Council has collected sufficient revenue to fund its daily operations. The COVID-19 pandemic and subsequent relief measures adopted by Council, has contributed to a lower operating surplus in comparison to prior years. However, this still remains within Council's sustainability target (please refer to 2.5(a) for further information).

Total Income \$227 million - where did this revenue come from?

Recurrent Revenue

Council received recurrent revenue of \$196.6 million. Ratepayers contributed 78% of Council's recurrent revenue through rates and utility charges from 45,271 rateable properties. Fees and charges comprises revenue collected for providing other services to customers, such as development application fees, animal registration costs and licence fees. This is Council's second largest source of recurrent revenue.

- Rates, Levies & Charges (\$152.3m)
- Fees and charges (\$20.1m)
- Recurrent Grants, Subsidies, Contributions & Donations (\$14.2m)
- Sales Revenue (\$5.6m)
- Interest & Other Income (\$4.4m)



Why are rates, levies and charges a significant portion of revenue?

Recurrent revenue is essential for delivering services and for the maintenance, renewal and development of Council assets. To achieve these objectives, Council endeavours to raise its own sources of income, to prevent reliance on potentially volatile funding from the State and Federal governments.

Capital Revenue

Council received capital revenue totalling \$30 million. This revenue consisted mainly of grants and subsidies actively sought from the State and Federal government 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.

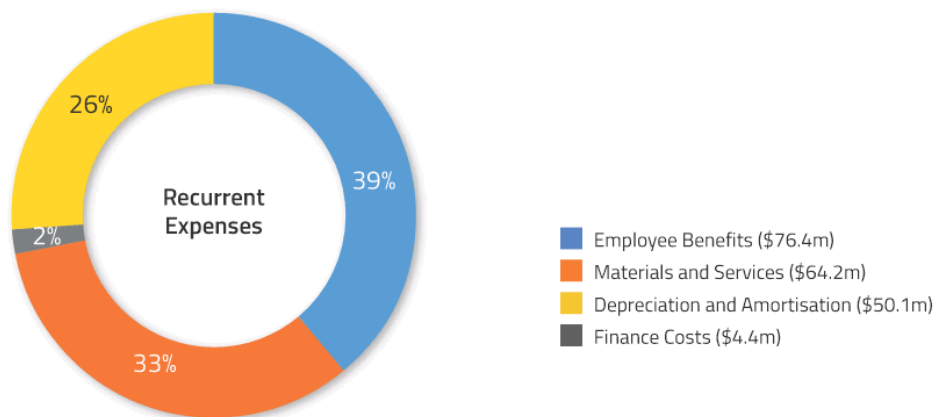
Total Expenses \$207 million - what was this spent on?

Recurrent Expenses

The majority of Council's recurrent expenditure is related to employee benefits (39%) and materials and services (33%). Employee benefits include employee salaries and wages, Councillor's remuneration and superannuation. Excluded from this balance is \$7.5 million in wages incurred in delivering the capital works program.

Materials and services includes such expenditure as electricity, fleet operating costs, external plant hire, insurance premiums, consultants, raw water acquisitions and licences. It also includes repairs and maintenance, including preventative maintenance to ensure high asset service levels for community use. This expenditure combined with employee benefits, is necessary for maintaining service levels and delivering Council's Corporate Plan.

Council's depreciation expense of \$50.1 million equates to approximately \$1,100 per rate assessment, per annum. Assets wear out, are consumed and/or become obsolete over their lifetime, and depreciation is used to record this consumption by allocating the asset's value over its useful life.



Capital Expenses

Capital expenses, totalling \$11.4 million are reflected in the capital surplus and net result. They represent a decrease in the asset base, primarily through a loss on disposal of assets. Capital expenses do not represent Council's investment in assets during the year. Investment in assets during the year is outlined in section 2.3 Statement of Cashflows.

2.2 Statement of Financial Position

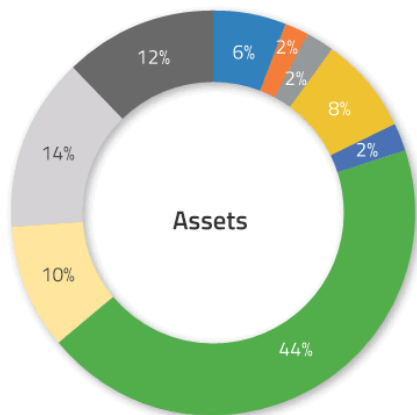
The Statement of Financial Position records what Council owns (assets) and what Council owes (liabilities) at the end of the financial year. The result of these two components determines the net worth of Council and our community.

Assets \$2.4 billion - what Council owned at 30 June 2020

The major investment for Council is in assets which provide essential services for a growing community, namely property, plant and equipment which has a net value of over \$2.2 billion. The bulk of Council's assets are infrastructure assets such as roads, footpaths, bridges, stormwater drainage, water and sewerage, accounting for 80% of Council's asset base.

Cash and receivables represent 6% of net assets. Restricted cash for future capital expenditure represents 52% of total cash held at balance date.

To mitigate the risk surrounding Council's significant cash balance, exposure to term deposits has been reduced, with the majority of funds being held in the Queensland Treasury Corporation's Cash Fund. This is capital guaranteed.

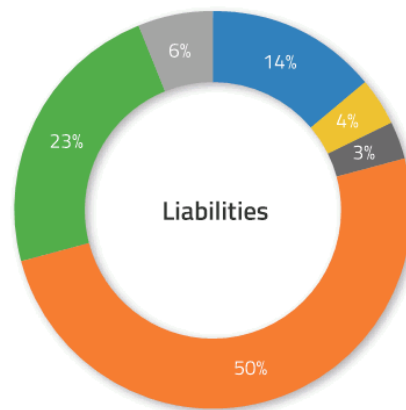


- Roads, footpaths and bridges (\$1.08b)
- Sewerage infrastructure (\$348.6m)
- Water infrastructure (\$302m)
- Stormwater drainage (\$246.6m)
- Buildings and structures (\$186.7m)
- Cash and receivables (\$153.6m)
- Land and improvements (\$59.3m)
- Plant and Equipment (\$36.5m)
- Other assets (\$36.4m)

Liabilities \$154 million - what Council owed at 30 June 2020

Half of Council's liabilities are in the form of borrowings, totalling \$77.7 million. Council aims to restrict borrowings to expenditure on identified capital projects that are considered by Council to be the highest priority and which cannot be fully funded by revenue, grants and/or subsidies. Borrowings are generally sought for infrastructure assets with long useful lives. Consequently, borrowings are generally repaid over the prescribed maximum 20 year period. Additional loans totalling \$7.5 million were received during the year to fund projects such as the Gin Gin Streetscape Upgrade and Hughes Road Extension. Debt remains relatively low at 3.5% when compared to its property, plant and equipment assets. Debt is also well below the upper threshold outlined in the net financial liabilities ratio in section 2.5(b).

Provisions are liabilities where Council has an obligation to undertake the expenditure, but where amounts or timing are uncertain. The total of \$35.5 million consists of long service leave payable to employees at 30 June 2020 (\$13.9 million) and costs that are expected to be incurred in restoring and post-closure monitoring of significant landfill sites administered by Council (\$21.6 million).



- Borrowings (\$77.7m)
- Provisions (\$35.5m)
- Trade and Other Payables (\$21.8m)
- Other Liabilities (\$8.7m)
- Contract Liabilities (\$5.5m)
- Lease Liabilities (\$4.7m)

Trade and other payables are made up of day-to-day creditors (\$13.3 million), for the purchase of items ranging from stationery to bitumen and employee entitlements (\$8.6 million). Employee entitlements consist of annual leave, wages, superannuation and other leave amounts (excluding long service leave) payable to employees at 30 June 2020.

Contract liabilities are a new addition to the Statement of Financial Position under new accounting standards implemented this year. The majority of the balance represents unspent grants, subsidies and contributions. Lease Liabilities are amounts payable over the lease term, where Council is the lessee.

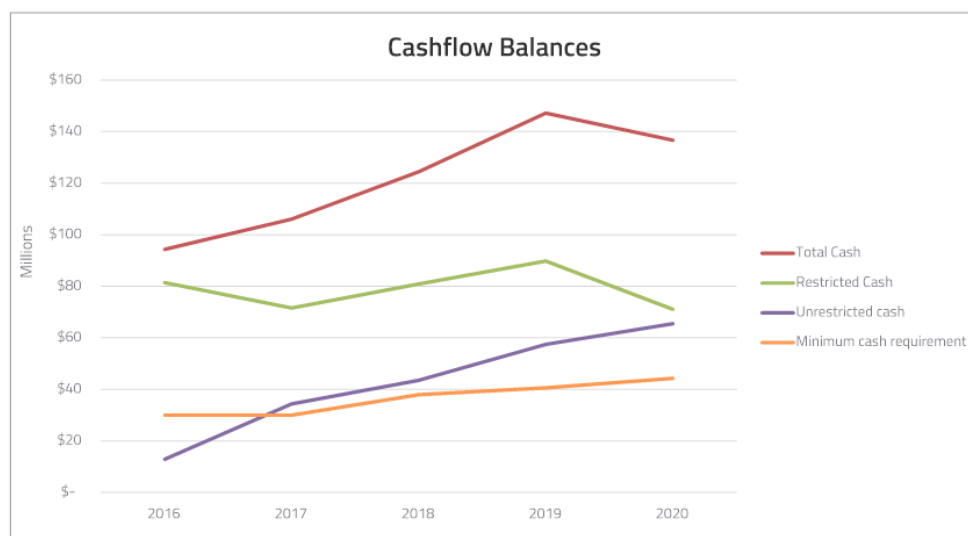
2.3 Statement of Cashflows

This statement records the movement in cash holdings during the year. In 2020, the cash balance decreased by \$10.6 million from \$147.3 million to a closing balance of \$136.7 million at year end. This decrease was expected, as a significant capital program was delivered this year. These assets will contribute to the generation of future revenue.

Council's cash is represented by internally restricted capital cash (reserves) of \$47 million, externally restricted capital cash (unspent grants, infrastructure charges and loans) of \$24.2 million and unrestricted cash of \$65.5 million.

Council's cashflow from operating activities remains positive, with surplus operating cash of \$53.9 million available for investing in assets and for the repayment of loans. Council invested \$81.8 million in assets this financial year, which was funded by capital revenue, borrowings and cash from operating activities aforementioned. This investment focussed on infrastructure assets with 74% of the capital outlay across these asset classes.

Council's minimum cash requirement at 30 June 2020 was estimated to be \$44.3 million. By maintaining this balance, Council allows sufficient cash to be available between rating periods, whilst also providing a buffer against unforeseen events. Ideally Council should have unrestricted cash greater than our minimum cash requirement.



2.4 Statement of Changes in Equity

The Statement of Changes in Equity explains the change in the net wealth of Council during the financial year and includes the asset revaluation surplus, retained surplus and capital.

Retained surplus of \$107.9 million represents restricted cash and the unallocated surplus. At 30 June 2020 there was an unallocated surplus of \$44 million. The unallocated surplus represents the accumulative amount available at the beginning of the financial year for funding future operations and/or investment in assets.

Capital represents the net investment of Council funds in assets to deliver future services to the community.

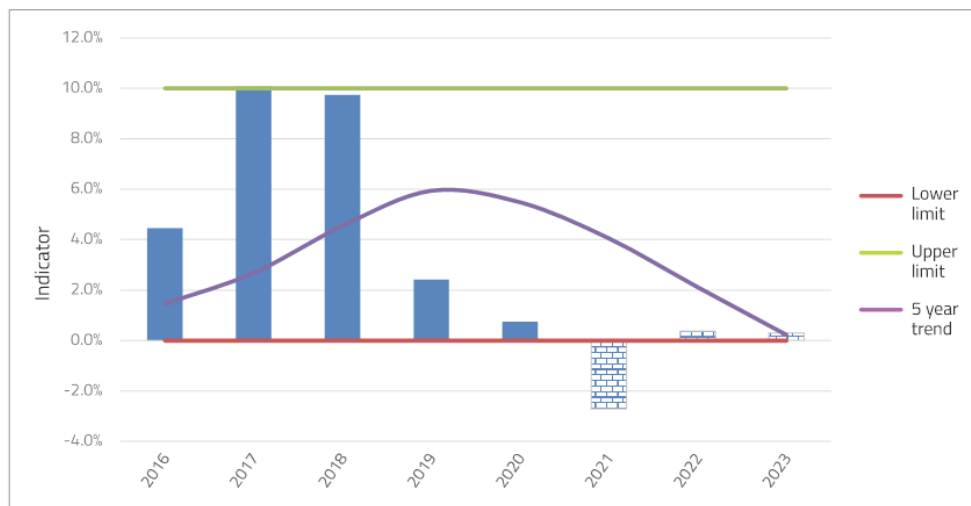
2.5 Financial Sustainability Ratios

The Financial Sustainability of Council is now a cornerstone of the *Local Government Act 2009* and a core responsibility of Councils across Queensland. A financially sustainable local government is defined by its ability to maintain its financial capital and infrastructure capital over the long-term.

Council does not use these measures of sustainability as targets that must be achieved at the end of each financial year. Instead, the anticipated long-term results from these measures are considered as planning tools to assess the current sustainability strategy, as reflected in Council's Long Term Financial Plan. This feedback enables Council to adjust its respective strategies to produce the desired outcomes over the long-term.

The *Local Government Regulation 2012* requires Council to publish financial sustainability measures. The Department of Local Government, Racing and Multicultural Affairs has set targets for each measure in the *Financial Management Sustainability Guideline 2013*. The three sustainability measures showing historic and forecast results are as follows:

(a) Operating Surplus Ratio



INDICATOR

Operating Surplus Ratio (Financial)

DESCRIPTION

Indicates the extent to which operating revenues are available to help fund proposed capital expenditure. If not required within the year, a surplus could be held for future capital expenditure (Reserves), adjust working capital cash or used to reduce current debt levels.

MEASURE

Net Operating Surplus divided by Total Operating Revenue

TARGET

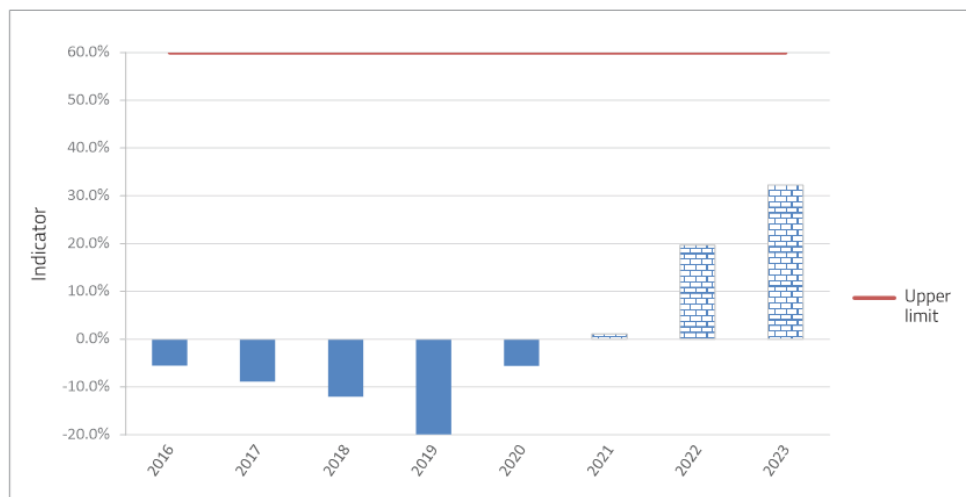
Between 0% and 10%

Commentary

Council has achieved a modest operating surplus in 2020, despite the disruption to business and the uncertainty in the global economy as a result of the COVID-19 pandemic. It resulted in temporary closure of Council facilities and cancellation of local events. A Coronavirus relief package was adopted by Council, which was designed to reduce the impact on the local economy. It included licence and registration extensions and rent relief to Council owned commercial tourism and retail shop leases.

It is estimated that the pandemic has resulted in a decrease in Council's 2020 operating result of approximately \$5.4 million. Further impacts are expected to continue into the 2021 financial year, resulting in a forecast operating deficit, with a return to modest operating surpluses thereafter.

(b) Net Financial Liabilities Ratio



INDICATOR

Net Financial Liabilities Ratio (Financial)

DESCRIPTION

Indicates the extent to which the net financial liabilities can be serviced by its operating revenue. A value less than 60% indicates the capacity to fund existing liabilities. A value greater than 60% indicates limited capacity to increase borrowings.

MEASURE

Total Liabilities less Current Assets divided by Operating Revenue.

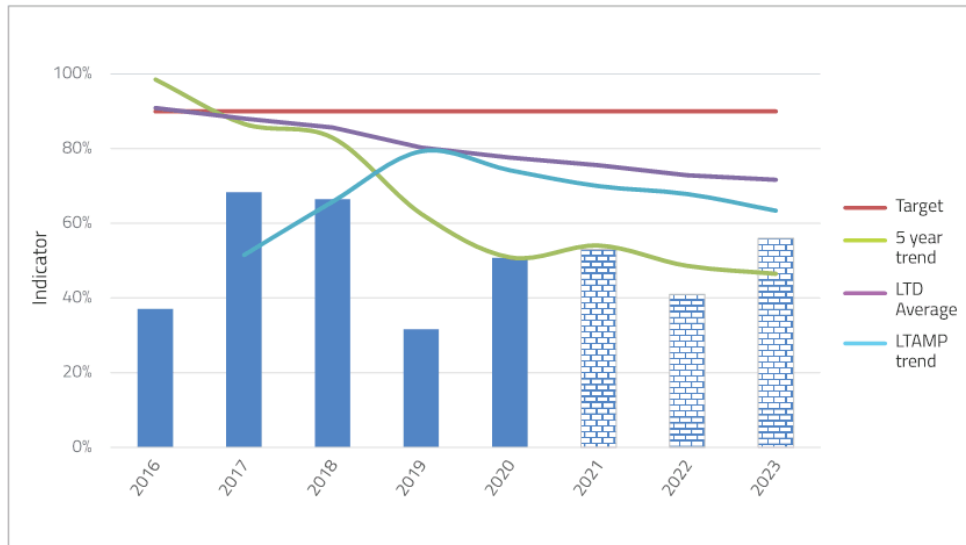
TARGET

Not greater than 60%

Commentary

The Net Financial Liabilities Ratio of Council has been consistently below the upper threshold of the target. This is due to Council's strategy to seek alternate funding sources for capital projects and ensure affordability of borrowing levels. There are no planned borrowings for 2021.

(c) Asset Sustainability Ratio



INDICATOR

Asset Sustainability Ratio

DESCRIPTION

Indicates whether a council is renewing or replacing existing infrastructure assets at the same rate that its assets are being expended.

MEASURE

Capital Expenditure on Infrastructure Renewals divided by Depreciation Expense on Infrastructure Assets.

TARGET

Greater than 90%

Commentary

When assessing asset sustainability, Council refers to long term trends rather than focussing on the annual renewal programs which can fluctuate from year to year. The renewal programs are generated from Council's Long-Term Asset Management Plan (LTAMP), which shows that a significant portion of the asset base are in good condition. The Life-To- Date average renewal of assets approximates the LTAMP trend. In 2018/19 Council commissioned an external review of its LTAMP assumptions to ensure the planned level of asset renewal is appropriate. This review confirmed Council's assumptions are appropriate and provided additional confidence in our LTAMP.

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3.1 Statement of COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
Income			
Revenue			
Recurrent Revenue			
Rates and utility charges	3(a)	152,293,587	147,630,935
Fees and charges	3(b)	20,107,992	19,932,867
Sales revenue	3(c)	5,570,128	6,261,204
Interest received	4	2,954,942	4,309,376
Grants, subsidies, contributions and donations	3(d)(i)	14,211,668	12,920,763
Profit on sale of developed land held for resale		1,488,699	134,540
Total recurrent revenue		196,627,016	191,189,685
Capital Revenue			
Grants, subsidies, contributions and donations	3(d)(ii)	29,896,301	31,910,042
Total Revenue		226,523,317	223,099,727
Capital Income	5	117,598	448,984
TOTAL INCOME		226,640,915	223,548,711
Expenses			
Recurrent Expenses			
Employee benefits	6	(76,360,052)	(69,599,519)
Materials and services	7	(64,212,587)	(65,000,809)
Finance costs	8	(4,437,822)	(4,839,609)
Depreciation of property plant and equipment	16(a)	(49,201,367)	(46,818,087)
Amortisation of intangible assets	18	(281,144)	(317,017)
Depreciation of right-of-use assets	20(b)	(661,115)	-
Total recurrent expenses		(195,154,087)	(186,575,041)
Capital Expenses			
	9	(11,422,811)	(13,432,612)
TOTAL EXPENSES		(206,576,898)	(200,007,653)
NET RESULT		20,064,017	23,541,058
Net Result Attributable To:			
Operating surplus		1,472,929	4,614,644
Capital surplus		18,591,088	18,926,414
		20,064,017	23,541,058
Other Comprehensive Income			
Items That Will Not Be Classified To Net Result			
Increase/(decrease) in asset revaluation surplus	25	99,133,442	22,797,955
Total Other Comprehensive Income		99,133,442	22,797,955
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		119,197,459	46,339,013

*The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.
The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and AASB 16 and therefore, the comparative information is presented using the previous standards relating to revenue and leases.*

3.2 Statement of FINANCIAL POSITION

As at 30 June 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
Assets			
Current Assets			
Cash and cash equivalents	10	136,689,730	147,278,309
Trade and other receivables	11	16,892,018	11,270,937
Inventories	12	4,959,476	6,173,928
Contract assets	19(a)	1,171,099	-
Other assets	13	4,019,997	3,397,219
Non-current assets held for sale	14	1,173,822	1,942,834
Total Current Assets		164,906,142	170,063,227
Non-Current Assets			
Investment property	15	14,375,985	7,472,760
Property, plant and equipment	16(a)	2,256,160,696	2,116,043,607
Right of use assets	20(b)	4,533,753	-
Intangible assets	18	6,119,475	6,045,555
Total Non-Current Assets		2,281,189,909	2,129,561,922
TOTAL ASSETS		2,446,096,051	2,299,625,149
Liabilities			
Current Liabilities			
Trade and other payables	21	21,842,503	17,978,478
Contract liabilities	19(b)	5,450,873	-
Borrowings	22	7,658,004	7,431,194
Lease liabilities	20(c)	513,401	-
Provisions	23	13,339,869	12,471,247
Other liabilities	24	8,701,606	3,805,876
Total Current Liabilities		57,506,256	41,686,795
Non-Current Liabilities			
Borrowings	22	70,026,741	70,047,453
Lease liabilities	20(c)	4,144,745	-
Provisions	23	22,213,481	20,216,815
Total Non-Current Liabilities		96,384,967	90,264,268
TOTAL LIABILITIES		153,891,223	131,951,063
NET COMMUNITY ASSETS		2,292,204,828	2,167,674,086
Community Equity			
Asset revaluation surplus	25	614,090,840	514,957,398
Retained surplus	26	107,933,926	124,944,168
Capital		1,570,180,062	1,527,772,520
TOTAL COMMUNITY EQUITY		2,292,204,828	2,167,674,086

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies. The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and AASB 16 and therefore, the comparative information is presented using the previous standards relating to revenue and leases.

3.3 Statement of CHANGES IN EQUITY

For the year ended 30 June 2020

	Total	Asset Revaluation Surplus Note 25	Retained Surplus Note 26	Capital
	\$	\$	\$	\$
Balances as at 1 July 2019	2,167,674,086	514,957,398	124,944,168	1,527,772,520
Assets not previously recognised/(derecognised)	12,729,636	-	884,901	11,844,735
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	-
Restated balance at 1 July 2019	2,173,007,369	514,957,398	118,432,716	1,539,617,255
Net result	20,064,017	-	20,064,017	-
Increase/(decrease) in asset revaluation surplus	99,133,442	99,133,442	-	-
Total comprehensive income for the year	119,197,459	99,133,442	20,064,017	-
Transfers				
Transfers to/from capital	-	-	(30,562,807)	30,562,807
Total transfers	-	-	(30,562,807)	30,562,807
Balance at 30 June 2020	2,292,204,828	614,090,840	107,933,926	1,570,180,062
Balances as at 1 July 2018	2,114,359,674	492,159,443	110,477,666	1,511,722,565
Assets not previously recognised/(derecognised)	6,003,327	-	-	6,003,327
Infrastructure changes not previously recognised	972,072	-	972,072	-
Restated balance at 1 July 2018	2,121,335,073	492,159,443	111,449,738	1,517,725,892
Net result	23,541,058	-	23,541,058	-
Increase/(decrease) in asset revaluation surplus	22,797,955	22,797,955	-	-
Total comprehensive income for the year	46,339,013	22,797,955	23,541,058	-
Transfers				
Transfers to/from capital	-	-	(10,046,628)	10,046,628
Total transfers	-	-	(10,046,628)	10,046,628
Balance at 30 June 2019	2,167,674,086	514,957,398	124,944,168	1,527,772,520

*The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.
The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and AASB 16 and therefore, the comparative information is presented using the previous standards relating to revenue and leases.*

3.4 Statement of CASHFLOWS

For the year ended 30 June 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
Cash Flows from Operating Activities:			
Receipts from customers		186,553,684	185,510,274
Payments to suppliers and employees		(148,426,533)	(138,948,705)
		38,127,151	46,561,569
Recurrent grants, subsidies, contributions and donations		14,970,055	12,575,271
Interest received		3,201,467	4,365,982
Proceeds from sale of developed land held for resale		1,819,587	176,364
Costs incurred on developed land held for resale		(911,736)	(1,761,995)
Borrowing costs		(3,403,077)	(3,622,999)
Interest on lease liabilities		(136,465)	-
Net Cash Inflow/(Outflow) from Operating Activities	31	53,666,982	58,294,192
Cash Flow from Investing Activities:			
Proceeds from sale of non-current assets held for sale		915,290	-
Proceeds from sale of property, plant and equipment		1,144,227	794,656
Proceeds from sale of investment property		76,942	-
Compensation for assets written off		18,636	67,956
Capital grants, subsidies, contributions and donations		17,455,662	24,910,873
Payments for property, plant and equipment		(80,909,728)	(59,986,664)
Payments for intangible assets		(624,939)	(27,268)
Payments for investment property		(2,065,525)	(432,610)
Net Cash Inflow/(Outflow) from Investing Activities		(63,989,435)	(34,673,057)
Cash Flow from Financing Activities:			
Proceeds from borrowings	22	7,500,000	5,900,000
Repayment of borrowings	22	(7,284,032)	(6,707,050)
Repayment of lease liabilities	20	(482,094)	-
Net Cash Inflow/(Outflow) from Financing Activities		(266,126)	(807,050)
Net Increase/(Decrease) in Cash Held		(10,588,579)	22,814,085
Cash at beginning of reporting period		147,278,309	124,464,224
Cash at End of Reporting Period	10	136,689,730	147,278,309

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies. The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and AASB 16 and therefore, the comparative information is presented using the previous standards relating to revenue and leases.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

1 Significant accounting policies

1.01 Basis of preparation

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020 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:

- Valuation of Investment Property (Note 15)
- 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 34)
- Employee provisions (Note 23)
- Restoration provisions (Note 23)
- Revenue recognition (Note 32)

1.06 Rounding and comparatives

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

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1.07 Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax ('FBT') and Goods and Services Tax ('GST'). The net amount of GST recoverable from the Australian Taxation Office ('ATO') or payable to the 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 2020

1 Significant accounting policies (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 2019. The standards which had an impact on reported position, performance and cash flows were those relating to revenue and leases.

Refer to Note 32 for transition disclosures for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income for Not-for-Profit Entities* and AASB 16 *Leases*.

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 2020. 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

2020 accounting policy:

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.

2019 accounting policy:

Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the date they are levied.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

1 Significant accounting policies (Cont'd)

1.11 Revenue (Cont'd)

(ii) Grants, subsidies, contributions and donations

2020 accounting policy:

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.

2019 accounting policy:

Grants, contributions and donations are non-reciprocal transactions where Council does not directly give approximately equal value to the grantor. Council only receives grants, subsidies and contributions that are non-reciprocal in nature.

(iii) Fees and charges

2020 accounting policy:

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.

2019 accounting policy:

Fees and charges are recognised upon unconditional entitlement to the funds. Generally, this is upon lodgement of the relevant applications or documents, issuing of the infringement notice, or when the service is provided.

(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.

2020 accounting policy:

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.

2019 accounting policy:

Where consideration is received for the service in advance it is included in unearned revenue and is recognised as revenue in the period when the service is performed.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

1 Significant accounting policies (Cont'd)

1.11 Revenue (Cont'd)

(v) Infrastructure charges

2020 accounting policy:

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*.

2019 accounting policy:

Infrastructure charges are not within the scope of AASB Interpretation 18 *Transfer of Assets from Customers*, because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as income when received.

(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.

There was no change in the policy on application of the new accounting standards in 2020.

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 34 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 2020

1 Significant accounting policies (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 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 2020. 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 on other property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, 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.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

1 Significant accounting policies (Cont'd)

1.16 Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets 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 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.

(iv) Impairment

Property, plant and equipment and intangible assets 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 assess cost assumptions associated with infrastructure assets and may 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. At the date of revaluation, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. 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.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

1 Significant accounting policies (Cont'd)

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)
- Other assets - measured at amortised cost (Note 13)

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.

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 Leases

Refer to Note 32 for disclosures relating to Leases.

1.21 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 on 30 day terms from the end of the month.

1.22 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.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

1 Significant accounting policies (Cont'd)

1.22 Liabilities - employee benefits (Cont'd)

(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.

1.23 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities 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 a term ranging from 5-20 years.

1.24 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. Queensland Treasury Corporation'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 is 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.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

1 Significant accounting policies (Cont'd)

1.25 Impacts from the COVID-19 pandemic

Council has assessed the impact of the COVID-19 global pandemic and found there were no material implications for the financial year ending 30 June 2020. However, Council acknowledges that the COVID-19 restrictions impacted some industries within the region and through its adopted relief package, offered the following financial incentives from 1 April 2020:

- A moratorium on interest and outstanding rates and charges
- Refund all fees related to event permits and venue bookings
- Deferral of fees and charges for sporting clubs and associations
- Extension of dog registrations and certain licences and permits by six months
- Temporary suspension of parking restrictions
- Provide rent relief for Council-owned commercial tourism and retail shop leases
- Waive all airport-related fees for commercial aircraft

As a result of these incentives and the temporary closure of Council facilities, there has been a decrease in Council's 2020 operating result of approximately \$5.4 million. Further impacts are expected to continue into the 2021 financial year.

Further disclosure has been made throughout the notes, where Council believes this information will assist the user in understanding Council's position.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

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.
- Consistent enforcement of local laws
- 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.

This activity includes branches for Engineering and Civil Works, Major Projects, and Fleet and 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 2020

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 National Competition Policy Agreements as outlined in 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 2020

2 Analysis of results by function

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

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

For the year ended 30 June 2019

Functions	Grant Revenue	Other Revenue	Total Revenue	Total Expenses	Net Result
	\$	\$	\$	\$	\$
Community and Environment	4,587,698	12,400,875	16,988,573	(55,598,799)	(38,610,226)
Council Central Resources	9,495,444	81,712,450	91,207,894	15,447,397	106,655,291
Development	-	3,306,041	3,306,041	(4,787,642)	(1,481,601)
Executive Services and Communications	-	-	-	(3,851,519)	(3,851,519)
Infrastructure Services	16,241,640	3,403,789	19,645,429	(58,852,806)	(39,207,377)
Organisational Services	309,659	914,713	1,224,372	(22,010,054)	(20,785,682)
Strategic Projects and Economic Development	542,362	166,917	709,279	(3,524,020)	(2,814,741)
Waste Management	433,538	23,974,228	24,407,766	(21,302,958)	3,104,808
Wastewater Services	176,400	33,030,099	33,206,499	(23,183,231)	10,023,268
Water Services	-	32,852,858	32,852,858	(22,344,021)	10,508,837
	31,786,741	191,761,970	223,548,711	(200,007,653)	23,541,058

(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	
	2020	2019
	\$	\$
Waste Management	38,206,655	40,633,414
Wastewater Services	381,647,697	367,106,105
Water Services	366,149,989	277,756,019
Rest of Council	1,660,091,710	1,614,129,611
	2,446,096,051	2,299,625,149

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	AASB 15 \$	AASB 1058 \$
3 Revenue			
Revenue recognised at a point in time			
Rates, levies and charges	3(a)	14,599,588	137,693,999
Grants, subsidies, donations and contributions	3(d)	-	15,470,628
Fees and charges	3(b)	18,918,549	1,189,443
Sale of goods and services	3(c)	1,100,287	-
		<u>34,618,424</u>	<u>154,354,070</u>
Revenue recognised over time			
Grants, subsidies, donations and contributions	3(d)	202,255	9,809,218
Revenue relating to grants for assets controlled by Council	3(d)	-	18,625,868
Sale of goods and services	3(c)	4,469,841	-
		<u>4,672,096</u>	<u>28,435,086</u>
Total Revenue per Note 3		<u>39,290,520</u>	<u>182,789,156</u>
	Note	30-Jun 20 \$	30-Jun 19 \$
(a) Rates and utility charges			
General rates		84,074,488	82,680,880
Waste collection		15,324,504	14,720,306
Water		29,454,780	27,516,886
Wastewater		29,843,880	28,629,070
Special rates and charges		389,943	387,613
Separate rates		2,276,429	2,262,344
Total rates and utility charges		<u>161,364,024</u>	<u>156,197,099</u>
Less: Discounts		(7,392,514)	(7,150,932)
Less: Pensioner remissions		(1,677,923)	(1,415,232)
Net rates and utility charges		<u>152,293,587</u>	<u>147,630,935</u>
(b) Fees and charges			
Airport fees		3,632,669	4,776,888
Building, planning and plumbing fees		3,002,847	2,683,697
Cemetery fees		351,822	314,038
Commissions		214,894	245,569
Community care and aged care fees		145,523	207,852
Fines, penalties and infringements		258,614	279,636
Health, licenses and registrations		930,829	887,990
Hire of facilities and rental income		2,323,613	2,785,888
Holiday park income		2,005,372	2,408,005
Rate search fees		712,076	605,646
Tourism and events		204,326	357,780
Waste and recycling fees		6,148,184	4,217,703
Other fees and charges		177,223	162,175
		<u>20,107,992</u>	<u>19,932,867</u>

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30-Jun 20 \$	30-Jun 19 \$
3 Revenue (Cont'd)			
(c) Sales Revenue			
Contract and recoverable works		4,469,841	4,957,193
Sale of goods		1,100,287	1,304,011
		<u>5,570,128</u>	<u>6,261,204</u>
(d) Grants, subsidies, contributions and donations			
(i) Recurrent			
Recurrent grants, subsidies, contributions and donations are analysed as follows:			
Grants and subsidies		13,899,467	12,601,771
Contributions and donations		312,201	318,992
		<u>14,211,668</u>	<u>12,920,763</u>
(ii) Capital			
Capital grants, subsidies, contributions and donations are analysed as follows:			
Monetary revenue received:			
Grants and subsidies		18,517,313	19,184,970
Infrastructure charges		1,461,215	2,265,835
Other capital contributions		108,555	1,074,304
		<u>20,087,083</u>	<u>22,525,109</u>
Non-monetary revenue received*:			
Infrastructure assets contributed by developers at fair value		9,809,218	9,384,933
		<u>9,809,218</u>	<u>9,384,933</u>
		<u>29,896,301</u>	<u>31,910,042</u>
*Physical assets contributed to Council by developers in the form of roads, stormwater drainage, water and wastewater infrastructure, park equipment and plant.			
4 Interest and other income			
Interest received			
Interest received from cash and cash equivalents		2,671,742	3,821,067
Interest from overdue rates, levies and charges		283,113	488,309
Finance income on the net investment in the lease		87	-
		<u>2,954,942</u>	<u>4,309,376</u>
5 Capital income			
Decrease in provision for land restoration		98,962	178,904
Proceeds for unconditional sale of property		-	202,124
Compensation for assets written off		18,636	67,956
		<u>117,598</u>	<u>448,984</u>

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30-Jun 20 \$	30-Jun 19 \$
6 Employee benefits			
Staff wages and salaries		61,767,418	56,205,391
Councillors' remuneration*		1,084,868	1,043,328
Annual, sick and long service leave entitlements		10,854,241	9,362,598
Superannuation	29	8,173,071	7,225,138
Other employee related expenses		1,976,148	2,025,079
Total employee benefits		<u>83,855,746</u>	<u>75,861,534</u>
Less: Capitalised employee expenses		<u>(7,495,694)</u>	<u>(6,262,015)</u>
Net employee benefits		<u>76,360,052</u>	<u>69,599,519</u>

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

7 Materials and services

Audit services*		157,500	156,000
Communications		1,601,778	1,528,078
Consumables		13,229,140	14,107,109
Election costs		490,049	-
External labour hire		1,495,259	1,240,691
External plant hire		7,438,900	5,848,166
Grants, contributions and donations		1,343,019	1,551,818
Information technology hardware and software		2,542,110	1,438,606
Insurance premiums		2,082,484	1,944,947
Land acquisitions and resumptions		256,599	73,397
Licences and subscriptions		2,359,016	2,137,963
Literature for libraries		339,897	386,607
Non-capital projects**		5,837,750	8,080,327
Professional services		1,931,950	2,136,286
Public safety and security		1,646,572	1,661,220
Repairs and maintenance		9,013,885	9,042,931
Valuation fees		436,360	499,907
Waste levy		2,158,339	-
Other material and services***		9,851,980	13,166,756
		<u>64,212,587</u>	<u>65,000,809</u>

*The audit services amount recorded in this note includes expected audit costs associated with the audit of Bundaberg Regional Council.

**Value of non-capital projects is exclusive of other costs reflected separately in Note 6 & 7.

***Some items have been removed from 'Other materials and services' for better classification of expenditure. Comparatives for 'Repairs and maintenance', and 'Other material and services' have been restated to ensure consistency with current period disclosures.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30-Jun 20 \$	30-Jun 19 \$
8 Finance costs			
Interest payable		3,393,206	3,598,360
Interest on lease liabilities	20(e)	136,465	-
Impairment of receivables		129,904	467,644
Bank charges		379,218	249,923
Landfill restoration - change in provision over time	23	399,029	523,682
		<u>4,437,822</u>	<u>4,839,609</u>
9 Capital expenses			
Loss on impairment of non-current assets held for sale	14	1,012	-
Increase in provision for landfill restoration		1,048,094	1,419,312
Loss on disposal of property, plant and equipment		9,139,481	4,996,862
Write off of intangibles		325,374	14,078
Loss on sale of investment property		182,580	72,481
Loss on sale of non-current assets held for sale		90,835	-
Revaluation of land and improvements*		-	6,883,928
Revaluation of investment property	15	-	45,951
Donation of capital assets		635,435	-
		<u>11,422,811</u>	<u>13,432,612</u>

*The land and improvements asset class was comprehensively revalued in the 2019 financial year. The decrease in the value of the asset class was due to softening economic conditions and a change in valuation methodology from the previous comprehensive valuation in 2017. This decrease was greater than the amount available in the Asset Revaluation Surplus.

10 Cash and cash equivalents

Cash at bank and on hand	1,389,730	1,228,309
Deposits at call	105,900,000	82,750,000
Term deposits	29,400,000	63,300,000
Balance per statement of cash flows	<u>136,689,730</u>	<u>147,278,309</u>

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 original maturities of 12 months or less (generally investments terms are six months or less) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and deposits at call are held at the Commonwealth Bank, Bendigo Bank and in a Queensland Treasury Corporation Capital Guaranteed Cash Fund account, with credit ratings ranging from A1+ to A2.

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.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
10 Cash and cash equivalents (Cont'd)			
Internally imposed expenditure restrictions at the reporting date	26	63,948,888	74,843,767
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent capital grants, subsidies and contributions (held in reserve)	26	-	7,617,978
Unspent capital grants, subsidies and contributions (contract liabilities)	19(b)	4,514,797	-
Unspent loan monies		2,669,941	4,246,524
Waste levy refund received in advance		-	3,132,214
		<u>7,184,738</u>	<u>14,996,716</u>
		<u>71,133,626</u>	<u>89,840,483</u>
11 Trade and other receivables			
Receivables			
Rateable revenue and utility charges		5,644,225	4,828,741
Unbilled water charges		8,060,644	-
Accounts receivable		3,179,274	5,780,941
Infrastructure charges receivable		434,583	1,157,238
		<u>17,318,726</u>	<u>11,766,920</u>
Less allowance for expected credit losses		<u>(426,708)</u>	<u>(495,983)</u>
		<u>16,892,018</u>	<u>11,270,937</u>
Details of movement in allowance for expected credit loss:			
Opening balance		495,983	525,077
Increase/(reversal) of loss allowance recognised		150,683	221,403
Receivables written off during the year as uncollectible		<u>(219,958)</u>	<u>(250,497)</u>
Balance at end of financial year		<u>426,708</u>	<u>495,983</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 11% per annum (2018-19) and 9.83% per annum (2019-20). However, under the Coronavirus relief package, Council placed a moratorium on all interest charges from 1 April 2020. No interest is charged on accounts receivable. All known bad debts were written-off at 30 June.			
12 Inventories			
(a) Stores inventories		<u>1,186,775</u>	<u>1,046,166</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 \$3,561,008 (2019: \$3,648,733).			

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
12 Inventories (Cont'd)			
(b) Land purchased for development and resale			
Opening balance		5,127,762	3,407,591
Additions		911,736	1,761,995
Less: Cost of developed land sold		(330,888)	(41,824)
Less: Transferred to property, plant and equipment	16	(1,738,934)	-
Less: Transferred to investment property	15	(196,975)	-
Closing balance at end of financial year		<u>3,772,701</u>	<u>5,127,762</u>
Total inventories		<u>4,959,476</u>	<u>6,173,928</u>
Land acquired with the intention of reselling it (with or without further development) and land transferred from property, plant and equipment for development and sale is classified as inventory.			
13 Other assets			
GST recoverable		2,224,621	1,460,008
Prepayments		1,795,376	1,937,211
		<u>4,019,997</u>	<u>3,397,219</u>
14 Non-current assets held for sale			
Opening balance		1,942,834	1,942,834
Internal transfer from investment property	15	36,000	-
Assets sold during financial year		(804,000)	-
Impairment adjustment in period	9	(1,012)	-
Closing balance at end of financial year		<u>1,173,822</u>	<u>1,942,834</u>
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.			
Council had resolved to sell parcels of vacant land that serve no strategic purpose.			
15 Investment property			
Fair value at beginning of financial year		7,472,760	7,158,581
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	284,273	-
Internal transfer from/(to) land inventory	12	196,975	-
Investment property acquired at cost		2,251,110	432,611
Donated assets		786,000	-
Net book value of asset sold		(154,273)	-
Net book value of asset written-off		(105,249)	(72,481)
Revaluation adjustment in period	9	-	(45,951)
Fair value at end of financial year		<u>14,375,985</u>	<u>7,472,760</u>

Investment property comprises:

- land which is held for an undetermined future use
- land which is held for capital appreciation
- land which is held to earn rentals
- residential property which is rented out

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 2020

16 Property, plant and equipment

For the year ended 30 June 2020

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
Asset values	Revaluation	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2019	64,290,068	308,764,689	62,473,223	1,440,288,791	312,140,566	468,379,156	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	-	(602,509)	-	14,811,408	2,876,627	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)	(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)	(635,434)
Closing gross value as at 30 June 2020	59,240,403	312,002,605	63,671,601	1,484,982,194	331,052,838	480,439,081	486,613,753	39,845,616	3,257,858,091

Accumulated depreciation	Land and improvements	Buildings and structures	Plant and equipment	Roads, footpaths and bridges	Stormwater drainage	Wastewater infrastructure	Water infrastructure	Work in progress	Total
	Revaluation	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
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 provided in period	-	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	-	131,576,927	27,710,936	408,558,072	101,711,063	133,102,282	199,038,715	-	1,001,697,995
Total written down value at 30 June 2020	59,240,403	180,425,678	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	-	-

*Further information is provided in Note 16(b).

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

16 Property, plant and equipment (Cont'd)

For the year ended 30 June 2019

Basis of measurement	Lend 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	
Asset values																	
Opening gross value as at 1 July 2018	70,109,157	54,512,687	301,266,872	1,399,373,973	298,661,968	410,264,268	359,600,455	67,019,177	2,960,808,557								
Assets not previously recognised/(derecognised)*	-	(435,874)	5,485,160	924,763	460,429	(37,910)											
Additions at cost	154,273	3,787,285	21,904,960	3,600,142	2,590,271	1,033,427	19,615,549	61,069,093									
Contributed assets	-	-	3,631,674	3,693,637	848,935	-	-	-	9,386,915								
Internal transfers from work in progress	650,000	895,301	256,090	1,882,721	50,295,170	486,659	(60,601,658)	-	-								
Disposals	(505)	(717,867)	(8,082,627)	(463,562)	(3,209,701)	(1,068,824)	-	-	(17,206,533)								
Revaluation adjustment to the asset revaluation surplus	-	(195,370)	-	13,736,567	2,658,943	12,144,204	-	-	41,776,583								
Revaluation adjustment to profit and loss	(6,622,857)	-	-	-	-	-	-	(62,045)	(40,495)								
Assets transferred from/(to) other asset classes	-	-	-	-	-	-	-	(2,310,249)	(2,310,249)								
Prior year work in progress expensed	-	4,164,342	2,963,157	(1,893,637)	981,958	(6,469,189)	253,369	-	-								
Other internal transfers	-	-	-	-	-	-	-	-	-								
Donation of capital assets	-	-	-	-	-	-	-	-	-								
Closing gross value as at 30 June 2019	64,290,088	308,764,889	62,473,223	1,440,288,791	312,140,566	488,379,156	373,260,315	23,860,774	3,053,257,582								

Accumulated depreciation

Opening balance as at 1 July 2018	2,577,655	114,909,923	25,786,141	365,874,196	93,127,370	126,977,760	152,204,476	-	882,437,521								
Assets not previously recognised/(derecognised)*	-	(285,112)	2,125,910	(1,089,175)	(276,495)	(81,890)			393,238								
Depreciation provided in period	396,224	8,910,424	4,625,564	19,496,230	3,133,996	4,823,327	5,432,322	-	46,818,087								
Contributed assets	-	-	1,961	(4,630,369)	(112,782)	(2,649,840)	(673,388)	-	1,981								
Depreciation on disposals	-	(554,562)	(2,794,540)	7,039,874	879,301	3,916,457	4,701,704	-	(11,415,481)								
Revaluation adjustment to the asset revaluation surplus	-	2,441,293	-	-	-	-	-	-	18,978,629								
Assets transferred from/(to) other asset classes	-	-	-	-	-	-	-	-	-								
Other internal transfers	-	-	-	-	-	-	-	-	-								
Closing accumulated depreciation as at 30 June 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								
Total written down value at 30 June 2019	61,316,189	183,342,723	34,876,058	1,049,380,969	216,201,856	335,587,947	211,677,091	23,860,774	2,116,043,607								
Residual value	-	-	10,523,805	-	-	-	-	-	10,523,805								
Range of estimated useful life in years	5-7	5-150	2-100	10-100	80	7-90	10-100	-	-								

*Further information is provided in Note 16(b).

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

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. These include:

- 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.

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

- Stormwater assets were identified that were not in Council's asset register by way of a data matching exercise between the Local Government Infrastructure Planning trunk network and the stormwater drainage asset register. These assets with a carrying amount of \$1,178,290 were added to the asset register.
- Roads, footpaths and bridges assets were identified that were not in Council's asset register using aerial photography and Council's Geographical Information System. These assets with a carrying amount of \$2,671,664 were 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 \$2,153,376.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

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 34 is provided by the Queensland Treasury Corporation 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 on the following basis:

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

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 2020

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			
		2020	2019	2020	2019	2020	2019
		\$	\$	\$	\$	\$	\$
<i>Recurring fair value measurements</i>							
Investment property	15						
- Land		9,607,565	5,102,477	1,485,121	1,705,034	11,092,686	6,807,511
- Rental property		3,283,299	560,000	-	105,249	3,283,299	665,249
Land and improvements	16(a)	9,374,800	9,529,072	49,865,603	51,787,117	59,240,403	61,316,189
Buildings and structures	16(a)						
- Market Value		1,914,848	1,919,909	-	-	1,914,848	1,919,909
- Specialised		-	-	178,511,430	181,422,814	178,511,430	181,422,814
Roads, footpaths and bridges	16(a)	-	-	1,076,434,122	1,049,380,969	1,076,434,122	1,049,380,969
Stormwater drainage	16(a)	-	-	229,341,775	216,201,856	229,341,775	216,201,856
Wastewater infrastructure	16(a)	-	-	347,336,799	335,587,947	347,336,799	335,587,947
Water infrastructure	16(a)	-	-	287,575,038	211,677,091	287,575,038	211,677,091
		24,180,512	17,111,458	2,170,549,888	2,047,868,077	2,194,730,400	2,064,979,535
<i>Non-recurring fair value measurements</i>							
Land held for sale	14	-	-	1,173,822	1,942,834	1,173,822	1,942,834
		-	-	1,173,822	1,942,834	1,173,822	1,942,834

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

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 2020 financial year AssetVal determined that no increase in valuation was to be applied by way of indices.

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 2020, which resulted in indices of 1.5% applied for buildings and 1.2% 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 rental 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.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

17 Fair value measurements (Cont'd)

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

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 current replacement cost (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.

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 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.

CRC is calculated by reference to asset linear and area specifications, then applying rates based on road stereotypes established by Roads Alliance Valuation Project (RAVP) a joint initiative by Local Government Association of Queensland and the Queensland Government. The RAVP approach uses valuation components, the replacement value of the reference asset is estimated based on the quantum of plant, labour, materials and indirect costs required to create it using the appropriate Work Breakdown Schedules (WBS). WBS are developed using the assumptions including width, length, pavement depth and clearing areas for each appropriate combination of the road stereotype, terrain, environment and soil type.

The roads, footpaths and bridges fair values were determined by independent and qualified Valuers, Lemmah Pty Ltd based on a comprehensive valuation effective 30 June 2017. The valuation was based on the RAVP methodology and rates which were adjusted to reflect local cost inputs for plant, labour and overheads. An index of 1.01% provided by Lemmah Pty Ltd was applied for the 2020 financial year.

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, Lemmah Pty Ltd based on a comprehensive valuation effective 30 June 2017. The methodology and unit rates for stormwater drainage were developed through the RAVP. An index of 0.91% provided by Lemmah Pty Ltd was applied for the 2020 financial year.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

17 Fair value measurements (Cont'd)

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

Stormwater drainage (Cont'd)

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. Current replacement cost (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 index of 0.75% for Wastewater and 0.76% for Water, provided by Australis Asset Advisory Group, was applied for the 2020 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.

Cardno conducted a physical condition survey of the physically accessible assets. Cardno utilised Council's condition scoring system, from 0 to 10. 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. The physical condition assessment applied any obsolescence factors to arrive at an adopted remaining useful life. While the inputs to the gross replacement cost being a rate per square metre or per unit can be supported by market evidence (level 2), the estimates of useful life, pattern of consumption and condition score, which are used to calculate the accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified a level 3. Most public infrastructure is valued using this level of input.

Where site inspections were not conducted (i.e. for passive assets and active assets for which no site inspections were undertaken), the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.

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

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

17 Fair value measurements (Cont'd)

(c) Changes in fair value measurements using significant unobservable inputs (Level 3 Assets)

The changes in level 3 assets with recurring fair value measurements are detailed in Note 15 and Note 16. However, since the land and improvements, buildings and structures and investment property disclosed in those notes comprise of both level 2 and level 3 assets, the movement in level 3 assets are detailed below.

	Buildings and structures - specialised		Investment property		Land and improvements	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Asset values						
Opening gross value	306,844,689	299,208,204	1,810,283	4,765,847	54,760,996	61,764,963
Transfers to level 2 assets	(6,695,000)	-	(426,033)	(3,381,597)	(130,000)	(1,497,800)
Assets not previously recognised/(derecognised)	(104,881)	(435,874)	-	-	-	-
Additions	12,001,198	8,849,927	-	426,033	448,865	650,000
Disposals	(6,322,787)	(717,867)	(105,249)	-	(52,361)	(505)
Revaluation adjustment	4,330,587	(59,701)	-	-	-	(6,155,662)
Transfers	-	-	206,120	-	(5,161,897)	-
Closing gross value	310,053,806	306,844,689	1,485,121	1,810,283	49,865,603	54,760,996
Accumulated depreciation						
Opening balance	125,421,875	114,774,880	-	-	2,973,879	2,577,655
Transfers to level 2 assets	(3,014,611)	-	-	-	-	-
Assets not previously recognised/(derecognised)	162,001	(285,112)	-	-	-	-
Depreciation provided in period	9,366,035	8,874,687	-	-	-	396,224
Depreciation on disposals	(4,436,666)	(554,562)	-	-	-	-
Revaluation adjustment	4,043,742	2,611,982	-	-	-	-
Transfers	-	-	-	-	(2,973,879)	-
Closing accumulated depreciation	131,542,376	125,421,875	-	-	-	2,973,879
Written down value	178,511,430	181,422,814	1,485,121	1,810,283	49,865,603	51,787,117

Council's policy is to recognise transfers in and out of the fair value hierarchy levels at the end of the reporting period. Transfers from level 3 to level 2 occurred as a result of a change in purpose for land and buildings.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

18 Intangible assets

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

Land lease and water rights have an indefinite useful life, and as such are not amortised.

	Computer Software		Land Lease		Water Rights		Work in progress		Total
	Cost	\$	Cost	\$	Cost	\$	Cost	\$	
Opening gross carrying value as at 1 July 2019	2,972,941		311,000		4,346,253		-		7,630,194
Additions at cost	111,489		-		513,449		-		624,938
Assets not previously recognised/(derecognised)	-		-		55,500		-		55,500
Internal transfers from work in progress	-		-		-		-		-
Disposals	(264,072)		(311,000)		-		-		(575,072)
Prior year work in progress expensed	-		-		-		-		-
Assets transferred from/(to) property plant and equipment	-		-		-		-		-
Closing gross carrying value as at 30 June 2020	2,820,358		-		4,915,202		-		7,735,560
Opening balance as at 1 July 2019	1,584,639		-		-		-		1,584,639
Amortisation provided in period	281,144		-		-		-		281,144
Amortisation on disposals	(249,698)		-		-		-		(249,698)
Closing accumulated amortisation as at 30 June 2020	1,616,085		-		-		-		1,616,085
Total intangible assets at 30 June 2020	1,204,273		-		4,915,202		-		6,119,475

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

18 Intangible assets (Cont'd)

For the year ended 30 June 2019

Basis of measurement

Asset values

Opening gross carrying value as at 1 July 2018					
Additions at cost	27,268	-	-	-	27,268
Internal transfers from work in progress	45,320	-	-	(45,320)	-
Disposals	(79,150)	-	-	-	(79,150)
Prior year work in progress expensed	-	-	-	(16,725)	(16,725)
Assets transferred from/(to) property plant and equipment	(21,550)	-	-	62,045	40,495
Closing gross carrying value as at 30 June 2019	2,972,841	311,000	4,346,253	-	7,630,194

Accumulated amortisation

Opening balance as at 1 July 2018	1,332,694	-	-	-	1,332,694
Amortisation provided in period	317,017	-	-	-	317,017
Amortisation on disposals	(65,072)	-	-	-	(65,072)
Closing accumulated amortisation as at 30 June 2019	1,584,639	-	-	-	1,584,639
Total intangible assets at 30 June 2019	1,388,302	311,000	4,346,253	-	6,045,555

	Computer Software		Land Lease		Water Rights		Work in progress		Total
	Cost	\$	Cost	\$	Cost	\$	Cost	\$	
	3,001,053		311,000		4,346,253		-		7,658,306
	27,268		-		-		-		27,268
	45,320		-		-		(45,320)		-
	(79,150)		-		-		-		(79,150)
	-		-		-		(16,725)		(16,725)
	(21,550)		-		-		62,045		40,495
	2,972,841		311,000		4,346,253		-		7,630,194
	1,332,694		-		-		-		1,332,694
	317,017		-		-		-		317,017
	(65,072)		-		-		-		(65,072)
	1,584,639		-		-		-		1,584,639
	1,388,302		311,000		4,346,253		-		6,045,555

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

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

(c) Significant changes in contract balances

The contract assets and liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously, the revenue was recognised on receipt and therefore, there was no effect on the Statement of Financial Position.

20 Leases

Refer to Note 32 for changes to lease accounting policy relating to the new accounting standards.

Council as lessee

(a) Terms and conditions of leases

Land Leases

Council has two leases of recreational land from the Department of Natural Resources, Mines and Energy, 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 Natural Resources, Mines and Energy 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 2020

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 two leases that are recognised on balance sheet. One lease is for surveying equipment which has a five year term, with no option to extend and no annual increases.

The second lease is a Managed Print Services agreement, under which Council has access to the use of photocopiers and scanners. This lease has a two year lease term, with a three year option to extend. Under this agreement the lease payments are variable depending on the volume of usage, with a minimum payment set under the lease. The usage-based payments, above the minimum, are recognised as lease expenses in Note 7 when incurred. They are not expected to vary materially from year to year.

(b) Right of use assets

	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

(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 \$
	733,431	2,555,880	4,870,793	8,160,104	4,658,146
Current lease liabilities at 30 June 2020				513,401	
Non-current lease liabilities at 30 June 2020				4,144,745	
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				4,658,146	

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

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.

There are \$558,480 in potential future lease payments which are not included in the lease liability, as the exercise of the option has been assessed as not reasonably certain.

(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-20
	\$
Interest on lease liabilities	136,465
Variable lease payment based on usage not included in the measurement of lease liabilities	18,595
Depreciation of right-of-use assets	661,115
Expenses relating to short-term leases	221,816
Expenses relating to low-value assets	130,835

(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 \$1,980 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 2020

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 are as follows:

	30-Jun-20	30-Jun-19
	\$	\$
(i) Lease receipts		
Future minimum lease payments are expected to be received in relation to non-cancellable operating leases as follows:		
Not later than one year	515,062	466,916
Between one and two years	547,717	547,566
Between two and three years	460,517	350,794
Between three and four years	364,439	281,448
Between four and five years	323,609	267,286
Later than five years	994,063	1,130,260
	<u>3,205,407</u>	<u>3,044,270</u>
(ii) Sub-lease receipts		
Future minimum lease payments are expected to be received in relation to non-cancellable sub-leases as follows:		
Not later than one year	250,798	242,525
Between one and two years	257,203	175,422
Between two and three years	223,308	179,565
Between three and four years	188,484	183,915
Between four and five years	148,271	188,484
Later than five years	-	148,270
	<u>1,068,064</u>	<u>1,118,181</u>

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
21 Trade and other payables			
Creditors and accruals		13,264,350	11,838,036
Annual leave		5,971,435	4,802,201
Wages and other employee entitlements		2,606,718	1,338,241
		<u>21,842,503</u>	<u>17,978,478</u>
22 Borrowings			
Current			
Loans - Queensland Treasury Corporation		<u>7,658,004</u>	<u>7,431,194</u>
Non-Current			
Loans - Queensland Treasury Corporation		<u>70,026,741</u>	<u>70,047,453</u>
Loans - Queensland Treasury Corporation			
Opening balance		77,478,647	78,310,336
Loans raised (cash)		7,500,000	5,900,000
Principal repayments (cash)		(7,284,032)	(6,707,050)
Movement in interest payable (non-cash)		(9,870)	(24,639)
Balance at end of financial year		<u>77,684,745</u>	<u>77,478,647</u>
<p>Financing facilities are limited by the requirement to obtain State Government approval for all loan applications. All loans are unsecured.</p> <p>No interest has been capitalised during the current or comparative reporting period.</p> <p>Expected final repayment dates vary from 15 March 2021 to 15 March 2040.</p> <p>There have been no defaults or breaches of the loan agreement during the period.</p> <p>Principal and interest repayments are made quarterly in arrears.</p>			
23 Provisions			
Current			
Landfill restoration		300,000	365,956
Long service leave		13,039,869	12,105,291
		<u>13,339,869</u>	<u>12,471,247</u>
Non-Current			
Landfill restoration		21,339,891	19,606,032
Long service leave		873,590	610,783
		<u>22,213,481</u>	<u>20,216,815</u>

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
23 Provisions (Cont'd)			
Details of movement in land restoration provision:			
Opening balance		19,971,988	17,946,827
Increase in provision - finance cost due to change in time	8	399,029	523,682
Increase/(decrease) in provision - change in discount rate		1,445,577	1,586,045
Increase/(decrease) in provision - change in restoration date		-	(293,207)
Decrease in provision for actual restoration expenditure		(34,775)	-
Increase/(decrease) in estimate of future cost		(141,928)	208,641
Balance at end of financial year		<u>21,639,891</u>	<u>19,971,988</u>

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.

24 Other liabilities

Unearned revenue*	-	673,662
Prepaid rates	8,701,606	-
Waste levy refund received in advance**	-	3,132,214
	<u>8,701,606</u>	<u>3,805,876</u>

*The value of unearned revenue in 2020 is now reflected under 'Note 19 - Contract balances'. For comparative purposes, \$399,598 of the 2019 amount shown here relates to contract balances.

**The State government made an advance payment to Council in June 2019 in relation to the State Waste Levy, which took effect from 1 July 2019. The State is required to make an annual payment to the Council that essentially refunds the Council for the portion of the Levy that relates to households. As the receipt from the State in June 2019 was for a refund of Council's 2019-20 Levy expense, the full amount was recognised as a liability at 30 June 2019. The refund in relation to the 2020-21 will be paid in four quarterly instalments, with the first due in July 2020. Therefore, no liability has been recognised.

25 Asset revaluation surplus

(a) Movements in the asset revaluation surplus were as follows:

Opening balance	514,957,398	492,159,443
Movement in property, plant and equipment	99,487,959	22,797,955
Movement in restoration provision	(354,517)	-
Balance at end of financial year	<u>614,090,840</u>	<u>514,957,398</u>

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
25 Asset revaluation surplus (Cont'd)			
(b) Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Buildings and structures		33,149,170	35,355,549
Roads, footpaths and bridges		231,278,047	221,606,796
Stormwater drainage		57,662,586	55,659,632
Wastewater infrastructure		126,162,718	113,235,330
Water infrastructure		165,838,319	89,100,091
		<u>614,090,840</u>	<u>514,957,398</u>

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.

26 Retained surplus

Internally restricted cash	10	63,948,888	74,843,767
Unspent capital grants, subsidies and contributions	19(b)	-	7,617,978
Unallocated surplus		<u>43,985,038</u>	<u>42,482,423</u>
		<u>107,933,926</u>	<u>124,944,168</u>

Retained surplus represents items of restricted cash as outlined in Note 10 along with the remaining (unallocated) funds that are available to meet specific future funding needs. An unallocated surplus represents the accumulative amount available to Council that may be used to offset against expenditure in the following year.

27 Commitments for expenditure

(a) Recurrent commitments

Significant recurrent contractual commitments at the reporting date but not recognised as liabilities		<u>12,862,777</u>	<u>10,398,819</u>
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(b) Capital commitments

Significant capital contractual commitments at the reporting date but not recognised as liabilities are as follows:

Buildings and structures		780,629	351,899
Land inventory		-	363,245
Plant and equipment		2,946,076	1,849,615
Roads, footpaths and bridges		5,890,449	5,425,066
Stormwater drainage		-	572,548
Wastewater infrastructure		362,514	1,884,633
Water infrastructure		<u>24,921,707</u>	<u>254,604</u>
		<u>34,901,375</u>	<u>10,701,610</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 2020

	30-Jun-20	30-Jun-19
Note	\$	\$
28 Contingent liabilities		
Details and estimates of maximum amounts of contingent liabilities are as follows:		
<u>Claims</u>		
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.		
<u>Landfills</u>		
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 dependant 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.		
<u>Local Government Mutual</u>		
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 2020 the financial statements reported an accumulated surplus and it is not anticipated that any liability will arise.		
<u>Local Government Workcare</u>		
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:	2,150,578	2,037,948

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
29 Superannuation - Regional Defined Benefits Fund			
<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 defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.</p> <p>Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, 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." 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 assets 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"> - Investment risk: The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall. - Salary growth risk: The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded. 			
Superannuation contributions made to the Regional Defined Benefits Fund		641,145	683,194
Other superannuation contributions		7,531,926	6,541,944
Total superannuation contributions paid by Council:	6	8,173,071	7,225,138

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
30 Trust funds			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities:		3,600,542	3,565,935
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.			
31 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities			
Net result		20,064,017	23,541,058
Non-cash operating items:			
Depreciation of property plant and equipment	16(a)	49,201,367	46,818,087
Depreciation of right-of-use assets	20(b)	661,115	-
Amortisation of intangible assets	18	281,144	317,017
Change in restoration provision to finance costs	8	399,029	523,682
Revaluation of investment property	9	-	45,951
Revaluation of land and improvements	9	-	6,883,928
Current cost of developed land sold	12(b)	330,888	41,824
Prior year work in progress expensed		-	2,326,974
Capital asset donated		635,435	-
		51,508,978	56,957,463
Investing and financing activities:			
Change in restoration provision		914,357	1,240,408
Capital grants, subsidies, other contributions and donations	3(d)	(29,896,301)	(31,910,042)
Loss on disposal of non-current assets	9	9,464,855	5,010,940
Loss on impairment of non-current assets held for sale	9	1,012	-
Loss on sale of investment property	9	182,580	72,481
Proceeds from unconditional sale of property	5	-	(202,124)
(Profit)/Loss on sale of non-current assets held for sale	9	90,835	-
Compensation for assets written off	5	(18,636)	(67,956)
		(19,261,298)	(25,856,293)
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		1,514,159	(910,125)
(Increase)/decrease in other assets		(701,285)	-
(Increase)/decrease in contract assets		(16,303)	-
(Increase)/decrease in inventories		(1,052,345)	(2,076,166)
Increase/(decrease) in payables		2,542,125	3,386,193
Increase/(decrease) in contract liabilities		641,252	-
Increase/(decrease) in long service leave provision		1,197,385	42,110
Increase/(decrease) in unearned revenue		(2,769,703)	3,209,952
		1,355,285	3,651,964
Net cash inflow from operating activities		53,666,982	58,294,192

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

32 Changes in accounting policy

Three new accounting standards with material impact were applied for the first time by Council during the year ended 30 June 2020:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*.

The effects of adopting these new standards are detailed below.

Impact of Adoption of AASB 15 *Revenue from Contracts with Customers at Transition*

New Revenue Recognition model

AASB 15 establishes a new five-step model for determining how much and when revenue from contracts with customers is recognised. The five-step model and significant judgments at each step are detailed below.

Step 1 – Identify the contract with the customer	Revenue that Council receives may contain a contract with a customer and thus fall within the scope of AASB 15. This is the case where the agreement requires Council to transfer goods or services to a customer or a third party on behalf of the customer, it is enforceable, and it contains sufficiently specific performance obligations.
Step 2 – Identify the performance obligations in the contract	This step involves firstly identifying all the activities that Council is required to perform under the contract, and determining which activities transfer goods or services to the customer. Where there are multiple goods or services transferred, Council must assess whether each good or service is a distinct performance obligation or should be combined with other goods or services to form a single performance obligation. To be within the scope of AASB 15, the performance obligations must be 'sufficiently specific', such that Council is able to measure how far along it is in meeting the performance obligations.
Step 3 – Determine the transaction price	When the consideration in the contract includes a variable amount, Council needs to estimate the variable consideration to which it is entitled and only recognise revenue to the extent that it is highly probable a significant reversal of the revenue will not occur. This includes sales with a right of return, where the amount expected to be refunded is estimated and recognised as a refund liability instead of revenue.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

32 Changes in accounting policy (Cont'd)

Step 4 – Allocate the transaction price to the performance obligations	When there is more than one performance obligation in a contract, the transaction price must be allocated to each performance obligation, generally this needs to be done on a relative stand-alone selling price basis.
Step 5 – Recognise revenue when or as Council satisfies performance obligations	Revenue is recognised when Council transfers control of the goods or services to the customer. A key judgement is whether a performance obligation is satisfied over time or at a point in time. Where it is satisfied over time, Council must also develop a method for measuring progress towards satisfying the obligation. To measure progress towards satisfaction of a performance obligation over time, Council uses the input method.

Other changes arising from AASB 15

AASB 15 also applies to revenue from the issuing of licences by Council, such as licences required under the *Food Act 2006*.

The standard requires contract assets (accrued revenue) and contract liabilities (unearned revenue) to be shown separately and requires contract assets to be distinguished from receivables.

There are extensive new disclosures relating to this new standard which have been made within these financial statements. These include the disaggregation of revenue as presented in Note 3 and information regarding contract assets and contract liabilities as presented in Note 19.

To align with new terminology in AASB 15, accrued revenue and unearned revenue arising from contracts with customers have been renamed as contract assets and contract liabilities respectively. These are separately disclosed in the Notes to Financial Statements.

Transitional policies adopted

Transitional policies adopted are as follows:

Council has applied the modified retrospective transition method and has not restated comparative information for the year ended 30 June 2019, which continue to be reported under AASB 118 *Revenue*, AASB 111 *Construction Contracts*, and related interpretations.

Council has not adopted the completed contract expedient and therefore, has not excluded revenue which was fully recognised in previous years, in accordance with the former accounting standards and pronouncements.

Council applied a practical expedient to reflect, on transition, the aggregate effect of all contract modifications that occurred before 1 July 2019.

Transitional impact

(a) User Fees and Charges

The material revenue streams within Council's Fees and Charges were examined. Under AASB 15, the performance obligations for each were identified, and consideration was given to the timing of the recognition of the revenue in relation to the performance of these obligations.

For Building, Planning and Plumbing fees and Rates Search fees, Council previously recognised revenue in this category on a cash basis. Under AASB 15, revenue will be recognised after the performance obligations are met. At 1 July 2019 a contract liability of \$266,725 was recognised for the fees relating to the year ending 30 June 2019.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

32 Changes in accounting policy (Cont'd)

(b) Water Consumption Charges

Council had previously recognised the revenue associated with these charges in line with the timing of the water meter readings which usually occur several months after the consumption occurs. Under AASB 15 water consumption charges are a contractual arrangement and revenue will be recognised when the performance obligation has been extinguished, that is, at the end of the water usage period. At 1 July 2019 a receivable of \$7,716,743 was recognised for the water consumption relating to the year ending 30 June 2019.

(c) Operating Grants

Council received grants from two funding programs which were identified as contracts with customers within the scope of AASB 15. Revenue for these grants were previously recognised on receipt. The performance obligations for these grants were to be satisfied over time.

To measure progress towards satisfaction of a performance obligation over time, Council uses the input method by comparing costs incurred relative to total expected costs. The performance obligations which remained outstanding for these grants resulted in the recognition of a contract liability of \$28,099.

The following table summarises the transitional adjustments on 1 July 2019 relating to the adoption of AASB 15. The net impact is recognised as an adjustment to opening retained surplus.

	Balance at 1 July 2019
	\$
Trade and other receivables	7,716,744
Other current liabilities – Contract liabilities	(294,824)
Retained surplus	(7,421,920)

Impact of Adoption of AASB 1058 Income of Not-for-Profit Entities at Transition

Scope and revenue recognition under AASB 1058

AASB 1058 applies to transactions where Council acquires an asset for significantly less than fair value principally to enable Council to further its objective, and to the receipt of volunteer services.

Council's revenue line items recognised under this standard from 1 July 2019 include Rates and utility charges and Capital Grants, subsidies, contributions and donations.

Accounting policies relating to these line items are disclosed in Note 1.

The revenue recognition framework for in-scope transactions, other than specific-purpose capital grants, is as follows:

- Recognise the asset – e.g. cash, receivables, PP&E, a right-of-use asset or an intangible asset.
- Recognise related amounts – e.g. contributed equity, a financial liability, a lease liability, a contract liability or a provision (grants and donations in many cases have nil related amounts)
- Recognise the difference as income upfront.

The initial recognition and measurement of receivables arising from statutory requirements (such as rates and fines) falls under AASB 9 *Financial Instruments*, therefore AASB 9 governs the timing and amount of revenue recognised under AASB 1058 for such statutory income.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

32 Changes in accounting policy (Cont'd)

Transitional policies adopted

Transitional policies adopted are as follows:

Council has applied the modified retrospective transition method and has not restated comparative information for the year ended 30 June 2019, which continue to be reported under relevant standards applicable in 2018-2019, such as AASB 1004.

Council has elected to apply the standard retrospectively to all contracts, including completed contracts, at 1 July 2019. Completed contracts include contracts where Council had recognised all of the revenue in prior periods under AASB 1004 Contributions.

Council applied a practical expedient to not re-measure at fair value assets previously acquired for significantly less than fair value and originally recorded at cost.

Transitional impact

(a) Rates and Utility charges received in advance

Each year Council receives rates in advance of the rating period. Under AASB 1058 a liability will be recognised for rates monies received in advance. At the date of transition (1 July 2019) an amount of \$7,665,433 will be recognised as a current liability for unearned revenue.

(b) Capital Grants and Contributions

Several of Council's Capital Grants and Contributions were identified as agreements which fall within the scope of AASB 1058 para 16-17, that is the grants require Council to use the cash to acquire or construct a recognisable non-financial asset and does not require Council to transfer the constructed or acquired non-financial asset to any other party. Revenue for these grants was previously recognised on receipt. Under AASB 1058 para 16-17, an obligation will need to be recognised for grant monies received in advance of Council satisfying its obligation to acquire or construct the financial asset. Revenue is to be recognised over the course of satisfying obligations, to the extent that grant monies have been received. At the date of transition (1 July 2019) a contract liability of \$7,617,978 and a contract asset of \$1,011,800 is to be recognised for these grants.

(c) Rates Supplementary Notices

In some instances, Council will issue Supplementary Rates Notices prior to the end of the financial year, which are not posted until the next financial year. Under AASB 1058 a receivable will be recognised for these charges. At the date of transition (1 July 2019) an amount of \$10,196 will be recognised as a receivable for unbilled revenue.

(d) Volunteer Services

Under AASB 1058, Council will continue to recognise volunteer services only when the services would have been purchased if they had not been donated, and the fair value of the services can be measure reliably. This treatment is the same as in prior years.

The following table summarises the transitional adjustments on 1 July 2019 relating to the adoption of AASB 1058. The net impact is recognised as an adjustment to opening retained surplus.

	Balance at 1 July 2019
	\$
Trade and other receivables	10,196
Other current assets - Contract assets	1,011,800
Other current liabilities - Contract liabilities	(7,617,978)
Other current liabilities – Unearned revenue	(7,665,433)
Retained Surplus	14,261,415

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

32 Changes in accounting policy (Cont'd)

Impact of Adoption of AASB 1058 and AASB 15 in the current period

The following table shows the impacts of adopting AASB 15 and AASB 1058 on Council's financial statements for the year ended 30 June 2020. It compares the actual amounts reported to amounts that would have been reported if the previous revenue standards (AASB 1004, AASB 118, AASB 111 and related interpretations) had been applied in the current financial year.

Statement of comprehensive income for the year ended 30 June 2020

	As reported \$	Adjustments \$	Previous standards \$
Recurrent Revenue			
Rates and utility charges	152,293,587	(702,467)	152,996,054
Fees and charges	20,107,992	11,558	20,096,434
Sales Revenue	5,570,128	(629,132)	6,199,260
Recurrent grants, subsidies, contributions and donations	14,211,668	28,099	14,183,569
Capital Revenue			
Capital grants, subsidies, contributions and donations	29,896,301	3,580,353	26,315,948
	222,079,676	2,288,411	219,791,265

Statement of financial position at 30 June 2020

	As reported \$	Adjustments \$	Previous standards \$
Assets			
Trade and other receivables	16,892,018	8,430,296	8,461,722
Contract assets	1,171,099	1,171,099	-
Liabilities			
Other liabilities	(8,701,606)	(8,701,606)	-
Contract liabilities - current	(5,450,873)	(5,450,873)	-
Equity			
Retained surplus/deficit	107,933,926	4,551,084	112,485,010
	111,844,564	-	120,946,732

The adoption of AASB 15 and AASB 1058 has not caused a material change to the Statement of Cash Flows for the year ended 30 June 2020.

Impact of Adoption of AASB 16 Leases

Council applied AASB 16 Leases for the first time in the year ending 30 June 2020. Council applied the modified retrospective transition method and has not restated comparative information for 2018/2019, which continues to be reported under AASB 117 Leases and related interpretations.

Changes to lessee accounting

Previously, Council classified its leases as operating or finance leases based on whether the lease transferred significantly all of the risks and rewards incidental to ownership of the asset to the lessee.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

32 Changes in accounting policy (Cont'd)

Impact of Adoption of AASB 16 Leases (Cont'd)

The distinction between operating and finance leases no longer exists for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on balance sheet as lease liabilities and right-of-use assets. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

Council has recognised right-of-use assets of \$5,192,637 and lease liabilities of \$5,138,009 at 1 July 2019 for leases previously classified as operating leases. The difference between the right-of-use assets recognised and the lease liability recognised is due to an adjustment of \$78,507 for prepaid lease payments and an adjustment of \$23,879 as a result of the recognition of a sub-lease held by Council as lessor.

Transitional policies adopted

On transition, Council used the following practical expedients:

- The majority of Council's former operating leases are now recognised on-balance sheet as right-of-use assets and lease liabilities.
- Contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16.
- On transition, lease liabilities were measured at the present value of the remaining lease payments discounted at Council's incremental borrowing rate at 1 July 2019.
- Council's weighted average incremental borrowing rate on 1 July 2019 was 2.02%.
- The right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. This approach was used for all other operating leases.
- Council did not recognise right-of-use assets and lease liabilities for leases that end within 12 months of the date of initial application and leases of low value assets.
- Council excluded initial direct costs from the measurement of right-of-use assets.
- Council used hindsight when determining the lease term.

Transitional impact - Former operating leases as lessee

(a) Lease liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that Council is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by Council under residual value guarantees
- the exercise price of a purchase option that Council is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination

The discount rate used is the interest rate implicit in the lease, or Council's incremental borrowing rate if the implicit rate cannot be readily determined, which is the case for all of Council's leases. To determine the incremental borrowing rate, Council uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

Subsequently, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also re-measured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in the lease term.

(b) Right-of-use assets

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date, less any lease incentives received
- initial direct costs incurred, and
- the initial estimate of restoration costs

Right-of-use assets will subsequently give rise to a depreciation expense and be subject to impairment.

Right-of-use assets differ in substance from leased assets previously recognised under finance leases in that the asset represents the intangible right to use the underlying asset rather than the underlying asset itself.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

32 Changes in accounting policy (Cont'd)

(c) Short-term leases and leases of low value assets

Council has elected to recognise lease payments for short-term leases and leases of low value assets as expenses on a straight-line basis over the lease term, rather than accounting for them on balance sheet. This accounting treatment is similar to that used for operating leases under AASB 117. An asset is considered low value where it is expected to cost less than \$10,000 when new. A lease is considered short-term where the lease period is less than 12 months.

Changes to lessor accounting

Lessor accounting remains largely unchanged under AASB 16. Leases are still classified as either operating or finance leases.

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*.

The lease income is recognised on a straight-line basis over the lease term.

Transitional impact - Leases as lessor

Overall accounting for leases held by Council as lessor remained unchanged.

However, a Right-of-use Asset relating to a head lease was derecognised to the value of \$23,879 as a result of the recognition of a sub-lease held by Council as lessor. Council, as lessor, recognised a lease receivable of \$52,310 for the sub-lease and the net impact is recognised as an adjustment to opening retained surplus.

Reconciliation of operating lease commitments at 30 June 2019 to the lease liabilities at 1 July 2019

		Balance at 1 July 2019 \$
Total undiscounted operating lease commitments at 30 June 2019		
Not later than one year	917,112	
Later than one year but not later than five years	1,829,900	
Later than five years	<u>66,740</u>	2,813,752
Less:		
Short-term leases and low-value asset leases included in commitments note		(347,740)
Add:		
Extension options reasonably certain to be exercised not included in the commitments note		4,671,930
Less:		
Adjustment to minimum lease payment calculation		(56,833)
Discounted using the incremental borrowing rate at 1 July 2019 (%)		(3,000,948)
Add:		
Leases not previously recognised as leases		1,057,848
Lease Liabilities recognised at 1 July 2019		<u><u>5,138,009</u></u>

33 Events after the reporting period

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

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

34 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

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

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls, and to monitor these risks and adherence 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 policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by Council. The Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

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

Credit risk

Credit risk exposure refers to the situation where Council may incur 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.

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.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

34 Financial instruments (Cont'd)

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

Credit risk (Cont'd)

Grouping of receivables

Receivables are grouped based on shared characteristics and credit risk profiles for the purpose of determining allowances for expected credit losses.

Council has identified four distinctive groupings of its receivables: Rateable revenue and utility charges (including infrastructure charges), government grants, statutory charges - fines and penalties, and other debtors.

Rateable revenue and utility charges (including infrastructure charges): Because Council is empowered under the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts or infrastructure charges, Council generally does not record a loss allowance for these receivables. However, Council cannot recover any debt by way of sale under the *Local Government Act 2009* where a lessee of a property is responsible for the rates on a property in accordance with formal lease conditions. Consequently, Council may record a loss allowance reflecting the lifetime expected credit losses for these debts, although they are usually minimal. Council also records a loss allowance for write-offs of water consumption rates under Council's Water Leak Relief Policy.

Government grants: payable by State and Commonwealth government and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the State and Commonwealth governments have high credit ratings, accordingly Council determines the level of credit risk exposure to be immaterial. Council does not calculate expected credit losses for these grants.

Statutory charges - fines and penalties: Council has identified these charges as a separate debtor group, as the underlying nature of the income streams are different to other trade receivables. Council fines and penalties are generally small monetary amounts charged against individuals rather than businesses. The recovery of these debts is heavily influenced by the timeliness and effectiveness of Council's debt recovery actions. In many cases the small monetary value of the fines and penalties means that further pursuit of a debt through Court action is not feasible. Therefore, Council uses the State Penalties Enforcement Registry as its agency.

Other debtors: Council identifies other debtors as receivables which are not rates and charges (including infrastructure charges), grants or fines and penalties.

Expected Credit Loss assessment at 30 June 2020

Council has chosen to adopt the simplified approach for determining expected credit losses under AASB 9 *Financial Instruments*.

Where Council has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Other debtors

Due to the large number of debtors in this portfolio of debtors, the calculation of the expected credit loss for this group has been assessed using a provision matrix. 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, and each of these categories exhibits different loss patterns and 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 groups 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 groups of debtors. This knowledge has helped Council to build a profile of debt patterns for each group of debtors in the provision matrix.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

34 Financial instruments (Cont'd)

(a) Financial assets and financial liabilities

Credit risk (Cont'd)

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.

This financial year has seen significant disruption to business and uncertainty in the global economy due to the COVID-19 pandemic. Industries particularly impacted have been travel, tourism, retail and agriculture. Council initially adopted a Coronavirus relief package designed to reduce the impact on the local economy. Despite this, Council believes the ability of its debtor groups to meet their obligations could be affected by changes in the macroeconomic environment in the short term, with conditions slowly returning to normal in the coming years. This has been factored into the provision matrix.

Statutory charges - fines and penalties

A provision matrix is also used for this group due to the large number of debtors within the group. 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 generally calculated based on historical credit loss experience and taking into account Council's debt collection regime.

Whilst it is important to consider the past payment behaviour of Council debtors it is equally important to take into account changes in the way that Council pursues its debts and the effect this has on the likelihood of the timely recovery of debt. Over the past two years Council has implemented measures which ensure a tighter control over its debtors and has maintained a recoveries process through an external agency.

Rateable revenue and utility charges (including infrastructure charges)

The majority of the loss allowance for the rateable revenue and utility charges group comes from the expected credit losses allowed for the write-off of water consumption rates under Council's Water Leak Relief Policy.

Historical figures are used to provide an estimate of future write-offs, in conjunction with consideration for possible technical improvements such as implementation of new water metering technology which may reduce the risk of loss in future years.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

34 Financial instruments (Cont'd)

(a) Financial assets and financial liabilities

Credit risk (Cont'd)

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

2020

Other debtors

	Gross carrying amount	Weighted average loss rate	Loss given default	Loss allowance
	\$	%	%	\$
Current	1,807,104	8.57%	100%	154,887
31-60 days	208,401	4.94%	100%	10,289
61-90 days	48,963	7.84%	100%	3,838
90 + days	226,163	19.21%	100%	43,451
	2,290,631	-	-	212,465

Statutory charges - fines and penalties

	Gross carrying amount	Weighted average loss rate	Loss given default	Loss allowance
	\$	%	%	\$
Current	7,853	5.00%	100%	393
31-60 days	266	10.15%	100%	27
61-90 days	5,222	14.99%	100%	783
90 + days	370,136	30.00%	100%	111,040
	383,477	-	-	112,243

Rateable revenue and utility charges (including infrastructure charges)

	Gross carrying amount	Weighted average loss rate	Loss given default	Loss allowance
	\$	%	%	\$
Rateable revenue and utility charges (including infrastructure charges)	14,139,452	0.721%	100%	102,000

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

34 Financial instruments (Cont'd)

(a) Financial assets and financial liabilities

Credit risk (Cont'd)

2019

Other debtors

	Gross carrying amount	Weighted average loss rate	Loss given default	Loss allowance
	\$	%	%	\$
Current	3,049,182	3.189%	100%	97,232
31-60 days	641,168	4.978%	100%	31,917
61-90 days	100,899	5.212%	100%	5,259
90 + days	122,478	37.787%	100%	46,281
	3,913,727	-	-	180,689

Statutory charges - fines and penalties

	Gross carrying amount	Weighted average loss rate	Loss given default	Loss allowance
	\$	%	%	\$
Current	9,189	5.000%	100%	460
31-60 days	9,389	10.000%	100%	939
61-90 days	7,861	20.000%	100%	1,572
90 + days	407,816	51.328%	100%	209,323
	434,255	-	-	212,294

Rateable revenue and utility charges (including infrastructure charges)

	Gross carrying amount	Weighted average loss rate	Loss given default	Loss allowance
	\$	%	%	\$
Rateable revenue and utility charges (including infrastructure charges)	5,985,979	1.721%	100%	103,000

Refer to Note 11 for the movement in the allowance for impairment of receivables during the year.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

34 Financial instruments (Cont'd)

(a) Financial assets and financial liabilities

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.

Exposure to liquidity risk

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 and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. The following facilities were available at the end of the reporting period.

	2020 \$	2019 \$
Approved credit card facility - Commonwealth Bank of Australia	1,965,000	1,965,000
Available at 30 June	1,241,730	1,166,120

The following table sets out the liquidity risk of financial liabilities (excluding lease liabilities for 2020) 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 \$
2020					
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
	32,549,322	34,374,560	54,021,219	120,945,101	99,527,248
2019					
Trade and other payables	17,978,478	-	-	17,978,478	17,978,478
Loans - QTC	10,687,108	36,114,995	53,850,781	100,652,884	77,478,647
	28,665,586	36,114,995	53,850,781	118,631,362	95,457,125

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.

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

34 Financial instruments (Cont'd)

(a) Financial assets and financial liabilities

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.

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.

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. COVID-19 has seen a softening of interest rates and Council predicts this will continue over the coming year. However, the effect is not expected to be greater than 1%, so no additional analysis has been performed. 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	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Deposits - Call	105,900,000	82,750,000	1,059,000	827,500	1,059,000	827,500
Term Deposits	29,400,000	63,300,000	294,000	633,000	294,000	633,000
	<u>135,300,000</u>	<u>146,050,000</u>	<u>1,353,000</u>	<u>1,460,500</u>	<u>1,353,000</u>	<u>1,460,500</u>

(b) Fair value

Financial assets

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

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	2020		2019	
		Carrying amount	Fair Value	Carrying amount	Fair Value
		\$	\$	\$	\$
Loans - QTC	22	<u>77,684,745</u>	<u>89,073,832</u>	<u>77,478,647</u>	<u>87,849,638</u>

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

	30-Jun-20	30-Jun-19
Note	\$	\$
35 Transactions with related parties		
(a) Joint controlled entities		
Council is a joint member of the Wide Bay Burnett Regional Organisation of Councils (WBBROC) Incorporated.		
WBBROC represents the interests of all Councils within the Wide Bay Burnett region. WBBROC lobbies Federal and State Governments on behalf of members Councils on matters of common interest and is often the point of contact for other levels of Government seeking the views of Councils on a broad range of issues.		
WBBROC other member Councils are Cherbourg Community 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	127,037	79,700
WBBROC contributions	(14,804)	(15,729)
	112,233	63,971
WBBROC is dependent on contributions from member Councils.		
WBBROC made contributions to Council to assist in the delivery of the Advancing Regional Innovations Program (2019 & 2020) and for development of the Paradise Dam Economic Report (2020).		
(b) Key management personnel (KMP) compensation		
KMP include the Mayor, Councillors, Chief Executive Officer and members of the Executive Leadership Team.		
The compensation paid to KMP comprises:		
Short-term benefits	2,861,386	2,671,251
Long-term benefits	42,507	30,366
Post-employment benefits	286,409	282,695
	3,190,302	2,984,312
Additional remuneration disclosures are provided in Council's Annual Report.		
(c) Transactions with other related parties		
Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.		
There have been no significant transactions between Council and other related parties.		
Council employs 852 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.		
(d) Outstanding balances		
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.		
(e) Loans and guarantees to/from related parties		
Council does not make loans to, or receive loans from, related parties. No guarantees have been provided.		
(f) Commitments to/from other related parties		
Council has no outstanding commitments to/from other related parties.		

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

36 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;
Caravan 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
	2020	2020	2020	2020	2020
	\$	\$	\$	\$	\$
Revenue for services provided to Council	1,787,542	496,200	289,872	-	-
Revenue for services provided to external clients	29,311,309	29,906,867	21,787,654	2,347,973	4,195,950
Community service obligations	1,042,717	1,017,127	637,059	15,607	143,794
	32,141,568	31,420,194	22,714,585	2,363,580	4,339,744
Less: Expenditure	(19,879,976)	(18,986,052)	(19,294,728)	(2,158,802)	(3,422,798)
Surplus/(deficiency)	12,261,592	12,434,142	3,419,857	204,778	916,946

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2020

36 National competition policy (Cont'd)

Description of CSOs provided to business activities

Activities	CSO description	Amount
		\$
Water	Provision of water allocations to unlicensed sporting clubs	\$223,550
	Pension remissions	\$180,682
	Water leak relief	\$98,983
	Infrastructure charges incentives	\$433,807
	Internal bulk water provisions	\$105,695
Wastewater	Pedestal discount for community and aged care facilities	\$324,122
	Pedestal discounts for not-for-profit sporting clubs	\$48,832
	Infrastructure charges incentives	\$393,246
	Pension remissions	\$250,927
Waste Management	Provision of bins and waste disposal for community events	\$19,220
	Charity bin residuals and in-kind assistance	\$73,400
	Pension remissions	\$223,858
	Provision of domestic waste vouchers	\$320,581
Bundaberg Airport	COVID-19 pandemic relief	\$143,794
Council Holiday Parks	COVID-19 pandemic relief	\$15,607

3.6 Management Certificate

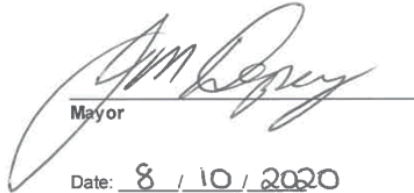
For the year ended 30 June 2020

**Management Certificate
For the year ended 30 June 2020**

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: 8 / 10 / 2020



Chief Executive Officer
Date: 8 / 10 / 2020

3.7 Independent Auditor's Report - Financial Statements



To the Councillors of Bundaberg Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Bundaberg Regional Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2020, 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 2020, 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 the 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 2020 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

Independent Auditor's Report cont'd



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



- 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 2020:

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

A handwritten signature in blue ink that reads "Melissa Read".

Melissa Read
as delegate of the Auditor-General

9 October 2020

Queensland Audit Office
Brisbane

3.8.1 Current Year Financial Sustainability Statement

For the year ended 30 June 2020

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 2020.

Measures of Financial Sustainability

Council's performance at 30 June 2020 against key financial ratios and targets:

	How the measure is calculated	2020	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	1%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense for infrastructure assets.	51%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-6%	not greater than 60%

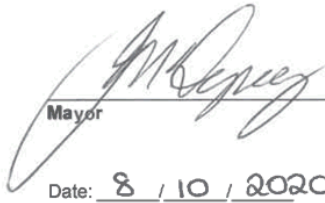
3.8.2 Current Year Financial Sustainability Statement - Certificate of Accuracy

For the year ended 30 June 2020

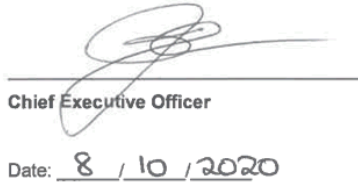
**Certificate of Accuracy
For the year ended 30 June 2020**

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: 8 / 10 / 2020



Chief Executive Officer
Date: 8 / 10 / 2020

3.8.3 Independent Auditor's Report - Current Year Financial Sustainability Statement



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 (the council) for the year ended 30 June 2020 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 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 2020 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 2020 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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



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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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



- 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 blue ink that reads "Melissa Read".

Melissa Read
as delegate of the Auditor-General

9 October 2020

Queensland Audit Office
Brisbane

3.8.4 Long Term Financial Sustainability Statement

For the year ended 30 June 2020

Measures of Financial Sustainability

How the measure is calculated	Target	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Operating surplus ratio	Between 0% and 10%	-3%	0%	0%	0%	0%	1%	0%	0%	1%
Asset sustainability ratio	greater than 90%	53%	41%	56%	55%	42%	54%	45%	51%	50%
Net financial liabilities ratio	not greater than 60%	1%	20%	32%	45%	38%	34%	26%	17%	14%

The financial impact of the COVID-19 pandemic and its ongoing effects are potentially significant. Council has undertaken extensive modelling to assess its impact on financial sustainability. Consolidated accumulated surpluses from previous financial years and considerable cash holdings mean that Council is in a strong financial position to absorb the financial impacts of the pandemic.

Financial Management Strategy

Council's vision advocated in its Corporate Plan 2019-2023 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 its Long Term Financial Plan 2020-2029 and are 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 the decisions and actions of Council 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 when new assets are acquired or constructed, the Long Term Financial Forecast captures whole of life costs.
- Delivering an increased focus on asset management to ensure appropriate maintenance and renewal of assets that supports service standards in the region.
- Securing as much grant funding as possible to contribute to the cost of constructing new and upgraded capital infrastructure.
- Making certain that the delivery of projects meets the objectives of the financial strategy whilst 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 2020

**Certificate of Accuracy
For the year ended 30 June 2020**

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: 8 / 10 / 2020



Chief Executive Officer

Date: 8 / 10 / 2020.

4 Statutory Information

4.1 Administrative Action Complaints

In accordance with section 187 of the *Local Government Regulation 2012*, Council has adopted an Administrative Action Complaints (AAC) Policy and Procedure to effectively deal with complaints in a fair, confidential, prompt and respectful manner. This policy was reviewed and adopted by Council in May 2020 and information about the process, including how to lodge a complaint can be found on Council's website: bundaberg.qld.gov.au/complaints-disclosures.

Council's Governance and Legal Services team is responsible for application of the policy, coordinating complaints, staff guidance/training and reporting to the Executive Leadership Team when required. This team has commenced early stages of a holistic review of all complaints which will see the development of a consistent approach throughout Council in the way we receive, handle and respond to complaints ensuring our commitment to dealing with complaints is done fairly, confidentially, promptly and respectfully.

As required by section 187(2) of the *Local Government Regulation 2012* the table below provides a summary of AAC outcomes for 2019/20.

Table 4.1

Item	No.
Number of AACs made to Council in 2019/20	22
Number of AACs resolved by Council under the complaints management process in 2019/20	19
Number of AACs not resolved by Council under the complaints management process in 2019/20	3
Number of AACs made and not resolved by Council under the complaints management process in the previous financial year	0

All of the AAC's referred in the above table were reviewed and have been resolved. 72% of AAC's were completed within the maximum timeframe of 30 business days as mentioned in Council's procedure. As part of the holistic review, Council will review the set timeframes to ensure they can be achieved by review staff.

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 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.

4.5 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*.

Minutes - 23 July 2019

Item Number: G2

File Number:

Part: GOVERNANCE

Portfolio: Organisational Services

Subject: Council Policies

2364

Resolution

Cr HL Blackburn presented the report; and moved:-

That Council:

1. Rescind the following policies:

- CP-3-037 Recordkeeping Policy, version 1;
- CP-3-038 Expenses Reimbursement for Councillors Policy, version 1; and

2. adopt the following policies:

- CP-3-037 Recordkeeping Policy, version 2; and
- CP-3-038 Expenses Reimbursement for Councillors Policy, version 2.

Seconded by Cr JA Peters.

The motion was put - and carried unanimously

Meeting held: 23 July 2019

Minutes - 26 May 2020

Item Number: G2	File Number:	Part: GOVERNANCE
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Portfolio: Organisational Services

Subject: Council Policy Review

2517

Resolution

Cr SA Cooper presented the report; and moved:-

That Council:

1. Rescind the following policies:

- CP-3-018 Acceptable Requests Guidelines Policy, version 4;
- CP-3-005 Administrative Action Complaints Policy, version 1.1;
- CP-3-006 Advertising Spending Policy, version 1;
- CP-3-046 Buy Local Policy, version 2;
- CP-3-014 Community Engagement Policy, version 1;
- CP-3-031 Complaints about the Chief Executive Officer, version 1.1;
- CP-3-017 Council Vehicle Usage Policy, version 2.2;
- CP-3-044 Councillor Complaints Investigation Policy, version 1;
- CP-3-019 Councillor Use of Confidential Information Policy, version 1;
- CP-3-038 Expenses Reimbursement for Councillors Policy, version 2;
- CP-3-026 Fraud and Corruption Management Policy, version 2;
- CP-3-045 Gifts and Benefits Policy, version 1;
- CP-3-043 Hardship Policy, version 2;
- CP-3-009 Media Relations Policy, version 1;
- CP-3-036 Procurement Policy, version 1;
- CP-3-035 Public Interest Disclosure Policy, version 3;
- CP-3-001 Revenue Policy, version 2.1; and
- CP-3-027 Risk Management Policy, version 1.

2. adopt the following policies:

- CP-3-018 Acceptable Requests Guidelines Policy, version 5;
- CP-3-005 Administrative Action Complaints Policy, version 2;
- CP-3-006 Advertising Spending Policy, version 2;
- CP-3-046 Buy Local Policy, version 3;
- CP-3-014 Community Engagement Policy, version 2;
- CP-3-031 Complaints about the Chief Executive Officer, version 2;
- CP-3-017 Council Vehicle Usage Policy, version 3;
- CP-3-044 Councillor Complaints Investigation Policy, version 2;
- CP-3-052 Councillor Portfolio Policy, version 1;
- CP-3-019 Councillor Use of Confidential Information Policy, version 2;
- CP-3-038 Expenses Reimbursement for Councillors Policy, version 3;
- CP-3-026 Fraud and Corruption Management Policy, version 3;
- CP-3-045 Gifts and Benefits Policy, version 2;
- CP-3-043 Hardship Policy, version 3;
- CP-3-009 Media Relations Policy, version 2;
- CP-3-051 Planning Protocols Policy, version 1;
- CP-3-036 Procurement Policy, version 2;
- CP-3-035 Public Interest Disclosure Policy, version 4;
- CP-3-001 Revenue Policy, version 3; and
- CP-3-027 Risk Management Policy, version 2.

3. Endorse the Employee Code of Conduct Policy, version 1.

Seconded by Cr JD Learmonth.

The motion was put - and carried unanimously

Meeting held: 26 May 2020

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.

4.6 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 2019/20 financial year.

4.7 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 2019/20 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. During 2019/20 Council contributed up to a maximum \$1,700.00 per annum towards the payment of rates and charges, with the exception of water consumption, for the following facilities and organisations:

- Apple Tree Creek Memorial Hall - *part year as property sold*
- 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 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 Licence 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 2019/20 was \$1.16, instead of the second tier tariff, which was \$1.90.

Concessions to ratepayers for 2019/20

Table 4.2

Type of concession	Assistance provided
Pensioner rebates	\$1,677,922.93
Rates concessions to community organisations	\$668,733.74
Water Leak Relief	\$98,982.80
Total	\$2,445,639.47

Analysis of Concessions provided to Community Organisations in 2019/20

Table 4.3

Type of concession	Assistance provided
Reduced rates and charges to community organisations *	\$70,194.25

Type of concession	Assistance provided
Free Water Consumption Allocation to Unlicensed Sporting Bodies	\$156,467.86
Benefit from only charging Water Access Charges to Unlicensed Sporting Bodies for largest meter	\$67,081.90
50% reduction in Sewerage Charges for Unlicensed/Community Other Licenced Sporting Bodies	\$51,884.00
60% reduction in Sewerage Charges to Community Organisations	\$324,122.40
Total	\$669,750.41

* Refer to table below

Table 4.4

Type of organisation	No.	Annual Rates Levied	Assistance Provided	Average assistance per organisation
Halls	19	\$41,535.48	\$26,159.27	\$1,376.80
Kindergartens	7	\$26,502.10	\$11,018.00	\$1,574.00
Surf Lifesaving Clubs	3	\$14,483.58	\$12,506.10	\$4,168.70
Rural Fire Brigades	13	\$6,330.88	\$6,330.88	\$486.99
Other Community organisations	10	\$42,572.52	\$14,180.00	\$1,418.00
Total	52	\$131,424.56	\$70,194.25	\$1,349.89

4.8 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
Young Peoples in Sport	\$1,672.73
Micro Grants	\$14,421.61
Special Events Grant	\$16,211.60
Community Services Grants	\$60,115.28
Partnerships and Sponsorships Program	\$110,890.90
Total	\$203,312.12
Other Donations	
Cancer Council - Relay for Life Donation	\$500.00
Community Events Donations	\$7,587.25
Total	\$8,087.25

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.

4.9 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

4.10 Risk Management

Council recognises that effective risk management is paramount in managing its enterprise risks to achieve its corporate strategies, objectives and vision for the future. Council's commitment to risk management practices aims to effectively manage and limit risk exposures but also to identify opportunities through best practice risk management strategies and continuous improvement established in accordance with Risk Management Standards AS ISO 31000:2018.

Management of operational risks is achieved by Council's commitment to the identification and implementation of processes appropriate to the ongoing management of risk.

This is achieved by:

- Regular reporting to the Audit and Risk Committee of enterprise risks and the Risk Management Program;
- Continuous review of:
 - The adopted Integrated Risk Management Policy;
 - Council's Risk Management Framework, and
 - Council's risk assessment tools.
- Training for staff at induction;
- Regular review of risk registers; and
- Operational risk analyses of departmental business plans.

4.11 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 2019/20 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. At the time of the 2020 Local Government elections the Audit and Risk Committee members tenures concluded, and a new committee was appointed following the Local Government elections as follows:

For the period up to 22 February 2020:

- Bradley Grogan, Chairman and External Representative
- Mayor Jack Dempsey, Finance and Economic Development Portfolio spokesperson
- Cr Helen Blackburn, Governance Portfolio spokesperson
- Debbie Rayner, External Representative

For the period after 29 April 2020:

- Stephen Coates, Chairman and External Representative
- Mitchell Petrie, External Representative

For the period after 26 May 2020:

- 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, Risk and Insurance 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 10 audits and Quality Audit completed nine audits during the financial year, with reports presented to the Audit and Risk Committee. Council resolved to note the minutes from the Audit and Risk Committee meetings where these audits were tabled.

The performance of the internal audit section is managed by the Organisational Services General Manager and throughout 2019/20 Council contracted an Internal Audit firm, BDO, who were responsible for carrying out the internal audit function for Council.

4.12 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 2019/20 financial year, 1353 employees completed Code of Conduct training. This comprised face to face training to the outside workforce in July 2019

as part of 2019 refresher training, the annual refresh for all staff delivered online during May/June 2020 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 build on good governance, good decision-making and high levels of integrity.

Along with the Code of Conduct training, employees also completed training in Fraud and Corruption, Right to Information, Privacy, 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

4.13 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	\$155,779.68	\$17,895.49
1	Cr Jason Bartels	\$89,774.88	\$10,947.31
2	Cr Bill Trevor OAM (Deputy Mayor)	\$102,019.06	\$12,242.36
3	Cr Wayne Honor	\$89,774.88	\$10,976.38
4	Cr Helen Blackburn	\$71,474.62	\$8,576.85
5	Cr Greg Barnes	\$89,774.88	\$10,905.77
6	Cr Scott Rowleson	\$71,474.62	\$8,576.85
7	Cr Ross Sommerfeld	\$71,474.62	\$8,576.85
8	Cr Steve Cooper	\$89,774.88	\$10,947.55
9	Cr Judy Peters	\$71,474.62	\$8,576.85
10	Cr John Learmonth	\$89,774.88	\$10,939.24
4	Cr Tracey McPhee	\$18,300.27	\$2,018.76
6	Cr Tanya McLoughlin	\$18,300.27	\$2,247.01
7	Cr Vince Habermann OAM	\$18,300.27	\$2,247.01
9	Cr May Mitchell	\$18,300.27	\$2,400.63

*Includes superannuation paid on applicable allowances shown in Table 4.7

4.14 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	\$22,994.44
1	Cr Jason Bartels	\$11,788.16
2	Cr Bill Trevor (Deputy Mayor) OAM	\$16,049.83
3	Cr Wayne Honor	\$12,168.28
4	Cr Helen Blackburn	\$7,194.33
5	Cr Greg Barnes	\$13,541.04
6	Cr Scott Rowleson	\$8,596.48
7	Cr Ross Sommerfeld	\$10,372.95
8	Cr Steve Cooper	\$13,471.64
9	Cr Judy Peters	\$11,297.17
10	Cr John Learmonth	\$9,955.16
4	Cr Tracey McPhee	\$2,043.79
6	Cr Tanya McLoughlin	\$2,196.86
7	Cr Vince Habermann OAM	\$2,192.07
9	Cr May Mitchell	\$2,829.91

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

4.15 Overseas travel

In accordance with section 188 of the *Local Government Regulation 2012* the following overseas travel expenses were incurred by the Councillors or local government employees in an official capacity during the financial year.

Table 4.8

Delegate	Purpose	Destination	Total
Cr William Trevor OAM <i>Deputy Mayor</i>	Sister Cities Delegation - 16th China-ASEAN Expo, 21st Nanning International Folk Song Arts Festival (Nanning, China) & Meeting with Mayor Moriyama (Settsu, Japan)	China & Japan	\$ 20,679.29
Cr Helen Blackburn <i>Councillor</i>			
Cr Scott Rowleson <i>Councillor</i>			
Cr Stephen Cooper <i>Councillor</i>			
Wayne Heidrich <i>Senior Communications Advisor</i>			

NOTE: Cr William Trevor OAM & Wayne Heidrich returned early, leaving China on 22 September 2019. Cr Scott Rowleson didn't return until 30 September 2019.

4.16 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 2019 - March 2020

Table 4.9

Councillor	Ordinary	Special and budgetary	Total
Cr Dempsey	9	0	9
Cr Bartels	9	0	9
Cr Trevor OAM	8	0	8
Cr Honor	7	0	7
Cr Blackburn	9	0	9
Cr Barnes	8	0	8
Cr Rowleson	8	0	8
Cr Sommerfeld	9	0	9
Cr Cooper	9	0	9
Cr Peters	8	0	8
Cr Learmonth	8	0	8

From April 2020 30 June 2020

Table 4.10

Councillor	Ordinary	Special and budgetary	Total
Cr Dempsey	3	3	6
Cr Bartels	3	3	6
Cr Trevor OAM	3	3	6
Cr Honor	3	3	6
Cr McPhee	3	3	6
Cr Barnes	3	3	6
Cr McLoughlin	3	3	6
Cr Habermann OAM	3	3	6
Cr Cooper	3	3	6
Cr Mitchell	3	3	6
Cr Learmonth	3	3	6

4.17 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 2019/20 financial year.

Table 4.11

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 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.	150AR (1)(a): 0 150AR (1)(b): 1
<p>About the sections mentioned above:</p> <ul style="list-style-type: none"> name of each Councillor for whom a decision, order or recommendation was made; description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged by each Councillor; summary of the decision, order or recommendation for each Councillor. <p>- Councillor Greg Barnes - Misconduct – release of information that the Councillor knew, or should have known, was information confidential to the local government - The Tribunal orders:</p> <ol style="list-style-type: none"> pursuant to section 150AR(1)(b)(i) of the Act, the respondent must make a public admission that he has engaged in misconduct, within 90 days of the date that a copy of this decision and orders is given to him by the Registrar; and pursuant to section 150AR(1)(b)(iii) the respondent attend training or counselling to address the councillor's conduct at the expense of the Councillor within 90 days from the date of receipt of this order. 		
Section 150P(2)(a)	Complaints received by Council and referred to the assessor about Councillor conduct.	6
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.	14
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)	Between 1 July 2019 and 31 August 2019 Decision made by the assessor to dismiss the complaint about the conduct under section 150Y	3
Section 150W(1)(b)	Between 1 July 2019 and 31 August 2019 Decision made by the assessor to refer the suspected inappropriate conduct to Council to deal with.	0
Section 150W(1)(d)	Between 1 July 2019 and 31 August 2019 Decision made by the assessor to make an application to the conduct tribunal about alleged misconduct and inappropriate conduct.	0
Section 150W(1)(a)	Between 1 September 2019 and 30 June 2020 Decision made by the assessor to dismiss the complaint about the conduct under section 150X.	8
Section 150W(1)(b)	Between 1 September 2019 and 30 June 2020 Decision made by the assessor to refer the suspected inappropriate conduct to Council to deal with.	1
Section 150W(1)(e)	Between 1 September 2019 and 30 June 2020 Decision made by the assessor to take no further action in relation to the conduct under section 150Y.	20
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	Between 1 July 2019 and 31 August 2019: Applications heard by the conduct tribunal about the alleged misconduct of a Councillor.	0
Chapter 5A, Part 3, Division	Between 1 September 2019 and 30 June 2020 Applications heard by the conduct tribunal about whether a Councillor engaged in misconduct or inappropriate conduct.	1

4.18 Remuneration of Senior Management

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 4.12

Number of Executives	Salary Range
2	\$150,000 - \$250,000
4	\$250,000 - \$350,000
1	\$350,000 - \$450,000

The total remuneration packages payable in 2019/20 to senior management was \$1,906,181.00.

Index of Legislative Requirements

Requirement	Title	Heading	Page
Local Government Act 2009			
Section 41	Identifying beneficial enterprises	4.2 Beneficial Enterprises	81
Section 45	Identifying significant business activities	4.3 Significant Business Activities	81
Section 201- 1 - 4	Remuneration senior management	4.18 Remuneration of Senior Management	91
Local Government Regulation 2012			
Section 183 (a) & (d)	Financial Statements	3 Annual Financial Statements	9
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Section 184	Community Financial Report	2 Community Financial Report	2
Section 185	Particular Resolutions	4.5 Particular Resolutions	81
Section 186(1)(a)	Councillors	4.13 Remuneration of the Mayor and Councillors	88
Section 186(1)(b)	Councillors	4.14 Reimbursement of Expenses and Provision of Facilities	89
Section 186(1)(c)	Councillors	4.16 Attendance at Council Meetings	89
Section 186(1)(d)-(f)	Councillors	4.17 Councillor Conduct	90
Section 187	Administration Action Complaints	4.1 Administrative Action Complaints	81
Section 188	Overseas Travel	4.15 Overseas Travel	89
Section 189	Expenditure on grants to community organisations	4.8 Expenditure on Grants to Community Organisations & Discretionary funds	86
Section 190(1) (a) & (b)	Assessment of operations and performance	1 Chief Executive Officer's Report	1
Section 190(1)(e)	Tenders	4.6 Changes to Tenders	85
Section 190(1)(f)	Registers	4.9 Council Registers	87
Section 190(1)(g)	Concessions for rates and charges	4.7 Summary of Concessions for Rates and Charges	85
Section 190(1)(h)	Report on the Internal Audit	4.11 Report on the Internal Audit	87
Section 190(1)(i) & (j)	Competitive Neutrality Complaints	4.4 Competitive Neutrality Complaints	81
Public Sector Ethics Act 1994			
Section 23	Reporting	4.12 People and Culture	88



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**Item****27 October 2020****Item Number:**

G3

File Number:**Part:**

GOVERNANCE

Portfolio:

Organisational Services

Subject:

2020/21 Operational Plan - Quarter One

Report Author:

Christine Large, Chief Legal Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 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:

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 three 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 three months with most areas achieving the targets set. Each manager has provided a comment in the report on their department's or section's progress.

The below KPI allocated to Plumbing Compliance is no longer required as Council made the decision to opt-out of Fast Track Plumbing applications from 1 July 2020.

- Plumbing Services: Fast-track Approvals: Percentage of approvals decided within 2 days.

Council chose to opt-out of the Plumbing 'Fast-track' permit applications from 1 July 2020 at the Ordinary Meeting held Tuesday 30 June 2020, so as to provide the same level of service for all customers and ensure permit approval times are kept to a minimum for all customers whilst ensuring to provide high-quality and cost-effective plumbing processes.

Associated Person/Organization:

N/A

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.

Attachments:

[↓1](#) 2020/21 Operational Plan - Quarter One






Recommendation:

That the 2020/21 Operational Plan – Quarter One be received and noted.



Quarterly Operational Report

Quarter 1, 2020/2021






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.

Our community


Economic growth and prosperity




Provide responsive, consistent and timely customer service to our residents, investors and developers.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Connections: Percentage of new water and wastewater connections installed within 25 days.	Organisation - Infrastructure - Water Services	≥95.00%	95.00%	✓	A: Total Applications Received: 184 B: Total Applications Paid & Installation Requested: 168 C: Total Processed within 25 days: 160 D: Total Not processed within 25 days: 8 KPI = C/B = 160/168 = 95%
Percentage of applications to endorse Subdivision Plans decided within 15 days.	Organisation - Development - Development Assessment	≥95.00%	100.00%	✓	29 Plans of subdivision were decided for the quarter.
Percentage of low complexity development applications decided within 10 days.	Organisation - Development - Development Assessment	≥90.00%	80.00%	●	7 low risk applications were decided in ten days or less out of a total of 9 low risk applications decided for the quarter.
Percentage of pre-lodgement meeting outcomes issued within 5 days or less.	Organisation - Development - Development Assessment	≥80.00%	44.00%	✗	Meeting outcomes for 7 meetings were issued in 5 days or less out of a total of 16 meetings held for the quarter.
Percentage of total code assessable development applications decided within 25 days or less.	Organisation - Development - Development Assessment	≥80.00%	69.00%	●	24 code assessable applications were determined in 25 days or less out of a total of 35 code assessable applications determined for the quarter.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of total concurrence agency referrals decided within 10 days.	Organisation - Development - Development Assessment	≥95.00%	90.00%		88 concurrence referrals were decided within 10 days or less out of a total 98 referrals decided for the quarter.
Percentage of total impact assessable development applications decided within 35 days or less.	Organisation - Development - Development Assessment	≥60.00%	100.00%		1 impact assessable development application was decided in 35 days or less out of a total of 1 application decided for the quarter.
Percentage planning and building searches are issued within statutory and corporate timelines.	Organisation - Development - Development Assessment	≥95.00%	100.00%		11 planning certificates and 283 Building Compliance Searches were completed for the quarter.
Plumbing Services: Fast-track Approvals: Percentage of approvals decided within 2 days.	Organisation - Infrastructure - Water Services	≥95.00%	100.00%		Council no longer offers Fast Track Applications from 1 July 2020, as per Council resolution.
Plumbing Services: Percentage of approvals decided within 10 days.	Organisation - Infrastructure - Water Services	≥95.00%	99.00%		208 applications from a total of 210 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.



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

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Holiday Parks: Percentage Holiday Park accommodation is occupied.	Organisation - Community & Environment - Community Services - Facilities Management	Trend	69.96%		Burnett Heads - 74.15% Elliott Heads - 61.4% Miara - 73.25% Moore Park Beach - 71.04%

Performance Measure	Organisation Link	Target	Actual	Status	Comments	
Number of passengers processed through Bundaberg Regional Airport terminal.	Organisation - Community & Environment - Bundaberg Airport	≥30,000.00	5,786.00		Passenger numbers for the quarter were at about 15% of pre-COVID levels. A return to normal is not expected while state and international borders remain closed. Looking forward, a return to several flights daily by Qantas will encourage business travellers between Bundaberg and Brisbane to fly rather than drive during Quarter 2.	
Percentage of the total Accounts Payable suppliers spend (excluding Corporate Purchase Cards) with local business categories A, B and C, as defined in the Procurement and Contract Manual.	Organisation - Organisational Services - Strategic Procurement & Supply	= 60.00%	45.69%		The Quarter 1 average was 45.69%. Payments for the supply & delivery of large vehicles and key infrastructure projects (e.g. Gregory River WTP, etc.) have impacted the result.	
To deliver the Childers Festival as an iconic destination event telling the unique story of Childers through place, experience, spirit and culture. Estimated number of participants.	Organisation - Community & Environment - Tourism & Events - Events		Trend	Event cancelled.		This event was cancelled due to COVID-19 restrictions on events.
To deliver the Milbi Festival as a destination arts event telling our indigenous and environmental story through cultural engagement, event delivery and connection to place. Estimated number of participants.	Organisation - Community & Environment - Tourism & Events - Events		Trend	Event cancelled.		This event was cancelled due to COVID 19 restrictions on events.
To deliver the Taste Bundaberg Festival as a destination event telling our unique culinary story through branded events and experiences. Estimated number of participants.	Organisation - Community & Environment - Tourism & Events - Events		Trend	Event cancelled.		This event was cancelled due to COVID 19 restrictions on events.

Safe, active, vibrant and inclusive community

Provide facilities, parks, open spaces, services, and programs that promote and support our community's safety and physical well-being.








Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of physical activity and preventative health initiatives promoted and supported by Council.	Organisation - Community & Environment - Parks, Sport & Natural Environment - Sport & Recreation	≥25.00	10.00		Impacted by COVID-19 restrictions. A small number of initiatives towards the back end of the quarter. For example - planning / promotion of the Be Active Be Alive Program (October - December 2020).
Percentage of agreed service levels have been met.	Organisation - Community & Environment - Parks, Sport & Natural Environment - Parks & Gardens	≥85.00%	96.00%		Service standards have remained high and have been met for this Quarter.

Manage our road landscapes, urban areas and recreational environments to support our community's lifestyle and to enhance the identity, special character and heritage of our region.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Development approvals are audited for compliance.	Organisation - Development - Development Strategic Planning	Yes/No	Yes		6 development approvals were audited during the quarter.

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.	Organisation - Community & Environment - Community Services - Community Care	≥50.00	506.00		Significant work has continued to ensure older members of our community keep connected during COVID-19.

Performance Measure	Organisation Link	Target	Actual	Status	Comments	
Community Support Services Commonwealth Home Support Programme & Queensland Community Care (State & Federal Funded): Number of service users who received a service.	Organisation - Community & Environment - Community Services - Community Care		Trend	506.00		Significant work has continued to ensure older members of our community keep connected during COVID-19.
Funded Programs (State & Federal): Percentage programs and services are demonstrating compliance with standards and meeting funding targets.	Organisation - Community & Environment - Community Services - Community Care	≥ 98.00%		98.00%		Unspent funds were allocated to technology to assist with COVID-19, as permitted under funding.
Local Law, Animal Management - number of community education programs delivered/attended.	Organisation - Community & Environment - Health & Regulatory Services	≥ 10.00		0.00		Due to COVID-19 restrictions the Petpup school based education program was moved online from the previous face to face model. The cost v benefit of this new model is being evaluated. New program to be taken up if deemed beneficial.
Number of community development partnerships, projects and initiatives promoted and supported by Council.	Organisation - Community & Environment - Community Services - Community Development		Trend	54.00		Partnerships - 36 Projects - 12 Events - 6
Number of community grants provided.	Organisation - Community & Environment - Community Services - Community Development		Trend	14.00		Community Grants - 8 Micro Grants - 6
Number of financial assistance requests/applications supported (individuals/sporting organisations/events).	Organisation - Community & Environment - Parks, Sport & Natural Environment - Sport & Recreation		Trend	47.00		COVID-19 Stimulus Funding: 47 Applications approved.
Number of occasions that information, advice and referral services were provided.	Organisation - Community & Environment - Community Services - Neighbourhood Centres		Trend	2,469.00		Still lower than usual across all areas due to impacts of COVID-19 restrictions. We continue to focus on social connectedness. However,

Performance Measure	Organisation Link	Target	Actual	Status	Comments
					higher than the previous quarter due to the increase in Centres activities.
Number of service users who received a service.	Organisation - Community & Environment - Community Services - Neighbourhood Centres	Trend	2,925.00	—	Still lower than usual across all areas due to impacts of COVID-19 restrictions. We continue to focus on social connectedness. However, higher than the previous quarter due to increase in Centres activities.
Number of service users with improved quality of life.	Organisation - Community & Environment - Community Services - Neighbourhood Centres	Trend	2,854.00	—	Still lower than usual across all areas due to impacts of COVID-19 restrictions. We continue to focus on social connectedness. However, higher than the previous quarter due to increase in Centres activities.
Number of services users with improved ability to access appropriate services.	Organisation - Community & Environment - Community Services - Neighbourhood Centres	Trend	1,691.00	—	Still lower than usual across all areas due to impacts of COVID-19 restrictions. We continue to focus on social connectedness. However, higher than the previous quarter due to increase in Centres activities.
Quality of Life - Commonwealth Home Support Programme & Queensland Community Care (State and Federal funded): Number of service users with improved quality of life.	Organisation - Community & Environment - Community Services - Community Care	≥ 300.00	506.00	✓	Significant work has continued to ensure older members of our community keep connected during COVID-19.
Social Connectedness - Commonwealth Home Support Programme & Queensland Community Care (State and Federal funded): Number of service users with improved social connectedness.	Organisation - Community & Environment - Community Services - Community Care	≥ 150.00	401.00	✓	Significant work has continued to ensure older members of our community keep connected during COVID-19.

An empowered and creative place

Provide facilities, spaces, services and activities that promote and support lifelong learning and community engagement with the arts and culture.


Performance Measure	Organisation Link	Target	Actual	Status	Comments
Capacity: Days booked as a percentage of total days available.	Organisation - Community & Environment - Arts & Cultural Services - Moncrieff Entertainment Centre		Trend	0.00	 No days booked due to COVID-19 closures.
Number of community groups using the Moncrieff Entertainment Centre.	Organisation - Community & Environment - Arts & Cultural Services - Moncrieff Entertainment Centre		Trend	0.00	 No community use due to COVID-19 closure.
Number of participants in our community programs.	Organisation - Community & Environment - Library Services	≥ 1,800.00	548.00		Library program capacity has been reduced to meet Social Distancing requirements. Programs delivered have been well attended.
Number of patrons using our libraries.	Organisation - Community & Environment - Library Services	≥ 65,000.00	42,317.00		COVID-19 has impacted visitor numbers to Bundaberg Regional Libraries.
Number of patrons visiting the Moncrieff Entertainment Centre.	Organisation - Community & Environment - Arts & Cultural Services - Moncrieff Entertainment Centre	≥ 8,000.00	0.00		No patrons due to COVID-19 closures. Venue re-opened on 2 October 2020.
Number of visitors to BRAG and ChArts.	Organisation - Community & Environment - Arts & Cultural Services - Galleries - BRAG & ChArts		Trend	2,973.00	 Note that both Galleries were closed due to COVID-19 until 28 August 2020. Numbers for the exhibitions held since that date are: BRAG 1764, CHARTS 1209.
Occupancy: Seats booked as a percentage of total seats available.	Organisation - Community & Environment - Arts & Cultural Services - Moncrieff Entertainment Centre		Trend	0.00	 No occupancy due to COVID-19 closure.

Provide leadership in creative innovation, opportunities for learning and social and cultural development.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of participants in our Digital Literacy programs.	Organisation - Community & Environment - Library Services	≥ 100.00	257.00	✓	Additional online programs have been implemented to engage with our patrons as COVID-19 has reduced the number of face-to-face programs.
Number of performing arts initiatives designed to engage with our community.	Organisation - Community & Environment - Arts & Cultural Services - Moncrieff Entertainment Centre	≥ 3.00	0.00	●	No performing arts initiatives due to COVID-19 closures.
Number of visual arts initiatives designed to engage with our community.	Organisation - Community & Environment - Arts & Cultural Services - Galleries - BRAG & ChArts	Trend	5.00	—	Note that both galleries were closed due to COVID-19 until 28 August 2020. Activities included: FOUND! Art Trail, Artist Talks, Satellite Exhibition at Gataker's Artspace, Virtual Daily Art Challenge and Art as an Act of Optimism Isolated Residents' Project. All events were impacted by COVID-19 restrictions.

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.	Organisation - Community & Environment - Tourism & Events - Events	≥ 90.00%	0.00%	●	This event was cancelled due to COVID-19 restrictions on events.
Attendee satisfaction at the Milbi Festival.	Organisation - Community & Environment - Tourism & Events - Events	≥ 85.00%	0.00%	●	This event was cancelled due to COVID 19 restrictions on events.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Attendee satisfaction at the Taste Bundaberg Festival.	Organisation - Community & Environment - Tourism & Events - Events	≥85.00%	0.00%		This event was cancelled due to COVID 19 restrictions on events.



Our environment

Infrastructure that meets our current and future needs

Develop, implement and administer strategies and plans underpinned by the principles of sustainable development.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of complaints formally acknowledged within 5 days.	Organisation - Development - Development Compliance	= 100.00%	99.00%		92 complaints were acknowledged within 5 days out of a total of 93 complaints acknowledged for the quarter.

Plan and implement councils long-term and annual capital works improvement program that reflects community needs and expectations.


Performance Measure	Organisation Link	Target	Actual	Status	Comments
Delivery of Wastewater Capital Projects Program: Percentage of adopted budget completed.	Organisation - Infrastructure - Water Services	= 95.00%	14.80%		The 1st quarter spend is on track for delivery of the annual program.
Delivery of Water Capital Projects Program: Percentage of adopted budget completed.	Organisation - Infrastructure - Water Services	= 95.00%	28.90%		Project works are on track to achieve the annual target.

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 visitors attending events at the Bundaberg Multiplex Sport and Convention Centre.	Organisation - Community & Environment - Tourism & Events - Tourism Services		Trend 1129 attendees.		Figures are taken from hirers at the time of booking. Numbers are lower for this period due to COVID-19 restrictions.
Number of visitors to iconic facilities (Hinkler Hall of Aviation and Fairymead House).	Organisation - Community & Environment - Tourism & Events - Tourism Services	> 4,000.00	6,137.00		Hinkler Hall of Aviation - 5040 visitors. Fairymead House - 1097 visitors.
Percentage usage of halls and community facilities including Coronation Hall, School of Arts and Gin Gin RSL.	Organisation - Community & Environment - Community Services - Facilities Management	Trend	38.45%		Utilisation of these facilities is low due to COVID-19 restrictions during the period. Usage has increased since the previous quarter as restrictions ease. Coronation Hall - 35.04%, School of Arts - 53.84%, Gin Gin RSL Hall - 26.47%
Percentage usage of the Recreational Precinct.	Organisation - Community & Environment - Community Services - Facilities Management	Trend	45.21%		The percentage of usage is lower than usual and was expected due to COVID-19 restrictions during this period.

Sustainable and affordable essential services

Connect our people, places, businesses and industries by maintaining and improving road transport, pathway and drainage networks.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of Road, Drainage and Footpath Customer Requests (CRM Tasks) completed within allocated time periods.	Organisation - Infrastructure - Engineering Services - Corridor Management	≥80.00%	62.00%		There were 1830 tasks closed during this quarter. Of these 62% (1,135) met service level requirements, with an average processing time of 21 days.

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
Wastewater odour complaints per 1,000 connections.	Organisation - Infrastructure - Water Services	< 5.00	0.41	✓	11 odour complaints were received for the quarter from a total of 26,768 sewage connections.
Wastewater reliability: Percentage of customers who do not experience interruption.	Organisation - Infrastructure - Water Services	≥95.00%	99.73%	✓	73 sewerage connections experienced a service interruption from a total of 26,768 sewerage connections.
Wastewater reliability: Sewer main breaks and chokes per 100km of mains.	Organisation - Infrastructure - Water Services	≤40.00	7.46	✓	54 sewer main breaks and chokes occurred across the region during this quarter. The total length of sewer main is 723.5 km.
Wastewater: Number of reportable incidents.	Organisation - Infrastructure - Water Services	≤5.00	4.00	✓	A total of four reportable incidents were recorded for this quarter. One Bypass event - Rubyanna Wastewater Treatment Plant; one Biochemical Oxygen Demand exceedance - Gin Gin Wastewater Treatment Plant and two ongoing E.coli Annual Value recycled water - Childers and Thabeban Wastewater Treatment Plant.
Water supply quality: Water quality complaints per 1,000 connections.	Organisation - Infrastructure - Water Services	≤10.00	1.01	✓	33 water quality complaints for the quarter from a total of 32,794 water connections. Complaints relate to taste, odour and discolouration across all Council's water service areas.
Water supply quality: Water quality incidents per 1,000 connections.	Organisation - Infrastructure - Water Services	≤5.00	0.09	✓	Three reportable incidents in total - One reported lead exceedance within Kalkie Water Service Area (detected through routine Dead-End Metals sampling program); Two on-going Trihalomethane exceedance incidents

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Water supply reliability: Percentage of customers who do not experience a planned interruption.	Organisation - Infrastructure - Water Services	≥95.00%	95.11%	✓	- Gregory River (4 sites); Lake Monduran (1 site). 1,605 water connections experienced a planned service interruption from a total of 32,794 water connections.
Water supply usage: Raw water usage vs allocation. Water usage as a percentage of allocation for Bundaberg Region.	Organisation - Infrastructure - Water Services	≤80.00%	17.90%	✓	Water usage has been lower due to higher rainfall received during this quarter compared to the corresponding quarter last year. Raw water usage for this quarter was 2,689.08ML compared to 3,501.1ML for the corresponding quarter last year. We are now trending water consumption against total allocation for the annual period, with the 80% target our annual target.

Provide effective and efficient fleet and trade services for operations and projects across council.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Asset Maintenance: Percentage of work tickets completed when scheduled.	Organisation - Infrastructure - Fleet & Trade Services	≥95.00%	98.47%	✓	Due to the implementation of Job Task Matrix - Trade Services were able to gain efficiency improvements from the accurate time allocation for tasks.
Percentage of internal client survey results satisfactory or above.	Organisation - Infrastructure - Fleet & Trade Services	> 75.00%	98.64%	✓	98.64% of client surveys returned a result of satisfactory or above during the 1st quarter.
Percentage of overall plant, vehicle and equipment availability.	Organisation - Infrastructure - Fleet & Trade Services	≥95.00%	96.64%	✓	Overall major plant availability of 96.64% as per MyData. Continue to supply thorough service and maintenance of all Plant and equipment.

Sustainable built and natural environments

Manage, maintain, rehabilitate and protect our natural resources and regional ecosystems.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Biosecurity Surveillance: Number of properties inspected.	Organisation - Community & Environment - Parks, Sport & Natural Environment - Natural Resource Management	≥325.00	443.00	✓	Biosecurity property inspections now include monitoring and issuing of warning notices for some environmental weeds declared as local pest plants under Bundaberg Regional Council Local Law 3 (Community and Environmental Management) 2011.

Educate and engage with the community to encourage greater involvement in the protection of the natural environment and the development of land use policy.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of community environmental protection and management activities participated in.	Organisation - Community & Environment - Parks, Sport & Natural Environment - Natural Resource Management	≥6.00	6.00	✓	<p>Participated in workshop with Gladstone Regional Council to assist with the development of their Biosecurity Plan.</p> <p>Facilitated 3 community meetings to develop local feral animal working groups at Bucca, Gaeta and Kalpowar under the Communities Combating Pests and Weeds Grant Program.</p> <p>Participated in the Bundaberg Fox Working Group meeting to plan fox management activities for the turtle nesting season and develop a Region Fox Management Project Plan.</p> <p>Undertook two coordinated wild dog baiting programs across 3 regional centres to assist rural</p>


Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of public awareness, education programs and activities delivered.	Organisation - Community & Environment - Parks, Sport & Natural Environment - Natural Resource Management	≥6.00	6.00	✓	<p>landholders manage wild dogs on their properties.</p> <p>Delivered 4 x educational podcasts relating to Indian Myna program, Plant Swap Program, Aquatic Weeds and World Cotton-Top Tamarin day for our Tamarins at Alexandra Park Zoo.</p> <p>Developed a new flyer for Land Protection Hire Equipment.</p> <p>Implemented a community awareness campaign relating to invasive cactus species.</p>

Review and consistently enforce local laws, the planning scheme, and other associated environment and public health legislation to ensure they meet community standards.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of annual Regulatory Services revenue budget collected across all three areas.	Organisation - Community & Environment - Health & Regulatory Services	≥90.00%	17.00%	●	25% of the financial year completed. Reduced revenue is expected due to 6 month free dog registration under COVID-19 relief package. Revenue expected to increase from March 2021 when registration cost reinstated.

Provide environmental health and community services and programs to support regional wellbeing.




Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of community health/education programs delivered.	Organisation - Community & Environment - Waste Services - Environmental Health Services	≥6.00	1.00	●	COVID-19 education provided to community and businesses. 120 site visits were conducted, and 40 enquiries received. No




Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of illegal dumping and littering complaints investigated.	Organisation - Community & Environment - Waste Services - Environmental Health Services	Trend	102.00		Community Food Safety courses provided due to COVID-19. No mosquito programs implemented yet, due to dry conditions. Continuation of the illegal dumping hotspot project, and illegal dumping partnership project with the Department of Environment and Science.

Our people our business

A sustainable financial position

Apply responsible fiscal principles for sustainable financial management.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Meeting legislative and operational standards for cash flow, investments, financial audits and accounts payable.	Organisation - Organisational Services - Financial Services	Yes	Yes		Council is meeting its legislative and operational standards for cash flow, investments, financial audits and accounts payable.
Minimum return on investments is 1.3 times the bank bill swap rate.	Organisation - Organisational Services - Financial Services	≥ 1.30	8.28		Investment returns were 8.28 times the bank bill swap rate. Although interest rates are at historic lows, they are trending at 50 points above the Reserve Bank of Australia cash rate.
Number of payments outside of terms.	Organisation - Organisational Services - Financial Services - Accounts Payable	≤ 90.00	45.00		Staff have been actively working on the reduction of these figures.

Performance Measure	Organisation Link	Target	Actual	Status	Comments	
Outstanding rates as a percentage of rates levied, prior to six monthly rates billing.	Organisation - Organisational Services - Financial Services		< 5.00%	10.32%		Due to Council not charging interest, effectively giving an interest free period until 31 December 2020 due to Covid-19, more ratepayers have chosen not to pay their rates by the due date, as expected. This trend will be monitored over the next quarter.
Receive an unqualified audit opinion for the Annual Financial Statements.	Organisation - Organisational Services - Financial Services		Yes	Yes		The Queensland Audit Office has issued Council with an unqualified audit opinion, with no material audit issues being identified and full green traffic lights for Council's effectiveness of financial statement preparation process. The final Management Report from the Queensland Audit Office will be tabled at the next Council meeting.
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.	Organisation - Organisational Services - Financial Services		≥\$40,000,000.00	\$161,500,000.00		Council's cash balance is sitting slightly lower than Quarter 1 2019/2020, which is expected due to the effects of COVID-19. However, Council still holds sufficient cash to fund major projects scheduled for the upcoming financial year with no liquidity issues foreseeable in the short term.

Develop strong governance and funding networks with local, state and national stakeholders.

Performance Measure	Organisation Link	Target	Actual	Status	Comments	
Actively seek and apply for funding opportunities from the State and Federal Governments.	Organisation - Strategic Projects & Economic Development		Trend Submitted applications - 3. Successful applications - 4.	—	Submitted applications for Building Acceleration Fund (QLD), Queensland Reconstruction Authority - Bushfire Relief Program (Washpool Creek Revegetation) and Queensland Department of Agriculture Fishing Grant. Anticipate submitting an application for smart farming under Federal Smart Technology Program. Successful applications have been confirmed for the Bridges Renewal Program, as well as two successful applications under the Heavy Vehicle Productivity Program (\$2.1M for all three applications). Funding has also been received for the Community Resilience Program under the Queensland Reconstruction Authority - Bushfire Relief Program (\$300,000).	
Meeting the reporting requirements and project milestones of the funding agreements.	Organisation - Organisational Services - Financial Services	≥90.00% of projects delivered in accord with the Funding agreements		100%	✓	Council has met all reporting requirements of funding agreements. Council will submit a variation for one project in the next quarter. Three projects have experienced unforeseen delays and will be monitored during the next quarter.

Responsible governance with a customer driven focus

Ensure our workforce is adequately trained and supported to competently manage themselves and their work.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Average number of days for recruitment process (approval to offer of employment).	Organisation - Organisational Services - People, Safety & Culture - HR Business Partners	Average 30 business days	24.295 Business days	✓	Timeframe is trending down due to high level of internal processes that make the process shorter than external processes.
Continue to maintain and develop a strong employment programs offering across Council.	Organisation - Organisational Services - People, Safety & Culture - Organisational Development	≥80.00% of trainees/apprentices gain qualifications	19.66% average progression towards completion with a 32.33% average time worked of traineeship/apprenticeship.	✓	Progress against qualifications tracking ok for current trainees/apprentices. Learning and Development Advisor has plans in place to track progress and update quarterly with action plans in place for those employees who are currently behind where they should ideally be at this stage of their traineeship.
Internal Human Resources investigations are managed in a timely manner.	Organisation - Organisational Services - People, Safety & Culture - HR Business Partners	Average 30 business days	30 Business Days	✓	No internal investigations completed by Human Resource Operations in the first quarter.
Percentage of staff and supervisors satisfied with training and development received.	Organisation - Organisational Services - People, Safety & Culture - Organisational Development	> 95.00%	88.00%	●	Score lower than previous quarters due to two professional development programs staff undertook (enterprise trainer - presentation skills through TAFE and a pilot of online psychological safety training). The suitability of these two courses is being reviewed.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of staff successfully completed mandatory training requirements, including leadership development training.	Organisation - Organisational Services - People, Safety & Culture - Organisational Development	≥90.00%		93.93% ✓	Met target across Workplace Health and Safety compliance, corporate and eLearning mandatory training for the quarter.

Provide friendly and responsive customer service, in keeping with council values and community expectations.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of call centre enquiries answered in accordance with Customer Service Charter.	Organisation - Organisational Services - Financial Services - Customer Service	≥90.00%		88.00% ●	<p>Within this Quarter a total of approximately 25,000 inbound calls were received. The distribution of 17,841 SMS reminders to property owners on the 31/08/2020, followed by 6,295 reminder notices and a further 3,039 SMS reminders on the 25/09/2020, placed demand on resources with an average of 600 calls per day within this period. Continued monitoring will see indicators on track for next reporting period.</p> <p>We are investigating possible digital transformation options for processing calls during peak periods.</p>
Percentage of customer requests (CRMs) overdue or outstanding in relation to assigned timeframes.	Organisation - Organisational Services - Financial Services - Customer Service	≤15.00%		24.00% ●	Reporting within this Quarter has identified a high number of open tasks. Sections are actioning outstanding requests and Quarter 2 reporting should see indicators back on track.

Performance Measure	Organisation Link	Target	Actual	Status	Comments	
Regulatory Services - Number of proactive officer generated CRMs across all three areas.	Organisation - Community & Environment - Health & Regulatory Services		Trend	118.00		Down 15% on last quarter's 139.

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 reported to Audit and Risk Committee.	Organisation - Organisational Services - Governance & Legal Services	Yes/No	Yes		Report presented to Audit and Risk Committee in September 2020.
Percentage of Administrative Action Complaints received and processed within applicable timeframes.	Organisation - Organisational Services - Governance & Legal Services	≥90.00%	100.00%		Nine administrative action complaints were received during this quarter, with two complaints still underway. All completed complaints have been processed within applicable timeframes.
Percentage of compliant Right to Information and Information Privacy applications processed within legislative timeframes.	Organisation - Organisational Services - Governance & Legal Services	= 100.00%	100.00%		5 Right to Information applications were received for this quarter, with 2 applications currently being processed.
Percentage of insurance claims processed submitted within timeframes.	Organisation - Organisational Services - Governance & Legal Services	≥95.00%	100.00%		30 Insurance claims were processed within time frames (general insurance and public liability claims).
Percentage of privacy complaints processed within legislative timeframes.	Organisation - Organisational Services - Governance & Legal Services	= 100.00%	0.00%		Council received no privacy complaints during this quarter.

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
Number of Internal Audits completed.	Organisation - Organisational Services - Internal Audit	≥2.00	4.00	✓	BDO have completed four audits within this quarter.
Number of Internal Quality, Safety, Environmental (systems and processes) Audits completed.	Organisation - Organisational Services - Integrated Management Systems - Integrated Management Systems (IMS)	≥2.00	3.00	✓	Audits completed for this period include: - Audit 192005 Construction Project Records - Audit 202102 General & Structural Requirements of ISO/IEC 17025:2107 - Audit 202103 Immunisation Records.

Provide and review systems, programs and processes to ensure effective and efficient service delivery to meet community expectations.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Customer support satisfaction based on surveyed users.	Organisation - Organisational Services - Information Services	≥80.00%	98.10%	✓	Great result.
Information Services service desk tickets opened vs. closed.	Organisation - Organisational Services - Information Services	≤0.00	-143.00	✓	Making progress on ticket backlog post work from home and other pandemic incidents.
Operational risks reviewed quarterly by operational areas.	Organisation - Organisational Services - Governance & Legal Services	≥75.00%	100.00%	✓	Operational and Fraud and Corruption risks were reviewed by all risk owners during this quarter.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Percentage of information mapping services availability.	Organisation - Organisational Services - Information Services	≥98.00%	98.80%	✓	Less adds and changes this quarter.

Open communication

Keep our community and workforce informed and up-to-date in matters of agency and community interest.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Number of articles published on bundabernow.com.	Organisation - Communications	= 70.00	133.00	✓	133 Council and Council facility related stories were published in the quarter.

Proactively support and encourage community engagement and collaboration.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Total number of followers on Facebook.	Organisation - Communications	5% increase on last quarter.	6.05%	✓	This KPI is trending positively with a more than 5% increase. Net page likes increased by 1427 to a total of 24,989 during the quarter.

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.	Organisation - Communications	≥28.00%	35.78%	✓	The average open rate across the quarter was 35.78%.

Review and develop updated and relevant communication platforms, modes, mediums and content.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Council e-newsletter subscriber growth.	Organisation - Communications	5% increase on last quarter.	Subscribers decreased by 244 to 20278 during the quarter.		Due to changes in the eDM sign up system, subscriber numbers have been impacted. While working with the supplier to automate this process there will be periods of disruption to subscriber growth.
Keep our workforce informed and engaged through internal communications.	Organisation - Communications	100 per year.	114.00		This number includes communication through the staff newsletter and videos.

Game changers

4.1 Connected and leveraged infrastructure

4.1.1 Strategic Infrastructure plans developed for all classes of community infrastructure.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
The Local Government Infrastructure Plan is reviewed annually.	Organisation - Development	= 100% by June 2021	10% achieved to date.		Data being collected for review.

4.1.2 Annual infrastructure capital programs are completed in accord with adopted strategic plans and in accord with budget.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Completion of Bespoke Projects (specific/uncommon projects) subject to external factors including grant specific funding, in partnership with or dependent on external entities commitment or dependent on another Bespoke Project.	Organisation - Organisational Services - Financial Services	≥60.00% per annum	74%		There has been a continuation/finalisation of a number of large projects that were in progress at the beginning of the financial year.
Completion of business as usual projects (routine projects that Council has control over) including renewals and own source of funding.	Organisation - Organisational Services - Financial Services	≥90.00% per annum	75%		There is an expected increase in activity during the second half of the financial year i.e. when a large portion of the road renewal program is scheduled.

4.4 Organisational and cultural excellence

4.4.1 Develop and implement People and Performance Strategy.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Health and Safety Strategic Plan Key Performance Indicators met.	Organisation - Organisational Services - People, Safety & Culture - Work Health & Safety	= 90.00%	90.00%	✓	<p>On track with Health and Safety Strategic Plan.</p> <p>Currently a 41 day average closeout for actions which is above the 30 day target however is improving.</p> <p>Training has now moved to Training and Development for reporting however with COVID-19 restrictions only mandatory approved training has been conducted. Courses were conducted as required to maintain compliance.</p> <p>There was an increase of 8.7% with claims (which equates to two more compared to last quarter). There was an increase of 8.3% with lost time injuries (which equates to one more compared to last quarter).</p> <p>ELT site visit completed for this quarter (with COVID-19 restrictions in mind).</p> <p>Contractor Spot checks and Hazard Inspections both on target (with COVID-19 restrictions in mind).</p>

4.4.3 Budget is delivered on time and on budget.

Performance Measure	Organisation Link	Target	Actual	Status	Comments
Recurrent revenue and recurrent expenditure is within the budget parameters.	Organisation - Organisational Services - Financial Services	+ or - 5%	0%	✓	There are minor variations to budget across Council which are being addressed via a formal budget review to be presented in January 2021 for Council consideration. Broadly the operational budget is representative of the expected final operational result.



Item

27 October 2020

Item Number:

G4

File Number:

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Part:

GOVERNANCE

Portfolio:

Organisational Services

Subject:

Council Policy Review

Report Author:

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Authorised by:

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Link to Corporate Plan:

Our People, Our Business - 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:

Council has previously adopted a suite of Council Policies. These policies are adopted by Council to:

- ensure compliance with legislative requirements; or
- provide guidelines on matters which may impact the community; or
- support Council's strategic objectives; or
- assist in the delegated decision making of Council staff.

The following reviewed and new policies are presented for adoption.

Standing Orders for Council Meetings, Councillor Code of Conduct and Councillor Complaints Investigation Policies – Review

The Queensland Government have been delivering a rolling reform agenda since 2018 to strengthen the transparency, accountability and integrity measures applicable to local government in Queensland.

The latest changes support the review of the *Local Government Act 2009* and *Local Government Regulation 2012* particularly around meeting agendas, minutes and registers of interests and a new Code of Conduct for Councillors.

The revised policies are based on the best practice standards provided by the Department of Local Government, Racing and Multicultural Affairs.

Complaints Management Policy – New

Council currently has several policies for different complaint categories such as administrative action, public interest disclosure and fraud and corrupt conduct.

It has been identified that throughout all complaint categories, some themes and aspects of complaints are consistent, such as commitment to efficient and professional response, privacy and confidentiality, assessment and management of complaints.

The revised Complaints Management Policy has been developed as an overarching policy for some complaint categories, with the exception of complaints about the Chief Executive Officer and Councillor Complaints Investigation Policy, which are a legislative requirement under the *Local Government Act 2009* (section 150AE) and *Crime and Corruption Act 2001* (section 48A).

The new policy will be underpinned by a number of operational procedures (below) which will in-turn rescind the current separate policies that exist.

- Administrative Action Complaints Procedure (includes human rights and privacy complaints).
- Competitive Neutrality Complaints Procedure.
- Fraud and Corrupt Conduct Complaints Procedure.
- Public Interest Disclosure Procedure.
- Staff Grievance Procedure.

Delegations Policy and Contact with Lobbyist Policy – New

Council has developed a register of delegations (as required by the *Local Government Act 2009*, section 257) and a register of contact with lobbyists (a requirement to assist the Queensland Integrity Commissioner with their responsibilities of the *Integrity Act 2009*).

Although there is no requirement to have a formal policy adopted by Council for these matters, it is identified as good governance to adopt a policy for both.

Gifts and Benefits Policy – Review

This policy is presented with additions to section 2.1 about gifts that employees must not accept, including instore and online competitions where products have been purchased by Council, and prizes at conferences, seminars where staff are attending in their official capacity.

Associated Person/Organization:

Not applicable

Consultation:

All Councillors

Executive Leadership Team

Various teams within Council

Chief Legal Officer's Comments:

The policies are in accordance with legislation and best practice guidelines.

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.

Attachments:

- ↓1 Complaints Management Policy
- ↓2 Contact with Lobbyists Policy
- ↓3 Councillor Code of Conduct Policy
- ↓4 Councillor Complaints Investigation Policy
- ↓5 Delegations Policy
- ↓6 Gifts and Benefits Policy
- ↓7 Standing Orders for Council Meetings

Recommendation:

That Council:

1. Rescind the following policies:

- **Administrative Action Complaints Policy, version 2;**
- **Councillor Code of Conduct Policy, version 1.1;**
- **Competitive Neutrality Complaints Policy, version 1;**
- **Councillor Complaints Investigation Policy, version 2;**
- **Fraud and Corruption Management Policy, version 3;**
- **Gifts and Benefits Policy, version 2;**
- **Public Interest Disclosure Policy, version 4;**
- **Standing Orders for Council Meetings Policy, version 1.**

2. Adopt the following policies:

- **Complaints Management Policy, version 1;**
- **Contact with Lobbyists Policy, version 1;**
- **Councillor Code of Conduct Policy, version 2;**
- **Councillor Complaints Investigation Policy, version 3;**
- **Delegations Policy, version 1.**
- **Gifts and Benefits Policy, version 3.**
- **Standing Orders for Council Meetings Policy, version 2.**



Complaints Management Policy

HEAD OF POWER

- *Local Government Act 2009*, section 268
- *Local Government Regulation 2012*, section 306
- *Public Interest Disclosure Act 2010*
- *Human Rights Act 2019*
- *Crime and Corruption Act 2001*

INTENT

The purpose of this policy is to outline the guiding principles and processes Council and its officers will apply to the effective management of complaints, from receipt to resolution.

SCOPE

This policy applies to Councillors and all employees dealing with complaints. This policy should be read in conjunction with relevant operational procedures, as listed:

- Administrative Action Complaint Procedure (which handles human rights and privacy complaints)
- Competitive Neutrality Complaint Procedure
- Fraud and Corrupt Conduct Complaint Procedure
- Public Interest Disclosure Procedure
- Staff Grievance Procedure

Complaints **not** covered by this policy:

- Complaints about Councillors, including the Mayor – refer to Councillor Complaints Investigation Policy.
- Corrupt conduct complaints about the Chief Executive Officer – refer to Complaints about the Chief Executive Officer Policy.
- A formal decision made by Council at a Council Meeting.

DEFINITIONS

Complaint means as defined in AS/NZS 10002:2014 – an expression of dissatisfaction made to or about an organisation related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.

Compliment means positive feedback about a product or service and staff.

Request for information means an enquiry or request for information about Council services, policies and procedures.

Request for service means a request for action to be taken in relation to a service or product. If a request for service is not acted upon and a second request is received, this may be treated as a complaint.

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Complaints Management Policy

Suggestion means a suggested service or product improvement.

POLICY STATEMENT

1. Principles

Council acknowledges the right of any person to provide positive and negative feedback to Council. This feedback is important to ensure Council and its officers act within legislation/policies and provides continuous organisational improvement.

Feedback can be received as a:

- Complaint;
- Compliment;
- Request for information;
- Request for service; or
- Suggestion.

Council is committed to a complaint management policy that is:

- **Visible and accessible** – providing information to the public and Council officers about the complaints management process and providing reasonable assistance where necessary. Information can be found on Council's website: <https://www.bundaberg.qld.gov.au/complaints-disclosures>.
- **Transparent and accountable** – ensuring a statement of reasons for a decision is included in an outcome response to the complainant (unless made anonymously) and options for review if there is dissatisfaction.
- **Responsive** – ensuring employees are aware of this policy and provided with assistance and training to ensure complaints are acknowledged and responded to quickly and efficiently.
- **Contributing to continual improvement** – identification of any systemic issues or areas of improvement to be considered and used to improve business operations, policy and procedures.
- **Monitoring effectiveness** – complaints will be recorded appropriately to allow for meaningful analysis of complaints data, which may be reported internally or externally (as outlined in the complaints procedures).
- **Considerate to human rights** – all complaints will be assessed taking into account the human rights of the complainant, pursuant to the *Human Rights Act 2019*, and considered to determine whether the action or decision limits a human right.

2. Complaint management

2.1 Categories

Council manages a variety of complaints, which may have their own legislative requirements in relation to processing, management and reporting. All complaints will be assessed in line with legislative requirements and investigation/review will occur in accordance with the relevant operational procedure.

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Complaints Management Policy

The diagram at **Appendix A** outlines all complaint categories (including those not covered by this policy) and associated legislation, Council policy or procedure.

2.2 Lodgement and assessment

Complaints should be made in a timely manner, unless there are circumstances where this is not possible. For any limitations for certain complaints, refer to the operational procedures. All relevant evidence should be provided at the time the complaint is lodged.

Council provides a range of methods to lodge a complaint or request a review:

- in writing to PO Box 3130, Bundaberg QLD 4670.
- email to complaints@bundaberg.qld.gov.au.
- by calling Council's call centre on 1300 883 699.
- over the counter at a customer service centre or in-person with a Council officer.
- by completing the form, available on Council's website: <https://www.bundaberg.qld.gov.au/complaints-disclosures>.

Requirements in relation to lodgement of specific types/categories are outlined in operational procedures. Each complaint will be assessed on its merits, and in accordance with the appropriate operational procedure to determine the course of action for review or investigation.

2.3 Declining a complaint

Every effort should be made to respond to a complaint, however it may be determined (following assessment) that a complaint may be declined for one or more of the types outlined below (as defined by the Queensland Ombudsman).

2.3.1 Trivial, frivolous, vexatious

- Trivial – a matter of little importance or does not show that the complainant has suffered a significant injustice.
- Frivolous – lacking in merit, minimal importance, not having any serious purpose or value.
- Vexatious – made without reasonable ground/s and/or for a wrongful purpose (e.g. to harass, annoy, cause delay or detriment).

Complaints considered as above will not be investigated and the complainant will be advised accordingly. Those complainants that continue to make these types of complaints will be managed in accordance with the Unreasonable and Unacceptable Customer Conduct Procedure. Governance and Legal Services are available to provide advice to address or decline a complaint.

2.4 Privacy and confidentiality

Council is committed to treating all complaints with appropriate respect for the confidentiality and privacy of the parties involved.

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Complaints Management Policy

Except for the circumstances mentioned below, Council officers undertaking a review or investigation of a complaint are required to maintain confidentiality throughout the process to protect the identity of the complainant, witnesses and anyone who is the subject of the complaint.

If confidential or personal information is intentionally or recklessly disclosed to anyone, this may be a breach of the *Local Government Act 2009* (which is a criminal offence) and the Employee Code of Conduct, which may result in disciplinary action/proceedings.

2.4.1 Disclosure of confidential or personal information

Council takes its obligations and responsibilities contained with the privacy principles of the *Information Privacy Act 2009* seriously, ensuring the personal information of a complainant is protected to the extent possible, except in the circumstances mentioned below:

- keeping a record of the complaint;
- reviewing or investigating the complaint;
- advising or referral an appropriate authority, e.g. Queensland Ombudsman, Crime and Corruption Commission, Office of the Independent Assessor;
- a proceeding in a court or tribunal;
- providing for the safety or welfare of a person; or
- as authorised by law.

2.5 Anonymous complaints

Anonymous complaints will be accepted by Council however it is important that appropriate information, evidence (including potential witnesses) and supporting documents are provided to support the complaint being made.

Providing Council with contact details allows information to be clarified and further information to be sought which may advance the investigation.

2.6 Managing the parties of a complaint

Council will ensure procedures and guidelines are implemented about the behaviour expected from both its staff and complainants when reviewing or investigating a complaint (i.e. Employee Code of Conduct and Managing Unreasonable & Unacceptable Customer Conduct Procedure).

2.7 Communicating the outcome, reporting and review

The process contained within the referenced procedures will include advice on the notifications to complainants, timelines to receive a response, review and appeal rights (if applicable) should they be dissatisfied with the outcome of the review or investigation.

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Complaints Management Policy

2.8 Recordkeeping

Detailed and accurate records are to be maintained when reviewing or investigating a complaint, in accordance with Council's Recordkeeping Policy.

3. Analysis, complaint trends and monitoring

Section 306 of the *Local Government Regulation 2012* requires that Council implement mechanisms to:

- identify, analyse and respond to complaint trends; and
- monitor the effectiveness of this policy and associated procedures, by monitoring the time taken to resolve complaints, for example.

These review mechanisms are included in the operational procedures and will be coordinated by Governance and Legal Services.

ASSOCIATED DOCUMENTS

- Complaints about the Chief Executive Officer Policy
- Councillor Code of Conduct Policy
- Councillor Complaints Investigation Policy
- *Crime and Corruption Act 2001*
- Employee Code of Conduct
- *Human Rights Act 2019*
- *Information Privacy Act 2009*
- *Public Interest Disclosure Act 2010*
- Unreasonable and Unacceptable Customer Conduct Procedure
- Administrative Action Complaint Procedure
- Competitive Neutrality Complaint Procedure
- Fraud and Corrupt Conduct Complaint Procedure
- Public Interest Disclosure Procedure
- Staff Grievance Procedure

DOCUMENT CONTROLS

Council will review this policy biennially or in response to changes in law or best practice.

As part of its review, Council will review the complaints management framework including operational procedures, reporting mechanisms, website information and staff training.

POLICY OWNER

The Chief Legal Officer, Governance & Legal Services is the responsible person for this policy.

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Complaints Management Policy

Appendix A – Complaint Categories & Management

Complaint About:	Legislation	Council Policy/Procedure	External Agency
Mayor or Councillor	<i>Local Government Act 2009</i>	Councillor Complaints Investigation Policy (CP-3-044)	Office of the Independent Assessor
Corrupt conduct of Chief Executive Officer	<i>Crime Corruption Act 2001</i>	Complaints about the Chief Executive Officer Policy (CP-3-031)	Crime and Corruption Commission
Dissatisfaction with a decision, act, or failure to act	<i>Local Government Act 2009</i> and <i>Local Government Regulation 2012</i>	Administrative Action Complaint Procedure (PD-7-350)	Queensland Ombudsman
Employee conduct – fraud or corruption	<i>Crime and Corruption Act 2001</i>	Fraud and Corruption Procedure (PD-7-091)	Crime and Corruption Commission
Employee conduct – all other types	<i>Local Government Act 2009</i>	Employee Grievance Procedure (to be developed) and Certified Agreement Dispute Resolution Process	Queensland Industrial Relations Commission
Public interest disclosure	<i>Public Interest Disclosure Act 2010</i>	Public Interest Disclosure Procedure (PD-7-467)	Queensland Ombudsman
Competitive neutrality	<i>Local Government Act 2009</i>	Competitive Neutrality Complaint Procedure (PD-7-514)	Queensland Competition Authority
Breach of privacy	<i>Information Privacy Act 2009</i>	Administrative Action Complaint Procedure (PD-7-350)	Office of the Information Commissioner
Breach of a human right	<i>Human Rights Act 2019</i>	Administrative Action Complaint Procedure (PD-7-350)	Queensland Human Rights Commission

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Contact with Lobbyists Policy

HEAD OF POWER

- *Integrity Act 2009*

INTENT

The purpose of this policy is to provide ethical guidance to assist Councillors and employees in better decision making where lobbyists have contacted Council and to outline Council's position in relation to the management of lobbyists who contact Councillors or employees.

SCOPE

This policy applies to Councillors and all employees.

DEFINITIONS

Contact includes telephone contact, email contact, written mail and face-to-face meetings.

Former senior government executive means a councillor or a public sector officer, who was a chief executive, senior executive or senior executive equivalent.

Government representative means a Councillor, including the Mayor and public sector officers, which is the Chief Executive Officer or person employed by a local government.

Lobbying means any attempt to influence the decision making of a local government in the exercise of their official functions on behalf of a third-party, for a fee or other reward.

Lobbying activity is as defined by the *Integrity Act 2009*, but generally means contact with a government representative in an effort to influence decision making.

Lobbyist means a person or entity engaged to carry out a lobbying activity which may influence local government decision making, for a third party client. However none of the following entities is a lobbyist:

- (a) Non-profit entity
- (b) Entity constituted to represent the interests of its members (e.g. employer group, union, professional body, such as Queensland Law Society)
- (c) members of trade delegations visiting Queensland;
- (d) an entity carrying out incidental lobbying activities;
- (e) an entity carrying out a lobbying activity only for the purpose of representing the entity's own interests.

Related lobbying activity means for a person who is a former senior government representative, a lobbying activity relating to the person's official dealings as a government representative in the two years before becoming a former senior government representative.

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Policy No. CP-3-056

Adopted Date: 27/10/20 Version: 1

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Contact with Lobbyists Policy

Third-party client means an entity that engages another entity to provide services constituting, or including, a lobbying activity for a fee or other reward that is agreed to before the other entity provides the services.

POLICY STATEMENT

1. The *Integrity Act 2009* outlines that the Integrity Commissioner is responsible for maintaining a Lobbyists Register in Queensland. To assist in discharging those functions and powers, Council must provide information to the Integrity Commissioner to ensure any contact has been properly recorded by lobbyists on the Register.
2. Free and open access to Councillors and Council itself, is vital to an efficient and effective local government. Councillors and employees may be approached or lobbied by members of the community in relation to a range of issues.
3. Council recognises that ethical lobbying is a legitimate activity and an important part of the democratic process. Lobbyists can help individuals and organisations communicate their views on matters of public interest to Council, the government and opposition, and in doing so, improve outcomes for the community.
4. It is also the aim of Council to ensure all decisions are legal, ethical and impartial in line with the local government principles, the responsibilities of Councillors and local government employees, as outlined in the *Local Government Act 2009*.
5. Lobbyists who act on behalf of third-party clients must register with the Queensland Integrity Commission before they can contact a government representative for the purpose of lobbying activities.
6. Councillors and employees must not knowingly meet with anyone who is not a registered lobbyist if that person (or organisation) intends to carry out a lobbying activity on behalf of a third-party. If a Councillor or employee becomes aware that the lobbyist is not registered, Council is required to advise the Integrity Commission as soon as practicable.
7. Pursuant to section 70 of the *Integrity Act 2009*, for two years after a person becomes a former senior government representative, the person must not carry out a related lobbying activity for a third-party client.
8. This policy should be read in conjunction with Council's Planning Protocols Policy, which provides specific guidance for Councillors and employees about the roles and responsibilities involved with a development application process.
9. All contact with lobbyists will be managed in accordance with the Contact with Lobbyists Procedure.

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Policy No. CP-3-056

Adopted Date: 27/10/20 Version: 1

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Contact with Lobbyists Policy

ASSOCIATED DOCUMENTS

- Contact with Lobbyists Procedure
- Councillor Code of Conduct
- Employee Code of Conduct
- *Local Government Act 2009*
- Planning Protocols Policy

DOCUMENT CONTROLS

Council will review this policy biennially or in response to changes in law or best practice.

POLICY OWNER

The Chief Legal Officer, Governance and Legal Services is the responsible person for this policy.

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Policy No. CP-3-056

Adopted Date: 27/10/20 Version: 1

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Councillor Code of Conduct Policy

HEAD OF POWER

- *Local Government Act 2009*, section 150D

INTENT

The purpose of this policy is to set the principles and standards of behaviour expected of the Mayor and Councillors when carrying out their roles, responsibilities and obligations as elected representatives for the Bundaberg Region communities.

By adhering to the behaviours set out in this policy, Councillors will increase public confidence in local government and Council decisions.

SCOPE

This policy applies to the Mayor and all Councillors.

DEFINITIONS

Assessor means the Independent Assessor appointed under section 150CV of the *Local Government Act 2009* (the Act).

Behavioural standard means a standard of behaviour for Councillors set out in the Code of Conduct approved under section 150E of the Act.

Conduct includes:

- (a) failing to act; and
- (b) a conspiracy, or attempt, to engage in conduct.

Inappropriate conduct see section 150K of the Act.

Meeting means a meeting of a:

- (a) local government; or
- (b) committee of a local government.

Misconduct see section 150L of the Act.

Unsuitable meeting conduct see section 150H of the Act.

POLICY STATEMENT

1. Before assuming public office, Councillors must understand and commit to complying with the local government principles and obligations of Councillors in accordance with section 169 of the Act as well as the standards of behaviour set out in this policy.

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Policy No. CP-3-012

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Councillor Code of Conduct Policy

All Councillors are required to make a declaration of office under section 169 of the Act. As part of that declaration, Councillors must declare they will abide by this policy.

2. The Local Government Principles and Values

2.1 The Act is founded on five local government principles with which Councillors must comply while performing their roles as elected representatives. These principles are listed below:

- i. Transparent and effective processes, and decision-making in the public interest;
- ii. Sustainable development and management of assets and infrastructure, and delivery of effective services;
- iii. Democratic representation, social inclusion and meaningful community engagement;
- iv. Good governance of, and by, local government; and
- v. Ethical and legal behaviour of Councillors and local government employees.

2.2 This Code of Conduct provides a set of values that describe the types of conduct Councillors should demonstrate to ensure their compliance with the local government principles. These values are listed below:

- i. In making decisions in the public interest, Councillors will:
 - make decisions in open Council meetings;
 - properly inform relevant personnel of all relevant information;
 - make decisions in accordance with law and policy; and
 - commit to exercising proper diligence, care and attention.
- ii. To ensure the effective and economical delivery of services, Councillors will:
 - manage Council resources effectively, efficiently and economically; and
 - foster a culture of excellence in service delivery.
- iii. In representing and meaningfully engaging with the community, Councillors will:
 - show respect to all persons;
 - clearly and accurately explain Council's decisions; and
 - accept and value differences of opinion.
- iv. In exercising good governance, Councillors are committed to:
 - the development of open and transparent processes and procedures; and
 - keeping clear, concise and accessible records of decisions.
- v. To meet the community's expectations for high level leadership, Councillors will:
 - be committed to the highest ethical standards; and
 - uphold the system of local government and relevant laws applicable.

2.3 This Code of Conduct also sets out standards of behaviour aimed at helping Councillors understand how the principles and values are put into practice while performing their official duties as elected representatives.

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Councillor Code of Conduct Policy

- 2.4 Each standard of behaviour is not intended to cover every possible scenario. However, they provide general guidance about the manner in which Councillors are expected to conduct themselves.
- 2.5 It is important to note that the principles, values and standards set out in the Code of Conduct are of equal importance.

3. Standards of behaviour

- 3.1 This Code of Conduct sets out the standards of behaviour applying to all Councillors in Queensland. The behavioural standards relate to, and are consistent with, the local government principles and their associated values. The standards of behaviour are summarised as the three R's, being:

1. **Responsibilities;**
2. **Respect;** and
3. **Reputation.**

- 3.2 Each standard of behaviour includes, but is not limited to, several examples to guide Councillors in complying with the Code of Conduct when carrying out their role as elected officials. Councillors are to understand and comply with the following standards of behaviour as set out in the Code of Conduct listed below.

- 3.2.1 Carry out **responsibilities** conscientiously and in the best interests of Council and the community.

For example, Councillors will, at a minimum, have the following responsibilities:

- a. Attend and participate meaningfully in all Council meetings, committee meetings, informal meetings, briefings, relevant workshops and training opportunities (as directed by the Chief Executive Officer), to assist them in fulfilling their roles other than in exceptional circumstances and/or where prior leave is given (see section 4.7 – Notice of Leave);
- b. Respect and comply with all policies, procedures and resolutions of Council;
- c. Use only official Council electronic communication accounts (e.g. email accounts) when conducting Council business;
- d. Report any suspected wrongdoing to the appropriate entity in a timely manner;
- e. Ensure that their behaviour or capacity to perform their responsibilities as a Councillor is not impaired by the use of substances that may put them or others at risk while performing their duties (for example, alcohol, illegal drugs or prescribed/non-prescribed and/or restricted substances);
- f. Cooperate with any investigation being undertaken by the local government or other entity;
- g. Ensure that the Councillor's Advisor is aware of their obligations to comply with the standards of behaviour in the Code of Conduct for Councillors Advisors in Queensland.

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Councillor Code of Conduct Policy

3.2.2 Treat people in a reasonable, just, **respectful** and non-discriminatory way.

For example, Councillors will, at a minimum, act in the following ways:

- a. Treat fellow Councillors, Council employees and members of the public with courtesy, honesty and fairness;
- b. Not use abusive, obscene or threatening language (either oral or written) or behaviour towards other Councillors, Council employees and members of the public; and
- c. Have proper regard for other people's rights, obligations, cultural differences, safety, health and welfare.

3.2.3 Ensure conduct does not reflect adversely on the **reputation** of Council.

For example, Councillors will, at a minimum, conduct themselves in the following manner:

- a. When expressing an opinion dissenting with the majority decision of Council, respect the democratic process by acknowledging that the Council decision represents the majority view of the Council;
- b. When making public comment, clearly state whether they are speaking on behalf of Council or expressing their personal views; and
- c. At all times strive to maintain and strengthen the public's trust and confidence in the integrity of council and avoid any action which may diminish its standing, authority or dignity.

4. Consequences of failing to comply with the Code of Conduct

4.1 Failure to comply with the standards of behaviour in this Code of Conduct, or other conduct prescribed in this Code of Conduct may give rise to a complaint against a Councillor's conduct and subsequent disciplinary action under the legislation.

4.2 A complaint about the conduct of a Councillor must be submitted to the Office of the Independent Assessor (OIA), who will assess the complaint and determine the category of the allegation. In order of least to most serious, the categories of complaint are:

- **unsuitable meeting conduct;**
- **inappropriate conduct;**
- **misconduct; and then**
- **corrupt conduct;**

4.3 Unsuitable meeting conduct

4.3.1 For the purposes of this section 4.3, a reference to a meeting is taken to mean a Briefing, Ordinary or Special Meeting of Council.

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Councillor Code of Conduct Policy

4.3.2 Under the legislation, any conduct by a Councillor that is contrary to the standards of behaviour in the Code of Conduct that occurs within a meeting of Council (including standing committee meetings), is dealt with as **unsuitable meeting conduct**.

4.3.3 Unsuitable meeting conduct by a Councillor is dealt by the Chairperson of the meeting. It is important that the Chairperson deal with matters of unsuitable meeting conduct locally, and as efficiently and effectively as possible so that Council can continue with their business of making effective decisions in the public interest.

Note: Chairpersons of meetings are carrying out a statutory responsibility under the legislation to manage and lead the meeting. As such, where a Chairperson behaves inappropriately in a meeting this involves a serious breach of the trust placed in them as the Chairperson of the meeting and may be dealt with as misconduct (see section 4.5).

4.3.4 **Examples of unsuitable meeting conduct** by a Councillor may include:

- a Councillor behaves in a Council meeting, in a way that intimidates, bullies or harasses a member of the community, another Councillor or a Council employee.
- a Councillor continually interrupts or disrupts a speaker at a Council meeting.
- a Councillor behaves in an offensive or disorderly way in a Council meeting.

4.4 Inappropriate conduct

4.4.1 Under the legislation, any conduct by a Councillor that is contrary to the standards of behaviour in the Code of Conduct or a policy, procedure or resolution of a Council, and is not unsuitable meeting conduct, misconduct or corrupt conduct is dealt with as **inappropriate conduct**.

4.4.2 The conduct of a Councillor is also inappropriate conduct if the conduct contravenes an order by the Chairperson of a meeting of Council for the Councillor to leave the meeting, or is a series of conduct at Council meetings that leads to orders for the Councillor's unsuitable meeting conduct being made on three occasions within a period of one year. Council is not required to notify the OIA and may deal with the conduct under section 150AG of the Act.

4.4.3 The OIA is responsible for assessing allegations of suspected inappropriate conduct other than those arising from unsuitable meeting conduct. If the OIA chooses to refer the matter to the Council to deal with, the Council must deal with the matter as quickly and effectively as possible.

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- 4.4.4 **Examples of inappropriate conduct** by a Councillor may include:
- a Councillor publicly makes derogatory comments about staff.
 - a Councillor purports to speak to the media on behalf of Council when not properly authorised under a Council policy.
 - a Councillor fails to comply with an order made by the Chairperson of a meeting to leave and stay away from the place at which the meeting is being held.
 - a Councillor has been reprimanded three times in 12 months for interrupting other Councillors during meetings.

4.5 Misconduct

- 4.5.1 Councillors are required to comply with all laws that apply to local governments, this includes refraining from engaging in **misconduct**.
- 4.5.2 The OIA is responsible for assessing and investigating instances of suspected misconduct. The OIA may make an application to the Councillor Conduct Tribunal to be heard and determined.
- 4.5.3 The conduct of a Councillor is misconduct if the conduct:
- adversely affects, directly or indirectly, the honest and impartial performance of the Councillor's functions or exercise of powers; or
 - is, or involves:
 - a breach of trust placed in the Councillor, either knowingly or recklessly;
 - misuse of information or material acquired by the Councillor, whether the misuse is for the benefit of the Councillor or for the benefit or to the detriment of another person;
 - a Councillor giving a direction to any Council employee (other than the Mayor giving direction to the Chief Executive Officer);
 - a release of confidential information outside of the Council; or
 - failure to declare a conflict of interest or appropriately deal with a conflict of interest in a meeting;
 - attempting to influence a decision maker about a matter in which the Councillor has a conflict of interest;
 - failure by a Councillor to report a suspected prescribed conflict of interest of another Councillor;
 - failure to submit, update or review your registers of interests; or
 - is a failure by the Councillor to comply with:
 - an order made by the Council or the Councillor Conduct Tribunal;
 - any acceptable request guidelines of the Council made under the legislation; or
 - the Expenses Reimbursement for Councillors Policy of Council.

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Councillor Code of Conduct Policy

- 4.5.4 The conduct of a Councillor is also misconduct if the conduct leads to the Councillor being disciplined for inappropriate conduct on three occasions within a period of one year or is conduct that is identified in an order of Council that will be dealt with as misconduct if the Councillor engages in the conduct again.
- 4.5.5 The conduct of a Councillor may also be misconduct if a Councillor purports to direct the Chief Executive Officer in relation to disciplinary action regarding the conduct of a Councillor Advisor.
- 4.5.6 **Examples of misconduct** of a Councillor may include:
- a Councillor knowingly provides false or misleading information during a meeting of the Council in order to affect a decision.
 - a Mayor fails to carry out the performance evaluation of the Chief Executive Officer in the manner determined by Council.
 - a Councillor releases private information about a member of the community acquired as a Councillor.
 - a Councillor directs a Council employee (other than the Mayor directing the Chief Executive Officer) to perform a duty.
 - a Councillor provides confidential information to the media that came from a closed meeting of Council.
 - a Councillor fails to pay a fine ordered by the Councillor Conduct Tribunal.

4.6 Corrupt conduct

- 4.6.1 **Corrupt conduct** is defined by, and dealt with, under the *Crime and Corruption Act 2001* and must be referred to the Crime and Corruption Commission (CCC). For a Councillor, corrupt conduct involves behaviour that:
- adversely affects or could adversely affect the performance of the Councillors responsibilities; **and**
 - involves the performance of the Councillors responsibilities in a way that:
 - is not honest or impartial;
 - involves a breach of the trust placed in the Councillor; or
 - involves the misuse of information acquired by the Councillor, **and**
 - is engaged in for the purpose of providing a benefit or a detriment to a person; **and**
 - if proven would be a criminal offence.
- 4.6.2 Councillors are reminded of their obligations under section 38 of the *Crime and Corruption Act 2001* to report suspected corrupt conduct.
- 4.6.3 The OIA has entered into a section 40 arrangement with the CCC which allows the OIA to commence investigation into some allegations of corrupt conduct and report the matters to the CCC on a monthly basis, to provide the CCC with the opportunity to assume responsibility for or monitor an investigation, should the CCC consider that appropriate.

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Councillor Code of Conduct Policy

Further information on the CCC's jurisdiction and other topics in relation to local government is available at Chapter 4 in Corruption in Focus – a guide to dealing with corrupt conduct in the Queensland public sector.

4.6.4 **Examples of corrupt conduct** of a Councillor may include:

- a Councillor fails to declare a prescribed conflict of interest in a Council meeting.
- a Councillor intentionally fails to update a register of interests in order to hide an interest that could gain a benefit or a loss to the person.
- a Councillor engages in fraud against the Council.
- a Councillor uses information acquired by a Councillor to gain a financial benefit for the Councillor or someone else.
- a Councillor directs a local government employee to gain a benefit or cause a detriment to the Councillor or another person.
- a Councillor engages in the act of stealing against the local government.

4.7 **Notice of Leave**

Councillors should notify the Chief Executive Officer as soon as practicable in writing (i.e. by email) of their leave of absence from any meeting of Council.

ASSOCIATED DOCUMENTS

- Acceptable Requests Guidelines Policy
- Councillor Complaints Investigation Policy
- Councillor Use of Confidential Information Policy
- Expenses Reimbursement for Councillors Policy
- *Local Government Regulation 2012*
- Standing Orders for Council Meetings Policy

DOCUMENTS CONTROLS

Council will review this policy biennially or in response to changes in law or best practice.

POLICY OWNER

The Chief Legal Officer, Governance and Legal Services, is the responsible person for this policy.

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Councillor Complaints Investigation Policy

HEAD OF POWER

- *Local Government Act 2009*, section 150AE

INTENT

The purpose of this policy is to determine how complaints about the inappropriate conduct of Councillors will be dealt with as required by the *Local Government Act 2009* (the Act). However, this policy does not relate to more serious Councillor conduct.

SCOPE

This policy applies to investigations and determinations of a complaint about the alleged inappropriate conduct of a Councillor/s which has been referred by the Independent Assessor.

DEFINITIONS

Assessor means the Independent Assessor appointed under section 150CV of the Act.

Behavioural standard means a standard of behaviour for Councillor's set out in the Code of Conduct for Councillors in Queensland approved under section 150E of the Act.

Conduct includes:

- failing to act; and
- a conspiracy, or attempt, to engage in conduct.

Councillor conduct register means the register required to be kept by Council as set out in section 150DX of the Act.

Inappropriate conduct refer to section 150K of the Act.

Investigation policy refers to this policy, as required by section 150AE of the Act.

Investigator means the person responsible under this investigation policy for carrying out the investigation of the suspected inappropriate conduct of a Councillor or Mayor.

Meeting means a meeting of a:

- local government; or
- committee of a local government.

Misconduct refer to section 150L of the Act.

Model procedures refer to section 150F of the Act.

Referral notice refer to section 150AC of the Act.

Tribunal means the Councillor Conduct Tribunal as established under section 150DK of the Act.

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Policy No. CP-3-044

Adopted Date: 27/10/20 Version: 3

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Councillor Complaints Investigation Policy

Unsuitable meeting conduct refer to section 150H of the Act.

POLICY STATEMENT

1. Confidentiality

Matters of suspected inappropriate conduct of a Councillor are confidential except as otherwise specifically provided for either in the Act or this policy.

Note: It must be kept in mind that the matter is an allegation only and not yet proven. Further, there will be circumstances where the detail of the referral will need to remain confidential to Council. Any release of confidential information that a Councillor knows, or should reasonably know, to be confidential to Council may be contrary to section 171(3) of the Act and dealt with as misconduct.

2. Natural Justice

2.1 Any investigation of suspected inappropriate conduct of a Councillor must be carried out in accordance with natural justice. An overview of the principles of natural justice follows.

Natural justice or procedural fairness, refers to three key principles:

- (i) the person being investigated has a chance to have his or her say before adverse formal findings are made and before any adverse action is taken (fair hearing);
- (ii) the investigator/s should be objective and impartial (absence of bias); and
- (iii) any action taken is based on evidence (not suspicion or speculation).

2.2 A fair hearing means the Councillor who is the subject of the suspected inappropriate conduct matter must be told of the case against them including any evidence and be provided with an opportunity to put their case in writing with the investigation report provided to the Councillors as part of the meeting agenda.

2.3 An absence of bias means that any investigation must not be biased or be seen to be biased in any way. This principle embodies the concept of impartiality.

Ensuring decisions based on evidence requires that the investigation should not be based on mere speculation or suspicion but instead must be based upon evidence material. A proper examination of all issues means the investigation must give a proper and genuine consideration to each party's case.

3. Assessor's referral

3.1 Council will receive from the Assessor a referral notice about the suspected inappropriate conduct of a Councillor/s. The referral notice will include details of the conduct and any complaint received about the conduct, state why the assessor reasonably suspects that the Councillor has engaged in inappropriate conduct, and include information about the facts and circumstances that form the basis of the Assessor's reasonable suspicion.

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Councillor Complaints Investigation Policy

- 3.2 The referral notice may be accompanied by a recommendation from the Assessor about how Council may investigate or deal with the conduct. The recommendation of the Assessor may be inconsistent with this policy.
- 3.3 The investigation must be conducted in a way consistent with:
 - any recommendation of the assessor;
 - to the extent that this policy is not inconsistent with the recommendation of the assessor – this investigation policy; or
 - in another way the Council decides by resolution.

4. Receipt of assessor's referral

- 4.1 On receipt of a referral notice about the suspected inappropriate conduct of a Councillor/s from the Assessor, Council's Chief Executive Officer will forward a copy of that referral notice to the Mayor and all Councillors, other than the Councillor who is the subject of the complaint, or the complainant if the complainant is a Councillor, as a confidential document.
- 4.2 Should the Mayor or a Councillor/s disagree with any recommendation accompanying the Assessor's referral notice, or form the opinion the complaint should be dealt with in a way other than under this policy, the Mayor or Councillor may request the matter be placed on the agenda of the next Council meeting for the Council to decide, by resolution the appropriate process to investigate the complaint. Such a request must be made in accordance with Council's meeting procedure requirements.

5. Investigator

- 5.1 Unless otherwise resolved by Council, the Mayor will manage the investigation of suspected inappropriate conduct of other Councillors.
- 5.2 If the suspected inappropriate conduct involves conduct where, in the circumstances, the Mayor believes is in the best interests of the investigation to refer the matter for external investigation, then the Chief Executive Officer may refer the suspected inappropriate conduct to the President of the Councillor Conduct Tribunal (Tribunal) or another entity to investigate and make recommendations to Council about dealing with the conduct.
- 5.3 If the suspected inappropriate conduct involves an allegation about the conduct of the Mayor or the Mayor as the complainant, then the Chief Executive Officer may refer the suspected inappropriate conduct to the President of the Tribunal, or another entity, to investigate and make recommendations to the Council about dealing with the conduct.

6. Early resolution

- 6.1 Before beginning an investigation, the investigator should consider whether the matter is appropriate for resolution prior to the investigation. This consideration can include any recommendations made by the Assessor.

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Councillor Complaints Investigation Policy

- 6.2 A matter is only appropriate for early resolution if the parties to the matter both voluntarily agree to explore early resolution. The investigator may engage an independent person with suitable qualifications or experience to facilitate this process.
- 6.3 If the matter cannot be resolved, the matter will then be investigated as outlined in this policy.
- 6.4 If the matter is resolved prior to investigation, the investigator will advise the Chief Executive Officer of this outcome. In turn, the Chief Executive Officer will advise the Mayor (if the Mayor is not the investigator) and all Councillors that the matter has been resolved. The Chief Executive Officer will also update the Councillor Conduct Register to reflect this.

7. Timeliness

The investigator will make all reasonable endeavours to complete the investigation and provide a report for inclusion on the agenda of a Council meeting no more than eight weeks after the receipt of the complaint.

Note: If the investigator is of the opinion that it may take longer than eight weeks to complete the investigation, the matter should be raised with the Mayor (if the Mayor is not the investigator) to seek an extension of time.

8. Assistance for investigator

- 8.1 If the Mayor, or another Councillor appointed by Council resolution, is the investigator of a matter of suspected inappropriate conduct, the Mayor or Councillor may use section 170A of the Act to seek assistance during the investigation.
- 8.2 The Mayor is authorised by Council to expend money as reasonably needed to engage contractors in accordance with the Council's Procurement Policy.

9. Possible misconduct or corrupt conduct

- 9.1 If during the course of an investigation the investigator obtains information which indicates a Councillor/s may have engaged in misconduct, the investigator must cease the investigation and advise the Chief Executive Officer. The Chief Executive Officer will then notify the Assessor of the possible misconduct.
- 9.2 If during the course of an investigation, the investigator obtains information that indicates a Councillor/s may have engaged in corrupt conduct, the investigator must cease the investigation and advise the Chief Executive Officer. The Chief Executive Officer will then notify the Crime and Corruption Commission (CCC) of the possible corrupt conduct.
- 9.3 Instances of suspected misconduct or corrupt conduct may be referred back to the Council if determined by the Assessor or CCC to be inappropriate conduct.

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Councillor Complaints Investigation Policy

10. Completion of investigation

10.1 On the completion of an investigation, the investigator will provide a report to a Council meeting outlining as appropriate:

- The investigation process.
- Any witnesses interviewed.
- Documents or other evidence obtained.
- A statement of the relevant facts ascertained.
- Confirmation that the subject Councillor has been provided with an opportunity to respond to the complaint and the evidence gathered.
- The investigation findings.
- A statement of any relevant previous disciplinary history.
- Any recommendations about dealing with the conduct.
- A record of the investigations costs.

10.2 If there is a risk to the health and safety of the complainant, under section 254J of the Act, Council may resolve that the meeting be closed to the public for the Councillors to consider the investigation report and any recommendations.

10.3 Council (with the exception of the Councillor the subject of the investigation and the complainant, if another Councillor) will consider the findings and recommendations of the investigator's report and decide whether the Councillor has engaged in inappropriate conduct and, if so, what action it will take under section 150AH of the Act. In accordance with section 275(3) of the *Local Government Regulation 2012*, the resolution in relation to what action is to be taken as a result of the investigation must be made after the meeting has been re-opened to the public and the decision recorded in the meeting minutes. The Chief Executive Officer is also required to ensure the details are entered into the Councillor Conduct Register.

11. Disciplinary action against Councillors

If Council decides at the completion of the investigation that the Councillor has engaged in inappropriate conduct, Council may:

- (i) order that no action be taken against the Councillor, or
- (ii) make an order outlining action the Councillor must undertake in accordance with section 150AH(1)(b) of the Act.

12. Notice about the outcome of investigation

After an investigation is finalised, Council must give notice about the outcome of the investigation to the person who made the complaint about the Councillor/s' conduct that was the subject of the investigation and the subject Councillor.

13. Councillor Conduct Register

13.1 The Chief Executive Officer must ensure decisions about suspected inappropriate conduct of a Councillor/s are entered into the Councillor Conduct Register.

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Councillor Complaints Investigation Policy

13.2 Where a complaint has been resolved under section 6 of this policy, or otherwise withdrawn by the complainant, the Chief Executive Officer will update the register to reflect that the complaint was withdrawn.

14. Expenses

Council must pay any reasonable expenses of Council associated with the investigation of suspected inappropriate conduct of a Councillor including any costs of:

- the president of the Tribunal in undertaking an investigation for Council;
- an independent investigator engaged on behalf of, or by the Tribunal;
- an independent investigator engaged on behalf of Council;
- travel where the investigator needed to travel to undertake the investigation, or to interview witnesses;
- seeking legal advice; or
- engaging an expert.

Note: Council may order the subject Councillor reimburse it for all or some of the costs arising from the Councillor's inappropriate conduct. Any costs incurred by complainants or the subject Councillors will not be met by Council.

ASSOCIATED DOCUMENTS

- Councillor Code of Conduct Policy
- *Local Government Regulation 2012*
- Standing Orders for Council Meetings Policy

DOCUMENT CONTROLS

Council will review this policy biennially or in response to changes in law or best practice.

POLICY OWNER

The Chief Legal Officer, Governance & Legal Services is the responsible person for this policy.

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Policy No. CP-3-044

Adopted Date: 27/10/20 Version: 3

Responsible Department: Organisational Services

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Delegations Policy

HEAD OF POWER

- *Local Government Act 2009*, section 257 to 259

INTENT

The purpose of this policy is to establish the framework for reviewing, making, recording and exercising delegations made pursuant to the *Local Government Act 2009*.

SCOPE

This policy applies to Councillors and all employees.

POLICY STATEMENT

1. Council seeks to achieve the best possible results for the region ensuring effective, transparent, and efficient management of operational and administrative matters. To achieve this, Council regularly reviews and provides a delegation of certain legislative powers where it is practical, lawful, and administratively responsible to do so.
2. The *Local Government Act 2009* provides that Council may, by resolution, delegate a power under an Act to the Mayor and Chief Executive Officer.
3. Delegation by Council is not permitted:
 - If the relevant legislative provision provides that the power be exercised "by resolution" or that Council "adopt";
 - To an individual Councillor; and
 - To officers other than the Chief Executive Officer.
4. Council keeps three registers which contain particulars of delegations made by:
 - Council to the Mayor;
 - Council to the Chief Executive Officer; and
 - Chief Executive Officer to Employees and Contractors of Council.
5. Legislative provisions to be enacted by the Chief Executive Officer can be delegated to other employees, including powers delegated by Council to the Chief Executive Officer.
6. A delegation is revocable and does not prevent Council from acting in a manner, should it be necessary.
7. Where a matter is contentious, controversial, or otherwise warrants consideration by Council, the delegate should not act or exercise any delegated power or function in relation to that matter.
8. Review of all registers will be managed in accordance with the Delegations Register Procedure.

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Policy No. CP-3-055

Adopted Date: 27/10/20 Version: 1

Responsible Department: Organisational Services

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Delegations Policy

ASSOCIATED DOCUMENTS

- Delegations Register Procedure
- Register of Delegations - Council to the Mayor
- Register of Delegations - Council to Chief Executive Officer
- Register of Delegations - Chief Executive Officer to Employee or Contractor of Council

DOCUMENT CONTROLS

Council will review this policy biennially or in response to changes in law or best practice.

POLICY OWNER

The Chief Legal Officer, Governance and Legal Services is the responsible person for this policy.

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Policy No. CP-3-055

Adopted Date: 27/10/20 Version: 1

Responsible Department: Organisational Services

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Gifts and Benefits Policy

HEAD OF POWER

- *Public Sector Ethics Act 1994*, section 4

INTENT

The purpose of this policy is to outline the ethical considerations and procedures involved in the giving and receiving of gifts and benefits by employees of Council.

SCOPE

This policy applies to all staff of Council. This policy does not derogate from any responsibilities an employee will have under the *Local Government Act 2009* or the *Local Government Regulation 2012*, including a requirement to complete a register of interest.

DEFINITIONS

Cultural significance includes a gift received from significant people or organisations such as a souvenir from a Sister City or international delegation; or a gift received from a distinctive cultural group.

Gifts and benefit includes gifts of goods, services, money or entitlements; supply of goods or services at concessional prices; provisions of meals or entertainment; prizes won at seminars, conferences etc. when the officer is attending in an official capacity; free or reduced price travel and/or accommodation; provision of services (free or reduced cost); any other form of direct or indirect benefit which is not available to the general public; and benefits provided to family members of the officer.

Historical significance includes a gift received that has historical significance such as a historical event, people or persons and or developments from the past.

POLICY STATEMENT

1. Principles

Employees may be offered, in the course of their dealing with external businesses or stakeholders, gifts and benefits as a token of appreciation or gesture of courtesy in the course of their employment.

The majority of these gifts and benefits will be within the scope of acceptable and ethical business practice, however Council needs to ensure that the integrity and responsibilities of the organisation are not compromised because of a real or perceived conflict of interest by the acceptance of gifts and benefits which may be considered inappropriate.

Notwithstanding anything else in this policy, any gifts of cultural or historical significance must remain the property of Council, regardless of their value.

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Policy No. CP-3-045

Adopted Date: 27/10/20 Version: 3

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Gifts and Benefits Policy

2. Acceptance of gifts and benefits

2.1 Gifts that should not be accepted

Employees must not accept a gift or benefit irrespective of its value, if any of the following apply:

- It is considered as a gift of influence – any gift or benefit that is seen, or may be seen, to affect the performance of the recipient's official duties, or otherwise influence, or be seen to influence, the decision-making or behaviour of the recipient;
- The donor, or any reasonable observer, would interpret that the recipient may be under an obligation to the donor as a result of receiving the gift;
- It is not offered openly;
- It is an offer of money;
- It is a prize won through an instore or online competition from a business or company where Council has purchased a product of service; or
- It is a prize won (e.g. lucky door) whilst attending a conference, seminar, fundraiser etc where the staff member has attended in an official capacity.

2.2 Gifts that can generally be accepted

The following gifts or benefits are considered low risk and can generally be given or received:

- Nominal gifts or benefits which are of inconsequential or trivial value to both the person making the offer and the recipient (such as basic courtesy) - unless the cumulative value of such gifts or benefits exceed \$20 per interaction;
- Gifts or benefits in gratitude for specific tasks or performance e.g. a small personal gift to an employee for speaking at an official function;
- Low value corporate gifts made as a marketing/sponsor initiative e.g. mass produced souvenirs at a professional development conference such as pens, hats, token gifts etc.;
- The gift or benefit is included in the ticket price of an event/conference etc.;
- Gifts or benefits received as part of a delegation or on official business of Council e.g. a Council approved conference, forum or delegation.

These types of gifts and benefits do not need to be reported.

2.3 All other gifts and benefits

This policy applies to all other gifts and benefits given or received.

If in doubt, employees may discuss with their relevant supervisor or manager and obtain appropriate approval prior to a decision about whether to accept a gift or benefit.

If unsure, employees should decline offers of gifts or benefits courteously by explaining that acceptance would be against Council policy.

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Gifts and Benefits Policy

2.4 Unsolicited Gifts

From time to time employees may be given unsolicited gifts from donors without the opportunity to respectfully decline. If this should occur, those gifts and benefits are to be dealt with in accordance with this policy.

3. Retention of gifts and benefits

Gifts or benefits accepted by an employee remain the property of Council unless the supervisor/manager, Executive Leadership Team member or Chief Executive Officer determine it is appropriate for the recipient to retain the gift or benefit.

If a gift or benefit is retained by Council, it must be used for public benefit and in an appropriate manner. If Council does not have an appropriate use for the gift or benefit, it may be disposed of in accordance with the Asset Disposal Policy.

4. Giving of corporate gifts and benefits

Any gift or benefit given by employees must be for official purposes and accountable officers must be able to identify the benefit for Council and the public generally.

The practice of giving gifts or benefits should not be common practice. The appropriateness of gift giving must be considered and appropriate approval must be obtained from the employee's supervisor/manager. Where a gift is to be made on behalf of Council, consideration should be given to selecting an appropriate gift.

The giving of gifts or benefits will be at supervisor/ manager discretion. Gifts or benefits given, other than the giving of corporate gifts, must be recorded in the Gifts and Benefits Register and a Gifts or Benefits Form completed.

4.1 Corporate Gifts

In certain cases it may be appropriate for employees to provide corporate gifts to individuals or organisations on behalf of Council. Examples include:

- Presentation to sponsors of events;
- Presentation to judges of events or awards acting in an honorary capacity (does not include employees of Council);
- Presentation to foreign dignitaries or as part of a delegation;
- Presentation by eligible employees when travelling overseas on official Council business;
- Accommodation to support visitors or dignitaries.

This policy should be read in conjunction with the Entertainment and Hospitality Expenditure Policy.

The giving of a corporate gift or benefit does not need to be reported.

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Responsible Department: Organisational Services

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Gifts and Benefits Policy

5. Reporting of gifts and benefits

Unless otherwise excluded, any gift or benefit offered to or received by an employee must be recorded in the Gifts and Benefits Register and a Gifts and Benefits Declaration Form completed, generally within 10 days of offer or receipt.

5.1 Approval

Depending on the value of the gift or benefit, approval to retain the gift or benefit may be required by a supervisor/manager, Executive Leadership Team member or Chief Executive Officer.

5.1.1 Gifts and benefits having a retail value of **less than \$150** require supervisor/manager approval, except for those items mentioned in section 2.2 of this policy.

5.1.2 Gifts or benefits that have a retail value of **more than \$150** will require approval of an Executive Leadership Team member or Chief Executive Officer approval.

5.2 Registers of Interest

The Chief Executive Officer and senior executive employees have obligations to disclose gifts received exceeding \$500 or all gifts totalling more than \$500 on their Register of Interest in accordance with the *Local Government Regulation 2012*. This must be completed within 10 days of receipt.

5.3 Gifts and Benefits Register

Council's Gifts and Benefits Register will be administered by Governance and Legal Services.

ASSOCIATED DOCUMENTS

- Asset Disposal Policy
- *Crime and Corruption Act 2001*
- Employee Code of Conduct
- Entertainment and Hospitality Policy
- Gifts and Benefits Decision Making Guide
- Gifts and Benefits Form
- Gifts and Benefits Register
- *Local Government Act 2009*
- *Local Government Regulation 2012*
- Register of interests of a chief executive officer, senior contract employee and their related persons – Form 1

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Gifts and Benefits Policy

DOCUMENTS CONTROLS

Council will review this policy biennially or in response to changes in law or best practice.

POLICY OWNER

The Chief Legal Officer, Governance and Legal Services is the responsible person for this policy.

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Standing Orders for Council Meetings Policy

HEAD OF POWER

- *Local Government Act 2009*, section 150F
- *Local Government Regulation 2012*, Chapter 8, Part 2, Division 3

INTENT

To provide set procedures to ensure the local government principles are reflected in the conduct of Council meetings, standing and advisory committee meetings.

SCOPE

This policy applies to all Council meetings including standing committee meetings. This policy does not apply to meetings of the audit committee.

DEFINITIONS

Assessor means the Independent Assessor appointed under section 150CV of the *Local Government Act 2009* (the Act).

Conduct includes:

- failing to act; and
- a conspiracy, or attempt, to engage in conduct.

Meeting means a meeting of a:

- local government; or
- committee of a local government.

Inappropriate conduct see section 150K of the Act.

Misconduct see section 150L of the Act.

Unsuitable meeting conduct see section 150H of the Act.

POLICY STATEMENT

1. General

- 1.1 This policy sets out the process for how:
 - a Chairperson of a Council meeting may deal with instances of unsuitable meeting conduct by Councillors; and
 - suspected inappropriate conduct of a Councillor referred to Council by the Independent Assessor (the Assessor) is to be dealt with at a Council meeting.

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Policy No. CP-3-016

Adopted Date: 27/10/20 Version: 2

Responsible Department: Organisational Services

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Standing Orders for Council Meetings Policy

- 1.2 Any provision of this policy may be suspended by resolution of any meeting of Council except those sections that are mandatory. A separate resolution is required for any suspension and must specify the application and duration of each suspension.
- 1.3 Where a matter arises at a Council meeting that is not provided for in this policy, the matters shall be determined by resolution of Council upon a motion which may be put without notice but otherwise conforming with this policy.
- 1.4 A list of Council meeting dates and venues is published on Council's website: bundaberg.qld.gov.au/council-meetings.

2. Procedures for meetings of Council

2.1 Presiding officer

- 2.1.1 The Mayor will preside at a meeting of Council.
- 2.1.2 If the Mayor is absent or unavailable to preside, the Deputy Mayor will preside.
- 2.1.3 If both the Mayor and the Deputy Mayor, or the Mayor's delegate, are absent or unavailable to preside, a Councillor chosen by the Councillors present at the meeting will preside at the meeting.
- 2.1.4 Council will choose the Chairperson for a Committee meeting. This Chairperson will normally preside over meetings of the Committee.
- 2.1.5 If the Chairperson of a Committee is absent or unavailable to preside, a Councillor chosen by the Councillors present will preside over the Committee meeting.
- 2.1.6 Before proceeding with the business of the meeting, the person presiding at the meeting shall undertake the acknowledgement and/or greetings deemed appropriate by Council.

2.2 Order of Business

- 2.2.1 The order of business will be determined by resolution of Council from time to time. The order of business may be altered for a particular meeting where the Councillors at that meeting pass a procedural motion to that effect. A motion to alter the order of business may be moved without notice.
- 2.2.2 Unless otherwise altered, the order of business shall be as follows:
 - attendances;
 - apologies and granting of leaves of absence;
 - conflicts of interest;
 - confirmation of minutes;
 - Mayoral minute;
 - notices of motion; and

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- officers' reports.

Note: The minutes of a preceding meeting, whether an ordinary or a special meeting, not previously confirmed shall be taken into consideration, at every ordinary meeting of Council, in order that the minutes may be confirmed. No discussion will be permitted about these minutes except with respect to their accuracy as a record of the proceedings. Amendments to the minutes may be made prior to confirming the minutes. This must be done by moving a motion to amend the minutes that must be voted on and carried. Once the resolution is passed the minutes can be amended. All Councillors present at the meeting can vote to confirm the minutes including those who were absent at the previous meeting and those who had a conflict of interest at the previous meeting.

2.3 Agendas

2.3.1 The agenda may contain:

- notice of meeting;
- minutes of the previous meetings;
- business arising out of previous meetings;
- business which the Mayor wishes to have considered at that meeting without notice;
- matters of which notice has been given;
- committees' reports referred to the meeting by the Chief Executive Officer;
- officers' reports referred to the meeting by the Chief Executive Officer;
- deputations and delegations from the community that are approved to attend; and
- any other business Council determines by resolution be included in the agenda paper.

2.3.2 Business not on the agenda, or not fairly arising from the agenda, will not be considered at any Council meeting unless permission for that purpose is given by Council at the meeting. Business must be in accordance with the adopted Terms of Reference for each Committee.

2.3.3 The agenda for the Council must be made publicly available by 5pm on the business day after the notice of meeting is given to the Councillors. The related reports for the local government meeting must also be included and available to the public excluding confidential reports.

2.3.4 Matters on the agenda that will require the meeting to be in a closed session will be clearly identified including the reasons why the session will be closed.

2.4 Minutes

2.4.1 Unless previously made available with the agenda, minutes must include reports and other associated information used or presented in the meeting.

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- 2.4.2 Unconfirmed minutes of Council meetings are to be published by 5pm on the tenth day after the meeting on Council's website.
- 2.4.3 Confirmed minutes to be published as soon as practicable after the meeting at which they are confirmed.
- 2.4.4 A Councillor can confirm the meeting minutes despite having a conflict of interest in a matter discussed or decided in the meeting and regardless of whether they were present at the meeting.
- 2.4.5 Confidential information in reports or papers are exempt from publication on Council's website.

2.5 Petitions

- 2.5.1 Any petition presented to a meeting of Council will:
- be in legible writing or typewritten and contain a minimum of 10 signatures;
 - include the name and contact details of the principal petitioner (i.e. the key contact);
 - include the postcode of all petitioners; and
 - have the details of the specific request/matter appear on each page of the petition.
- 2.5.2 Where a Councillor presents a petition to a meeting of Council, no debate in relation to it will be allowed, and the only motion which may be moved is:
- that the petition be received; or
 - received and referred to a committee or officer for consideration and a report to Council; or
 - not be received because it is deemed invalid.
- 2.5.3 Council will respond to the principal petitioner in relation to all petitions deemed valid.

2.6 Deputations

- 2.6.1 A deputation wishing to attend and address a meeting of Council shall apply in writing to the Chief Executive Officer not less than seven business days before the meeting.
- 2.6.2 The Chief Executive Officer, on receiving an application for a deputation shall notify the Chairperson who will determine whether the deputation may be heard. The Chief Executive Officer will inform the deputation of the determination in writing. Where it has been determined the deputation will be heard, a convenient time shall be arranged for that purpose, and an appropriate time period allowed (e.g. 15 minutes).

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- 2.6.3 For deputations comprising three or more persons, only three persons shall be at liberty to address the Council meeting unless the Councillors at the meeting determine otherwise by resolution. A deputation shall be given adequate opportunity to explain the purpose of the deputation.
- 2.6.4 If a member of the deputation other than the appointed speakers interjects or attempts to address Council meeting, the Chairperson may terminate the deputation.
- 2.6.5 The Chairperson may terminate an address by a person in a deputation at any time where:
- the Chairperson is satisfied that the purpose of the deputation has been sufficiently explained to the Councillors at the meeting;
 - the time period allowed for a deputation has expired; or
 - the person uses insulting or offensive language or is derogatory towards Councillors or staff members.
- 2.6.6 The Chief Executive Officer is responsible for the deputation including that the appointed speaker/s are notified in writing of developments or future actions as appropriate.

2.7 Public participation at meetings

- 2.7.1 A member of the public may take part in the proceeding of a meeting only when invited to do so by the Chairperson.
- 2.7.2 In each Council meeting, time may be required to permit members of the public to address the Council on matters of public interest related to local government. The time allotted shall not exceed 15 minutes and no more than three speakers shall be permitted to speak at any one meeting. The right of any individual to address the Council during this period shall be at the absolute discretion of Council.
- 2.7.3 If any address or comment is irrelevant, offensive, or unduly long, the Chairperson may require the person to cease making the submission or comment.
- 2.7.4 For any matter arising from such an address, Council may take the following actions:
- refer the matter to a committee;
 - deal with the matter immediately;
 - place the matter on notice for discussion at a future meeting; or
 - note the matter and take no further action.
- 2.7.5 Any person addressing Council shall stand, and act and speak with decorum and frame any remarks in respectful and courteous language.

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- 2.7.6 Any person who is considered by Council or the Mayor to be unsuitably dressed may be directed by the Mayor or Chairperson to immediately withdraw from the meeting. Failure to comply with such a request may be considered an act of disorder.

3. Prescribed conflict of interest

Councillors are ultimately responsible for informing of any prescribed conflict of interest on matters to be discussed at Council or committee meeting (other than ordinary business matters). When dealing with a conflict of interest, Councillors must abide by the following procedures.

- 3.1 A Councillor who has notified the Chief Executive Officer of a prescribed conflict of interest in a matter to be discussed in a Council meeting must also give notice during the meeting.
- 3.2 A Councillor who first becomes aware of a prescribed conflict of interest in a matter during a Council meeting must immediately inform the meeting of the conflict of the interest.
- 3.3 When notifying the meeting of a prescribed conflict of interest, the following details must be provided:
- if it arises because of a gift, loan or contract, the value of the gift, loan or contract.
 - if it arises because of an application or submission, the subject of the application or submission.
 - the name of any entity other than the Councillor that has an interest in the matter.
 - the nature of the Councillor's relationship with the entity that has an interest in a matter.
 - details of the Councillor's and any other entity's interest in the matter.
- 3.4 The Councillor must then leave the place of the meeting, including any area set aside for the public, and stay away while the matter is being discussed and voted on, unless the subject Councillor has written notice from the Minister to participate in the matter.
- 3.5 Once the councillor has left the area where the meeting is being conducted, the council can continue discussing and deciding on the matter at hand.

4. Declarable conflict of interest

Councillors are ultimately responsible for informing of any declarable conflict of interest on matters to be discussed at a Council or Committee meetings that might lead to a decision that is contrary to the public interest (other than ordinary business matters).

A Councillor may raise their personal interests in a matter at the meeting to canvas the view of the other Councillors prior to deciding to declare a conflict of interest. If the other Councillors suspect the personal interest might be a conflict of interest, the Councillor may disclose their suspicion and the processes under section 150EW of the Act.

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When dealing with a declarable conflict of interest, Councillors must abide by the following procedures.

- 4.1 A Councillor who has notified the Chief Executive Officer of a declarable conflict of interest in a matter to be discussed at a Council meeting must also give notice during the meeting.
- 4.2 A Councillor who first becomes aware of a declarable conflict of interest in a matter during a Council meeting must inform the meeting of the conflict of interest.
- 4.3 When notifying the meeting of a declarable conflict of interest, Councillors should provide sufficient detail to allow the other Councillors to make an informed decision about how best to manage the declarable conflict of interest in the public interest.

The following details must be provided:

- the nature of the declarable conflict of interest.
 - if it arises because of the Councillor's relationship with a related party:
 - i. the name of the related party to the Councillor
 - ii. the nature of the relationship of the related party to the Councillor
 - iii. the nature of the related party's interest in the matter
 - if it arises because of a gift or loan from another person to the Councillor or a related party:
 - i. the name of the other person
 - ii. the nature of the relationship of the other person to the Councillor or related party
 - iii. the nature of the other person's interest in the matter
 - iv. the value of the gift or loan and the date the gift or loan was made.
- 4.4 After a councillor has declared a conflict of interest, the councillor should consider leaving the meeting while the matter is discussed unless they have reasons why their participation would improve making the decision in the public interest.
 - 4.5 If the Councillor chooses not to leave the meeting, the Councillor may advise the other Councillors of their reasons for seeking permission to participate in making the decision.
 - 4.6 The other non-conflicted Councillors at the meeting must then decide, by resolution, whether the Councillor can participate in the decision making in relation to the matter, including voting on the matter, or whether they should not participate in the decision and leave the place of the meeting while the matter is decided by the non-conflicted Councillors. The non-conflicted Councillors may impose conditions on the Councillor under a decision to either participate or leave the meeting e.g. may stay for the debate but must leave for the vote. The Councillor must comply with any decision or condition imposed by the non-conflicted Councillors.

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- 4.7** In deciding on a Councillor's declarable conflict of interest in a matter, only Councillors who do not themselves have a prescribed or declarable conflict of interest in the matter are eligible to participate in the decision making. The decision may be made even if the number of those Councillors is less than a majority or less than a quorum for the meeting consistent with section 150ET of the Act.
- 4.8** The Councillor who is the subject of the decision may remain in the meeting while the debate is occurring and can participate by answering questions from the Chairperson to assist the other Councillors in making their decision. The subject Councillor must not vote or otherwise participate in making the decision but may remain in the meeting while the vote on the matter takes place and the decision is declared by the Chairperson, on whether the Councillor may remain in the meeting and participate in deciding the matter in which the Councillor has a declarable conflict of interest.
- 4.9** When deciding whether a Councillor may participate in the decision making on a matter in which they have a declarable conflict of interest, the other Councillors should consider the particular circumstances of the matter including, but not limited to:
- how does the inclusion of the Councillor in the deliberation affect the public trust.
 - how close or remote is the councillor's relationship to the related party.
 - if the declarable conflict of interest relates to a gift or other benefit, how long ago was the gift or benefit received.
 - will the benefit or detriment the subject Councillor or their related party stands to receive from the decision have major or minor impact on them.
 - how does the benefit or detriment the subject Councillor stands to receive compare to others in the community.
 - how does this compare with similar matters that Council has decided and have other Councillors with the same or similar interests decided to leave the meeting.
 - whether the subject Councillor has unique skills, knowledge or expertise that might help make the best decision in the public interest.
- 4.10** If the non-conflicted Councillors cannot decide about the declarable conflict of interest of a Councillor, they are taken to have decided that the Councillor must leave and stay away from the meeting while the non-conflicted councillors discuss and vote on the matter.
- 4.11** A decision about a Councillor who has a declarable conflict of interest in a matter applies in relation to the Councillor for participating in the decision, and all subsequent decisions, about the same matter unless there is a change to the Councillor's personal interests and/or the nature of the matter being discussed. If the non-conflicted Councillors decide that the Councillor can act in the public interest on the matter, then the Councillor may participate in the meeting and be involved in processes occurring outside of a Council meeting about the same matter e.g. briefing sessions or workshops.
- 4.12** In making the decision under 4.6 and 4.9, it is irrelevant how the subject councillor intended to vote on the issue or any other issue (if known or suspected).

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4.13 A councillor does not contravene the above procedures if the councillor participates in a decision under written approval from the Minister.

5. Reporting a suspected conflict of interest

5.1 If a Councillor at a meeting reasonably believes or suspects that another councillor has a personal interest in a matter that may be a prescribed or declarable conflict of interest, and that Councillor is participating in a decision on that matter, the councillor must immediately inform the Chairperson of the meeting of their belief or suspicion, and the facts and circumstances that led to their belief or suspicion.

5.2 The Chairperson then should ask the relevant Councillor with the suspected personal interest whether they have any prescribed or declarable conflict of interest in the matter. If the Councillor agrees they have a conflict of interest, the Councillor must follow the relevant procedures above.

5.3 If the Councillor believes they do not have a conflict of interest, they must inform the meeting of that belief and their reasons for that belief.

5.4 The non-conflicted Councillors must then decide whether the Councillor has a prescribed conflict of interest, a declarable conflict of interest or that the Councillor does not have prescribed or declarable conflict of interest in the matter. If the meeting decides the Councillor has a conflict of interest, the Councillor must follow the relevant procedures above.

5.5 If the Councillors cannot reach a majority decision, then they are taken to have determined that the councillor has a declarable conflict of interest.

6. Loss of quorum

6.1 In the event where one or more Councillors leave a meeting due to a prescribed or declarable conflict of interest in a matter that results in a loss of a quorum for deciding the matter, Council must resolve to:

- delegate the consideration and decision on the matter, pursuant to section 257 of the Act;
- defer the matter to a later meeting; or
- not decide the matter and take no further action in relation to the matter.

6.2 All Councillors including the conflicted Councillors, may participate in deciding to delegate or defer a matter.

6.3 The Council must not delegate a decision to an entity if the entity, or a majority being at least half of its members, has a prescribed or declarable conflict of interest in the matter.

6.4 If the matter cannot be delegated under an Act, the Council should seek ministerial approval for the councillors to be able to consider and vote on the matter, subject to any conditions the Minister may impose.

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7. Recording prescribed and declarable conflicts of interest

When a Councillor informs a meeting that they or another Councillor have a prescribed or declarable conflict of interest in a matter, the minutes of the meeting must record all of the relevant details of how the conflict of interest was dealt with, being:

- the name of any Councillor and any other Councillor who may have a prescribed or declarable conflict of interest;
- the particulars of the prescribed or declarable conflict of interest provided by the Councillor
- the actions taken by a Councillor after informing the meeting that they have, or they reasonably suspect another Councillor has a prescribed or declarable conflict of interest
- any decision then made by the eligible Councillors;
- whether the Councillor with a prescribed or declarable conflict of interest participated in or was present for the decision under ministerial approval;
- the Council's decision on what actions the councillor with a declarable conflict of interest must take and the reasons for the decision;
- the name of each Councillor who voted on the matter and how each voted;
- If the Councillor has a declarable conflict of interest the following additional information must be recorded in the minutes of the meeting when the meeting is informed of a councillor's personal interest by someone other than the Councillor, the name of each Councillor who voted in relation to whether the Councillor has a declarable conflict of interest, and how each of the Councillors voted;
- where a decision has been made under section 4.6 above – the minutes must include the decision and reasons for the decision, and the name of each eligible Councillor who voted and how each eligible Councillor voted.

8. Motions

8.1 Motions to be moved

- 8.1.1 A Councillor is required to 'move' a motion and then another Councillor is required to 'second' the motion.
- 8.1.2 When a motion has been moved and seconded, it shall become subject to the control of Council and cannot be withdrawn without the consent of the Council meeting.
- 8.1.3 Other Councillors can propose amendments to the motion, which must be voted on before voting on the final motion:
- A motion brought before a meeting of Council in accordance with the Act or these standing orders will be received and put to the meeting by the chairperson.
 - The Chairperson may require a motion or amendment to a motion to be stated in full or be in writing before permitting it to be received.

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- The chairperson may refuse to accept a motion if it is not within the meeting's jurisdiction and rule a motion out of order if necessary. Any motion that is vague, proposes an unlawful action, is outside the scope of the meeting, is defamatory, vexatious or is unnecessary, may be ruled out of order.

8.1.4 The Chairperson may call the notices of motion in the order in which they appear on the agenda. Where no objection is taken to a motion being taken as a formal motion, and the motion is then seconded, the Chairperson may put the motion to the vote without discussion and the vote occur.

8.1.5 Not more than one motion or one proposed amendment to a motion may be put before a meeting of Council at any one time.

8.2 Absence of mover of motion

Where a Councillor who has given notice of a motion is absent from the meeting of Council at which the motion is to be considered, the motion may be:

- moved by another Councillor at the meeting; or
- deferred to the next meeting.

8.3 Motion to be seconded

A motion or an amendment to a motion shall not be debated at a meeting of Council unless or until the motion or the amendment is seconded, with the exception of procedural motions.

8.4 Amendment to motion

8.4.1 An amendment to a motion will be in terms which maintain or further clarify the intent of the original motion and do not contradict the motion.

8.4.2 Where an amendment to a motion is before a meeting of Council, no other amendment to the motion shall be considered until after the first amendment has been voted on.

8.4.3 Where a motion is amended by another motion, the original motion will not be proposed as a subsequent motion to amend that other motion.

8.5 Speaking to motions and amendments

8.5.1 The mover of a motion or amendment will read it and state that it is so moved but will not speak to it until it is seconded.

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- 8.5.2 The Chairperson will manage the debate by allowing the Councillor who proposed the motion the option of speaking first on the motion. The Chairperson will then call on any other Councillors who wish to speak against the motion and then alternatively for and against the motion as available, until all Councillors who wish to speak have had the opportunity.
- 8.5.3 A Councillor may make a request to the Chairperson for further information before or after the motion or amendment is seconded.
- 8.5.4 The mover of a motion or amendment has the right to reply. Each Councillor will speak no more than once to the same motion or same amendment except as a right of reply. Once the right of reply has been delivered the debate ends.
- 8.5.5 Each speaker will be restricted to not more than five minutes unless the Chairperson rules otherwise.
- 8.5.6 Where two or more Councillors indicate they may wish to speak at the same time, the Chairperson will determine who is entitled to priority.
- 8.5.7 In accordance with section 273 of the *Local Government Regulation 2012* (the Regulation), if a decision made at the Council meeting is inconsistent with a recommendation or advice given to Council by an advisor, the minutes of the meeting must include a statement of the reasons for not adopting the recommendation or advice.

8.6 Method of taking vote

- 8.6.1 The Chairperson will call for all Councillors in favour of the motion to indicate their support. The Chairperson will then call for all Councillors against the motion to indicate their objection. A councillor may call for a 'division' to ensure their objection to the motion is recorded in the minutes. If a division is taken, the minute secretary will record the names of Councillors voting in the affirmative and of those voting in the negative. The Chairperson will declare the result of a vote or a division as soon as it has been determined.
- 8.6.2 Councillors have the right to request that their names and how they voted be recorded in the minutes if they request it when voting other than by division.
- 8.6.3 Except upon a motion to repeal or amend it, the resolution will not be discussed after the vote has been declared.

Note: If a report contains distinct recommendations, the decision of the council may be taken separately on each recommendation. If a decision by the meeting is contra to a recommendation in a report the minutes must give the reasons for the decision.

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8.7 Withdrawing a motion

A motion or amendment may be withdrawn by the mover with the consent of the council, which will be without debate, and a councillor will not speak to the motion or amendment after the mover has been granted permission by the council meeting for its withdrawal.

8.8 Repealing or amending resolutions

8.8.1 A resolution of Council may not be amended or repealed unless notice of motion is given in accordance with the requirements of the legislation.

8.8.2 Councillors present at the meeting at which a motion to repeal or amend a resolution is put, may defer consideration of that motion. The deferral will not be longer than three months.

8.9 Procedural motions

8.9.1 A Councillor at a meeting of Council may, during the debate of a matter at the meeting, move the following motions, as a procedural motion without the need for a seconder:

- that the question/motion be now put before the meeting;
- that the motion or amendment now before the meeting be adjourned;
- that the meeting proceeds to the next item of business;
- that the question lie on the table;
- a point of order;
- a motion of dissent against the Chairperson's decision;
- that this report/document be tabled;
- to suspend the rule requiring that (insert requirement); or
- that the meeting stands adjourned.

8.9.2 A procedural motion, "***that the question be put***", may be moved and where such a procedural motion is carried, the Chairperson will immediately "put the question to the motion" or amendment to that motion under consideration. Where such procedural motion is lost, debate on the motion or amendment to that motion will resume.

8.9.3 The procedural motion, "***that the motion or amendment now before the meeting be adjourned***" may specify a time or date, to which the debate will be adjourned. Where no date or time is specified:

- a further motion may be moved to specify a time or date; or
- the matter about which the debate is to be adjourned, will be included in the business paper for the next meeting.

8.9.4 A procedural motion "***that the question lie on the table***", will only be moved where the Chairperson or a Councillor requires additional information on the matter before the meeting (or the result of some other action of Council or person is required) before the matter may be concluded at the meeting.

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Where such a procedural motion is passed, Council will proceed with the next matter on the business paper. The motion, "**that the matter be taken from the table**", may be moved at the meeting at which the procedural motion was carried or at any later meeting.

- 8.9.5 Any Councillor may ask the Chairperson to decide on a "**point of order**" where it is believed that another Councillor:
- has failed to comply with proper procedures;
 - is in contravention of the legislation; or
 - is beyond the jurisdiction power of the Council meeting.

Note: Points of order cannot be used as a means of contradicting a statement made by the Councillor speaking. Where a point of order is moved, consideration of the matter to which the motion was moved will be suspended. The Chairperson will determine whether the point of order is upheld.

Upon the question of order suddenly arising during the process of a debate, a Councillor may raise a point of order, and then the Councillor against whom the point of order is raised, will immediately cease speaking. Notwithstanding anything contained in this policy to the contrary, all questions or points of order at any time arising will, until decided, suspend the consideration and decision of every other question.

- 8.9.6 A Councillor may move "**a motion of dissent**" in relation to a ruling of the Chairperson on a point of order. Where such motion is moved, further consideration of any matter will be suspended until after a ruling is made. Where a motion of dissent is carried, the matter to which the ruling of the Chairperson was made will proceed as though that ruling had not been made. Whereas a result of that ruling the matter was discharged as out of order, it will be restored to the business paper and be dealt with in the normal course of business.
- 8.9.7 The motion, "**that this report/document be tabled**", may be used by a Councillor to introduce a report or other document to the meeting, only if the report or other document is not otherwise protected under confidentiality or information privacy laws. On tabling the document, it ceases to be a confidential document and is available for public scrutiny.
- 8.9.8 A procedural motion, "**to suspend the rule requiring that**" may be made by any Councillor in order to permit some action that otherwise would be prevented by a procedural rule. A motion to suspend a rule will specify the duration of such a suspension.
- 8.9.9 A procedural motion, "**that the meeting stands adjourned**" may be moved by a Councillor at the conclusion of debate on any matter on the business paper or at the conclusion of a Councillor's time for speaking to the matter, and will be put without debate.

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Such a procedural motion will specify a time for the resumption of the meeting and on resumption of the meeting, the Council meeting will continue with the business before the meeting at the point where it was discontinued on the adjournment.

8.10 Questions

- 8.10.1 A Councillor may at a Council meeting ask a question for reply by another Councillor or an officer regarding any matter under consideration at the meeting. A question shall be asked categorically and without argument and no discussion will be permitted at the Council meeting in relation to a reply or a refusal to reply to the question. A Councillor or officer to whom a question is asked without notice may request that the question be taken on notice for the next meeting.
- 8.10.2 A Councillor who asks a question at a meeting, whether or not upon notice, will be deemed not to have spoken to the debate of the motion to which the question relates.
- 8.10.3 The Chairperson may disallow a question which is considered inconsistent with an acceptable request or good order, provided that a Councillor may move a motion that the Chairperson's ruling be disagreed with, and if carried the Chairperson will allow the question.

9. Meeting conduct

9.1 Process for dealing with unsuitable meeting conduct

The conduct of a Councillor is unsuitable meeting conduct if the conduct happens during a Council meeting and contravenes a behavioural standard of the code of conduct for Councillors (<https://www.bundaberg.qld.gov.au/downloads/council-policies>). When dealing with an instance of unsuitable conduct by a councillor in a meeting, the following procedures must be followed.

- 9.1.1 The Chairperson must reasonably believe that unsuitable meeting conduct has been displayed by a Councillor at a meeting.
- 9.1.2 If the Chairperson decides the unsuitable meeting conduct has occurred, the Chairperson must consider the severity of the conduct and whether the Councillor has had any previous warnings for unsuitable meeting conduct issued. If the Chairperson decides the conduct is of a serious nature or another warning is warranted, proceed to 9.1.7.
- 9.1.3 If the Chairperson decides unsuitable meeting conduct has occurred but is of a less serious nature, the Chairperson may request the Councillor take remedial actions such as:
- ceasing the unsuitable meeting conduct and refraining from exhibiting the conduct;

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- apologising for their conduct; or
 - withdrawing their comments.
- 9.1.4 If the Councillor complies with the Chairperson's request for remedial action, no further action is required.
- 9.1.5 If the Councillor fails to comply with the Chairperson's request for remedial action, the Chairperson may warn the Councillor that failing to comply with the request could result in an order being issued.
- 9.1.6 If the Councillor complies with the Chairperson's warning and request for remedial action, no further action is required.
- 9.1.7 If the Councillor continues to fail to comply with the Chairperson's request for remedial action or the Chairperson decided a warning was not appropriate under 9.1.3, the Chairperson may make one or more of the orders below:
- an order reprimanding the Councillor for the conduct; or
 - an order requiring the Councillor to leave the meeting, including any area set aside for the public and stay out for the duration of the meeting.
- 9.1.8 If the Councillor fails to comply with an order to leave and stay away from the meeting, the Chairperson can issue an order that the Councillor be removed from the meeting.
- 9.1.9 Following the completion of the meeting, the Chairperson must ensure:
- details of any order issued is recorded in the minutes of the meeting.
 - if it is the third or more order within a 12-month period made against a Councillor, or the Councillor has refused to comply with an order issued to leave the meeting, these matters are dealt with at the next meeting of Council and treated as inappropriate conduct.
- 9.1.10 Any Councillor aggrieved with an order issued by the Chairperson can move a motion of dissent for parts 9.1.1, 9.1.7 and 9.1.8 above.

Note: Chairpersons of a meeting are carrying out a statutory responsibility under the Act to manage and lead the meeting. As such, where a Chairperson behaves inappropriately in a meeting this involves a serious breach of the trust placed in them as the Chairperson of the meeting and may be dealt with as misconduct. The breach can be referred to the Office of the Independent Assessor (OIA) to be dealt with. However, breaches of trust do not arise because Councillors disagree with the Chairperson's decision or ruling during the meeting.

9.2 General conduct during meetings

- 9.2.1 After a meeting of Council has been formally constituted and the business commenced, a Councillor will not enter or leave from the meeting without first notifying the Chairperson.

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- 9.2.2 Councillors will speak to each other or about each other during the Council meeting by their respective titles, ("Mayor" or "Councillor"), and when speaking of or addressing officers will call them by their respective official or departmental title and will confine their remarks to the matter then under consideration.
- 9.2.3 No Councillor who is speaking will be interrupted except upon a point of order being raised either by the Chairperson or by another Councillor.
- 9.2.4 When the Chairperson speaks during the process of a debate, the Councillor speaking or offering to speak will immediately cease speaking, and each Councillor present will observe strict silence so that the Chairperson may be heard without interruption.

9.3 Meeting process for dealing with suspected inappropriate conduct which has been referred to Council by the Independent Assessor (IA)

- 9.3.1 Pursuant to Chapter 5A, Division 5 of the Act (Referral of conduct to a local government) a referral from the IA of inappropriate conduct or an instance of suspected inappropriate conduct may arise from circumstances under paragraph 9.1.9 (dot point two) of this policy.
- 9.3.2 Council must complete an investigation into the alleged conduct:
 - Consistent with any recommendations from the IA; and
 - Consistent with Council's Councillor Complaints Investigation Policy; or
 - In another way decided by resolution of Council.
- 9.3.3 After the completion of the investigation, Council must decide in a council meeting, whether the Councillor has engaged in inappropriate conduct, unless it has delegated responsibility for this decision under section 257 of the Act.
- 9.3.4 When dealing with an instance of suspected inappropriate conduct which has been referred to Council by the IA:
 - 9.3.4.1 Council must be consistent with the local government principle of transparent and accountable decision making in the public interest by dealing with suspected inappropriate conduct in an open meeting of the Council. However, where the matter may directly affect the health and safety of the complainant due to the nature of the complaint, Council may resolve to go into closed session under section 254J of the Regulation.
 - 9.3.4.2 The subject Councillor has a declarable conflict of interest in the matter and is permitted by Council to remain in the meeting during the debate about whether the Councillor engaged in the inappropriate conduct and answer questions put to the subject Councillor by the Chairperson to assist the other Councillors in making a decision.

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This permission to remain in the meeting for the debate is on the condition that the subject Councillor must leave the place where the meeting is being held, including any area set aside for the public, during the vote on whether they have committed inappropriate conduct and what, if any, penalty to impose if the councillor is found to have committed inappropriate conduct.

- 9.3.4.3 Should the complainant be a Councillor, that Councillor may have a declarable conflict of interest in the matter and if so, must follow the declarable conflict of interest procedures in section 4. If the complainant councillor who has a declarable conflict of interest, wishes to remain in the meeting during the debate and vote on the matter, the other councillors must decide how to deal with the conflict of interest under section 4. The complainant Councillor can be ordered to leave the meeting place or conditions may be applied to allow that Councillor to participate in either the debate, the vote or the decision on any disciplinary action to be applied.
- 9.3.4.4 Council must debate the issue and decide whether the accused Councillor engaged in inappropriate conduct. If Council has lost quorum due to the number of conflicted councillors or another reason, the matter must be delegated consistent with section 257 of the Act or deferred to another date when a quorum will be present.
- 9.3.4.5 If a decision is reached that the accused Councillor has engaged in inappropriate conduct, then the Councillors must decide what penalty or penalties from the following orders detailed in 9.3.4.6, if any, to impose on the subject Councillor. In deciding what penalty to impose, Council may consider any previous inappropriate conduct of the Councillor and any allegation made in the investigation that was admitted, or not challenged, and that Council is reasonably satisfied is true.
- 9.3.4.6 Council may order that no action be taken against the Councillor or make one or more of the following:
- a) an order that the Councillor make a public admission that the Councillor has engaged in inappropriate conduct;
 - b) an order reprimanding the Councillor for the conduct;
 - c) an order that the Councillor attend training or counselling to address the Councillor's conduct, including at the Councillor's expense;
 - d) an order that the Councillor be excluded from a stated Council meeting;
 - e) an order that the Councillor is removed, or must resign, from a position representing Council, other than the office of Councillor, for example, the Councillor is ordered to resign from an appointment representing the Council on a State board or committee;

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- f) an order that if the Councillor engages in the same type of conduct again, it will be treated as misconduct; and
- g) an order that the Councillor reimburse Council for all or some of the costs arising from the Councillor's inappropriate conduct.

9.3.4.7 Council may not make an order under c), d), e) and f) above that the Councillor attend training/counselling, be suspended from a meeting, be removed or resign from a position or that the same conduct will be treated as misconduct in future, in relation to a person who is no longer a Councillor.

9.3.4.8 The subject Councillor and where relevant the complainant Councillor, must be invited back into the place where the meeting is being held once a decision has been made, and the Chairperson must advise them of the details of the decision.

9.3.4.9 The Chairperson must ensure the meeting minutes reflect the resolution made.

9.4 Disorder

The Chairperson may adjourn the meeting of Council, where disorder arises at a meeting other than by a Councillor. On resumption of the meeting, the Chairperson will move a motion, which shall be put without debate, to determine whether the meeting will proceed. Where such a motion is lost, the Chairperson shall declare the meeting closed, and any outstanding matters referred to a future meeting.

10. Attendance and non-attendance

10.1 Attendance of public and the media at a meeting

10.1.1 An area shall be made available at the place where any meeting of Council is to take place for members of the public and representatives of the media to attend the meeting and as many members of the public as reasonably can be accommodated in that area will be permitted to attend the meeting.

10.1.2 When Council is sitting in closed session, the public and representatives of the media will be excluded.

10.2 Closed session

10.2.1 Council and standing committees may resolve that a meeting be closed to the public if its Councillors consider it necessary to discuss any of the following matters:

- appointment, dismissal or discipline of the Chief Executive Officer;
- industrial matters affecting employees;
- Council's budget;
- rating concessions;

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- legal advice obtained by Council, including legal proceedings that may be taken by or against Council;
- matters that may directly affect the health and safety of an individual or group of individuals;
- negotiations relating to a commercial matter involving Council for which a public discussion could prejudice the interest of Council;
- negotiations relating to the taking of land by Council under the *Acquisition of Land Act 1967*;
- a matter that Council is required to keep confidential under a law of, or a formal agreement with, the Commonwealth or State.

10.2.2 A Council or committee meeting cannot resolve that a meeting be closed where the meeting is informed of a Councillor's personal interest in the matter by another person and the eligible Councillors at the meeting must decide whether the Councillor has a declarable conflict of interest in the matter.

10.2.3 Further, the meeting must not be closed if a quorum is lost due to the number of conflicted Councillors who leave the meeting and Council must:

- delegate the matter
- decide by resolution to defer to a later meeting
- decide by resolution to take no further action on the matter.

Note: None of the above will be considered, discussed, voted on or made during a closed session. If a closed session includes attendance by audio link or audio visual link, the Councillor/s attending by audio link or audio visual link must maintain confidentiality by ensuring no other person can hear their conversation while in the closed meeting.

10.2.4 To take a matter into a closed session Council must abide by the following:

- pass a resolution to close the meeting;
- the resolution must state the matter to be discussed, an overview of what is to be discussed and why the meeting should be closed while the matter is considered;
- if the matter is known in advance, the agenda should clearly identify that the matter will be considered in closed session, and an explanation of why it is deemed necessary to take the issue into closed session must be stated;
- not make a resolution while in a closed meeting (other than a procedural resolution).

10.3 Audio link or audio-visual link of meetings

10.3.1 If a Councillor wishes to be absent from a Council meeting place during a meeting, the Councillor must apply to the Chairperson to participate by audio link or audio-visual link, at least three business days prior to the meeting or as soon as practicable once the Councillor becomes aware of their intended absence.

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The Chairperson may allow a Councillor to participate in a Council meeting by audio link or audio-visual link.

- 10.3.2 A Councillor taking part by audio link or audio-visual link is taken to be present at the meeting if the Councillor was simultaneously in audio contact with each other person at the meeting. The attendance of the Councillor must be recorded in the minutes as present at the meeting.

Note: Audio link or audio-visual link includes the use of a telephone, video conferencing equipment or other means of instant communication that allows a person to take part in a discussion as it happens.

- 10.3.3 In order for Councils to manage the safety rules during the COVID-19 pandemic, changes have been added to the Regulation that will expire in June 2021.

- 10.3.4 These provisions allow Council:
- the option to conduct the entire Council meeting via phone, audio link or audio visual link;
 - where possible, must provide streaming or other facilities so that the public can observe or hear the meeting as it is happening, at one of the Council's public offices or on the Council's website; and
 - Chairperson has the option to close the meeting on health and safety grounds to protect participants or observers from risk of exposure to COVID-19.

ASSOCIATED DOCUMENTS

- Councillor Code of Conduct Policy
- Councillor Complaints Investigation Policy
- Councillor Conduct Register

DOCUMENTS CONTROLS

Council will review this policy biennially or in response to changes in law or best practice.

POLICY OWNER

The Chief Legal Officer, Governance & Legal Services is the responsible person for this policy.

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**Item****27 October 2020****Item Number:**

G5

File Number:**Part:**

GOVERNANCE

Portfolio:

Organisational Services

Subject:

Sale of Lot 25 on SP210113

Report Author:

Nicole Sabo, Property & Leases Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 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:

Council is the freehold owner of the property located at 18 Hendle Street, Childers on Lot 25 on SP210113 ('Property'). Council has previously resolved to sell this Property as it is surplus to Council's needs.

The Property was previously offered for sale by auction at which the auction was not successful and the Property was passed in. Council has received an offer to purchase the Property from a Buyer through First National Real Estate Childers. The offer to purchase the Property presented by the Buyer to Council is for market value.

Associated Person/Organization:

N/A

Consultation:

N/A

Chief Legal Officer's Comments:

Pursuant to section 236(1)(a)(i) of the *Local Government Regulation 2012* (Qld), Council may apply an exception to the tender/auction requirement on the disposal of a non-current asset if the property has previously been offered by tender/auction.

The disposal must not be for less than market value.

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.

Attachments:

Nil

Recommendation:

That:

- 1. Council apply the exception contained in section 236(1)(a)(i) of the *Local Government Regulation 2012* (Qld) to the disposal of Lot 25 on SP210113; and**
- 2. the Chief Executive Officer be authorised to enter into a Contract of Sale with the Buyer and attend to all items required to finalise the sale of the property.**

**Item****27 October 2020****Item Number:**

G6

File Number:**Part:**

GOVERNANCE

Portfolio:

Organisational Services

Subject:

Sale of Lot 6 on SP205671

Report Author:

Nicole Sabo, Property & Leases Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 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:

Council is freehold owner of the property located at 12 Wallum Street, Woodgate on Lot 6 on SP205671 ('Property'). Council has previously resolved to sell the Property as it is surplus to the Council's needs.

The Property was previously offered for sale by auction at which the auction was not successful and the Property was passed in. Council has received an offer to purchase the Property from a Buyer through Woodgate Realty. The offer to purchase the Property presented by the Buyer to the Council is for market value.

Associated Person/Organization:

N/A

Consultation:

N/A

Chief Legal Officer's Comments:

Pursuant to section 236(1)(a)(i) of the *Local Government Regulation 2012* (Qld), Council may apply an exception to the tender/auction requirement on the disposal of a non-current asset if the property has previously been offered by tender/auction.

The disposal must not be for less than market value.

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.

Attachments:

Nil

Recommendation:

That:

- 1. Council apply the exception contained in section 236(1)(a)(i) of the *Local Government Regulation 2012 (Qld)* to the disposal of Lot 6 on SP205671; and**
- 2. the Chief Executive Officer be authorised to enter into a Contract of Sale with the Buyer and attend to all items required to finalise the sale of the property.**

**Item****27 October 2020****Item Number:**

G7

File Number:**Part:**

GOVERNANCE

Portfolio:

Organisational Services

Subject:

Sale of Lot 40 on SP205671

Report Author:

Nicole Sabo, Property & Leases Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 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:

Council is the freehold owner of the property located at 33 Kinkuna Drive, Woodgate on Lot 40 on SP205671 ('Property'). Council has previously resolved to sell this Property as it is surplus to Council's needs.

The Property was previously offered for sale by auction at which the auction was not successful and the Property was passed in. Council has received an offer to purchase the Property from a Buyer through First National McColms Real Estate. The offer to purchase the Property presented by the Buyer to Council is for market value.

Associated Person/Organization:

N/A

Consultation:

N/A

Chief Legal Officer's Comments:

Pursuant to section 236(1)(a)(i) of the *Local Government Regulation 2012* (Qld), Council may apply an exception to the tender/auction requirement on the disposal of a non-current asset if the property has previously been offered by tender/auction.

The disposal must not be for less than market value.

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.

Attachments:

Nil

Recommendation:

That:

- 1. Council apply the exception contained in section 236(1)(a)(i) of the *Local Government Regulation 2012* (Qld) to the disposal of Lot 40 on SP 205671; and**
- 2. the Chief Executive Officer be authorised to enter into a Contract of Sale with the Buyer and attend to all items required to finalise the sale of the property.**



Item

27 October 2020

Item Number:

O1

File Number:**Part:**COMMUNITY & CULTURAL
SERVICES**Portfolio:**

Community & Environment

Subject:

Lease to the Commonwealth of Australia (rep by Geoscience Australia) for part of Lot 35 on SP254546

Report Author:

Nicole Sabo, Property & Leases Officer

Authorised by:

Gavin Steele, General Manager Community & Environment

Link to Corporate Plan:

Our People, Our Business - 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:

Council is the freehold owner of Lot 35 on SP254546 at 3 Avro Ave, Kensington known as the Bundaberg Regional Airport ('Property').

The Commonwealth of Australia represented by Geoscience Australia ABN 80 091 799 039 ('Geoscience Australia') currently has their equipment installed on a pillar on the Crook Street side of the Property. Geoscience Australia also share the GPS Hut with both Council and other tenants. Below is a map showing the pillar and GPS Hut:



Council and Geoscience Australia wish to formalise the use of part of the Property by entering into a Lease for the pillar site and a Licence Agreement for the use of the GPS Hut. The Lease will be for a term of 10 years. The proposed rent will be on a peppercorn basis per annum. All other terms of the Lease will be in accordance with Council's standard terms.

Council proposes to apply the exception to the tender/auction requirements contained in section 236(1)(b)(i) of *Local Government Regulation 2012* (Qld) given that the proposed disposal is to a government agency.

Associated Person/Organization:

Commonwealth of Australia represented by Geoscience Australia

Consultation:

N/A

Chief Legal Officer's Comments:

Section 236(1)(b)(i) of the *Local Government Regulation 2012* allows Council to dispose of an interest in a valuable non-current asset other than by tender or auction on the basis the disposal is to a government agency.

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.

Attachments:

Nil

Recommendation:

That :

1. Council apply the exception contained in section 236(1)(b)(i) of the *Local Government Regulation 2012* (Qld); and
2. the Chief Executive Officer be authorised to enter into a 10 year Lease to Commonwealth of Australia represented by Geoscience Australia ABN 80 091 799 039 for part of Lot 35 on SP254546.



Item

27 October 2020

Item Number:

O2

File Number:

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Part:COMMUNITY & CULTURAL
SERVICES**Portfolio:**

Community & Environment

Subject:

Extension of Term of rent relief to Airport tenants

Report Author:

Greg Barrington, Manager Airport Operations

Authorised by:

Gavin Steele, General Manager Community & Environment

Link to Corporate Plan:

Our People, Our Business - 3.1 A sustainable financial position - 3.1.2 Apply responsible fiscal principles for sustainable financial management.

Background:

During the quarter ending September 2020, fewer than 15% as many airline passengers travelled through Bundaberg Regional Airport as during the same quarter last year. We do not expect numbers to return to more than 30% of pre-COVID before the end of 2020.

Historically, approximately 50% of Bundaberg passengers travel interstate or internationally. State border closures are thus a critical factor in determining airline passenger numbers.

In response to COVID-19, Council gave financial relief to commercial tenants at the airport by waiving aviation charges and rent for the six months ending 30 September 2020.

Most council airport tenants are now conducting business as usual. However, several have written to request ongoing support, citing a direct relationship between their incomes and the number of airline passengers travelling.

The requests for support have been received from the airport café operator, the airport's advertising concessionaire, and three hire car operators.

Despite early indication of slow recovery in passenger numbers, the outlook is very uncertain. It is unlikely that the café operator and advertising concessionaire will be able to reach break-even during the remainder of 2020. Council does not yet have enough information available to make an assessment about car hire companies' operations.

Should the café or advertising concessionaire cease to operate at the airport, council will likely forgo revenue for several months until new businesses can be procured to take over. There is also no certainty that this will be on terms as favourable as today, assuming new concessionaires can be found.

Council can hope for the re-opening of key state borders during the next three months, which should result in increased air travel, more passengers travelling through Bundaberg Airport, and permit a better assessment of the café and advertising concessionaire's business potential for 2021.

Under current arrangements, the café operator's rent and advertising concessionaire's licence fees amount to \$2,813 monthly. To extend the COVID-19 support until December 2020 for these operators, as recommended, would therefore cost council \$8,439 in lost revenue.

Associated Person/Organization:

Airport tenants

Consultation:

Portfolio Spokesperson: Cr Barnes
Divisional Councillor: Cr Habermann

Chief Legal Officer's Comments:

Council may choose to extend rent relief to a specified group of businesses impacted by COVID-19 for a specific period.

Policy Implications:

There appears to be no policy implications.

Financial and Resource Implications:

There appear to be no financial or resource implications, other than a loss of revenue for three months.

Risk Management Implications:

There appears to be no risk management implications.

Human Rights:

There appears to be no human rights implications.

Attachments:

Nil

Recommendation:

That Council waive payments in respect of:

- **Airport Café Lease; and**
- **Advertising Licences for sites within the Airport building**

- from 1 October 2020 to 31 December 2020.