

Goondiwindi
**REGIONAL
COUNCIL**



**REGIONAL
AUSTRALIA**
at its best!



ANNUAL REPORT 2020-2021

For the period 1 July 2020 to 30 June 2021

Table of Contents

Distribution.....	3
Feedback.....	3
Regional Profile.....	4
Executive Message.....	6
Goals and Values.....	7
Elected Representatives	10
Department Reports.....	13
Statutory Information.....	14
Community Financial Report.....	19
Annexure A – Councillor Remuneration & Expenses Policy	27
Annexure B – Revenue Policy 2020/21	32

Distribution

Goondiwindi Regional Council's Annual Report is available in hard copy or electronic format. Printed copies of the report may be obtained for a fee by writing to the Chief Executive Officer, Goondiwindi Regional Council, Locked Mail Bag 7, Inglewood Qld 4387, or by telephoning Council's Customer Service Centre on (07) 4671 7400 during normal business hours. Alternatively, you can visit Council's website at www.grc.qld.gov.au to download a free copy.

Copies are also distributed to the:

- Department of State Development, Infrastructure, Local Government and Planning;
- State Library of Queensland;
- Queensland Parliamentary Library;
- Qld Treasury Corporation;
- Hon. David Littleproud MP, Minister for Agriculture and Northern Australia, Deputy Leader of National Party and Federal Member for Maranoa;
- James Lister MP, Member for Southern Downs; and
- Local Government Association of Qld

Feedback

In the interest of continuous improvement, Council welcomes your feedback. Please forward your commentary in writing to the Chief Executive Officer, Goondiwindi Regional Council, Locked Mail Bag 7, Inglewood Qld 4387 or email Council at mail@grc.qld.gov.au.

Local Service

To contact the Goondiwindi Regional Council telephone (07) 4671 7400, or visit in person at your local Customer Service Centre:

Goondiwindi Regional Council Chambers	4 McLean Street	Ph. (07) 4671 7400	
Goondiwindi Regional Civic Centre	100 Marshall Street	Ph. (07) 4671 7400	
Inglewood Customer Service Centre	18 Elizabeth Street	Ph. (07) 4652 0200	
Texas Customer Service Centre	High Street	Ph. (07) 4653 2600	

Correspondence Address:

The Chief Executive Officer
Goondiwindi Regional Council
Locked Mail Bag 7
INGLEWOOD QLD 4387

Email: mail@grc.qld.gov.au

Regional Profile

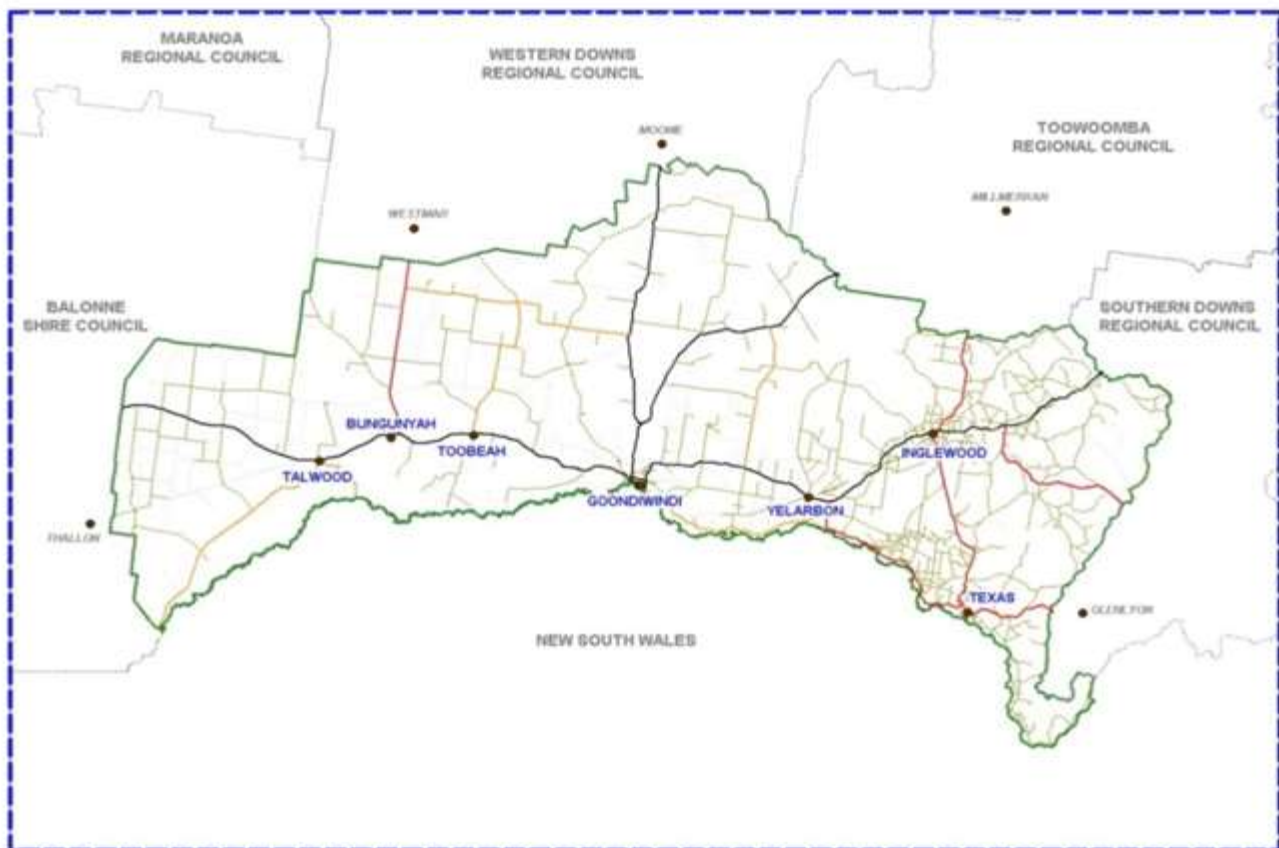
Goondiwindi Regional Council services a growing population of approximately 10,817 and covers an area of approximately 19,294 square kilometres. The southern boundary of the region, defined predominantly by the Macintyre, Dumaresq and Barwon Rivers, provides a major gateway from New South Wales to Queensland with the region a popular stopover destination for travellers.

The Goondiwindi Region is a very attractive place to live and work and offers many opportunities for residents. There is something for everyone in the Goondiwindi region. The communities are rightly proud of our towns with the immaculate and attractive tree-lined streets, public parks and beautiful gardens. You will find that many businesses are family owned and operated and we pride ourselves on the friendly, welcoming nature of our communities.

Goondiwindi region offers many beautiful and interesting attractions to both tourists and locals, and numerous must do calendar events over the year! Our rivers, dams and other waterways are great assets for the region and warrant sticking around for a few days to explore.

Prosperity is based on the extensive agricultural and pastoral sector, which produces some of Australia's best wheat, beef cattle, wool, cotton and other specialty crops for domestic and overseas markets.

Goondiwindi region boasts an abundance of health and fitness facilities, thriving schools, impressive venues, fantastic events and beautifully manicured parks and gardens.



Location	<ul style="list-style-type: none"> • South-West Queensland
Size	<ul style="list-style-type: none"> • Total Area: 19,294 sq.km • Total urban area: (approximately) 44.9 sq.km • Total rural area: (approximately) 19,249.1 sq.km
Towns	<ul style="list-style-type: none"> • Goondiwindi, Inglewood, Texas, Yelarbon, Toobeah, Bungunya and Talwood
Population	<ul style="list-style-type: none"> • Total Population: 10,817 • Average annual growth rate: (2019-2020) 0.18%
Population by Age	<ul style="list-style-type: none"> • 22.0% aged 0-14 Years • 60.3% aged 15-64 Years • 17.8% aged 65+ Years
Industries	<p>Top five industry subdivisions of employment:</p> <ol style="list-style-type: none"> 1. Agriculture (31%) 2. Healthcare and Social Assistance (10.9%) 3. Retail Trade (9.5%) 4. Construction (6.80%) 5. Education and Training (6.7%)
<i>(Information sourced from the Queensland Government Statistician's Office)</i>	



Executive Message

It is with great pleasure that we present Goondiwindi Regional Council's Annual Report for 2020-21.

We believe that Council has provided sensible direction for the Goondiwindi Region into the future, while providing the scope our region needs to grow and enough opportunity to capitalise on more optimistic investment conditions.

Welcome rainfall across much of the Goondiwindi Region has presented improved seasons for many of our agricultural and related businesses. It has also brought extreme challenges for landholders around the Texas area in particular, with flooding in March this year causing severe damage to crops and property.

While the state government revoked the Goondiwindi Region's drought-declared status earlier this year, improving the long-term water security for the Goondiwindi Region has been a big focus for this Council. Council has invested more than \$6.5 million over the past two years to improve the region's water security infrastructure and better prepare the region for future times of drought.

Council has worked closely with SunWater, WaterNSW and the Queensland Government's Department of Natural Resources, Mines and Energy to identify and implement short and long term solutions to secure and diversify the region's water supply. These include the installation of two new Great Artesian Basin bores in Goondiwindi, the installation of new bores in Yelarbon and Inglewood, and the replacement of an existing bore in Texas, as well as additional water security projects across the region's smaller townships.

Council introduced water restrictions across the region to conserve its supply for the first time in its history in November 2019. In doing so, we were able to achieve a 36% reduction in water usage from 2019 to 2020. Fortunately, the Goondiwindi Region finally received some extremely welcome rain in its catchment area this year: from just one downpour, the water level at Coolmunda Dam surged from 16.19% up to 103.6% in two days and, with even more follow-up rain, peaked at 104.9% on 6 April 2021. Council was then able to revoke all water restrictions in the region in April this year.

With water storage facilities once again at full capacity, and new and improved infrastructure in place, the Goondiwindi Region now has a vastly more secure water supply that is better prepared for future times of drought.

We were able to achieve hundreds of community projects across the region throughout the year: from upgrading small halls to safety improvements at local parks. Once again, Council's expenditure was shared across every community in the region - from Daymar in the west to Cement Mills in the east. Council secured an additional \$1.35 million in funding from the state government's 2020-21 COVID Works for Queensland (W4Q) program towards improved water infrastructure, park upgrades and new footpaths and irrigation systems. We also achieved numerous local road improvements and social infrastructure projects across the region through the \$1.14 million allocated by the Australian Government's Local Roads and Community Infrastructure Grant (LRCI).

In September last year, Council held its Ordinary Meeting (OM) in Inglewood for the first time in 11 years, and six months later, we held the March 2021 OM in Texas. The last time an Ordinary Meeting of Council was held in a town other than Goondiwindi was in November 2009. The move is demonstrative of Council's commitment to the region as a whole – not just Goondiwindi.

Council's commitment to our smaller communities was also illustrated this past year in the success of the Yelarbon master plan project, with a suite of projects completed across the town in the project's first year. The Yelarbon Silo Art Project was also named the 'Best Rural Art' in the nation at the Australian Street Art Awards in March. As one of the biggest murals in Australia, When the Rain Comes also received the bronze prize in the highly coveted 'Best Mega Mural' category.

Although COVID-19 has continued to impact our community, Council continued lengthy advocacy work throughout 2020-21 around the 'border bubble' and has been determined to get the best results for our communities. We continue to work collaboratively with Queensland Health and alongside the Queensland Police Service in this matter.

We were very pleased to unveil Council's COVID-19 Community Grant in 2020, with funding providing financial support to the fundamental operational activities of community groups impacted by the pandemic.

In April, Council was recognised by the Queensland Audit Office as one of just a few councils in the state considered financially sustainable in all areas of operating surplus, financial liabilities and asset sustainability. This is due, quite simply, to good financial management, and it is a credit to the careful and considered stewardship of this Council that we are one of Queensland's most financially sustainable local governments.

However, we are not immune to rising costs or increasing community expectations, and it is therefore becoming increasingly difficult to balance all of this while keeping rate increases to a minimum.

To maintain our sustainability despite continually rising costs, Council must look for ways we can adapt in the future to best meet the needs of our community. As your regional representatives, we are committed to this work and are determined to ensure that this Council is in a strong and sustainable position for our citizens now and into the future.

Finally, we would like to thank our Councillors and Council staff for their ongoing service and commitment to the Goondiwindi Region. We look forward to the achievements our community will share in 2021-22.



Hon Lawrence Springborg AM
Mayor

A handwritten signature in blue ink, appearing to read 'L. Springborg'.



Carl Manton
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Carl Manton'.

Our Staff & Volunteers

Our people are our greatest asset. Council is one of the region's largest employers and we believe that our team's passion, professionalism and willingness to go above and beyond sets us apart from other councils and organisations. We demonstrate every day that Council is an outstanding organisation and committed to the long-term future of the region.

Council's values and behaviours also shape our culture, performance, and how the organisation grows. As we constantly strive to be an outstanding organisation, our people are committed to being high performing, supported by good governance, robust decision making and regional leadership.

Our Residents

The residents of Goondiwindi region are passionate, talented and hard working. They are why we are known as Regional Australia at its best. It is through strong community partnerships that Council understands and sets the strategic directions for the region, as it seeks to deliver on what is most important to the people who call the Goondiwindi region home.

Our Vision

The vision encapsulates the potential for the Goondiwindi Region to transition to a prosperous 21st Century regional economy by capitalising on its traditional industry strengths and promoting new forms of high-value economic activity consistent with the community's aspirations to represent 'Regional Australia at its best'.

OUR VISION To strengthen our thriving regional lifestyle and prosperous economy.

The vision is supported by Goondiwindi Regional Council's mission statement. Our mission sets out the purpose of the organisation and demonstrates how we will achieve the vision:

OUR MISSION To provide leadership in making locally-responsive and informed decisions, delivering quality services and facilities to the communities of the Goondiwindi region.

Our Goals

Our vision, mission and values inform the strategies presented in this Annual Report and the key goals that Council aspires to realise across four themes:



A THRIVING COMMUNITY

A welcoming, engaged and resilient community supported by quality community infrastructure and services



A STRONG ECONOMY

A region known for its prosperous rural economy and innovation



A SUSTAINABLE REGION

A sustainable, well managed and healthy region for today and future needs



A HIGH-PERFORMING ORGANISATION

An engaging and transparent Council providing community leadership and quality service delivery

Our Five Core Values

Our values govern Council's actions and how we serve the communities of our region. Our five core values are:

TEAMWORK	INTEGRITY	ACCOUNTABILITY	COMMUNICATION	LEADERSHIP
<p>We value our stakeholders and look for opportunities to work cohesively, by collaborating and connecting internally and externally.</p>	<p>We strive to be valued and trusted by our community. As a Council we are respectful, open, balanced, fair, transparent, and honest in our dealings with the community.</p>	<p>We will be accountable for our decisions, and achieve value for our communities through sound planning, innovation, informed decision-making and efficient work practices.</p>	<p>We embrace diversity and communicate openly and honestly.</p>	<p>We lead by example, collaborating with the communities of our region, to achieve our vision.</p>

Elected Representatives

Goondiwindi Regional Council comprises of a Mayor and six Councillors elected by the community to represent the interests of everyone in the region. Council meets on the fourth Wednesday of each month commencing at 9:00am, unless otherwise altered by resolution. Meetings are open to the public, unless it is otherwise resolved by Council that a meeting be closed under the *Local Government Act 2009*.



Back Left to Right: Cr Rick Kearney, Cr Jason Watts, Cr Lachlan Brennan, Deputy Mayor Cr Rob Mackenzie
Front Left to Right: Cr Phil O'Shea, Mayor Hon Cr Lawrence Springborg AM, Cr Susie Kelly

The designated portfolio holders for the particular areas are identified as follows:

- **Economic Development, Tourism and Events** – Hon Cr Lawrence Springborg AM
- **Waste, Regulatory Services and Planning** – Councillor Rob Mackenzie
- **Health, Ageing, Arts and Culture** – Councillor Phil O'Shea
- **Lifestyle (Parks, Gardens, Sport and Recreation, Community Safety), Education and Technology** – Councillor Lachlan Brennan
- **Transport, Roads, Youth and Local Disaster Management Group** – Cr Jason Watts
- **Water, Sewerage, Local Laws and Local Disaster Management Chair**– Cr Rick Kearney
- **Rural Services and Community Facilities** – Councillor Susie Kelly

Councillor Remuneration and Meetings

Under Section 186(a)-(c) of the *Local Government Regulation 2012* Council is required to report on details relating to the total remuneration paid to each Councillor during the year. This includes the total superannuation contributions paid during the year for each Councillor, and the expenses incurred by Councillors, and the facilities provided to each Councillor during the year under Council's reimbursement and expenses policy.

Councillors	Meeting Attendance (days)	Remuneration	Travel	Phone / Technology	Total Remuneration Inc. Travel	Superannuation	Insurance & Sundry
LJ Springborg	12	109,529.99		2,280.00	111,809.99	10,281.12	3,140.48
RJ Mackenzie	12	62,435.04	2,220.00	2,280.00	66,935.04	5,931.36	3,140.48
WP Kearney	12	54,110.04	2,220.00	2,280.00	58,610.04	5,140.44	3,140.48
LG Brennan	11	54,110.04	2,220.00	2,280.00	58,610.04	5,140.44	3,140.48
SK Kelly	12	54,110.04	2,220.00	2,280.00	58,610.04	5,140.44	3,140.48
PG O'Shea	12	54,110.04	2,220.00	2,280.00	58,610.04	5,140.44	3,140.48
JN Watts	12	54,110.04	2,220.00	2,280.00	58,610.04	5,140.44	3,140.48
Totals	83	442,515.23	13,320.00	15,960.00	471,795.23	36,774.24	21,983.38

Councillor Remuneration and Expenses Policy

Section 186(b) of the *Local Government Regulation 2012* requires Council to include in its annual report the expenses incurred by, and the facilities provided to, each Councillor during the financial year pursuant to Council's Expenses Reimbursement Policy. A copy of Council's Remuneration and Expenses Policy is attached as Annexure A. The Policy was re at Council's Ordinary Meeting held on 27 May 2020. Details of the resolution are as follows:

RESOLUTION OM-68/20

Moved: Cr RJ Mackenzie

Seconded: Cr PG O'Shea

That Council resolves to adopt the following policy which has been reviewed and amended:

Councillor Remuneration and Expenses Reimbursement Policy, identified as Policy Number GRC 0003.

Carried.



Councillors Conduct

Total number of orders and recommendations made under the following sections of the Local Government Act 2009	
Total number of orders and recommendations made under section 150I (2) of the Local Government Act 2009	Nil
Total number of orders made under section 150AH(1) of the Local Government Act 2009	Nil
Total number of decisions, orders and recommendations made under section 150AR(1) of the Local Government Act 2009	Nil
The name of the each Councillor for whom an order or recommendation was made under section 150I(2) of the Local Government Act 2009 or an order made under section 150AH(1) of the Local Government Act 2009	N/A
A description of the misconduct or inappropriate conduct engaged in by each of the Councillors	N/A
A summary of the order or recommendation made for each Councillor	N/A
The number of complaints referred to the assessor under section 150P(2)(a) of the Local Government Act 2009 by local government entities for the local government	Nil
Matters mentioned in section 150P(3) of the Local Government Act 2009 notified to the Crime and Corruption Commission	1
Notices given under section 150R(2) of the Local Government Act 2009	Nil
Notices given under section 150S(2)(a) of the Local Government Act 2009	Nil
Decisions made under section 150W(1)(a), (b) and (e) of the Local Government Act 2009	Nil
Referral notices accompanied by a recommendation mentioned in section 150 AC(3)(a) of the Local Government Act 2009	Nil
Occasions information was given under section 150AF(4)(a) of the Local Government Act 2009	1
Occasions the Local Government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Local Government Act 2009 for the local government, the suspected inappropriate conduct of a councillor	Nil
Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Local Government Act 2009 about whether a councillor engaged in misconduct or inappropriate conduct.	N/A



Department Reports

Department of Community & Corporate Services

Highlights 2020-2021

- Completion of Stage 2 of the CCTV Project.
- Goondiwindi Pool Refurbishment commenced.
- Secured funding to construct an Evacuation Centre Ablution Block at the Goondiwindi Show Ground.
- Commenced replacement of Councils Business Enterprise System.
- Secured funding for Cultural Burning Project and Pest Weed Control works throughout the region.

Department of Engineering Services

Highlights 2020-2021

- Extension to and repairs to the footpath and cycle way networks in Talwood, Goondiwindi, Yelarbon, Texas and Inglewood.
- Completion of the annual gravel resheet program and bitumen reseal program on various roads throughout the regional area.
- Continuation of water main upgrade and augmentation works within Council's water supply areas.
- Continued upgrade of non-compliant playground equipment.
- Construction of additional reservoirs at Yelarbon and Talwood water treatment plants.
- Continuation of bitumen seal extension on Goodar Road.
- Continuation of bitumen seal extension on Daymar Weengallon Road.
- Shoulder resheeting works on Talwood Mungindi, Aerodrome, Pollocks, Polo and Riverton Roads.
- Continuation of kerb and gutter improvements in Goondiwindi, Inglewood and Texas.
- Floodway rehabilitations and improvements on Merton and Talwood Mungindi Roads.
- Pavement rehabilitation and improvements on Minnel Road.
- Continuation of the installation of telemetry systems for all water and sewerage treatment plants and pump stations.
- Completion of annual plant replacement program.
- Commencement of upgrade works on Yelarbon Keetah Road to allow for road train access.
- Pedestrian safety improvements near Callandoon and Herbert Street intersection Goondiwindi.
- Renewal and upgrade of irrigation systems within Goondiwindi to more efficient systems.
- Continuation of water supply security works in all potable water supplies.

Statutory Information

Business Activities and Complaints & Investigations

As required under Sections 41 and 45 of the *Local Government Act 2009*, listed in the following schedule is business activities conducted during the year. None of these activities were deemed "significant" according to the *Local Government Regulation 2012*. All activities were subject to the "competitive neutrality principal" whereby the Council did not use its position as a public entity to obtain an advantage over the private sector. There were no complaints about, or investigations into, any Council nominated business activities, nor any investigation notices for competitive neutrality complaints received.

List of Business Activities	Significant Business Activity (Sect 43)	Competitive Neutrality Principle Applied (Sect 43)	Code of Competitive Conduct Applied (Sect 47)
Aquatic Centres	No	No	No
Aerodromes	No	No	No
Animal Control	No	No	No
Cemeteries	No	No	No
Cinema	No	No	No
Cultural Centres	No	No	No
Disaster Management	No	No	No
Emergency Services	No	No	No
Health	No	No	No
Museums	No	No	No
Parks and Gardens	No	No	No
Planning and Development	No	No	No
Plant Operations	No	No	No
Public Halls	No	No	No
Regulated Parking	No	No	No
Roads	No	No	No
Rural Services	No	No	No
Sport and Recreation	No	No	No
Visitor Information Centre	No	No	No
Waste Management	No	No	No
Water Supply and Sewerage	No	No	No

Goondiwindi Regional Council did not have any responses in the 2020/21 financial year on the QCA's recommendations on any competitive neutrality complaints under Section 52(3) of the *Local Government Regulation 2012*.

Pursuant to section 47 of the *Local Government Act 2009*, Council will not apply the Code of Competitive Conduct to its prescribed business activities, water supply, sewerage and waste management for the 2020/21 financial year for the following reasons.

These activities are comprised of separate operations in several centres across the Council area. The nature of the operations and the limited populations in these centres makes it impossible to achieve economies of scale that would allow for full cost recovery without placing an undue financial burden on the users. These activities are not in competition with other providers and the cost of provision of the service makes competition in the future very unlikely.

Therefore, there is no benefit to Council or the community through the application of the code of competitive conduct to these activities.

Council has not received any applications for review under the *Right to Information Act 2009* and the *Information Privacy Act 2009*.

Remuneration Packages

Section 201 of the *Local Government Act 2009* requires Council to report on the total remuneration packages payable to senior contract employees. These details are as follows:

Number of senior contracted employees	Total remuneration range*
3	\$200,000 - \$300,000

The total remuneration packages available in 2020-21 to senior management = **\$701,272.69**

Administrative Action Complaints

Council is committed to dealing fairly with administrative action complaints and has an Administrative Actions Complaints Process to deal with any such complaints. Council is dedicated to dealing with Administrative Action Complaints in a fair, prompt, professional and confidential manner. The implementation of Council's Complaints Management Process is integral to how we assess our performance involving complaints.

Council has implemented its complaints management process in accordance with the requirements of Section 268(1) of the *Local Government Act 2009* and Section 306 of the *Local Government Regulation 2012*. Regular training is provided to Council Officers, with a focus on legislative compliance, responsibilities, awareness of obligations regarding Council's Administrative Actions Complaints Process and investigation procedures.

The following table summarises the Administrative Action Complaints requiring reporting pursuant to Section 187 of the *Local Government Regulation 2012* for this financial year.

The number of administrative action complaints made to Council	6
The number of administrative action complaints resolved by Council under the complaints management process	6
The number of administrative action complaints not resolved by the local government under the complaints management process	0
The number of administrative action complaints not resolved that were made in a previous financial year	0

Overseas Travel

In accordance with reporting requirements under Section 188 of the *Local Government Regulation 2012*, no Councillors or employees undertook overseas travel during the financial year at Council's expense.

Long Term Financial Sustainability

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

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

In summary, Council achieved all of the financial targets and met all financial commitments in the financial year. This was achieved while maintaining community services and making ongoing investment in community infrastructure.

Long –Term Financial Sustainability Statement - Prepared as at 30 June 2021

Goondiwindi Regional Council

Unaudited Long-Term Financial Sustainability Statement prepared as at 30 June 2021

	Target	Actual	Forecast									
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031

Measures of financial sustainability

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

Performance indicators

1. Operating surplus ratio

Net result (excluding capital items)												
Total operating revenue (excluding capital items)	> 10%	1.85%	-1.67%	-0.13%	0.16%	-0.13%	0.12%	0.05%	-0.36%	0.17%	-0.01%	-0.16%

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

2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals)	> 90%	98.17%	148.08%	97.64%	110.33%	95.32%	111.31%	99.70%	99.30%	99.81%	100.13%	100.49%
Depreciation expense												

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

3. Net financial liabilities ratio

Total liabilities less current assets	< 60%	-73.77%	-77.16%	-80.22%	-81.40%	-86.13%	-86.43%	-88.57%	-93.04%	-97.39%	-101.19%	-104.45%
Total operating revenue (excluding capital items)												

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Separate and Special Rates and Charges

Section 190(1)(d) of the *Local Government Regulation 2012* requires Council to report details of action taken in relation to, and expenditure on, a service, facility or activity:

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

Council made and levied special charges to be known as Rural Fire Levy A Special of **\$12.50** per annum applied to rateable land contained within the Rural Fire Brigade Area of Bracker Creek to fund the operations of the Bracker Creek Rural Fire Brigade. This levy generated total revenue of **\$1,250.00** for the 2020/21 financial year. Payments totalling **\$1,000.00** were distributed to brigades during the 2020/21 financial year.

Contracts and Tendering

Section 190(1)(e) of the *Local Government Regulation 2012* requires Council to list the number of invitations to change tenders under Section 228(7). There were no actions taken during the 2020/21 year relating to changes to tenders.

Registers & Public Documents

Council is required under Section 190(1)(f) of the *Local Government Regulation 2012* to report a list of registers kept by it and open to public inspection. In some cases, charges may apply for copies or extracts if these are allowable.

- Register of Interests (Councillors)
- Road Register
- Policy Register
- Regulatory Fees and Charges
- Publication Scheme (Right to Information)
- Council Minutes and Agendas
- Local Laws and Subordinate Local Law Register
- Code of Conduct
- Financial Statements
- Budget (Adopted annually)
- Customer Service Standards
- Revenue Statement (Adopted annually)
- Disclosure Log
- Register of Delegations (by Council and by CEO)

Council also makes available other information that can be downloaded electronically from Council's website. This information includes:

- Operational Plan (adopted annually)
- Goondiwindi Region Planning Scheme
- Corporate Plan 2019 - 2024
- Annual Report (adopted annually)

Concessions for Rates & Charges

Section 190(1)(g) of the *Local Government Regulation 2012* requires Council to include a summary of all concessions for rates and charges granted by the local government. Council's Revenue Policy (attached as Annexure B), adopted 27 May 2020, sets out the principles employed by Goondiwindi Regional Council in 2020/21 for:

- The making and levying of rates and charges;
- The granting of rebates and concessions;
- The recovery of rates and charges; and
- Concessions for rates and charges.

Goondiwindi Regional Council exempts religious, charitable and other organisations from general rating in accordance with the *Local Government Act 2009* and regulations.

Concessions to Classes of Land Owners

Council gives consideration to granting a class concession in the event the State Government declares all or part of the local government area a natural disaster area.

Discount for Prompt Payment – General Rates

To encourage the prompt payment of rates a discount is allowed on levied rates if paid within 30 clear days after the issue date of the rate notice, provided all overdue rates and charges are also paid. The discount amount is the lesser of the amount prescribed by regulation or 15%.

Rebates

A pensioner subsidy for Council's rates and charges is available through the State Government's Pensioner Rate Subsidy Scheme. The current eligibility of each applicant to receive a benefit from either the Centrelink or the Department of Veterans' Affairs has to be verified, within the last twelve (12) months, with or by the relevant Commonwealth Department. The subsidy available is for 20% of rates to a maximum of \$200 per annum.

Other Remissions and Deferrals

Other remission requests, or rate deferral requests, are assessed on a case by case basis upon application in writing to Council.

Internal Audit

Section 207 of the *Local Government Regulation 2012* requires Council to report on the internal audit for the financial year. Section 105 of the *Local Government Act 2009* and section 207 of the *Local Government Regulation 2012* cover the need to establish and maintain an Internal Audit function. Council's Internal Audit Policy covers the Internal Audit function and associated activities. Specific audit activities for 2020-2021 have focused on compliance with Council's procurement process concerning requests for quotations, Council's Gifts and Donations and Conflicts of Interest.

Shareholder Delegates

In accordance with reporting requirements under the *Local Government Regulation 2012*, Council did not operate any corporate entities during the 2020/21 period.

Grants to Community Organisations

Council supports the local community by granting financial assistance to various community organisations and is required by Section 189 of the *Local Government Regulation 2012* to report such contributions. These contributions assisted in the ongoing improvement of services and facilities for the community. During 2020/21, Goondiwindi Regional Council provided financial assistance to local community organisations as follows:

Description	Amount
Community Contributions	\$328,451.77
Cultural Activities Contributions	\$71,946.91
Total Contributions	\$400,398.68

Details of the grants provided to community groups are available on Council's website. Please note that Councillors do not have their own discretionary funds.

Implementation of Long-Term Plans

Council has continued to report periodically on the implementation of its Corporate Plan and Operational Plan. Council's Corporate Plan and the annual Operational Plan ensures that Council's strategies are actioned at an operational level.

Community Financial Report

For the period 1 July 2020 to 30 June 2021

The community financial report is designed to give the end user a better understanding of the financial performance and financial position of Council. It also seeks to explain in plain English, key financial information in a way that readers without a non-financial background can easily understand.

This report focuses on:

- the Statement of Comprehensive Income
- the Statement of Financial Position
- the Statement of Changes in Equity
- the Statement of Cash Flows
- Financial Ratios

The Statement of Comprehensive Income

The Statement of Comprehensive Income is often referred to as the profit and loss statement and shows how Council has performed throughout the period. This statement conveys what Council has earned (revenue) and what Council has spent (expenses) throughout the year. The net result of these two figures represents the money that is available for Council to renew, upgrade or build new community assets or to allocate to a reserve to allow for future expenditure for the community

In summary, Council's result for the reporting period was:

<i>What we have earned (Revenue)</i>	
Recurrent Revenue	42,094
Capital Revenue	9,508
Total Revenue	51,602
<i>What we have spent (Expenses)</i>	
Recurrent Expenses	41,316
Capital Expenses	8,029
Total Expenses	49,345
Net Result	2,257
The Net Result does not necessarily represent surplus cash funds available for general use as certain income items are restricted to specific use, for example, capital grants are generally allocated to maintain or expand the Council's infrastructure. The recast operating results is as follows:	
Net Result as reported 30 June 2021	2,257
Less Capital Revenue allocated for Infrastructure Assets	9,508
Plus Capital Expenses allocated for Infrastructure Assets	8,029
Restated Operating Result – 30 June 2021	778

Council delivered an operating surplus well above the original budgeted result. Goondiwindi Regional Council is in a sound financial position to deliver its budgeted projects and services for the 2021 financial year and beyond.

What We Have Earned

There are two main categories of revenue for the financial year: recurrent revenue and capital revenue.

Councils' recurrent revenue is money raised that is used to fund the operations of Council. Council raises recurrent revenue from income sources such as rates, levies and charges, grants, subsidies, contributions and donations, sales revenue (i.e. contract works), interest and income fees and charges.

Councils' capital revenue is sourced for the purpose of constructing Council's assets now and into the future. Council's capital revenue consists of grants, subsidies, contributions and donations, as well as gains/losses on the disposal of assets.

Total recurrent income increased by \$4M from the previous year, primarily due to the following:

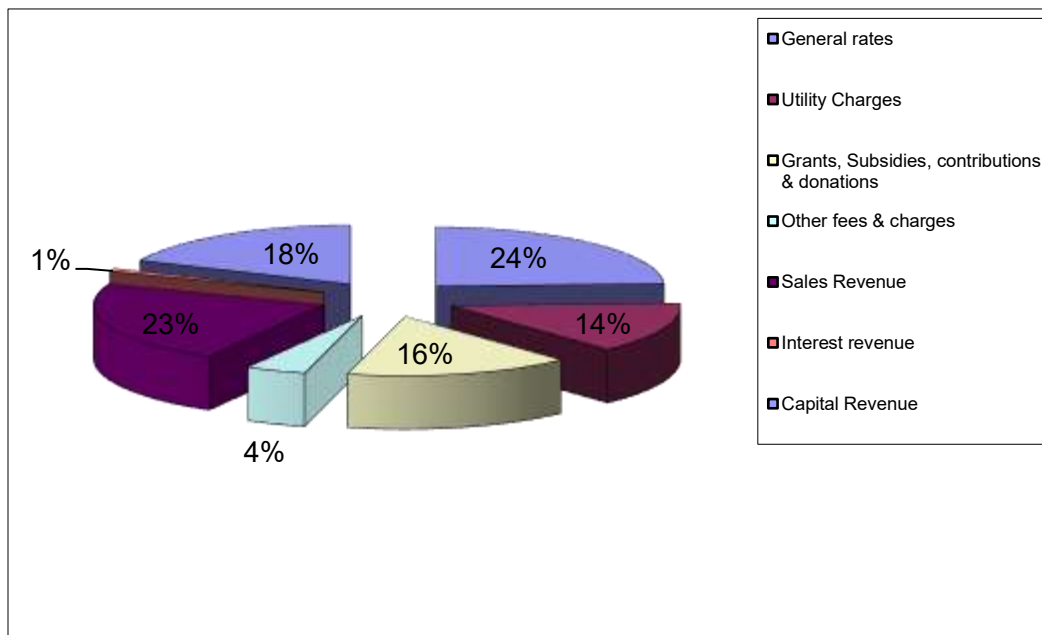
1. Increase in Grants, subsidies and donations - \$0.7M;
2. Increase in Sales revenue from State Government - \$3.3M

The main source of Council income for 2020/2021 was for Rates, levies and charges that equated to 47% of the total recurrent income. Sales revenue was the next highest source of income.

Items to note in relation to this year's results are as follows:

- An average increase in rates, levies and charges of 1.7% was applied if the discount was taken up by the ratepayer.
- Increases in Grant income.
- Increases in Sales income.
- Decreases in Interest earned due to a low yield on investments.

REVENUE	\$'000	
Recurrent Income	2021	2020
General Rates	12,551	12,315
Utility Charges	7,110	6,988
Grants, Subsidies and Contributions	8,213	7,505
Other Fees & Charges	2,186	2,361
Sales Revenue	11,640	8,246
Interest Revenue	394	650
Total Recurrent Revenue	42,094	38,065
Capital Revenue	9,508	5,486
TOTAL REVENUE	51,602	43,551



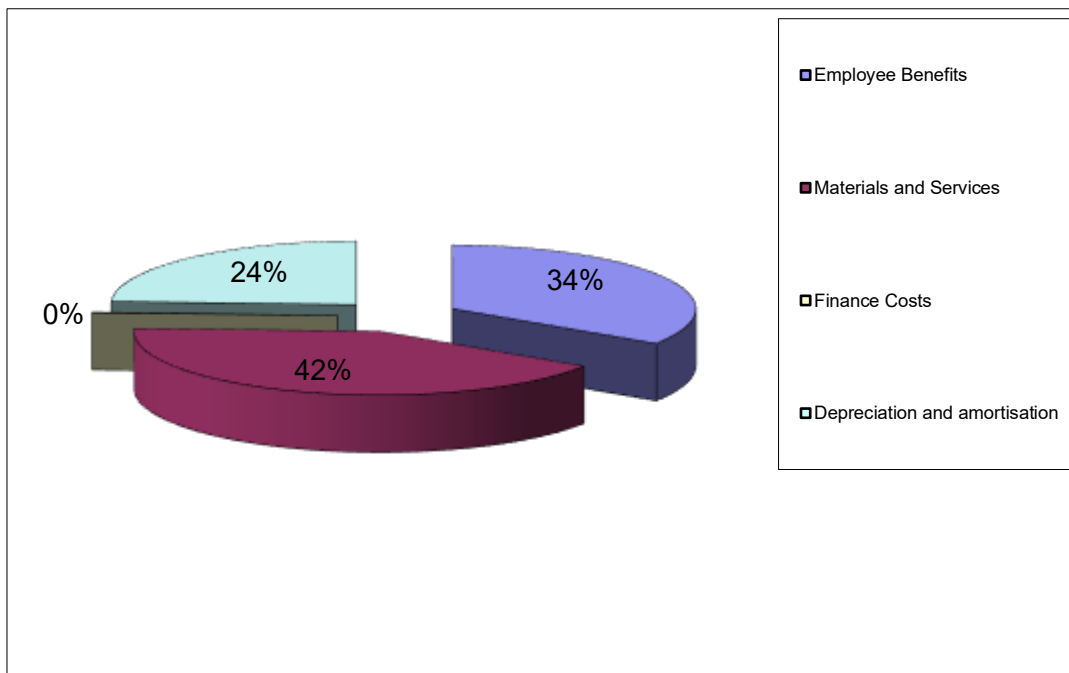
What We Have Spent

Council’s recurrent expenses include employee benefits, materials and services, finance costs and depreciation. These line items represent the cost to Council of providing services, operating facilities and maintaining assets.

EXPENSES	\$'000	\$'000
Operating Expenses	2021	2020
Employee Benefits	14,150	13,410
Materials and Services	17,121	14,147
Finance Costs	49	50
Depreciation	9,996	9,681
Total Recurrent Expenditure	41,316	37,288
Capital Expenses	8,029	4,295
TOTAL EXPENSES	49,345	41,583

Total recurrent expenditure increased \$4.0M from the previous year. The main expenditure was Materials and Services (41%) followed by Employee Benefits (34%).

The reason for the increases in materials and services was due to the increase in Sales Revenue.



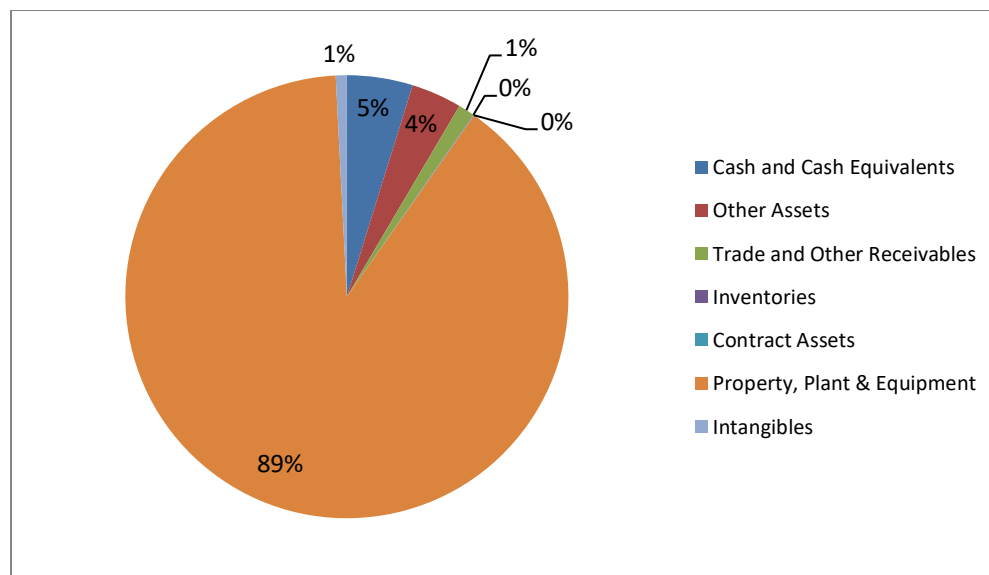
The Statement of Financial Position

This statement is often referred to as the balance sheet and summarises the financial position of the Council at the end of the financial year. The statement measures what Council owns (assets) and what Council owes (liabilities) at the end of the financial year with the difference between these two components being the net community wealth (equity) of Council.

Assets	2021	2020
Current Assets		
Cash and Cash Equivalents	23,602	12,613
Receivables	18,102	22,000
Investments	5,813	4,248
Inventories	99	99
Inventories	250	500
Total Current Assets	47,866	39,460
Non-Current Assets		
Property, Plant & Equipment	439,767	439,880
Intangible Assets	3,963	3,963
Total Non-Current Assets	443,730	443,843
TOTAL ASSETS	491,596	483,303

Assets

Council's current assets increased by \$8.4M. This increase was mainly due to an increase in bank accounts due to the yield from capital grants and sales revenue.



The written down value of Council's property, plant and equipment assets was \$439.8M at 30 June 2021. The majority of Council's non-current assets are in the form of property, plant and equipment. These assets make up 89% of the assets on Council's Statement of Financial

Position. Infrastructure assets such as roads, drainage, water and sewerage comprise the bulk of this line item.

Incorporated as part of this figure (\$10.1M) relates to works in progress not completed by year-end.

Liabilities

Council's liabilities comprise amounts owing for employee entitlements such as recreation and sick leave, provisions for future costs such as long service leave and refuse restoration, payables (suppliers) and contract liabilities.

The Statement of Changes in Equity

Community equity represented by Council's net worth. This is calculated by what we own, minus what we owe:

Total Assets **\$491.6M** – Total Liabilities **\$16.8M** = Community Equity **\$474.8M**.

Community equity increased by \$1.6M.

Council's retained surplus represents amounts, which have been invested into assets to provide services. The asset revaluation surplus comprises amounts representing the asset retained capital and other change in the value of Council's assets over time.

The Statement of Cash Flows

The Statement of Cash Flows identifies the cash received and cash spent throughout the year. The statement shows Council's ability to cover its expenditures and where those funds are derived. Council's cash and equivalents balance increased by \$11.0M. Council spent \$13.7M from its operating activities, (\$2.7M) from its investing activities. No borrowings were outstanding at 30 June 2021 balance date. Capital grants amounted to \$11.1M with an investment of \$18.7M in property, plant and equipment. Council's cash is wisely invested so the interest earned contributes to the funding of operational expenses.

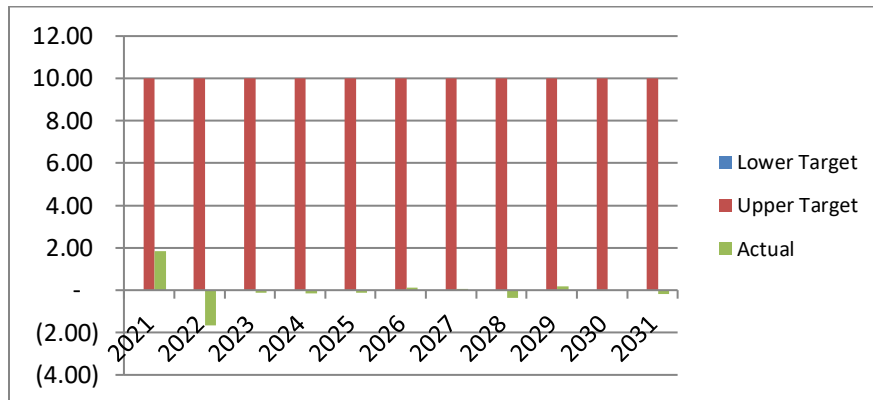
Financial Ratios

Section 169 of the *Local Government Regulation 2012* requires the inclusion of the relevant measures of financial sustainability. These ratios are also included in Council's Long Term Financial Plan with reviews conducted on a regular basis. The targets have been set by the Department of Local Government, Racing and Multicultural Affairs.

Operating Surplus Ratio

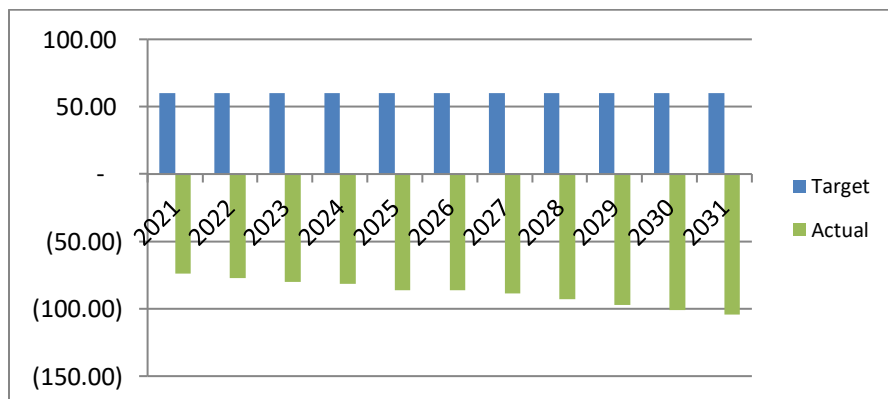
The operating surplus ratio measures the extent to which revenue raised (i.e. excluding capital grants and contributions) covers operational expenses. As at 30 June 2021, Council's Operating Surplus Ratio was a positive 1.85%.

Under the present assumptions used in the long-term plan, Council will yield breakeven results for the next ten-year's Long-Term financial range to 2031. Council will also continue with service level reviews to ensure that operational expenses are going to be sustainable in the longer term.



Net Financial Liabilities Ratio

This ratio measures the extent to which Council can fund its liabilities through its operating revenues. A ratio of less than 60% indicates that the Council can comfortably fund its liabilities. At 30 June 2021, Council's Net Financial Liabilities Ratio was -73.77%.



Asset Sustainability Ratio

This ratio measures the amount of capital expenditure on renewal of existing assets compared to the depreciation expense. Ratios of less than the target amount of 90% shows that Council may not be keeping its existing assets up to date. Generally, spending renewal works will be within the sustainability target for the life of the plan. At 30 June 2021, Council's Asset Sustainability Ratio was 98.17%.



Council's Financial Management Strategy

During 2021, Council continued reviewing their financial operations by challenging current staffing levels, plant needs, depreciation estimates, overtime, fleet, insurance risk appetites and other measures to identify opportunities for efficiencies or cost reductions.

Summary

The 2021 financial year ended with an operating surplus amounting to \$.778M. It is still forecasted that beyond 2022 the Goondiwindi Regional Council will mostly remain within the prescribed targets as published by Queensland Treasury Corporation. Council also has sufficient money to cover its present and future obligations into the foreseeable future. One of its core philosophies is to continue a commitment of sound financial management through long-term financial planning to ensure the success and stability of the region.

Annexure A – Councillor Remuneration & Expenses Policy



COUNCILLOR REMUNERATION AND EXPENSES POLICY

Adopted Date:	14 April 2008
Policy Number:	GRC 0003
Policy Type:	Statutory
Responsible Officer:	Chief Executive Officer
Department:	Executive Office

Version	Decision Number or CEO Approval	Decision Date	Status / History
1	GRC 0003	14 April 2008	Model adopted by Council
2	GRC 0003	Amended 18 August 2010	
3	GRC 0003	22 May 2013	Review June 2017
4		Amended 23 July 2014	Review June 2017
5	OM-112/17	28 June 2017	Review June 2020
6.	OM-028/18	28 February 2018	Review June 2020
7.	OM-068/20	27 May 2020	Review July 2021

1. BACKGROUND

Councillor remuneration is determined on an annual basis by the Local Government Remuneration Tribunal (“the Tribunal”). The Tribunal determines local government categories based on criteria including population, size of the local government area and services provided. Goondiwindi Regional Council has been classified as a Category 1 local government. Details of the remuneration, expenses and reimbursements payable to Councillors are detailed in this policy.

2. POLICY STATEMENT

The policy complies with the Statement of Principles, set out in the guidelines:

- Reasonable expenses reimbursement to councillors
- Public accountability and transparency
- Public perceptions and community expectations
- No private benefit to be derived
- Equity and participation

1. PAYMENT OF EXPENSES

Expenses will be paid to a councillor through administrative processes approved by a councils' Chief Executive Officer subject to:

- the limits outlined in this policy and
- council endorsement by resolution.

2. EXPENSE CATEGORIES

2.1. Professional development

A local government will reimburse expenses incurred for:

- mandatory professional development and
- discretionary professional development deemed essential for the councillor's role.

2.2. Travel as required to represent council

A local government will reimburse local and in some cases interstate and overseas travel expenses (e.g. flights, car, accommodation, meals and associated registration fees) deemed necessary to achieve the business of council where:

- a councillor is an official representative of council and
- the activity/event and travel have been endorsed by resolution of council.

Councillors are to travel via the most direct route, using the most economical and efficient mode of transport.

Council will pay for reasonable expenses incurred for overnight accommodation when a councillor is required to stay outside the local governments region.

NOTE: Any fines incurred while travelling in council-owned vehicles or privately owned vehicles when attending to council business, will be the responsibility of the councillor incurring the fine.

2.3. Travel Bookings

All councillor travel approved by council will be booked and paid for by council.

Economy class is to be used where possible although council may approve business class in certain circumstances.

Airline tickets are not transferable and can only be procured for the councillor's travel on council business. They cannot be used to offset other unapproved expenses. (e.g. cost of partner or spouse accompanying the councillor.)

2.4. Travel Transfer Costs

Any travel transfer expenses associated with councillors travelling for council approved business will be reimbursed.

Example: Trains, taxis, buses and ferry fares

Cab charge vouchers may also be used if approved by council where councillors are required to undertake duties relating to the business of council.

2.5. Private Vehicle Usage

Councillors will be provided with a monthly allowance of \$185.00 per month to reimburse Councillors for all costs including fuel, wear and tear, registration and insurance associated with using their own vehicle for Council related activities. It is the responsibility of the Councillors to disclose this arrangement to their insurer.

2.6. Accommodation

All councillor accommodation for council business will be booked and paid for by council. Council will pay for the most economical deal available. Where possible, the minimum standards for councillors accommodation should be three or four star rating.

Where particular accommodation is recommended by conference organisers, council will take advantage of the package deal that is the most economical and convenient to the event.

2.7. Meals

A local government will reimburse costs of meals for a councillor when:

- the councillor incurs the cost personally and
- the meal was not provided:
 - within the registration costs of the approved activity/event
 - during an approved flight.

The following limits apply to the amount councils will reimburse for meals:

- Breakfast \$30.00
- Lunch \$30.00
- Dinner \$45.00

2.8. Incidental Allowance

Up to \$20 per day may be paid by a local government to cover any incidental costs incurred by councillors required to travel, and who are away from home overnight, for official council business.

2.9. Additional Expenses for Mayor Hospitality

Council may reimburse the Mayor up to \$1,000 per annum for hospitality expenses deemed necessary in the conduct of council business.

2.10 Provision of Facilities

All facilities provided to councillors remain the property of council and must be returned to council when a councillor's term expires.

2.11 Private use of council owned facilities

Based on the principle that *no private benefit is to be gained* the facilities provided to councillors by local governments are to be used only for council business unless prior approval has been granted by resolution of council.

The council resolution authorising private use of council owned facilities will set out the terms under which the councillor will reimburse council for the percentage of private use. This would apply when councillors have private use of council owned motor vehicles and / or mobile telecommunication devices.

3. FACILITIES CATEGORIES

3.1 Administrative tools

Administrative tools will be provided to councillors as required to assist councillors in their role. Administrative tools include:

- office space and meeting rooms
- computers
- stationery
- access to photocopiers

- printers
- facsimile machines
- publications
- use of council landline telephones and internet access in council offices.

Secretarial support may also be provided for mayors and councillors.

3.2 Maintenance Costs of Council Owned Equipment

Council will be responsible for the ongoing maintenance and reasonable wear and tear costs of council-owned equipment that is supplied to councillors for official business use.

This includes the replacement of any facilities which fall under council's asset replacement program.

3.3. Uniform

Councillors will be provided with a uniform allowance of \$300.00 for the purposes of purchasing a blazer with an embroidered Council logo.

3.4 Safety Equipment for Councillors

Council will provide councillors with the necessary safety equipment for use on official business. e.g. safety helmet /boots.

3.5 Use of Council Vehicles on Council Business

Councillors will have access to a council vehicle for official business. Use of the vehicle must be booked through the Executive Office Executive Assistant. Usage of the vehicle for representing Council at official events and/or conferences will be given priority. In the event that the council vehicle is not being used by Councillors, it will be able to be used as a pool vehicle by Council employees.

3.6 Telecommunication Needs - Mobile Devices

Council will provide Councillors with a monthly allowance of \$190 per month to reimburse the cost of supplying their own mobile computing device, mobile phone and a reasonable monthly mobile data allowance.

3.7 Insurance Cover

A local government will indemnify or insure councillors in the event of injury sustained while discharging their civic duties.

The local government will pay the excess for injury claims made by a councillor resulting from conducting official council business.

4. PAYMENT OF REMUNERATION

Remuneration will be paid at a base salary rate of two thirds of the remuneration figure determined by the Tribunal for each financial year. The remaining one third remuneration will be paid to Councillors monthly, after certification of the Councillor's attendance at meetings.

4.1. Payment of base rate of remuneration

The base rate of remuneration will be paid monthly to Councillors after the submission of a tax invoice to Council.

4.2. Payment of meeting fee for attendance at meetings

Each local government is responsible for determining how and when it will pay meeting fees to its councillors. Meeting fees are only payable when Councillors attend all monthly meetings unless one of the following exceptions apply.

Councillors will still receive the monthly meeting fee in the following situations:

1. Being absent from a meeting to attend to official Council Business (such as attendance at a conference or meeting to represent Council), where prior approval has been obtained from the Mayor;
2. Being absent from a meeting due to illness/accidents;
3. Being absent from a meeting whilst on annual leave;
4. Being absent from a portion or whole of a meeting where prior approval has been granted by the Mayor based on individual circumstances.

The Mayor or Chief Executive Officer will certify the attendance of Councillors at each meeting and note any exemptions for Councillors. Once certified, the payment of the monthly meeting fee will be included in the monthly tax invoice submitted to Council for payment after the meeting.

4.3. Superannuation

Council has established a superannuation scheme for Councillors whereby the Council contributes the minimum prescribed by the Superannuation Guarantee Legislation for those Councillors who wish to participate in the scheme.

4. PURPOSE

The purpose of the policy is to ensure that councillors (including mayors) can receive reimbursement of reasonable expenses and be provided with necessary facilities in performance of their role.

5. POLICY OBJECTIVE

The objectives of this policy are to provide clear guidelines for Councillors and staff when dealing with the reimbursement of expenses.

6. NECESSITY TO COMPLY WITH THIS POLICY

If a Councillor fails to comply with this policy, such failure may constitute inappropriate conduct or misconduct pursuant to the *Local Government Act 2009* and will be dealt with accordingly.

7. REVIEW DATE

July 2021



REVENUE POLICY 2020/2021

TITLE: Revenue Policy 2020/2021

POLICY TYPE: Statutory

POLICY NUMBER: GRC 0012

RESPONSIBLE OFFICER: Director Community & Corporate

DEPARTMENT: Community & Corporate Services

Version	Decision Number or CEO Approval	Decision Date	History
1	Reviewed	27 August 2008	Revised for 2009/10
2	Ordinary Meeting Minutes (ref. CS-89)	29 June 2009	Adopted by Resolution
3	Reviewed	17 May 2010	Revised for 2010/11
4	Ordinary Meeting Minutes (ref. OM-097/10)	26 May 2010	Adopted by Resolution
5	Reviewed	04 May 2011	Revised for 2011/12
6	Ordinary Meeting Minutes (ref. OM-092/11)	25 May 2011	Adopted by Resolution
7	Reviewed	07 May 2012	Revised for 2012/13
8	Ordinary Meeting Minutes (ref. OM-120/12)	27 June 2012	Adopted by Resolution
9	Reviewed	10 May 2013	Revised for 2013/14
10	Ordinary Meeting Minutes (ref. OM-073/13)	22 May 2013	Adopted by Resolution
11	Ordinary Meeting Minutes (ref. OM-019/14)	28 May 2014	Adopted by Resolution
12	Ordinary Meeting Minutes (ref. OM-076/15)	27 May 2015	Adopted by Resolution
13	Ordinary Meeting Minutes (ref. OM-065/16)	25 May 2016	Adopted by Resolution
14	Ordinary Meeting Minutes (ref. OM-081/17)	26 April 2017	Adopted by Resolution
15	Ordinary Meeting Minutes (ref. OM-076/18)	23 May 2018	Adopted by Resolution
16	Ordinary Meeting of Council (ref. OM-100/19)	22 May 2019	Adopted by Resolution
17	Ordinary Meeting of Council (ref. OM-073/20)	27 May 2020	Adopted by Resolution

1. LEGISLATIVE AUTHORITY

- *Local Government Act 2009* - section 104(5)(a)(iii)
- *Local Government Regulation 2012* - section 193

2. POLICY OBJECTIVE

The objective of this Revenue Policy is to set out the principles used by Council for:-

- The levying of rates and charges; and
- The granting of concessions for rates and charges; and
- The recovery of overdue rates and charges; and
- Cost recovery fees.

3. POLICY PRINCIPLES

3.1 The levying of rates and charges

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget, Council will set rates and charges at a level that will provide for both current and future community requirements. Council will apply the principle of transparency in making rates and charges.

In general, Council will be guided by the principle of user pays in the making of rates and charges so as to minimise the impact of rating on the efficiency of the local economy.

Council will also have regard to the following principles in the making of rates and charges:-

- Transparency in the making of rates and charges; and
- Administering a simple and inexpensive rating regime; and Equity by taking into account the different levels of revenue-producing potential of the land within the local government area; and
- Flexibility to take account of changes in the local economy, extraordinary circumstances and impacts that different industries may have on Council infrastructure.

In levying rates Council will be guided by the following the principles of:-

- Making clear what is the Council's and each ratepayers' responsibility to the rating system; and
- Making the levying system simple and inexpensive to administer; and
- Timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy; and
- Equity through flexible payment arrangements for ratepayers with a lower capacity to pay; and
- Communication by advising ratepayers about rate notice issue dates and discount dates; and
- Clarity by providing meaningful information on rate notices to enable ratepayers to clearly understand their responsibilities.

3.2 Recovery of rates and charges

Council requires payment of rates and charges within the specified period and it is Council policy to pursue the collection of outstanding rates and charges diligently, but with due concern for the financial hardship faced by some members of the community.

Council will exercise its rate recovery powers pursuant to the provisions of Chapter 4 Part 12 of the *Local Government Regulation 2012* in order to reduce the overall rate burden on ratepayers, and will be guided by the principles of:-

- equity by treating all ratepayers in similar circumstances in the same manner and by having regard to their capacity to pay;
- transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations; and
- flexibility by accommodating ratepayers' needs through short-term payment arrangements;
- making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective.

3.3 Cost-Recovery Fees

Section 97 of the *Local Government Act 2009* allows Council to set cost-recovery fees.

The Council recognises the validity of fully imposing the user pays principle for its cost-recovery fees, unless the imposition of the fee is contrary to its express social, economic, environmental and other corporate goals. This is considered to be the most equitable and effective revenue approach, and is founded on the basis that the Council's rating base cannot subsidise the specific users or clients of Council's regulatory products and services.

However, in setting its cost-recovery fees, Council will be cognisant of the requirement that such a fee must not be more than the cost to Council of providing the service or taking the action to which the fee applies.

3.4 Funding of Physical and Social Infrastructure Costs

Council requires developers to pay reasonable and relevant contributions towards the cost of infrastructure required to support the development. Specific charges are detailed in the policies and other material supporting Council's town planning schemes.

These policies are based on normal anticipated growth rates. Where a new development is of sufficient magnitude to accelerate the growth rate of a specific community within the Region, it may be necessary to bring forward social infrastructure projects. Where this occurs, Council expects developers to meet sufficient costs so that the availability of facilities are not adversely affected and so that existing ratepayers are not burdened with the cost of providing the additional infrastructure.

4. REVIEW DATE

This Revenue Policy applies for the 2020/2021 financial year. This policy will be reviewed annually.

5. RELATED DOCUMENTS

- Budget 2020/2021
- Revenue Statement 2020/2021

6. ATTACHMENT

Nil

*Annexure C – Audited Financial Statements (including
Financial Sustainability Statements)*

For the period 1 July 2020 to 30 June 2021



Goondiwindi Regional Council

FINANCIAL STATEMENTS
for the year ended 30 June 2021



**REGIONAL
AUSTRALIA**
at its best!

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

Goondiwindi Regional Council

Financial Statements

for the year ended 30 June 2021

Table of Contents

Page

1. Primary Financial Statements:

Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5

2. Notes to the Financial Statements

1	Information about these financial statements	6
2	Analysis of results by function	8
3	Revenue	10
4	Capital income	13
5	Employee benefits	14
6	Materials and services	14
7	Capital expenses	15
8	Cash and cash equivalents	16
9	Receivables	16
10	Other assets	17
11	Property, plant and equipment	18
12	Contract balances	25
13	Payables	26
14	Provisions	26
15	Other liabilities	28
16	Asset revaluation surplus	28
17	Commitments for expenditure	29
18	Contingent liabilities	29
19	Superannuation	30
20	Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	31
21	Events after the reporting period	32
22	Financial instruments and financial risk management	32
23	Transactions with related parties	35

3. Management Certificate

4. Independent Auditor's Report

5. Current Year Financial Sustainability Statement

Certificate of Accuracy - Current Year Financial Sustainability Statement

Independent Auditor's Report - Current Year Financial Sustainability Statement

6. Unaudited Long Term Financial Sustainability Statement

Certificate of Accuracy - Unaudited Long Term Financial Sustainability Statement

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

Goondiwindi Regional Council

Statement of Comprehensive Income for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Income			
Recurrent revenue			
Rates, levies and charges	3a	19,661	19,303
Fees and charges	3b	1,590	1,297
Interest received		394	650
Sales revenue	3c	11,640	8,246
Other income		596	1,064
Grants, subsidies and contributions	3d	8,213	7,505
Total recurrent revenue		42,094	38,065
Capital revenue			
Grants, subsidies and contributions	3d	9,465	5,452
Capital income	4	43	34
Total capital revenue		9,508	5,486
Total income		51,602	43,551
Expenses			
Recurrent expenses			
Employee benefits	5	14,150	13,410
Materials and services	6	17,121	14,147
Finance costs		49	50
Depreciation	11	9,996	9,681
Total recurrent expenses		41,316	37,288
Other expenses			
Capital expenses	7	8,029	4,295
Total other expenses		8,029	4,295
Total expenses		49,345	41,583
Net result		2,257	1,968
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	16	(695)	-
Total other comprehensive income for the year		(695)	-
Total comprehensive income for the year		1,562	1,968

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

Goondiwindi Regional Council

Statement of Financial Position

as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	23,602	12,613
Receivables	9	5,813	4,248
Other assets	10	18,102	22,000
Inventories		99	99
Contract assets	12(a)	250	500
Total current assets		47,866	39,460
Non-current assets			
Property, plant and equipment	11	439,767	439,880
Intangible assets		3,963	3,963
Total non-current assets		443,730	443,843
TOTAL ASSETS		491,596	483,303
LIABILITIES			
Current liabilities			
Payables	13	9,142	5,061
Contract liabilities	12(b)	2,084	193
Provisions	14	2,192	2,158
Other liabilities	15	24	24
Total current liabilities		13,442	7,436
Non-current liabilities			
Provisions	14	3,073	2,324
Other liabilities	15	298	322
Total non-current liabilities		3,371	2,646
TOTAL LIABILITIES		16,813	10,082
Net community assets		474,783	473,221
COMMUNITY EQUITY			
Asset revaluation surplus	16	162,697	163,392
Retained surplus		312,086	309,829
Total community equity		474,783	473,221

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

Goondiwindi Regional Council

Statement of Changes in Equity for the year ended 30 June 2021

		Asset revaluation surplus \$'000	Retained surplus \$'000	Total community equity \$'000
2021				
Balance as at 1 July 2020		163,392	309,829	473,221
Net result		-	2,257	2,257
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	16	(695)	-	(695)
Other comprehensive income		(695)	-	(695)
Total comprehensive income for the year		(695)	2,257	1,562
Balance as at 30 June 2021		162,697	312,086	474,783

		Asset revaluation surplus \$'000	Retained surplus \$'000	Total community equity \$'000
2020				
Balance as at 1 July 2019		163,392	307,825	471,217
Adjustment on initial application of AASB 15 / AASB 1058		-	36	36
Restated balance at 1 July 2019		163,392	307,861	471,253
Net result		-	1,968	1,968
Total comprehensive income for the year		-	1,968	1,968
Balance as at 30 June 2020		163,392	309,829	473,221

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

Goondiwindi Regional Council

Statement of Cash Flows

for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Receipts from customers		29,057	28,766
Payments to suppliers and employees		(27,308)	(28,272)
		1,749	494
Receipts:			
Interest received		550	584
Non-capital grants, subsidies and contributions		8,650	7,505
Other		2,810	2,521
Payments:			
Finance costs		(49)	(50)
Other		(2)	-
Net cash - operating activities	20	13,708	11,054
Cash flows from investing activities			
Receipts:			
Proceeds from sale of property, plant and equipment		846	575
Grants, subsidies and contributions		11,169	5,067
Redemption of investments		18,000	-
Payments:			
Payments for property, plant and equipment		(18,734)	(17,452)
Payments for intangible assets		-	(16)
Purchase of investments		(14,000)	(3,000)
Net cash - investing activities		(2,719)	(14,826)
Net increase/(decrease) in cash and cash equivalents		10,989	(3,772)
Plus: Cash and cash equivalents - beginning		12,613	16,385
Cash and cash equivalents at the end of the financial year	8	23,602	12,613

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

Notes to the Financial Statements for the year ended 30 June 2021

Note 1. Information about these financial statements

(a) Basis of preparation

The Goondiwindi Regional Council (Council) is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2020 to 30 June 2021. They are prepared in accordance with 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 Australian Accounting Standards as applicable to not-for-profit entities.

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

(b) New and revised Accounting Standards adopted during the year

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2020, none of the standards had a material impact on reported position, performance and cash flows.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021. These standards have not been adopted by Council and will be included in the financial statements on their effective date.

(d) Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Revenue - Note 3
- Property, plant & equipment - Note 11
- Provisions - Note 14
- Contingent liabilities - Note 18
- Financial instruments and financial risk management – Note 22

(e) Rounding and comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000, unless otherwise stated.

Comparative information is prepared on the same basis as prior year.

Notes to the Financial Statements for the year ended 30 June 2021

Note 1. Information about these financial statements (continued)

(f) Volunteer services

Council does not recognise volunteer services, as these services would not be purchased if they had not been donated.

(g) Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax 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 does not pay payroll tax to the Queensland Government as it is below the prescribed threshold.

(h) COVID-19

Council has assessed the impact of the COVID-19 pandemic and found there were no material implications for the year ending 30 June 2021.

However, Council acknowledges that the COVID-19 restrictions have impacted some industries within the region and has initiated the following financial incentives:

- Provided direct stimulus to specific industry through fee relief;
- Provided direct stimulus to community groups through additional grants;
- Encouraged community and industry activity through reducing Council fees associated with development and construction by 50%;
- Economic support package for households through reduction in compliance fees e.g. animal registrations;
- Stimulate immediate employment creation through identifying "shovel-ready" infrastructure projects to be delivered by a diversity of local contractors;

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Analysis of results by function

(a) Components of Council functions

Details relating to Council's functions / activities as reported in Note 2(b) are as follows:

EXECUTIVE OFFICE

The objective of the Executive Office is for Council to be an innovative, transparent and accountable organisation delivering value for money community outcomes. This comprises the support functions for the Mayor and Councillors, Council and committee meetings, statutory requirements, human resources, media and public relations, planning, economic development and workplace health and safety.

COMMUNITY AND CORPORATE

The objective of Community and Corporate services is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements together with ensuring Goondiwindi is a healthy, vibrant and connected community. The Community and Corporate function provides support to libraries, emergency services, aged care services, disaster management, sporting and recreation venues, animal control, rural services and community and cultural activities. This function also incorporates administration, building, health, finance, information technology and communication services of Council.

ENGINEERING

The goal of Engineering is to provide engineering services for Council that are compliant with statutory obligations in an effective and efficient manner for the overall benefit of the residents of the Goondiwindi Region.

TRANSPORT INFRASTRUCTURE

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

WASTE MANAGEMENT

The goal of this function is to protect and support our community and natural environment by sustainably managing refuse. The function provides refuse collection and disposal services.

WATER INFRASTRUCTURE

The goal of this program is to support a healthy, safe community through sustainable water services. This function includes all activities relating to water including flood and waterways management.

SEWERAGE INFRASTRUCTURE

This function protects and supports the health of our community by sustainably managing sewerage infrastructure.

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Analysis of results by function (continued)

(b) Income and expenses defined between recurring and capital attributed to the following functions:

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2021											
Executive office	439	281	-	-	720	(2,642)	-	(2,642)	(1,922)	(1,922)	-
Community and corporate	5,340	13,776	1,231	-	20,347	(11,607)	(192)	(11,799)	7,509	8,548	78,389
Engineering	241	11,720	527	-	12,488	(10,827)	(36)	(10,863)	1,134	1,625	22,719
Transport infrastructure	1,937	-	4,519	-	6,456	(8,895)	(7,407)	(16,302)	(6,958)	(9,846)	304,128
Waste management	7	2,663	-	43	2,713	(2,842)	-	(2,842)	(172)	(129)	5,504
Water infrastructure	249	4,143	3,188	-	7,580	(3,404)	(333)	(3,737)	988	3,843	52,184
Sewerage infrastructure	-	1,959	-	-	1,959	(1,760)	(61)	(1,821)	199	138	28,672
Total	8,213	34,542	9,465	43	52,263	(41,977)	(8,029)	(50,006)	778	2,257	491,596
Eliminations	-	(661)	-	-	(661)	661	-	661	-	-	-
Total	8,213	33,881	9,465	43	51,602	(41,316)	(8,029)	(49,345)	778	2,257	491,596

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2020											
Executive office	126	89	-	-	215	(2,363)	-	(2,363)	(2,148)	(2,148)	-
Community and corporate	5,412	13,946	1,641	-	20,999	(11,031)	(379)	(11,410)	8,327	9,589	69,811
Engineering	159	8,334	176	-	8,669	(7,788)	(144)	(7,932)	705	737	20,950
Transport infrastructure	1,664	1	2,427	-	4,092	(9,245)	(3,478)	(12,723)	(7,580)	(8,631)	309,852
Waste management	11	2,787	1,139	34	3,971	(2,433)	-	(2,433)	365	1,538	4,465
Water infrastructure	133	4,073	69	-	4,275	(3,473)	(197)	(3,670)	733	605	49,499
Sewerage infrastructure	-	2,029	-	-	2,029	(1,654)	(97)	(1,751)	375	278	28,726
Total	7,505	31,259	5,452	34	44,250	(37,987)	(4,295)	(42,282)	777	1,968	483,303
Eliminations	-	(699)	-	-	(699)	699	-	699	-	-	-
Total	7,505	30,560	5,452	34	43,551	(37,288)	(4,295)	(41,583)	777	1,968	483,303

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2021

Note 3. Revenue

	2021	2020
	\$'000	\$'000
(a) Rates, levies and charges		
Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	14,530	14,304
Water	1,781	1,750
Water consumption	1,797	1,720
Sewerage	1,829	1,895
Waste management	1,703	1,623
	<u>21,640</u>	<u>21,292</u>
Less: discounts	(1,979)	(1,989)
<u>TOTAL RATES, LEVIES AND CHARGES</u>	<u>19,661</u>	<u>19,303</u>

(b) Fees and charges

Revenue arising from fees and charges are recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are either short-term or low value and 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 the infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

Notes to the Financial Statements for the year ended 30 June 2021

Note 3. Revenue (continued)

(c) Sales revenue

Sale of goods revenue is recognised at the point in time that the customer obtains control of the goods. Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance, it is included in other liabilities and is recognised as revenue in the period when the service is performed. The contract work carried out is not subject to retentions.

(d) Grants, subsidies and contributions

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when each performance obligation is satisfied.

Performance obligations vary in each agreement but include the delivery of goods or services. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. There may be some performance obligations within grant agreements where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

When control is transferred over time, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income is then recognised for any remaining asset value at the time that the asset is received.

Capital grants

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, grant revenue is generally recognised as the construction progresses in accordance with costs incurred.

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

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Revenue (continued)

	2021	2020
	\$'000	\$'000

(d) Grants, subsidies and contributions (continued)

Contributions

Cash contributions are recognised on receipt of the cash since there are no enforceable performance obligations. Developers pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and road networks. Infrastructure charges are recognised as revenue when received.

Contributed assets are physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

(i) Recurrent

General purpose grants	6,126	6,254
State government subsidies and grants	1,283	758
Commonwealth government subsidies and grants	524	234
Contributions	280	259
<u>TOTAL RECURRENT GRANTS, SUBSIDIES AND CONTRIBUTIONS</u>	<u>8,213</u>	<u>7,505</u>

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2021

Note 3. Revenue (continued)

	Notes	2021 \$'000	2020 \$'000
(d) Grants, subsidies and contributions (continued)			
(ii) Capital			
State government subsidies and grants		6,456	2,240
Commonwealth government subsidies and grants		2,978	3,085
Cash contributions		31	13
Contributed assets	11	-	114
<u>TOTAL CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS</u>		<u>9,465</u>	<u>5,452</u>

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

	2021		2020	
	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000
Grants and subsidies	7,813	9,554	7,246	5,325
Contributions	311	-	272	-
Contributed assets	-	-	114	-
	<u>8,124</u>	<u>9,554</u>	<u>7,632</u>	<u>5,325</u>

Note 4. Capital income

	Notes	2021 \$'000	2020 \$'000
Provision for restoration of land			
Remeasurement due to unwinding of discount	14	43	34
<u>TOTAL CAPITAL INCOME</u>		<u>43</u>	<u>34</u>

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2021

Note 5. Employee benefits

	Notes	2021 \$'000	2020 \$'000
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		12,496	11,872
Councillors' remuneration		509	499
Annual, sick and long service leave entitlements		1,852	1,738
Superannuation	19	1,314	1,297
		<u>16,171</u>	<u>15,406</u>
Other employee related expenses		142	157
		<u>16,313</u>	<u>15,563</u>
Less: capitalised employee expenses		(2,163)	(2,153)
<u>TOTAL EMPLOYEE BENEFITS</u>		<u><u>14,150</u></u>	<u><u>13,410</u></u>

Note 6. Materials and services

	Notes	2021 \$'000	2020 \$'000
Expenses are recorded on an accruals basis as Council receives the goods or services.			
Administration		189	160
Advertising		24	23
Audit of annual financial statements by the Auditor-General of Queensland		74	71
Community facilities		727	563
Consultancy services		472	382
Contract services		5,311	3,454
Donations paid		391	333
Information, technology and communications		497	418
Insurance		189	173
Motor vehicle expenses		1,474	1,571
Operations and maintenance - sewerage services		379	343
Operations and maintenance - water services		1,083	1,097
Other materials and services		1,190	920
Parks and gardens		588	369
Refuse collection and site maintenance		1,883	1,523
Repairs and maintenance - roads, bridges and footpaths		1,834	1,705
Rural services		479	671
Sport and recreation		337	371
<u>TOTAL MATERIALS AND SERVICES</u>		<u><u>17,121</u></u>	<u><u>14,147</u></u>

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2021

Note 7. Capital expenses

	Notes	2021 \$'000	2020 \$'000
(a) Loss on disposal of plant and equipment			
Proceeds from the disposal of plant and equipment		822	575
Less: book value of plant and equipment disposed	11	<u>(844)</u>	<u>(622)</u>
		<u>(22)</u>	<u>(47)</u>
Proceeds from disposal of land		24	-
Less: book value of land disposed	11	<u>(50)</u>	<u>-</u>
		<u>(26)</u>	<u>-</u>
(b) Loss on write off			
Write-off of roads	11	<u>6,027</u>	<u>-</u>
		<u>6,027</u>	<u>-</u>
Due to the March 2021 flood event, Council's Road Infrastructure assets were impacted causing certain components to be impaired.			
(c) Other capital expenses			
Loss on write-off of property, plant and equipment	11	1,954	4,232
Loss on write-off of intangible assets		<u>-</u>	<u>16</u>
		<u>1,954</u>	<u>4,248</u>
<u>TOTAL CAPITAL EXPENSES</u>		<u>8,029</u>	<u>4,295</u>

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Cash and cash equivalents

	2021	2020
Notes	\$'000	\$'000
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, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.		
Cash at bank and on hand	18,574	10,611
Deposits at call	5,028	2,002
<u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u>23,602</u>	<u>12,613</u>

Council is exposed to credit risk through its investments in the Queensland Treasury Corporation (QTC) cash fund and QTC working capital facility. The QTC cash fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC cash fund are capital guaranteed. Working capital facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "BBB-", the likelihood of the counterparty not having capacity to meet its financial commitments is low.

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from security deposits lodged to guarantee performance. Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements. Council holds \$574,362 in trust monies as at 30 June 2021 (2020: \$512,862).

Note 9. Receivables

Receivables are amounts owed to Council at year end and are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.

For the estimation of expected credit losses, Council use the simplified approach with forward-looking assumptions and information regarding expected future conditions affecting historical customer default rates by applying a percentage based on impairment recognised over the last five years (with the exclusion of extraordinary anomalies). The collectability of receivables is assessed periodically for impairment and any impairment is recognised in the Statement of Comprehensive Income.

Council has no bad debts as at 30 June 2021.

Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, as such Council does not impair or provide for rate receivables.

Interest is charged on outstanding rates (8.53% per annum from 1 July 2020, previously 9.83% per annum).

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Receivables (continued)

	2021	2020
Notes	\$'000	\$'000
<p>Council applies normal business credit protection procedures prior to providing goods or services to minimise credit risk.</p> <p>There is a geographical concentration of risk in Council's jurisdiction, and since the area is largely agricultural, there is also a concentration in the agricultural sector.</p> <p>Council does not require collateral in respect of trade and other receivables.</p>		
<p>Current</p>		
Rates, levies and charges	794	974
Water charges not yet levied	351	337
Other debtors	1,046	742
GST recoverable	49	-
Accrued interest	34	190
State Government	3,539	2,005
<u>TOTAL CURRENT RECEIVABLES</u>	<u>5,813</u>	<u>4,248</u>

Note 10. Other assets

	2021	2020
Notes	\$'000	\$'000
<p>Term deposits with a term in excess of three months are reported as investments with deposits of less than three months being reported as cash equivalents.</p>		
<p>Current</p>		
Prepayments	102	-
Investments	18,000	22,000
<u>TOTAL CURRENT OTHER ASSETS</u>	<u>18,102</u>	<u>22,000</u>

Goondiwindi Regional Council

Notes to the Financial Statements
for the year ended 30 June 2021

Note 11. Property, plant and equipment

30 June 2021		Capital work in progress	Land	Buildings and structures	Plant and equipment	Roads	Drainage	Water	Sewerage	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement basis	Note	Cost	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	
Opening gross balance		2,875	8,164	67,287	17,562	354,334	21,564	70,572	51,861	594,219
Additions*		18,764	-	-	-	-	-	-	-	18,764
Disposals	7(a)	-	(50)	-	(2,166)	-	-	-	-	(2,216)
Write-offs	7(c)	-	-	(1,592)	(13)	(2,012)	(44)	(625)	(74)	(4,360)
Write-off of roads (recognised in Statement of Comprehensive Income)	7(b)	-	-	-	-	(7,092)	-	-	-	(7,092)
Work in progress transfers		(11,526)	546	1,097	2,141	4,890	226	1,935	691	-
Capital expenditure written off to capital expense		(6)	-	-	-	-	-	-	-	(6)
Total gross value of property, plant and equipment		10,107	8,659	66,792	17,524	350,121	21,746	71,883	52,477	599,309
Opening accumulated depreciation		-	-	31,314	7,041	58,122	7,453	26,808	23,601	154,339
Depreciation expense		-	-	1,146	1,235	5,346	224	1,273	772	9,996
Disposals	7(a)	-	-	-	(1,322)	-	-	-	-	(1,322)
Write-offs	7(c)	-	-	(1,426)	-	(675)	-	(292)	(13)	(2,406)
Write-off of roads (recognised in Statement of Comprehensive Income)	7(b)	-	-	-	-	(1,065)	-	-	-	(1,065)
Total accumulated depreciation property, plant and equipment		-	-	31,035	6,954	61,728	7,677	27,789	24,359	159,542
Total written down value of property, plant and equipment		10,107	8,659	35,757	10,570	288,393	14,069	44,094	28,118	439,767
Other information										
Residual value		-	-	-	4,262	-	-	-	-	4,262
Range of estimated useful life (years)		-	-	7 - 200	2 - 42	5 - 200	12 - 100	10 - 155	10 - 198	
*Asset additions comprise										
Asset renewals		-	-	2,247	2,407	5,737	163	905	671	12,130
Other additions		-	552	638	40	1,636	-	3,660	108	6,634
Total asset additions		-	552	2,885	2,447	7,373	163	4,565	779	18,764

Goondiwindi Regional Council

Notes to the Financial Statements
for the year ended 30 June 2021

Note 11. Property, plant and equipment (continued)

30 June 2020		Capital work in progress	Land	Buildings and structures	Plant and equipment	Roads	Drainage	Water	Sewerage	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement basis	Note	Cost	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	
Opening gross balance		5,170	7,408	68,295	16,165	347,362	21,565	67,237	50,962	584,164
Additions*		17,812	-	-	-	-	-	-	-	17,812
Contributed assets	3(d)	-	-	58	-	56	-	-	-	114
Disposals	7(a)	-	-	-	(1,671)	-	-	-	-	(1,671)
Write-offs	7(b)	-	-	(614)	(97)	(4,717)	(4)	(571)	(196)	(6,199)
Work in progress transfers		(20,107)	755	3,950	3,166	7,232	4	3,906	1,094	-
Internal transfers between asset classes		-	-	(4,402)	-	4,402	-	-	-	-
Total gross value of property, plant and equipment		2,875	8,164	67,287	17,562	354,334	21,564	70,572	51,861	594,219
Opening accumulated depreciation		-	-	32,792	6,915	51,798	7,234	25,953	22,983	147,675
Depreciation expense		-	-	1,081	1,176	5,259	220	1,228	717	9,681
Disposals	7(a)	-	-	-	(1,050)	-	-	-	-	(1,050)
Write-offs	7(b)	-	-	(252)	-	(1,241)	(2)	(374)	(99)	(1,968)
Internal transfers between asset classes		-	-	(2,306)	-	2,306	-	-	-	-
Total accumulated depreciation property, plant and equipment		-	-	31,314	7,041	58,122	7,453	26,808	23,601	154,339
Total written down value of property, plant and equipment		2,875	8,164	35,973	10,521	296,212	14,111	43,764	28,260	439,880
Other information										
Residual value		-	-	-	5,184	-	-	-	-	5,184
Range of estimated useful life (years)		-	-	7 - 200	2 - 42	5 - 200	25 - 100	10 - 155	10 - 195	
*Asset additions comprise										
Asset renewals		-	-	711	2,424	5,063	108	1,674	653	10,633
Other additions		-	755	2,067	401	1,786	-	2,134	36	7,179
Total asset additions		-	755	2,778	2,825	6,849	108	3,808	689	17,812

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Property, plant and equipment (continued)

(a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold.

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the components of water main infrastructure.

Land under roads and reserve land under the Land Act 1994 or Land Title Act 1994 is controlled by Queensland State Government and not recognised in the Council financial statements.

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges are recognised as assets and revenue at fair value.

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised against asset revaluation surplus.

(c) Depreciation

Assets are depreciated from the date of acquisition or when an asset is ready for use.

Land, work in progress, road formations and formation work associated with the construction of levee banks are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Where assets have separately identifiable components, these components have separately assigned useful lives.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Property, plant and equipment (continued)

(d) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, 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.

(e) Valuation

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Every 5 years, Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes:

A "desktop" valuation for land, buildings and structures and infrastructure asset classes which involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the income statement, in that case the increase is taken to the income statement to the extent of the previous decrease.

Revaluation decreases are recognised in the asset revaluation surplus, where there is sufficient amount available in the asset revaluation surplus relating to that asset class. Where there is not a sufficient amount available in the surplus, the decrease is recognised in the statement of comprehensive income.

Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the statement of comprehensive income.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Fair values are classified into three levels as follows:

Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability.

Level 3: Fair value based on unobservable inputs for the asset and liability.

There were no transfers between levels during the year.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Property, plant and equipment (continued)

Asset class and fair value hierarchy \$'000	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land (level 2) 2021: \$4,578 2020: \$4,043	Market value	30 June 2016	CA Brown and Associates	Fair value of land is measured at current market value, which is derived by reference to market based evidence including observable historical sales data for properties of similar nature and specification in the same localities. Where there is a lack of appropriate comparable sales evidence, the valuation is based on the closest comparable sales in terms of the characteristics of the parcel and sales evidence.	Desktop Valuation with no material impact	Nil
Land (level 3) 2021: \$4,081 2020: \$4,121						
Buildings and structures (level 2) 2021: \$6,843 2020: \$6,731	Current replacement cost	30 June 2016	CA Brown and Associates	Council buildings and structures are typically of a specialised nature such that there is no active market for these assets. Fair value for these assets has been determined on the basis of replacement with a new asset having similar service potential. As there is no depth of market for specialised buildings and structures, fair value has been derived using a cost approach; current replacement cost less accumulated depreciation adjusted to reflect the consumed or expired service potential of the building and structures assets. Current replacement cost is derived from reference to market data for recent projects and costing guides issued by Rawlinson's (Australian Construction Handbook).	Desktop Valuation with no material impact	Nil
Buildings and structures (level 3) 2021: \$28,913 2020: \$29,242						

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Roads (level 3)	Current replacement cost	31 March 2018	Shepherd Services Pty Ltd	<p>The review was completed utilising the Australian Bureau of Statistics indexes, ABS Catalogues, 6427.0 Producer Price Indexes, Australia. Table 17. Index Number 30, "Building Construction Queensland".</p> <p>Council categorises its road infrastructure into urban and rural roads and further sub-categorises these into sealed and unsealed roads. Urban roads are segmented generally from intersection to intersection. Rural roads are segmented to about 5 kilometre lengths or sometimes longer where there is no logical cut off point. Sometimes they are shorter if there is a significant change in construction ages or dimensions and sometimes longer where intersections are close together. 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.</p>	Desktop Valuation with no material impact	Nil

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Drainage (level 3)	Current replacement cost	31 March 2019	Shepherd Services Pty Ltd	<p>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 practices are used to determine useful life and estimated remaining life. Adopted Unit Rates have been developed by reviewing past construction work costs. For those assets with no recent work cost available, rates were determined from first principles or obtained from surrounding regional councils. Allowances have been made for the difference in construction standards.</p> <p>Concrete stormwater drainage pipe valuations have been increased due to increased supply costs of concrete pipe and inclusion of trench benching. Trench benching requirements are in line with current safe work practices and increase unit rates as the excavation volumes expand and production rates decline as pipe depth and size increases.</p>	Desktop Valuation with no material impact	Nil
Water and sewerage assets (level 3)	Current replacement cost	30 April 2017	Shepherd Services Pty Ltd	<p>The review was completed utilising the Australian Bureau of Statistics indexes, ABS Catalogues, 6427.0 Producer Price Indexes, Australia. Table 17. Index Number 30, "Building Construction Queensland".</p> <p>CRC was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.</p>	Desktop Valuation with no material impact	Nil

Notes to the Financial Statements
for the year ended 30 June 2021

Note 12. Contract balances

Notes	2021 \$'000	2020 \$'000
-------	----------------	----------------

Contract assets represent the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that Council has invoiced the customer or the grantor. Where Council has received monies in excess of costs incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

(a) Contract assets

Contract assets	250	500
<u>TOTAL CONTRACT ASSETS</u>	<u>250</u>	<u>500</u>

(b) Contract liabilities

Funds received upfront to construct Council controlled assets	2,084	193
<u>TOTAL CONTRACT LIABILITIES</u>	<u>2,084</u>	<u>193</u>

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Payables

	2021	2020
Notes	\$'000	\$'000

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

Liabilities are recognised for employee benefits such as wages and salaries and annual leave in respect of services provided by the employees up to the reporting date.

Employee benefits include annual leave, sick leave and leave in lieu. These benefits are calculated on current wage and salary levels and include related employee on-costs.

Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised for this obligation.

As Council does not have an unconditional right to defer annual and sick leave liability beyond 12 months, leave is classified as a current liability.

Current

Creditors and accruals	6,434	2,603
Prepaid rates	628	546
Other entitlements	283	278
Security bonds, deposits and retentions	23	-
Annual leave	1,366	1,209
Sick leave	408	425
<u>TOTAL CURRENT PAYABLES</u>	<u>9,142</u>	<u>5,061</u>

Note 14. Provisions

Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in 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. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

Where employees have met the prerequisite length of service 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.

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2021

Note 14. Provisions (continued)

Notes	2021 \$'000	2020 \$'000
-------	----------------	----------------

Refuse restoration

Obligations for future remediation work are determined annually, with the nature and extent of work required dependent on condition assessments of the land and any proposed use of that land. Where Council has a present obligation, it is probable that the work will be undertaken and a reliable estimate of the amount can be made, it is recognised as a provision.

The calculation of the provisions use assumptions including application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

Refuse restoration provision represents the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites.

Refuse sites at Yelarbon, Talwood, Toobeah and Bungunya have been closed and initial capping has been completed.

Current

Long service leave	2,192	2,138
Refuse restoration	-	20
<u>TOTAL CURRENT PROVISIONS</u>	<u>2,192</u>	<u>2,158</u>

Non-current

Long service leave	233	155
Refuse restoration	2,840	2,169
<u>TOTAL NON-CURRENT PROVISIONS</u>	<u>3,073</u>	<u>2,324</u>

Details of movements in provisions:

Refuse restoration

Balance at beginning of financial year	2,189	2,554
Increase/(decrease) due to escalation rate	985	(418)
Decrease due to payments	-	(37)
Remeasurement due to unwinding of discount	(43)	(34)
Increase/(decrease) in provision due to change in discount rate	(291)	124
Balance at end of financial year	<u>2,840</u>	<u>2,189</u>

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2021

Note 15. Other liabilities

	Notes	2021 \$'000	2020 \$'000
Current			
Rent paid in advance		24	24
<u>TOTAL CURRENT OTHER LIABILITIES</u>		<u>24</u>	<u>24</u>
Non-current			
Rent paid in advance		298	322
<u>TOTAL NON-CURRENT OTHER LIABILITIES</u>		<u>298</u>	<u>322</u>

Note 16. Asset revaluation surplus

	Notes	2021 \$'000	2020 \$'000
--	-------	----------------	----------------

The asset revaluation surplus comprises revaluation movements on property, plant and equipment. Increases and decreases on revaluation are offset within a class of assets.

The closing balance of the Asset Revaluation Surplus comprises the following asset categories:

Land		173	173
Buildings and Structures		73	768
Roads		127,205	127,205
Drainage		4,084	4,084
Water		20,958	20,958
Sewerage		10,204	10,204
Balance at end of financial year		<u>162,697</u>	<u>163,392</u>

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Commitments for expenditure

	2021	2020
Notes	\$'000	\$'000
Contractual commitments for capital expenditure at end of financial year but not recognised in the financial statements are as follows:		
Infrastructure	3,155	1,037
Non-infrastructure	1,740	214
	<u>4,895</u>	<u>1,251</u>

These commitments are expected to be realised in the next financial year.

Note 18. Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

Local Government Mutual

Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$309,430.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 19. Superannuation

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 *Local Government Act 2009*.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets, and costs at Council level.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of Council.

Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 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.

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.

The next triennial actuarial review is not due until 1 July 2021.

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

- Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.
- Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Notes	2021 \$'000	2020 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		122	129
Other superannuation contributions for employees		1,192	1,168
Total superannuation contributions paid by Council for employees	5	1,314	1,297

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 20. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

	2021 \$'000	2020 \$'000
Net operating result from the Statement of Comprehensive Income	2,257	1,968
Non-cash items		
Depreciation	9,996	9,681
Write off of roads	6,027	-
Other income	(24)	(14)
	<u>15,999</u>	<u>9,667</u>
Losses/(gains) recognised on fair value re-measurements through the Statement of Comprehensive Income		
Remeasurement due to unwinding of discount	(43)	(34)
Remeasurement due to escalation	-	(294)
	<u>(43)</u>	<u>(328)</u>
Investing and development activities		
Net (profit)/loss on disposal of property, plant and equipment	48	47
Loss on write-off of property, plant and equipment	1,954	4,248
Capital grants, subsidies and contributions	(11,169)	(5,145)
	<u>(9,167)</u>	<u>(850)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(1,565)	1,560
(Increase)/decrease in inventories	-	74
(Increase)/decrease in contract assets	250	(500)
(Increase)/decrease in other assets	(102)	-
Increase/(decrease) in payables	4,080	(200)
Increase/(decrease) in contract liabilities	1,891	193
Increase/(decrease) in employee leave entitlements	132	54
Increase/(decrease) in other provisions	-	(37)
Increase/(decrease) in other liabilities	(24)	(547)
	<u>4,662</u>	<u>597</u>
Net cash provided from operating activities from the Statement of Cash Flows	<u><u>13,708</u></u>	<u><u>11,054</u></u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 21. Events after the reporting period

There were no material adjusting events after the balance date.

Note 22. Financial instruments and financial risk management

Council has exposure to the following risks arising from financial instruments; **(i)** credit risk, **(ii)** liquidity risk, and **(iii)** market risk.

Financial risk management

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

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

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

Council does not enter into derivatives.

(i) Credit risk

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

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 22. Financial instruments and financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Council is exposed to liquidity risk through its normal course of business.

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 manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 8.

The following table sets out the liquidity risk in relation to financial liabilities held by Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
2021					
Payables	7,085	-	-	7,085	7,085
	<u>7,085</u>	<u>-</u>	<u>-</u>	<u>7,085</u>	<u>7,085</u>
2020					
Payables	3,149	-	-	3,149	3,149
	<u>3,149</u>	<u>-</u>	<u>-</u>	<u>3,149</u>	<u>3,149</u>

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

(iii) 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 investments with QTC and other financial institutions.

Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 22. Financial instruments and financial risk management (continued)

Sensitivity

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

Council does not account for any fixed-rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying	Net result		Equity	
	amount	1% increase	1% decrease	1% increase	1% decrease
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
QTC cash fund	2,018	20	(20)	20	(20)
Other investments	39,584	396	(396)	396	(396)
Net	41,602	416	(416)	416	(416)
2020					
QTC cash fund	2,002	20	(20)	20	(20)
Other investments	32,611	326	(326)	326	(326)
Net	34,613	346	(346)	346	(346)

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2021

Note 23. Transactions with related parties

(a) Key management personnel

Transactions with key management personnel

Key management personnel (KMP) include the Mayor, Councillors, Council's Chief Executive Officer and Executive Management.

The compensation paid to KMP comprises:

	2021 \$'000	2020 \$'000
Short-term employee benefits	1,064	1,073
Post-employment benefits	101	110
Long-term benefits	53	53
Total	1,218	1,236

(b) Other related parties

Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include spouse or partner, child or dependent of a KMP or their spouse.

	Amount of transactions during year \$'000	Outstanding balance (incl. commitments) \$'000
2021		
Purchase of materials and services from KMP controlled entities	26	2
	26	2

There were no individually significant transactions in 2020-21.

	Amount of transactions during year \$'000	Outstanding balance (incl. commitments) \$'000
2020		
Purchase of materials and services from KMP controlled entities	71	1
Purchase of materials and services from other related party controlled entities	57	-
	128	1

There were no individually significant transactions in 2019-20.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 23. Transactions with related parties (continued)

(c) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Goondiwindi region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates, levies and charges
- Fees and charges included in Council's Cost Recovery Fees & Commercial Charges

Council has not included these types of transactions in its disclosure, where they are made on the same terms and conditions available to the general public.

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

Goondiwindi Regional Council

Financial Statements

for the year ended 30 June 2021

Management Certificate

for the year ended 30 June 2021

These financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the financial statements, as set out on pages 1 to 36, 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.



Hon. Cr Lawrence Springborg AM

MAYOR

15 November 2021



Carl Manton

CHIEF EXECUTIVE OFFICER

15 November 2021

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Goondiwindi Regional Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Goondiwindi Regional Council.

In my opinion, the financial report:

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

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

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 Goondiwindi Regional Council's annual report for the year ended 30 June 2021 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.

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



Sri Narasimhan
as delegate of the Auditor-General

16 November 2021

Queensland Audit Office
Brisbane

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

Goondiwindi Regional Council

Current Year Financial Sustainability Statement for the year ended 30 June 2021

	Actual 2021	Target 2021
--	----------------	----------------

Measures of financial sustainability

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

Performance indicators

1. Operating surplus ratio

<u>Net result (excluding capital items)</u>	1.85%	0 - 10%
Total operating revenue (excluding capital items)		

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

2. Asset sustainability ratio

<u>Capital expenditure on the replacement of assets (renewals)</u>	98.17%	more than 90%
Depreciation expense		

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

3. Net financial liabilities ratio

<u>Total liabilities less current assets</u>	-73.77%	less than 60%
Total operating revenue (excluding capital items)		

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

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 audited financial statements for the year ended 30 June 2021.

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

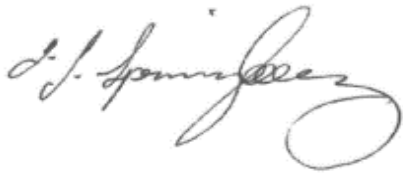
Goondiwindi Regional Council

Current Year Financial Sustainability Statement for the year ended 30 June 2021

Certificate of Accuracy for the year ended 30 June 2021

This Current Year Financial Sustainability Statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this Current Year Financial Sustainability Statement has been accurately calculated.



Hon. Cr Lawrence Springborg AM
MAYOR

15 November 2021



Carl Manton
CHIEF EXECUTIVE OFFICER

15 November 2021

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Goondiwindi Regional Council

Report on the Current-Year Financial Sustainability Statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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.



Sri Narasimhan
as delegate of the Auditor-General

16 November 2021

Queensland Audit Office
Brisbane

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

Goondiwindi Regional Council

Unaudited Long-Term Financial Sustainability Statement

prepared as at 30 June 2021

	Target	Actual	Forecast									
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031

Measures of financial sustainability

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

Performance indicators

1. Operating surplus ratio

Net result (excluding capital items)

Total operating revenue (excluding capital items)

0 - 10%	1.85%	-1.67%	-0.13%	0.16%	-0.13%	0.12%	0.06%	-0.36%	0.17%	-0.01%	-0.18%
---------	-------	--------	--------	-------	--------	-------	-------	--------	-------	--------	--------

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

2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals)

Depreciation expense

> 90%	98.17%	148.08%	97.64%	110.33%	95.32%	111.31%	99.70%	99.30%	99.81%	100.13%	100.49%
-------	--------	---------	--------	---------	--------	---------	--------	--------	--------	---------	---------

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

3. Net financial liabilities ratio

Total liabilities less current assets

Total operating revenue (excluding capital items)

< 60%	-73.77%	-77.16%	-80.22%	-81.40%	-86.13%	-86.43%	-88.57%	-93.04%	-97.39%	-101.19%	-104.45%
-------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Goondiwindi Regional Council

Unaudited Long-Term Financial Sustainability Statement

prepared as at 30 June 2021

Goondiwindi Regional Council Financial Management Strategy

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

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted three key financial performance indicators to guide our financial health. These indicators have been set by the Department of Local Government, Racing and Multicultural Affairs to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

In summary, Council achieved all of the financial targets and met all financial commitments in the financial year. This was achieved while maintaining community services and making ongoing investment in community infrastructure.

Goondiwindi Regional Council

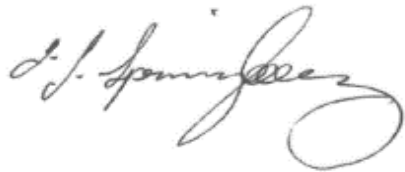
Unaudited Long-Term Financial Sustainability Statement

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2021

This Long-Term Financial Sustainability Statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

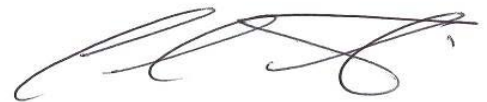
In accordance with Section 212(5) of the Regulation we certify that this Long-Term Financial Sustainability Statement has been accurately calculated.



Hon. Cr Lawrence Springborg AM

MAYOR

15 November 2021



Carl Manton

CHIEF EXECUTIVE OFFICER

15 November 2021

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK