

Goondiwindi
REGIONAL
COUNCIL

REGIONAL
AUSTRALIA
at its best!



ANNUAL REPORT 2022-2023

For the period 1 July 2022 to 30 June 2023

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	21
Annexure A – Councillor Remuneration & Expenses Policy	28
Annexure B – Revenue Policy 2022/23	33

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, 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 population of approximately 10,449 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 regional success story in Australia. It's why we are known as Regional Australia at its best.

The region is rich in history, home to a thriving country culture and renowned for its agricultural excellence.

Our prosperity is due to two key factors: our strategic location and the diversity of our agricultural and pastoral sector. The region's fertile river valleys and floodplains comprise some of the best agricultural land in Queensland.

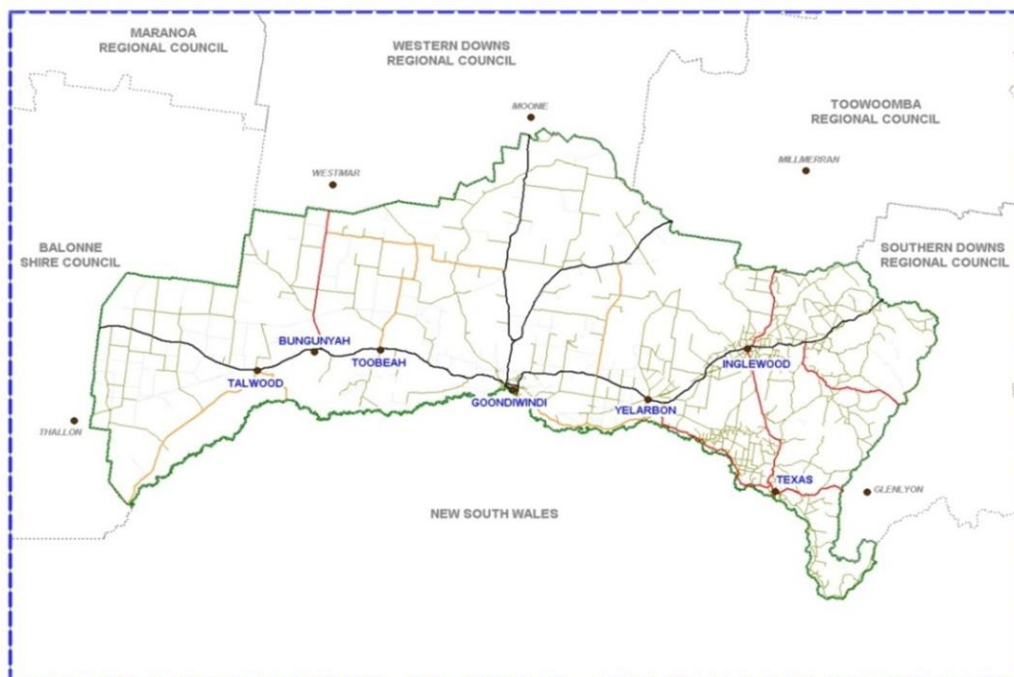
The Goondiwindi region is one of the most productive areas in Australia and produces some of the country's best wheat, beef cattle, wool, cotton and other specialty crops for domestic and international markets.

We are proud of our agricultural roots and confident in our future as a modern regional centre.

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: 10,449 • Average annual growth rate: -0.6% over five years
Population by Age	<ul style="list-style-type: none"> • 21.3% aged 0-14 Years • 59.9% aged 15-64 Years • 18.8% aged 65+ Years
Industries	<p>Top five industry subdivisions of employment:</p> <ol style="list-style-type: none"> 1. Agriculture (23.4%) 2. Preschool and School Education (8.0%) 3. Construction Services (4.6%) 4. Food and Beverage Services (4.5%) 5. Hospitals (3.3%)
<i>(Information sourced from the Queensland Government Statistician's Office)</i>	



Executive Message

We are pleased to provide an update on the Goondiwindi Region's progress over the past year, highlighting both the challenges and the achievements. Throughout 2022-2023, Council has continued to be proactive and forward-thinking in its approach to governance. Council has focused on developing innovative projects while also focusing on its core responsibilities of providing quality roads, parks and gardens, reliable water and sewerage services, and waste management facilities. Council also has a concerted focus on providing high quality customer service and delivering our library and other indoor services. All of these efforts are aimed at guiding the region towards an innovative and prosperous future.

Waste management continues to be a top priority as Council must ensure it meets the increasing requirements of the Queensland Government. This includes transitioning to a more circular economy by reducing landfill waste and illegal dumping, along with a more sustainable source for end-of-life products. In light of this, Council has allocated \$3 million for waste services to achieve environmental outcomes.

The ground-breaking Hydrogen Project will soon be underway and is poised to potentially save millions of dollars for ratepayers. Council had previously already identified several significant upgrades required at the Goondiwindi Wastewater Treatment Plant (WWTP) over the next ten years, estimated at more than \$20 million. However, the innovative Australian-first commercial Hydrogen Project will produce green hydrogen from wastewater, reducing WWTP running costs but creating jobs for the Region. Green hydrogen can be sold commercially to local industry and the process will improve the quality of wastewater increasing efficiency. This innovative project may establish a model for local governments and communities nationwide to produce and use their energy self-sufficiently.

In terms of further securing and improving the region's water services, Council received funding through the Australian Government's Local Roads and Community Infrastructure (LCRI) Program of \$430,000 to better equip the Inglewood and Texas Water Treatment Plants. The upgrades will mean consistent water quality standards and ensure the water supplied to the communities meets the necessary standards for consumption.

In response to the chronic housing crisis currently gripping Queensland, Council has implemented several incentives and initiatives to assist householders and investors in the Goondiwindi Region. These innovative measures have been described by the Real Estate Institute of Queensland (REIQ) as an "exemplary way" to remove financial barriers in the housing market and include a temporary rebate to alleviate pressure in the tight rental market by waiving all Council-related fees and charges associated with constructing new multi-dwelling buildings (applies to all Council planning, building, water and sewerage fees).

The new multi-dwelling buildings include duplexes, granny flats, units, and townhouses and must be built within areas within existing Council water and sewerage infrastructure in the Goondiwindi Region. The building application must be received and approved between 3 January - 31 December 2023, with construction completed and certified before 31 December 2025.

We remain strongly invested in disaster preparedness, capacity building, and flood mitigation, following the local flood events of the previous financial year. Funding through the Queensland Government Local Recovery and Resilience Grant has enabled the establishment of the new Evacuation Assembly Point at the Inglewood Waste Transfer Facility. The new site can hold around 500 vehicles and includes basic amenities, significantly enhancing Inglewood's capacity to respond to disaster emergencies effectively.

However, it's about more than just the large projects; Council has a wide range of smaller improvement initiatives across all our towns at various cemeteries, parks, and halls to ensure developments occur throughout the whole region.

As we look to the future, Council continues to seek innovative solutions to meet the evolving needs of our region in the best ways possible. We would like to thank our Councillors for their hard work and dedication, particularly as we approach the upcoming local government elections set for 16 March 2024. We also extend our thanks to our Council staff for their ongoing commitment to the Goondiwindi Region.




**Hon Cr Lawrence Springborg AM
Mayor**




**Carl Manton
Chief Executive Officer**

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

We value our stakeholders and look for opportunities to work cohesively, by collaborating and connecting internally and externally.

INTEGRITY

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.

ACCOUNTABILITY

We will be accountable for our decisions, and achieve value for our communities through sound planning, innovation, informed decision-making and efficient work practices.

COMMUNICATION

We embrace diversity and communicate openly and honestly.

LEADERSHIP

We lead by example, collaborating with the communities of our region, to achieve our vision.



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*.



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

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 and Youth** – 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	13	111,143.51	-	2,280.00	113,423.51	11,590.56	6,186.43
RJ Mackenzie	13	63,684.00	2,400.00	2,280.00	68,364.00	6,686.88	6,186.43
WP Kearney	13	55,191.96	2,400.00	2,280.00	59,871.96	5,795.16	6,186.43
LG Brennan	13	55,191.96	2,400.00	2,280.00	59,871.96	5,795.16	6,186.43
SK Kelly	13	55,191.96	2,400.00	2,280.00	59,871.96	5,795.16	6,186.43
PG O'Shea	13	55,191.96	2,400.00	2,280.00	59,871.96	5,795.16	6,186.43
JN Watts	13	55,191.96	2,400.00	2,280.00	59,871.96	5,795.16	6,186.43
Totals	91	450,787.31	14,400.00	15,960.00	481,147.31	41,458.08	43,304.99

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 reviewed at Council's Ordinary Meeting held on 21 July 2021. Details of the resolution are as follows:

RESOLUTION OM-150/21

Moved: Cr PG O'Shea

Seconded: Cr LG Brennan

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 003.

Carried.



Total number of orders and recommendations made under the following sections of the Local Government Act 2009	
<i>Total number of orders and recommendations made under section 150I (2) of the Local Government Act 2009</i>	Nil
<i>Total number of orders made under section 150AH(1) of the Local Government Act 2009</i>	Nil
<i>Total number of decisions, orders and recommendations made under section 150AR(1) of the Local Government Act 2009</i>	Nil
<i>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</i>	N/A
<i>A description of the misconduct or inappropriate conduct engaged in by each of the Councillors</i>	N/A
<i>A summary of the order or recommendation made for each Councillor</i>	N/A
<i>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</i>	1
<i>Matters mentioned in section 150P(3) of the Local Government Act 2009 notified to the Crime and Corruption Commission</i>	Nil
<i>Notices given under section 150R(2) of the Local Government Act 2009</i>	1
<i>Notices given under section 150S(2)(a) of the Local Government Act 2009</i>	Nil
<i>Decisions made under section 150W(1)(a), (b) and (e) of the Local Government Act 2009</i>	1
<i>Referral notices accompanied by a recommendation mentioned in section 150 AC(3)(a) of the Local Government Act 2009</i>	Nil
<i>Occasions information was given under section 150AF(4)(a) of the Local Government Act 2009</i>	1
<i>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</i>	1
<i>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.</i>	N/A



Department Reports

Department of Community & Corporate Services

Highlights 2022-2023

- Completed access and security improvements at Inglewood Heritage Centre.
- Facilitated access to 25,735 borrowings through our regional libraries.
- Installed CCTV in Texas.
- Remediated Yelarbon landfill.
- Implemented improved cyber security measures for council systems.
- Provided 30,162 customer service interactions either by phone or in person.

Department of Engineering Services

Highlights 2022-2023

- Extension and repairs to the footpath and cycle way networks in Talwood, Goondiwindi, Yelarbon, Texas and Inglewood.
- Continuation of sealing of two Local Roads of Regional Significance (LRRS) Roads
- 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.



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 2022/23 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 2022/23 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 population 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 received five applications for review under the *Right to Information Act 2009* and the *Information Privacy Act 2009*.

Remuneration Packages

Section 201(1)(a) 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*
1	\$100,000 - \$200,000
2	\$200,000 - \$300,000

The total remuneration packages available in 2022-2023 to senior management = **\$678,527.22**

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	5
The number of administrative action complaints resolved by Council under the complaints management process	4
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 guideposts 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.



Financial Statements

for the year ended 30 June 2023

Unaudited Long Term Financial Sustainability Statement

	Target	Actual 2023	2024	2025	2026	2027	Forecast					
							2028	2029	2030	2031	2032	2033

Measures of financial sustainability

1. Operating surplus ratio

Net result (excluding capital items)

Total operating revenue (excluding capital items)	0% - 10%	6.71%	(4.40)%	(2.79)%	(1.96)%	(2.13)%	(4.48)%	(5.17)%	(5.88)%	(6.63)%	(7.42)%	(8.24)%
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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	> 90.00%	218.07%	100.00%	118.00%	107.00%	122.00%	101.00%	101.00%	99.00%	102.00%	100.00%	100.00%
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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)	< 60.00%	(78.54)%	(89.00)%	(89.00)%	(89.00)%	(91.00)%	(93.00)%	(93.00)%	(86.00)%	(79.00)%	(65.00)%	(67.00)%
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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 2022/23 financial year. Payments totalling **\$1,000.00** were distributed to brigades during the 2022/23 financial year.

Council made and levied special charges to be known as Rural Fire Levy B Special of **\$27.50** per annum applied to rateable land contained within the Rural Fire Brigade Area of Whetstone to fund the operations of the Whetstone Rural Fire Brigade. This levy generated total revenue of **\$2,970.00** for the 2022/23 financial year. Payments totalling **\$2,700.00** were distributed to brigades during the 2022/23 financial year.

Council made and levied special charges to be known as Rural Fire Levy C Special of **\$22.50** per annum applied to rateable land contained within the Rural Fire Brigade Area of Omanama to fund the operations of the Omanama Rural Fire Brigade. This levy generated total revenue of **\$2,046.00** for the 2022/23 financial year. Payments totalling **\$1,820.00** were distributed to brigades during the 2022/23 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 2022/23 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 25 May 2022, sets out the principles employed by Goondiwindi Regional Council in 2022/23 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 Landowners

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 2022/2023 have focused on customer service, procurement, rate debts and developer contributions.

Risk Management

Council is responsible for the oversight of the risk management framework, including developing and monitoring risk management policies. Council's risk management policies and risk register are regularly reviewed and are established to identify and analyse risks faced, monitor such risk and implement appropriate risk mitigation measures.

Council's Internal Audit Function and Executive Leadership Team oversees compliance with Council's risk management policies and procedures and reviews the adequacy of the risk management framework in light of the risks faced by Council.

Shareholder Delegates

In accordance with reporting requirements under the *Local Government Regulation 2012*, Council did not operate any corporate entities during the 2022/23 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 2022/23, Goondiwindi Regional Council provided financial assistance to local community organisations as follows:

Description	Amount
Community Contributions	\$301,470.20
Cultural Activities Contributions	\$46,736.12
Total Contributions	\$348,206.32

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 2022 to 30 June 2023

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 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	55,777
Capital Revenue	23,790
Total Revenue	79,567
<i>What we have spent (Expenses)</i>	
Recurrent Expenses	52,037
Capital Expenses	2,130
Total Expenses	54,167
Net Result	25,400
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 2023	25,400
Less Capital Revenue allocated for Infrastructure Assets	23,790
Plus Capital Expenses allocated for Infrastructure Assets	2,130
Operating Result – 30 June 2023	3,740

Capital Expenses

The majority of this balance relates to the decommissioning and disposal of Property, Plant & Equipment assets (\$2.02m). The remaining amount of \$.11m is the unwinding of discount for Councils landfills.

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, 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, as well as gains/losses on the disposal of assets.

Total recurrent income increased by \$9.4M from the previous year, primarily due to the following:

1. Increase in Grants, subsidies and donations - \$4.1M;
2. Increase in Sales revenue from State Government - \$1.9M
3. Increase in Rates, Levies and Charges - \$1.3M
4. Increase on Interest on investments - \$1.7M

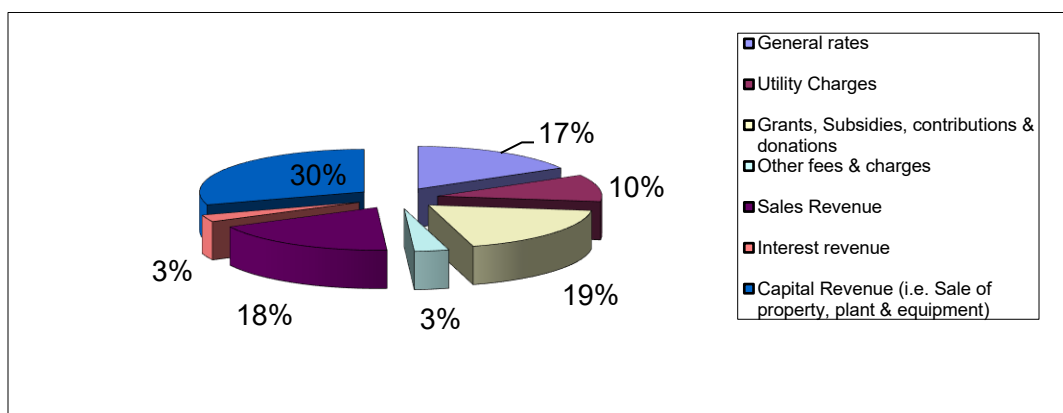
The main source of Council income for 2023 was for Rates, levies and charges that equated to 39% of the total recurrent income. Sales revenue was the next highest source of income.

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

- An annual increase in rates, levies.
- Increases in Grant income. The main reason for the skewed 2023 result is that the Federal Government paid the 2024 Federal Assistance Grant of \$8.3M before 30 June 2023. The Australian Accounting Standards mandate that these monies are not reciprocal in nature and must be recorded as revenue upon receipt.
- Investments yielding a far greater result due to the eleven-interest rate increases since April 2022.
- Increases in Sales income.

REVENUE	\$'000	
Recurrent Income	2023	2022
General Rates	13,373	12,877
Utility Charges	8,150	7,362
Grants, Subsidies and Contributions	14,783	10,669
Other Fees & Charges	2,695	2,295
Sales Revenue	14,699	12,782
Interest Revenue	2,077	409
Total Recurrent Revenue	55,777	46,394
Capital Revenue	23,790	10,953
TOTAL REVENUE	79,567	57,347

Revenue displayed as total revenue including Capital Revenue



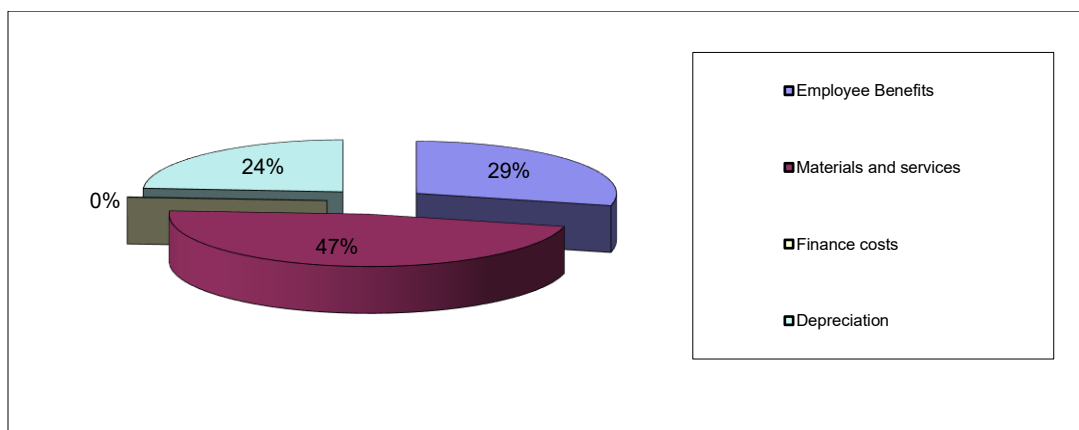
What We Have Spent

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

EXPENSES	\$'000	\$'000
Operating Expenses	2023	2022
Employee Benefits	14,984	15,138
Materials and Services	24,574	21,089
Finance Costs	52	51
Depreciation and Amortisation	12,427	10,908
Total Recurrent Expenditure	52,037	47,186
Capital Expenses	2,130	5,240
TOTAL EXPENSES	54,167	52,426

Total recurrent expenditure increased \$4.8M from the previous year. The main expenditure was Materials and Services (47%) followed by Employee Benefits (29%).

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



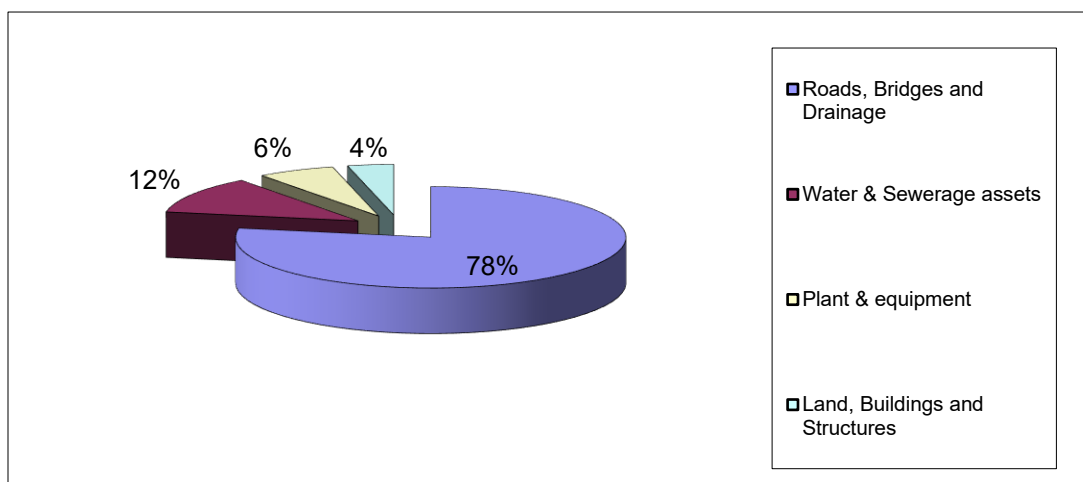
The Statement of Financial Position

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	2023	2022
Current Assets		
Cash and Cash Equivalents	12,514	18,066
Other Financial Assets, Inventories and Contract Assets	53,680	45,377
Receivables	4,160	7,368
Total Current Assets	70,354	70,811
Non-Current Assets		
Property, Plant & Equipment	550,717	484,059
Right of Use Assets	8	16
Intangible Assets	5,004	5,004
Total Non-Current Assets	555,729	489,079
TOTAL ASSETS	626,083	559,890

Assets

Council's current assets increased marginally.



The written down value of Council's property, plant and equipment assets was \$551M at 30 June 2023. The majority of Council's non-current assets are in the form of property, plant and equipment. These assets make up 88% 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, (\$27.7M) relates to works in progress that have not been completed by the end of the year.

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 and rent paid in advance.

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 **\$626.1M** – Total Liabilities **\$26.5M** = Community Equity **\$599.6M**.

Community equity increased by \$76M.

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 annual asset revaluations increased by \$50M.

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 decreased by \$5.5M. Council received \$18.7M income from its operating activities and spent (\$24.3M) on its investing activities. No borrowings were outstanding at 30 June 2023 balance date. Capital grants amounted to \$10.9M with an investment of (\$31.6M) in property, plant and equipment. This amount includes expenditure on flood damaged roads. The purchase of Investments amounted to (\$36M). Council's cash is wisely invested so the interest earned contributes to the funding of operational expenses.

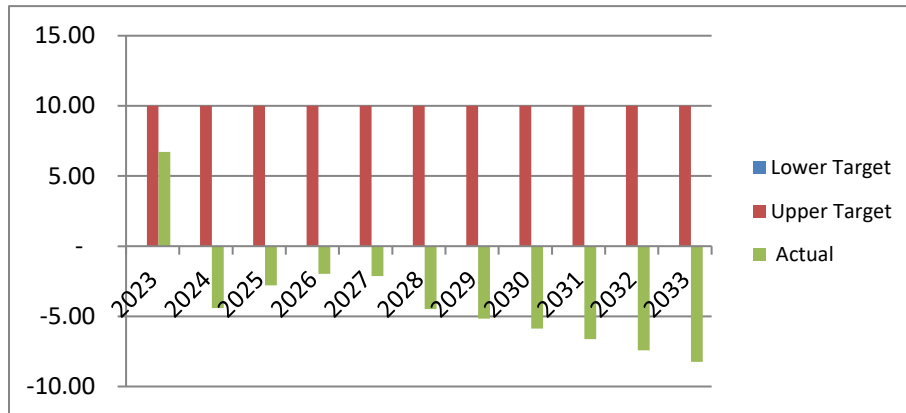
Financial Ratios

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 State Development, Infrastructure, Local Government and Planning.

Operating Surplus Ratio

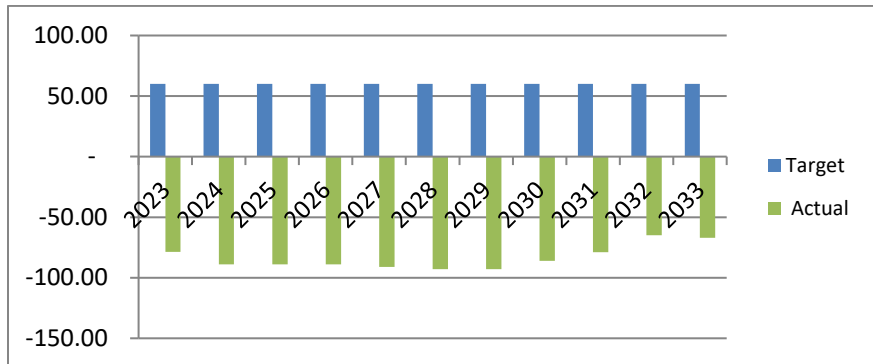
The operating surplus ratio measures the extent to which revenue raised (i.e., excluding capital grants and contributions) covers operational expenses. As at 30 June 2023, Council's Operating Surplus Ratio was a positive 6.71%. This result was greatly improved due to the upfront 2024 Federal Assistance Grant of \$8.3M.

The ten-year Long-Term financial range to 2033 is depicted below. Council will continue with service level reviews to ensure that operational expenses are going to be sustainable in the longer term.



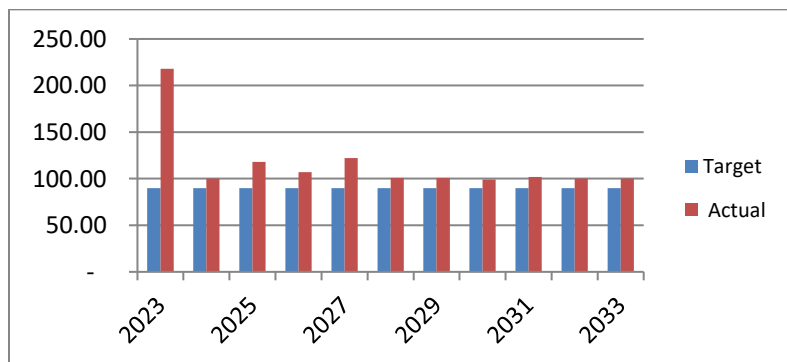
Net Financial Liabilities Ratio

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 2023, Council's Net Financial Liabilities Ratio was -78.54%.



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 2023, Council's Asset Sustainability Ratio was 218.07%.



Council's Financial Management Strategy

During 2023, 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 2023 financial year ended with an operating surplus of \$3.7M – well within the prescribed limits. Please be advised that this result was greatly improved due to the upfront 2024 Federal Assistance Grant of \$8.3M. Forecasts beyond 2024 suggest that 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.



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 June 2021
8.	OM-150/21	21 July 2021	Review July 2024

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.

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.

3. 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.

4. POLICY OBJECTIVE

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

5. 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.

6. REVIEW DATE

June 2024



REVENUE POLICY 2022/2023

TITLE: Revenue Policy 2022/2023

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
18	Ordinary Meeting of Council (ref. OM-108/21)	26 May 2021	Adopted by Resolution
19	Ordinary Meeting of Council (ref. OM-063/22)	25 May 2022	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 2022/2023 financial year. This policy will be reviewed annually.

5. RELATED DOCUMENTS

- Budget 2022/2023
- Revenue Statement 2022/2023

6. ATTACHMENT

Nil

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

For the period 1 July 2022 to 30 June 2023



Goondiwindi Regional Council

FINANCIAL STATEMENTS
for the year ended 30 June 2023



**REGIONAL
AUSTRALIA**
at its best!

Financial Statements

for the year ended 30 June 2023

Contents	Page
Primary Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
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	13
6 Materials and services	14
7 Capital expenses	14
8 Cash and cash equivalents	15
9 Receivables	16
10 Other financial assets	16
11 Property, plant and equipment	17
12 Contract balances	23
13 Payables	24
14 Provisions	24
15 Other liabilities	25
16 Asset revaluation surplus	26
17 Commitments for expenditure	26
18 Contingent liabilities	26
19 Superannuation	27
20 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	28
21 Events after the reporting period	28
22 Financial instruments and financial risk management	29
23 Transactions with related parties	31
Management Certificate	32
Independent Auditor's Report	33
Current Year Financial Sustainability Statement	34
Certificate of Accuracy	35
Independent Auditor's Report - Current Year Financial Sustainability Statement	36
Unaudited Long Term Financial Sustainability Statement	37
Certificate of Accuracy - Long Term Financial Sustainability Statement	39

Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Income			
Recurrent revenue			
Rates, levies and charges	3a	21,523	20,239
Fees and charges	3b	1,869	1,523
Interest received		2,077	409
Sales revenue	3c	14,699	12,782
Other income		826	772
Grants, subsidies and contributions	3d	14,783	10,669
Total recurrent revenue		55,777	46,394
Capital revenue			
Grants, subsidies and contributions	3d	23,642	10,711
Capital income	4	148	242
Total capital revenue		23,790	10,953
Total income		79,567	57,347
Expenses			
Recurrent expenses			
Employee benefits	5	14,984	15,138
Materials and services	6	24,574	21,089
Finance costs		52	51
Depreciation and amortisation:			
- Property, plant and equipment	11	12,420	10,904
- Right of use assets		7	4
Total recurrent expenses		52,037	47,186
Other expenses			
Capital Expenses	7	2,130	5,240
Total other expenses		2,130	5,240
Total expenses		54,167	52,426
Net Result		25,400	4,921
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	16	50,496	43,939
Total other comprehensive income for the year		50,496	43,939
Total comprehensive income for the year		75,896	48,860

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

Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Assets			
Current assets			
Cash and cash equivalents	8	12,514	18,066
Receivables	9	4,160	7,368
Other financial assets	10	47,000	43,000
Inventories		153	109
Contract assets	12	6,527	2,268
Total current assets		70,354	70,811
Non-current assets			
Right of use assets		8	16
Property, plant and equipment	11	550,717	484,059
Intangible assets	1 (h)	5,004	5,004
Total non-current assets		555,729	489,079
Total Assets		626,083	559,890
Liabilities			
Current liabilities			
Payables	13	8,583	7,910
Contract liabilities	12	11,057	17,408
Provisions	14	2,191	2,446
Other liabilities	15	407	405
Total current liabilities		22,238	28,169
Non-current liabilities			
Contract liabilities	12	—	3,288
Provisions	14	2,848	3,325
Other liabilities	15	1,458	1,465
Total non-current liabilities		4,306	8,078
Total Liabilities		26,544	36,247
Net community assets		599,539	523,643
Community equity			
Asset revaluation surplus	16	257,132	206,636
Retained surplus		342,407	317,007
Total community equity		599,539	523,643

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

Statement of Changes in Equity

for the year ended 30 June 2023

	Notes	Asset revaluation surplus \$ '000	Retained surplus \$ '000	Total equity \$ '000
2023				
Balance as at 1 July		206,636	317,007	523,643
Net result		–	25,400	25,400
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	11	49,734	–	49,734
- Change in future landfill restoration	11, 16	762	–	762
Other comprehensive income		50,496	–	50,496
Total comprehensive income for the year		50,496	25,400	75,896
Balance as at 30 June		257,132	342,407	599,539
2022				
Balance as at 1 July		162,697	312,086	474,783
Net result		–	4,921	4,921
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	11	43,358	–	43,358
- Revaluations: intangible assets		1,040	–	1,040
- Change in future landfill restoration	11, 16	(459)	–	(459)
Other comprehensive income		43,939	–	43,939
Total comprehensive income for the year		43,939	4,921	48,860
Balance as at 30 June		206,636	317,007	523,643

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

Statement of Cash Flows

for the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Cash flows from operating activities			
Receipts from customers		41,854	34,753
Payments to suppliers and employees		(39,022)	(37,528)
		<u>2,832</u>	<u>(2,775)</u>
Receipts			
Interest received		1,535	324
Non-capital grants, subsidies and contributions		13,582	10,731
Other		802	654
Payments			
Finance costs		(52)	(51)
Net cash - operating activities	20	<u>18,699</u>	<u>8,883</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property, plant and equipment		389	699
Grants, subsidies and contributions		10,945	27,243
Redemption of investments		32,000	16,000
Payments			
Payments for property, plant and equipment		(31,585)	(17,341)
Purchase of investments		(36,000)	(41,000)
Net cash - investing activities		<u>(24,251)</u>	<u>(14,399)</u>
Cash flows from financing activities			
Payments			
Repayments made on leases (principal only)		—	(20)
Net cash flow inflow/(outflow) from financing activities		<u>—</u>	<u>(20)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(5,552)</u>	<u>(5,536)</u>
plus: cash and cash equivalents - beginning		18,066	23,602
Cash and cash equivalents at the end of the financial year	8	<u>12,514</u>	<u>18,066</u>

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

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 1. Information about these financial statements

(a) Basis of preparation

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 2022 to 30 June 2023. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

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

(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 2022, none of the standards had a material impact on reported position, performance and cash flows.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023. These standards have not been adopted by Council and will be included in the financial statements on their effective date.

Council reviewed all new and amended Australian Accounting Standards and Interpretations issued but not yet effective at the reporting date and concluded that these standards and interpretations will have no material effect on the financial statements in the period of initial application.

(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. 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:

- Intangible assets – Note 1(h)
- 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.

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

(f) Volunteer services

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

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 1. Information about these financial statements

(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) Intangible assets

Intangible assets with a cost or value exceeding \$50,000 are recognised as intangible; items with a lesser value being expensed.

Council's intangible assets comprise of water licenses which can be sold at any point in time. They are assessed as having an indefinite life and therefore are not amortised. Fair value of intangible assets is measured at current market value which is derived by reference to market based evidence including observable historical sales data for intangibles of similar nature.

Jones Lang LaSalle Public Sector Valuations Pty Ltd undertook a desktop valuation of intangible assets on 30 June 2023. The change in fair value was immaterial and was not recognised in the financial statements.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2. Analysis of results by function

(a) Council functions – component descriptions

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2. Analysis of results by function (continued)

(b) Council functions - analysis of results by function

Functions	Gross program income				Total income \$ '000	Gross program expenses		Total expenses \$ '000	Net result from recurring operations		Net result \$ '000	Total assets \$ '000
	Recurring grants \$ '000	Recurring other \$ '000	Capital grants \$ '000	Capital other \$ '000		Recurring \$ '000	Capital \$ '000		recurring \$ '000	Net result \$ '000		
2023												
Executive office	231	129	–	–	360	(2,853)	–	(2,853)	(2,493)	(2,493)	–	
Community and corporate	7,905	16,600	472	–	24,977	(12,349)	(518)	(12,867)	12,156	12,110	107,462	
Engineering	149	14,785	740	148	15,822	(16,192)	(30)	(16,222)	(1,258)	(400)	20,922	
Transport infrastructure	6,464	–	21,053	–	27,517	(11,157)	(796)	(11,953)	(4,693)	15,564	398,239	
Waste management	24	3,081	–	–	3,105	(3,238)	(106)	(3,344)	(133)	(239)	4,009	
Water infrastructure	10	4,895	1,377	–	6,282	(4,412)	(552)	(4,964)	493	1,318	60,269	
Sewerage infrastructure	–	2,260	–	–	2,260	(2,592)	(128)	(2,720)	(332)	(460)	35,182	
Eliminations	–	(756)	–	–	(756)	756	–	756	–	–	–	
Total	14,783	40,994	23,642	148	79,567	(52,037)	(2,130)	(54,167)	3,740	25,400	626,083	
2022												
Executive office	346	146	–	–	492	(2,795)	–	(2,795)	(2,303)	(2,303)	–	
Community and corporate	6,301	14,268	1,152	100	21,821	(12,955)	(235)	(13,190)	7,614	8,631	106,700	
Engineering	183	12,888	301	142	13,514	(13,864)	(122)	(13,986)	(793)	(472)	20,687	
Transport infrastructure	3,719	–	8,518	–	12,237	(9,467)	(2,947)	(12,414)	(5,748)	(177)	336,901	
Waste management	19	2,827	90	–	2,936	(3,046)	(79)	(3,125)	(200)	(189)	4,803	
Water infrastructure	101	4,125	650	–	4,876	(3,916)	(1,553)	(5,469)	310	(593)	56,876	
Sewerage infrastructure	–	2,142	–	–	2,142	(1,814)	(304)	(2,118)	328	24	33,923	
Eliminations	–	(671)	–	–	(671)	671	–	671	–	–	–	
Total	10,669	35,725	10,711	242	57,347	(47,186)	(5,240)	(52,426)	(792)	4,921	559,890	

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue

	2023	2022
	\$ '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	15,486	14,910
Water	1,943	1,826
Water consumption	2,280	1,745
Sewerage	2,053	1,975
Waste management	1,874	1,816
Total rates, levies and charges revenue	23,636	22,272
Less: discounts	(2,113)	(2,033)
Total rates, levies and charges	21,523	20,239

(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.

	2023	2022
	\$ '000	\$ '000
Animal fees	107	127
Building fees	92	73
Cemeteries fees	139	93
Other fees and charges	179	114
Planning fees	129	99
Property search fees	52	62
Refuse fees	1,124	922
Water services fees	47	33
Total fees and charges	1,869	1,523

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue (continued)

(c) Sales revenue

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

Revenue from contract 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 contract liabilities and is recognised as revenue in the period when the service is performed. The contract work carried out is not subject to retentions.

Council's sales revenue is derived from contract and recoverable works.

(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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue (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, drainage, water and sewerage infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

	2023 \$ '000	2022 \$ '000
(i) Recurrent		
General purpose grants	10,803	7,823
State government subsidies and grants	3,572	2,328
Commonwealth government subsidies and grants	246	213
Contributions	162	305
Total recurrent grants, subsidies and contributions	14,783	10,669
(ii) Capital		
State government subsidies and grants	21,001	8,254
Commonwealth government subsidies and grants	2,375	2,251
Cash contributions	50	206
Contributed assets	216	–
Total capital grants, subsidies and contributions	23,642	10,711

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

	2023		2022	
	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	13,446	24,551	10,364	10,505
Contributions	428	–	511	–
	13,874	24,551	10,875	10,505

Notes to the Financial Statements

for the year ended 30 June 2023

Note 4. Capital income

	Notes	2023 \$ '000	2022 \$ '000
Gain / loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment		389	699
Less: carrying value of disposed property, plant and equipment	11	(241)	(457)
		<u>148</u>	<u>242</u>
Gain on disposal of non-current assets		<u>148</u>	<u>242</u>
Total capital income		<u>148</u>	<u>242</u>

Note 5. Employee benefits

	Notes	2023 \$ '000	2022 \$ '000
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		11,842	11,764
Councillors' remuneration		523	509
Annual, sick and long service leave entitlements		1,865	1,876
Superannuation	19	1,432	1,400
		<u>15,662</u>	<u>15,549</u>
Other employee related expenses		141	131
		<u>15,803</u>	<u>15,680</u>
Less: capitalised employee expenses		(819)	(542)
Total employee benefits		<u>14,984</u>	<u>15,138</u>

Notes to the Financial Statements

for the year ended 30 June 2023

Note 6. Materials and services

	2023	2022
	\$ '000	\$ '000
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Administration	205	193
Advertising	21	21
Audit of annual financial statements by the Auditor-General of Queensland	89	86
Community facilities	718	889
Consultancy services	574	491
Contract services	8,388	6,428
Donations paid	341	366
Flood restoration works	1,393	–
Information, technology and communications	576	715
Insurance	233	208
Motor vehicle expenses	2,056	1,855
Operations and maintenance - sewerage services	543	402
Operations and maintenance - water services	1,642	1,449
Other materials and services	1,328	1,335
Parks and gardens	523	506
Refuse collection and site maintenance	2,328	2,173
Repairs and maintenance - roads, bridges and footpaths	2,840	3,029
Rural services	342	508
Sport and recreation	434	435
Total materials and services	24,574	21,089

Note 7. Capital expenses

		2023	2022
	Notes	\$ '000	\$ '000
(a) Provision for restoration of land			
Remeasurement due to unwinding of discount	14	106	79
		<u>106</u>	<u>79</u>
(b) Other capital expenses			
Loss on write-off of property, plant and equipment	11	2,024	5,161
		<u>2,024</u>	<u>5,161</u>
Total capital expenses		<u>2,130</u>	<u>5,240</u>

Notes to the Financial Statements

for the year ended 30 June 2023

Note 8. Cash and cash equivalents

	2023 \$ '000	2022 \$ '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	12,417	13,016
Deposits at call	97	5,050
Total cash and cash equivalents	12,514	18,066

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.

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

(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Waste levy refund received in advance	1,591	1,573
Total externally imposed restrictions on cash assets	1,591	1,573

Cash at bank and on hand at 30 June 2023 includes \$1,591,265 received from the State Government to mitigate the direct impacts on households of the State Waste Levy over the next four years. This money has been set aside to help fund the Council's 2024-2027 levy expense.

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 \$693,267 in trust monies as at 30 June 2023 (2022: \$649,971).

Notes to the Financial Statements

for the year ended 30 June 2023

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 2023.

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 (8.17% per annum from 1 July 2022, previously 8.03% per annum).

Council applies normal business credit protection procedures prior to providing goods or services to minimise credit risk.

There is a geographical concentration of risk in Council's jurisdiction, and since the area is largely agricultural, there is also a concentration in the agricultural sector.

Council does not require collateral in respect of trade and other receivables.

	2023 \$ '000	2022 \$ '000
Accrued interest	661	119
GST recoverable	105	–
Other debtors	660	524
Rates, levies and charges	716	676
State Government	1,526	5,633
Water charges not yet levied	492	416
Total current receivables	4,160	7,368

Note 10. Other financial assets

	2023 \$ '000	2022 \$ '000
Current		
Investments	47,000	43,000
Total current other assets	47,000	43,000

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.

Investments at 30 June 2023 include \$11,056,768 received from the State Government for the construction of Council controlled assets and are therefore restricted under the terms of the related funding arrangements for use on this purpose.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment

	Notes	Capital work in progress \$ '000	Land \$ '000	Buildings and structures \$ '000	Plant and equipment \$ '000	Roads \$ '000	Drainage \$ '000	Water \$ '000	Sewerage \$ '000	Total \$ '000
2023										
Measurement basis		Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	
Opening gross balance		11,775	8,875	89,409	16,218	380,793	23,215	79,576	58,399	668,260
Asset additions *		31,608	–	–	–	–	–	–	–	31,608
Disposals	4	–	–	–	(816)	–	–	–	–	(816)
Write-offs	7(b)	–	–	(450)	(45)	(721)	–	(1,997)	(61)	(3,274)
Assets written off due to below recognition threshold	7(b)	–	–	(415)	(31)	(328)	(13)	–	(102)	(889)
Revaluation increments to equity	16	–	444	7,100	–	49,163	3,018	4,592	3,503	67,820
Adjustments and other transfers		–	–	(43)	–	–	–	–	43	–
Work in progress transfers		(15,705)	15	1,635	2,112	7,245	13	4,515	170	–
Total gross value of property, plant and equipment		27,678	9,334	97,236	17,438	436,152	26,233	86,686	61,952	762,709
Opening accumulated depreciation		–	–	41,525	6,696	72,171	8,473	30,645	24,691	184,201
Depreciation expense		–	–	1,863	1,183	6,150	263	1,606	1,355	12,420
Depreciation on disposals	4	–	–	–	(575)	–	–	–	–	(575)
Depreciation on write-offs	7(b)	–	–	(347)	(45)	(267)	–	(1,445)	(36)	(2,140)
Revaluation increments to equity	16	–	–	3,441	–	10,043	1,136	1,905	1,561	18,086
Adjustments and other transfers		–	–	(18)	–	–	–	–	18	–
Total accumulated depreciation property, plant and equipment		–	–	46,464	7,259	88,098	9,871	32,710	27,590	211,992
Total written down value of property, plant and equipment		27,678	9,334	50,772	10,179	348,054	16,362	53,976	34,362	550,717
Other information										
Residual value		–	–	–	5,153	–	–	–	–	5,153
Range of estimated useful life (years)				2 - 200	4 - 30	2 - 200	1 - 100	10 - 155	2 - 180	
*Asset additions comprise										
Asset renewals		–	–	585	1,984	22,333	83	1,168	335	26,488
Other additions		–	–	617	44	2,128	61	1,844	426	5,120
Total asset additions		–	–	1,202	2,028	24,461	144	3,012	761	31,608

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

	Notes	Capital work in progress \$ '000	Land \$ '000	Buildings and structures \$ '000	Plant and equipment \$ '000	Roads \$ '000	Drainage \$ '000	Water \$ '000	Sewerage \$ '000	Total \$ '000
2022										
Measurement basis		Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	
Opening gross balance		10,107	8,659	66,792	17,524	350,121	21,746	71,883	52,477	599,309
Asset additions *		17,457	–	–	–	–	–	–	–	17,457
Disposals	4	–	(101)	(79)	(847)	–	–	–	–	(1,027)
Write-offs	7(b)	–	–	(235)	(369)	(3,068)	–	(4,004)	(505)	(8,181)
Revaluation increments to equity	16	–	290	17,854	–	26,733	1,364	8,588	5,875	60,704
Adjustments and other transfers		–	–	1,359	(1,464)	–	105	–	–	–
Work in progress transfers		(15,789)	26	3,720	1,374	7,006	–	3,110	553	–
Total gross value of property, plant and equipment		11,775	8,875	89,409	16,218	380,793	23,215	79,576	58,399	668,260
Opening accumulated depreciation		–	–	31,035	6,954	61,728	7,677	27,789	24,359	159,542
Depreciation expense		–	–	1,685	1,292	5,548	230	1,367	782	10,904
Depreciation on disposals	4	–	–	(4)	(565)	–	–	–	–	(569)
Depreciation on write-offs	7(b)	–	–	–	(247)	(121)	–	(2,451)	(200)	(3,019)
Revaluation increments to equity	16	–	–	8,146	–	5,018	492	3,940	(250)	17,346
Adjustments and other transfers		–	–	664	(738)	–	74	–	–	–
Total accumulated depreciation property, plant and equipment		–	–	41,525	6,696	72,171	8,473	30,645	24,691	184,201
Total written down value of property, plant and equipment		11,775	8,875	47,884	9,522	308,622	14,742	48,931	33,708	484,059
Other information										
Residual value		–	–	–	5,153	–	–	–	–	5,153
Range of estimated useful life (years)				2 - 200	4 - 30	2 - 200	1 - 100	10 - 155	2 - 180	
*Asset additions comprise										
Asset renewals		–	–	2,095	1,032	10,709	28	1,269	170	15,303
Other additions		–	29	198	5	1,045	–	846	31	2,154
Total asset additions		–	29	2,293	1,037	11,754	28	2,115	201	17,457

Notes to the Financial Statements

for the year ended 30 June 2023

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.

(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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

(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 Statement of Comprehensive Income, in that case the increase is taken to the Statement of Comprehensive Income 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.

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.

Valuation techniques used to derive level 2 and level 3 fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Current year indexation rate applied	Other interim revaluation adjustment
Land (level 2) 2023: \$4,862k 2022: \$4,630k	Market Value	28/02/22	Jones Lang LaSalle Public Sector Valuations Pty Ltd	Desktop valuation conducted by Jones Lang LaSalle Public Sector Valuations Pty Ltd with an indexation of 5%	Nil
Land (level 3) 2023: \$4,472k 2022: \$4,245k					

Key assumptions, estimates, and related data sources

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Current year indexation rate applied	Other interim revaluation adjustment
Buildings and structures (level 2) 2023: \$7,159k 2022: \$6,863k	Market value	28/02/22	Jones Lang LaSalle Public Sector Valuations Pty Ltd	Desktop valuation conducted by Jones Lang LaSalle Public Sector Valuations Pty Ltd with an indexation of 8%	Nil
Buildings and structures (level 3) 2023: \$43,613k 2022: \$41,021k	Current replacement cost				

Council's fair value measurement has been either a level 2 or 3, depending on the assumptions as to whether the land is subject to restriction as to use and/or sale, and whether there is an active market.

Key assumptions, estimates, and related data sources

Council buildings and structures are typically of a specialised nature such that there is no active market for these assets. 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.

A market approach was used for residential buildings and commercial buildings where relevant inputs were able to be observed from current market evidence.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

Roads (level 3)	Current replacement cost	31/03/2018	Shepherd Services Pty Ltd	Desktop valuation conducted by Jones Lang LaSalle Public Sector Valuations Pty Ltd with an indexation of 13%	Nil
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Key assumptions, estimates, and related data sources

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, subgrade, 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.

Current replacement cost was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs and overhead allocations. A uniform rate has been adopted for construction of similar road types.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Current year indexation rate applied	Other interim revaluation adjustment
Drainage (level 3)	Current replacement cost	31/03/2019	Shepherd Services Pty Ltd	Desktop valuation conducted by Jones Lang LaSalle Public Sector Valuations Pty Ltd with an indexation of 13%	Nil

In determining the level of accumulated depreciation, roads were disaggregated into significant components which exhibited different useful lives.

Estimates of expired service potential and remaining useful lives were determined on a straight line basis based on industry standard practices and past experience, supported by maintenance programs.

Key assumptions, estimates, and related data sources

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.

In determining the level of accumulated depreciation, drainage assets were disaggregated into significant components which exhibited different useful lives.

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.

Water and sewerage assets (level 3)	Current replacement cost	30/06/2022	Australis Asset Advisory Group	Desktop valuation conducted by Jones Lang LaSalle Public Sector Valuations Pty Ltd with an indexation of 6%	Nil
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Key assumptions, estimates, and related data sources

Current replacement cost was calculated by reference to asset linear and area specifications, or lump sum estimate labour and material inputs, service costs and overhead allocations. For internal construction estimates, material and service prices were based on supplier contract rates or supplier price lists. All direct costs were allocated to assets at standard usage quantities according to recent completed similar projects.

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 12. Contract balances

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.

	2023 \$ '000	2022 \$ '000
(a) Contract assets		
Contract assets	6,527	2,268
Total current contract assets	6,527	2,268
(b) Contract liabilities		
Current		
Funds received upfront to construct Council controlled assets	11,057	17,408
Total current contract liabilities	11,057	17,408
Non-current		
Funds received upfront to construct Council controlled assets	–	3,288
Total non-current contract liabilities	–	3,288
Funds received upfront to construct Council controlled assets relate to funds received from Queensland Reconstruction Authority for the restoration of essential public assets together with funding received for Works for Queensland and the Minor Infrastructure Programs.		
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Funds to construct Council controlled assets	14,683	2,084
Total revenue included in the contract liability	14,683	2,084

Satisfaction of contract liabilities

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

(c) Significant changes in contract balances

Significant changes in contract balances relate largely to the restoration of flood affected essential public assets which were impacted during the flood events between 2020 and 2022. Council received funding in advance from Queensland Reconstruction Authority for the restoration of these assets and the projects are expected to be finalised by 30 June 2024.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 13. Payables

	2023	2022
	\$ '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

Annual leave	1,441	1,452
Creditors and accruals	5,718	5,076
Other entitlements	273	265
Prepaid rates	732	719
Sick leave	419	398
Total current payables	8,583	7,910

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 Yield Report 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.

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Provisions (continued)

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 refuse sites, decontamination and monitoring of historical residues and leaching on these sites.

A desktop valuation was conducted by Kavney Consulting Pty Ltd on 30 June 2023 with an indexation of 7.5%.

	2023 \$ '000	2022 \$ '000
Current		
Long service leave	2,161	2,226
Refuse restoration	30	220
Total current provisions	2,191	2,446
Non-current		
Long service leave	166	165
Refuse restoration	2,682	3,160
Total non-current provisions	2,848	3,325

Details of movements in provisions

Refuse restoration

Balance at beginning of financial year	3,380	2,840
Additional provision	–	1,564
Amounts used	(13)	–
Increase in provision due to unwinding of discount	106	79
Increase/(decrease) in provision due to change in discount rate	(178)	(1,103)
Revision of future cost estimates	(583)	–
Balance at end of financial year	2,712	3,380

Note 15. Other liabilities

	Notes	2023 \$ '000	2022 \$ '000
Current			
Waste levy refund received in advance	8(i)	383	381
Rent paid in advance		24	24
Total current other liabilities		407	405
Non-current			
Waste levy refund received in advance	8(i)	1,208	1,191
Rent paid in advance		250	274
Total non-current other liabilities		1,458	1,465

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 16. Asset revaluation surplus

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

	2023 \$ '000	2022 \$ '000
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Buildings and structures	13,742	9,321
Drainage	6,838	4,956
Intangibles	1,040	1,040
Land	907	464
Roads	188,041	148,921
Sewerage	18,271	16,329
Water	28,293	25,605
Balance at end of financial year	257,132	206,636

Note 17. Commitments for expenditure

	2023 \$ '000	2022 \$ '000
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Infrastructure	6,305	7,193
Non-infrastructure	985	1,235
	7,290	8,428

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 2022 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 \$302,929 (2022: \$306,677).

Notes to the Financial Statements

for the year ended 30 June 2023

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

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets, and costs at 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 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." 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 2024.

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

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

	Notes	2023 \$ '000	2022 \$ '000
Superannuation contributions made to the LGIASuper Regional Defined Benefits Fund		89	101
Other superannuation contributions for employees		1,343	1,299
Total superannuation contributions paid by Council for employees	5	1,432	1,400

Notes to the Financial Statements

for the year ended 30 June 2023

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

	2023 \$ '000	2022 \$ '000
Net operating result from income statement	25,400	4,921
Non-cash items		
Depreciation - Property, plant and equipment	12,420	10,904
Amortisation - Right of use	7	4
Other income	(24)	(24)
	<u>12,403</u>	<u>10,884</u>
Losses/(gains) recognised on fair value re-measurements through the Statement of Comprehensive Income		
Remeasurement due to unwinding of discount	106	79
Wind back of landfill provision	(13)	–
	<u>93</u>	<u>79</u>
Investing and development activities		
Net (profit)/loss on disposal of assets	(148)	(242)
Loss on write-off of assets	2,024	5,161
Capital grants, subsidies and contributions	(10,945)	(27,243)
	<u>(9,069)</u>	<u>(22,324)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	3,208	(1,555)
(Increase)/decrease in inventories	(44)	(10)
(Increase)/decrease in contract assets	(4,259)	(2,018)
(Increase)/decrease in other assets	–	102
Increase/(decrease) in payables	675	(1,358)
Increase/(decrease) in contract liabilities	(9,639)	18,612
Increase/(decrease) in employee leave entitlements	(64)	(34)
Increase/(decrease) in other liabilities	(5)	1,584
	<u>(10,128)</u>	<u>15,323</u>
Net cash provided from/(used in) operating activities from the statement of cash flows	<u>18,699</u>	<u>8,883</u>

Note 21. Events after the reporting period

There were no material adjusting events after the balance date and no material non-adjusting subsequent events.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 22. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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 disclosed in Notes 9 and 10.

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. Council's Investment Policy states that funds will only be placed with recognised financial institutions with a long term rating of BBB- or better.

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.

(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 Notes 8 and 10.

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:

Notes to the Financial Statements

for the year ended 30 June 2023

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

	0 to 1 year \$ '000	1 to 5 years \$ '000	Over 5 years \$ '000	Total contractual cash flows \$ '000	Carrying amount \$ '000
2023					
Payables	6,450	–	–	6,450	6,450
	<u>6,450</u>	<u>–</u>	<u>–</u>	<u>6,450</u>	<u>6,450</u>
2022					
Payables	5,795	–	–	5,795	5,795
	<u>5,795</u>	<u>–</u>	<u>–</u>	<u>5,795</u>	<u>5,795</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 the 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.

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 amount \$ '000	Net result		Equity	
		1% increase \$ '000	1% decrease \$ '000	1% increase \$ '000	1% decrease \$ '000
2023					
QTC cash fund	55	1	(1)	1	(1)
Other investments	12,498	125	(125)	125	(125)
Net	<u>12,553</u>	<u>126</u>	<u>(126)</u>	<u>126</u>	<u>(126)</u>
2022					
QTC cash fund	2,028	20	(20)	20	(20)
Other investments	3,022	30	(30)	30	(30)
Net	<u>5,050</u>	<u>50</u>	<u>(50)</u>	<u>50</u>	<u>(50)</u>

Notes to the Financial Statements

for the year ended 30 June 2023

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.

	2023 \$ '000	2022 \$ '000
The compensation paid to key management personnel comprises:		
Short-term employee benefits	1,086	1,078
Post-employment benefits	108	103
Long-term benefits	14	54
Total	1,208	1,235

(b) Other Related Parties

Transactions with other related parties

Other related parties include the close family members of key management personnel (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
2023		
Purchase of materials and services from KMP controlled entities	9	1
	9	1
2022		
Purchase of materials and services from KMP controlled entities	49	1
	49	1

There were no individually significant transactions in 2022-23 or 2021-22.

(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.

Goondiwindi Regional Council

Financial Statements

for the year ended 30 June 2023

Management Certificate

Management Certificate

for the year ended 30 June 2023

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulations) 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 Regulations 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 1 to 31, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Hon. Cr Lawrence Springborg AM
MAYOR
29 August 2023



Carl Manton
CHIEF EXECUTIVE OFFICER
29 August 2023

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 2023, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in Goondiwindi Regional Council's annual report for the year ended 30 June 2023 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

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

Prescribed requirements scope

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



Michael Claydon
as delegate of the Auditor-General

30 August 2023

Queensland Audit Office
Brisbane

Financial Statements

for the year ended 30 June 2023

Current Year Financial Sustainability Statement

	Actual 2023	Target
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Measures of financial sustainability

1. Operating surplus ratio

Net result (excluding capital items)	6.71%	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

Capital expenditure on the replacement of assets (renewals)	218.07%	> 90.00%
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	(78.54)%	< 60.00%
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 general purpose financial statements for the year ended 30 June 2023.

Goondiwindi Regional Council


Financial Statements

for the year ended 30 June 2023

Certificate of Accuracy

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

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



The image shows two handwritten signatures in blue ink. The signature on the left is for Lawrence Springborg, and the signature on the right is for Carl Manton. Both signatures are written over a horizontal line that serves as a baseline for the printed text below them.

Hon. Cr Lawrence Springborg AM
MAYOR
29 August 2023

Carl Manton
CHIEF EXECUTIVE OFFICER
29 August 2023

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 for the year ended 30 June 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Goondiwindi Regional Council for the year ended 30 June 2023 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other information

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

At the date of this auditor's report, the available other information in Goondiwindi Regional Council's annual report for the year ended 30 June 2023 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

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



30 August 2023

Michael Claydon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Financial Statements

for the year ended 30 June 2023

Unaudited Long Term Financial Sustainability Statement

	Target	Actual 2023	2024	2025	2026	2027	Forecast		2030	2031	2032	2033
							2028	2029				

Measures of financial sustainability

1. Operating surplus ratio

Net result (excluding capital items)

Total operating revenue (excluding capital items)	0% - 10%	6.71%	(4.40)%	(2.79)%	(1.96)%	(2.13)%	(4.48)%	(5.17)%	(5.88)%	(6.63)%	(7.42)%	(8.24)%
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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	> 90.00%	218.07%	100.00%	118.00%	107.00%	122.00%	101.00%	101.00%	99.00%	102.00%	100.00%	100.00%
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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)	< 60.00%	(78.54)%	(89.00)%	(89.00)%	(89.00)%	(91.00)%	(93.00)%	(93.00)%	(86.00)%	(79.00)%	(65.00)%	(67.00)%
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Financial Statements

for the year ended 30 June 2023

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 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.

Goondiwindi Regional Council

Financial Statements

for the year ended 30 June 2023

Certificate of Accuracy - Long Term Financial Sustainability Statement

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

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



Hon. Cr Lawrence Springborg AM
MAYOR
29 August 2023



Carl Manton
CHIEF EXECUTIVE OFFICER
29 August 2023