



Goondiwindi
REGIONAL
COUNCIL



REGIONAL
AUSTRALIA
at its best!

ANNUAL REPORT

For the period 1 July 2019 to 30 June 2020

Table of Contents

Distribution	3
Feedback	3
Regional Profile.....	4
Executive Message	5
Goals and Values.....	7
Elected Representatives	9
Department Reports.....	13
Statutory Information.....	14
Community Financial Report	19
Annexure A – Councillor Remuneration & Expenses Policy	27
Annexure B – Revenue Policy 2019/20	32

Distribution

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

Copies are also distributed to the:

- Department of Local Government, Racing and Multicultural Affairs;
- State Library of Queensland;
- Queensland Parliamentary Library; and
- National Library of Australia.

Feedback

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

Local Service

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

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

Correspondence Address:

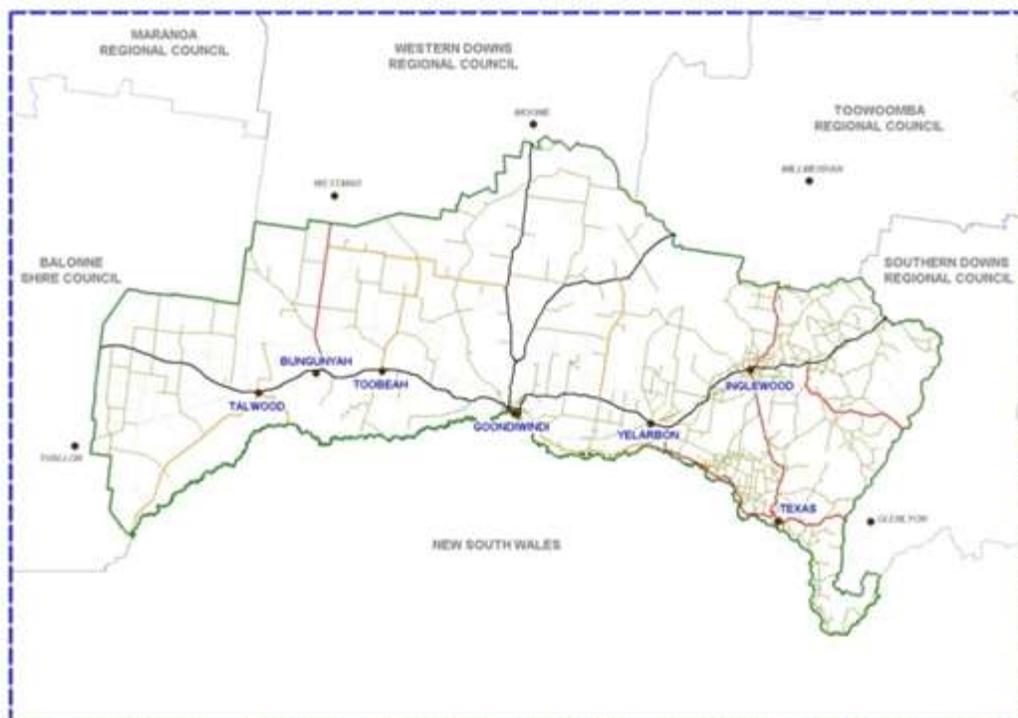
The Chief Executive Officer
Goondiwindi Regional Council
Locked Mail Bag 7
INGLEWOOD QLD 4387

Email: mail@grc.qld.gov.au

Regional Profile

Goondiwindi Regional Council services a growing population of approximately 10,799 and covers an area of approximately 19,294 square kilometres. The southern boundary of the region, defined predominantly by the Macintyre, Dumaresq and Barwon Rivers, provides a major gateway from New South Wales to Queensland with the region a popular stopover destination for travellers.

The Goondiwindi Region is a very attractive place to live and work and offers many opportunities for residents. There are also many attractions for visitors to the region.



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: 10,799 • Average annual growth rate: (2009-2019) 0%
Population by Age	<ul style="list-style-type: none"> • 22.0% aged 0-14 Years • 60.3% aged 15-64 Years • 17.8% aged 65+ Years
Industries	<p>Top five industry subdivisions of employment:</p> <ol style="list-style-type: none"> 1. Agriculture (28.1%) 2. Healthcare and Social Assistance (11.7%) 3. Retail Trade (9.2%) 4. Education and Training (7.9%) 5. Construction (7.7%)
<i>(Information sourced from the Queensland Government Statistician's Office)</i>	

Executive Message

It is with great pleasure that we present Goondiwindi Regional Council's Annual Report for 2019-20.

This past financial year has presented many challenges due to drought and, more recently, COVID-19. However, we are pleased to say that throughout these challenges, Council has continued to advocate for the needs of our community and focused on its service and responsibility to the residents and businesses of the Goondiwindi region. In April this year, for example, we became the first Council to pioneer new border control technology in partnership with the Queensland Police Service, assisting those residents and business whose daily lives had been disrupted by the Queensland border closure.

In October last year, Council adopted its new Drought Management Plan to ensure the future water security of the region and to prepare for the impact of drought on Council's water resources. As a result of this, Council establish new bores in Goondiwindi, Texas and Yelarbon to diversify the long-term water supply of those towns, and is further investigating groundwater options for Inglewood. Although we know that groundwater in the Inglewood area is scarce in the quantities we require, Council is using new technology and techniques to give us the best chance of success. Council also amended its own watering practices and introduced water restrictions across the region to conserve current supply and ensure greater efficiency in the future.

This year, Council made several key strategic changes to its waste collection and the management of waste facilities to comply with the Queensland Waste Levy and to make our region's waste practices more sustainable going forward. These changes included transitioning several towns from landfill sites to transfer stations, installing a new weighbridge and gatehouse at Inglewood, and improving resource recovery and separation areas to help users minimise their levy charges by recycling more.

As our region continues to grow and gain increasing recognition as a thriving regional centre, we must invest wisely to meet the mounting demands of the future. At the end of 2019, Council adopted a 10-year Transport Asset Plan to maximise the life span of its \$343 million transport asset network. Council's investment into programs such as the Goondiwindi Connectivity Project will also help to transform the digital network of the region, with a lasting and meaningful impact on our capacity for national and global connectivity.

In January, Council adopted its new Visitor Strategy for the Goondiwindi region. This Strategy will direct Council's future contribution to and investment in, the region's growing visitor economy. Investment in the tourism sector will ensure our economy has the diversity it needs to thrive – especially during dry years. The Strategy also identified eight priority projects for the year, which included the completion of GrainCorp Silos at Yelarbon. We achieved this in April of this year with funding from the Queensland Government's Department of Innovation and Tourism Industry Development, and the finished silos will begin an exciting new chapter in our region's domestic tourism.

Finally, we would like to thank Councillors and Council staff for their ongoing service and commitment to the Goondiwindi region, and I look forward to the achievements our community will share in 2020-21.



A handwritten signature in blue ink, appearing to read 'L. Springborg', written in a cursive style.

**Hon Lawrence Springborg AM
Mayor**



A handwritten signature in blue ink, appearing to read 'Carl Manton', written in a cursive style.

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

Elected Representatives

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

8 April 2020 to Present



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

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

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

30 March 2016 to 8 April 2020



Back Row: (L to R) Cr Rick McDougall, Cr Lachlan Brennan, Cr David Turner, Cr Rob Mackenzie
Front Row: (L to R) Deputy Mayor Cr Rick Kearney, Mayor Graeme Scheu, Cr Joan White

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

- **Transport and Roads** – Cr Rick Kearney
- **Water and Sewerage** – Cr Rick McDougall
- **Waste and Regulatory Services** – Councillor Rob Mackenzie
- **Culture, Health, Ageing and Economic Development** – Councillor David Turner
- **Sport, Recreation & Parks and Gardens, Youth & Education, Technology** – Councillor Lachlan Brennan
- **Rural Services and Community Facilities (other than sport and recreation)** – Councillor Joan White

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
GS Scheu	10	81,615.41		971.77	82,587.18	9,793.83	3,198.85
WP Kearney	14	59,709.03	380.91	1,433.43	61,523.37	6,348.93	3,198.85
RJ Mackenzie	15	54,551.25	370.00	1,431.93	56,353.18	5,743.60	3,198.85
RJ McDougall	9	40,467.05	4,586.97	971.77	46,025.79	4,856.01	3,198.85
EJ White	8	40,467.05	4,707.19	971.77	46,146.01	4,856.04	3,198.85
LG Brennan	14	53,049.24	370.00	1,431.93	54,851.17	5,614.37	3,198.85
DW Turner	10	40,467.05		971.77	41,438.82	4,856.04	3,198.85
LJ Springborg	5	24,314.59		460.16	24,774.75	1,679.91	3,198.85
SK Kelly	5	12,525.52	370.00	460.16	13,355.68	839.93	3,198.85
PG O'Shea	5	12,525.52	370.00	460.16	13,355.68	839.94	3,198.85
JN Watts	5	12,525.52	370.00	460.16	13,355.68		3,198.85
Totals	100	432,217.23	11,525.07	10,024.99	453,767.29	45,428.58	35,187.30

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 amended at Council's Ordinary Meeting held on 27 May 2020. Details of the resolution are as follows:

RESOLUTION OM-68/20

Moved: Cr RJ Mackenzie

Seconded: Cr PG O'Shea

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

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

Carried.

Councillors Conduct

Total number of orders and recommendations made under the following sections of the Local Government Act 2009	
<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>	Nil
<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>	Nil
<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>	Nil
<i>Referral notices accompanied by a recommendation mentioned in section 150AC(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>	Nil
<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>	Nil
<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 2019-2020

- Stage 2 Yelarbon Silo Project completed.
- Completion of Stage 1 of the CCTV Project.
- Construction of new Waste Management Facilities at Inglewood, Yelarbon, Talwood, Bungunya and Toobeah.
- Adoption of the Goondiwindi Region Economic Development Strategy.
- Adoption of the Goondiwindi Region Tourism Strategy.

Department of Engineering Services

Highlights 2019-2020

- Extension to and repairs to the footpath and cycle way networks in Goondiwindi, Yelarbon, Texas and Inglewood.
- Completion of the annual gravel resheet program and bitumen reseal program on various roads throughout the regional area.
- Continuation of water main upgrade and augmentation works within Council's water supply areas.
- Continued upgrade of non-compliant playground equipment.
- Various renewal and upgrade works at Yelarbon water treatment plant.
- Continuation of bitumen seal extension on Goodar Road.
- Continuation of bitumen seal extension on Daymar Weengallon Road.
- Shoulder resheeting works on Pollocks Road and Kerimbilla Road.
- Continuation of kerb and gutter improvements in Goondiwindi, Inglewood and Texas.
- Floodway rehabilitations and improvements on Greenup Limevale Road and Windamore Road.
- Safety improvements initiatives undertaken on Kondar Road, Minnel Road, Talwood Mungindi Road and Riverton Road.
- Continuation of the installation of telemetry systems for all water and sewerage treatment plants and pump stations.
- Completion of annual plant replacement program.
- Completion of planning works on Yelarbon Keetah Road to allow for road train access.
- Replacement of existing traffic islands within Goondiwindi.
- Renewal and upgrade of irrigation systems within Goondiwindi to more efficient systems.
- Installation of new or replacement water supply bores in Texas, Yelarbon and Goondiwindi.
- Refurbishment of Imoff tanks at Inglewood, Texas and Yelarbon sewerage treatment plants.
- Upgrade of sewerage pump station one in Yelarbon.
- Intersection widening in the Inglewood industrial area.
- Backup generators at water and sewerage facilities in Inglewood, Goondiwindi and Talwood.

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 2019/20 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 2019/20 financial year for the following reasons.

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

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

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

Remuneration Packages

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

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

The total remuneration packages available in 2019-20 to senior management = **\$710,693.04**

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	5
The number of administrative action complaints not resolved by the local government under the complaints management process	0
The number of administrative action complaints not resolved that were made in a previous financial year	0

Overseas Travel

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

Long Term Financial Sustainability

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

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

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

Long –Term Financial Sustainability Statement - Prepared as at 30 June 2020

Performance indicators

1. Operating surplus ratio

Net result (excluding capital items)	0 - 10%	2.04%	-0.59%	1.04%	1.06%	1.48%	1.89%	1.40%	1.28%	1.11%	1.31%	1.51%
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)	> 90%	101.00%	130.08%	107.20%	105.78%	112.77%	98.25%	113.25%	99.75%	98.29%	97.21%	96.14%
Depreciation expense												

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

3. Net financial liabilities ratio

Total liabilities less current assets	< 60%	-77.18%	-67.58%	-63.26%	-60.72%	-56.44%	-56.14%	-51.27%	-48.96%	-49.52%	-50.33%	-51.14%
Total operating revenue (excluding capital items)												

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

Separate and Special Rates and Charges

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

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

Council made and levied special charges to be known as Rural Fire Levy A Special of **\$12.50** per annum applied to rateable land contained within the Rural Fire Brigade Area of Bracker Creek to fund the operations of the Bracker Creek Rural Fire Brigade. This levy generated total revenue of **\$1,250.00** for the 2019/20 financial year. Payments totalling **\$1,000.00** were distributed to brigades during the 2019/20 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 2019/20 year relating to changes to tenders.

Registers & Public Documents

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

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

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

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

Concessions for Rates & Charges

Section 190(1)(g) of the *Local Government Regulation 2012* requires Council to include a summary of all concessions for rates and charges granted by the local government. Council's Revenue Policy (attached as Annexure B), adopted 27 May 2020, sets out the principles employed by Goondiwindi Regional Council in 2019/20 for:

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

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

Concessions to Classes of Land Owners

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

Discount for Prompt Payment – General Rates

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

Rebates

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

Other Remissions and Deferrals

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

Internal Audit

Section 207 of the *Local Government Regulation 2012* requires Council to report on the internal audit for the financial year. Section 105 of the *Local Government Act 2009* and section 207 of the *Local Government Regulation 2012* cover the need to establish and maintain an Internal Audit function. Council's Internal Audit Policy covers the Internal Audit function and associated activities. Specific audit activities for 2019-2020 have focused on compliance with Council's procurement process concerning requests for quotations, Council's Gifts and Donations and Conflicts of Interest.

Shareholder Delegates

In accordance with reporting requirements under the *Local Government Regulation 2012*, Council did not operate any corporate entities during the 2019/20 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 2019/20, Goondiwindi Regional Council provided financial assistance to local community organisations as follows:

Description	Amount
Community Contributions	\$311,419.31
Cultural Activities Contributions	\$29,894.00
Total Contributions	\$341,313.31

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 2019 to 30 June 2020

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

This report focuses on:

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

The Statement of Comprehensive Income

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

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

<i>What we have earned (Revenue)</i>	
Recurrent Revenue	38,065
Capital Revenue	5,486
Total Revenue	43,551
<i>What we have spent (Expenses)</i>	
Recurrent Expenses	37,288
Capital Expenses	4,295
Total Expenses	41,583
Net Result	1,968
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 2020	
Less Capital Revenue allocated for Infrastructure Assets	5,486
Plus Capital Expenses allocated for Infrastructure Assets	4,295
Restated Operating Result – 30 June 2020	777

Council delivered an operating surplus well above the original budgeted result. Goondiwindi Regional Council is in a sound financial position to deliver its budgeted projects and services for the 2020 financial year and beyond.

What We Have Earned

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

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

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

Total recurrent income decreased by \$1.3M from the previous year, primarily due to the following:

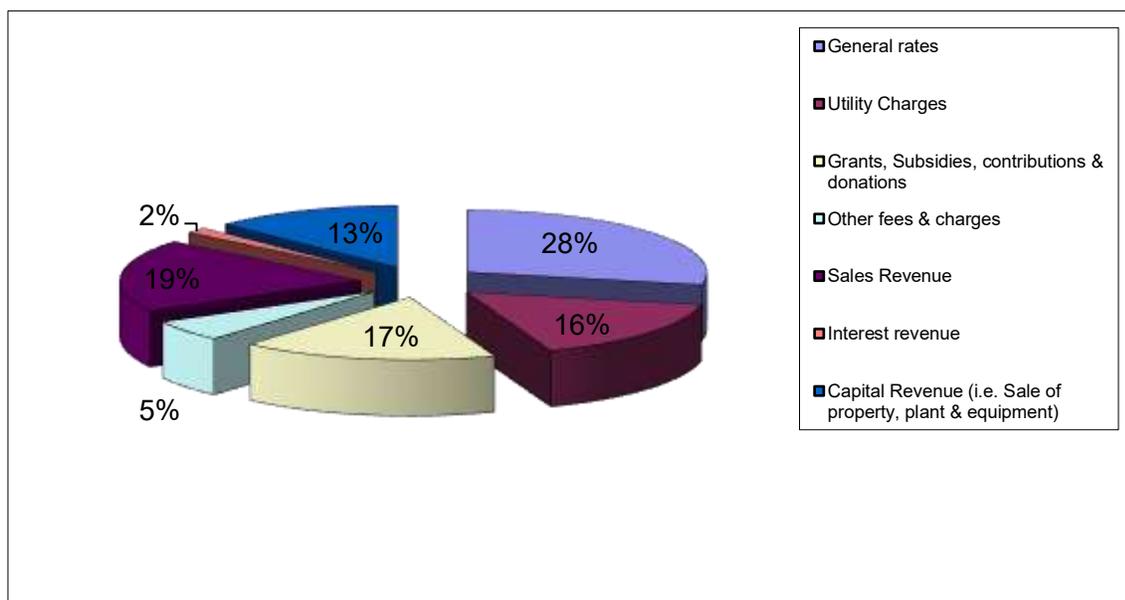
1. Reduction in Grants, subsidies and donations - \$1.0M;
2. Reduction in Interest received due to the economic downturn - \$.3M

The main source of Council income for 2019/2020 was for Rates, levies and charges that equated to 51% of the total recurrent income. Sales revenue was the next highest source of income.

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

- An average increase in rates, levies and charges of 1.98% was applied if the discount was taken up by the ratepayer.
- Decreases in Grant income.
- Decreases in Sales income.
- Decreases in Interest earned

REVENUE		\$'000	
Recurrent Income	2020	2019	
General Rates	12,315	12,126	
Utility Charges	6,988	7,492	
Grants, Subsidies and Contributions	7,505	8,494	
Other Fees & Charges	2,361	1,679	
Sales Revenue	8,246	8,649	
Interest Revenue	650	944	
Total Recurrent Revenue	38,065	39,384	
Capital Revenue	5,486	6,318	
TOTAL REVENUE	43,551	45,702	



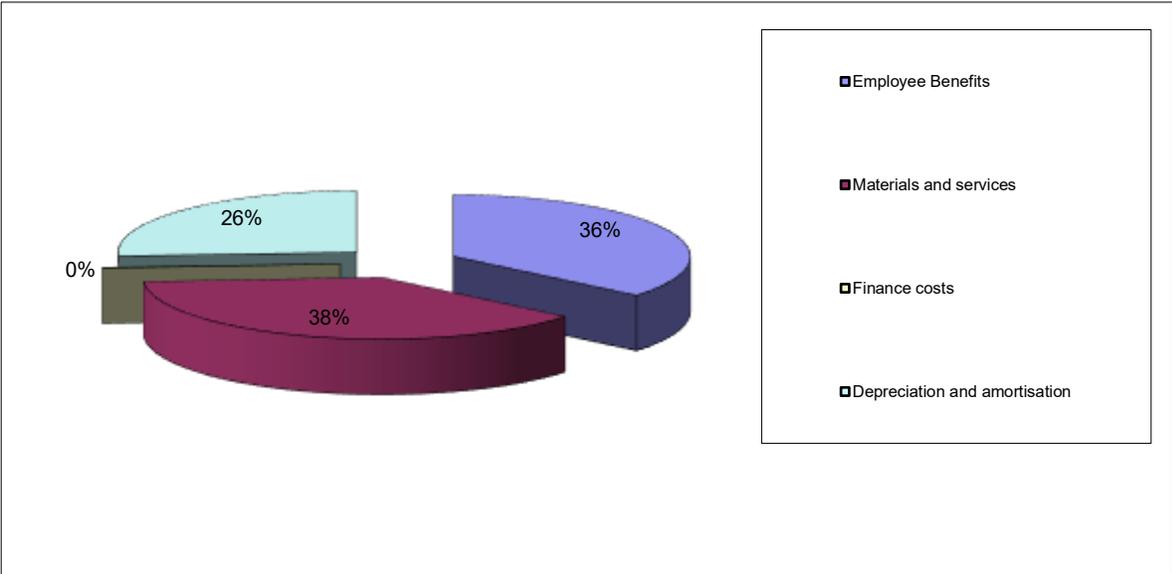
What We Have Spent

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	
Operating Expenses	2020	2019
Employee Benefits	13,410	13,015
Materials and Services	14,147	14,542
Finance Costs	50	531
Depreciation and Amortisation	9,681	9,402
Total Recurrent Expenditure	37,288	37,490
Capital Expenses	4,295	5,507
TOTAL EXPENSES	41,583	42,997

Total recurrent expenditure decreased \$.2M from the previous year. The main expenditure was Materials and Services (38%) followed by Employee Benefits (36%).

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



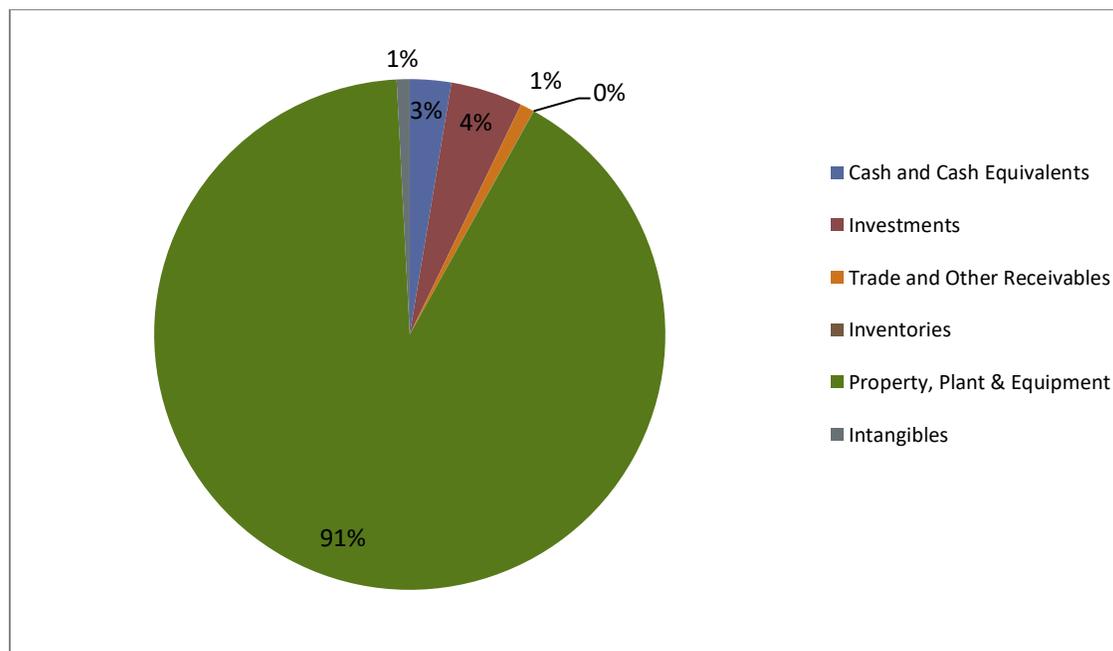
The Statement of Financial Position

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	2020	2019
Current Assets		
Cash and Cash Equivalents	12,613	16,385
Receivables	22,000	19,000
Investments	4,248	5,808
Inventories	99	173
Inventories	500	173
Total Current Assets	39,460	41,366
Non-Current Assets		
Property, Plant & Equipment	439,880	436,489
Intangible Assets	3,963	3,963
Total Non-Current Assets	443,843	440,452
TOTAL ASSETS	483,303	481,818

Assets

Council's current assets decreased by \$1.9M. This increase was mainly due to a reduction in trade and other receivables.



The written down value of Council's property, plant and equipment assets was \$439.9M at 30 June 2020. The majority of Council's non-current assets are in the form of property, plant and equipment. These assets make up 91% of the assets on Council's Statement of Financial Position. Infrastructure assets such as roads, bridges and footpaths, drainage, water and sewerage comprise the bulk of this line item.

Incorporated as part of this figure (\$2.9M) relates to works in progress not completed by year-end.

Liabilities

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

The Statement of Changes in Equity

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

Total Assets **\$483.3M** – Total Liabilities **\$10.1M** = Community Equity **\$473.2M**.

Community equity increased by \$2.0M for the following reason;

1. An increase in the overall surplus of \$2.0M

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

The Statement of Cash Flows

The Statement of Cash Flows identifies the cash received and cash spent throughout the year. The statement shows Council's ability to cover its expenditures and where those funds are derived. Council's cash balance decreased by \$3.8M. Council spent \$11.1M from its operating activities, (\$14.8M) from its investing activities. No borrowings were outstanding at 30 June 2020 balance date. Capital grants amounted to \$5.1M with an investment of \$17.5M in property, plant and equipment. Council's cash is wisely invested so the interest earned contributes to the funding of operational expenses.

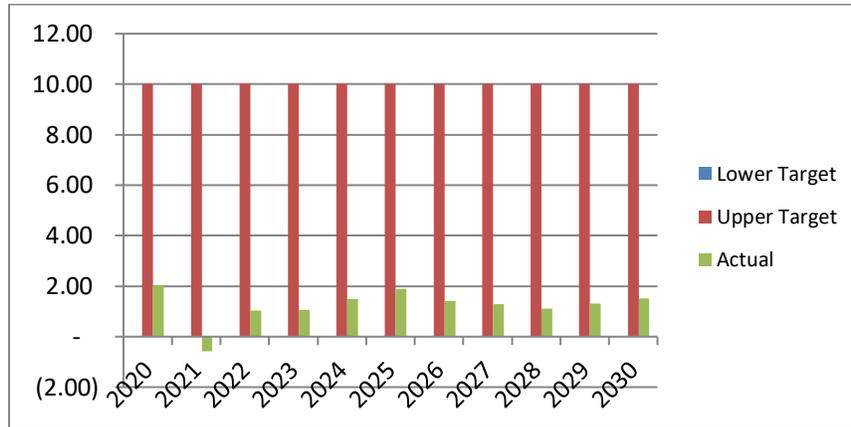
Financial Ratios

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

Operating Surplus Ratio

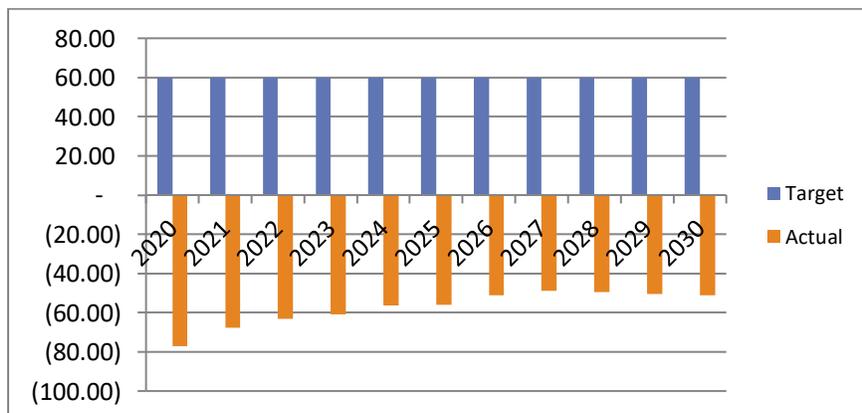
The operating surplus ratio measures the extent to which revenue raised (i.e. excluding capital grants and contributions) covers operational expenses. As at 30 June 2020, Council's Operating Surplus Ratio was a positive 2.04%.

Under the present assumptions used in the long-term plan, Council will yield breakeven results for the next ten-year Long-Term financial range to 2030. Council will also continue with service level reviews to ensure that operational expenses are going to be sustainable in the longer term.



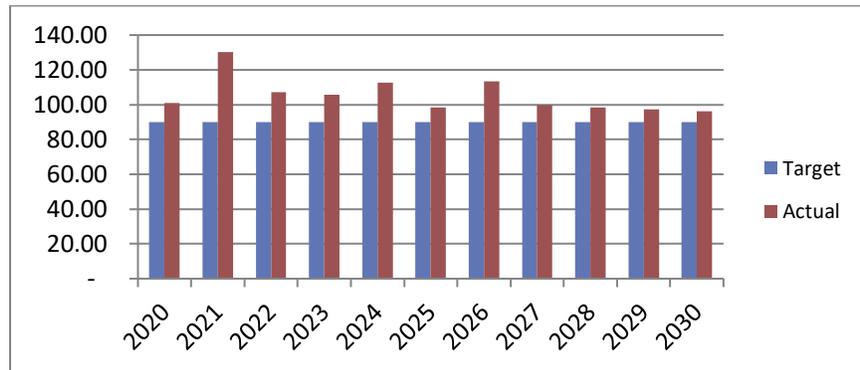
Net Financial Liabilities Ratio

This ratio measures the extent to which Council can fund its liabilities through its operating revenues. A ratio of less than 60% indicates that the Council can comfortably fund its liabilities. At 30 June 2020, Council's Net Financial Liabilities Ratio was – 77.18%.



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 2020, Council's Asset Sustainability Ratio was 101.00%.



Council's Financial Management Strategy

During 2020, Council continued reviewing their financial operations by challenging current staffing levels, plant needs, depreciation estimates, overtime, insurance risk appetites and other measures to identify opportunities for efficiencies or cost reductions.

Summary

The 2020 financial year ended with an operating surplus amounting to \$.8M. Future years beyond 2020 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. Goondiwindi Regional Council will 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

1. BACKGROUND

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

2. POLICY STATEMENT

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

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

1. PAYMENT OF EXPENSES

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

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

2. EXPENSE CATEGORIES

2.1. Professional development

A local government will reimburse expenses incurred for:

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

2.2. Travel as required to represent council

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

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

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

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

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

2.3. Travel Bookings

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

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

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

2.4. Travel Transfer Costs

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

Example: Trains, taxis, buses and ferry fares

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

2.5. Private Vehicle Usage

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

2.6. Accommodation

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

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

2.7. Meals

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

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

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

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

2.8. Incidental Allowance

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

2.9. Additional Expenses for Mayor Hospitality

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

2.10 Provision of Facilities

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

2.11 Private use of council owned facilities

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

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

3. FACILITIES CATEGORIES

3.1 Administrative tools

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

- office space and meeting rooms
- computers
- stationery
- access to photocopiers
- printers
- facsimile machines
- publications
- use of council landline telephones and internet access in council offices.

Secretarial support may also be provided for mayors and councillors.

3.2 Maintenance Costs of Council Owned Equipment

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

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

3.3. Uniform

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

3.4 Safety Equipment for Councillors

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

3.5 Use of Council Vehicles on Council Business

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

3.6 Telecommunication Needs - Mobile Devices

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

3.7 Insurance Cover

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

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

4. PAYMENT OF REMUNERATION

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

4.1. Payment of base rate of remuneration

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

4.2. Payment of meeting fee for attendance at meetings

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

1. Being absent from a meeting to attend to official Council Business (such as attendance at a conference or meeting to represent Council), where prior approval has been obtained from the Mayor;

2. Being absent from a meeting due to illness/accidents;
3. Being absent from a meeting whilst on annual leave;
4. Being absent from a portion or whole of a meeting where prior approval has been granted by the Mayor based on individual circumstances.

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

4.3. Superannuation

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

4. PURPOSE

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

5. POLICY OBJECTIVE

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

6. NECESSITY TO COMPLY WITH THIS POLICY

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

7. REVIEW DATE

June 2021



REVENUE POLICY 2019/2020

TITLE: Revenue Policy 2019/2020

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

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

May 2019

5. RELATED DOCUMENTS

- Budget 2019/2020
- Revenue Statement 2019/2020

6. ATTACHMENT

Nil

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

For the period 1 July 2019 to 30 June 2020



Goondiwindi Regional Council

FINANCIAL STATEMENTS
for the year ended 30 June 2020



**REGIONAL
AUSTRALIA**
at its best!

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

Goondiwindi Regional Council

Financial Statements

for the year ended 30 June 2020

Table of Contents

Page

1. Primary Financial Statements:

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

2. Notes to the Financial Statements

1	Summary of significant accounting policies	6
2	Analysis of results by function	8
3	Revenue	10
4	Capital income	14
5	Employee benefits	14
6	Materials and services	15
7	Capital expenses	15
8	Cash and cash equivalents	16
9	Receivables	17
10	Property, plant and equipment	18
11	Contract balances	25
12	Payables	26
13	Provisions	26
14	Other liabilities	28
15	Commitments for expenditure	28
16	Contingent liabilities	29
17	Superannuation	29
18	Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	31
19	Changes in accounting policy	32
20	Financial instruments and financial risk management	35
21	Transactions with related parties	39

3. Management Certificate

4. Independent Auditor's Report

5. Current Year Financial Sustainability Statement

Certificate of Accuracy - Current Year Financial Sustainability Statement

Independent Auditor's Report - Current Year Financial Sustainability Statement

6. Unaudited Long Term Financial Sustainability Statement

Certificate of Accuracy - Unaudited Long Term Financial Sustainability Statement

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

Goondiwindi Regional Council

Statement of Comprehensive Income

for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Income			
Recurrent revenue			
Rates, levies and charges	3a	19,303	19,618
Fees and charges	3b	1,297	866
Interest received		650	944
Sales revenue	3c	8,246	8,649
Other income		1,064	813
Grants, subsidies and contributions	3d	7,505	8,494
Total recurrent revenue		38,065	39,384
Capital revenue			
Grants, subsidies and contributions	3d	5,452	6,254
Capital income	4	34	64
Total capital revenue		5,486	6,318
Total income		43,551	45,702
Expenses			
Recurrent expenses			
Employee benefits	5	13,410	13,015
Materials and services	6	14,147	14,542
Finance costs		50	531
Depreciation	10	9,681	9,402
Total recurrent expenses		37,288	37,490
Other expenses			
Capital expenses	7	4,295	5,507
Total other expenses		4,295	5,507
Total expenses		41,583	42,997
Net result		1,968	2,705
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	10	-	2,652
Total other comprehensive income for the year		-	2,652
Total comprehensive income for the year		1,968	5,357

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

The comparatives have not been restated on adoption of AASB 15/1058 and therefore the comparative information is presented using the previous standards relating to revenue.

Goondiwindi Regional Council

Statement of Financial Position

as at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	12,613	16,385
Investments		22,000	19,000
Receivables	9	4,248	5,808
Inventories		99	173
Contract assets	11(a)	500	-
Total current assets		39,460	41,366
Non-current assets			
Property, plant and equipment	10	439,880	436,489
Intangible assets		3,963	3,963
Total non-current assets		443,843	440,452
TOTAL ASSETS		483,303	481,818
LIABILITIES			
Current liabilities			
Payables	12	5,061	5,261
Contract liabilities	11(b)	193	-
Provisions	13	2,158	2,127
Other liabilities	14	24	547
Total current liabilities		7,436	7,935
Non-current liabilities			
Provisions	13	2,324	2,666
Other liabilities	14	322	-
Total non-current liabilities		2,646	2,666
TOTAL LIABILITIES		10,082	10,601
Net community assets		473,221	471,217
COMMUNITY EQUITY			
Asset revaluation surplus		163,392	163,392
Retained surplus/(deficiency)		309,829	307,825
Total community equity		473,221	471,217

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

The comparatives have not been restated on adoption of AASB 15/1058 and therefore the comparative information is presented using the previous standards relating to revenue.

Goondiwindi Regional Council

Statement of Changes in Equity for the year ended 30 June 2020

	Notes	Asset revaluation surplus \$'000	Retained surplus \$'000	Total community equity \$'000
2020				
Balance as at 1 July 2019		163,392	307,825	471,217
Adjustment on initial application of <i>AASB 15 / AASB 1058</i>	19	-	36	36
Restated balance as at 1 July 2019		163,392	307,861	471,253
Net result		-	1,968	1,968
Total comprehensive income for the year		-	1,968	1,968
Balance as at 30 June 2020		163,392	309,829	473,221
2019				
Balance as at 1 July 2018		160,740	305,120	465,860
Net result		-	2,705	2,705
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	10	2,652	-	2,652
Other comprehensive income		2,652	-	2,652
Total comprehensive income for the year		2,652	2,705	5,357
Balance as at 30 June 2019		163,392	307,825	471,217

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

The comparatives have not been restated on adoption of *AASB 15/1058* and therefore the comparative information is presented using the previous standards relating to revenue.

Goondiwindi Regional Council

Statement of Cash Flows

for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts from customers		28,766	29,255
Payments to suppliers and employees		(28,272)	(28,296)
		494	959
Receipts:			
Interest received		584	943
Non capital grants, subsidies and contributions		7,505	8,494
Other		2,521	1,360
Payments:			
Finance costs		(50)	(173)
Net cash - operating activities	18	11,054	11,583
Cash flows from investing activities			
Receipts:			
Proceeds from sale of property, plant and equipment		575	604
Grants, subsidies and contributions		5,067	5,241
Redemption of investments		-	3,000
Payments:			
Payments for property, plant and equipment		(17,452)	(15,775)
Payments for intangible assets		(16)	-
Purchase of investments		(3,000)	-
Net cash - investing activities		(14,826)	(6,930)
Cash flows from financing activities			
Payments:			
Repayment of borrowings		-	(1,788)
Net cash flow - financing activities		-	(1,788)
Net increase/(decrease) in cash and cash equivalents		(3,772)	2,865
plus: Cash and cash equivalents - beginning		16,385	13,520
Cash and cash equivalents at the end of the financial year	8	12,613	16,385

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

The comparatives have not been restated on adoption of AASB 15/1058 and therefore the comparative information is presented using the previous standards relating to revenue.

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of significant accounting policies

(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 2019 to 30 June 2020. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

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

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2019. The standards which had an impact on the reported position, performance and cash flows were those relating to revenue.

Refer to the Changes in accounting policy - Note 19 for transition disclosures for *AASB 15 Revenue from Contracts with Customers*, *AASB 1058 Income of NFP Entities* and *AASB 16 Leases*.

(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 2020. 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. The findings will have no significant effect on the financial statements on their effective date.

(d) Estimates and judgements

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

- Revenue - Note 3
- Property, plant & equipment - Note 10
- Provisions - Note 13
- Contingent liabilities - Note 16
- Financial instruments and financial risk management – Note 20

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 1. Summary of significant accounting policies (continued)

(e) Impacts from the COVID-19 pandemic

Council has assessed the impact of the COVID-19 global pandemic and found there were no material implications for the financial year ending 30 June 2020.

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

- Discounted shop rentals for Council owned buildings for the period April 2020 to September 2020;
- Provided economic relief by refunding food licences to relevant businesses;
- Provided rate relief by extending the discount period on general rates to 30 June 2020. In addition, interest on overdue rates and charges was waived for the same period;
- In response to the impacts on businesses in the community, Council amended its supplier payment terms from 30 days to seven days.

In the subsequent financial year, Council has initiated a COVID-19 Community and Economic Relief Package. This will target available financial assistance to the industries and community groups who have been most affected by the COVID-19 pandemic.

(f) Rounding and comparatives

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

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

(g) Volunteer services

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

(h) 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 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.

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2. Analysis of results by function

(a) Components of Council functions

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

EXECUTIVE OFFICE

The objective of the Executive Office is for Council to be open, accountable, transparent and deliver 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, work, 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 development and design for transport, water and sewerage infrastructure, and the management and approval process of development of the region.

TRANSPORT INFRASTRUCTURE

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

WASTE MANAGEMENT

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

WATER INFRASTRUCTURE

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

SEWERAGE INFRASTRUCTURE

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

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2. Analysis of results by function (continued)

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

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

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2019											
Executive office	674	73	-	-	747	(2,268)	-	(2,268)	(1,521)	(1,521)	-
Community and corporate	5,918	14,183	1,617	-	21,718	(11,230)	(781)	(12,011)	8,871	9,707	70,295
Engineering	157	8,724	103	-	8,984	(8,753)	(295)	(9,048)	128	(64)	20,824
Transport infrastructure	1,600	1	3,424	-	5,025	(8,955)	(3,324)	(12,279)	(7,354)	(7,254)	312,209
Waste management	-	1,907	687	64	2,658	(2,321)	-	(2,321)	(414)	337	2,884
Water infrastructure	145	4,770	167	-	5,082	(3,092)	(685)	(3,777)	1,823	1,305	46,755
Sewerage infrastructure	-	1,983	256	-	2,239	(1,622)	(422)	(2,044)	361	195	28,851
Total	8,494	31,641	6,254	64	46,453	(38,241)	(5,507)	(43,748)	1,894	2,705	481,818
Eliminations	-	(751)	-	-	(751)	751	-	751	-	-	-
Total	8,494	30,890	6,254	64	45,702	(37,490)	(5,507)	(42,997)	1,894	2,705	481,818

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 3. Revenue

		AASB 15 2020 \$'000	AASB 1058 2020 \$'000
	Notes		
Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.			
Revenue recognised at a point in time			
Rates, levies and charges	3a	-	19,303
Fees and charges	3b	1,265	32
Sales revenue	3c	8,246	-
Recurrent grants, subsidies and contributions	3d	-	7,505
		<u>9,511</u>	<u>26,840</u>
Revenue recognised over time			
Capital grants, subsidies and contributions	3d	-	5,452
		<u>-</u>	<u>5,452</u>
Total revenue		<u>9,511</u>	<u>32,292</u>

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue (continued)

	2020	2019
Notes	\$'000	\$'000
(a) Rates, levies and charges		
Rates, levies and charges are recognised as revenue when Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	14,304	14,053
Water	1,750	1,660
Water consumption	1,720	2,437
Sewerage	1,895	1,851
Waste management	1,623	1,544
Total rates and utility charge revenue	21,292	21,545
Less: discounts	(1,989)	(1,927)
<u>TOTAL RATES, LEVIES AND CHARGES</u>	<u>19,303</u>	<u>19,618</u>

(b) Fees and charges

2020 accounting policy

Revenue arising from fees and charges is recognised when or as 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.

2019 accounting policy

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue (continued)

(c) Sales revenue

2020 accounting policy

Sale of goods revenue is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.

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

2019 accounting policy

Council generates sales revenue solely from contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. The contract work carried out is not subject to retentions.

(d) Grants, subsidies and contributions

2020 accounting policy

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.

Council has not received any grant income which is classified under *AASB 15*.

Grant income under AASB 1058

Assets arising from grants in the scope of *AASB 1058* are recognised at the assets fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised, then income is recognised for any remaining asset value at the time that the asset is received.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue (continued)

Notes	2020 \$'000	2019 \$'000
-------	----------------	----------------

(d) Grants, subsidies and contributions (continued)

Capital grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control, and which are enforceable, are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred, since this is deemed to be the most appropriate measure of the completeness of the project, as there is no profit margin.

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

2019 accounting policy

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

Physical assets contributed to Council by developers in the form of buildings and structures, road works, stormwater, water and wastewater infrastructure are recognised as revenue when the development becomes "on maintenance" (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the 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.

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. In 2019, Council did not have any reciprocal grants.

(i) Recurrent

General purpose grants	6,254	6,254
State government subsidies and grants	758	1,033
Commonwealth government subsidies and grants	234	922
Contributions	259	285
<u>TOTAL RECURRENT GRANTS, SUBSIDIES AND CONTRIBUTIONS</u>	<u>7,505</u>	<u>8,494</u>

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 3. Revenue (continued)

	Notes	2020 \$'000	2019 \$'000
(d) Grants, subsidies and contributions (continued)			
(ii) Capital			
State government subsidies and grants		2,240	3,804
Commonwealth government subsidies and grants		3,085	1,296
Cash contributions		13	141
Contributed assets	10	114	1,013
<u>TOTAL CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS</u>		<u>5,452</u>	<u>6,254</u>

Note 4. Capital income

	Notes	2020 \$'000	2019 \$'000
Provision for restoration of land			
Remeasurement due to discounting of landfill	13	34	64
<u>TOTAL CAPITAL INCOME</u>		<u>34</u>	<u>64</u>

Note 5. Employee benefits

	Notes	2020 \$'000	2019 \$'000
Wages and salaries		11,872	11,632
Councillors remuneration		499	495
Annual, sick and long service leave entitlements		1,738	1,552
Superannuation	17	1,297	1,227
		15,406	14,906
Other employee related expenses		157	189
		15,563	15,095
Less: capitalised employee expenses		(2,153)	(2,080)
<u>TOTAL EMPLOYEE BENEFITS</u>		<u>13,410</u>	<u>13,015</u>

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 6. Materials and services

	Notes	2020 \$'000	2019 \$'000
Administration		160	169
Advertising		23	19
Audit of annual financial statements by the Auditor-General of Queensland		71	80
Community facilities		563	756
Consultancy services		382	754
Contract services		3,454	3,779
Donations paid		333	429
Information, technology and communications		418	354
Insurance		173	171
Motor vehicle expenses		1,571	1,622
Operations and maintenance - sewerage services		343	328
Operations and maintenance - water services		1,097	945
Other materials and services		920	944
Parks and gardens		369	450
Refuse collection and site maintenance		1,523	1,226
Repairs and maintenance - roads, bridges and footpaths		1,705	1,742
Rural services		671	404
Sport and recreation		371	370
<u>TOTAL MATERIALS AND SERVICES</u>		<u>14,147</u>	<u>14,542</u>

Note 7. Capital expenses

	Notes	2020 \$'000	2019 \$'000
(a) Loss on disposal of property, plant and equipment			
Proceeds from the disposal of property, plant and equipment		575	604
Less: book value of property, plant and equipment disposed	10	(622)	(610)
		<u>47</u>	<u>6</u>
(b) Other capital expenses			
Loss on write-off of property, plant and equipment	10	4,232	5,501
Loss on write-off of intangible assets		16	-
		<u>4,248</u>	<u>5,501</u>
<u>TOTAL CAPITAL EXPENSES</u>		<u>4,295</u>	<u>5,507</u>

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 8. Cash and cash equivalents

	2020	2019
Notes	\$'000	\$'000
<p>Cash and cash equivalents in the Statement of Cash Flows 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.</p>		
Cash at bank and on hand	10,611	14,420
Deposits at call	2,002	1,965
<u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u>12,613</u>	<u>16,385</u>

Restricted cash and cash equivalents

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

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

Waste levy refund received in advance	-	547
<u>Total unspent restricted cash</u>	<u>-</u>	<u>547</u>

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 \$512,862 in trust monies as at 30 June 2020 (2019: \$444,305).

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 9. Receivables

	2020	2019
Notes	\$'000	\$'000

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.

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 2020.

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 rate receivables.

Interest is charged on outstanding rates (9.83% per annum from 1 July 2019, previously 11% per annum). There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Current

Rates, levies and charges	974	743
Water charges not yet levied	337	488
Other debtors	742	547
GST recoverable	-	49
Accrued interest	190	124
State Government	2,005	3,857
<u>TOTAL CURRENT RECEIVABLES</u>	<u>4,248</u>	<u>5,808</u>

Goondiwindi Regional Council

Notes to the Financial Statements
for the year ended 30 June 2020

Note 10. Property, plant and equipment

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

Goondiwindi Regional Council

Notes to the Financial Statements
for the year ended 30 June 2020

Note 10. Property, plant and equipment (continued)

30 June 2019		Capital work in progress	Land	Buildings and structures	Plant and equipment	Roads	Drainage	Water	Sewerage	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement basis	Note	Cost	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	
Opening gross balance		4,984	6,660	68,396	16,187	342,906	17,317	66,750	49,866	573,066
Additions*		15,774	-	-	-	-	-	-	-	15,774
Contributed assets	3(d)	-	-	41	-	388	204	110	290	1,033
Disposals	7(a)	-	(1)	-	(1,905)	-	-	-	-	(1,906)
Write-offs	7(b)	-	(1)	(867)	(427)	(4,382)	(92)	(1,557)	(544)	(7,870)
Revaluation increments to asset revaluation surplus		-	120	-	-	-	4,053	-	-	4,173
Work in progress transfers		(15,575)	49	1,495	2,311	8,450	83	1,837	1,350	-
Internal transfers between asset classes		-	580	(771)	-	-	-	98	-	(93)
Capital expenditure written off to expense		(13)	-	-	-	-	-	-	-	(13)
Total gross value of property, plant and equipment		5,170	7,408	68,295	16,165	347,362	21,565	67,237	50,962	584,164
Opening accumulated depreciation		-	-	31,822	7,169	47,883	5,551	25,665	22,402	140,492
Contributed assets	3(d)	-	-	-	-	-	20	-	-	20
Depreciation expense		-	-	1,153	1,180	5,028	180	1,158	703	9,402
Disposals	7(a)	-	-	-	(1,296)	-	-	-	-	(1,296)
Write-offs	7(b)	-	-	(87)	(138)	(1,113)	(37)	(872)	(122)	(2,369)
Revaluation increments to asset revaluation surplus		-	-	-	-	-	1,521	-	-	1,521
Internal transfers between asset classes		-	-	(96)	-	-	-	3	-	(93)
Total accumulated depreciation property, plant and equipment		-	-	32,792	6,915	51,798	7,234	25,953	22,983	147,675
Total written down value of property, plant and equipment		5,170	7,408	35,503	9,250	295,564	14,331	41,284	27,979	436,489
Other information										
Residual value		-	-	-	5,225	-	-	-	-	5,225
Range of estimated useful life (years)		-	-	3 - 200	2 - 42	10 - 200	25 - 100	5 - 200	10 - 250	
*Asset additions comprise										
Asset renewals		-	-	780	2,467	4,934	95	1,566	1,100	10,942
Other additions		-	50	1,128	26	2,481	-	391	756	4,832
Total asset additions		-	50	1,908	2,493	7,415	95	1,957	1,856	15,774

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10. Property, plant and equipment (continued)

(a) Recognition

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of property, plant and equipment over the thresholds listed below are capitalised in the financial year. Asset thresholds are as follows:

Land	\$	1,000
Buildings and structures	\$	25,000
Plant and equipment	\$	10,000
Infrastructure	\$	25,000

Any items below the thresholds are treated as a capital expense in the year of acquisition.

Expenditure necessarily incurred in either maintaining the operational capacity or useful life of assets is considered maintenance and is treated as an expense as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

(b) Measurement

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees, engineering design fees and all other establishment costs.

Direct labour, materials and an appropriate portion of overheads expenditure incurred in the purchase or construction of assets are treated as capital expenditure.

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

(c) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Land and road formation are not depreciated as they have an indefinite useful life. Depreciation on all other property, plant and equipment assets is calculated on a straight-line basis. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date.

Notes to the Financial Statements
for the year ended 30 June 2020

Note 10. Property, plant and equipment (continued)

(d) Impairment

Property, plant and equipment is assessed for indicators of impairment annually. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(e) Valuation

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every 7 years. Desktop valuations, using suitable indices, are performed in the intervening years. Any material variations (positive or negative) are recorded in the financial statements.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

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.

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

In accordance with *AASB 13* fair value measurements are categorised on the following basis:

Level 1: the fair value is calculated using quoted prices in active markets.

Level 2: the fair value is estimated using inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

There were no transfers between levels of the hierarchy during the year.

Valuation - dates of revaluations and reviews

Asset Class	Last Full Valuation Date	Cumulative Indexation
Land	30 June 2016	4.94%
Buildings and structures	30 June 2016	-0.86%
Infrastructure		
- Roads	30 June 2018	3.46%
- Drainage	31 March 2019	1.50%
- Water	30 April 2017	2.35%
- Sewerage	30 April 2017	2.35%

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 10. Property, plant and equipment (continued)

(e) Valuation (continued)

The following tables show assets as at 30 June as either Level 2 or Level 3 in accordance with *AASB 13 Fair Value Measurement*.

2020	Level 2	Level 3	Total
Recurring fair value measurements	\$'000	\$'000	\$'000
Land	4,043	4,121	8,164
Buildings and structures	6,731	29,242	35,973
Infrastructure			
- Roads	-	296,212	296,212
- Drainage	-	14,111	14,111
- Water	-	43,764	43,764
- Sewerage	-	28,260	28,260
Total property, plant and equipment	10,774	415,710	426,484

2019	Level 2	Level 3	Total
Recurring fair value measurements	\$'000	\$'000	\$'000
Land	3,287	4,121	7,408
Buildings and structures	6,727	28,776	35,503
Infrastructure			
- Roads	-	295,564	295,564
- Drainage	-	14,331	14,331
- Water	-	41,284	41,284
- Sewerage	-	27,979	27,979
Total property, plant and equipment	10,014	412,055	422,069

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

Land

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.

An informal valuation of Land assets was undertaken by independent valuers, Jones Lang LaSalle Public Sector Valuations Pty Ltd effective 28 February 2020. The change in fair value from the land valuation was immaterial and was not recognised in the financial statements.

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.

Notes to the Financial Statements for the year ended 30 June 2020

Note 10. Property, plant and equipment (continued)

(e) Valuation (continued)

Buildings and structures

Council buildings and structures are typically of a specialised nature such that there is no active market for these assets. Fair value for these assets has been determined on the basis of replacement with a new asset having similar service potential. As there is no depth of market for specialised buildings and structures, fair value has been derived using a cost approach; current replacement cost less accumulated depreciation adjusted to reflect the consumed or expired service potential of the building and structures assets. Current replacement cost is derived from reference to market data for recent projects and costing guides issued by Rawlinson's (Australian Construction Handbook). Depreciation is calculated at the individual component level on a straight line basis.

An informal valuation of building and structure assets was undertaken by independent valuers, Jones Lang LaSalle Public Sector Valuations Pty Ltd effective 28 February 2020. The change in fair value from the building and structures valuation was immaterial and was not recognised in the financial statements.

Infrastructure assets

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

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

Roads

An informal valuation of the roads infrastructure network was undertaken by independent valuers, Shepherd Services Pty Ltd, Registered Valuers, effective 31 March 2020. The review was completed utilising the Australian Bureau of Statistics indexes, ABS Catalogues, 6427.0 Producer Price Indexes, Australia. Table 17. Index Number 30, "Building Construction Queensland".

Council categorises its road infrastructure into urban and rural roads and further sub-categorises these into sealed and unsealed roads. Urban roads are segmented generally from intersection to intersection. Rural roads are segmented to about 5 kilometre lengths or sometimes longer where there is no logical cut off point. Sometimes they are shorter if there is a significant change in construction ages or dimensions and sometimes longer where intersections are close together. All road segments are then componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

The change in fair value from the road valuation was immaterial and was not recognised in the financial statements.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10. Property, plant and equipment (continued)

(e) Valuation (continued)

Drainage

An informal revaluation of the drainage infrastructure network was undertaken by independent valuers, Shepherd Services Pty Ltd, Registered Valuers, effective 31 March 2020.

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.

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.

The change in fair value from the drainage valuation was immaterial and was not recognised in the financial statements.

Water and sewerage

An informal valuation of the water and sewerage infrastructure network was undertaken by independent valuers, Shepherd Services Pty Ltd, Registered Valuers, effective 31 March 2020 using indices. The review was completed utilising the Australian Bureau of Statistics indexes, ABS Catalogues, 6427.0 Producer Price Indexes, Australia. Table 17. Index Number 30, "Building Construction Queensland". CRC was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

The change in fair value from the water and sewerage valuation was immaterial and was not recognised in the financial statements.

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Contract balances

	2020
Notes	\$'000

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

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

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

(a) Contract assets

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

Contract assets arise when work has been performed by Council relating to a contract with a customer (or capital grant paid in arrears) but no receivable has arisen since the invoice has not been raised, for example construction work where an invoicing milestone has not yet been met.

(b) Contract liabilities

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

Contract liabilities arise when funding is received in advance by Council relating to a contract where construction or approved milestones have not yet been met.

(c) Significant changes in contract balances

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

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Payables

Notes	2020 \$'000	2019 \$'000
-------	----------------	----------------

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

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

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

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

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

Current

Creditors and accruals	2,603	2,953
Prepaid rates	546	539
Other entitlements	278	231
Annual leave	1,209	1,131
Sick leave	425	407
<u>TOTAL CURRENT PAYABLES</u>	<u>5,061</u>	<u>5,261</u>

Note 13. 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 interest rates attached to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

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

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Provisions (continued)

	Notes	2020 \$'000	2019 \$'000
--	-------	----------------	----------------

Refuse restoration

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

The provision for refuse restoration is calculated as 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. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for refuse sites is reviewed at least annually and updated based on the facts, circumstances available at the time and interest rates attached to Commonwealth Government guaranteed securities at the reporting date.

Council has commenced rehabilitation works at the refuse sites at Yelarbon, Talwood, Toobeah and Bungunya.

Current

Long service leave	2,138	2,052
Refuse restoration	20	75
<u>TOTAL CURRENT PROVISIONS</u>	<u>2,158</u>	<u>2,127</u>

Non-current

Long service leave	155	187
Refuse restoration	2,169	2,479
<u>TOTAL NON-CURRENT PROVISIONS</u>	<u>2,324</u>	<u>2,666</u>

Details of movements in provisions:

Refuse restoration

Balance at beginning of financial year	2,554	2,260
Additional provision	(418)	(215)
Decrease due to payments	(37)	-
Remeasurement due to discounting of landfill	(34)	(64)
Increase/(decrease) in provision due to change in discount rate	124	573
Balance at end of financial year	<u>2,189</u>	<u>2,554</u>

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 14. Other liabilities

	Notes	2020 \$'000	2019 \$'000
Current			
Waste levy refund received in advance		-	547
Rent paid in advance		24	-
<u>TOTAL CURRENT OTHER LIABILITIES</u>		<u>24</u>	<u>547</u>
Non-current			
Rent paid in advance		322	-
<u>TOTAL NON-CURRENT OTHER LIABILITIES</u>		<u>322</u>	<u>-</u>

The State Government made an advance payment to Council in June 2019 to mitigate the impact on households for the 2019-20 State Waste Levy, which took effect from 1 July 2019. No such advance payment was received in the financial year ending 30 June 2020.

Future payments for the State Waste Levy will be received quarterly in arrears.

Note 15. Commitments for expenditure

	Notes	2020 \$'000	2019 \$'000
Contractual commitments for capital expenditure at end of financial year but not recognised in the financial statements are as follows:			
Infrastructure		1,037	1,017
Non-infrastructure		214	2,310
		<u>1,251</u>	<u>3,327</u>

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

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. 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 2020 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 \$311,946.

Note 17. Superannuation

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with *AASB119* because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

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.

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

Notes to the Financial Statements
for the year ended 30 June 2020

Note 17. Superannuation (continued)

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

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

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

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Notes	2020 \$'000	2019 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		129	145
Other superannuation contributions for employees		1,168	1,082
Total superannuation contributions paid by Council for employees	5	<u>1,297</u>	<u>1,227</u>

Goondiwindi Regional Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

Notes	2020 \$'000	2019 \$'000
Net operating result from the Statement of Comprehensive Income	1,968	2,705
Non-cash items		
Depreciation	9,681	9,402
Other income	(14)	-
	<u>9,667</u>	<u>9,402</u>
Losses/(gains) recognised on fair value re-measurements through the Statement of Comprehensive Income		
Remeasurement due to discounting of refuse restoration	(34)	(64)
Discount rate adjustment - refuse restoration	(294)	358
	<u>(328)</u>	<u>294</u>
Investing and development activities		
Net (profit)/loss on disposal of property, plant and equipment	47	6
Loss on write-off of property, plant and equipment	4,248	5,501
Capital grants, subsidies and contributions	(5,145)	(6,254)
Capital expenditure written off to expense	-	13
	<u>(850)</u>	<u>(734)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	1,560	(1,716)
(Increase)/decrease in inventories	74	(15)
(Increase)/decrease in contract assets	(500)	-
Increase/(decrease) in payables	(200)	1,092
Increase/(decrease) in contract liabilities	193	-
Increase/(decrease) in employee leave entitlements	54	8
Increase/(decrease) in other provisions	(37)	-
Increase/(decrease) in other liabilities	(547)	547
	<u>597</u>	<u>(84)</u>
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	<u><u>11,054</u></u>	<u><u>11,583</u></u>

Notes to the Financial Statements
for the year ended 30 June 2020

Note 19. Changes in accounting policy

During the year ended 30 June 2020, Council has adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 1058 Income of NFP Entities* and *AASB 16 Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with *AASB 111 Construction Contracts*, *AASB 117 Leases*, *AASB 118 Revenue*, *AASB 1004 Contributions and associated Accounting Interpretations*.

All adjustments on adoption of *AASB 15*, *AASB 1058* and *AASB 16* have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

Revenue standards - AASB 15 and AASB 1058

The following options have been applied on transition to *AASB 15* and *AASB 1058*:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements.
- Council has not retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modifications were minor.

Changes in accounting policy on adoption of AASB 15 and AASB 1058

Formerly under *AASB 1004*, grant revenue was either non-reciprocal (revenue recognised immediately) or reciprocal (revenue was deferred until a condition was performed).

Under *AASB 15*, the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners. Hence, revenue is recognised initially as a liability and once the obligation is satisfied the liability is derecognised and revenue recognised.

Like *AASB 15*, the timing of income recognition under *AASB 1058* will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners.

Council has assessed the financial impact of complying with *AASB 15* for the year ended 30 June 2019 and found that there was no material impact. However the financial impact of *AASB 1058* is illustrated below.

	Balance at 01-Jul-19 \$'000
<hr/>	
Opening contract balances on transition at 1 July 2019	
Contract assets	
Under <i>AASB 1058</i>	1,100
Total contract assets	<u>1,100</u>
Contract liabilities	
Under <i>AASB 1058</i>	1,064
Total contract liabilities	<u>1,064</u>

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 19. Changes in accounting policy (continued)

Comparison of affected financial statement lines between AASB 15 and AASB 1058 and previous revenue standards

The following table shows the amount by which the financial statement line item is affected by the application of AASB 15 and AASB 1058 as compared to the previous revenue standards.

	Balance per Statement of Comprehensive Income Dr / (Cr) \$'000	Adjustments \$'000	Carrying amount if previous standards had been applied Dr / (Cr) \$'000
--	---	-----------------------	---

Statement of Comprehensive Income for the year ended 30 June 2020

Revenue

Capital revenue	5,452	(307)	5,145
	<u>5,452</u>	<u>(307)</u>	<u>5,145</u>

	Carrying amount per Statement of Financial Position Dr / (Cr) \$'000	Adjustments \$'000	Carrying amount if previous standards had been applied Dr / (Cr) \$'000
--	--	-----------------------	---

Statement of Financial Position as at 30 June 2020

Contract assets	500	(500)	-
Contract liabilities	(193)	193	-
Retained earnings	(309,829)	307	(309,522)
	<u>(309,522)</u>	<u>-</u>	<u>(309,522)</u>

The adjustments above relate to the recognition of contract assets and contract liabilities for revenue streams where the revenue is recognised over time rather than on receipt of funding under AASB 1004.

Notes to the Financial Statements for the year ended 30 June 2020

Note 19. Changes in accounting policy (continued)

Statement of Cash Flows for the year ended 30 June 2020

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

Lease standard - *AASB 16*

Council as a lessee

Under the previous lease accounting standard, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under *AASB 16*, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the Statement of Financial Position (except for short-term leases and leases of low-value assets).

Council has used the exception to lease accounting for short-term leases and leases of low-value assets.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition. Council has used the following expedients:

- Contracts which had previously been assessed as not containing leases under *AASB 117* were not re-assessed on transition to *AASB 16*.
- Lease liabilities have been discounted using Council's incremental borrowing rate at 1 July 2019.
- Right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.
- Excluded leases with an expiry date prior to 30 June 2020 from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact of adopting *AASB 16* at 1 July 2019

Council has no leases as prescribed by *AASB 16*.

Notes to the Financial Statements for the year ended 30 June 2020

Note 20. Financial instruments and financial risk management

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

Financial risk management

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

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

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

Council does not enter into derivatives.

(i) Credit risk

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

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

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

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

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

Cash and cash equivalents

Council may be exposed to credit risk through its investments in the QTC cash fund and QTC working capital facility. The QTC cash fund is an asset management portfolio that invests with 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-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Investments

Investments are held with financial institutions, which are rated BBB- to AA- based on rating agency Standard and Poors ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

Notes to the Financial Statements
for the year ended 30 June 2020

Note 20. Financial instruments and financial risk management (continued)

Receivables

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low.

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

By the nature of Council's operations, there is a geographical concentration of risk in Council's area. Because the area is largely agricultural, there is a concentration in this sector.

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

The exposure to credit risk for trade receivables by type of counterparty was as follows:

	2020 \$'000	2019 \$'000
Rates, levies and charges	1,311	1,231
State Government	2,005	3,857
Other receivables	932	720
Total	4,248	5,808

Refer to Note 9 for further details.

(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.

Notes to the Financial Statements
for the year ended 30 June 2020

Note 20. Financial instruments and financial risk management (continued)

Exposure to liquidity risk

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

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

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
2020					
Payables	3,149	-	-	3,149	3,149
	<u>3,149</u>	<u>-</u>	<u>-</u>	<u>3,149</u>	<u>3,149</u>
2019					
Payables	3,492	-	-	3,492	3,492
	<u>3,492</u>	<u>-</u>	<u>-</u>	<u>3,492</u>	<u>3,492</u>

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

(iii) Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect Council's income or the value of its holdings of financial instruments.

Interest rate risk

Council is exposed to interest rate risk through investments with QTC and other financial institutions.

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Financial instruments and financial risk management (continued)

Sensitivity

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

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

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

	Net carrying	Net result		Equity	
	amount	1% increase	1% decrease	1% increase	1% decrease
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
QTC cash fund	2,002	20	(20)	20	(20)
Other investments	32,611	326	(326)	326	(326)
Net	34,613	346	(346)	346	(346)
2019					
QTC cash fund	1,965	20	(20)	20	(20)
Other investments	33,420	334	(334)	334	(334)
Net	35,385	354	(354)	354	(354)

Goondiwindi Regional Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 21. Transactions with related parties

(a) 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	Outstanding balance (incl. commitments)
	\$'000	\$'000
2020		
Purchase of materials and services from KMP controlled entities	71	1
Purchase of materials and services from other related party controlled entities	57	-
	<u>128</u>	<u>1</u>

There were no individually significant transactions in 2019-20.

	Amount of transactions during year	Outstanding balance (incl. commitments)
	\$'000	\$'000
2019		
Purchase of materials and services from KMP controlled entities	47	4
Purchase of materials and services from other related party controlled entities	120	-
	<u>167</u>	<u>4</u>

There were no individually significant transactions in 2018-19.

(b) Key management personnel

Transactions with key management personnel

KMP include the Mayor, Councillors, Council's Chief Executive Officer and Executive Management.

The compensation paid to KMP comprises:

	2020	2019
	\$000	\$000
Short-term employee benefits	1,073	1,078
Post-employment benefits	110	116
Long-term benefits	53	52
Total	<u>1,236</u>	<u>1,246</u>

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Transactions with related parties (continued)

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

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

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

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

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

Goondiwindi Regional Council

Financial Statements

for the year ended 30 June 2020

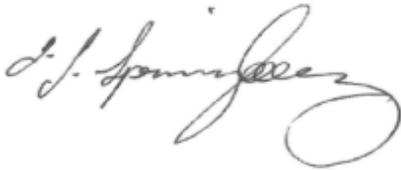
Management Certificate

for the year ended 30 June 2020

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the financial statements, as set out on pages 1 to 40, present a true and fair view, in accordance with Australian Accounting Standards, of Council's transactions for the financial year and financial position at the end of the year.



Hon. Cr Lawrence Springborg AM

MAYOR

31 August 2020



Carl Manton

CHIEF EXECUTIVE OFFICER

31 August 2020

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Goondiwindi Regional Council

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2020, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and 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 2020 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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.

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

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



31 August 2020

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

Goondiwindi Regional Council

Current Year Financial Sustainability Statement for the year ended 30 June 2020

	Actual 2020	Target 2020
--	----------------	----------------

Measures of financial sustainability

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

Performance indicators

1. Operating surplus ratio

<u>Net result (excluding capital items)</u>	2.04%	0 - 10%
Total operating revenue (excluding capital items)		

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

2. Asset sustainability ratio

<u>Capital expenditure on the replacement of assets (renewals)</u>	101.00%	more than 90%
Depreciation expense		

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

3. Net financial liabilities ratio

<u>Total liabilities less current assets</u>	-77.18%	less than 60%
Total operating revenue (excluding capital items)		

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

Note 1 - basis of preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited financial statements for the year ended 30 June 2020.

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

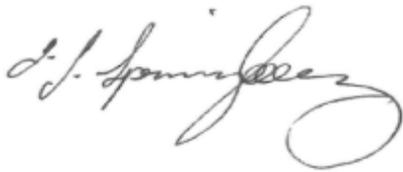
Goondiwindi Regional Council

Current Year Financial Sustainability Statement for the year ended 30 June 2020

Certificate of Accuracy for the year ended 30 June 2020

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

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



Hon. Cr Lawrence Springborg AM
MAYOR

31 August 2020



Carl Manton
CHIEF EXECUTIVE OFFICER

31 August 2020

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Goondiwindi Regional Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year financial sustainability statement of Goondiwindi Regional Council (the council) for the year ended 30 June 2020, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Goondiwindi Regional Council for the year ended 30 June 2020 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

At the date of this auditor's report, the available other information in Goondiwindi Regional Council's annual report for the year ended 30 June 2020 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

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



31 August 2020

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK

Goondiwindi Regional Council

Unaudited Long-Term Financial Sustainability Statement

prepared as at 30 June 2020

	Target 2020	Actual 2020	2021	2022	2023	2024	Forecast					
							2025	2026	2027	2028	2029	2030

Measures of financial sustainability

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

Performance indicators

1. Operating surplus ratio

Net result (excluding capital items)	0 - 10%	2.04%	-0.59%	1.04%	1.06%	1.48%	1.89%	1.40%	1.28%	1.11%	1.31%	1.51%
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)	> 90%	101.00%	130.08%	107.20%	105.78%	112.77%	98.25%	113.25%	99.75%	98.29%	97.21%	96.14%
Depreciation expense												

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

3. Net financial liabilities ratio

Total liabilities less current assets	< 60%	-77.18%	-67.58%	-63.26%	-60.72%	-56.44%	-56.14%	-51.27%	-48.96%	-49.52%	-50.33%	-51.14%
Total operating revenue (excluding capital items)												

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

Goondiwindi Regional Council

Unaudited Long-Term Financial Sustainability Statement

prepared as at 30 June 2020

Goondiwindi Regional Council Financial Management Strategy

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

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

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

Goondiwindi Regional Council

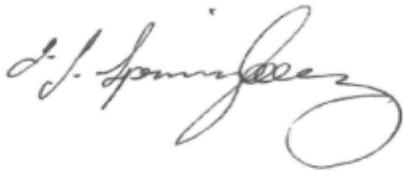
Unaudited Long-Term Financial Sustainability Statement

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2020

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

31 August 2020



Carl Manton

CHIEF EXECUTIVE OFFICER

31 August 2020

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK