



WESTERN DOWNS REGIONAL COUNCIL
ANNUAL REPORT

1 JULY 2022 TO 30 JUNE 2023



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Contact Details and Distribution

Contact Council

To contact Western Downs Regional Council, you can:

1. Phone our Customer Contact Team on 1300 COUNCIL (1300 268 624) or 07 4679 4000 (interstate)
2. Visit in person at your local Customer Service Centre
3. Find us on Facebook, Twitter and Instagram
4. Email Council at info@wdrc.qld.gov.au
5. Write to us, addressing all correspondence to:

Chief Executive Officer
Western Downs Regional Council
PO Box 551
DALBY QLD 4405

Customer Service Centre Locations

80-86 Heeney Street Chinchilla
30 Marble Street Dalby
22 George Street Jandowae
29 Dawson Street Miles
19 Fry Street Tara
6 Henderson Street Wandoan

Distribution

Western Downs Regional Council's Annual Report is available in hardcopy or electronic format.

Printed copies of the report may be obtained for a fee by writing to Western Downs Regional Council, PO Box 551, DALBY QLD 4405, or email info@wdrc.qld.gov.au or phoning 1300 268 624 (or 07 4679 4000 from interstate) during normal business hours.

Alternatively, you can download a copy for free from Council's website at www.wdrc.qld.gov.au.

About this Report

As well as being a legislative requirement for Local Government, Council's *2022-23 Annual Report* serves to keep our stakeholders, including residents, ratepayers, businesses and industry, employees, community groups and partnering government agencies, informed of our performance over the previous financial year.

This Annual Report focuses on Council's financial and operational performance for the 2022-23 financial year against the *Corporate Plan 2021 - 2026*, which establishes the strategic direction of Council's programs and initiatives into prioritised and measurable actions.

This was achieved by structuring the Corporate Plan around the following four strategic priority areas which were workshopped with the local community representing our region, together with our management team to create a clear link between Council's planned delivery and the needs and expectations of our local communities:

**Strong Diverse Economy | Active Vibrant Community
Quality Lifestyle | Sustainable Organisation**

Alignment to these four strategic priorities flows into Council budgets and operational plans, to ensure Council delivers against a shared vision for the Western Downs.

How to Read this Report

This Report is divided into five chapters designed to help you find the information you are looking for.

Chapter 1: Setting the Scene – includes a profile of the Western Downs region, Council's role within the community, and a Community Financial Report consisting of key points highlighting our financial performance.

Chapter 2: Your Councillors – includes a message from the Mayor, shows our Councillors and their portfolios, and responds to the statutory information required for Councillors' Governance.

Chapter 3: Our Organisation – shows our organisational structure, includes a message from the CEO, and responds to the statutory information required for Corporate Governance.

Chapter 4: Reporting the Organisation's Performance – outlines our strategic direction, summarises our achievements toward meeting the objectives of the Corporate Plan, and provides an assessment of Council's overall performance by our Executive Leadership Team.

Chapter 5: Financial Reporting – includes our audited and certified General Purpose Financial Statements that detail Council's financial position for the year ending 30 June 2023.



CHAPTER 1: SETTING THE SCENE



The Region

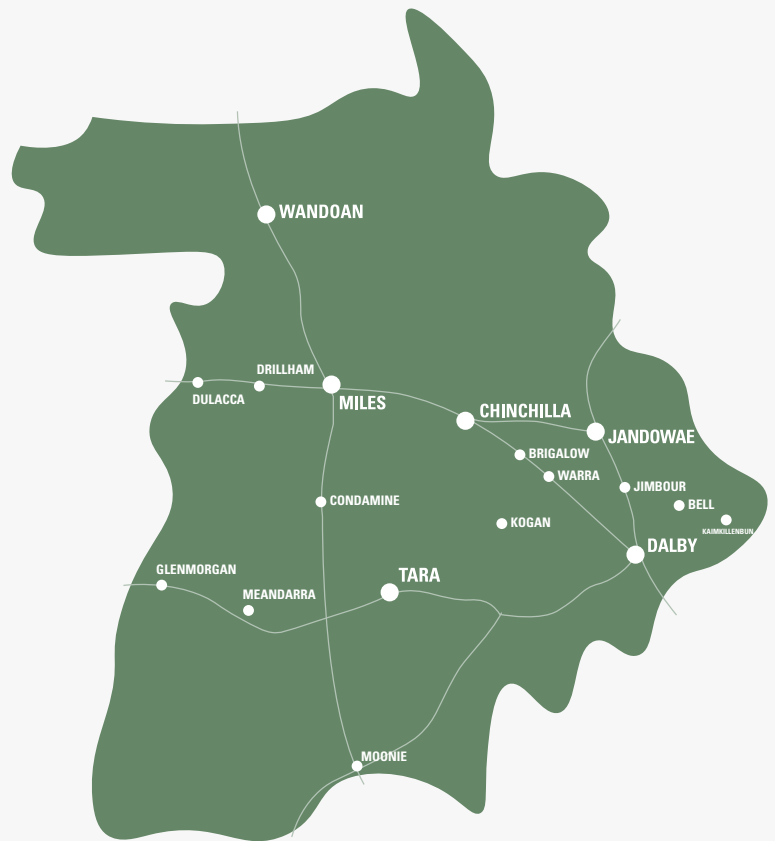
The Western Downs is a diverse region at the forefront of the changing world, with abundant opportunities and a fantastic lifestyle just 2.5 hours from Brisbane.

The region is a recognised leader in agribusiness, energy, and manufacturing with diverse industry and a thriving economy.

Located in the heart of the resource-rich Surat Basin, the Western Downs is recognised as the Energy Capital of Queensland, with continued growth across five key pillars of energy production: Coal, Gas, Wind, Solar, and most recently, Hydrogen. As the region continues to grow and prosper, we continue to solidify our reputation as an energy production powerhouse, particular in renewable energy.

The Western Downs is known for its stellar destination events which celebrate our unique experiences and the people that make the region so special. A quality lifestyle with vibrant regional events combined with a diverse and flourishing economy makes the region a desirable place to live, work, and raise a family.

For many families, professionals and retirees, it's a place to call home, with diverse townships including Chinchilla, Dalby, Jandowae, Miles, Tara and Wandoan.



The Western Downs offers an attractive location proposition for developers and investors. The proximity to thriving industries such as broadacre agriculture, intensive agriculture, manufacturing, and energy offers a plethora of business and investment opportunities.

The region is truly connected to the rest of Australia, serviced by three major arterials – The Leichhardt, Moonie and Warrego Highways.

Regular bus services offer commuter convenience, and airports and aerodromes across the region connect businesses directly to their supply chain and showcase the Western Downs to the world. This year we saw the introduction of a commercial flight service between Miles and Brisbane.

As at August 2021, 8,446 families call the Western Downs home with an average 2.5 people per household.

The Western Downs also has a strong culture of volunteerism, with 19.5% of residents doing voluntary work with a group at the time of the 2021 Census.



A quality lifestyle with vibrant regional events combined with a diverse and flourishing economy makes the region a desirable place to live, work, and raise a family.



Liveability

The Western Downs promises an active, quality lifestyle with exciting opportunities to immerse yourself in the community and make the most of great affordability, world-class events, and modern, inclusive infrastructure.

Many young families are drawn to the region's affordable cost of living, with housing prices that sit significantly lower than average. At December 2022, housing prices were an average of \$270,000 on the Western Downs, compared with \$550,000 for regional Queensland.

The affordability doesn't just stop for homeowners. For tenants, the median value of weekly rent was \$350, compared to \$500 for regional Queensland.

Families moving to the area are pleased to find high performing public and private schools, including Queensland's largest school farm as part of Dalby State High School.

Beyond the curriculum, our region promises children quality education in an environment that lets them truly be children – playing outside. With no peak hour traffic, easy commutes to work and more time for play rather than work, our residents have time to enjoy public recreation facilities including several aquatic centres, skate parks, playgrounds, and relaxing parks and public spaces on offer.

With the award-winning Chinchilla Botanic Parkland and significant investment in several waterfront camping spaces, opportunities to explore the outdoors and enjoy the region's incredible climate are abundant. Western Downs Regional Council's continued investment in lifestyle opportunities will also see the completion of several new spaces for the community to enjoy, including mountain bike trails at the Bunya Mountains and a new outdoor cinema and community square in Dalby's Central Business District.

It's not just dinners cooked at home, there's cafes, restaurants, and bars to keep you busy and food trucks which rove the region supplying everything from boutique cheeses to pizzas and curries.

You don't need to drive out of the region to find access to primary services. The Western Downs has five hospitals and one Outpatients Clinic, combined with a growing suite of allied health services including physiotherapy, chiropractic, and optometry to name a few.

Finding fresh produce is simple when you live in a region that's primary industry is agriculture, whether you shop local or from supermarkets in town.

On the shopping front, the Western Downs is serviced by elegant boutiques stocking designer labels and specialty retailers stocking everything from soft furnishings to agricultural needs.

The Role of Council

At Western Downs Regional Council, we take our role as the front-line level of government seriously. It's important to us that we remain the most accessible level of government in our local communities, and that the decisions made today, positively shape the region for the benefit of the next generation.

We believe in and adhere to the following principles of local government:

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

Council's Values

As elected representatives and staff of Western Downs Regional Council, our behaviour reflects our values: Communication, Leadership, Respect, Balance, Teamwork and Accountability.

Council's Vision

A diverse region at the forefront of the changing world.

Council's Culture Statement

Here at Western Downs Regional Council - It's The People That Make It! We act as one, committed to empowering productive teams with our people enjoying high levels of personal job satisfaction.

Council's Risk Appetite Statement

Council has a high appetite for initiatives where there is a good understanding of the risk, and there is confidence that the outcomes will lead to significant business improvements or service delivery.

Council's Strategic Priorities

The service, projects and initiatives that Council is committed to delivering are in response to the strategic priorities identified under the following four focus areas of delivery for the *Corporate Plan 2021 - 2026*:

A DIVERSE REGION AT THE FOREFRONT OF THE CHANGING WORLD

STRONG DIVERSE ECONOMY

PROGRESS

We aggressively attract business and investment opportunities

Our region is a recognised leader in agribusiness, energy and manufacturing

We deliver water security to enable future economic growth

We proactively advance our region as a tourism destination

Our businesses and industry actively live and buy local

ACTIVE VIBRANT COMMUNITY

PEOPLE

We are a happy, inclusive community, proud of where we live

Our people of diverse backgrounds and ages are united by social, cultural and sporting activities

Our parks, open spaces, and community facilities are alive with activities and connect our communities

We are a strong sustainable community supported by volunteers

We empower communities to develop local initiatives and events

QUALITY LIFESTYLE

PLACE

Our residents are provided with modern infrastructure and quality essential services across our region

Our recreational spaces and community facilities are attractive, safe and accessible

We invest in safe, well maintained road networks to connect our region and support economic activities

We attract families to live, work, prosper and play in our region

We take pride in our natural assets, environment and heritage

SUSTAINABLE ORGANISATION

PERFORMANCE

We are recognised as a financially intelligent and responsible Council

We focus on proactive, sustainable planning for the future

Our people are skilled and values-driven to make a real difference

Our agile and responsive business model enables us to align our capacity with service delivery

Our effective asset management ensures that we responsibly maintain our community assets

MEANINGFUL COMMUNICATIONS & COMMUNITY ENGAGEMENT

ADVOCACY - A REGIONAL VOICE

- To actively seek and foster strategic partnerships
- For a long term domestic and industrial water supply for our region
- For health and social services that ensure 'Whole of Life' care for our residents
- For a safe and well maintained state and federal road network
- For telecommunications and digital connectivity to support and advance our region

RISK APPETITE STATEMENT:

Council has a high appetite for initiatives where there is a good understanding of the risk, and there is confidence that the outcomes will lead to significant business improvements or service delivery

CORPORATE PLAN 2021 - 2026

Community Financial Report

This report summarises Council's financial position at 30 June 2023.

Council is committed to ensuring it is financially sustainable in the long-term while ensuring our region is affordable for our families to live, work, prosper and play.

For 2022-23, Council has delivered on these commitments with its finances strengthened and families having to pay relatively low rates and utilities charges for the delivery of services.

This Community Financial Report consists of the following five key statements or elements:

1. Statement of Comprehensive Income (Profit and Loss Statement)
2. Statement of Financial Position (Balance Sheet)
3. Statement of Changes in Equity (how Council's equity, or net worth, has grown from one year to the next)
4. Statement of Cash Flows (how Council has used and grown its cash)
5. Financial Sustainability Measures (how we sustain Council's business financially)

Significant achievements for 2022-23 include:

- Delivering an operating surplus of \$20.4 million (Recurrent Revenue of \$175.3 million less Recurrent Expenses of \$154.9 million),
- Completing capital works of \$73 million, and
- Increasing our cash by \$48.2 million.

1. Statement of Comprehensive Income (Profit and Loss)

The Statement of Comprehensive Income details where Council received its money and how it spent this money delivering services to our region. The difference is Council's operating surplus which will be used at a point in time to deliver services.

Financial Summary 2022-23

Revenue and Expenditure - Recent Operating Surpluses
\$'million

Financial Year	2020-21	2021-22	2022-23
Recurrent Revenue	158.4	166.1	175.3
Recurrent Expenditure	145.6	161.9	154.9
Operating Surplus	12.8	4.2	20.4

Our operating surplus is the outcome which results from deducting our day-to-day expenditure, including depreciation of our property, plant and equipment, from our day-to-day revenue.



Revenue - where does our money come from?

This year Council received \$201.6 million in revenue which consisted of \$175.3 million in recurrent revenue and \$26.3 million in capital revenue.

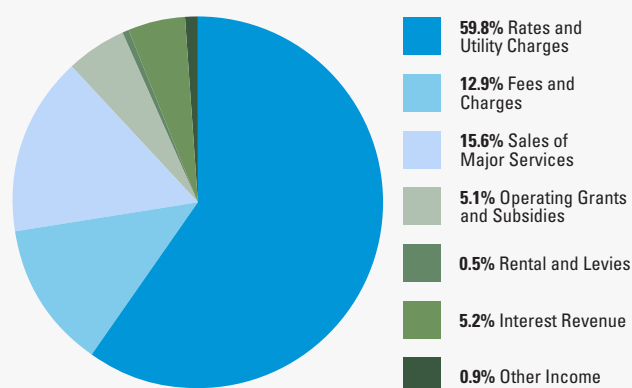
Recurrent or day-to-day revenue of \$175.3 million comprised:

- Rates, and Utility Charges \$104.8 million,
- Operating Grants, and Subsidies \$22.7 million,
- Sales of Major Services \$27.4 million, including sale of gravel from our quarry and gravel pits, revenue from the use of our saleyards and revenue from contracts to maintain and upgrade Queensland Government owned roads,
- Fees and Charges \$9.0 million,
- Rentals Income \$0.8 million,
- Interest Revenue \$9.1 million, and
- Other Income \$1.5 million.

In addition, we received Capital Revenue of \$26.3 million to assist in delivering capital projects. This consisted mainly of grants provided by the State and Commonwealth Governments and contributions from the resource sector.

The following graph shows the break-up of our recurrent revenue:

SOURCES OF COUNCIL RECURRENT REVENUE



Expenses - How was the money spent?

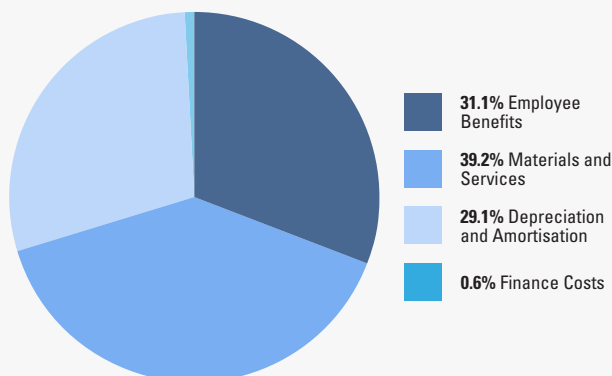
We incur both operating and capital expenditure in delivering services to our community.

Recurrent or day-to-day expenditure of \$154.9 million comprised:

- Employee Benefits \$48.2 million,
- Materials and Services Costs \$60.7 million,
- Depreciation and Amortisation \$45.1 million, and
- Finance Costs \$0.9 million.

In addition, capital expenses totalled \$3.1 million which mainly related to the write-off of assets where assets needed to be replaced earlier than expected.

RECURRENT OR DAY-TO-DAY EXPENDITURE



2. Statement of Financial Position (Balance Sheet)

The Statement of Financial Position measures what we own (our assets) and what we owe (our liabilities), resulting in our net worth at the end of the financial year.

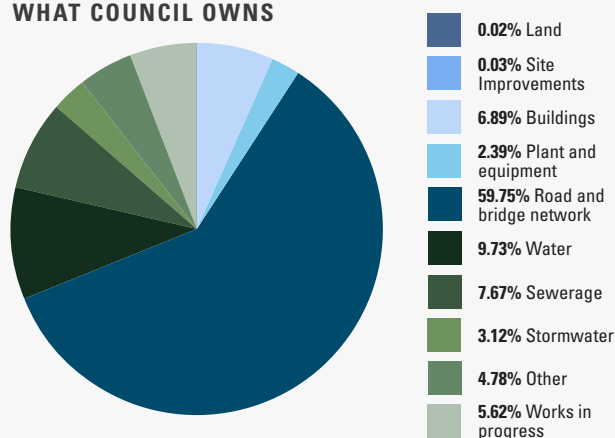
Assets: What do we own?

At 30 June 2023, Council's assets were valued at \$1,972.7 million and comprised:

- Property, plant and equipment including intangibles \$1,674.6 million,
- Cash and cash investments \$278.7 million,
- Trade and other receivables \$13.7 million, and
- Inventories and contract assets \$5.7 million.

The breakdown of Council's property, plant and equipment is graphically represented below.

WHAT COUNCIL OWNS



Council's most significant asset is our road and bridge network which is valued at \$999.5 million. The region has over 7,500 kilometres of Council owned roads which is by far the largest in Queensland and the second largest local government road network in Australia.

Council uses this property, plant and equipment to provide services to the community. Therefore, it is necessary that we maintain these assets to an appropriate standard. Based on valuations provided by independent valuers, the remaining lives as a percentage of these assets' useful lives average 66.1%. This indicates our assets are in very good condition. The percentages for Council's major assets classes are provided in the following table.

Major Asset Class	% of Useful Life Remaining
Buildings	57.0%
Roads and Bridge Network	68.3%
Water	55.8%
Sewerage	63.2%

Liabilities: What do we owe?

At 30 June 2023, Council's liabilities total \$76.6 million. Our liabilities comprised:

- Trade and other payables \$19.5 million,
- Employee leave liabilities \$12.9 million,
- Provisions to restore Council's quarry, gravel pits, landfills and evaporation ponds \$6.7 million, and
- Contract and lease liabilities \$37.5 million.

Our Net Worth

Our net worth is \$1,896.1 million which comprised assets of \$1,972.7 million less liability of \$76.6 million.

3. Statement of Changes in Equity

The Statement of Changes in Equity measures the changes in our net worth and shows the movement in our retained earnings and asset revaluation surplus.

The increase in our net worth (i.e., Equity) of \$165.0 million was due to a positive net result of \$43.6 million (i.e., revenue of \$201.6 million less expenditure of \$158.0 million) and an increase in the value of our assets of \$121.4 million.

4. Statement of Cash Flows

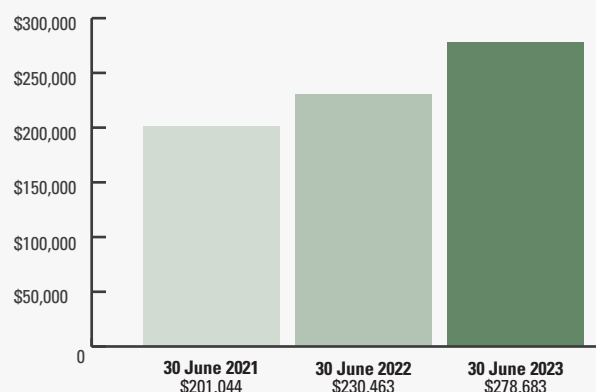
The Statement of Cash Flow shows all the activities undertaken during the year that impact our cash balances.

Our cash balances increased by \$48.2 million over the course of the year. The majority of Council's cash balances are invested in the State Government Capital Guaranteed Queensland Treasury Corporation Cash Fund.



The following graph shows how our cash balances has improved since 30 June 2021.

COUNCIL'S CASH BALANCES



At 30 June 2023, Council had adequate cash to meet 21.6 months of operating and capital expenditure without receiving any form of revenue and without having to borrow.

5. Financial Sustainability Measures - How strong is Council financially?

A local government is considered financially sustainable if it can maintain its financial capital (equity or net worth) and its infrastructure over the long-term. In forming a view of the local government's financial sustainability, several financial ratios are used.

Council's performance as at 30 June 2023 against these financial ratios is listed.



Ratio	Benchmark	2020-21	2021-22	2022-23	Outcome
Operating surplus ratio (measures Council profitability)	0% to 10%	8.1%	2.6%	11.7%	✓
Asset sustainability ratio (measures the extent we are sustaining our asset base)	>90%	88.7%	82.1%	127.5%	✓
Net financial liabilities ratio (measures the extent to which our financial liabilities can be serviced by our operating revenue)	<60%	-117.5%	-122.1%	-126.3%	✓
Remaining useful life of assets ratio (measures the average life remaining in Council's portfolio of assets)	30 to 40 years	32.5 years	35.4 years	35.3 years	✓
Council controlled revenue ratio (measures the extent to which Council has control over its decision-making)	>60%	65.7%	66.1%	64.9%	✓
Cash cover of operating expenses ratio (measures the number of months Council can survive without having to raise any revenue or having to borrow)	>4 months	16.6 months	17.1 months	21.6 months	✓

The above table indicates that Council is operating on a financially sustainable basis and can adequately deliver the range of services it provides to the region.



CHAPTER 2: YOUR COUNCILLORS

Mayor's Message

It is a fantastic time to call the Western Downs home.

I am proud to lead a team dedicated to building a stronger future for the region by harnessing the diverse opportunities on the horizon and remaining at the forefront of the changing world.

Our region has experienced significant challenges over the past few years and is still recovering from consecutive natural disasters and tragedy; but our community continues to come together to support one another and create a brighter tomorrow, and this makes me immensely proud to be Mayor of the Western Downs.

"Our region continues to come together to support one another and create a brighter tomorrow."

The resilience and strength shown in the face of adversity demonstrates what it means to be a part of the Western Downs family. Our ability to unite, support those in need, and work towards a common goal is what sets our region apart.

Great liveability is a strategic focus for Western Downs Regional Council, and this year Council has pioneered the region's first place-based strategy to deliver a more prosperous future for our entire region through the Western Downs Futures 10-year plan. While in its infancy, this community-driven initiative is already delivering real outcomes for the Western Downs and this is all thanks to strong community collaboration and at the core, passion for the region we call home.

Our economy remains strong and we continue to experience increasing migration rates of people moving to the region from metropolitan areas. That's because people naturally seek great liveability and they follow opportunity - both of which, we have here on the Western Downs.

We aggressively attract business and investment opportunities, and the region is in a strong position to take advantage of the diverse opportunities on offer. We continue to experience significant growth across our key industry sectors of agriculture, manufacturing and energy, and we are seeing new ventures such as hydrogen and battery storage making their place here on the Western Downs.



Mayor
Councillor Paul McVeigh
Portfolio - Executive Services

Our local businesses also benefit from strong industry partnerships and locally focused initiatives to ensure our towns continue to prosper. Western Downs Regional Council is proud to be a part of the Small Business Friendly Councils initiative, and we continue to see great outcomes from partnerships with local chambers of commerce and Toowoomba and Surat Basin Enterprise (TSBE).

Council is ensuring our region has the fantastic lifestyle to work alongside this continued economic growth, and this year we have progressed the development of several strategies to guide future investment into our much-loved community spaces.

With a renewed focus on meaningful communications and community engagement, our community will benefit from new strategies for tourism and economic development, as well as our showgrounds, aquatic centres, parks, and public art.

It's exciting to progress plans for major generational projects such as the Dalby cultural centre, and celebrate the final stages of construction on exciting new facilities including the revitalised public space 'Mary's Place' at Dalby, the Bunya Mountains Mountain Bike Trails, Tara Aquatic Centre, and Chinchilla Cultural Precinct.

I thank and congratulate all the staff who are a part of the Western Downs Regional Council family and I remain hopeful and inspired looking to the year ahead as we build a bright, sustainable future for our region.

Meet Your Councillors

The Western Downs Regional Council local government area is represented by eight elected Councillors, and an elected Mayor who are responsible for the strategic direction of Council. There are no wards or divisions within the Western Downs Regional Council.

Council elections are held every four years with the most recent election being held on 28 March 2020.

For detailed information in relation to Councillor entitlements, remuneration packages, committee representation and meeting attendance, please refer to the next section of this Report containing Statutory Information.

Statutory Information: Councillor Governance

As the community's elected representatives, the Mayor and Councillors are responsible for the successful management of the Western Downs Regional Council local government area. To ensure Council's leadership is fair and equitable, and that decisions are made in the best interest of our region, Council is required to act in accordance with the *Local Government Act 2009*, *Local Government Regulation 2012*, and associated State and Federal legislation.



Mayor Paul McVeigh

Portfolio - Executive Services

(Disaster Management, Economic Development, Internal Audit, Communications and Marketing)

Phone: 07 4679 4004

Mobile: 0408 700 392

paul.mcveigh@wdrc.qld.gov.au



Deputy Mayor Andrew Smith

Portfolio - Planning, Environment and Agribusiness

(Statutory Planning, Development and Compliance, Environment and Health, Waste, Rural Services and Agribusiness)

Phone: 07 4679 4004

Mobile: 0438 755 896

andrew.smith@wdrc.qld.gov.au



Councillor Kylie Bourne

Portfolio - Tourism, Events and Regional Promotion

(Council and Community Major Events, Tourism Attraction and Regional Promotion)

Phone: 07 4679 4004

Mobile: 0467 171 225

kylie.bourne@wdrc.qld.gov.au



Councillor Kaye Maguire

Portfolio - Community and Cultural Development

(Libraries, Community Development, Cultural Development and Community Services)

Phone: 07 4679 4004

Mobile: 0475 007 555

kaye.maguire@wdrc.qld.gov.au



Councillor George Moore

Portfolio - Works and Technical Services

(Civil Works, Fleet, Quarries, Asset Management and Design)

Phone: 07 4679 4004

Mobile: 0437 536 990

george.moore@wdrc.qld.gov.au



Councillor Megan James

Portfolio - Strategic Communications and Council Facilities

(Aerodromes, Sporting Facilities, Showgrounds and Community Buildings)

Phone: 07 4679 4004

Mobile: 0419 946 575

megan.james@wdrc.qld.gov.au



Councillor Ian Rasmussen

Portfolio - Finance, Corporate Services and Business Strategy

(Finance, Governance, Business Planning and Saleyards)

Phone: 07 4679 4004

Mobile: 0477 977 085

ian.rasmussen@wdrc.qld.gov.au



Councillor Peter Saxelby

Portfolio - Utilities

(Water, Wastewater and Gas)

Phone: 07 4679 4004

Mobile: 0475 007 554

peter.saxelby@wdrc.qld.gov.au



Councillor Carolyn Tillman

Portfolio - Recreational Spaces and Cemeteries

(Parks, Open Spaces, Gardens and Cemeteries)

Phone: 07 4679 4004

Mobile: 0401 662 352

carolyn.tillman@wdrc.qld.gov.au

About Council

Council Meetings

Council makes decisions at Ordinary Meetings of Council which are held each month. The ordinary meetings are held at regional locations on a rotational basis, and special meetings are convened when required.

Statutory and Advisory Committees operated, comprising Councillors and external parties. All such committees operate under a 'terms of reference' and while they do not have decision making authority, their purpose is to provide recommendations to Council.

All Ordinary and Special Meetings of Council are open to the public. Individuals or groups may address Council on a particular matter of public interest by deputation. Deputations may be arranged through the office of the Chief Executive Officer.

Council may at times resolve to temporarily close a meeting under section 254J of the *Local Government Regulation 2012* to discuss a confidential matter, however all decisions about such matters are made in an open meeting.

Council meetings are carried out in accordance with relevant legislation and the *Meetings - Council Policy* which is available on our website www.wdrc.qld.gov.au.

The date, time and location of all ordinary and special meetings are published at least annually and are available on Council's website, as well as at all Customer Service Centres. Special Meetings of Council are called as required, with the only items of business conducted at these meetings being the business stated in the meeting notice.

The agenda and related reports (excluding confidential items) for each meeting are publicly available by 5pm the next business day after the notice meeting is given to each Councillor.

Minutes of all Council meetings are published on our website within the statutory ten days following the meeting.

A total of twelve (12) ordinary meetings and three special meetings were held from 1 July 2022 to 30 June 2023.

Summary of Meeting Attendance by Councillors 1 July 2022 to 30 June 2023

Councillor	Ordinary Meetings Attended	Special Meetings Attended
Cr Paul McVeigh (Mayor)	12 of 12	3 of 3
Cr Andrew Smith (Deputy Mayor)	12 of 12	3 of 3
Cr Kylie Bourne	11 of 12	3 of 3
Cr Megan James	12 of 12	3 of 3
Cr Kaye Maguire	12 of 12	3 of 3
Cr George Moore	11 of 12	3 of 3
Cr Ian Rasmussen	11 of 12	3 of 3
Cr Peter Saxelby	12 of 12	3 of 3
Cr Carolyn Tillman	12 of 12	3 of 3



Councillor Briefings and Workshops

In addition to regular Council meetings, Councillor briefing sessions and workshops are also held to inform Council of important issues. These sessions are not a decision-making forum and therefore allows detailed discussions to explore options and develop a better understanding of the issues.

Decisions of Council can only be made during actual Council meetings.

Councillors Remuneration and Expenses Reimbursement Policy

Chapter 5 Part 3 of the *Local Government Regulation 2012* requires the annual report to detail the total remuneration, including superannuation contributions paid to each Councillor for the financial year as well as expenses incurred in accordance with *Councillors Expenses Reimbursement Policy*.

Council remuneration is determined by the Local Government Remuneration Commission on an annual basis.

Councillor's Remuneration, Superannuation, Expenses Incurred and Facilities provided 1 July 2022 to 30 June 2023

Councillor	Remuneration	Superannuation	Expenses Incurred	Facilities Provided*
Cr Kylie Bourne	\$72,158.37	\$7,576.59	\$6,378.86	\$20,352.00
Cr Megan James	\$72,158.37	\$7,576.59	\$4,755.62	\$20,352.00
Cr Kaye Maguire	\$72,158.37	\$12,988.62	\$10,654.58	\$20,352.00
Cr Paul McVeigh (Mayor)	\$135,830.61	\$23,099.53	\$26,578.53	\$20,352.00
Cr George Moore	\$72,158.37	\$12,988.62	\$2,842.45	\$20,352.00
Cr Ian Rasmussen	\$72,158.37	\$25,208.62	\$2,048.30	\$20,352.00
Cr Peter Saxelby	\$72,158.37	\$12,988.62	\$1,817.12	\$20,352.00
Cr Andrew Smith (Deputy Mayor)	\$84,893.55	\$15,280.80	\$15,656.38	\$20,352.00
Cr Carolyn Tillman	\$72,158.37	\$16,897.46	\$4,874.71	\$20,352.00

* motor vehicle

Particular Resolutions

No resolutions under section 250(1) of the *Local Government Regulation 2012* relating to the amendment of the *Councillor Expenses Reimbursement Policy* were made during the 2022-23 financial year.

Expenditure from Councillors Discretionary Funds

Western Downs Regional Council does not provide Councillors with discretionary funds.

Overseas Travel

No Councillors travelled overseas for Council business during the 2022-23 financial year.

Complaints about Councillor Conduct and Performance

The roles, responsibilities and obligations of Councillors are set in the *Local Government Act 2009* with provisions relating to complaints about their conduct and performance outlined in Chapter 5A. Further, the *Code of Conduct for Councillors in Queensland* sets out the standard of behaviour expected of Councillors when carrying out their roles, responsibilities and obligations as elected representatives of their communities.

The Office of Independent Assessor considers complaints against Councillors. There were no Councillor conduct complaints made during the 2022-23 year.

Complaints / Orders and/or Recommendation Type	LGA Section	Number
Orders made by Chairperson regarding unsuitable meeting conduct	150I(2)	0
Orders made by the local government regarding inappropriate conduct	150AH(1)	0
Decisions, Orders and Recommendations made by the Councillor Conduct Tribunal regarding misconduct	150AR(1)	0
Name of each Councillor to who a decision, order or recommendation was made	150I(2), 150AH(1) or 150AR(1)	N/A
A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each Councillor	150I(2), 150AH(1) or 150AR(1)	N/A
A summary of a decision, order or recommendation made for each Councillor	150I(2), 150AH(1) or 150AR(1)	N/A
Complaints referred to the assessor by the LG, a Councillor of LG or CEO of LG	150P(2)(a)	0
Matters notified to the Crime and Corruption commission	150P(3)	0
Notices given to Assessor about particular conduct	150R(2)	0
Notice given to Assessor about misconduct	150S(2)(a)	0
Decision made by the Assessor	150W(1)(a)(b)(e)	0
Referral Notices	150AC(3)(a)	0
Occasions information given	150AF(4)(a)	0
Occasions LG asked another entity to investigate suspected inappropriate conduct of a Councillor	Chapter 5A Part 3 Division 5	0
Applications heard by Conduct Tribunal about whether a Councillor engaged in misconduct or inappropriate conduct	Chapter 5A Part 3 Division 6	0

Council must keep and publish a *Councillor Conduct Register* that records orders made about unsuitable meeting conduct by a Councillor, a summary of decisions about suspected inappropriate conduct referred to Council and any action taken, a summary of decisions made by the Councillor Conduct Tribunal about where a Councillor

engaged in misconduct and any action taken and complaints about Councillors dismissed by the Office of the Independent Assessor, or decisions by the Independent Assessor to take no further action after undertaking an investigation. The *Councillor Conduct Register* is located on Council's website.





CHAPTER 3: OUR ORGANISATION

CEO's Message

As we move into a new financial year, the region is presented with exciting opportunities to build its reputation as a fantastic place to live, work and raise a family.

We have emerged from significant disasters which have tested our ability to remain strong and resilient, and Western Downs Regional Council has stood shoulder to shoulder with the community to work through our challenges and continue on our path to a prosperous future for the region.

We are incredibly proud that our region remains debt-free with a cash balance of \$278.7 million as of 30 June 2023, showcasing our financially strong and responsible actions as a Council.

Our organisation is guided by our Corporate Plan which clearly defines our strategic priorities for the year, and this report presents an assessment of our performance and our delivery for the community.

Our Council is continuing to embrace innovation to support our growing region and has commenced the rollout of a once-in-a-generation digitisation project replacing our corporate enterprise resource planning system, which will modernise Council's core business functions and greatly enhance our ability to support our customers.

We continue to demonstrate our status as an employer of choice, having won Large Employer of the Year at the Daring Downs South-West Queensland Training Awards and named a State Finalist for our 'Kickstart your Career' program which saw twenty new apprentices and trainees commence their careers this year, thirteen trainees and apprentices from the 2022 intake gain a full-time role with Council, and a further five obtain positions within the community.

Our economy has been supported by exciting industry events, including the first ever Young Entrepreneur Summit which saw around 300 young people come together from across the region, and a series of partnered events such as the Accelerate Manufacturing Conference, workforce attraction and business social media workshops, and Protein 2023 Conference.

We continue to proactively attract new business developments, and we continue to maintain some of the best development assessment performances in Queensland, with applications consistently assessed in under fifteen days on average.

Our region is still recovering from the impacts of consecutive disaster events, and the delivery of a massive \$160 million flood damage repair program has continued throughout the year.

We have delivered a bumper calendar of community events and activations to drive our happy and inclusive community.



Jodie Taylor
Chief Executive Officer
Western Downs Regional Council

"The region is presented with exciting opportunities to build its reputation as a fantastic place to live, work and raise a family."

Our community enjoyed several exciting events such as Big Skies Festival, Words Out West: Western Downs Readers and Writers Festival, community movie nights, Easter in Anderson Park, regional pool parties, and Australia Day celebrations.

Volunteering is a significant part of our region's social fabric, and this year we held special recognition events for our selfless volunteers and also hosted a volunteering engagement day to build training and support for our team.

Our Miles Central Business District Streetscape project and Wandoan Soldier Settlers Avenue of Honour were both named finalists in the 2023 National Street Art Awards, and our award-winning Chinchilla Botanic Parkland received the coveted Green Flag Award for a fourth consecutive year.

Following the delivery of Council's first Communications and Community Engagement Strategy, we have commenced the implementation of a range of improvements including the delivery of an online engagement platform to support meaningful engagement on Council projects and a new corporate website to improve the customer experience.

As we continue to build the liveability of the region and capture new opportunities to deliver for our community, I am confident the Western Downs will continue to uphold its reputation as a region of choice for all.

Our Organisational Structure

In consultation with our communities, the elected Council sets the strategic direction of the organisation under the authority of the Statement Government via the *Local Government Act 2009*. Council's *Corporate Plan 2021–2026* is our long-term vision for the Western Downs.

The Chief Executive Officer and Executive Leadership team are responsible for carrying out the decisions of Council as well as providing professional advice on how to best achieve identified priorities within allocated resources.

In consultation with Council, the Executive Leadership team and their staff develop annual operational plans and budgets aligned to the Corporate Plan. An assessment of progress against these plans is provided to Council each quarter via the Operational Plan review, and annually to the community via this Annual Report. This Annual Report accounts for the strategic priorities which were addressed in Council's *2022-23 Operational Plan*.

To ensure our organisation is effectively undertaking its responsibilities, internal audits are carried out to evaluate systems and processes, and to encourage a culture of continuous improvement. Overseeing internal audit activities, the Audit Committee provides an independent and external review of the corporate governance framework.

Western Downs Regional Council is structured into the following four divisions:

- Executive Services lead by the Chief Executive Officer
- Corporate Services lead by the General Manager (Corporate Services)
- Community and Liveability lead by the General Manager (Community and Liveability)
- Infrastructure Services lead by the General Manager (Infrastructure Services)

The executive leadership and senior leadership teams are responsible for the functions shown in the organisational chart. Their role is to assist Council in making timely and informed decisions, backed by trusted advice and supported by effective and inclusive governance.

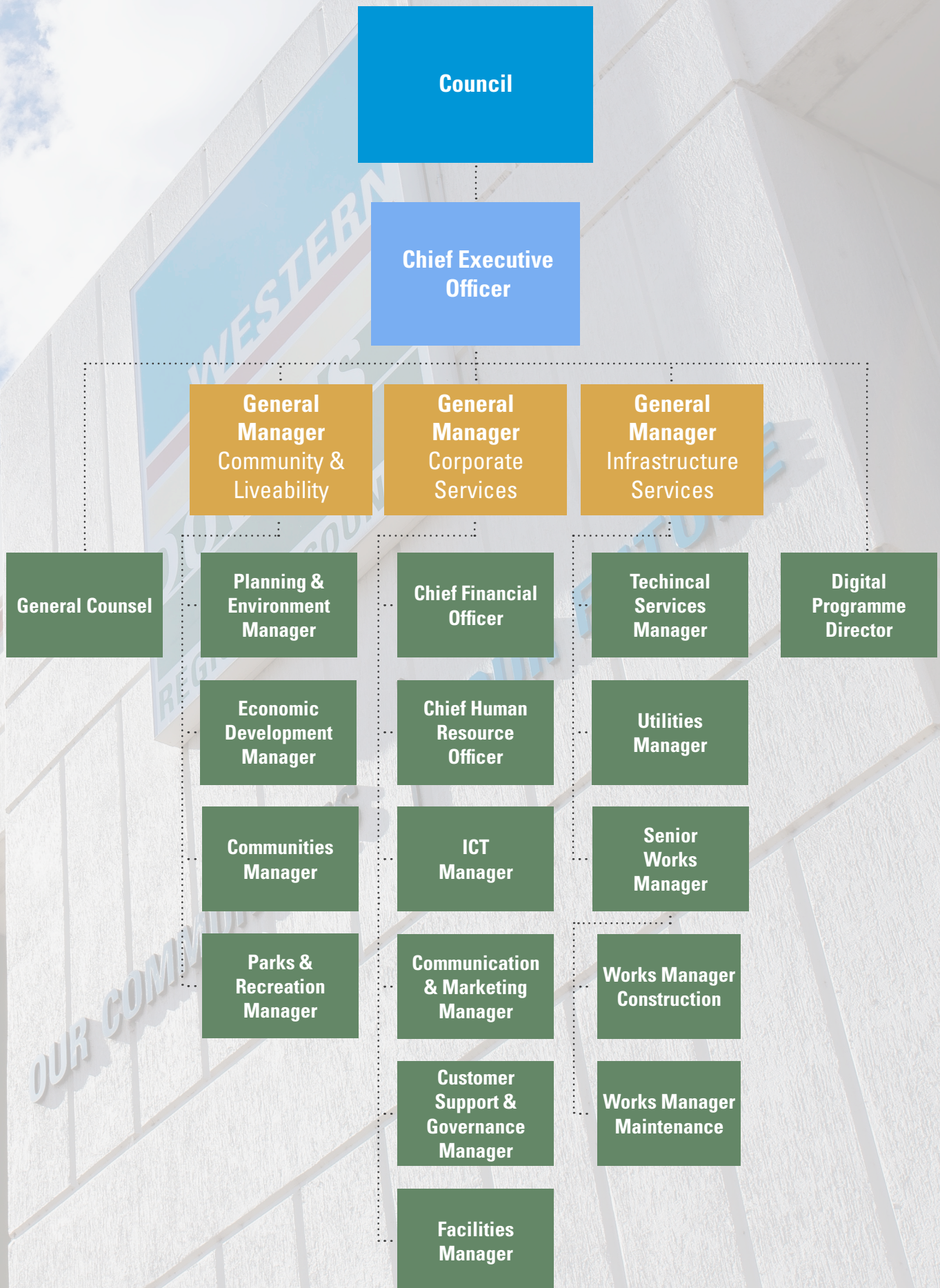
As leaders of the organisation, the executive and senior leadership teams are responsible for ensuring their departments service our region's local communities effectively and efficiently.

Each division is further segmented into functional departments, as shown on the next page.



Western Downs Regional Council Organisational Structure

As at 30 June 2023



Statutory Information: Corporate Governance

Significant Business Activity

Western Downs Regional Council conducted eight significant business activities the during 2022-23 financial year, as listed below.

- Commercial Works
- Waste Management
- Gas Supply
- Quarries
- Water (type 2 significant business activity)
- Sewerage (type 2 significant business activity)
- Dalby Regional Saleyards @ Western Downs
- Washdown Bays

The competitive neutrality principles have been applied to these significant business activities with relevant adjustments made as a result.

For a full list of business activities conducted by Council please refer to Chapter 5 of this Report, see Note 25 'National Competition Policy' of the Financial Statements, on page 83 to 84.

Executive Team Remuneration

The Executive Leadership Team comprises of the roles of Chief Executive Officer, General Manager (Corporate Services), General Manager (Community and Liveability) and General Manager (Infrastructure Services).

Incumbents in these roles were engaged under performance-based maximum term contract arrangements. Gross remuneration packages for the 2022-23 financial year total \$1,248,342.00. Three remuneration packages were within the range \$200,000 - \$300,000 and one remuneration package was within the range of \$300,000 - \$400,000.

Identifying Beneficial Enterprises

During this reporting period Council did not conduct any beneficial enterprises. A beneficial enterprise is one that Council considers is directed to benefit, and can be reasonably expected to benefit, the whole or part of the local government.

Overseas Travel

Employee	Alison Mobbs
Position	Coordinator Strategic Planning and Development - Facilities
Destination	Utah, Kansas, Texas and Oklahoma, UNITED STATES OF AMERICA Ontario, CANADA

Purpose of Travel

Completion of an externally funded travel scholarship (Australian Rural Leadership Program - John V Fairfax Foundation) innovation project centred on leadership of organisation that operate Showgrounds (Fairgrounds). The project sought ways in which Showgrounds (Fairgrounds) could be develop and reinvigorated with community and industry input to grow the extension, adoption and commercialisation of innovations in agriculture, as well as growing their economic, environmental and social impact. It included visits to three State Fairs, an Agricultural Innovation Show and an Internal Fairs and Events Conference, as well as a Cattle Livestock Selling Centre.

Key research centred on ownership and governance of Fairgrounds, business models, links to agriculture and community, agricultural innovation, asset investment, funding approaches and master planning.

Cost	Externally or employee funded \$17,190
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Administrative Action Complaints and Complaints Management Process

As part of Council's commitment to dealing fairly with administrative action complaints, all administrative action complaints are processed in accordance with Council's Complaint Management System which is supported by the *Complaints Management - Council Policy* and associated standard work practice. This ensures objective review of complaint matters, and assessment of complaint outcomes, prior to the complaint outcome being provided to the customer. Council ensure that customers are aware of their rights to access the internal review process, and to external third-party review mechanisms, should they remain dissatisfied with the outcome of their complaint matter.

Council applies the principles of the *Human Rights Act 2019* when assessing and dealing with complaint matters to ensure that Council is acting compatibly with human rights and gives proper consideration to human rights before making a decision.

Council is committed to maintaining a collaborative working relationship with the Queensland Ombudsman's Office and other external review agencies.

The Complaints Management Team is responsible for capturing and identifying complaints received by Council, either by phone, email or in writing, and for ensuring they are responded to within agreed timeframes. The team also facilitates continuous improvement through the organisation by engaging with departments to resolve complaints.

The Complaints Management Policy and Standard Work Practice were not reviewed during the 2022-23 financial year.

Complaints received by Council during 2022-23 are listed in the table below.

The number of administrative action complaints made to Council:	31*
The number of administrative action complaints resolved by Council under the complaint's management process:	31*
The number of administrative complaints not resolved by the local government under the complaint's management process:	2
The number of administrative action complaints not resolved that were made in a previous financial year:	0
The percentage of administrative action complaints resolved within agreed timeframes:	87%

* includes four internal reviews

Human Rights

Council has an adopted Human Rights Policy and is committed to protecting and promoting human rights by ensuring that human rights are considered when making decisions, interpreting and applying the law, developing policy, and providing services to our community. Council also recognises that it has an important role to play in complying with Queensland's *Human Rights Act 2010* through its actions, decisions, proposals and recommendations.

Under the *Human Rights Act 2019* a person who believes that Council has breached their human rights obligations has the right to complain by raising a complaint directly with Council. Under section 65 of the *Human Rights Act 2019*, Council has forty-five (45) business days to respond, after which the individual can make a formal complaint to the Queensland Human Rights Commission if the complaint has not been responded to or the person is not satisfied with Council's response. During 2022-23 Council did not receive any human rights complaints.

Public Sector Ethics - Reporting

Council has a formal *Code of Conduct* and *Standards of Conduct* for staff which incorporates the ethics, principles and obligations under the *Public Sector Ethics Act 1994*. Mandatory induction training for all new employees includes details on the requirements and obligations for all staff under the *Code of Conduct*. All new employees completed corporate induction training during 2022-23. Council continued to deliver education and awareness sessions to all employees on their ethical obligations as part of Council's commitment to the highest standards of public sector ethics.



Internal Audit

The internal audit function is established under section 105 of the *Local Government Act 2009*. It is an integral component of Council's corporate governance framework designed to add value to our business operations through continuous improvement. Internal audit is an independent function within the Council reporting to the Chief Executive Officer and the Audit Committee. The purpose of the internal audit function is to independently examine and evaluate Council processes and activities and provide assurance to Council, management and the community. Council has contracted Crowe Australasia to perform the internal audit function.

The scope of internal audit work to be performed each financial year is set out in the *Three-Year Strategic Internal Plan*, which is endorsed by the Chief Executive Officer, and the Audit Committee and approved by Council. Audit and other activities undertaken during the 2022-23 financial year included:

- Internal Audit of Recruitment
- Internal Audit of Corporate Cards
- Internal Audit of Cash Control and Investments
- Internal Audit of Asset Management
- Internal Audit of Project Delivery by Boyd's Bay Landscaping Pty Ltd (Adhoc Audit)

The Audit Committee

The Audit Committee comprised of two Councillors and one independent member and operates under a *Terms of Reference* adopted by Council.

Audit Committee members are as follows:

- Councillor Ian Rasmussen (Chair)
- Councillor Paul McVeigh (Member)
- Mr Robert Bain (Independent Member)

The primary objective of the Audit Committee is to assist Council to fulfil its obligations in corporate governance and the oversight of financial management and reporting responsibilities imposed under sections 280 to 211 of the *Local Government Regulation 2012*. The Committee met three times during the financial year, examined draft financial statements, and reviewed reports presented by internal audit and external audit.

Registers

The following registers were kept by Council during the reporting period:

- Local Laws Register (section 31 of *Local Government Act 2009*)
- Councillor Conduct Register (section 150DX-S150DZ of *Local Government Act 2009*)
- Register of Cost Recovery Fees and Commercial Charges (section 98 of *Local Government Act 2009*)

- Asset Register (section 104 of *Local Government Act 2009*)
- Delegation Register (section 260 of *Local Government Act 2009*)
- Register of Interests (section 201A, 201B and 201C of *Local Government Act 2009*)
- Business Activity Register (section 56 of *Local Government Regulation 2012*)
- Register of Pre-Qualified Suppliers
- Register of Roads (section 74(1)(b) of *Local Government Act 2009*)
- Environmentally Relevant Activities
- Registers under the *Plumbing and Drainage Regulation 2019*:
 - ▶ Permits and Inspection Certificates (section 112)
 - ▶ Testable backflow prevention devices (section 113)
 - ▶ Greywater use and onsite sewage facilities (section 114)
 - ▶ Show cause and enforcement notices (section 115)

Financial Accountability

The Financial Statements of Western Downs Regional Council for the period 1 July 2022 to 30 June 2023, as audited by the Auditor-General can be found in Chapter 5 of this report, from page 41.

For the Current Year Financial Sustainability Statement as well as the Unaudited Long-Term Financial Sustainability Statements for 2022-23, please refer to the General Purpose Financial Statements, on pages 90 and 95 respectively.

The Audit-General's audited reports about our Financial Statements and the Current Year Financial Sustainability Statement can be found in Chapter 5 of this Report on pages 87 and 92 respectively.

Community Financial Report

A simplified version of our financial performance for the period 1 July 2022 to 30 June 2023 as reported in our audited Financial Statements is provided in the Community Financial Report presented in Chapter 1 of this report, pages 8 to 11.

Grants to Community Organisations

Donations and grants paid to community organisation for 2022-23 totalled \$247,429.

Rates Rebate and Concessions

During 2022-23 special charges totalled \$518,551 were levied with respect to the maintenance of roads related to quarries.

In accordance with Council policy, pensioner concessions of \$403,313 and community organisation concessions of \$433,915 were granted during the year.

More detail is provided in Chapter 5 of this report, in the Financial Statements under Note 3 'Rates, Levies and Charges' on page 50.

Changes to Council Tenders

Two invitations to change tenders under section 228(7) of the *Local Government Regulation 2012*, were made during the 2022-23 financial year.

Cooperation Between Local Governments

Western Downs Regional Council continued its involvement in the Queensland Water Regional Alliance Program (QWRAP). Council contributed approximately \$3000.00 in-kind during 2022-23 in the execution of the Alliance models for utilities.

Council is an active member of the Southern and Darling Downs Steering and Working Groups that are contributing to the State Government's Regional Water Assessment Program. The program seeks to identify water supply options for urban communities across the broader region.

Council continued to engage Toowoomba Regional Council for building certification services.

Council commenced a joint procurement arrangement for waste and recycling collection and recycling process service, with Toowoomba Regional Council.

Western Downs Regional Council continued to be a member of the Darling Downs South West Council of Mayors Group.

While not a formal arrangement as defined in the Regulation, Council maintained an ongoing arrangement with South Burnett Regional Council with regard to skip bin collection and soil testing.

National Competition Policy

The financial performance of Council activities subject to competition reforms, namely commercial works and waste management, for the current and previous financial years is provided in Chapter 5 of the report within the Financial Statements, see Note 25, under 'National Competition Policy' on page 83 to 84.

At its Special Meeting held on 22 June 2022, Council resolved to:

1. Adopt the *2022-23 Code of Competitive Conduct - Council Policy*.



2. Apply a Community Service Obligation Payment to the following businesses for 2022-23
 - a. Water, and
 - b. Waste Management.
3. Adopt the *2022-23 Dividend Payment - Council Policy*.
4. Receive dividend payments from the following businesses during 2022-23:
 - a. Commercial Works,
 - b. Gas,
 - c. Sewerage,
 - d. Quarry,
 - e. Saleyards, and
 - f. Washdown Bays.

During the reporting period no competitive neutrality complaints were received.

Particular Resolutions

Council made no resolution during the year under section 206(2) of the *Local Government Regulation 2012*, in relation to the value of Council non-current physical assets.

Particulars of any direction given to commercial business units


Council's *Code of Competitive Contact Policy* and *Dividend Policy* are available on Council's website on the following links:

Code of Competitive Contact Policy <https://www.wdrc.qld.gov.au/Council/Council-Policies-A-Z>

Dividend Policy <https://www.wdrc.qld.gov.au/Council/Council-Policies-A-Z>

Overall Performance Assessment

In Chapter 4 of this report, the Chief Executive Officer provides an informed assessment of Council's overall performance against the Corporate Plan and annual Operational Plan, following the summary of the organisation's performance outcomes, on pages 28 to 33.

A photograph of two women standing in front of a large glass window of a building. The woman on the left has short white hair, wears glasses, a blue polo shirt with a colorful landscape graphic, and blue jeans. The woman on the right has short blonde hair, wears sunglasses on her head, a blue and red polo shirt with a similar landscape graphic, and black pants. Both are smiling. The background shows a brick wall on the left and a reflection of trees in the window. A large, semi-transparent green banner is at the bottom of the page.

CHAPTER 4: REPORTING PERFORMANCE

Council's Strategic Direction

The Western Downs Regional Council's *Corporate Plan 2021 - 2026* sets out Council's vision through four strategic priorities. These priorities are underpinned by the key success drivers that Council has committed to achieve, and which guides our Operational Plan.

As Council is just one key stakeholder in the delivery of our communities' needs and expectations, the things Council is responsible for and contributes to, were identified and prioritised under each of the strategic priority area; then programs and deliverables under each of the priority areas were identified to guide Council's operations for the term of the Corporate Plan.

Western Downs Regional Council is committed to delivering services, projects and initiatives in response to the strategic priorities.

Council aims to play a primary role in building confidence in our communities and securing opportunities for our region.

Advocacy: A Regional Voice

- To actively seek and foster strategic partnerships
- For a long term domestic and industrial water supply for our region
- For health and social services that ensure 'Whole for Life' care for our residents
- For a safe and well maintained state and federal road network
- For telecommunications and digital connectivity to support and advance our region

Measuring Our Success

Alignment to these four strategic priority areas and to our Vision, Values, Advocacy and Risk strategies flows into Council budgets and operational work priorities for each financial year which is measured quarterly.

This Annual Report provides our community and key stakeholders with a broad overview and assessment of our performance for the 2022-23 financial year against our *Corporate Plan 2021 - 2026* and the Chief Executive Officer's assessment of our progress. Highlights of important achievements under each strategic theme are shown overleaf in the Performance Outcome Highlights.

A Diverse Region at the Forefront of the Changing World:

Strong Diverse Economy (Progress)

We aggressively attract business and investment opportunities

Our region is a recognised leader in agribusiness, energy and manufacturing

We deliver water security to enable future economic growth

We proactively advance our region as a tourism destination

Our businesses and industry actively live and buy local

Active Vibrant Community (People)

We are a happy, inclusive community, proud of where we live

Our people of diverse backgrounds and ages are united by social, cultural and sporting activities

Our parks, open spaces, and community facilities are alive with activities that connect our communities

We are a strong sustainable community supported by volunteers

We empower communities to develop local initiatives and events

Quality Lifestyle (Place)

Our residents are provided with modern infrastructure and quality essential services across our region

Our recreational spaces and community facilities are attractive, safe and accessible

We invest in safe, well maintained road networks to connect our region and support economic activities

We attract families to live, work, prosper and play in our region

We take pride in our natural assets, environment and heritage

Sustainable Organisation (Performance)

We are recognised as a financially intelligent and responsible Council

We focus on proactive, sustainable planning for our future

Our people are skilled and values-driven to make a real difference

Our agile and responsive business model enables us to align our capacity with service delivery

Our effective asset management ensures that we responsibly maintain our community assets

Performance Assessment

An informed assessment of how Council performed in the 2022-23 financial year against each of the strategic priorities expressed in the *Corporate Plan 2021 - 2026*, has been compiled by the Chief Executive Officer is shown on the following pages.

Assessment Key

The following symbols indicate our progress at the end of the 2022-23 financial year:



Achieved



Not Achieved



Scheduled Later in
Corporate Plan Cycle

Strong Diverse Economy (Progress)		
We aggressively attract business and investment opportunities	Identify and enable opportunities that facilitate new investment to the region.	✓
	Identify and enable opportunities that facilitate the development of local business, both new and existing.	✓
	We will have meaningful engagement with the development industry to seek feedback and encourage quality development outcomes.	✓
	Work will commence on the amendment of the Western Downs Planning Scheme, and will be guided by endorse project plan.	✓
	Our development assessment timeframes will continue to be amongst the best in the state.	✓
Our region is a recognised leader in agribusiness, energy and manufacturing	Improve access to Council's road network for Higher Productivity Vehicles (HPV) to benefit local businesses.	✓
	Identify and enable opportunities that facilitate industry leading trials or adoption of new innovation and technologies in the region.	✓
We deliver water security to enable future economic growth	Review opportunities for water security to enable future economic growth across the region.	📅
	Water supply progressed for economic growth in Dalby.	📅
	Support community drought resilience through promotion of Council's Rainwater Tank Incentive Program.	✗
	Completion of Annual Drinking Water Quality Management Plan review and KPI reports.	✓
We proactively advance our region as a tourism destination	Enable the growth and development of the region's destination events through strategic stakeholder engagement and tourism marketing.	✓
	Enable and support growth of our tourism products across our region.	📅
	High profile parks and recreational areas are maintained to a high standard through strategic stakeholder engagement and tourism marketing.	📅
	Enable the growth and development of tourist markets to increase visitor night stays in the region.	📅
	We capitalise on regional events as opportunities to promote our region.	✓
Our business and industry actively live and buy local	Commit to local supplier spend where possible within the value for money philosophy.	✗
	Enable businesses and industry to live local and buy local.	✓

Active Vibrant Community (People)		
We are a happy, inclusive community, proud of where we live	<ul style="list-style-type: none"> Strong community relations, meaningful communications and engagement are at the centre of our decision-making. 	✓
	<ul style="list-style-type: none"> Meaningful communications is demonstrated by ensuring policies and procedures reflect current and future communications trends. 	📅
	<ul style="list-style-type: none"> Environmental Health programs focus on improving community health, safety and amenity outcomes. 	📅
	<ul style="list-style-type: none"> Embrace the rich Aboriginal heritage of our region through engagement with the traditional owners. 	✓
	<ul style="list-style-type: none"> Our team will continue to work with the community to improve attitudes towards responsible pet ownership and to improve the behaviours of animal owners. 	📅
Our people of diverse backgrounds and ages are united by social, cultural and sporting activities	<ul style="list-style-type: none"> The Western Downs is recognised as a region that is culturally thriving and active. 	✓
	<ul style="list-style-type: none"> In partnership with community, support, promote and deliver events that encourage social connection. 	✓
Our parks, open spaces, and community facilities are alive with activities and connect our communities	<ul style="list-style-type: none"> Our open spaces are utilised for community connection through events and activities. 	✓
	<ul style="list-style-type: none"> Our premium recreational camping sites are maintained to support activities and social connections. 	✓
We are a strong sustainable community supported by volunteers	<ul style="list-style-type: none"> Active volunteer involvement and engagement enduring social, cultural, and economic value to Council, the community, and visitors to the region. 	✓
We empower communities to develop local initiatives and events	<ul style="list-style-type: none"> Promotion of community events is supported by Council. 	✓
	<ul style="list-style-type: none"> Supporting community groups to achieve their goals through provisions of appropriate grants and funding opportunities. 	✓
	<ul style="list-style-type: none"> Regionally, Western Downs sculpture and public art trail is improved and expanded to include associated opportunities for creative industries and economic development. 	📅




















Quality Lifestyle (Place)		
Our residents are provided with modern infrastructure and quality essential services across our region	<ul style="list-style-type: none"> A well connected and maintained footpath network, links our residents to key community facilities and CBDs. 	✓
	<ul style="list-style-type: none"> Improve and maintain the reliability of existing water supply and sewerage networks regionally. 	✗
	<ul style="list-style-type: none"> Utilities Capital Works Budget is developed and presented to Council ensuring ability for 100% delivery. 	✓
	<ul style="list-style-type: none"> Our Utilities Capital Works Program is delivered on time and on budget. 	✓
	<ul style="list-style-type: none"> Regular improvements assist with maintaining a portfolio of waste facilities that meet community needs. 	✓
	<ul style="list-style-type: none"> A strategic review of waste management will investigate long term options for our community. 	✓
Our recreational spaces and community facilities are attractive, safe and accessible	<ul style="list-style-type: none"> Robust strategic planning ensures the provision of recreational spaces to an agreed standard. 	📅
	<ul style="list-style-type: none"> Deliver quality public Wi-Fi in significant community places. 	✓
	<ul style="list-style-type: none"> Maintain a reliable CCTV network that enhances public safety in our major town centres. 	📅
We invest in safe, well maintained road networks to connect our region and support economic activities	<ul style="list-style-type: none"> Transport Asset Capital Works Budget is developed and presented to Council focusing on 100% delivery of program. 	✓
	<ul style="list-style-type: none"> Our Transport Asset Capital Works Program is delivered on time and on budget. 	✓
	<ul style="list-style-type: none"> Our design program is aligned to enable capital works programs to be delivered. 	✓
	<ul style="list-style-type: none"> Our quarry material production is to be well planned and aligned to works programs. 	✓
	<ul style="list-style-type: none"> We will continue to implement systems to improve road safety across the region through Traffic Advisory Committee to maintain safe road network 	✓



We invest in safe, well maintained road networks to connect our region and support economic activities	• An up-to-date 10 year Capital Works Program is in place.	✓
	• Our transport assets are well maintained and our systems for maintenance are appropriate.	✓
	• Load limit assessments provide the information necessary to allow permit access to Council's road network for higher productivity vehicles.	✓
	• A plan provides direction to allow closure activities to be undertaken in conjunction with normal daily operations.	✓
We attract families to live, work, prosper and play in our region	• The Western Downs is recognised as a region with great liveability that attracts and welcomes new residents.	✓
	• Our towns and districts unique characteristics are celebrated by location specific placemaking.	📅
	• Identify opportunities that attract and retain skilled workers and their families to our region's towns.	✓
We take pride in our natural assets, environment and heritage	• Our local heritage is documented and preserved to enhance community connections.	✓
	• In order to reduce ongoing liabilities, we will progress innovative approaches to landfill rehabilitation.	✓
	• We will advocate to ensure that our environment is protected during resource and energy sector operational and post closure phases.	✗
	• Our stock route management plans focus on the preservation of the primary stock routes and facilitate their use by drovers and graziers.	✓
	• We will maximise engagement with regional Natural Resource Management (NRM) groups to deliver on ground projects focused on vegetation and riverine areas.	✓
	• Pest management projects deliver effective on group programs that focus on priority pests in key locations.	✓



Sustainable Organisation (Performance)		
We are recognised as a financially intelligent and responsible Council	<ul style="list-style-type: none"> Deliver an internal audit program in accordance with Council's adopted Three-Year Strategic Audit Plan. 	✓
	<ul style="list-style-type: none"> Ensure that Council complies with all of its statutory obligations, manages its risk, undertakes targeted internal audits, and meets community expectations of transparency and performance reporting. 	✓
	<ul style="list-style-type: none"> Completion of Annual Financial Statements and audit within legislative requirements. 	✓
	<ul style="list-style-type: none"> Completion of 100% of Capital Works Program. 	✗
	<ul style="list-style-type: none"> Completion of 100% of Facilities Capital Works Program. 	✗
	<ul style="list-style-type: none"> Adoption of Annual Budget. 	✓
	<ul style="list-style-type: none"> Core corporate systems and network is available to support delivery of Council services. 	✓
	<ul style="list-style-type: none"> Ensure tools and processes are in place to protect Council's information assets. 	📅
	<ul style="list-style-type: none"> Provide high levels of specialist legal support to all of Council to assist each department reach its goals. 	✓
	<ul style="list-style-type: none"> Major projects and procurement of goods and services drive economic growth through local spending. 	✓
We focus on proactive, sustainable planning for the future	<ul style="list-style-type: none"> Sister city project progressed to gain and share knowledge, learnings and opportunities. 	✓
	<ul style="list-style-type: none"> Our community is informed via meaningful communications in relation to weather preparedness. 	✓
	<ul style="list-style-type: none"> Workforce Plan is developed to ensure capability and capacity now and into the future. 	📅
	<ul style="list-style-type: none"> Implementation of the Facilities asset management system. 	✓
	<ul style="list-style-type: none"> A strategic approach will be taken for development compliance programs. 	✓
	<ul style="list-style-type: none"> The organisation is appropriately prepared to respond in the event of a disaster. 	✓
Our people are skilled and values-driven to make a real difference	<ul style="list-style-type: none"> Leave liability is managed in accordance with Enterprise Bargaining Agreements. 	✓
	<ul style="list-style-type: none"> Our Leadership Team capability provides a high level of performance to deliver on Council's Corporate Plan Strategy. 	📅
	<ul style="list-style-type: none"> Health and Safety is a primary consideration across the organisation. 	✓
	<ul style="list-style-type: none"> Proactive safety indicators are promoted across the organisation to enhance safety consciousness. 	✓

Our agile and responsive business model enables us to align our capacity with service delivery	<ul style="list-style-type: none"> Customer Experience Satisfaction Program - monitor customers' satisfaction levels and implement a new Benchmarking Program. 
	<ul style="list-style-type: none"> Our fleet is utilised effectively and efficiently. 
	<ul style="list-style-type: none"> Our preventative maintenance program provides a reliable and safe natural gas network. 
	<ul style="list-style-type: none"> Council proactively manages changes in community housing regulatory requirements that have significant impact to operations and resourcing. 
	<ul style="list-style-type: none"> Saleyards processes and procedures align with good practice. 
	<ul style="list-style-type: none"> A robust asset maintenance program delivers safe, fit for purpose facilities. 
	<ul style="list-style-type: none"> Expand our precedent and knowledge library to enable faster response times. 
Our effective asset management ensures that we responsibly maintain our community assets.	<ul style="list-style-type: none"> Transfer of permanent/high value records to Queensland State Archives. 
	<ul style="list-style-type: none"> Measurement of current transport asset renewal and upgrade unit rates is completed to enable sound financial planning and management of Council's Transport Capita Works Program. 
	<ul style="list-style-type: none"> Work with Asset Management Plan (AMP) owners to action AMP improvement plans to ensure effective asset management is maintained. 
	<ul style="list-style-type: none"> Effective management of safety standards to meet servicing compliance for fire and first aid. 
	<ul style="list-style-type: none"> Council's transport infrastructure maintenance practices enable sound financial management of maintenance budgets and operating funds. 
	<ul style="list-style-type: none"> Our fleet is agile and reflective of business requirements. 
	<ul style="list-style-type: none"> Implement strategies to determine long term viability of community facilities. 
	<ul style="list-style-type: none"> All property related matters and transactions are compliant with legislation. 
	<ul style="list-style-type: none"> An up-to-date 10 year Utilities Capital Works Program is in place. 
Advocacy	<ul style="list-style-type: none"> We actively advocate on issues that align to our long-term strategic objectives and vision for our region 



Performance Highlights

Quality Lifestyle

Throughout the year 2022-23, notable progress was made on various major projects. In July 2022, the revitalised Miles Streetscape was officially opened, with approximately 300 attendees celebrating the occasion. Substantial headway was also made on the Chinchilla Cultural Centre Revitalisation project, while construction of Mary's Place at 120 Cunningham Street in Dalby reached its final stages, with plans for the official opening to take place in August 2023.

Meanwhile, previously completed major projects continued to receive recognition with the Chinchilla Botanic Parkland again receiving the esteemed Green Flag Award, a testament to its status as a benchmark publicly accessible park and green space.

Council remained committed to providing residents with modern infrastructure which was showcased by the resheeting of over seventy-five kilometres of gravel road, upgrading or reconstruction efforts spanning a distance of sixteen kilometres on various roads, and the installation of 803 metres of new or reconstructed footpath.

Notable among these achievements was the \$1.75 million flood immunity and transportation network strengthening upgrade of Bullock Head Road near Tara, and the Sundown Bridge over Wandoan Creek underwent a \$3.6 million transformation. Not to be overlooked, the upgrades made to the Dulacca Waste Transfer Station showcased the Council's dedication to providing essential services to the region's residents.



Another source of pride for Council was its contribution to housing development in the region. The sale of eleven vacant residential lots in Wandoan and Glenmorgan enabled further growth and housing establishment in the area.



Council played a pivotal role in providing support to the community following a series of natural disasters that occurred during the 2022-23 period. In partnership with government agencies, Council aided residents affected by the February 2023 bushfires. In line with disaster relief efforts, local contractors were engaged to assist in producing gravel required for the Flood Damage Project under the Disaster Relief Funding Arrangements (DRFA).

Following the implementation of new community engagement practices, locals were given the opportunity to voice their opinions on the future of pools and showgrounds as part of the development of the Aquatic Facilities Strategy and Showgrounds Strategy. These strategies were subsequently adopted during the June 2023 Council Meeting.

In addition to enhanced community consultation and communication, the Rural Services Team set up information stalls at various shows throughout the Western Downs, proving to be immensely popular with landholders. These stalls fostered constructive conversation with landholders regarding previously unknown pest infestations.

Taking a broader perspective on community engagement, Council orchestrated the inaugural Western Downs Futures' Summit. This summit brought together community leaders from across the region to collaboratively outline a shared vision for the region's liveability.

Active Vibrant Community

The Western Downs region is made up of individuals from various backgrounds and age groups who are often brought together through vibrant social and cultural activities.

A wide array of Council-run community-focused events took place ensuring there was something for everyone throughout the year. This included regional drive-in movies, a youth event featuring a mega-sized inflatable obstacle, regional Seniors Month celebrations, Australia Day Awards and events which saw an impressive turnout of over 4,200 attendees, the return of regional pool parties, the third year of the Groovin' from the Garage competition, and the seventh annual tour of the Not Just for Laughs comedy roadshow. Meanwhile, the festive season was commemorated through rural mailbox competitions, Christmas tree light-ups, local Christmas events, workshops, and the Easter in Anderson Park gathering was deemed a hit, attended by an estimated 180 children.



Western Downs Libraries achieved a second remarkable feat that year, launching its very first mobile app, ensuring that residents can access their exceptional services from any location at any time.

Volunteerism was also a notable highlight of the 2022-23 period, with Council recognising the region's volunteers at Jubri's Hideaway as part of National Volunteers Week. Training and support was also extended to volunteers during the Volunteer Engagement Day.

Significant strides were also made in terms of community engagement, formulating and implementing the new Communications and Community Engagement Strategy. This strategy led to increased engagement during numerous strategy development projects. Additionally, the strategy supported the development of a new Western Regional Council website, resulting in enhanced communication and convenience for the community.

The strategy also facilitated community involvement in suggesting names for the redevelopment of the 120 Cunningham Street site, now known as Mary's Place, receiving a total of 162 submissions. A Community Advisory Panel was also established following the adoption of the strategy, carrying out a series of workshops to gather input and establish activity criteria for the highly anticipated Dalby Cultural Centre project.

In addition to these outcomes, Council celebrated several notable award achievements, including the recognition of the Miles central business district streetscape project and Wandoan's Soldier Settlers Avenue of Honour as finalists in the 2023 National Street Art Awards.

The Western Downs is made up of individuals from various backgrounds and age groups who are often brought together through vibrant social and cultural activities.

Council also took great pride in supporting the local arts and culture community through a series of programs. The "Create Your Headspace" initiative served as a platform for younger residents to artistically express their response to mental well-being. The 2022 Regional Artists' Exhibition celebrated the region's talented

artists across various art forms, and the 2023 program commenced for its tenth year. The third and final chapter of the Western Downs 10 Artist Project was launched, unveiling short videos which provide insight into the creative lives of the region's talented artists.

The fourth annual Words Out West Readers and Writers Festival proved to be a success once again, as it attracted over 2,250 students for the school events and drew an attendance of 446 individuals at the Books and Bubbles night, the sold-out Schooners and Stories, the Festival Day, the Author Tour, and the Writers Retreat.





Sustainable Organisation

During the 2022-23 financial year period, Council achieved several notable accomplishments that were acknowledged through a series of awards. Council was honoured with the title of Large Employer of the Year at the Queensland Training Awards Regional Finals, where one of our staff members, Jaimee Radke, also received the Vocational Student of the Year award. The Infrastructure Services Team received recognition when they were awarded Employer of the Year for the Public Sector at the IPWEA QLD 2022 Excellence Awards for their commitment to delivering positive outcomes for the community, while fostering diversity, collaboration, professional development, and sector advancement, was acknowledged.

The Libraries Team also received accolades for their efforts in the Shout Out Youth Storytelling Competition when they were honoured with the Gold Award for Local Government Authorities at the Queensland Public Libraries Association Awards. Moreover, Council's Risk Reporting Framework led them to win the Local Government Mutual Scheme Risk Excellence Award for the South-Western Queensland Region at the 2022 Local Government Association of Queensland Annual Conference.

Continuing with its success, Council's focus on responsible financial management and better value for money for ratepayers contributed to the establishment of six new service delivery contracts, spanning multiple years, allowing Council to introduce more stringent quality control measures and seek improved value for money. Notably, major tenders for waste and recyclable collection and processing were finalised through a joint procurement exercise with the

Council is focused on responsible financial management and better value for money for ratepayers.

Toowoomba Regional Council. This collaboration resulted in significant cost savings for both the tender process and the subsequent service costs.

Significant progress was also made in Council's digital landscape, finalising Phase One of the SMART Digital Programme, which was set to be implemented

on 4 July 2023. Additionally, Council developed and delivered eleven training modules supporting employees through this transition.

The successful Kickstart Your Career programme was delivered once again with success. Twenty new apprentices and trainees commenced their careers with Council in 2023. This came after thirteen of the 2022 participants obtained full-time roles within Council, while five secured positions within the community.

To further-support the regional's youth, Council actively participated in career expos held in Chinchilla and Dalby, providing information on career opportunities to local high school students. Council was also proud to host students as part of their work experience programs, as well as welcome





others to tour the Chinchilla Water Treatment Plant to increase students' knowledge of career pathways in the utilities industry.

Maintaining a safe workplace remained a priority for the Council. Skin screening programs were conducted, providing free skin checks to 205 employees. Additionally, 334 drug and alcohol tests were carried out across the region to ensure workplace safety. Seasonal wellness campaigns were also launched to encourage staff to prioritise their health, particularly during flu seasons.



Council's focus on mental wellbeing was evident through several programs. The Mind Matters Mental Health Roadshow featured speaker Sam Bailey, who delivered six regional sessions, sharing insights about overcoming challenges, achieving success in adversity, and building resilience. Gus Worland from the Gotcha4Life Foundation also presented a session on mental fitness to Council staff and the broader community.

A notable effort to raise awareness about mental health and suicide was the introduction of 'Conversation Starter Shirts,' designed to initiate conversations on these sensitive topics. Lunch and Learn sessions, delivered by Dr. Maike Neuhaus, promoted psychological safety, mental wellbeing, and resilience among employees.

Employees who volunteered as Workplace Support Officers were trained to assist staff members experiencing harassment, bullying, or other forms of discrimination. These actions align with the council's preparation for the Psychological Safety in the Workplace requirements coming into effect on 1 April 2023.

To foster a positive culture and enhance wellbeing within the Council, a Corporate Action Team was established. This team aims to strengthen connections, collaboration, understanding, and engagement across different teams. The formation of this team followed a Culture Survey conducted among staff. Additionally, a Care for Council Campaign (People, Property, Places) was implemented organisation-wide with the objective to increase safety awareness, respect, and appreciation for Council, its employees, equipment, and the various places and facilities across the region.



Strong Diverse Economy

As part of Council's commitment to proactively advancing the region as a tourism destination, several major events were hosted and supported that drew thousands to the area. After a two-year break, Big Skies Festival 2022 saw close to 2,000 attendees, which included onsite camping, a camp kitchen, markets, and a two-day concert featuring iconic Australian artists at the historic Jimbour House. The event later received the bronze award in the 2022 Best Grey Nomad Festival category at the Best Nomad Awards.

Council also supported the much-loved Dalby Delicious and deLIGHTful Festival and Tara Festival of Culture and Camel Races in August 2022, sponsored the Chinchilla Melon Festival in February 2023, and partnered with Queensland Music Festival to deliver Opera at Jimbour 2023 in May.

Through Council's Destination Events grants program, support was also offered for the International Legends of League and Queensland Rugby League Rugby game.

Council's commitment to proactively advancing the region as a tourism destination saw several major events were hosted and supported.

In addition to hosting popular festivals and events, the Western Downs is also home to several desirable destination locations, including the Miles Historical Village Museum which was named Queensland's Best Experience.

Local business and employment focussed events showcased the opportunities available in the region. These events included Ignite Your Own Business Idea, Procurement Roadshow, Young Entrepreneur Summit (in partnership with the Australian School of Entrepreneurship), Western Downs Accelerate Manufacturing Conference, Protein 2023 Conference (in partnership with the Toowoomba and Surat Basin Enterprise), and the Protein Jobs Fair (supported by Toowoomba and Surat Basin Enterprise and AgForce).

Council also partnered with the Department of Foreign Affairs and Trade, and the Toowoomba and Surat Basin Enterprise to host a group of European Union ambassadors and diplomats in March 2023. The event included a roundtable discussion and showcased the region's industry strength.

In October, the Biosecurity: Are We Ready? Forum invited farmers, agents, and livestock transporters along to receive the latest information on biosecurity and pest management. The Dalby Regional Saleyards also saw success in 2022-23, conducting popular Saleyard tours for the first time.

The Saleyards were praised as an exemplar of livestock management best practice when it hosted a Vietnamese



delegation as part of the Meat and Livestock Australia program to improve animal welfare in Vietnam.

In effort to attract more workforce to the region, a social media workforce attraction campaign was launched in December 2022, which garnered significant impressions, reach, and link clicks.

Additionally, Council partnered with Business Navigator Western Downs to deliver workforce attraction and business social media workshops to local businesses.

In terms of strategic development, significant progress was made in 2022-23 with the adoption of the 5-year Economic Development and Tourism and Events strategies. These strategies were developed through extensive community engagement and consultation and have since been recognised by the Regional Australia Institute as best practice.

In December 2022, Council conducted a funding review for key strategic partners, including Chambers of Commerce, Major Event Committees, Toowoomba Surat Basin Enterprise, Southern Queensland Country Tourism, and Museums and Galleries. The review evaluated current processes and identified options to maximize the benefits of our investment.

Enhanced development processes also yielded great outcomes for the region, with Council maintaining one of the best development assessment performances in Queensland. On average, development applications are assessed in under fifteen business days. Furthermore, we completed a major amendment to the Western Downs Planning Scheme.

To stimulate construction and make the region even more attractive for new units, multicomplexes, and land subdivision developments, a \$1,000,000 housing and land incentive was announced. The sale of two commercial properties in Chinchilla and Meandarra also promoted business development, expansion, and investment opportunities in the region.



CHAPTER 5: FINANCIAL REPORTING



Western Downs Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023



Western Downs Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

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Western Downs Regional Council

Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	104,766	101,225
Fees and charges	3b	9,011	8,517
Sales revenue	3c	27,440	23,219
Grants, subsidies, contributions and donations	3d(i)	22,720	29,014
Total recurrent revenue		163,937	161,975
Capital revenue			
Grants, subsidies, contributions and donations	3d(ii)	26,065	19,512
Capital income	5	186	693
Total capital revenue		26,251	20,205
Other income			
Rental income	16	801	1,387
Interest received	4a	9,126	1,484
Other income	4b	1,505	1,291
Total other income		11,432	4,162
Total income		201,620	186,342
Expenses			
Recurrent expenses			
Employee benefits	6	48,233	51,299
Materials and services	7	60,677	66,412
Finance costs	8	967	749
Depreciation and amortisation:			
- Property, plant and equipment	14	44,783	43,183
- Intangible assets		25	21
- Right of use assets	16	261	209
Total recurrent expenses		154,946	161,873
Other expenses			
Capital Expenses	9	3,114	20,344
Total other expenses		3,114	20,344
Total expenses		158,060	182,217
Net Result		43,560	4,125
Other comprehensive income			
Amounts which will not be reclassified subsequently to the operating result			
Increase/(decrease) in asset revaluation surplus	14	121,457	53,497
Total other comprehensive income for the year		121,457	53,497
Total comprehensive income for the year		165,017	57,622

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

Western Downs Regional Council

Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Assets			
Current assets			
Cash and cash equivalents	10	278,683	230,463
Receivables	11	13,740	18,238
Inventories	12	4,813	4,887
Contract assets	15	936	974
Assets classified as held for sale	13	206	499
Total current assets		298,378	255,061
Non-current assets			
Right of use assets	16	381	640
Property, plant and equipment	14	1,672,697	1,526,226
Intangible assets		1,215	1,313
Total non-current assets		1,674,293	1,528,179
Total Assets		1,972,671	1,783,240
Liabilities			
Current liabilities			
Payables	17	16,935	16,288
Contract liabilities	15	36,999	13,334
Lease liabilities	16	184	241
Provisions	18	12,122	12,084
Total current liabilities		66,240	41,947
Non-current liabilities			
Payables	17	2,586	2,494
Lease liabilities	16	286	463
Provisions	18	7,473	7,267
Total non-current liabilities		10,345	10,224
Total Liabilities		76,585	52,171
Net community assets		1,896,086	1,731,069
Community equity			
Asset revaluation surplus	19	855,635	734,178
Retained surplus		1,040,451	996,891
Total community equity		1,896,086	1,731,069

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

Western Downs Regional Council

Statement of Changes in Equity

for the year ended 30 June 2023

	Notes	Asset revaluation surplus \$ '000	Retained surplus \$ '000	Total equity \$ '000
2023				
Balance as at 1 July		734,178	996,891	1,731,069
Net result		–	43,560	43,560
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	14	121,457	–	121,457
Other comprehensive income		121,457	–	121,457
Total comprehensive income for the year		121,457	43,560	165,017
Balance as at 30 June		855,635	1,040,451	1,896,086
2022				
Balance as at 1 July		680,681	992,766	1,673,447
Net result		–	4,125	4,125
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	14	53,497	–	53,497
Other comprehensive income		53,497	–	53,497
Total comprehensive income for the year		53,497	4,125	57,622
Balance as at 30 June		734,178	996,891	1,731,069

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

Western Downs Regional Council

Statement of Cash Flows

for the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Cash flows from operating activities			
Receipts from customers		154,526	142,628
Payments to suppliers and employees		(120,030)	(125,344)
		34,496	17,284
Receipts			
Interest and investment revenue received		9,126	1,484
Rental income		831	1,415
Non capital grants and contributions		27,104	30,690
Other		5	—
Payments			
Borrowing costs		(496)	(436)
Net cash inflow from operating activities	23	71,066	50,437
Cash flows from investing activities			
Receipts			
Proceeds from sale of property, plant and equipment		1,344	2,646
Grants, subsidies, contributions and donations		49,687	31,471
Payments			
Payments for property, plant and equipment		(73,637)	(54,948)
Net cash outflow from investing activities		(22,606)	(20,831)
Cash flows from financing activities			
Payments			
Repayments made on leases (principal only)		(240)	(187)
Net cash flow outflow from financing activities		(240)	(187)
Net increase in cash and cash equivalents held		48,220	29,419
plus: cash and cash equivalents - beginning		230,463	201,044
Cash and cash equivalents at the end of the financial year	10	278,683	230,463

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

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 1. Information about these financial statements

(a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2022 to 30 June 2023. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

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

Western Downs Regional Council adopted all standards which became mandatory for annual reporting periods effective from 1 July 2022. None of the standards had a material impact on reported position, performance and cash flows.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective as at 30 June 2023. These standards have not been adopted by Council and will be included in the financial statements on their effective date. There are no standards that are not yet effective that are expected to have a material impact on the Council in future reporting periods.

(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:

- Valuation and depreciation of Property, Plant & Equipment - Note 14
- Impairment of Property, Plant and Equipment - Note 9
- Provisions - Note 18
- Contingent Liabilities - Note 21
- Financial instruments and financial assets – Note 24
- Revenue recognition - Note 3

(e) Rounding and Comparatives

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

Comparative information is restated for reclassifications, errors and changes in accounting policies to be consistent with the current reporting period unless permitted otherwise by transition rules in a new Accounting Standard.

(f) Volunteer Services

Council utilises volunteer services in its Visitor Information Centres, Libraries, Art Galleries and Museum. Council pays for all incidental costs that relate to these volunteer services. These have not been included in the financial statements as these services would not have been purchased if they had not been donated.

(g) Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST') and payroll tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2. Analysis of results by function

(a) Council functions – component descriptions

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

General operations

Efficient and effective delivery of services that maintain and improve the liveability of the community.

Commercial works

Undertake works for customers on a commercial basis. Typically the works will relate to Non-Council owned roads, water and sewerage infrastructure.

Waste management

Provide and maintain an environmentally sensitive waste collection and disposal service.

Water services

Manage Council's water supply systems to achieve a reliable, safe and cost effective water service.

Gas supply

Manage the gas network to achieve a reliable, safe and cost effective gas supply service.

Dalby Regional Saleyards

Manage the operations of the Dalby Regional Saleyards to deliver a safe and cost effective livestock selling facility.

Quarries

Operate Council's quarry and gravel pits to meet Council's needs and to sell at commercial rates to other customers.

Sewerage services

Manage the sewerage system to achieve a reliable, safe and cost effective and environmentally sensitive sewage disposal service.

Washdown bays

Provide and maintain an environmentally sensitive and cost effective vehicle washdown service.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2. Analysis of results by function (continued)

(b) Council functions - analysis of results by function

Functions	Gross program income			Gross program expenses			Net result from			
	Recurring grants \$ '000	Recurring other \$ '000	Capital grants \$ '000	Capital other \$ '000	Total income \$ '000	Recurring \$ '000	Capital \$ '000	Total expenses \$ '000	Net result \$ '000	Total assets \$ '000
2023										
General operations	22,570	94,279	25,437	186	142,472	(99,545)	(2,674)	(102,219)	17,304	1,613,285
Commercial works	150	13,996	—	—	14,146	(11,934)	—	(11,934)	2,212	—
Waste management	—	7,991	—	—	7,991	(9,714)	349	(9,365)	(1,723)	12,445
Water services	—	12,715	590	—	13,305	(15,239)	(389)	(15,628)	(2,524)	181,650
Gas supply	—	3,394	—	—	3,394	(2,248)	—	(2,248)	1,146	11,753
Dalby Regional Saleyards	—	3,058	8	—	3,066	(2,317)	—	(2,317)	741	13,614
Quarries	—	6,957	—	—	6,957	(6,682)	(299)	(6,981)	275	3,704
Sewerage services	—	9,152	30	—	9,182	(6,582)	(101)	(6,683)	2,570	135,550
Washdown bays	—	1,107	—	—	1,107	(685)	—	(685)	422	670
Total	22,720	152,649	26,065	186	201,620	(154,946)	(3,114)	(158,060)	20,423	1,972,671
2022										
General operations	28,229	84,715	19,101	692	132,737	(111,054)	(21,382)	(132,436)	1,890	1,460,353
Commercial works	785	12,406	—	—	13,191	(11,117)	—	(11,117)	2,074	395
Waste management	—	7,470	341	—	7,811	(8,731)	644	(8,087)	(1,261)	11,617
Water services	—	12,038	53	—	12,091	(14,450)	(236)	(14,686)	(2,412)	161,244
Gas supply	—	3,257	—	—	3,257	(1,996)	(4)	(2,000)	1,261	10,848
Dalby Regional Saleyards	—	2,575	—	—	2,575	(1,932)	(22)	(1,954)	643	12,704
Quarries	—	4,936	—	—	4,936	(5,546)	1,090	(4,456)	(610)	3,546
Sewerage services	—	8,790	17	—	8,807	(6,458)	(434)	(6,892)	2,332	121,376
Washdown bays	—	937	—	—	937	(589)	—	(589)	348	1,157
Total	29,014	137,124	19,512	692	186,342	(161,873)	(20,344)	(182,217)	4,265	1,783,240

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue

	2023 \$ '000	2022 \$ '000
(a) Rates, levies and charges		
Rates, levies and utility charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period that they relate to.		
General and special rates	82,891	80,269
State and rural fire levy	115	160
Water	6,170	5,922
Water consumption, rental and sundries	5,636	5,418
Sewerage	9,525	9,150
Waste management	5,929	5,678
Total rates and utility charge revenue	110,266	106,597
Less: discounts	(5,041)	(4,914)
Less: pensioner remissions	(459)	(458)
Total rates, levies and charges	104,766	101,225

(b) Fees and charges

Revenue arising from fees and charges is recognised at the point in time 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 by the Council. Generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

	2023 \$ '000	2022 \$ '000
Waste disposal fees	1,999	1,969
Aerodrome fees	1,165	1,017
Water sales	1,216	950
Washdown bay fees	1,107	937
Building and development fees	924	911
Cemetery fees	506	425
Rates searches	324	382
Animal registration fees	292	327
Other fees and charges	1,478	1,599
Total fees and charges	9,011	8,517

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue (continued)

(c) Sales revenue

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

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract and recoverable works 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 as an amount received in advance in trade and other payables and is recognised as revenue in the period when the service is performed.

	2023 \$ '000	2022 \$ '000
Rendering of services		
Contract and recoverable works	14,065	12,479
Saleyard services	3,057	2,575
Total sale of services	17,122	15,054
Sale of goods		
Gas sales	3,362	3,233
Quarry sales	6,956	4,932
Total sale of goods	10,318	8,165
Total sales revenue	27,440	23,219

(d) Grants, subsidies, contributions and donations

Grant income under AASB 15

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

Performance obligations vary in each agreement but mostly include the holding of events, construction or maintenance of assets or the completion of projects. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain milestones for others.

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

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income under AASB 1058

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

Capital grants

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

Donations and contributions

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the Council. Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue (continued)

	2023 \$ '000	2022 \$ '000
(i) Operating		
General purpose grants	18,678	21,500
State government subsidies and grants	2,969	3,461
Commonwealth government subsidies and grants	858	3,943
Contributions	215	110
Total recurrent grants, subsidies, contributions and donations	22,720	29,014

(ii) Capital

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 non-cash contributions which are usually infrastructure assets received from developers.

State government subsidies and grants	16,368	6,307
Commonwealth government subsidies and grants	6,968	9,918
Contributions	2,648	3,287
Developer assets contributed by developers at fair value	81	–
Total capital grants, subsidies, contributions and donations	26,065	19,512

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

	2023		2022	
	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000
Grants and subsidies	27,861	17,980	38,295	6,834
Contributions	2,944	–	3,397	–
	30,805	17,980	41,692	6,834

Note 4. Interest and other income

	2023 \$ '000	2022 \$ '000
(a) Interest received		
Interest received from bank deposits is accrued over the term of the investment.		
Interest received from financial institutions	8,680	1,229
Interest received from other sources	187	10
Interest from overdue rates and utility charges	259	245
Total interest received	9,126	1,484

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 4. Interest and other income (continued)

	2023 \$ '000	2022 \$ '000
(b) Other income		
Ticket Sales	199	202
Reimbursement of expenditure	493	480
Other income	813	609
Total other income	1,505	1,291

Note 5. Capital income

	Notes	2023 \$ '000	2022 \$ '000
(a) Gain on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment		995	1,808
Less: carrying value of disposed property, plant and equipment	14	(785)	(1,237)
		210	571
Proceeds from disposal of land and improvements		68	838
Less: carrying value of disposed land	14	(61)	(739)
		7	99
Gain on disposal of non-current assets		217	670
(b) Non-current assets held for sale			
Proceeds from the disposal		281	—
Less: carrying value of disposed assets		(312)	—
	12	(31)	—
(c) Other			
Other		—	23
		—	23
Total capital income		186	693

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 6. Employee benefits

	Notes	2023 \$ '000	2022 \$ '000
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		37,983	41,149
Councillors' remuneration		729	715
Annual, sick and long service leave entitlements		9,002	8,421
Superannuation	22	4,978	5,357
		52,692	55,642
Other employee related expenses		1,078	921
		53,770	56,563
Less: capitalised employee expenses		(5,537)	(5,264)
Total Employee benefits		48,233	51,299

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

Note 7. Materials and services

	2023 \$ '000	2022 \$ '000
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Advertising	215	117
Audit of annual financial statements by the Auditor-General of Queensland	211	196
Diesel and fuel	4,288	3,656
Donations and grants paid	913	12,819
Insurance	1,862	1,808
Legal fees	295	611
Precept payment	575	555
Purchase of gas	1,165	973
Repairs and maintenance	13,275	10,757
Contractors, consultants and services	32,606	29,048
Subscriptions and registrations	595	488
Telecommunications	361	432
Utilities	2,339	2,431
Other materials and services	1,977	2,521
Total materials and services	60,677	66,412

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 8. Finance costs

	2023 \$ '000	2022 \$ '000
Bank charges	493	422
Impairment of receivables and bad debts written off	253	245
Interest on leases	4	4
Provision for evaporation ponds - unwinding of discounts on provision	19	2
Provision for quarry - unwinding of discounts on provision	50	29
Provision for refuse sites - unwinding of discounts on provision	102	28
Provision for gravel pits - unwinding of discounts on provision	46	19
Total finance costs	967	749

Note 9. Capital expenses

	2023 \$ '000	2022 \$ '000
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(a) Loss on impairment

Impairment of property, plant and equipment:

Buildings	—	7,115
Impairment losses recognised in the Income Statement	—	7,115

Key judgements and estimates

In assessing impairment, management estimates the recoverable amount of each asset, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(b) Provision for restoration of land

Discount rate adjustment to refuse rehabilitation provision	(319)	(505)
Discount rate adjustment to quarry rehabilitation liability	300	(772)
Increase in Rehabilitation Provision - Refuse	—	(225)
Increase in Rehabilitation Provision - Quarry	—	(338)
	18 (19)	(1,840)

The discount rate adjustment to the quarry rehabilitation liability was adjusted against expenses as there was an insufficient asset revaluation reserve in the relevant asset class.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Capital expenses (continued)

(c) Revaluation decrement

Revaluation decrement of property, plant and equipment	14	—	160
		—	160

(d) Other capital expenses

Loss on write-off of assets	3,133	14,909
	3,133	14,909

Total capital expenses	3,114	20,344
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Note 10. Cash, cash equivalents and financial assets

	2023 \$ '000	2022 \$ '000
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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.

Cash and cash equivalents

Cash at bank and on hand	3,631	2,633
Deposits at call	275,052	227,830
Balance per Statement of Financial Position	278,683	230,463

Balance per Statement of Cashflows

Cash and cash equivalents	278,683	230,463
Less: externally imposed restrictions on cash	(38,187)	(18,432)
Unrestricted cash	240,496	212,031

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

These include:

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

Unspent government grants and subsidies	37,437	17,457
Unspent special rates	750	975
Total externally imposed restrictions on cash assets	38,187	18,432
Total unspent restricted cash	38,187	18,432

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Receivables

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

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

The impairment loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

	2023 \$ '000	2022 \$ '000
Trade and other receivables		
Rates and charges	7,067	7,208
Sale of services, fees and charges	2,852	6,099
Gas utility	85	97
Infringements	285	287
Main roads	—	394
Resource sector	816	2,122
Gas charges not yet levied	515	721
GST recoverable	1,055	554
Prepayments	1,653	1,634
Total	14,328	19,116
less: Provision for impairment		
Total provision for impairment - receivables	(588)	(878)
Total current receivables	13,740	18,238

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Receivables (continued)

Accounting policies

Grouping

Council has identified 8 distinctive groupings of its receivables: Rates and Charges, Rates and Charges - Other, Grants, Main Roads, Gas, Statutory Charges, Resource Sector and Other Receivables.

Rates and Charges and Rates and Charges - Other: Council is empowered under the provisions of the Local Government Act 2009 to sell an owner's property to recover outstanding rates and charges debts. This results in immaterial Expected Credit Losses (ECL). As a general rule, Council does not impair rates and charges. Council will impair a specific category of rates and charges if arrears are deemed to be greater than the proceeds Council would likely receive from the sale of the respective property.

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

Main Roads are construction and maintenance works which Council undertakes on behalf of the State Government. These projects are considered to have a low expected credit loss probability due to the high credit worthiness of the third party. Accordingly, Council determines the level of credit risk exposure to be immaterial.

Statutory Charges include infringement notices for penalty offences including failure to contain animals, failure to keep a property in a reasonable condition, failure to comply with conditions etc. Infringements have a high risk of loss with the expected loss being based on historical information and current receivables.

Gas Sales: These are outstanding balances in relation to the provision and delivery of gas to residential, commercial and industrial customers. Council recognises impairment on these sales based on historical analysis.

Resource Sector relates to funding agreed to be provided to improve or construct Council owned capital infrastructure (mostly roads) or works completed by Council for resource sector companies. Council has determined the level of credit risk to be immaterial based on the low risk associated with the other parties.

Other Receivables: Council identifies other receivables as receivables which do not fall into any of the other seven categories. Expected credit losses have been calculated using assessments on historical information and current market trends.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Receivables (continued)

	2023 \$ '000	2022 \$ '000
Movement in accumulated impairment losses is as follows:		
Opening balance at 1 July	(878)	(798)
Add		
Additional impairments recognised	(252)	(245)
Less		
Impairment debts written off during the year	539	165
Impairments reversed	3	—
Balance at the end of the year	(588)	(878)

Credit risk exposure and impairment of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security.

Council uses a provision matrix to measure the expected credit losses on statutory charges and other debtors. Loss rates are calculated separately for groupings with similar loss patterns. The calculations reflect historical observed default rates calculated using credit losses experienced on past transactions from previous years for each group. Loss rates are based on actual credit loss experienced over the prior years, current conditions and the Council's view of economic conditions over the expected lives of the receivables. Council has determined there are eight material groupings for measuring expected credit losses based on a combination of their statutory status, Council's policies and procedures, sale of services and goods, and risk default profiles of these revenue streams.

Expected credit loss assessment

The Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

End of period expected credit losses on outstanding receivables

All amounts that were written off during the reporting period are no longer subject to enforcement activity.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Receivables (continued)

2023	Closing balance	Historical probability of default	Loss given default	Lifetime expected credit loss
Ageing	\$ '000	\$ '000	\$ '000	\$ '000
Rates and charges - other				
Current	-	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	-	0.00%	100.00%	-
61-90 days	-	0.00%	100.00%	-
90+ days	698.78	58.72%	100.00%	410.34
Total	698.78			410.34
Gas sales				
Current	7.42	0.91%	100.00%	0.07
1-30 days	39.23	22.73%	100.00%	8.92
31-60 days	18.31	45.45%	100.00%	8.32
61-90 days	2.02	68.18%	100.00%	1.37
90+ days	16.81	86.36%	100.00%	14.52
Total	83.79			33.20
Statutory charges				
Current	4.85	1.00%	100.00%	0.05
1-30 days	13.74	5.00%	100.00%	0.69
31-60 days	7.47	10.00%	100.00%	0.75
61-90 days	19.66	25.00%	100.00%	4.91
90+ days	239.26	40.00%	100.00%	95.70
Total	284.98			102.10
Resource sector				
Current	783.43	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	-	0.00%	100.00%	-
61-90 days	32.34	0.00%	100.00%	-
90+ days	-	0.00%	100.00%	-
Total	815.77			-
Other receivables				
Current	2,685.45	0.69%	100.00%	18.47
1-30 days	100.65	2.06%	100.00%	2.08
31-60 days	25.92	8.91%	100.00%	2.31
61-90 days	17.20	30.82%	100.00%	5.30
90+ days	27.49	52.21%	100.00%	14.35
Total	2,856.71			42.51

continued on next page ...

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Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Receivables (continued)

2022	Closing balance	Historical probability of default	Loss given default	Lifetime expected credit loss
Ageing	\$ '000	\$ '000	\$ '000	\$ '000
Rates and charges - other				
Current	-	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	-	0.00%	100.00%	-
61-90 days	-	0.00%	100.00%	-
90+ days	950.37	65.80%	100.00%	625.37
Total	950.37			522.9
Gas sales				
Current	-	0.00%	100.00%	-
1-30 days	19.15	13.64%	100.00%	2.61
31-60 days	26.41	22.73%	100.00%	6.00
61-90 days	5.71	45.45%	100.00%	2.59
90+ days	45.27	81.82%	100.00%	37.04
Total	96.54			48.25
Statutory charges				
Current	11.22	1.00%	100.00%	0.11
1-30 days	10.47	5.00%	100.00%	0.52
31-60 days	8.01	10.00%	100.00%	0.80
61-90 days	26.97	25.00%	100.00%	6.74
90+ days	230.40	50.00%	100.00%	92.16
Total	287.07			100.34
Resource sector				
Current	1,902.47	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	219.25	0.00%	100.00%	-
61-90 days	-	0.00%	100.00%	-
90+ days	-	0.00%	100.00%	-
Total	2,121.71			-
Other receivables				
Current	5,721.75	0.28%	100.00%	15.87
1-30 days	158.81	3.08%	100.00%	4.89
31-60 days	29.13	5.18%	100.00%	1.51
61-90 days	24.57	9.45%	100.00%	2.32
90+ days	167.35	47.68%	100.00%	79.79
Total	6,101.62			104.38

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 12. Inventories

All inventory, including stores and raw materials and quarry and road materials are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

- goods to be supplied at no or nominal charge, and
- goods to be used for the provision of services at no or nominal charge.

Inventory held for distribution is valued at cost, adjusted, when applicable, for any loss of service potential.

	2023 \$ '000	2022 \$ '000
Current Inventories		
(a) Inventories held for distribution		
Quarry and road materials	2,381	2,300
Stores and materials	2,432	2,587
	4,813	4,887
Total current inventories	4,813	4,887

Note 13. Non-current assets held for sale

Items of property, plant and equipment are reclassified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable within 12 months. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated.

	2023 \$ '000	2022 \$ '000
(i) Non-current assets and disposal group assets		
Current		
Non-current assets held for sale		
Land	206	499
Total non-current assets held for sale	206	499

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 13. Non-current assets held for sale (continued)

(ii) Details of assets and disposal groups

	Notes	2023 \$ '000	2022 \$ '000
(iii) Reconciliation of non-current assets held for sale and disposal groups			
Assets held for sale			
Opening balance		499	—
less: carrying value of assets/operations sold	5	(313)	—
plus new transfer in:			
Assets held for sale from property, plant and equipment	14	20	7,614
less impairment losses:			
Assets held for sale - losses on reclassification		—	(7,115)
Closing balance of held for sale non-current assets and operations		206	499

Western Downs Regional Council

Notes to the Financial Statements for the year ended 30 June 2023

Note 14. Property, plant and equipment

Notes													
	Land	Site improvements	Buildings	Plant and equipment	Furniture and fittings	Road and bridge network	Water	Sewerage	Stormwater	Gas infrastructure	Heritage assets	Works in progress	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2023	Measurement basis												
	Fair value category												
	Opening gross balance												
	33,679	48,600	186,557	79,854	622	1,343,274	258,228	180,793	66,963	16,406	13,536	51,083	2,279,595
	-	-	-	-	-	-	-	-	-	-	-	73,722	73,722
	(61)	-	-	(2,680)	-	-	-	-	-	-	-	-	(2,751)
	-	(10)	(110)	(151)	(139)	(7,312)	(946)	(170)	(42)	-	-	-	(8,880)
	2,018	3,150	13,946	-	-	105,054	32,182	21,849	8,252	1,976	1,009	-	189,436
	28	1,422	1,683	4,149	-	20,621	2,008	333	454	-	-	(30,698)	-
	-	-	-	-	-	-	-	-	-	-	-	(20)	(20)
	-	-	-	78	-	-	-	-	-	-	-	-	78
	-	-	-	-	-	-	9	(9)	-	-	-	-	-
	35,664	53,162	202,076	81,240	483	1,461,637	291,481	202,796	75,627	18,392	14,545	94,087	2,531,180
	Total gross value of property, plant and equipment												
	Opening accumulated depreciation and impairment												
-	22,288	76,706	38,764	396	407,687	110,290	64,085	18,856	6,207	8,110	-	753,369	
-	1,765	4,386	4,467	52	25,600	4,948	2,571	696	298	-	-	44,783	
-	-	-	(1,905)	-	-	-	-	-	-	-	-	(1,905)	
-	(9)	(60)	(54)	(139)	(4,810)	(588)	(70)	(17)	-	-	-	(5,747)	
-	1,472	5,847	-	-	33,667	14,078	7,856	3,881	573	605	-	67,979	
-	-	-	4	-	-	-	-	-	-	-	4	-	
-	-	-	-	-	-	6	(6)	-	-	-	-	-	
Total accumulated depreciation and impairment of property, plant and equipment													
-	25,496	86,879	41,276	309	462,144	128,734	74,436	23,416	7,078	8,715	-	858,483	
35,664	27,666	115,197	39,964	174	999,493	162,747	128,360	52,211	11,304	5,830	94,087	1,672,697	
Total net book value of property, plant and equipment													
Other information													
Not depreciated	15-150	10-150	3-60	5-10	10-200	10-150	10-180	60-150	10-100	25-150	Not depreciated	-	
*Asset additions comprise													
-	-	-	-	-	-	-	-	-	-	-	-	57,086	
-	-	-	-	-	-	-	-	-	-	-	-	16,636	
Total asset additions													
-	-	-	-	-	-	-	-	-	-	-	73,722	73,722	

continued on next page ...

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Property, plant and equipment (continued)

2022	Land \$ '000	Site improvements \$ '000	Buildings \$ '000	Plant and equipment \$ '000	Furniture and fittings \$ '000	Road and bridge network \$ '000	Water \$ '000	Sewerage \$ '000	Stormwater \$ '000	Gas infra- structure \$ '000	Heritage assets \$ '000	Works in progress \$ '000	Total \$ '000
Measurement basis Fair value category	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	—
Opening gross balance	35,495	45,759	197,824	79,111	513	1,286,023	236,285	153,406	64,079	15,748	12,399	37,220	2,163,862
Additions - new	—	—	—	—	—	—	—	—	—	—	—	54,938	54,938
Disposals	(516)	—	(502)	(4,510)	—	—	—	—	—	—	—	—	(5,528)
Write-offs	(162)	(3,122)	(16,219)	(1,099)	(20)	(11,759)	(888)	(1,800)	(6)	(6)	(51)	—	(35,132)
Revaluation decrements to equity (ARS)	(654)	—	—	—	—	—	—	—	—	—	—	—	(654)
Revaluation increments to equity (ARS)	—	2,959	11,471	—	—	48,577	20,192	26,515	2,633	863	1,181	—	114,191
Work in progress transfers	15	3,089	5,797	6,131	129	20,433	2,365	2,626	257	1	7	(40,850)	—
Transfers from/(to) held for sale category	(499)	—	(11,635)	—	—	—	—	—	—	—	—	—	(12,034)
Transfers from/(to) Intangible Assets	—	—	—	177	—	—	—	—	—	—	—	(225)	(48)
Adjustments and other transfers	—	(85)	(279)	44	—	—	274	46	—	—	—	—	—
Total gross value of property, plant and equipment	33,679	48,600	186,557	79,854	622	1,343,274	258,228	180,793	66,963	16,406	13,536	51,083	2,279,595
Opening accumulated depreciation and impairment	—	16,640	77,771	38,628	355	375,100	93,935	45,902	17,462	5,677	6,807	—	678,277
Depreciation expense	—	1,629	4,363	4,179	56	25,136	4,436	2,447	653	284	—	—	43,183
Depreciation on disposals	—	—	(290)	(3,273)	—	—	—	—	—	—	—	—	(3,563)
Depreciation on write-offs	—	(1,760)	(8,429)	(805)	(15)	(7,331)	(571)	(1,366)	(2)	(2)	(36)	—	(20,319)
Revaluation decrements to P/L	—	—	—	—	—	—	—	—	—	—	—	—	180
Revaluation decrements to equity (ARS)	—	5,821	7,805	—	—	14,782	12,389	17,071	743	—	1,181	—	60,040
Transfers from/(to) held for sale category	—	—	(4,419)	—	—	—	—	—	—	—	—	—	(4,419)
Transfers from/(to) intangible assets	—	—	—	10	—	—	—	—	—	—	—	—	10
Adjustments and other transfers	—	(62)	(95)	25	—	—	101	31	—	—	—	—	—
Total accumulated depreciation and impairment of property, plant and equipment	—	22,268	76,706	38,764	396	407,687	110,290	64,085	18,856	6,207	8,110	—	753,369
Total net book value of property, plant and equipment	33,679	26,332	109,851	41,090	226	935,587	147,938	116,708	48,107	10,199	5,426	51,083	1,526,226
Other information													
Range of estimated useful life (years)	Not depreciated	15-150	10-150	3-60	5-10	10-200	10-150	10-180	60-150	10-100	25-150	Not depreciated	—
*Asset additions comprise													
Asset renewals	—	—	—	—	—	—	—	—	—	—	—	35,456	35,456
Other additions	—	—	—	—	—	—	—	—	—	—	—	19,482	19,482
Total asset additions	—	—	—	—	—	—	—	—	—	—	—	54,938	54,938

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Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Property, plant and equipment (continued)

(a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below the recognition threshold or are maintenance expenditure. In these cases, they are recognised as expenditure.

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

Capital and operating expenditure

Wages and materials expenditure incurred for the acquisition or construction of assets is capitalised. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the assets are expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Land under roads

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

(b) Measurement

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

Cost is determined as the fair value of the assets given as consideration plus costs directly attributable to bringing the asset to a location and operational condition capable of being used by Council.

Property, plant and equipment received in the form of contributions are recognised as assets and revenues at fair value.

(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, works in progress, certain cultural and heritage assets and road formations are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis so that the cost of the asset is recognised progressively over its estimated useful life to Council.

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

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

The useful life of leasehold improvements is the shorter of the useful life of the asset or the remaining life of the lease.

Key judgements and estimates

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 material 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.

(d) Impairment

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

Valuation Processes

continued on next page ...

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Property, plant and equipment (continued)

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes the necessary adjustment where these are materially different. At least once every 3 years, Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes either:

- a management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region; or
- a 'desktop' valuation for land and improvements, buildings and major plant asset classes which involves management providing updated information to the valuer regarding additions, removals and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

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

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimated 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 classified into three levels as follows:

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

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

Level 3 - fair value based on unobservable inputs for the asset or liability.

(2) Transfers between level 1 and level 2 fair value hierarchies

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

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Property, plant and equipment (continued)

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

Where Council is unable to derive fair values using quoted market prices of identical assets (i.e.. level 1 inputs) Council instead utilises a reasonable spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair value when using level 2 inputs is derived using level 2 market-based evidence which includes observable historical sales data for assets of a similar nature within the Western Downs Regional Council and adjacent areas.

The cost approach is used to determine fair value when using level 3 inputs. This method is based on determining the asset's Replacement Cost of an equivalent asset and then adjusting for the level of remaining service potential.

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)
Land (Level 2) 2023: \$8,213k 2022: \$7,718k	Market value	31/03/2022	AssetVal	8.7%

Key assumptions and estimates (related data sources)

- Growth charts and vacant sales analysis in the appropriate markets.

Land (Level 3) 2023: \$27,451k 2022: \$26,583k	Current replacement cost	31/03/2022	AssetVal	5.2%
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Key assumptions and estimates (related data sources)

- The analysis of 2023 Queensland Valuer General land valuation for the region.

Site improvements (Level 3)	Current replacement cost	31/03/2022	AssetVal	6.4%
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Key assumptions and estimates (related data sources)

- A composite civil index developed by combining the Road and Bridge Index, the Engineering Design and Management Index and the Concrete Product Manufacturing Index.

Heritage Site Improvements (Level 3)	Current replacement cost	31/03/2022	AssetVal	6.4%
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Key assumptions and estimates (related data sources)

- A composite civil index developed by combining the Road and Bridge Index, the Engineering Design and Management Index and the Concrete Product Manufacturing Index.

Heritage Buildings (Level 3)	Current Replacement Cost	31/03/2022	AssetVal	7.5%
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Key assumptions and estimates (related data sources)

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)
<ul style="list-style-type: none"> Building Cost Indices available from construction guides such as Rawlinson's, Costweb and the Australian Bureau of Statistics. 				
Market value buildings (Level 2) 2023: \$4,208k 2022: \$4,063k	Market value	31/03/2022	AssetVal	8.7% for residential properties and 2.4% commercial properties.

Key assumptions and estimates (related data sources)

- The analysis of price movements in local property markets during the year, and
- The analysis of the Queensland Valuer General valuations for the region.

Specialised buildings (Level 3) 2023: \$110,989k 2022: \$106,148k	Current replacement cost	31/03/2022	AssetVal	7.5%
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Key assumptions and estimates (related data sources)

- Building Cost Indices available from construction guides such as Rawlinson's, Costweb and the Australian Bureau of Statistics.

Roads, bridges and footpaths network (Level 3)	Current replacement cost	31/03/2021	AssetVal	Between 4.5% and 13.2% based on the asset type.
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Key assumptions and estimates (related data sources)

- Review of Australian Bureau of Statistics producer price index,
- Queensland Treasury indices, and
- Local indices provided by Council.

Water and sewerage (Level 3)	Current replacement cost	31/03/2022	AssetVal	Between 9.4% and 13.2% based on the asset type.
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Key assumptions and estimates (related data sources)

- Review of relevant Australian Bureau of Statistics cost indices.

Stormwater and gas (Level 3)	Current replacement cost	31/03/2023	Australis	N/A
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Key assumptions and estimates (related data sources)

- Recent similar project costs,
- Quotes from suppliers,
- Unit rate databases, and

continued on next page ...

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Property, plant and equipment (continued)

- Indices and industry standard resources such as Rawlinson's Construction Handbook.
- Condition assessments including the assessment of the assets' useful and remaining useful lives

Note 15. Contract balances

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.

	2023 \$ '000	2022 \$ '000
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(a) Contract assets

Contract assets	936	974
Total current contract assets	936	974

(b) Contract liabilities

Funds received upfront to construct Council controlled assets	36,999	13,334
Total current contract liabilities	36,999	13,334

Council's contract liabilities are a result of funding received to construct assets, such as roads and buildings, where at 30 June 2023 Council had not yet spent the funds. This includes funding programs such as the Works for Queensland Program and other similar funding initiatives.

Revenue recognised that was included in the contract liability balance at the beginning of the year

Funds to construct Council controlled assets	4,634	2,104
Total revenue included in the contract liability	4,634	2,104

Satisfaction of contract liabilities

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

(c) Significant changes in contract balances

2021-22 saw a large number of natural disasters impact the Western Downs region and as a consequence Council received funding towards the end of the financial year and throughout 2023 for reconstruction works. This has resulted in a large contract liabilities balance as most of the work is scheduled to be completed by 30 June 2024.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 16. Leases

Council as a lessee

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability are recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the government securities rate for a similar term is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exemption to lease accounting

Council has applied the exemption to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Terms and conditions of leases

Council has leases in place over land and building assets.

Land

Council leases a range of land across the region which it has utilised for parks, cattle yards, car parks, halls etc. The leases are between 10 and 20 years and are increased by CPI or by a contractually-agreed rate annually.

Buildings

Council has entered into a building lease for the Chinchilla and Dalby libraries whilst the old sites are being upgraded. The leases are increased by CPI annually.

	Land \$ '000	Buildings \$ '000	Total \$ '000
2023			
Opening balance at 1 July	174	466	640
Additions to right-of-use assets	—	—	—
Adjustments to right-of-use assets due to re-measurement of lease liability	2	—	2
Depreciation charge	(32)	(229)	(261)
Balance at 30 June	144	237	381
2022			
Opening balance at 1 July	206	215	421
Additions to right-of-use assets	—	428	428
Depreciation charge	(32)	(177)	(209)
Balance at 30 June	174	466	640

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 16. Leases (continued)

	2023 \$ '000	2022 \$ '000
Lease liabilities		
Classified as:		
Current lease liability	184	241
Non-current lease liability	286	463
Total lease liabilities	470	704

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per statement of financial position \$ '000
2023					
Leases over Buildings	169	85	–	254	241
Leases over land	14	203	34	251	229
	183	288	34	505	470
2022					
Leases over Buildings	228	254	–	482	466
Leases over land	13	211	38	262	238
	241	465	38	744	704

Amounts included in the statement of comprehensive income related to leases

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee.

	2023 \$ '000	2022 \$ '000
Expenses		
Depreciation of right-of-use assets	261	209
Interest expense on lease liabilities	5	4
Net expense relating to leases	266	213

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 16. Leases (continued)

Council as a lessor

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

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

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

	2023 \$ '000	2022 \$ '000
Operating leases		
Where Council retains the risks and rewards relating to a lease, they are classified as operating leases and relate to the property, plant & equipment in the statement of financial position.		
Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.		
Aged care	—	617
Community housing rental income	490	488
Community facilities	4	4
Commercial leases	218	205
Other property rental income	89	73
Total operating lease income (rental income)	801	1,387
Direct operating expenses from property that generated rental income	701	6,651
Total operating lease expenses	701	6,651
Net operating lease profit/(loss)	100	(5,264)

Council's lease income is generated primarily from community housing and aircraft hangers at its aerodromes..

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 17. Payables

	2023 \$ '000	2022 \$ '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.		
Creditors	1,316	8,345
Other entitlements	223	222
Accrued expenses	10,123	2,682
Payments received in advance	3,573	3,318
Accrued wages and salaries	950	746
Other	750	975
Total current payables	16,935	16,288
Non-current		
Other	2,586	2,494
Total non-current payables	2,586	2,494

Note 18. Provisions

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

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

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 the Council's employment or other associated employment which would result in the 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 attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

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

Refuse dump rehabilitation, aerodrome evaporation ponds, quarry and gravel pit rehabilitation

A provision is made for the cost of rehabilitating refuse dumps, aerodrome evaporation ponds, quarries and gravel pits where it is probable the Council will have an obligation to rehabilitate the sites when the use of the facilities is complete.

The provision for refuse and evaporation pond rehabilitation is calculated as the present value of anticipated future costs associated with the closure of the 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 dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The present value of the estimated cost of rehabilitating the refuse disposal site to a useable state at the end of its useful life is \$2,874,748 and is expected to occur over the years 2024 to 2041.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 18. Provisions (continued)

Similarly, the present value of the estimated cost of rehabilitating the evaporation ponds to a useable state at the end of its useful life is \$616,177 and is expected to occur over the years 2024 to 2028.

The provision for quarry and gravel pits rehabilitation represents the present value of the anticipated future costs associated with the closure of the quarries, refilling the basin, and reclamation and rehabilitation of 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 quarry and gravel pits rehabilitation is reviewed at least annually and updated based on the facts and circumstances available at the time.

The present value of the estimated cost of rehabilitating the quarry site to a useable state at the end of its useful life is \$1,462,442 and is expected to occur over the years 2032 to 2036.

Similarly, the present value of the estimated cost of rehabilitating the gravel pits to a useable state at the end of its useful life is \$1,655,997 and is expected to occur over the years 2024 to 2055.

	2023 \$ '000	2022 \$ '000
Current		
Annual leave	4,217	4,174
Long service leave	7,319	7,331
Evaporation pond rehabilitation	21	20
Refuse rehabilitation	425	379
Gravel pit rehabilitation	140	180
Total current provisions	12,122	12,084
Non-current		
Long service leave	1,450	1,391
Evaporation pond rehabilitation	595	547
Quarry rehabilitation	1,462	1,320
Refuse rehabilitation	2,450	2,786
Gravel pit rehabilitation	1,516	1,223
Total non-current provisions	7,473	7,267

Details of movements in provisions

Long service leave		
Balance at beginning of financial year	8,722	9,356
Additional provision	1,265	615
Amounts used	(1,218)	(1,249)
Balance at end of financial year	8,769	8,722
Quarry rehabilitation		
Balance at beginning of financial year	1,320	1,712
Increase in provision due to unwinding of discount	50	28
Increase/(decrease) in provision due to change in discount rate	129	(387)
Increase/(decrease) in estimate of future cost	(37)	(33)
Balance at end of financial year	1,462	1,320

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 18. Provisions (continued)

	2023 \$ '000	2022 \$ '000
Refuse rehabilitation		
Balance at beginning of financial year	3,165	3,837
Increase in provision due to unwinding of discount	103	28
Increase/(decrease) in provision due to change in discount rate	(36)	(478)
Increase/(decrease) in estimate of future cost	(357)	(222)
Balance at end of financial year	2,875	3,165
Gravel Pit rehabilitation		
Balance at beginning of financial year	1,403	2,070
Increase in provision due to unwinding of discount	46	20
Increase/(decrease) in provision due to change in discount rate	27	(385)
Increase/(decrease) in estimate of future cost	180	(303)
Balance at end of financial year	1,656	1,403
Evaporation Pond rehabilitation		
Balance at beginning of financial year	567	645
Increase in provision due to unwinding of discount	19	2
Increase/(decrease) in provision due to change in discount rate	10	(27)
Increase/(decrease) in estimate of future cost	20	(53)
Balance at end of financial year	616	567

Note 19. Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment. Increases and decreases on revaluation are offset within a class of assets. Refer to Note 14.

Note 20. Commitments for expenditure

	2023 \$ '000	2022 \$ '000
(a) Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Garbage collection contract	14,416	2,563
Council Enterprise Resource Planning System	6,694	—
Natural Gas	3,003	—
Other	26,023	11,292
	50,136	13,855

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 20. Commitments for expenditure (continued)

	2023 \$ '000	2022 \$ '000
(b) Capital commitments (exclusive of GST)		
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:		
Property, plant and equipment		
Road, drainage and bridge network	11,236	4,173
Buildings and Site Improvements	5,276	10,256
Other	8,441	2,247
Total commitments	24,953	16,676
These expenditures are payable as follows:		
Within the next year	46,831	28,500
Later than one year and not later than 5 years	25,254	2,961
Total payable	72,085	31,461

Note 21. Contingent liabilities

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

Local Government Mutual

The 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 2023 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the 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. The Council's maximum exposure to the bank guarantee is \$910,583.

Note 22. Superannuation - Regional Defined Benefit Fund

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

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 Employee Benefits 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 the Council.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 22. Superannuation - Regional Defined Benefit Fund (continued)

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions. The next triennial actuarial review is not due until 1 July 2024.

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

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

As Council has 24 employees by headcount that are members of the Scheme, any increase in contributions is likely to be minor.

	Notes	2023 \$ '000	2022 \$ '000
Superannuation contributions made to the Regional Defined Benefits Fund		246	278
Other superannuation contributions for employees		4,732	5,079
Balancing Item - requires re-classification of movements above!!		—	—
Total superannuation contributions paid by Council for employees	6	4,978	5,357

Note 23. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

	2023 \$ '000	2022 \$ '000
Net operating result from income statement	43,560	4,125
Non-cash items		
Depreciation and amortisation	45,069	43,413
Impairment of property, plant and equipment	—	7,115
(Reversal) of previous impairment losses of property, plant and equipment	—	—
Reversal of prior period property, plant and equipment revaluation decrements costed direct to the income statement	—	—
Changes in accounting policy	—	—
	45,069	50,528
Losses/(gains) recognised on fair value re-measurements through the income statement		
Investment properties	—	—
Fair valuations of favourable financial liabilities (ie. loans with no interest payable)	—	—
Amortisation/recognition of interest on all fair value adjusted interest free advances made by council	—	—
Amortisation/recognition of interest exp. on interest free loans received by council and previously fair valued	—	—
Unwinding of discount rates on reinstatement provisions	(19)	(1,840)
Interest free advances made by council (deferred debtors)	—	—

continued on next page ...

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Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 23. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities (continued)

	2023 \$ '000	2022 \$ '000
Write-offs relating to the fair valuation of property, plant and equipment	—	160
Gain on revaluation of finance leases	—	—
Impairment of receivables and bad debts written off	—	—
Increase/(decrease) due to impairments	—	—
Bad debts written off which were not provided for	—	—
	(19)	(1,680)
Investing and development activities		
Net (profit)/loss on disposal of assets	(186)	(670)
Loss on write-off of assets	3,133	14,909
Capital grants and contributions	(25,984)	(19,512)
For council's use - Capital revenue line items	—	—
Share of net (profits)/losses of associates/JV's	—	—
Net loss/(gain) on amalgamations (excl. cash)	—	—
Loss on transferring assets via finance lease	—	—
Contributed Assets	(81)	—
	(23,118)	(5,273)
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	4,788	355
Increase/(decrease) in provision for doubtful debts	(290)	80
(Increase)/decrease in inventories	74	(42)
(Increase)/decrease in contract assets	—	—
(Increase)/decrease in other assets	—	—
(Increase)/decrease in finance lease receivable	—	—
Increase/(decrease) in payables	(7,029)	2,357
Increase/(decrease) in accrued interest payable	—	—
Increase/(decrease) in contract liabilities	—	—
Increase/(decrease) in employee leave entitlements	90	(1,135)
Increase/(decrease) in other provisions	173	31
Increase/(decrease) in other liabilities	7,768	1,091
Other	—	—
	5,574	2,737
Net cash inflow from operating activities	71,066	50,437

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 24. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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

The 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. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Council's audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by Council. Council's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Council does not enter into derivatives.

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 the 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. Council only invests in financial institutions that have an equivalent Standard and Poor's long term rating of A with a neutral outlook or better.

No collateral is held as security relating to the financial assets held by the Council. At times, Council may hold collateral depending on the assessment of risk associated with that counterparty.

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

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund.

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 by the State of Queensland.

Receivables

In the case of rates and some utility receivables, the Council has the power to sell the property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low. However, in certain instances, Council will create a doubtful debt provision for properties with overdue rates and charges, if analysis indicates the amount recoverable by way of sale is likely to be less than the rates and charges (including interest and legal costs) outstanding.

In other cases, the 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 the Council's operations, there is a geographical concentration of risk in the Council area. There is also a concentration of risk in the agricultural and resource sectors.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 24. Financial instruments and financial risk management (continued)

Council will, where it believes it to be appropriate, require collateral in respect of trade and other receivables.

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

	2023 \$ '000	2022 \$ '000
Rates and charges	6,368	6,258
Rates and charges - other*	699	950
Gas sales	85	97
Statutory charges	285	287
GST recoverable	1,055	554
Grant funding	—	—
Main roads	—	395
Resource sector	816	2,122
Sundry	2,852	6,098
Prepayments	1,653	1,634
Gas charges not yet levied	515	721
Total	14,328	19,116

Refer to Note 11 for further details.

* Rates and Charges - Other relates to properties which Council considers that the proceeds through sale of land would not cover the outstanding rates and charges.

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

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses (ECL) and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The 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 the Council's reputation.

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business.

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

Council does not have an overdraft facility (2022: nil)

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 24. Financial instruments and financial risk management (continued)

	0 to 1 year \$ '000	1 to 5 years \$ '000	Over 5 years \$ '000	Total contractual cash flows* \$ '000	Carrying amount \$ '000
2023					
Trade and other payables	12,389	750	–	13,139	16,712
Lease liabilities	183	288	34	505	470
	12,572	1,038	34	13,644	17,182
2022					
Trade and other payables	11,773	975	–	12,748	16,065
Lease liabilities	241	465	38	744	704
	12,014	1,440	38	13,492	16,769

* The contractual cashflows above vary from the carrying amount as they exclude amounts received in advance.

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

Market risk

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

Interest rate risk

The Council is exposed to interest rate risk through investments with Queensland Treasury.

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

Sensitivity

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

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

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

	Net carrying amount \$ '000	Net result		Equity	
		1% increase \$ '000	1% decrease \$ '000	1% increase \$ '000	1% decrease \$ '000
2023					
QTC cash fund	275,052	2,750	(2,750)	2,750	(2,750)
Net	275,052	2,750	(2,750)	2,750	(2,750)
2022					
QTC cash fund	227,830	2,278	(2,278)	2,278	(2,278)
Net	227,830	2,278	(2,278)	2,278	(2,278)

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 25. National competition policy

Business activities to which the code of competitive conduct is applied

Council applies the competitive code of conduct to the following activities:

- Commercial Works
- Waste Management
- Water Services
- Sewerage Services
- Gas Supply
- Quarries
- Washdown Bays
- Dalby Regional Saleyards

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the primary objective of the activities was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

The following activity statements are for activities subject to the competitive code of conduct:

	Commercial works	Waste management	Water services	Sewerage services
	\$'000	\$'000	\$'000	\$'000
Revenue for services provided to the Council	-	203	1,147	366
Revenue for services provided to external clients	14,146	7,991	12,715	9,152
Community service obligations	-	1,529	1,597	-
	14,146	9,723	15,459	9,518
Less: expenditure	-12,588	-9,723	-15,459	-6,700
Surplus	1,558	-	-	2,818

	Gas supply	Quarries	Washdown bays	Dalby regional saleyards
	\$'000	\$'000	\$'000	\$'000
Revenue for services provided to the Council	82	8,458	-	-
Revenue for services provided to external clients	3,394	438	1,107	3,058
Community service obligations	-	-	-	-
	3,476	8,896	1,107	3,058
Less: expenditure	-2,249	-6,686	-865	-2,341
Surplus	1,227	2,210	242	717

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 25. National competition policy (continued)

Activities

Description of CSO's provided to business activities:

Activities	CSO description	Actual \$'000
Water	To transfer general revenue for the shortfall in revenue.	1,597
Waste Management	To transfer general revenue for the shortfall in revenue.	1,529

Note 26. Transactions with related parties

Council has no interests in any subsidiaries.

(a) Associates

Council has no interests in any associates.

(b) Joint ventures

Council has no interests in any joint ventures.

(c) Key management personnel

Transactions with key management personnel

Council's key management personnel (KMP) includes the Mayor, Councillors, Chief Executive Officer and some executive management. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

	2023 \$ '000	2022 \$ '000
The compensation paid to key management personnel comprises:		
Short-term employee benefits	1,860	1,805
Post-employment benefits	195	203
Long-term benefits	116	99
Termination benefits	—	271
Total	2,171	2,378

(d) Other Related Parties

Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.

Details of transactions between Council and other related parties are disclosed below:

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 26. Transactions with related parties (continued)

	Amount of transactions during year \$ '000
2023	
Employee expenses for close family members of KMP	248
Purchase of materials and services from related parties of KMP	46
	294
2022	
Employee expenses for close family members of KMP	206
Purchase of materials and services from related parties of KMP	38
	244

All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the work they perform.

The Council employs 596.57 FTEs of which 3 are close family members of key management personnel.

Council purchased the following material and services from related parties of key management personnel. All purchases were at arm's length and were in the normal course of Council operations.

	2023 \$'000	2022 \$'000
Australia Day Materials	1	1
Bus hire	4	5
Artist Performance	2	1
Catering	8	8
Machinery parts	31	24
Total	46	39

(e) 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 Western Downs Region.

Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples include:

- Rates and utility charges
- Dog registrations
- Hire and use of Council facilities

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.

Western Downs Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

Management Certificate

for the year ended 30 June 2023

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulations) and other prescribed requirements.

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

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 2 to 47, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Paul McVeigh
Mayor
17 October 2023



Jodie Taylor
Chief Executive Officer
17 October 2023



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Western Downs Regional Council

Report on the audit of the financial report

Opinion

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

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including 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 Western Downs Regional Council's annual report for the year ended 30 June 2023 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.



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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism 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 material 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 2023:

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

Prescribed requirements scope

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

A handwritten signature in black ink, appearing to read 'D Adams'.

18 October 2023

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Western Downs Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

Current Year Financial Sustainability Statement

	Actual 2023	Target
Measures of financial sustainability		
1. Operating surplus ratio		
Net result (excluding capital items)		
Total operating revenue (excluding capital items)	11.74%	0% - 10%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
2. Asset sustainability ratio		
Capital expenditure on the replacement of assets (renewals)		
Depreciation expense	127.47%	> 90.00%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		
3. Net financial liabilities ratio		
Total liabilities less current assets		
Total operating revenue (excluding capital items)	(126.34)%	< 60.00%
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 the Council's audited general purpose financial statements for the year ended 30 June 2023.

Western Downs Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

Certificate of Accuracy

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

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



Paul McVeigh
Mayor

17 October 2023



Jodie Taylor
Chief Executive Officer

17 October 2023

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Western Downs Regional Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Western Downs Regional Council for the year ended 30 June 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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



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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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



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

A handwritten signature in black ink, appearing to read "D Adams", with a stylized flourish at the end.

David Adams
as delegate of the Auditor-General

18 October 2023

Queensland Audit Office
Brisbane

Western Downs Regional Council
General Purpose Financial Statements
for the year ended 30 June 2023

Unaudited Long Term Financial Sustainability Statement

	Target	Actual 2023	2024	2025	2026	2027	Forecast		2031	2032	2033
Measures of financial sustainability											
1. Operating surplus ratio											
Net result (excluding capital items)		11.7%	1.6%	1.4%	1.1%	2.8%	3.2%	3.2%	4.2%	4.3%	4.5%
Total operating revenue (excluding capital items)	< 10.0%										
An indicator of which 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)		127.5%	352.3%	94.7%	95.3%	91.0%	92.2%	79.9%	88.8%	98.6%	84.9%
Depreciation expense	> 90.0%										
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		(126.3)%	(123.3)%	(102.2)%	(80.9)%	(82.9)%	(83.9)%	(89.5)%	(96.9)%	(97.3)%	(101.7)%
Total operating revenue (excluding capital items)	< 60.0%										
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.											
4. Cash Cover of Operating Expenses											
Cash and investments		21.6	15.8	13.0	10.3	10.7	10.8	11.4	12.4	12.5	13.0
Operating expenses (inc. depreciation) divided by 12	> 4.0										
Indicates the extent to which Council can meet its operating and capital expenditure commitments without receiving any form of revenue and without having to borrow.											
5. Council Controlled Revenue Ratio											

continued on next page ...

Western Downs Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

	Target	Actual 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Council controlled revenue												
Total operating revenue			68.5%	70.0%	71.3%	72.0%	72.0%	72.1%	72.0%	72.0%	72.0%	72.0%
Operating revenue that Council controls through its own decision making as a percentage total of operating revenue.	> 60.0%	64.9%										
6. Remaining Useful Life of Assets Ratio												
Property, plant and equipment			34.1	37.1	37.6	37.9	37.8	37.3	37.5	37.3	36.9	36.7
Depreciation	> 30.0	35.3										
Indicates the average remaining useful life for Council's assets. This ratio excludes Works in Progress, Land, Intangible and Right of Use Assets.												

Western Downs 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.

Western Downs Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

Certificate of Accuracy - Long Term Financial Sustainability Statement

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

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



Paul McVeigh
Mayor

17 October 2023



Jodie Taylor
Chief Executive Officer

17 October 2023

