

# ANNUAL REPORT

1 July 2019 to 30 June 2020



# Contact Details and Distribution

## Contact Council

To contact Western Downs Regional Council, you can:

1. Phone our Customer Service 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](mailto: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

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

## 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](mailto:info@wdrc.qld.gov.au) or by phoning 1300 268 624 (or 07 4679 4000 from interstate) during normal business hours.

Alternatively, you can visit Council's website at [www.wdrc.qld.gov.au](http://www.wdrc.qld.gov.au) to download a copy for free.

# About This Report

As well as being a legislative requirement for Local Government, Council's 2019/20 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 2019/20 financial year against the Corporate Plan 2017- 2022, 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 workshoped with the local members 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 Economic Growth, Active Vibrant Communities, Great Liveability, Financial Sustainability.

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're 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 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 2020.

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CHAPTER 1:

# SETTING THE SCENE



# The Region

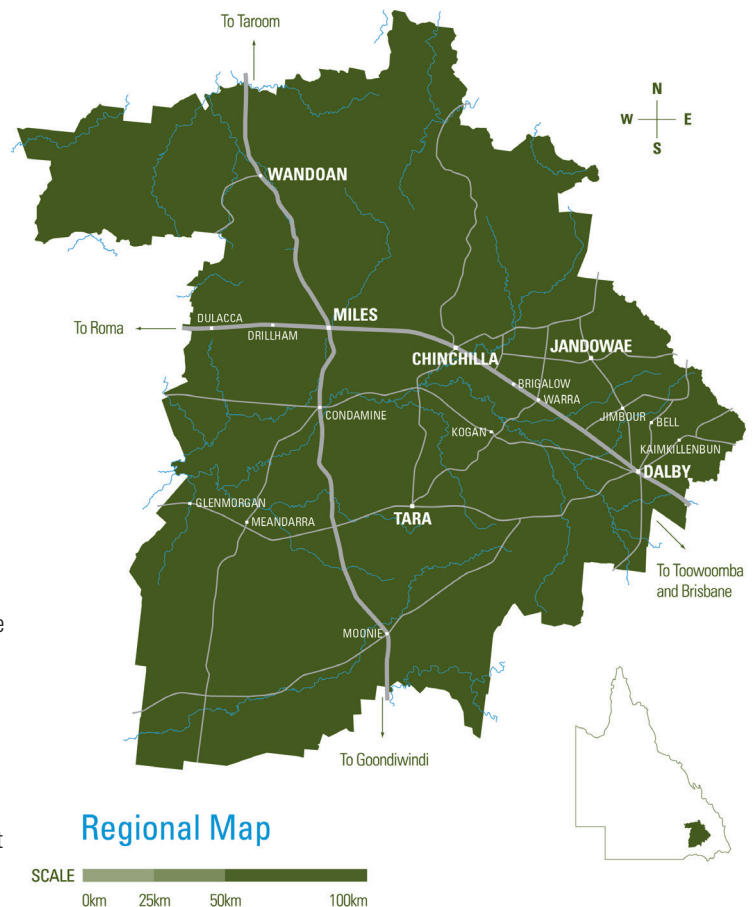
On the back of its proud history of agricultural productivity and manufacturing innovation, an experienced supply chain and modern infrastructure are just a few of the attributes being used to promote and attract external investment to the region. The tourism, agriculture and renewable energy industries have continued to fuel new economic activity as local business gets on with driving the economy forward.

The Western Downs is recognised as the Energy Capital of Australia, given advancement in renewable energy technology, legacies of the Coal Seam Gas Industry and Government incentives in relation to the provision of green, clean, renewable energy products. Council approved one large scale solar power development with additional development applications under assessment and numerous other projects intending to commence construction soon. This brings the total number of large-scale solar farms approved since 2016 to twenty-one, with three projects progressing rapidly towards construction as of June 2020. More than 2,000 construction jobs are expected to be created as a result of this investment in the region, ensuring the long-term sustainability and diversification of the region's economy.

Positioned at the centre of a national transport network, the region's strategic location ensures greater accessibility and continued movement of freight within and through the Western Downs. Continuing upgrades to critical infrastructure such as the Warrego Highway, together with National building projects outside the administrative boundary, including the Toowoomba Bypass and Brisbane West Wellcamp Airport, continue to improve the region's access to international markets.

A growing number of local jobs and affordable housing support opportunities for new residents to relocate to the Western Downs, and significant events and attractions also boost tourism and enhance the region's liveability.

The Western Downs region has continued to realise sustainable growth, delivering quality services and improving the region's natural, economic, social and cultural environment. The Western Downs means business.



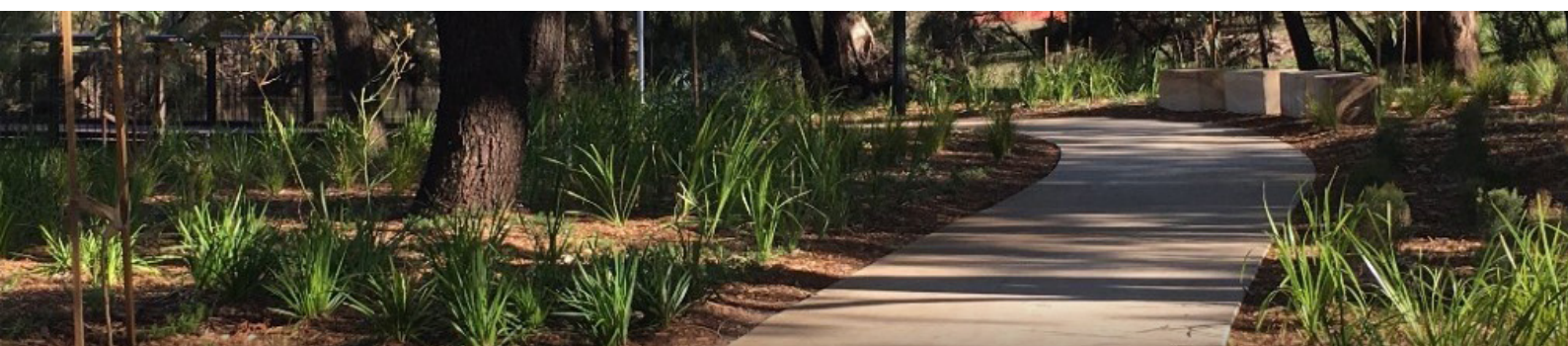
Regional Map

SCALE 0km 25km 50km 100km

## People

Consistently enjoying population growth despite the trend of rural population decline, the Western Downs region welcomed 126 persons in the year to June 2019, representing a 2.5% increase over the past five years. Our residential population is expected to increase to 39,797 persons over the period to 2041, an average annual growth rate of 0.6% over 25 years.

As at March 2020, the unemployment rate was 3.2%. This is significantly below the average for Queensland (7.5%)



The largest industries by employment are construction, agriculture, forestry and fishing and retail. Together they provide 40.1% of the total jobs in the region.

## Economy

Mining makes the largest contribution to the regional economy, comprising 41.3% of the region's \$4.32 billion value-add in 2018/19, followed by construction (18.1%), agriculture, forestry and fishing (9.8%) and electricity, gas, water and waste services (9.3%).

2019/20 saw strong growth in the Intensive Agriculture industry with a 10% net increase in total capacity across feedlots brought about by two existing feedlots increasing their carrying capacity and one new feedlot to the region approved.

The Gross Regional Product (GRP) of the Western Downs region has grown by 40% over the past five years, from \$3.4 billion in 2014 to \$4.7 billion in 2019.

As is the case for most of the world during 2020, Western Downs community faced a range of challenges presented by the unprecedented COVID-19 health emergency. Council established a comprehensive support and incentive program as part of the \$50 million COVID-19 Recovery Package to energize the local economy, secure local jobs and drive economic growth across the region.

Included was a Business Support Program featuring three initiatives to assist local businesses; plan for recovery from the impacts of COVID-19, build capacity in E-Commerce, and promote local buy on a regional scale.

An Infrastructure Charges Incentive Scheme was also adopted, waiving infrastructure charges on targeted development approvals in industry; Commercial (business), Aged Care and Health, Tourism, Intensive Agriculture. Conditional upon approved developments commencing use by June 2022.

In addition, the Fees and Charges Relief Package waived most Planning, Building and Plumbing application fees until 30 June 2021, to support local businesses and the local construction industry by promoting both small and large-scale development in the region.

## Lifestyle

It's the 'quality of life' and 'feeling of community' that are our region's greatest strengths. This is closely followed by 'clean living' with clean air and water identified by our residents as another benefit of modern country living within our welcoming communities.

Adding to festivities across the region, Council provided support for several major events during 2019/20 including Dalby's Delicious &

Median house prices, less than half those of Queensland, are one of the region's lifestyle advantages

DeLIGHTful Festival, Opera at Jimbour, Tara Festival of Culture and Camel Races and the inaugural Words Out West Readers and Writers Festival. These events are successful drawcards for visitors and regional communities alike, benefiting local businesses in the various towns. The region's showcase event Big Skies Festival was cancelled due to the COVID-19 pandemic.

Shell's QGC business supported Council's initiative for new residents to the Western Downs by funding the Welcoming Project.

Six Welcome Guides showcase everything the Western Downs has to offer - covering Chinchilla, Dalby, Jandowae, Miles, Tara and Wandoan. The Guides include handy information for new residents, such as where to eat, what schools are around and the many social events happening across the region every year.

The Welcome Guides are just one part of the partnership, with a series of events and other welcoming functions planned.

These booklets are complemented by My Community Directory, a web-based community organisation database and events calendar. The My Community Directory database is maintained by the Communities department, and it is fully functional.

Median house prices, less than half of the Queensland average, are one of the region's lifestyle advantages, further enhanced by the subtropical climate where all four seasons can be enjoyed. Average summer temperatures are between 18 - 30 degrees C, cooling for the winter months to between 5 - 20 degrees C.

Providing the appeal of our family friendly lifestyle, thirty new residential dwellings were approved to be built in the Western Downs at a total value of approximately \$7 million, in the 12-month period to June 2020.

While spread across a large geographical area, communities in the Western Downs boast an impressive range of modern facilities from aquatic and fitness centres to galleries, museums, cinemas and civic centres, delivering the convenience of metropolitan centres in a scenic rural environment.

# 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 Mission

We are part of the community we serve, working together to provide valued leadership and services to our diverse region.

Our Mission says:

Who Council is – Leaders who operate strategically and staff who deliver operationally

Why Council exist – To responsibly govern our region and provide services that deliver liveability

What Council does – Deliver services that meet community needs through strategic leadership, informed decision making, and an empowered team

What is unique about Council – Councillors and staff live and work in the diverse communities that they serve

## Council's Vision

An innovative team - connected locally, united regionally

Our Vision is for Council to be:

Innovative - Responsive and willing to take managed risks that lead to innovative solutions

Connected - In touch with our local communities and their needs

United - A regional entity, working collaboratively

## Council's Values

As elected representatives and staff of Western Downs Regional Council, our behaviour reflects our values:



## Council's Strategic Priorities

The services, 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 2017-2022.

### STRONG ECONOMIC GROWTH

- There is confidence in our strong and diverse economy
- We're open for business and offer investment opportunities that are right for our region
- We optimise our tourism opportunities, unique experiences and major events
- Business and industry in our region live local and buy local
- Our region is a recognised leader in energy, including clean, green renewable energies

### ACTIVE VIBRANT COMMUNITIES

- We are a region without boundaries, united in community pride
- Our community members are the loudest advocates for what's great about our region
- Our social, cultural and sporting events are supported locally and achieve regional participation
- Our parks, open spaces and community facilities are well utilised and connect people regionally
- A recognised culture of volunteerism is active throughout our communities

### GREAT LIVEABILITY

- Our residents enjoy convenience of modern infrastructure and quality essential services
- Valued recreational spaces, sporting and community facilities are provided regionally
- A safe and well-maintained road network connects our region
- Our region remains an affordable place for families to live, work, prosper and play
- We're recognised as one of the safest regions in Queensland

### FINANCIAL SUSTAINABILITY

- We are recognised as a financially intelligent and responsible Council
- Our long term financial planning guides informed and accountable decision making
- Our value for money culture enables us to deliver our core functions sustainably
- Our agile and responsive business model enables us to align our capacity with service delivery
- Effective asset management ensures that we only own and maintain assets that are utilised

The annual Operational Plan was aligned to the priorities represented in Western Downs Corporate Plan 2017 - 2022, ensuring delivery of a shared vision and creating local communities that our residents are proud of. Each of the four Strategic Priorities are explained in Chapter 4 of this report on page 25.

# Community Financial Report

## This report summarises Council's Financial position at 30 June 2020 in simple terms

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 2019/20, Council has delivered on these commitments with its finances strengthened and families having to pay low relative rates and utility charges for the delivery of services.

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

1. Statement of Comprehensive Income (what most people would call a Profit and Loss Account)
2. Statement of Financial Position (what most people would call their assets and liabilities)
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 achievement for 2019/20 include:

- Delivering an Operating Profit of \$7.0 million (Recurrent Revenue of \$150.6 million less Recurrent Expenses of \$143.6 million),
- Completing capital works of \$37.8 million, and
- Increasing our cash by \$32.6 million.

### 1. Statement of Comprehensive Income (Profit and Loss)

The Statement of Comprehensive Income details from where Council received its money and how it spent this money delivering services to our region. The difference is Council's profit or operating surplus which will be used, at some future time, to deliver services.

### Financial Summary 2019/20

#### Revenue and Expenditure - Recent Operating Surpluses \$' million

Financial Year	2015/16	2016/17	2017/18	2018/19	2019/20
Recurrent Revenue	145.1	152.9	147.5	157.4	150.6
Recurrent Expenditure	145.0	136.2	133.1	140.6	143.6
Operating Surplus	0.1	16.7	14.4	16.8	7.0

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

## Revenue - Where does our money come from?

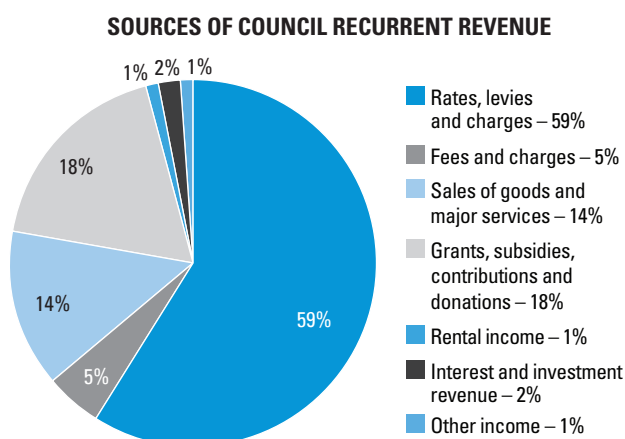
This year Council received \$167.5 million in revenue which consisted of \$150.6 million in recurrent revenue and \$16.9 million in capital revenue.

Recurrent or day-to-day income of \$150.6 million comprised:

- Rates, levies and utility charges \$89.3 million,
- Operational grants, subsidies and donations \$26.7 million,
- Sale of major services of \$21.9 million, including sales 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,
- Fee and charges \$7.6 million,
- Rental and levies \$1.7 million,
- Interest received \$2.4 million, and
- Other income \$1.0 million.

In addition, we received Capital Revenue of \$16.9 million which consists of grants provided by the State Government to assist in delivering projects and contributions from the Resource Sector.

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





**Expenses - Where was the money spent?**

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

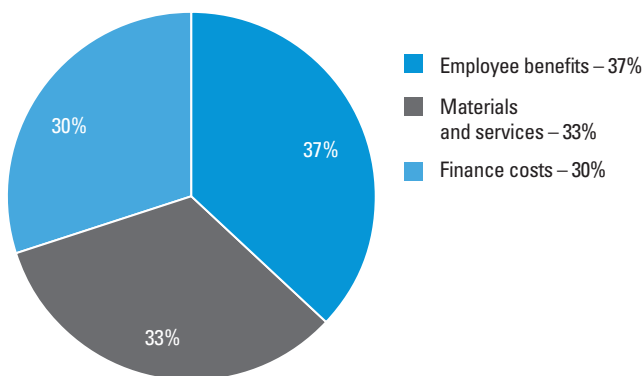
Depreciation expense is that component of our assets' (i.e. roads, bridges, buildings etc.) service potential for life that is utilised over the course of the year.

**Significant expenditure items during the 2019/20 year included:**

Recurrent or day-to-day expenditure of \$143.5 million comprised:

- Employee costs of \$52.6 million,
- Materials and services costs of \$48.0 million, and
- Depreciation and amortisation of \$43.0 million.

**RECURRENT OR DAY TO DAY EXPENDITURE**



In addition, capital expenses totalled \$9.8 million which mainly related to the write-off of infrastructure that needs to be replaced earlier than expected.

**2. Statement of Financial Position (our 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?**

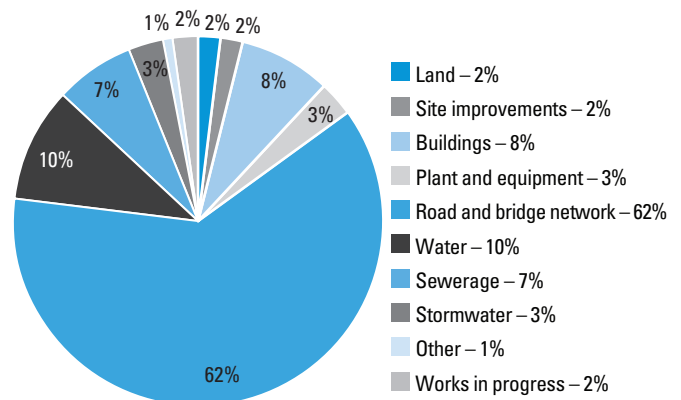
At the 30 June 2020, Council assets were valued at \$1,691 million comprised:

- Property, plant and equipment including intangibles \$1,493 million,
- Cash and cash investments \$175 million,
- Trade and other receivables \$18 million, and
- Inventories and contract assets \$5 million.

Council's most significant asset is our road and bridge network which is valued at \$928 million. The region has over 7,500km of Council owned roads which is by far the largest in Queensland and the second largest local government road network in Australia.

The breakup of Council's property, plant and equipment is graphically represented in the table below.

**WHAT COUNCIL OWNS**



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 life as a percentage of these assets' useful lives averages 73%. This indicates our assets are in very good condition. This percentage for Council's major asset classes is provided in the following table.

Major Asset Class	% of Useful Life Remaining
Buildings	64%
Road and Bridge Network	78%
Water	62%
Sewerage	70%

**Liabilities: What do we owe?**

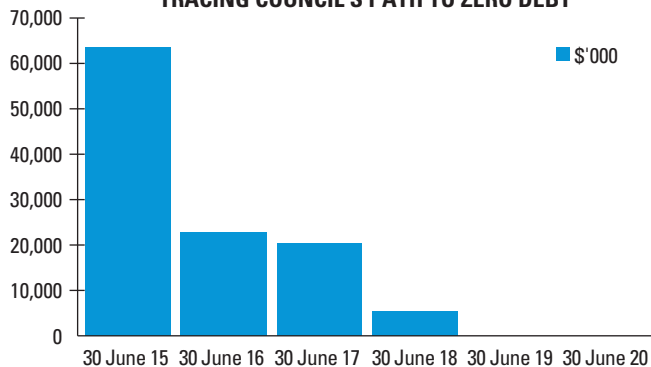
As at 30 June 2020, Council's liabilities totalled \$37.9 million. Our liabilities comprised:

- Trade and other payables \$16.4 million,
- Employee leave liabilities \$13.2 million,
- Provisions to restore Council's quarries, gravel pits and landfills \$7.4 million, and
- Contract and lease liabilities \$0.9 million.

**Our Debt**

In March 2019, Council paid out its remaining debt. It is one of the few Queensland local governments that does not have debt.

**TRACING COUNCIL'S PATH TO ZERO DEBT**



**Our Net Worth**

Our net worth is \$1,653 million which comprised assets of \$1,691 million less liabilities of \$37.9 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 \$24.1 million was due to a positive change in the value of our property, plant and equipment of \$10.0 million and a positive net result of \$14.1 million (i.e. revenue of \$167.5 million less expenditure of \$153.4 million). The net result includes our operating profit of \$7.0 million and net capital revenue of \$7.1 million.

**4. Statement of Cash Flows**

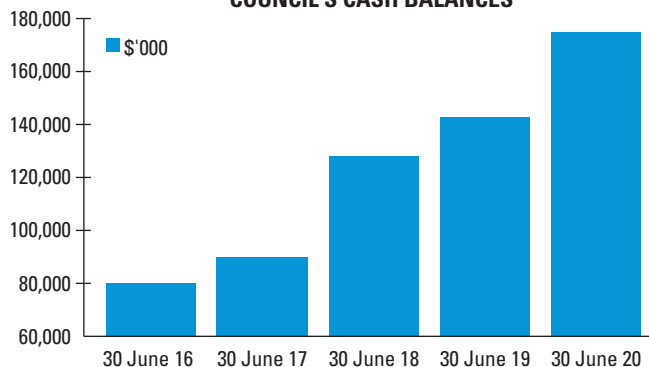
The Statement of Cash Flows shows all the activities we undertake during the year that impact our cash balances.

Our cash balances increased by \$32.6 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 growth in our cash balances is a result of net cash generated from our day-to-day operating activities of \$54.4 million together with capital revenues of \$16.0 million being greater than the funding required for capital works of \$37.8 million.

The following graph shows how our cash balance has improved since 30 June 2016: -

**COUNCIL'S CASH BALANCES**



As at 30 June 2020, Council had adequate cash to meet 14.6 months of operating and capital expenditure.

**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 a local government's financial sustainability, several financial ratios are used.



Council's performance as at 30 June 2020 against these key financial ratios is listed below:

Ratio	Benchmark	2017/18 Results	2018/19 Results	2019/20 Results	Outcome
Operating surplus ratio (measures Council profitability)	0% to 10%	9.7%	10.7%	4.7%	✓
Asset sustainability ratio (measures the extent we are sustaining our asset base)	>90%	70.6%	78.7%	65.0%	✗
Net financial liabilities ratio (measures the extent to which our financial liabilities can be serviced by our operating revenue)	<60%	-76.7%	-84.5%	-106.0%	✓
Remaining useful life of assets ratio (measures the average life remaining in Council's portfolio of assets)	30 to 40 years	37 years	36 years	33.4 years	✓
Council controlled revenue ratio (measures the extent to which Council has control over its decision-making)	>60%	65.24%	63.0%	64.3%	✓
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	11.5 months	12.1 months	14.6 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.

The only ratio in which Council fails to meet its benchmark is the Asset Sustainability Ratio. Failure to meet this benchmark may mean that Council is not maintaining its assets. Council has a minimal capital maintenance and replacement backlog and has more than

adequate cash (as indicated by its cash cover to operating expenses including depreciation ratio) to meet any unforeseen capital replacements and maintenance.

All other financial sustainability ratios are strong with outcomes well in excess of the benchmark or at the high end of the range if the benchmark is a range of outcomes.



CHAPTER 2:

# YOUR COUNCILLORS



# Mayor's Message

The Western Downs continues to demonstrate its place as a regional powerhouse, and despite the unprecedented challenges faced around the world during current times, our economy continues to show diversity and growth.

In the past five years our gross regional product has grown by 40% and now sits at \$4.7 billion. We have an amazingly low unemployment rate of 3.2% (March, 2020) which is significantly lower than the Queensland average in the same period, further demonstrating the ongoing appetite for investment in our region.

Our four economic pillars - agriculture, intensive agriculture, manufacturing and energy continue to show positive signs of growth, and it's tremendous to be a part of this significant period in our region's history.

Our status as the 'Energy Capital of Australia' continues to develop. We now have 21 solar farm approvals and two wind farm approvals in the region, with construction also underway on Queensland's largest grid-scale battery.

Our agricultural sector continues to hold strong and delivers on its longstanding reputation for being resilient, sustainable and modern. The Dalby Saleyards remains the country's largest same day prime and store cattle yards, with more than 200,000 cattle sold annually.

We continue to work closely with external organisations to boost economic sustainability in the region including Toowoomba and Surat Basin Enterprise (TSBE) and our local Chambers of Commerce. The highly valued Business Navigator and Emerging Exporters programs also continue to provide new opportunities for our local businesses to grow their domestic market and explore new international markets.

On top of our established industries, the past year has presented an abundance of new opportunities in the area of tourism and events.

We continue to invest in the various festivals and events which play a huge role in strengthening connectedness across our towns and demonstrate the region's ability to host premier events which rival those of our neighbouring metro regions.

February saw the introduction of the region's first ever Words Out West Readers and Writers Festival which was a resounding success.

The region also welcomed the stellar Reds versus Waratahs Rugby Union match, and we celebrated the opening of the Bunya Mountains Outlook - a fantastic new nature facility right on our doorstep.

The region also welcomed the return of the 'Not Just for Laughs' regional comedy roadshow in November, which promotes mental health services and is vital in providing a bit of light relief during tough times.

In March 2020 a new Council was elected, and I sincerely congratulate our new and returned Councillors and acknowledge the work of those outgoing.

The region has also faced the unprecedented challenge of a global pandemic in 2020, and Council has stepped up to the plate and committed a record \$50 million to secure and create jobs and give the region the support it needs to move forward.

Focused on stimulating the economy and boosting the great liveability of the region, the COVID-19 Recovery Package is delivering various support programs for residents, businesses and community groups, and a variety of infrastructure projects. Some of these projects focus on enhancing our much-loved community facilities to not only enhance leisure opportunities for residents, but also create tourist destinations for visitors to come and spend in our towns.

The work is only just beginning, and the year ahead presents a unique opportunity to build on the wonderful liveability of the region and deliver projects the community will love.

I congratulate all staff who make up Western Downs Regional Council and look forward to the year ahead and working for and alongside our communities to further enhance our region and create strong economic prosperity for the future.



**Mayor  
Councillor Paul McVeigh  
Portfolio - Executive Services**

Phone: 07 4679 4004

Mobile: 0408 700 392

paul.mcveigh@wdrc.qld.gov.au

We have an amazingly low unemployment rate of 3.2% (March, 2020) which is significantly lower than the Queensland average in the same period, further demonstrating the ongoing appetite for investment in our region.



# Meet your Councillors for the 2019/2020 year

The Western Downs 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 region.

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

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



## Mayor Councillor 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 Councillor Andrew Smith

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

Phone 07 4679 4004  
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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  
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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  
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george.moore@wdrc.qld.gov.au



## Councillor Megan James

Portfolio - Strategic Communications and Council Facilities  
(Aerodromes, Sporting Facilities, Showgrounds and Community Buildings)

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megan.james@wdrc.qld.gov.au



## Councillor Ian Rasmussen

Portfolio - Finance, Corporate Services and Business Strategy  
(Finance, Governance, Business Planning, Saleyards and Health Services)

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Mobile: 0477 977 085  
ian.rasmussen@wdrc.qld.gov.au



## Councillor Peter Saxelby

Portfolio - Utilities  
(Water, Wastewater and Gas)

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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



## Statutory Information - Councillor Governance

As the community's elected representatives, the Mayor and Councillors are responsible for the successful management of the Western Downs 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* (the LGA), *Local Government Regulation 2012* and associated State and Federal legislation.

### Council Meetings

Council makes decisions at Ordinary Meetings of Council which are held each month. The Ordinary Meetings are held at the regional Customer Service Centres on a rotational basis, and Special Meetings are convened where required.

Statutory and Advisory committees operated comprised of 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 Meetings of Council are open to the public with a scheduled public gallery question time, whereby a member of the public may apply to address Council on a particular matter of public interest. Community deputations are also often received and can be arranged through the office of the Chief Executive Officer.

Council may at times resolve to temporarily close a meeting under section 275 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 Council's Meetings Policy which is available on our website [www.wdrc.qld.gov.au](http://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 Services Centres. Special Meetings of Council are called as required, with only the items of business conducted at these meetings being the business stated in the notice. The one Special Meeting identified in the 'Summary of Meeting Attendance' table below was the Post-Election Meeting.

A list of agenda items to be discussed at each meeting is also publicly available at least two days prior to the meeting, and the agenda reports (excluding confidential items) are published on Council's website on commencement of the Council meeting.

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

A total of twelve Ordinary Meetings, nine with the predecessor Council and three with the current Council, and one Special Meeting (with the current Council) were held from 1 July 2019 to 30 June 2020.

### Strategy Sessions

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

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

Councillors are also representatives on numerous external organisation committees, as well as internal Council Committees.

### 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 Council's expenses reimbursement policy.

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

### Particular Resolutions

No resolutions were made under section 250(1) relating to the amendment of the Councillor Expenses Reimbursement Policy for this financial year.

### Expenditure from Councillor Discretionary Funds

Councillors do not have any discretionary funds.

### Overseas Travel

During this reporting period no Councillors travelled overseas for Council business.

### Summary of Meeting Attendance by Councillors - 1 July 2019 to 30 June 2020

Councillor	Ordinary Meetings Attended	Special Meetings Attended
Cr Paul McVeigh (Mayor)	12 (of 12)	1 (of 1)
Cr Andrew Smith (Deputy Mayor)	12 (of 12)	1 (of 1)
Cr Greg Olm *	8 (of 9)	-
Cr Ian Rasmussen	11 (of 12)	1 (of 1)
Cr Carolyn Tillman	11 (of 12)	1 (of 1)
Cr Ray Brown *	9 (of 9)	-
Cr Donna Ashurst *	9 (of 9)	-
Cr Kay Maguire	12 (of 12)	1 (of 1)
Cr Peter Saxelby	11 (of 12)	1 (of 1)
Cr Kylie Bourne	3 (of 3)	1 (of 1)
Cr Megan James	3 (of 3)	1 (of 1)
Cr George Moore	3 (of 3)	1 (of 1)

\*Councillors not re-elected at 28 March 2020 election



**Councillors' Remuneration, Superannuation, Expenses Incurred, and Facilities Provided 1 July 2019 to 30 June 2020**

Councillor	Remuneration	Superannuation	Expenses Incurred	Facilities Provided*
Cr Paul McVeigh (Mayor)	\$131,588.45	\$15,790.61	\$8,915.61	\$20,352.00
Cr Andrew Smith (Deputy Mayor)	\$81,771.96	\$9,812.63	\$6,095.29	\$20,352.00
Cr Greg Olm ^	\$54,697.08	\$6,563.65	\$3,018.10	\$15,264.00
Cr Ian Rasmussen	\$69,905.53	\$8,388.66	\$6,478.59	\$20,352.00
Cr Carolyn Tillman	\$69,905.53	\$8,388.66	\$2,226.95	\$20,352.00
Cr Ray Brown ^	\$54,697.08	\$6,563.65	\$6,980.71	\$15,264.00
Cr Donna Ashurst ^	\$54,697.08	\$6,563.65	\$1,495.99	\$15,264.00
Cr Kay Maguire	\$69,905.53	\$8,388.66	\$7,710.55	\$20,352.00
Cr Peter Saxelby	\$69,905.53	\$8,388.66	\$1,062.47	\$20,352.00
Cr Kylie Bourne	\$14,827.29	\$1,779.27	\$275.93	\$5,088.00
Cr Megan James	\$14,827.29	\$1,779.27	\$147.23	\$5,088.00
Cr George Moore	\$14,827.29	\$1,779.27	\$299.54	\$5,088.00

^Councillors not re-elected at 28 March 2020 election \*Motor Vehicle

**Complaints about Councillor Conduct and Performance**

The roles, responsibilities and obligations of Councillors are set out 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.

There were two Councillor conduct complaints made during the 2019/20 year, as disclosed in the following table:

Complaint / Order and/or recommendation Type	LGA Section	Number
Order 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 Conduct Tribunal regarding misconduct	150AR (1)	0
Name of each Councillor to whom a decision, order or recommendation was made	150I (2) 150AH (1) 150AR (1)	N/A
A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each Councillor	150I (2) 150AH (1) 150AR (1)	N/A
A summary of the decision, order or recommendation made for each Councillor	150I (2) 150AH (1) 150AR (1)	N/A
Complaints referred to the Assessor by local government; a Councillor of LG & CEO of LG	150P (2)(a)	2
Matters notified to Crime and Corruption Commission	150P (3)	0
Notices given to the Assessor about particular conduct	150R (2)	0
Notices given to the Assessor about misconduct	150S (2)(a)	0
Decisions made by the Assessor (1 July 2019 to 31 August 2019)	150W (1)(a)(b)(d)	1
Decisions made by the Assessor (1 September 2019 to 30 June 2020)	150W (1)(a)(b)(e)	1
Referral Notices	150AC (3)(a)	0
Occasions Information given	150AF (4)(a)	0
Occasions local government asked another entity to investigate suspected inappropriate conduct of a Councillor	Chapter 5A Part 3 Div 5	0
Applications heard by the Conduct Tribunal regarding alleged misconduct (1 July 2019 to 31 August 2019)		0
Applications heard by the Conduct Tribunal regarding misconduct or inappropriate conduct (1 September 2019 to 30 June 2020)	Chapter 5A Part 3 Div 6	0

CHAPTER 3:

# OUR ORGANISATION



# CEO's Message

Our organisation remains focused on delivering ongoing certainty for families and strong outcomes for the region, despite the various challenges presented over the past financial year due to the global pandemic.

Our continued commitment to financial responsibility and prudent planning has given us the ability to support the region during its time of need and give our residents the best chance of moving through this significant time in history.

It is a credit to our staff that we can allocate such a significant investment under our COVID-19 Recovery Package without compromising on our high standard of services to the community. We are still able to confidently manage our many facilities and amenities as well as allocate funding for important improvements across the region.

Supporting initiatives to strengthen our communities remains a priority for Council, aligning with our corporate strategy to create active and vibrant communities. In the past year we have allocated more than \$195,000 to over 100 community groups to assist with them improving their facilities and events.

As part of our Recovery Package, we also introduced two brand new community grants programs to support our local groups and sporting clubs to bounce back stronger by offering financial assistance to keep

clubs thriving and support to improve their infrastructure for the good of the community. It's great to see so many local organisations benefiting from these important programs and boosting their services to the region.

Our annual program of library activities, art exhibitions, pool parties and touring cultural events have proven extremely popular this year. It was fantastic to celebrate the region's first ever Words Out West Readers and

Writers Festival, adding to the wonderful lifestyle opportunities we have in the region.

Our fantastic Adopt A Street Tree Program continues to make a positive impact across the region, with more than 4,600 trees planted since the initiative commenced in 2017. This has helped enhance the landscape of our local neighbourhoods and generate a real sense of pride in the community.

Our incredible Early Career Development Program is a continued success, with several trainees recognised at regional and state awards over the past year. Creating dynamic, fulfilling employment opportunities for locals is extremely important to Council, and it's so rewarding to see the ongoing benefits of supporting our youth to be a part of our organisation.

We received a total 333 applications for our 2020 intake, which is outstanding. It's so rewarding to see our young people commence a career with Council and it is a testament to the success of the program to see so many people applying to be a part of it.

As a result of the program, Council welcomed 14 trainees and apprentices this year. It's wonderful to provide flexible and fulfilling opportunities to our young people and offer the chance to kickstart a long-lasting career with Council.

With so many projects on the go to build on our region's fantastic liveability, it truly is an exciting time for Western Downs Regional Council. I look forward to the completion of various projects in our open spaces and much-loved community facilities, generating pride in our local towns and encouraging visitors to meet, dine, shop and stay locally.

**Ross Musgrove**  
Chief Executive Officer



"With so many projects on the go to build on our region's fantastic liveability, it truly is an exciting time for Western Downs Regional Council."



# Council's Organisational Structure

In consultation with our communities, the elected Council sets the strategic direction of the organisation under the authority of the State Government via the *Local Government Act 2009*. Council's Corporate Plan 2017 - 2022 is our long-term vision for the Western Downs.

The Chief Executive Officer and Executive 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 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 2019/20 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.

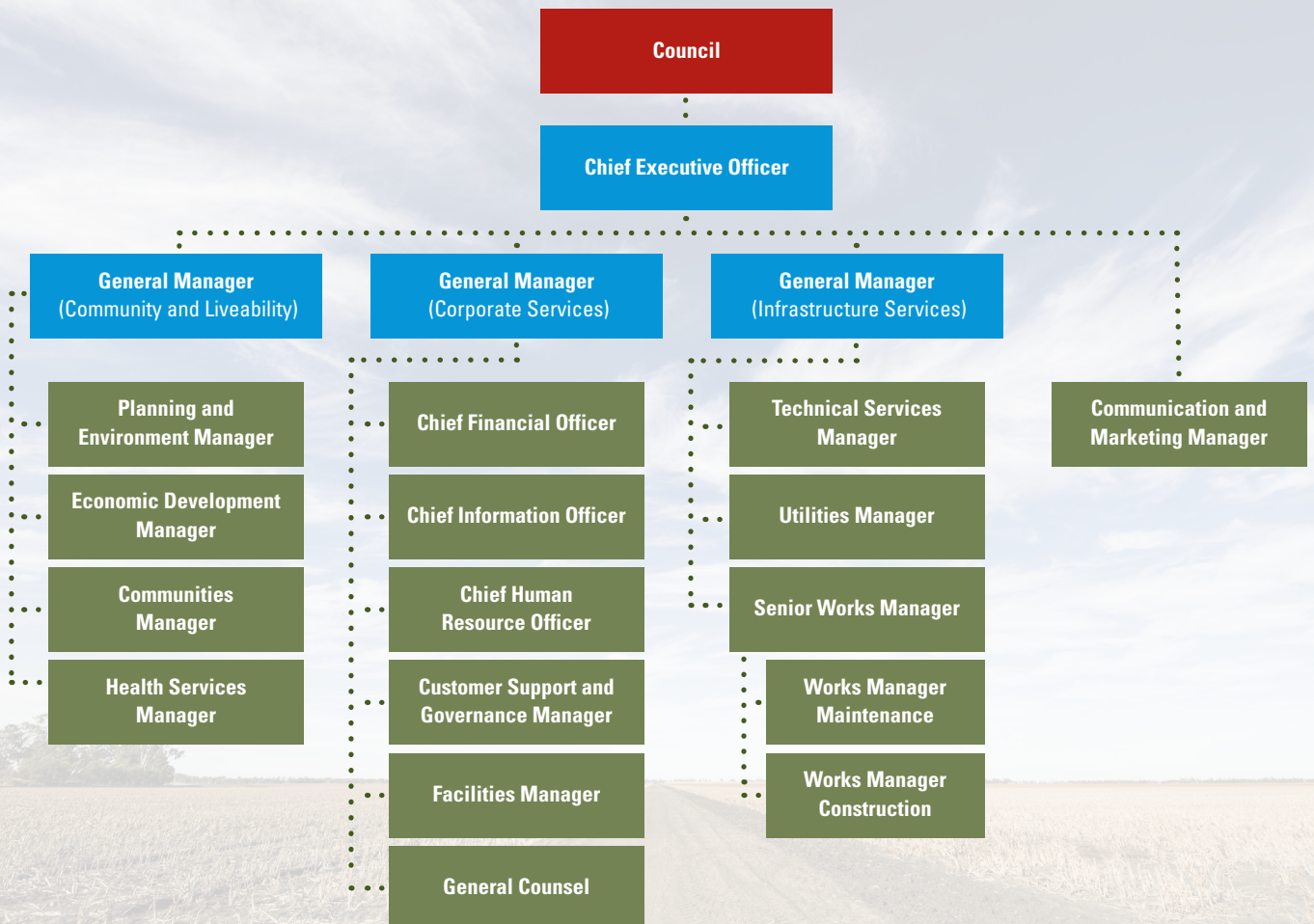
Western Downs Regional Council is structured into the following four divisions:

- 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 and Senior Management teams are responsible for the functions shown in the organisational chart below. 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 Management teams are responsible for ensuring their departments service the local communities effectively and efficiently.

Each division is further segmented into functional departments, as shown below.

Western Downs Regional Council Organisational Structure as at 30 June 2020



# Statutory Information - Corporate Governance

## 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 area.

## Significant Business Activities

Western Downs Regional Council conducted eight significant business activities during 2019/20, as listed below.

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

The competitive neutrality principle has been applied to these significant businesses with relevant adjustments made as a result. There were no new significant business activities commenced during the reporting period.

For a full list of business activities conducted by Council please refer to Chapter 5 of this report, see Note 26 'National Competition Policy' of the Financial Statements, on page 95.

## Executive Team Remuneration

The Executive 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 2019/20 financial year total \$1,226,470. Three remuneration packages were within the range of \$200,000 to \$300,000 and one remuneration package was within the range of \$300,000 to \$400,000.

## Overseas Travel

No employees travelled overseas in an official capacity during the 2019/20 period.

## Administrative Actions Complaints and Complaints Management Process

As part of Council's commitment to dealing fairly with administrative action complaints, and to improve internal processes, all administrative action complaints are processed in accordance with the complaints management standard work practice thereby ensuring objective review of the complaint matter and assessment of complaint outcomes prior to the complaint outcome being provided to the customer. Council proactively ensures that customers are aware of their rights to a fair hearing with details of internal review and external third-party review mechanisms provided to the customer.

Council is committed to maintaining a collaborative working relationship with the Queensland Ombudsman's Office.

The complaints management team are 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 facilitate continuous improvement throughout the organisation by engaging with departments to resolve complaints. View Council's Customer Service Charter by following this link to our website <https://www.wdrc.qld.gov.au/about-council/council-documents/>

During the financial year Council undertook a review of the complaints management standard work practice and held two Complaints Management Working Group meetings to review the complaints management system and complaints received during the financial year.

Complaints received by Council during 2019/20 are list in the table below.

The number of administrative action complaints made to Council	32
The number of administrative action complaints resolved by Council under the complaints management process	32
The number of administrative complaints not resolved by the local government under the complaints management process	Nil
The number of administrative action complaints not resolved that were made in a previous financial year	Nil
The percentage of administrative action complaints resolved within agreed timeframes	84%

The majority of administrative action complaints to Council fell within the categories of rate and utility charges, utility services, animal management and road maintenance.

## 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 detail on the requirements and obligations of all staff under the Code of Conduct. All new employees completed corporate induction training during 2019/20. 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 directly to the Chief Executive Officer and the Audit Committee. Operating under a Terms of Reference approved by the Council, the mission of the internal audit function is to independently examine and evaluate Council processes and activities, and provide assurance to Council, Management and the Community.

The scope of work each year is set out in the approved internal audit plan, which is endorsed by the Chief Executive Officer and the Audit Committee and approved by Council. Audit and other activities undertaken during the financial year 2019/20 included:

- Risk assessment and development of annual internal audit plan;
- Regular progress reports to Audit Committee on implementation of audit;
- Regular progress reports and statistics on implementation of external and internal audit recommendations;
- Ongoing continuous control monitoring activities;
- Audit of Business Continuity Management;
- Audit of Disaster Management;
- Audit of ICT Project Management and Governance.

### The Audit Committee

The Audit Committee was comprised of two Councillors and two external members.

The two external members were Mr Don Licastro (Chair) and Mr Neil Jackson. Councillors Paul McVeigh and Ian Rasmussen were the appointed Council representatives on the Committee, with Councillor Andrew Smith as the alternate member.

Audit Committee membership to March 2020 was as follows:

- Mr Don Licastro - Chair
- Mr Neil Jackson
- Councillor Paul McVeigh
- Councillor Ian Rasmussen
- Councillor Andrew Smith (Alternate Member)

Following the March 2020 local government election, a revised Audit Committee structure was adopted adjusting the number of external members on the committee and allowing the appointment of a Councillor as Chairperson, with the Audit Committee membership comprised of:

- Councillor Ian Rasmussen - Chair
- Councillor Paul McVeigh
- 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 208 to 211 of the *Local Government Regulation 2012*. The Committee met four 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 (s31 of LGA 2009)
- Councillor Conduct Register (s150DX of LGA 2009)
- Register of Cost Recovery Fees and Commercial Charges (s98 of GLA 2009)
- Asset Register (s104 of LGA 2009)
- Delegation Register (s260 of LGA 2009)
- Register of Interests (s289 to s297 of LGR 2012)
- Business Activities Register (s56 of LGR 2012)
- Register of Beneficial Enterprises (s41 of GLA 2009)
- Register of Pre-Qualified Suppliers
- Register of Roads (s.74(1)(b) of LGA 2009)
- Environmentally Relevant Activities
- Registers under the *Plumbing and Drainage Regulations 2019*
  - Permits and Inspection Certificates (s112)
  - Testable backflow prevention devices (s113)
  - Greywater use and onsite sewage facilities (s114)
  - Show cause and enforcement notices (s115)

### Financial Accountability

The Financial Statements of Western Downs Regional Council for the period 1 July 2019 to 30 June 2020, as audited by the Auditor-General can be found in Chapter 5 of this report, from page 39.

For the Current Year Financial Sustainability Statement as well as the Unaudited Long-term Financial Sustainability Statement for 2019/20, please refer the General Purpose Financial Statements, on pages 103 and 108 respectively.

The Auditor-General's audit reports about our Financial Statements and the Current Year Financial Sustainability Statement can be found in Chapter 5 of this Report, on pages 100 and 105 respectively.

### Community Financial Report

A simplified version of our financial performance for the period 1 July 2019 to 30 June 2020 as reported in our audited Financial Statement 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 organisations for the year totaled \$316,819.

### Rates Rebate and Concessions

During 2019/20 special charges totalling \$74,166 were levied with respect to the maintenance of roads related to quarries.

In accordance with Council policy, pensioner concessions of \$389,459 and community organisation concessions of \$450,706 were granted during the year.

More detail is provided in Chapter 5 of the Report, in the Financial Statement under Note 3(a) 'Rates, Levies and Charges' on page 50.

### Changes to Council Tenders

No invitations to change tenders under section 228(7) of the *Local Government Regulation 2012*, were made during the 2019/20 year.

### Cooperation Between Local Governments

Western Downs Regional Council continued its involvement in the Queensland Water Regional Alliance Program (QWRAP). Council's commitment of approximately \$4,706 cash and \$19,393 in-kind contribution was spent during 2019/20 in the execution of the Alliance models for Utilities. The Alliance examines the benefits of a collaborative approach to particular Utilities operations.

In addition, while not a formal arrangement as defined in the Regulation, Council also 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 this Report within the Financial Statements, see Note 26, under 'National Competition Policy' on page 95.

As its Special Meeting held on 19 June 2019, Council resolved to:

1. Adopt the Code of Competitive Conduct Policy.
2. Apply a Community Service Obligation Payment to the following businesses for 2019/20:
  - a. Water
  - b. Waste Management.
3. Adopt the Dividend Policy, and receive Dividend payments from the following businesses during 2019/20:
  - a. Commercial Works
  - b. Gas
  - c. Sewerage
  - d. Jimbour Quarry
  - e. Dalby Regional Saleyards
  - f. Washdown Bays.

During the reporting period no competitive neutrality complaints were received.

### Particular Resolutions

Council made no resolutions 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 Conduct Policy and Dividend Policy are available on the following links:

Code of Competitive Conduct Policy: <https://www.wdrc.qld.gov.au/about-council/council-documents/policy-register/#C>

Dividend Policy: <https://www.wdrc.qld.gov.au/about-council/council-documents/policy-register/#D>

### Overall Performance Assessment

In Chapter 4 of this Report, following the summary of the organisation's Performance Outcomes, the Chief Executive Officer provides an informed assessment of Council's overall performance against the Corporate Plan and annual Operational Plan, on pages 34 to 38.

CHAPTER 4:

# REPORTING THE ORGANISATION'S PERFORMANCE





# Council's Strategic Direction

The Western Downs Regional Council's Corporate Plan 2017 - 2022 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 guide 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 areas; then programs and deliverables under each of the priority areas were identified to guide Council's operations for the term of this 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.

## We will also advocate for:

- A long term domestic and industrial water supply for our region
- A suite of regional health services providing our residents with 'Whole of Life' care
- Regional educational facilities and first-class educational services
- Community participation programs that engage and inspire our local youth
- Modern and efficient telecommunication services that meet the needs of our region

## Measuring Our Success

Alignment to these four strategic priority areas and to our Mission, 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 2019/20 financial year against our Corporate Plan 2017 - 2022. Highlights of important achievements under each strategic theme are shown overleaf in the Performance Outcome Highlights table, and the Chief Executive Officer's assessment of our progress concludes this chapter.

## Strategic Priority 1: STRONG ECONOMIC GROWTH

- There is confidence in our strong and diverse economy
- We're open for business and offer investment opportunities that are right for our region
- We optimise our tourism opportunities, unique experiences and major events
- Business and industry in our region live local and buy local
- Our region is a recognised leader in energy, including clean, green renewable energies

## Strategic Priority 2: ACTIVE VIBRANT COMMUNITIES

- We are a region without boundaries, united in community pride
- Our community members are the loudest advocates for what's great about our region
- Our social, cultural and sporting events are supported locally and achieve regional participation
- Our parks, open spaces and community facilities are well utilised and connect people regionally
- A recognised culture of volunteerism is active throughout our communities

## Strategic Priority 3: GREAT LIVEABILITY

- Our residents enjoy convenience of modern infrastructure and quality essential services
- Valued recreational spaces, sporting and community facilities are provided regionally
- A safe and well-maintained road network connects our region
- Our region remains an affordable place for families to live, work, prosper and play
- We're recognised as one of the safest regions in Queensland

## Strategic Priority 4: FINANCIAL SUSTAINABILITY

- We are recognised as a financially intelligent and responsible Council
- Our long term financial planning guides informed and accountable decisions
- Our value for money culture enables us to deliver our core functions sustainably
- Our agile and responsive business model enables us to align our capacity with service delivery
- Effective asset management ensures that we only own and maintain assets that are utilised

# Performance Outcome Highlights 2019/20

## Strategic Priority 1: STRONG ECONOMIC GROWTH

### There is confidence in our strong and diverse economy

- In collaboration with the local Chambers of Commerce, thirteen regional businesses showcased why the region is a great place to setup a business.
- Intensive Animal Industry, Manufacturing, Traditional Resources, Renewable Energy and Retail fact sheets and case studies featuring local businesses were developed in partnership with Toowoomba and Surat Basin Enterprise (TSBE)
- The Western Downs Development Status Report was released in June 2020 to encourage further investment in the region, while also providing businesses with important information to identify new opportunities.
- A series of thirteen videos were produced showcasing small, medium and large businesses within the Western Downs region. The videos demonstrate why the region is a great place to set up business.

### We're open for business and offer investment opportunities that are right for our region

- The Year Ahead Series were successfully delivered in collaboration with the Chambers of Commerce.
- World Entrepreneurs Day, an event to recognise the contribution of our local businesses, to celebrate entrepreneurship and innovation in the region and to inspire others with business start-up ideas was held at the Dalby Events Centre on 21 August 2019.
- A new improved Economic Development page went live on the Council's website.
- Google My Business workshops delivered, with 45 participants across the region.
- TSBE Protein 2020 Conference was held in Dalby on 4 March 2020, with 100 attendees.
- Council delivered free online webinars in partnership with Australian Small Business Advisor Services (ASBAS), Digital Solutions Queensland and local Chambers of Commerce. 35 businesses took advantage of the program.
- Council partnered with local Chambers of Commerce and the National Retail Association (NRA) to deliver free online retail workshops to boost local business and energise the Western Downs economy.

### We optimise our tourism opportunities, unique experiences and major events

- Council, Queensland Music Festival and Opera Queensland delivered the ever-growing and popular Opera at Jimbour to Jimbour House on 27 July 2019. 2,304 people attended the event enjoying a day of live music, tempting food and wine. This year saw two new events introduced, Happy Hour at the Hangar and Jimbour Garden Picnic.
- The Tara Festival of Culture and Camel Races was held in Tara from 2 to 4 August 2019. The festival attracted an estimated attendance of 9,800 per day and over 2,900 campsites booked.
- The 10th Dalby Delicious & DeLIGHTful Festival was held through 16 and 17 August 2019 on the banks of the Myall Creek.
- The 2020 Events Forum was held in Chinchilla in March 2020, showcasing our Region's ability to host high class events.
- Western Downs hosted the Queensland Reds and NSW Waratahs in January 2020, bringing visitors into our region and boosting the local economy.
- Our Western Downs Tourism App was updated with seven new trails and interactive maps for locals and visitors to follow.
- Dalby hosted the Asia Pacific Regional Championship for Radio Control Aerobatic Model Aircraft from 29 November to 1 December 2019 with a number of teams from overseas participating.

### Business and industry in our region live local and buy local

- Local Procurement Roadshows were held across the region in August 2019, providing local businesses with information on Council's procurement opportunities and the process of working with Council.
- Council participated in the highly successful Chinchilla, Miles and Dalby Career Expos.
- 100% of the externally sourced works to deliver Council's regional reseal program were awarded to local contractors at a combined value of \$3.05 million. Council split the haulage of the Jimbour Quarry precoated aggregate to the sites from the bitumen contractor package to allow local haulage companies the opportunity to secure this work.
- Significant road upgrades were completed to Auburn Road, Greenswamp Road, Kents Road and Nandi Road to increase capacity for heavy vehicles.

### Our region is a recognised leader in energy, including clean, green renewable energies

- Investment prospectus and industry fact sheets promoting the renewables sector in the Western Downs region were developed in partnership with TSBE.
- Council staff worked with the renewable energy sector on future projects, that will result in further road upgrades and maintenance.

## Strategic Priority 2: ACTIVE VIBRANT COMMUNITIES

### **We are a region without boundaries, united in community pride**

- The Adopt a Street Tree Program recommenced in July 2019 for its fourth round with 2,812 trees planted proving the initiative is still very popular within the community.
- An innovative new placemaking project in Tara and Chinchilla transformed local shopfronts into living art by local artists.
- Charles Drew Bridge in Dalby received a facelift as part of the Council's beautification project. The 62-year-old bridge was repainted in a modern art-deco colour scheme.
- Christmas Where the Gum Trees Grow was part of the Communities Christmas Placemaking initiative that promoted community engagement, pride and Christmas spirit in our rural areas. Rural residents were encouraged to decorate their letterboxes or property entrances in a Christmas theme.
- 42 new Australian citizens were welcomed at Council citizenship ceremonies across the region.
- Council again partnered with local community groups to successfully deliver regional Australia Day events and award ceremonies in Chinchilla, Dalby, Jandowae, Meandarra, Miles and Wandoan.
- Western Downs Libraries was one of the first in the state to re-introduce socially distanced Storytime sessions, promoting early literacy development and giving parents the opportunity to reconnect post-lockdown.

### **Our community members are the loudest advocates for what's great about our region**

- The Inaugural Words Out West Readers and Writers Festival was held in Dalby from 14 to 16 February 2020 featuring international and Australian authors, a student engagement day, Writers' Retreat and Gala Dinner.
- 430 senior citizens enjoyed many activities across the region to celebrate Seniors Month.
- Fun Palaces took over the Tara, Chinchilla and Dalby libraries in October and November, continuing to attract more attendees every year.
- Queensland Government's Advance Queensland Engaging Science Grants Program partnership with Council delivered state of the art drone coding workshops in Dalby and Chinchilla. STEM Punks (Science, Technology, Engineering and Maths) visited our region in August 2019 to teach our youth about one of the world's fastest growing industries, providing a great opportunity to display why our region has become known as the Home of Drones.
- Numerous Western Downs community groups have received support to deliver new initiatives to enhance the vibrancy of our region through the Community Grants program.
- The Community Organisation Hardship and Assistance grant program and the Infrastructure program were developed to assist community groups in response to the impacts of COVID-19.
- Community consultation and concept designs for the Miles CBD Streetscape were undertaken, with the project now in the detailed design phase.
- Through Council's Partnership with TSBE, the Dalby Health Harvest Medical Conference was held on 16 November 2019 with 100 attendees.

# Performance Outcome Highlights 2019/20

## Strategic Priority 2: ACTIVE VIBRANT COMMUNITIES

### Our social, cultural and sporting events are supported locally and achieve regional participation

- Council partnered with Queensland Music Festival (OMF) to host the national choral initiative Help is on its Way at Chinchilla on 17 July 2019. 350 residents performed a powerful anthem as a way of raising awareness around mental health.
- Charlotte's Web came to the Western Downs in September 2019 with 793 people attending movie screenings and live performances across the region. Council partnered with local community groups to provide refreshments as a fundraising initiative.
- New 13-metre-high Christmas Trees at MyALL 107 in Dalby and Chinchilla Botanical Parklands were installed as part of the many activities delivered across the region including the Dalby Christmas Tree Light Up and Chinchilla Light show.
- Western Downs Regional Artists' Exhibition opened for its sixth year showcasing a variety of artworks by our residents. This year marked the largest exhibition, with the exhibition running from October to December 2019.
- Not Just for Laughs returned to the region in November for the fifth year with renowned comedians Cal Wilson and Brett Blake and live music by STOMP featuring James Johnston providing an evening full of laughter and entertainment in Meandarra, Wandoan and Warra.
- Groovin' from the Garage - The Originals competition was launched online in May, receiving 23 entries from local artists, keeping live music alive in the region during COVID restrictions.
- Western Downs Libraries dished up a new Library Takeaway service during the COVID-19 lockdown. Over the 7 weeks it operated, more than 2,000 items in over 600 packages were delivered or collected, and families said it assisted them with home-based learning while schools were closed.
- Your Library at Home campaign promoted resources that library customers could access online during lockdown and resulted in an increase of 163% in online library users.

### Our parks, open spaces, and community facilities are well utilised and connect people regionally

- Charleys Creek pedestrian timber bridges replaced the old damaged bridges.
- The Skate Park Tour series took over the Tara, Dalby and Miles Skate Parks in October 2019, with activities including skateboarding and filmmaking workshops, laser skirmish, face painting and live DJ.
- The Chinchilla Botanical Parklands received international recognition, being the only regional park in Queensland to receive the coveted 'green flag' award. The 'green flag' award recognises exceptional parks and green spaces, setting the benchmark standard for the provision, management and maintenance of recreational outdoor spaces around the world.
- Western Downs Libraries installed new educational and family friendly Storywalks at Chinchilla Botanical Parklands and Thomas Jack Park, in partnership with the State Government's First 5 Forever Program, allowing contactless Storytime and early literacy development to continue during the COVID-19 pandemic.
- Council partnered with SwimFit to once again deliver pool parties across the region.
- 35 new banner poles were installed across the Western Downs to promote our vibrant communities.
- Kilometres of new footpaths were laid across the region, increasing the footpath network and connecting our communities.
- A new pedestrian bridge was constructed over the Myall Creek near Amos Street, Dalby with the 15.3m x 3m wide steel and timber bridge.

### A recognised culture of volunteerism is active throughout our communities

- Council recognised the service of volunteers across the region as part of National Volunteers Week.
- An online Volunteer Management System was established to assist managing volunteer data, positions and communication.

### Strategic Priority 3: GREAT LIVEABILITY

#### **Our residents enjoy convenience of modern infrastructure and quality essential services**

- Chinchilla's ageing water supply pipe networks were upgraded.
- Parking meters were removed from the Dalby CBD after consultation with local businesses.
- Council's Customer Service team set up pop up stalls at various senior citizen events and Reach Out Drought sessions, improving our customers' experience.
- Supervisory Control and Data Acquisition (SCADA) systems were upgraded providing operational benefits across the Utilities networks.
- A high level of service was provided with no significant water supply interruptions and no water quality incidents during the year.
- Wastewater and recycled water schemes achieved a high level of compliance and consistently provided alternative water supply sources for the community.

#### **Valued recreational spaces, sporting and community facilities are provided regionally**

- The upgraded JS Fisher Lookout / Bunya Mountains Outlook project was officially opened.
- Cemetery works completed across the region, included Tara landscaping and shade project, row markers installed at Jandowae, fence replacement at Wandoan, Jimbour and Chinchilla Pioneer cemeteries.
- Numerous parks & open spaces beautification projects were completed including turfing of Tara's Skatepark and a newly constructed rock-climbing wall, Meandarra's main street and cemetery received new park benches and planter boxes.
- A new shade and eating shelter was installed at Chinchilla Skate Park and new shade provided at Dalby Skate Park.
- Dalby Aquatic Centre refurbishments completed including upgrades to the grandstand, toilets, showers and change rooms.
- Playground equipment was replaced at Kaimkillenbun, Williams Park and Lions Park, Dalby and Queens Park, Brigalow.
- A stable complex and multi-purpose shed were constructed at Jandowae Showgrounds.
- A new off-leash dog park opened in Chinchilla.
- New amenities block at Chinchilla Weir and Thomas Jack Park, Dalby were completed.
- Fairy lights were installed in 12 date palm trees in Dalby and in ANZAC Park, Miles to beautify and add character to the community.
- MyALL 107 and Chinchilla Cultural Precinct concept masterplans developed.

#### **A safe and well-maintained road network connects our region**

- Rehabilitation of the timber bridge at Bundi Road, Wandoan was completed re-opening this bridge for heavy vehicle access and works completed on Yeovil Road bridge and the two Downfall Creek Road bridges to restore the bridges to a safe condition.
- Council's maintenance graders performed cyclic maintenance to over 9,450km of Council's unsealed road network in the 2019/20 financial year, providing a safe and sustainably maintained network to support our rural industries.
- Works staff completed all outstanding and higher priority defects on Council's local roads and footpath networks, providing a safer and better presented transport network across the region for our residents and visitors. This included the repair of over 830 serious defects during the 2019/20 financial year, and repair of 8,367 defects in total on Council's roads and footpaths.
- The 2019/20 regional road resealing program was completed with delivery of a \$3 million program across the region which saw repairs and upgrades to our roads while working towards a cleaner, green future utilising approximately 241,000kg of recycled rubber as part of the bitumen mixture.

# Performance Outcome Highlights 2019/20

## Strategic Priority 3: GREAT LIVEABILITY

**Our region remains an affordable place for families to live, work, prosper and play**

- New Welcome Guides were launched in January for our six major regional centres. The guides provide local knowledge and information for new and future residents highlighting why Western Downs is the best region to live in.
- New "Welcome to Western Downs" regional entry signs were installed on the Warrego Highway Dalby entrance and "Welcome to Miles" town entry signs installed on both the southern and western entries to the town.
- Western Downs Cinemas successfully hosted Frozen II social events and screened Star Wars midnight premieres which coincided with its release at major cinemas in capital cities.

**We're recognised as one of the safest regions in Queensland**

- Council has partnered with local pet shops and community groups to help find impounded animals their forever home.
- Council's award-winning pest management program delivered a project to help tackle the five pests in the Wandoan area; parthenium, giant rats tail grass, mother of millions, feral pigs and wild dogs. The project was funded under the Communities Combating Pests and Weeds Impact During Drought Program.
- 100% of footpath inspections were completed to comply with TAMMP inspection frequencies.



## Strategic Priority 4: FINANCIAL SUSTAINABILITY

### We are recognised as a financially intelligent and responsible Council

- A \$50 million COVID-19 Recovery Package was rolled out to secure and create jobs, energise the economy and support the region.
- Council's unqualified Financial Statements were certified by the Office of the Auditor General within the statutory timeframe.
- Meeting room technology implementation completed, improving productivity by implementing video conferencing technology.
- A new drought assistance program Reach Out offered support and advice to primary producers across in the region in September and October 2019. Several agencies attending to assist locals with funding applications, financial planning and mental health support.
- Council offered 50% rebate to eligible residents on its standpipe water supply to support drought-affected residents across the region.
- Council scored top marks for financial sustainability and management in the Queensland Audit Office *Local government entities: 2018-19 results of financial audits Report 13: 2019-20*.

### Our long term financial planning guides informed and accountable decision making

- Public Interest Disclosure Management System and Policy reviewed in consultation with the Queensland Ombudsman.
- Review of Business Continuity Management Systems and Business Continuity Plans completed.

### Our value for money culture enables us to deliver our core functions sustainably

- Procurement Policy reviewed, updated and adopted by Council with training provided to staff.
- Improvement to our processes in capturing gas loss from the network.

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

- New hybrid vehicles joined the Council fleet. The hybrid technology is better for the environment, more fuel efficient and equipped with the latest integrated safety features.
- Electronic Content Management (electronic records management) system 2019A upgrade completed successfully.

### Effective asset management ensures that we only own and maintain assets that are utilised

- Stormwater and Gas comprehensive valuation undertaken.
- All high priority building condition assessments of facilities assets completed.
- All high-risk activities identified at the Dalby Regional Saleyards have been addressed, with the exception of the replacement of the green ramp which will be completed by mid-August 2020.

# Performance Outcome Highlights 2019/20

## People

- Trainees Kyla-Rae Saltner-Johnston and Karsha Dewis were successful at the Queensland Training Awards, Darling Downs South West Regional Awards Night, with Kyla-Rae awarded as the Aboriginal and Torres Strait Islander Student of the Year and Karsha the Bob Marshman Trainee of the Year. Council was also awarded the Large Employer of the Year for the Darling Downs and South West Region.
- Finalist National Local Government Customer Service Network, Innovation in Customer Experience and Excellence in Service Delivery, and Customer Service Team of the Year.
- Three staff completed a Certificate III in Water Industry Treatment (Drinking Water) qualification, with four staff successfully completing a Certificate IV in Civil Construction Supervision.
- 106 employees received their certificate and service pin at the Employee Service Recognition Award ceremonies during 2019/20.
- Council's 2020 Early Career Program received 333 applications for all Apprentice and Trainee positions, including the KickStart Disability Traineeships. A total of two Apprentices and twelve Trainees were placed across the region, with two positions in Tara, three in Miles, five in Chinchilla and four in Dalby.
- Six regional graduating high school students were awarded WDRC Community Spirit Bursary Awards for 2019. Since the commencement of the program in 2016, twenty-five Community Spirit Bursary Award winners have been announced, with fourteen taking the opportunity to undertake work placement across WDRC.
- Coordinated the placement of fourteen work experience students from four regional high schools from July to December 2020.
- Fourteen trainees and apprentices obtained employment with WDRC or within the community and two trainees went onto university at the end of the traineeships.
- 2020 Climate Survey rolled out across the organisation.
- Security awareness training delivered across Council.
- Darling & Surat Basin (DASB) Water Operators Forum, hosted by Western Downs Regional Council. The Forum was aimed specifically at water and network field staff, with several operators presenting informative papers. A tour of Dalby RO2 Treatment Plant completed the day.
- Council's support of the cadetship program resulted in three local residents gaining employment and professional development opportunities in Infrastructure Services, in Design, Strategic Planning and Works Construction.
- Fifteen employees from various departments across Council participated in the GROW @ Work Program. The program aims at providing staff an opportunity to develop their skill set and gain a deeper understanding of other Council Departments.
- Mental Health Awareness: A Chance to Change delivered a total of six presentations to staff throughout the region, with approximately 300 staff members attending.
- 10,000 Steps: 115 employees across 23 teams participated in the challenge. WDRC recorded a total of 34,247,519 steps.
- A Health and Wellbeing program facilitated by Max Solutions (Council's Employee Assistance Program provider) was rolled out to all employees in Health Services focusing on wellness and coping.
- The 2020 Staff Flu Vaccination Program resulted in 398 employees receiving a flu vaccination compared to 301 last year.
- External Training which included: First Aid, CPR, LVR, Confined Space, Electrical Awareness, Working @ Heights, Isolation and Lockout, Manual Handling, Site Based Spills and Dangerous Goods and Hazardous Substances handling.
- Workplace Health Safety Policy was reviewed and amended.
- A Training Course Calendar developed in conjunction with Managers was rolled out to the organisation.
- Several Communities Department staff were redeployed for some months during the pandemic to support Health Services staff in aged-care facilities and HACC.
- Staff voted in favour of a new Operational Staff Certified Agreement.
- The Non-Operational Staff Certified Agreement was certified in the Queensland Industrial Commission.
- The time taken to recruit was less than ten weeks for 2019/20.
- Following a request for quotation to supply corporate uniforms from local suppliers in 2018/19, three local suppliers commenced supply of uniforms in 2019/20.





- The WHS team worked with the Executive Safety Steering Group to review and establish a set of performance measures that enabled monitoring of activities across Council. The measures consist of a range of lead indicators and lag indicators that have been benchmarked against other like Councils. Achievements against these performance measures were reported and discussed at the monthly meetings.
- A comprehensive review of building emergency procedures was undertaken to ensure Council meet all compliance requirements. This included a full building audit, along with review and upgrade of evacuation documentation and diagrams. Emergency equipment was serviced and maintained to standard, including fire extinguishers, emergency lighting and first aid kits. Emergency procedures training was conducted.
- LGW worker's compensation premiums have reduced for the fourth consecutive period from 1.03% to 0.912%. The estimated premium savings for this reduction in premium is expected to be around \$66,000 for 2020/21.
- A Corporate Induction video was created to enable new employees to undertake their Corporate Induction training online during COVID-19 restrictions.
- Online virtual training opportunities were coordinated to replace face-to-face training so that corporate and compliance training could continue during COVID-19 restrictions.

# Performance Assessment













An informed assessment of how Council performed in 2019/20 against each of the strategic priorities expressed in the Corporate Plan 2017 - 2022, has been compiled by the Chief Executive Officer and is shown on the following pages.

Council made significant progress on delivering its commitments in 2019/20, however the COVID-19 pandemic impacted the delivery of some actions particularly in the Health Services, Economic Development and Communities areas.

### Assessment Key

The following symbols indicate our progress at the end of the 2019/20 financial year:

				
ACHIEVED	ON TARGET	NEEDS IMPROVEMENT	SCHEDULED LATER IN CORPORATE PLAN CYCLE	IMPACTED BY COVID-19 PANDEMIC

Strategic Priority 1: STRONG ECONOMIC GROWTH	
<b>There is confidence in our strong and diverse economy</b>	<ul style="list-style-type: none"> <li>Continue to improve our engagement with prospective developers to improve planning outcomes. </li> <li>Our Development Assessment processing timeframes will continue to be our key point of difference and amongst the best in the state. </li> <li>Effectively promote major events and investment opportunities in the Western Downs. </li> <li>Health Services staff advocate for a suite of regional health services providing the community with 'whole of life' care; target State and Federal Government investment in Health Services in the Western Downs regional and promote regional interagency collaboration. </li> </ul>
	<ul style="list-style-type: none"> <li>Identify and enable opportunities that facilitate investment in the region, from outside of the region. </li> <li>Identify and enable activities that facilitate the development of local businesses. </li> </ul>
	<ul style="list-style-type: none"> <li>Identify opportunities that facilitate engagement with tourism target markets to extend visitor night stay in the region. </li> <li>Value-add to and enable the growth and development of the region's major events. </li> <li>Identify and enable opportunities to facilitate the hosting of new events in the Western Downs region. </li> </ul>
	<ul style="list-style-type: none"> <li>Identify opportunities that attract and retain skilled workers to our region's towns. </li> <li>Residential and Community based Health Services buy local where possible; Recruit and attract staff to live local and support local communities. </li> <li>Commit, where possible, and within the Value for Money framework to spending locally. </li> </ul>

**Strategic Priority 1: STRONG ECONOMIC GROWTH**

**Our region is a recognised leader in energy, including clean, green renewable energies**

- Actively facilitate energy sector development.
- Promote the region as an energy transmission infrastructure hub - attractive infrastructure, cheap land and ideal environment (sun and wind).



**Strategic Priority 2: ACTIVE VIBRANT COMMUNITIES**

**We are a region without boundaries, united in community pride**

- Our Western Downs community is proud and engaged in the public spaces we have.
- In partnership with community, deliver regional events designed to support reading, literacy and learning; foster digital participation; and encourage culture and creativity.
- Our community events are well attended.
- Robust planning and programming of our maintenance and open spaces projects so as to enhance our regions liveability and community pride through green space initiatives.



**Our community members are the loudest advocates for what is great about our region**

- Our community is engaged and supported through capacity building programs and initiatives.
- Actively seek community engagement and advocacy for Council initiatives.
- Support Health Services clients to participate in their local communities and encourage the wider community to engage with the services / aged care facilities.



**Our social, cultural and sporting events are supported locally and achieve regional participation**

- Create and implement a region-wide approach towards targeted community activations, programs, initiatives and embed collaborative practice both internally and externally.



**Our parks, open spaces and community facilities are well utilised and connect people regionally**

- Our Arts and Cultural spaces are actively used by the community through an active and vibrant network of artists and regional community groups in the Western Downs.
- Maximise the use of our major community facilities.



**A recognised culture of volunteerism is active throughout our communities**

- Inspire and enable a generation of ambassadors.
- Health Services staff acknowledge the contribution of ambassadors that enhances the consumer experience and actively seek to welcome new ambassadors to the services.



# Performance Assessment

Strategic Priority 3: GREAT LIVEABILITY		
<b>Our residents enjoy the convenience of modern infrastructure and quality essential services</b>	• Deliver quality public WiFi in significant community places.	
	• Improve water supply systems to ensure residents have access to quality water supplies across the region.	
	• Improve wastewater processes to improve customer satisfaction and allow for better utilisation of effluent water.	
	• Deliver safe, inclusive, quality care and services throughout its Aged Care services.	
	• Provide a well-connected network of footpaths for residents.	
	• Continue to make improvements and increase compliance of Council's Waste Facilities, especially for the waste levy.	
	• Align service delivery with a contemporary customer service strategy.	
<b>Valued recreational spaces, sporting and community facilities are provided regionally</b>	• Deliver well-maintained facilities that meet the needs and expectations of users.	
<b>A safe and well-maintained road network connects our region</b>	• Continuous improvement of the strategic framework for the delivery of programmed transport asset maintenance.	
	• Improved maintenance management systems for logging of defects and delivery on both state and local road networks.	
	• Effective routine management of Council's unsealed road assets provides a safe road network.	
	• An up to date 10-year capital works program is in place.	
	• Develop strategic masterplans for townships and rural road network.	
	• The Transport Capital Works Program will be delivered on time and within budget.	
<b>Our region remains an affordable place for families to live, work, prosper and play</b>	• We deliver responsible budgets based on long term financial forecasts to ensure fully informed decisions are made and impacts on future financial periods are known.	
<b>We are recognised as one of the safest regions in Queensland</b>	• Maintain a reliable CCTV network that enhances public safety in our major towns.	
	• Develop and maintain an appropriate Maintenance Management System for the prioritisation of defects on Council road network.	
	• Continue to increase our efforts to improve animal management outcomes in our community.	
	• Environmental Health programs focus on improving outcomes for our community.	






**Strategic Priority 4: FINANCIAL SUSTAINABILITY**

<p><b>We are recognised as a financially intelligent and responsible Council</b></p>	<ul style="list-style-type: none"> <li>• Core Corporate Systems and Network availability to ensure Council is able to deliver services.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Enable efficiencies via mobilisation and collaboration, through the provision and management of devices and connectivity.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Control employee costs to assist financial sustainability.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Finalise Financial Statements.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Deliver Budget.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Operate within Budget.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Maintain a sound internal control environment.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Distribute rates notices, gas notices, water consumption notices on time.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Undertake debt recovery action promptly and in accordance with legislative guidelines.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Increase capacity of in-house legal team to handle a greater volume and complexity of matters.</li> </ul>	
<p><b>Our long-term financial planning guides informed and accountable decision making</b></p>	<ul style="list-style-type: none"> <li>• Develop long term financial and asset management plans that ensure the services we provide are sustainable.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Fraud and Corruption Control responsibility is actively managed by each functional area within Council. Leadership in fraud and corruption control.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Public Interest Disclosure Management system in collaboration with the Queensland Ombudsman Office.</li> </ul>	
<p><b>Our value for money culture enables us to deliver our core functions sustainably</b></p>	<ul style="list-style-type: none"> <li>• Measurement of routine road maintenance activity unit rates allows for sound financial management of maintenance funds.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Provide a well-controlled and safe gas network to the community.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Measurement of transport asset renewal and upgrade unit rates allow for sound financial management of Council's Transport Capital Works Program.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Council owned Health Services deliver financially responsible service models to our local communities.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Embed Value for Money in core decision-making.</li> </ul>	




# Performance Assessment

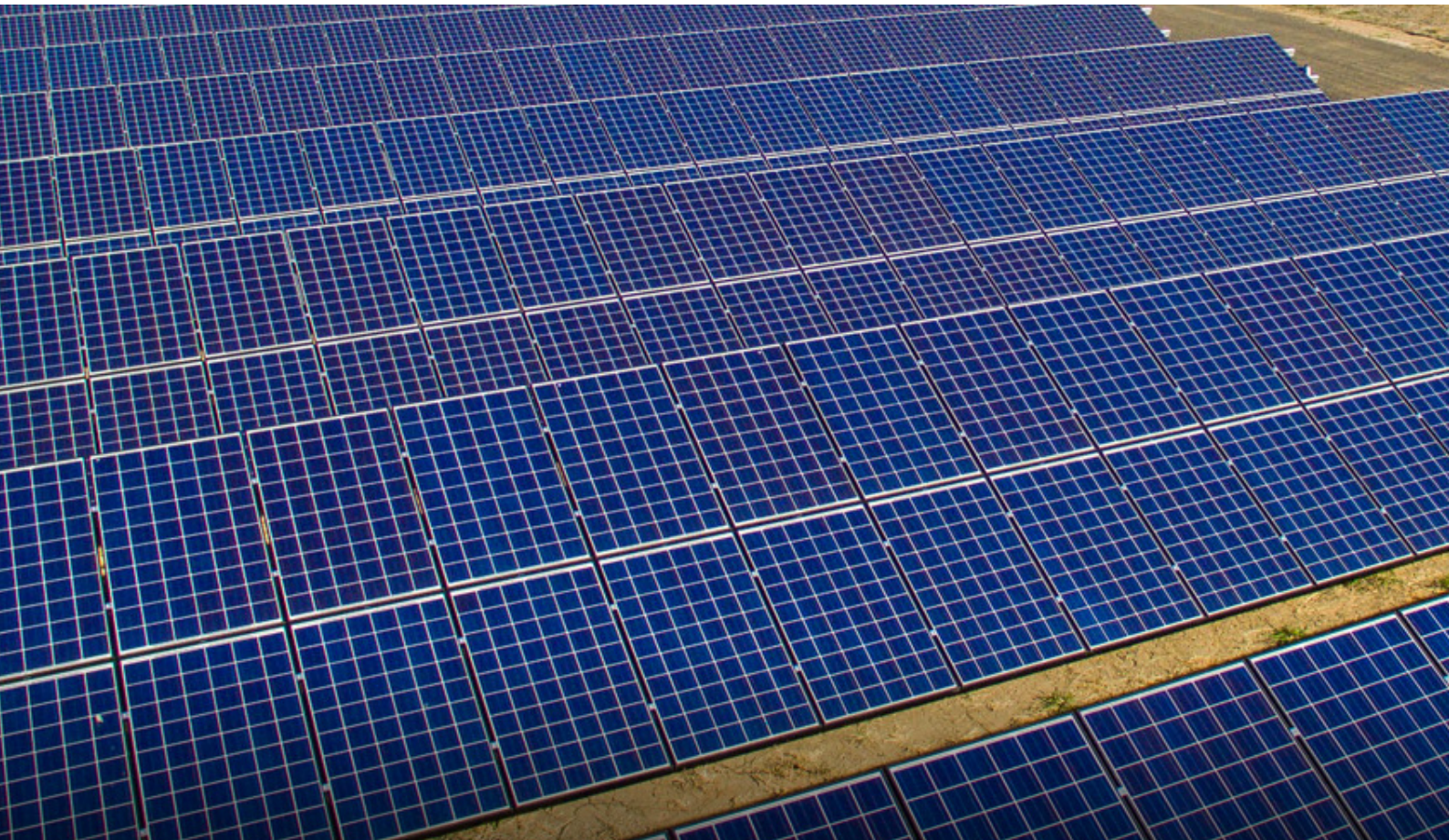
## Strategic Priority 4: FINANCIAL SUSTAINABILITY

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

- Take a strategic approach to compliance matters, by dealing with both routine and reactive planning compliance activities. 
- Continue to seek external funding opportunities that assist groups of landholders address priority pests. Annual action plans will guide how we target priority pests in specific areas. 
- Ensure departments are accessing and utilising works mobility software to ensure information and data is up to date. 
- Our fleet is utilised efficiently and effectively. 
- Risks to the achievement of long-term objectives are identified and managed. 

**Effective asset management ensures that we only own and maintain assets that are utilised**

- Establish system for long term asset management including trending and performance reporting. 
- Improve our asset management capabilities and planning to deliver quality, well maintained, fit for purpose facilities to the community. 
- Develop a condition assessment program for the Dalby Regional Saleyards. 



CHAPTER 5:

# FINANCIAL REPORTING



# Western Downs Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

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## Western Downs Regional Council

### General Purpose Financial Statements

for the year ended 30 June 2020

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## Western Downs Regional Council

## Statement of Comprehensive Income

for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	89,315	91,163
Fees and charges	3b	7,587	7,980
Sales revenue	3c	21,922	27,752
Grants, subsidies, contributions and donations	3d	26,666	23,780
Rental income	15	1,718	1,715
Interest received	4a	2,408	3,847
Other income	4b	983	1,232
<b>Total recurrent revenue</b>		<b>150,599</b>	<b>157,469</b>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	3d	16,726	14,733
Capital income	5	206	135
<b>Total capital revenue</b>		<b>16,932</b>	<b>14,868</b>
<b>Total income</b>		<b>167,531</b>	<b>172,337</b>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	52,643	48,922
Materials and services	7	47,996	49,752
Finance costs	8	(83)	1,564
Depreciation and amortisation:			
- Property, plant and equipment	13	42,929	40,320
- Intangible assets		49	67
- Right of use assets	15	33	-
<b>Total recurrent expenses</b>		<b>143,567</b>	<b>140,625</b>
<b>Other expenses</b>			
Capital expenses	9	9,834	11,020
<b>Total other expenses</b>		<b>9,834</b>	<b>11,020</b>
<b>Total expenses</b>		<b>153,401</b>	<b>151,645</b>
<b>Net result</b>		<b>14,130</b>	<b>20,692</b>
<b>Other comprehensive income</b>			
Increase/(decrease) in asset revaluation surplus	13	10,026	(59,610)
Impairment (loss) reversal relating to property, plant and equipment		(49)	(18)
<b>Total other comprehensive income for the year</b>		<b>9,977</b>	<b>(59,628)</b>
<b>Total comprehensive income for the year</b>		<b>24,107</b>	<b>(38,936)</b>

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

page 2

## Western Downs Regional Council

## Statement of Financial Position

as at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	174,863	142,252
Receivables	11	17,938	17,998
Inventories	12	4,137	4,736
Contract assets	14	626	-
<b>Total current assets</b>		<b>197,564</b>	<b>164,986</b>
<b>Non-current assets</b>			
Property, plant and equipment	13	1,491,773	1,495,916
Right of use assets	15	247	-
Intangible assets		1,259	1,308
<b>Total non-current assets</b>		<b>1,493,279</b>	<b>1,497,224</b>
<b>TOTAL ASSETS</b>		<b>1,690,843</b>	<b>1,662,210</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	16	16,443	12,698
Contract liabilities	14	654	-
Lease liabilities	15	14	-
Provisions	17	11,662	10,532
<b>Total current liabilities</b>		<b>28,773</b>	<b>23,230</b>
<b>Non-current liabilities</b>			
Lease liabilities	15	255	-
Provisions	17	8,879	8,760
<b>Total non-current liabilities</b>		<b>9,134</b>	<b>8,760</b>
<b>TOTAL LIABILITIES</b>		<b>37,907</b>	<b>31,990</b>
<b>Net community assets</b>		<b>1,652,936</b>	<b>1,630,220</b>
<b>COMMUNITY EQUITY</b>			
Asset revaluation surplus	18	686,625	676,648
Retained surplus		966,311	953,572
<b>Total community equity</b>		<b>1,652,936</b>	<b>1,630,220</b>

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

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## Western Downs Regional Council

## Statement of Changes in Equity

for the year ended 30 June 2020

	Notes	Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
<b>2020</b>				
<b>Balance as at 1 July 2019</b>		676,648	953,572	<b>1,630,220</b>
Adjustment on initial application of AASB 15 / AASB 1058		-	(1,391)	<b>(1,391)</b>
<b>Restated balance as at 1 July 2019</b>		<b>676,648</b>	<b>952,181</b>	<b>1,628,829</b>
<b>Net result</b>		-	14,130	<b>14,130</b>
Other comprehensive income for the year				
- Increase in asset revaluation surplus	13	10,026	-	<b>10,026</b>
- Impairment (loss) reversal relating to property, plant and equip.	13	(49)	-	<b>(49)</b>
<b>Other comprehensive income</b>		<b>9,977</b>	-	<b>9,977</b>
<b>Total comprehensive income for the year</b>		<b>9,977</b>	<b>14,130</b>	<b>24,107</b>
<b>Balance as at 30 June 2020</b>		<b>686,625</b>	<b>966,311</b>	<b>1,652,936</b>
<b>2019</b>				
<b>Balance as at 1 July 2018</b>		736,276	933,081	<b>1,669,357</b>
Adjustment on initial application of AASB 9		-	(201)	<b>(201)</b>
<b>Restated balance at 1 July 2018</b>		<b>736,276</b>	<b>932,880</b>	<b>1,669,156</b>
<b>Net result</b>		-	20,692	<b>20,692</b>
Other comprehensive income				
- Decrease in asset revaluation surplus	13	(59,610)	-	<b>(59,610)</b>
- Impairment (loss) reversal relating to property, plant and equip.	13	(18)	-	<b>(18)</b>
<b>Other comprehensive income</b>		<b>(59,628)</b>	-	<b>(59,628)</b>
<b>Total comprehensive income for the year</b>		<b>(59,628)</b>	<b>20,692</b>	<b>(38,936)</b>
<b>Balance as at 30 June 2019</b>		<b>676,648</b>	<b>953,572</b>	<b>1,630,220</b>

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

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## Western Downs Regional Council

## Statement of Cash Flows

for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		154,938	159,159
Payments to suppliers and employees		(102,788)	(106,846)
		<u>52,150</u>	<u>52,313</u>
<b>Receipts:</b>			
Interest received		2,408	3,847
<b>Payments:</b>			
Borrowing costs		(142)	(887)
<b>Net cash generated by operating activities</b>	22	<u>54,416</u>	<u>55,273</u>
<b>Cash Flows from investing activities</b>			
<b>Receipts:</b>			
Proceeds from sale of property, plant and equipment		620	908
Grants, subsidies, contributions and donations		15,446	14,733
Other investing activity receipts		-	2
<b>Payments:</b>			
Payments for property, plant and equipment		(37,858)	(50,836)
Other investing activity payments		-	(44)
<b>Net cash outflows from investing activities</b>		<u>(21,792)</u>	<u>(35,237)</u>
<b>Cash flows from financing activities</b>			
<b>Receipts:</b>			
Repayment of borrowings		-	(4,995)
Repayments made on leases (principal only)		(13)	-
<b>Net cash outflows from financing activities</b>		<u>(13)</u>	<u>(4,995)</u>
<b>Net increase in cash equivalents held</b>		<u>32,611</u>	<u>15,041</u>
<b>Cash and cash equivalents - beginning</b>		142,252	127,211
<b>Cash and cash equivalents - closing</b>	10	<u>174,863</u>	<u>142,252</u>

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

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## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies

##### (1.a) Basis of preparation

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

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

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

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

Refer to the change in accounting policy Note 23 for transition disclosures for AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of NFP Entities and AASB 16 Leases.

Council has chosen to implement the changes from these standards using the modified retrospective approach and has therefore, not restated any comparative figures.

##### (1.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 2020. These standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact

for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

##### Effective for NFP annual reporting periods beginning on or after 1 January 2020

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

##### Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

##### (1.d) Estimates and Judgements

Councils make 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 13
- Impairment of Property, Plant and Equipment - Note 9
- Provisions - Note 17
- Contingent Liabilities - Note 20
- Financial instruments and financial assets – Note 25
- Revenue - Note 3

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

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##### **(1.e) Rounding and Comparatives**

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

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.

##### **(1.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 Council would have used existing staff if the volunteer services had not been received.

##### **(1.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 2020

#### Note 2(a). Council functions - component descriptions

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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 2020

#### Note 2(b). Council functions - analysis of results by function

Functions	Gross program income						Total income	Gross program expenses		Net Result from recurring operations	Net result	Total assets
	Recurring		Capital		Other	Recurring		Capital				
	Grants	Other	Grants	Other								
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>2020</b>												
General operations	26,666	69,820	16,681	206	-	113,373	(95,068)	(9,358)	1,418	8,947	1,380,552	
Commercial works	-	13,661	-	-	-	13,661	(9,649)	-	4,012	4,012	2,491	
Waste management	-	6,608	-	-	-	6,608	(7,959)	(70)	(1,351)	(1,421)	11,083	
Water services	-	13,483	30	-	-	13,513	(14,651)	(178)	(1,168)	(1,316)	157,185	
Gas supply	-	2,719	-	-	-	2,719	(2,181)	-	538	538	10,805	
Dalby regional saleyards	-	3,595	-	-	-	3,595	(2,310)	-	1,285	1,285	11,583	
Quarries	-	5,079	-	-	-	5,079	(5,289)	(123)	(210)	(333)	3,695	
Sewerage services	-	8,202	15	-	-	8,217	(5,958)	(105)	2,244	2,154	112,707	
Washdown bays	-	766	-	-	-	766	(502)	-	264	264	742	
<b>Total</b>	<b>26,666</b>	<b>123,933</b>	<b>16,726</b>	<b>206</b>	<b>-</b>	<b>167,531</b>	<b>(143,567)</b>	<b>(9,834)</b>	<b>7,032</b>	<b>14,130</b>	<b>1,690,843</b>	

Functions	Gross program income						Total income	Gross program expenses		Net Result from recurring operations	Net result	Total assets
	Recurring		Capital		Other	Recurring		Capital				
	Grants	Other	Grants	Other								
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>2019</b>												
General operations	23,780	77,139	14,238	196	-	115,353	(94,701)	(9,944)	6,218	10,708	1,348,622	
Commercial works	-	13,870	-	-	-	13,870	(10,135)	-	3,735	3,735	2,082	
Waste management	-	6,135	-	(61)	-	6,074	(7,112)	-	(977)	(1,038)	11,172	
Water services	-	13,325	298	-	-	13,623	(12,094)	(849)	1,231	680	161,638	
Gas supply	-	2,885	-	-	-	2,885	(2,023)	(1)	862	861	11,088	
Dalby regional saleyards	-	3,828	-	-	-	3,828	(2,909)	(173)	919	746	11,988	
Quarries	-	7,729	-	-	-	7,729	(5,576)	-	2,153	2,153	4,271	
Sewerage services	-	8,120	197	-	-	8,317	(5,590)	(52)	2,530	2,675	110,919	
Washdown bays	-	658	-	-	-	658	(485)	-	173	173	430	
<b>Total</b>	<b>23,780</b>	<b>133,689</b>	<b>14,733</b>	<b>135</b>	<b>-</b>	<b>172,337</b>	<b>(140,625)</b>	<b>(11,020)</b>	<b>16,844</b>	<b>20,692</b>	<b>1,662,210</b>	

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 3. Revenue

		AASB 15 2020 \$'000	AASB 1058 2020 \$'000
	Notes		
Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.			
<b>Revenue recognised at a point in time</b>			
Fees and charges (excluding infringements)	3b	7,335	-
Infringements	3b	-	252
Sale of goods and services	3c	5,078	-
Grants, subsidies, donations and contributions	3d	-	37,918
Other		1,189	-
		<u>13,602</u>	<u>38,170</u>
<b>Revenue recognised over time</b>			
Grants and subsidies	3d	140	5,334
Revenue relating to grants for assets controlled by council	3d	-	-
Rates, levies and charges		6,624	82,691
Rental income		1,718	-
Interest received		2,408	-
Sales of goods and services		16,844	-
		<u>27,734</u>	<u>88,024</u>
<b>Total revenue</b>		<u>41,336</u>	<u>126,194</u>
		<b>2020</b>	<b>2019</b>
		<b>\$'000</b>	<b>\$'000</b>

#### (a). Rates, levies and charges

##### 2020 accounting policy

Rates and utility charges are recognised as revenue when the council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period that they relate to.

##### 2019 accounting policy

Revenue for rates and utility charges is recognised upon issue of the levies within the respective rating period. If rates are prepaid, they are recognised upon receipt.

General and special rates	67,906	69,915
State and rural fire levy	76	58
Water	5,532	5,472
Water consumption, rental and sundries	6,981	7,043
Sewerage	8,496	8,360
Waste management	5,242	5,004
<b>Total rates and utility charge revenue</b>	<u>94,233</u>	<u>95,926</u>
Less: discounts	(4,492)	(4,324)
Less: pensioner remissions	(426)	(439)
<b>TOTAL RATES, LEVIES AND CHARGES</b>	<u>89,315</u>	<u>91,163</u>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 3. Revenue (continued)

	2020	2019
	\$'000	\$'000

#### (b). Fees and charges

##### 2020 accounting policy

Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers 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.

##### 2019 accounting policy

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

Fees and charges	2,029	3,036
Waste disposal fees	1,533	1,240
Water sales	1,354	1,064
Town planning application fees	149	342
Animal registration fees	323	310
Building inspections	114	140
Washdown bay fees	766	568
Cemetery fees	506	448
Rates searches	174	150
Other fees and charges	639	682
<b><u>TOTAL FEES AND CHARGES</u></b>	<b><u>7,587</u></b>	<b><u>7,980</u></b>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 3. Revenue (continued)

	2020	2019
	\$'000	\$'000
<b>(c). Sales revenue</b>		
Sale of goods revenue is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.		
Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. 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 in other liabilities and is recognised as revenue in the period when the service is performed.		
<b>Sale of services</b>		
Contract and recoverable works	10,574	13,294
Saleyard services	3,595	3,828
<b>Total sale of services</b>	<b>14,169</b>	<b>17,122</b>
<b>Sale of goods</b>		
Gas sales	2,675	2,851
Quarry sales	5,078	7,729
Sale of land held for resale	-	50
<b>Total sale of goods</b>	<b>7,753</b>	<b>10,630</b>
<b>TOTAL SALES REVENUE</b>	<b>21,922</b>	<b>27,752</b>

#### (d) Grants, subsidies, contributions and donations

##### 2020 accounting policy

##### **Grant income under AASB 15**

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

The performance obligations are varied based on the 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**

Grants within the scope of AASB 1058 are recognised at fair value when received. Council also recognises any liability and equity items associated with the asset in accordance with the relevant accounting standard. The income is recognised when then grant is received.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 3. Revenue (continued)

	2020	2019
	\$'000	\$'000

#### (d) Grants, subsidies, contributions and donations (continued)

##### **Capital grants**

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

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

##### **2019 accounting policy**

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them as required by the Australian Accounting Standards. Council receives 3 types of contributions from developers with respect to infrastructure charges.

1. Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as capital revenue and as non-current assets when the development becomes "on maintenance" (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of these assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as an expense.
2. Council receives cash contributions from property developers to construct assets, including roads and footpaths and to connect new property developments to water and sewerage networks in the local government area. Where agreements between Council and developers relating to these contributions are determined to fall within the scope of AASB Interpretation 18 Transfers of Assets from Customers, these contributions are recognised as capital revenue when the related service obligations are fulfilled.
3. Developers also pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as capital revenue when received.

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 3. Revenue (continued)

	2020	2019
	\$'000	\$'000

## (d) Grants, subsidies, contributions and donations (continued)

## (i) Recurrent

General purpose grants	17,071	16,352
Government subsidies and grants	9,403	7,129
Contributions	192	299

TOTAL RECURRENT GRANTS, SUBSIDIES,  
CONTRIBUTIONS AND DONATIONS

26,666	23,780
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## (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.

Government subsidies and grants	9,991	9,442
Contributions	5,649	5,291
Developer assets contributed by developers at fair value	1,086	-

TOTAL CAPITAL GRANTS, SUBSIDIES,  
CONTRIBUTIONS AND DONATIONS

16,726	14,733
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## Note 4. Interest and other income

## (a). Other income

Other income	754	1,060
Reimbursement of expenditure	229	172

TOTAL OTHER INCOME

983	1,232
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## (b). Interest received

Interest received from cash investments	2,152	3,276
Interest received from other sources	60	144
Interest from overdue rates and utility charges	196	427

TOTAL INTEREST RECEIVED

2,408	3,847
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## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 5. Capital income

	Notes	2020 \$'000	2019 \$'000
<b>(a) Gain / loss on disposal of non-current assets</b>			
Proceeds from the disposal of property, plant and equipment		480	898
Less: book value of property, plant and equipment disposed	13	(483)	(685)
		(3)	213
Proceeds from disposal of land and buildings		140	10
Less: book value of land and buildings disposed	13	(125)	(29)
		15	(19)
<b>Gain on disposal of non-current assets</b>		<b>12</b>	<b>194</b>
<b>(b) Provision for restoration of land</b>			
Discount rate adj. - refuse restoration	17	-	(61)
		-	(61)
<b>(c) Revaluations</b>			
Revaluation increment of property, plant and equipment reversing previous revaluation decrement	13	193	-
		193	-
<b>(d) Other</b>			
Other capital income		1	2
		1	2
<b><u>TOTAL CAPITAL INCOME</u></b>		<b><u>206</u></b>	<b><u>135</u></b>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 6. Employee benefits

	Notes	2020 \$'000	2019 \$'000
Wages and salaries		41,386	39,738
Councillors remuneration		702	683
Annual, sick and long service leave entitlements		8,283	7,703
Superannuation	21	5,257	4,666
		<u>55,628</u>	<u>52,790</u>
Other employee related expenses		1,074	1,216
		<u>56,702</u>	<u>54,006</u>
Less: capitalised employee expenses		(4,059)	(5,084)
<b><u>TOTAL EMPLOYEE BENEFITS</u></b>		<u><u>52,643</u></u>	<u><u>48,922</u></u>

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

#### Note 7. Materials and services

Advertising	261	384
Audit of annual financial statements by the Auditor-General of Queensland	205	178
Consultancy services	768	946
Diesel and fuel	3,067	3,511
Donations and grants paid	966	971
Insurance	1,523	1,487
Legal fees	270	761
Precept payment	455	455
Purchase of gas	1,005	1,215
Repairs and maintenance	11,406	11,414
Rentals - operating leases (2019 Only)	-	280
Revaluation of land for resale (classified as inventory)	-	78
Services - contractors	20,818	22,774
Subscriptions and registrations	509	467
Telecommunications	401	453
Utilities	2,856	3,073
Other materials and services	3,486	1,305
<b><u>TOTAL MATERIALS AND SERVICES</u></b>	<u><u>47,996</u></u>	<u><u>49,752</u></u>



## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 8. Finance costs

	Notes	2020 \$'000	2019 \$'000
Finance costs charged by the Queensland Treasury Corporation		-	753
Bank charges		129	126
Impairment of receivables and bad debts written off		(296)	555
Interest on leases		2	-
Provision for quarry - unwinding of discounts on provision		28	24
Provision for refuse sites - unwinding of discounts on provision		38	101
Provision for gravel pits - unwinding of discounts on provision		16	5
<b>TOTAL FINANCE COSTS</b>		<b>(83)</b>	<b>1,564</b>

#### Note 9. Capital expenses

##### (a) Loss on impairment

##### Impairment of property, plant and equipment:

Road and bridge network		67	100
<b>Total impairment losses</b>		<b>67</b>	<b>100</b>

##### less: impairment offset in ARR (Equity)

Road and bridge network		(67)	(18)
	13	<b>(67)</b>	<b>(18)</b>

##### Reversals of impairment losses previously recognised in the income statement:

Road and bridge network		(82)	-
	13	<b>(82)</b>	<b>-</b>

<b>Impairment (gain)/losses recognised in the Income Statement</b>		<b>(82)</b>	<b>82</b>
--	--	-------------	-----------

##### 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

17

Discount rate adjustment to refuse restoration provision		70	-
Discount rate adjustment to quarry rehabilitation liability		123	-
		<b>193</b>	<b>-</b>

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 2020

#### Note 9. Capital expenses (continued)

	Notes	2020 \$'000	2019 \$'000
<b>(c) Revaluation decrement</b>			
Revaluation down of property, plant and equipment	13	-	1,781
<b>(d) Other capital expenses</b>			
Loss on write-off of assets		9,723	9,157
		<u>9,723</u>	<u>9,157</u>
<b><u>TOTAL CAPITAL EXPENSES</u></b>		<u>9,834</u>	<u>11,020</u>

#### Note 10. Cash and cash equivalents

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, and bank overdrafts.

##### Cash and cash equivalents

Cash at bank and on hand	1,546	2,587
Deposits at call	173,317	139,665
<b><u>BALANCE PER STATEMENT OF CASH FLOWS</u></b>	<u>174,863</u>	<u>142,252</u>

##### Restricted cash and cash equivalents

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

These include:

Unspent government grants, subsidies and contributions	2,115	1,984
Unspent Special Rates	997	942
<b><u>Total external restrictions</u></b>	<u>3,112</u>	<u>2,926</u>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 11. Receivables

	2020	2019
	\$'000	\$'000

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. Refer to Note 25 for expected credit loss calculations and details.

Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair rate receivables unless Council forms the view that the likely amount to be recovered through the sale is less than outstanding debt.

#### Trade and Other Receivables (Financial Instruments)

Rates and charges	7,884	8,840
Sale of services, fees and charges	4,002	1,581
Gas utility	98	269
Infringements	202	198
Grant funding	54	51
Main roads	2,491	3,953
Resource sector	1,846	3,039
Water charges not yet levied	168	123
Gas charges not yet levied	593	610
GST recoverable	729	769
Prepayments	844	60
<b>Total</b>	<u>18,911</u>	<u>19,493</u>
<b>less: Provision for impairment</b>		
Other	(972)	(1,495)
<b>Total provision for impairment - receivables</b>	<u>(972)</u>	<u>(1,495)</u>
<b><u>TOTAL CURRENT RECEIVABLES</u></b>	<u>17,939</u>	<u>17,998</u>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 11. Receivables (continued)

	2020	2019
	\$'000	\$'000
<b>Movement in accumulated impairment losses is as follows:</b>		
Opening balance at 1 July	(1,495)	(816)
Adjustment to opening balance upon application of AASB 9	-	(201)
<i>Add</i>		
Additional impairments recognised	(359)	(570)
<i>Less</i>		
Impairment debts written off during the year	235	92
Impairments provided for but recovered during the year	647	-
<b>Balance at the end of the year</b>	<u>(972)</u>	<u>(1,495)</u>

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

#### Note 12. Inventories

Stores and raw 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.

#### Inventories held for distribution

Quarry and road materials	2,291	2,965
Stores and materials	1,846	1,771
	<u>4,137</u>	<u>4,736</u>
<b><u>TOTAL CURRENT INVENTORIES</u></b>	<u>4,137</u>	<u>4,736</u>

Note 13. Property, plant and equipment

	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	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost/FV	\$'000	Cost/FV	\$'000	Cost/FV	\$'000	Cost/FV	\$'000		
30 June 2020																													
Measurement basis		Note																											
Opening gross balance - at cost	36,793		42,137	188,891	74,692	464	1,171,933	234,307	149,552	59,626	15,151	11,764	27,029	102,185															
Opening gross balance - at fair value	36,793		42,137	188,891	74,692	464	1,171,933	234,307	149,552	59,626	15,151	11,764	27,029	1,910,154															
Additions*	-		-	-	-	-	-	-	-	-	-	-	-	2,012,339															
Contributed assets	-		2	(1,584)	(67)	-	852	114	118	-	-	-	-	37,780															
Disposals	(125)	5, 9	-	-	-	-	-	-	-	-	-	-	-	1,086															
Write-offs	(1,186)	5, 9	(2,431)	(1,200)	(67)	-	(14,909)	(999)	(126)	(80)	-	-	-	(1,709)															
Revaluation decrements to equity (ARS)	-		-	-	-	-	-	-	-	-	-	-	-	(19,812)															
Reversal of prior period reval. decrements to P/L	-		-	-	-	-	-	-	-	-	-	-	-	(3,014)															
Revaluation increments to equity (ARS)	-		193	3,091	-	-	8,467	-	1,693	1,896	452	250	-	193															
Work in progress transfers	682		5,581	4,045	7,404	-	20,841	1,770	782	460	-	-	(41,565)	16,506															
Adjustments and other transfers	-		-	-	(35)	-	-	-	-	-	-	-	-	-															
Total gross value of property, plant and equipment - at cost	36,164		46,139	194,827	80,410	464	1,187,184	233,364	152,019	61,902	15,603	12,014	23,244	104,118															
Total gross value of property, plant and equipment - at fair value	36,164		46,139	194,827	80,410	464	1,187,184	233,364	152,019	61,902	15,603	12,014	23,244	1,939,216															
Total gross value of property, plant and equipment														2,043,334															
Opening accumulated depreciation	-		15,649	65,926	36,549	250	240,352	85,813	43,139	17,740	4,771	6,134	-	516,323															
Opening accumulated impairment	-		-	-	-	-	100	-	-	-	-	-	-	100															
Opening accumulated depreciation and impairment	-		15,649	65,926	36,549	250	240,452	85,813	43,139	17,740	4,771	6,134	-	516,423															
Depreciation expense	-		1,482	4,484	4,786	52	25,332	3,900	2,003	617	273	-	-	42,929															
Disposals	-		-	-	(1,101)	-	-	-	-	-	-	-	-	(1,101)															
Write-offs	5, 9		(14)	(714)	-	-	(8,414)	(904)	(21)	(21)	-	-	-	(10,088)															
Impairment loss (recognised in equity)	5, 9		-	-	-	-	67	-	-	-	-	-	-	67															
Impairment reversal (via P/L)	9		-	-	-	-	(82)	-	-	-	-	-	-	(82)															
Impairment reversal (via equity)	9		-	-	-	-	(18)	-	-	-	-	-	-	(18)															
Revaluation decrements to equity (ARS)	-		-	-	-	-	-	-	-	-	-	-	-	(1,669)															
Revaluation increments to equity (ARS)	-		325	986	-	-	1,828	888	503	-	302	303	-	5,135															
Adjustments and other transfers	-		-	-	(35)	-	-	-	-	-	-	-	-	(35)															
Total accumulated depreciation of property, plant and equipment	-		17,442	70,682	40,199	302	259,098	89,697	45,624	16,667	5,346	6,437	-	551,494															
Total impairment of property, plant and equipment	-		-	-	-	-	67	-	-	-	-	-	-	67															
Total accumulated depreciation and impairment property, plant and equipment	-		17,442	70,682	40,199	302	259,165	89,697	45,624	16,667	5,346	6,437	-	551,561															
Total net book value of property, plant and equipment	36,164		28,697	124,145	40,211	162	928,019	143,667	106,395	45,235	10,257	5,577	23,244	1,491,773															
Other information																													
Range of estimated useful life (years)			Not depreciated	5-150	10-150	2-70	3-23	10-200	10-150	5-185	60-150	10-100	15-150	Not depreciated															
*Asset additions comprise																													
Asset renewals	-		-	-	-	-	-	-	-	-	-	-	-	27,908															
Other additions	-		-	-	-	-	-	-	-	-	-	-	-	9,872															
Total asset additions	-		-	-	-	-	-	-	-	-	-	-	-	37,780															

# Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 13. Property, plant and equipment

30 June 2019	Measurement basis	Note	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	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost/FV	\$'000	Cost/FV	\$'000	Cost/FV	\$'000	Cost/FV	\$'000
	Opening gross balance - at cost		44,816	-	47,639	-	189,233	72,040	506	-	1,123,267	222,286	164,633	55,519	14,715	13,346	-	42,440	-	-	-	-	114,986	-	42,440	-	1,875,454	-	
	Opening gross balance - at fair value		44,816	-	47,639	-	189,233	72,040	506	-	1,123,267	222,286	164,633	55,519	14,715	13,346	-	42,440	-	-	-	-	1,990,440	-	42,440	-	1,990,440	-	
	Additions*		-	-	-	-	-	(2,696)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,818	-	
	Disposals	5, 9	-	(29)	-	-	-	(626)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,725)	-	
	Write-offs	5, 9	(13)	(2,757)	(462)	(5,262)	(62)	(18,720)	(85)	(16,027)	(1,745)	(85)	(2)	(83)	(2)	(1,582)	-	-	-	-	-	-	-	-	-	-	(24,565)	-	
	Revaluation decrements to equity (ARS)		(10,754)	(5,409)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39,034)	-	
	Revaluation increments to equity (ARS)		-	(5,409)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,549	-	
	Work in progress transfers		919	2,741	5,382	-	5,872	20	45,721	1,031	2,715	1,830	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	
	Transfers from/(to) held for sale category		1,854	(77)	-	-	102	-	-	-	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,854	-	
	Adjustments and other transfers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total gross value of property, plant and equipment - at cost		36,793	42,137	188,891	74,692	464	1,171,933	234,307	149,552	59,626	15,151	11,764	27,029	-	-	-	-	-	-	-	-	102,185	-	27,029	-	1,910,154	-	
	Total gross value of property, plant and equipment - at fair value		36,793	42,137	188,891	74,692	464	1,171,933	234,307	149,552	59,626	15,151	11,764	27,029	-	-	-	-	-	-	-	-	102,185	-	27,029	-	1,910,154	-	
	Total gross value of property, plant and equipment		36,793	42,137	188,891	74,692	464	1,171,933	234,307	149,552	59,626	15,151	11,764	27,029	-	-	-	-	-	-	-	-	102,185	-	27,029	-	2,012,339	-	
	Opening accumulated depreciation		-	-	12,938	30,931	243	224,320	57,991	49,942	16,454	4,369	4,057	-	-	-	-	-	-	-	-	-	-	-	-	-	-	435,519	-
	Opening accumulated impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Opening accumulated depreciation and impairment		-	-	12,938	30,931	243	224,320	57,991	49,942	16,454	4,369	4,057	-	-	-	-	-	-	-	-	-	-	-	-	-	-	435,519	-
	Depreciation expense		-	-	1,345	2,850	69	23,955	3,634	2,722	587	264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,320	-	
	Disposals	5, 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,012)	-	
	Write-offs	5, 9	-	(1,328)	(47)	(611)	(62)	(12,352)	(946)	(63)	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,410)	-	
	Impairment loss (recognised in P/L)	9	-	-	-	-	-	82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82	-	
	Impairment loss (recognised in equity)	9	-	-	-	-	-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18	-	
	Revaluation decrements to P/L	9	-	-	193	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,781	-	
	Revaluation decrements to equity (ARS)	9	-	-	2,505	32,192	-	4,429	25,134	699	139	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,587	-	
	Revaluation increments to equity (ARS)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,462)	-	
	Adjustments and other transfers		-	(4)	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total accumulated depreciation of property, plant and equipment		-	15,649	65,926	36,549	250	240,352	85,813	43,139	17,740	4,771	6,134	-	-	-	-	-	-	-	-	-	-	-	-	-	516,323	-	
	Total impairment of property, plant and equipment		-	-	-	-	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	-	
	Total accumulated depreciation and impairment property, plant and equipment		-	15,649	65,926	36,549	250	240,452	85,813	43,139	17,740	4,771	6,134	-	-	-	-	-	-	-	-	-	-	-	-	-	516,423	-	
	<b>Total net book value of property, plant and equipment</b>		<b>36,793</b>	<b>26,488</b>	<b>122,965</b>	<b>38,143</b>	<b>214</b>	<b>931,481</b>	<b>148,494</b>	<b>106,413</b>	<b>41,886</b>	<b>10,380</b>	<b>5,630</b>	<b>27,029</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,495,916</b>	<b>-</b>	<b>27,029</b>	<b>-</b>	<b>1,495,916</b>	<b>-</b>	

Other information		Not depreciated		5-150		10-150		10-200		3-23		2-70		10-150		5-185		60-150		10-100		15-150		Not depreciated	
Range of estimated useful life (years)		Not depreciated		5-150		10-150		10-200		3-23		2-70		10-150		5-185		60-150		10-100		15-150		Not depreciated	
*Asset additions comprise		-		-		-		-		-		-		-		-		-		-		-		-	
Asset renewals		-		-		-		-		-		-		-		-		-		-		-		-	
Other additions		-		-		-		-		-		-		-		-		-		-		-		-	
Total asset additions		-		-		-		-		-		-		-		-		-		-		-		-	

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Property, plant and equipment (continued)

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##### (a) Recognition

Property plant and equipment are capitalised unless they are items of plant and equipment with a total value of less than \$5,000 and infrastructure and building assets with a total value of less than \$10,000. These are treated as expenses in the year of acquisition.

Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. However, routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred.

Expenditure incurred in accordance with natural disaster relief and recovery arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

##### **Land under roads**

Land under the roads and reserve land which falls under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. This land is not recognised in these financial statements.

##### (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 condition capable of being used by Council.

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost.

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, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Property, plant and equipment (continued)

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##### (c) Depreciation (continued)

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

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 depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

##### **Key judgements and estimates**

Straight line depreciation is used as it is consistent with the even consumption of service potential of these assets over their useful life to the Council.

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

##### (d) Impairment

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

##### (e) Valuation

##### **Valuation Processes**

Council's valuation policies and procedures are set in accordance with the standards and reviewed annually taking into consideration an analysis of movements in fair value and other relevant information.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.



## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Property, plant and equipment (continued)

##### (e) Valuation (continued)

In the intervening years, Council uses internal engineers or external professionals to assess the cost assumptions associated with all infrastructure assets, the results of which are considered in combination with an appropriate cost index for the region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land, buildings and site improvements asset classes in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life. Separately identified components of assets are measured on the same basis as the assets to which they relate.

In accordance with AASB 13, fair value measurements are categorised on the following basis;

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

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

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

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

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities,

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly,

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Property, plant and equipment (continued)

##### (e) Valuation (continued)

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

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

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

##### Land (level 2)

Land fair values were determined by an independent registered valuer, Australis (Qld Reg No. 2997), who undertook a desktop valuation effective 31 March 2020.

Land has been assessed based on the estimated amount which the interest in each property being valued might reasonably expect to realise on the date of valuation in an orderly transaction between market participants given the highest and best use of the asset in its principal market, or in the absence of a principal market, its highest and best use in its most advantageous market. The values were determined by analysis of price movements in the local property market, published reports by real estate research services and independent property journals, a review of statistical data from the Australian Bureau of Statistics, the Real Estate Institute of Queensland Market Monitor and the Department of Environment and Resource Management (DERM).

##### Site improvements (level 3)

Site Improvement fair values were determined by an independent registered valuer, Australis (Qld Reg No. 2997), who undertook a desktop valuation effective 31 March 2020.

Site Improvements are valued using the replacement cost approach. Under this approach, the valuer estimates what the current cost to replace the asset would be at the valuation date after analysing industry and sector indices (such as ABS Materials, the Producer Price Index, Rawlinson and AIQS) together with price guides and quotes from industry participants. Discussions with cost estimators active within the industry and in-house Council representatives also assist in the determination of the asset's value.

##### *Accumulated Depreciation*

In determining the level of accumulated depreciation, Australis undertook a review of the useful lives, remaining useful lives and non-depreciable value. Useful lives are disclosed in the tables at the beginning of this note.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Property, plant and equipment (continued)

##### (e) Valuation (continued)

##### Buildings (level 2 and 3) and heritage assets (level 3)

Building fair values were determined by an independent registered valuer, Australis (Qld Reg No. 2997), who undertook a desktop valuation effective 31 March 2020.

##### *Level 2*

Market (Direct Comparison) - These were used to determine the fair value of a range of residential, industrial and commercial properties where the relevant inputs were able to be observed from current market evidence. The residential properties' fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size and condition.

Observable and unobservable inputs are utilised to establish market movements. This includes the analysis of price movements in local property markets during the year, a review of data for market movements such as property market and Valuer General reports as well as Real Estate Institute of Queensland data and the analysis of registered sales data.

##### *Level 3*

Cost – This includes specialised buildings that were valued using the replacement cost approach. Under this approach the cost to replace the asset is calculated and then adjusted to take account of accumulated depreciation. Values are determined through discussions with cost estimators active within the industry, and in-house Council representatives and the analysis of industry or sector indices such as ABS materials, Producer Price Index, Rawlinson and AIQS.

##### *Accumulated Depreciation*

In determining the accumulated depreciation, Australis estimated the remaining useful life for each individual component part based on its useful life, remaining useful life and condition assessment. Useful lives are disclosed in the tables at the beginning of this note.

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings		
- Non-Specialised Buildings (Level 2)	3,526	3,741
- Specialised Buildings (Level 3)	120,619	119,224
Total	<u>124,145</u>	<u>122,965</u>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Property, plant and equipment (continued)

##### (e) Valuation (continued)

##### Roads, bridges, and footpaths (level 3)

Council categorises its road, bridge and footpath infrastructure as per below:

- Roads: urban and rural roads and then further sub-categorises these into sealed and unsealed roads.
- Bridges: bridge, foot bridge (minor) and further, the bridge type.
- Footpath: concrete, bitumen, pavers and rubber footpaths.

The indices for Roads, Bridges and Footpaths were determined by an independent registered valuer Australis (Qld Reg No. 2997) at 31 March 2020.

Movements for the assets were calculated through the analysis of the following sources where available:

- > Analysis of industry and sector indices, as well as price guides and quotes from market participants
- > Producer Price Indexes, Wage Index, Engineering and Technical Services Index from the ABS
- > Engineering Cost Indices available from the QLD Treasury Department
- > Cost Indices available from construction guides (such as Rawlinsons)
- > Discussions with local external and internal Council contractors and suppliers.

The next comprehensive valuation will be at 31 March 2021.

##### *Accumulated Depreciation*

In determining the level of accumulated depreciation, stormwater assets are disaggregated into significant components which exhibit different useful lives. The valuers undertook a review of useful lives and remaining useful lives and any adjustments to these are reflected in the valuation.

##### Water and sewerage infrastructure (level 3)

The indices for Water and Sewerage Infrastructure were determined by an independent registered valuer Australis (Qld Reg No. 2997) at 31 March 2020.

Council categorises its water infrastructure into water mains, rising water mains and active water treatment plants.

Council categorises its sewerage infrastructure into sewer gravity mains, rising sewer mains, sewerage treatment plants and sewerage pump stations.

All water and sewerage network infrastructure assets were valued with level 3 valuation inputs using the cost approach.

Movements for the assets were calculated through the analysis of the following sources where available:

- > Analysis of industry and sector indices, as well as price guides and quotes from market participants
- > Producer Price Indexes, Wage Index, Engineering and Technical Services Index from the ABS
- > Engineering Cost Indices available from the QLD Treasury Department
- > Cost Indices available from construction guides (such as Rawlinsons)
- > Discussions with local external and internal Council contractors and suppliers.

The next comprehensive valuation will be at 31 March 2022.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Property, plant and equipment (continued)

##### (e) Valuation (continued)

##### Water and sewerage infrastructure (level 3) (continued)

###### *Accumulated Depreciation*

In determining the level of accumulated depreciation, stormwater assets are disaggregated into significant components which exhibit different useful lives. The valuers undertook a review of useful lives and remaining useful lives and any adjustments to these are reflected in the valuation.

##### Stormwater infrastructure (level 3)

Council categorises its Stormwater Infrastructure into Stormwater Pipes, Stormwater Manholes and Stormwater Structures.

Stormwater fair values were determined by an independent registered valuer, Australis (Qld Reg No. 2997), who undertook a comprehensive valuation effective 31 March 2020.

The valuer utilised the cost approach to determine the fair values of the assets. Inputs included:

- > Gross Replacement Cost (significant inputs include construction guide data, actual construction cost information and discussions with local and active construction companies and suppliers.)
- > Incremental Greenfields Unit Rates
- > A review of the useful lives (significant inputs include component type and the pattern of service potential in the geographical area.)
- > A review of the remaining service potential of the assets.

###### *Accumulated Depreciation*

In determining the level of accumulated depreciation, stormwater assets are disaggregated into significant components which exhibit different useful lives. The valuers undertook a review of useful lives and remaining useful lives and any adjustments to these are reflected in the valuation.

##### Gas infrastructure

Council categorises its Gas infrastructure into Gas Mains, Gas Regulators and Gas Gate Station.

Gas fair values were determined by an independent registered valuer, Australis (Qld Reg No. 2997), who undertook a comprehensive valuation effective 31 March 2020.

The valuer utilised the cost approach to determine the fair values of the assets. Inputs included:

- > Gross Replacement Cost (significant inputs include construction guide data, actual construction cost information and discussions with local and active construction companies and suppliers.)
- > Incremental Greenfields Unit Rates
- > A review of the useful lives (significant inputs include component type and the pattern of service potential in the geographical area.)
- > A review of the remaining service potential of the assets.

###### *Accumulated Depreciation*

In determining the level of accumulated depreciation, stormwater assets are disaggregated into significant components which exhibit different useful lives. The valuers undertook a review of useful lives and remaining useful lives and any adjustments to these are reflected in the valuation.

##### COVID-19 Disclosure

Based on the current information available, there does not appear to be any evidence that the COVID-19 pandemic has had a material effect on any of Council's 2019-20 asset valuations.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 14. Contract balances

	2020	2019
	\$'000	\$'000

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

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

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

##### (a) Contract assets

Contract assets	626
<b><u>TOTAL CONTRACT ASSETS</u></b>	<b><u>626</u></b>

##### **Classified as:**

Current contract assets	626
Non-current contract assets	-
<b>Total contract assets</b>	<b><u>626</u></b>
Contracts to construct Councils own assets	626

##### (b) Contract liabilities

Funds received upfront to construct Council controlled assets	635
Deposits received in advance of services provided	19
<b><u>TOTAL CONTRACT LIABILITIES</u></b>	<b><u>654</u></b>

##### **Classified as:**

Current contract liabilities	654
Non-current contract liabilities	-
<b>Total contract liabilities</b>	<b><u>654</u></b>

Council's contract liabilities are a result of funding received to construct assets, such as roads, where at 30 June 2020 Council had not yet spent the funds. The two main programs that make up the liability are Roads to Recovery and Works for Queensland funding.

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

Funds to construct Council controlled assets	1,610
Deposits received in advance of services provided	-
<b><u>Total revenue included in the contract liability</u></b>	<b><u>1,610</u></b>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 14. Contract balances (continued)

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##### (c) Significant changes in contract balances

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

#### Note 15. Leases

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##### Council as a lessee

Council has leases in place over land assets.

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 Council's incremental borrowing rate for a similar term with similar security is used.

##### 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

##### 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.

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 15. Leases (continued)

	Land \$'000	Total \$'000
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**Right of use assets****2020**

Adoption of AASB 16 at 1 July 2019	280	280
Depreciation charge	(33)	(33)
<b>Balance at 30 June 2020</b>	<b>247</b>	<b>247</b>

**Lease liabilities**

	2020 \$'000	2019 \$'000
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**Classified as:**

Current lease liability	14	-
Non-current lease liability	255	-
<b>Total lease liabilities</b>	<b>269</b>	<b>-</b>

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 to 5 years \$'000	> 5 years \$'000	Total \$'000	Total per statement of financial position \$'000
<b>2020</b>					
Leases over Land	14	60	224	298	269
	<b>14</b>	<b>60</b>	<b>224</b>	<b>298</b>	<b>269</b>



## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 15. Leases (continued)

	2020	2019
	\$'000	\$'000

#### 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.

#### Expenses

Depreciation of right-of-use assets	33
Interest expense on lease liabilities	2

#### Net expense relating to leases

35
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#### 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.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 15. Leases (continued)

##### Operating leases

Where Council retains the risks and rewards relating to a lease, they are classified as operating leases and relate to the investment property 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.

	2020	2019
	\$'000	\$'000
Aged care	1,008	965
Community housing rental income	440	429
Community facilities	3	3
Commercial leases	196	205
Other property rental income	71	113
<b>Total operating lease income (rental income)</b>	<b>1,718</b>	<b>1,715</b>
Direct operating expenses from property that generated rental income	6,852	6,633
<b>Total operating lease expenses</b>	<b>6,852</b>	<b>6,633</b>
<b>Net operating lease profit/(loss)</b>	<b>(5,134)</b>	<b>(4,918)</b>

Council leases out accommodation at its aged care facilities, aircraft hangars at its aerodromes and community housing. There have been no concessions provided to lessees as a result of COVID-19.

Council has assessed its aged care and social housing resident agreements under AASB 16. As the agreements only require 14 days written notice to be cancelled, Council has no material minimum lease receipts to disclose. Council's other leases have been deemed to be immaterial in nature and therefore no future lease receipts can be disclosed.

#### Note 16. Payables

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	10,585	6,669
Other entitlements	259	237
Accrued expenses	2,325	3,404
Payments received in advance	2,277	2,388
Other	997	-
<b>TOTAL CURRENT PAYABLES</b>	<b>16,443</b>	<b>12,698</b>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 17. 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.

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 restoration and quarry and gravel pit rehabilitation**

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

The provision for refuse restoration is calculated as the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. 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 restoring the refuse disposal site to a useable state at the end of its useful life is \$3,925,756 and is expected to occur over the years 2021 to 2041.

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.

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 17. Provisions (continued)

	2020	2019
	\$'000	\$'000

The present value of the estimated cost of restoring the quarry site to a useable state at the end of its useful life is \$1,898,662 and is expected to occur over the years 2032 to 2036.

Similarly, the present value of the estimated cost of restoring the gravel pits to a useable state at the end of its useful life is \$1,530,533 and is expected to occur over the years 2021 to 2055.

## Current

Annual leave	4,454	4,058
Long service leave	6,789	6,084
Refuse restoration	258	254
Gravel pit restoration	161	136
<b><u>TOTAL CURRENT PROVISIONS</u></b>	<b><u>11,662</u></b>	<b><u>10,532</u></b>

## Non-current

Long service leave	1,943	2,047
Quarry rehabilitation	1,899	1,771
Refuse restoration	3,668	3,585
Gravel pit restoration	1,369	1,357
<b><u>TOTAL NON-CURRENT PROVISIONS</u></b>	<b><u>8,879</u></b>	<b><u>8,760</u></b>

## Details of movements in provisions:

**Long service leave**

Balance at beginning of financial year	8,131	7,992
Additional provision	1,201	774
Decrease due to payments	(600)	(635)
Balance at end of financial year	<u>8,732</u>	<u>8,131</u>

**COVID-19 Disclosure**

As a result of the COVID-19 pandemic Council has seen leave balances increase and coupled with the reduction in the Commonwealth Bond rates has resulted in a higher provision amount for Council as at 30 June 2020.

**Quarry rehabilitation**

Balance at beginning of financial year	1,771	1,299
Increase in provision due to unwinding of discount	28	24
Increase/(decrease) in provision due to change in discount rate	291	-
Increase/(decrease) in estimate of future cost	(191)	448
Balance at end of financial year	<u>1,899</u>	<u>1,771</u>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 17. Provisions (continued)

	2020	2019
	\$'000	\$'000
<b>Refuse restoration</b>		
Balance at beginning of financial year	3,839	5,369
Additional provision	-	(1)
Increase in provision due to unwinding of discount	38	101
Increase/(decrease) in provision due to change in discount rate	(59)	-
Increase/(decrease) in estimate of future cost	108	(1,630)
Balance at end of financial year	<u>3,926</u>	<u>3,839</u>
<b>Gravel pit restoration</b>		
Balance at beginning of financial year	1,493	292
Increase in provision due to unwinding of discount	16	5
Increase/(decrease) in provision due to change in discount rate	13	-
Increase/(decrease) in estimate of future cost	8	1,196
Balance at end of financial year	<u>1,530</u>	<u>1,493</u>

#### Note 18. 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 13.

#### Note 19. Commitments for expenditure

##### Contractual commitments

##### Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Within the next year	12,638	15,518
Later than one year and not later than 5 years	<u>6,667</u>	<u>10,189</u>
<b>Total Payable</b>	<u>19,305</u>	<u>25,707</u>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 20. Contingent liabilities

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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 2020 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 \$975,315.34.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 21. 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 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.

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." 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 2021.

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

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

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

As Council has 39 employees by headcount that are members of the Scheme, any increase in contributions is likely to be minor.

	Notes	2020 \$'000	2019 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		332	334
Other superannuation contributions for employees		4,925	4,332
Total superannuation contributions paid by Council for employees	6	<u>5,257</u>	<u>4,666</u>

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 22. Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	2020 \$'000	2019 \$'000
Net operating result from statement of comprehensive income	14,130	20,692
<b>Non-cash items</b>		
Depreciation and amortisation	43,011	40,387
	<u>41,345</u>	<u>40,387</u>
<b>Losses/(gains) recognised on fair value re-measurements through the income statement</b>		
Unwinding of discount rates on reinstatement provisions	82	130
Write-offs relating to the fair valuation of property, plant and equipment	-	1,781
Land held for resale revaluation loss	-	78
	<u>82</u>	<u>1,989</u>
<b>Investing and development activities</b>		
Net (profit)/loss on disposal of assets	(12)	(194)
Loss on write-off of assets	9,723	9,157
Non cash capital grants and contributions	(15,446)	(14,733)
Impairment of receivables and bad debts written off	(1,086)	82
Impairment offset in equity	-	(18)
	<u>(6,821)</u>	<u>(5,706)</u>
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	583	(3,551)
Increase/(decrease) in provision for impairment of receivables	(523)	679
(Increase)/decrease in inventories	599	(440)
(Increase)/decrease in contract assets	(626)	-
Increase/(decrease) in payables	3,916	377
Increase/(decrease) in contract liabilities	654	-
Increase/(decrease) in employee leave entitlements	997	138
Increase/(decrease) in other provisions	170	14
Increase/(decrease) in other liabilities	(171)	817
Increase/(decrease) due to impairments	49	-
Equity adjustment due to implementation of AASB 9	-	(201)
Bad debts written off which were not provided for	35	78
	<u>5,680</u>	<u>(2,089)</u>
<b>Net cash provided by operating activities</b>	<u><u>54,416</u></u>	<u><u>55,273</u></u>



## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 23. Changes in accounting policy

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

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

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

##### Revenue standards - AASB 15 and AASB 1058

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

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

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

###### 1. Recognition of revenue

The implementation of AASB 15 has meant that there is a change to the timing of revenue recognition from some of Council's goods & services. Where Council has received revenue but not completed the associated performance obligation, the revenue would be deferred and a contract liability recognised until the performance obligations had been met. Alternatively, some revenue will need to be recognised earlier when Council has completed works but no claims or milestone payments have been made.

Council has contracts with customers that requires Council to submit progress claims for the work completed. Under AASB 15 Council will now recognise a contract asset for all work completed at the end of a period for which no claims have been submitted.

Grants received by Council that meet the criteria in AASB 15 will be recognised as a liability and treated as income when Council satisfies the performance obligations specified in the respective grant agreement. These grants had previously been recognised as income upon receipt of the funds.

AASB 1058 allows grants given to Council to acquire or construct a non-financial asset to be deferred when Council is required to construct the non-financial asset to identified specifications and Council retains control of the asset under an enforceable agreement. In the 2018-19 financial year Council received \$1,151,323 worth of Grants that would have been classified as Contract Assets and \$1,610,255 that would have been classified as Contract Liabilities.

Grants that do not meet the criteria in AASB 15 or in AASB 1058 will continue be recognised when received.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 23. Changes in accounting policy (continued)

##### 2. Rates Received in Advance

All Rates received in advance amounts will be recognised in the relevant rating period and will be treated as an amount received in advance. If this had been implemented in 2018-19 it would have reduced rates revenue by \$932,005.

Balance at 1/07/2019  
\$'000

##### Opening contract balances on transition at 1 July 2019

##### Contract assets

Under AASB 15	-
Under AASB 1058	1,151
<b>Total contract assets</b>	<u><u>1,151</u></u>

##### Contract liabilities

Under AASB 15	-
Under AASB 1058	1,610
<b>Total contract liabilities</b>	<u><u>1,610</u></u>

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 23. Changes in accounting policy (continued)

	Carrying amount per statement of comprehensive income	Adjustments	Carrying amount if previous standards had been applied
	Dr / (Cr)	Dr / (Cr)	Dr / (Cr)
Notes	\$'000	\$'000	\$'000

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

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

**Statement of comprehensive income for the year ended 30 June 2020**
**Revenue**

Operating grants	(26,666)	246	(26,420)
Capital revenue	(16,726)	185	(16,541)
General Rates	(68,829)	(217)	(69,046)
<b>Net revenue</b>	<b>(112,221)</b>	<b>214</b>	<b>(112,007)</b>
<b>Net total</b>	<b>(112,221)</b>	<b>214</b>	<b>(112,007)</b>

	Carrying amount per statement of financial position	Adjustments	Carrying amount if previous standards had been applied
	Dr / (Cr)	Dr / (Cr)	Dr / (Cr)
Notes	\$'000	\$'000	\$'000

**Statement of financial position at 30 June 2020**

Contract assets	626	(626)	-
Other assets	-	-	-
<b>Total current assets</b>	<b>626</b>	<b>(626)</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>626</b>	<b>(626)</b>	<b>-</b>
Contract liabilities	(654)	654	-
<b>Total current liabilities</b>	<b>(654)</b>	<b>654</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>(654)</b>	<b>654</b>	<b>-</b>
<b>Net community assets</b>	<b>(28)</b>	<b>28</b>	<b>-</b>
Retained earnings	(966,311)	(214)	(966,525)
<b>Total community equity</b>	<b>(966,311)</b>	<b>(214)</b>	<b>(966,525)</b>

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

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 23. Changes in accounting policy (continued)

##### **Statement of cash flows for the year ended 30 June 2020**

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

##### **Lease standard - AASB 16**

###### ***Council as a lessee***

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

Council has used the exemption to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Statement of Comprehensive Income on a straight-line basis.

###### ***Practical expedients used on transition***

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

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

###### ***Impact of adopting AASB 16 at 1 July 2019***

Council has recognised right-of-use assets and lease liabilities of \$280,045 at 1 July 2019 for leases previously classified as operating leases under the previous accounting standard.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 1.498%.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 23. Changes in accounting policy (continued)

	\$'000
<b>Leases opening balance reconciliation</b>	
Operating lease commitment at 30 June 2019 per Council financial statements	-
<b>Add:</b>	
Finance lease liabilities	280
<b>Lease liabilities recognised at 1 July 2019</b>	<b>280</b>

#### Note 24. Events after the reporting period

In response to the unprecedented COVID-19 pandemic, Council has announced the following stimulus:

- Targeted rates, fees and charges relief for businesses and residents
- \$1.3 million Community Groups Infrastructure Program and Community Organisation Hardship and Assistance Grants Program
- \$14.8 million accelerated infrastructure program
- \$33.5 million accelerated major projects including the development and delivery of 11 major projects for prominent regional locations
- \$62,500 Business Support Program

This package covers five core programs focused on securing up to 1,000 local jobs and re-energizing the economy.

This is expected to cause Council to have a decrease to cash on hand and an increase in expenditure in the 2020-21 financial year compared to the current year.

Additional disclosure relating to individual notes are made in the respective notes.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

## Note 25. Financial instruments and financial risk management

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### (a) Financial assets and financial liabilities

Council has exposure to the following risks arising from financial instruments; **(i)** interest rate 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 managements 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 both regular and ad hoc 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.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 25. Financial instruments and financial risk management (continued)

##### 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.

Council will, where it believes it to be appropriate, require collateral in respect of trade and other receivables Council does not have trade receivables for which no loss allowance is recognised.

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

	2020	2019
	\$'000	\$'000
Rates and Charges	7,450	7,449
Rates and Charges - Other*	602	1,515
Gas Sales	98	269
Statutory Charges	202	198
GST Recoverable	729	769
Grant Funding	54	51
Main Roads	2,491	3,953
Resource Sector	1,846	3,039
Sundry	4,002	1,580
Prepayments	844	60
Gas Charges Not Yet Levied	593	610
<b>Total</b>	<b>18,911</b>	<b>19,493</b>

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.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 25. Financial instruments and financial risk management (continued)

##### Accounting policies - receivables

Receivables are measured at amortised cost which approximates fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

##### Accounting policies - grouping

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.

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. A minor loss allowance has been established. This is based on the low risk associated with the other parties.



## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 25. Financial instruments and financial risk management (continued)

##### Accounting policies - grouping

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.

##### Disclosure - 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.

In Council's statements after reviewing macro economic conditions, Council reached the conclusion that due to the COVID-19 pandemic there is a slightly increased risk to Council's receivables. This risk was adjusted for by adding 10% to each category's respective default risk factors. Council does not anticipate the additional losses from the pandemic to represent a material risk.

##### 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.

	2020 Closing balance \$'000	2020 Historical probability of default %	2020 Loss given default %	2020 Lifetime expected credit loss \$'000
<b>Ageing</b>				
<b>Rates and Charges - Other</b>				
Current	-	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	-	0.00%	100.00%	-
61-90 days	8	77.89%	100.00%	6
90+ days	594	77.89%	100.00%	463
<b>Total</b>	<b>602</b>			<b>469</b>

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## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 25. Financial instruments and financial risk management (continued)

	2020 Closing balance \$'000	2020 Historical probability of default %	2020 Loss given default %	2020 Lifetime expected credit loss \$'000
<b>Ageing</b>				
<b>Gas Sales</b>				
Current	-	1.22%	100.00%	-
1-30 days	22	10.00%	100.00%	2
31-60 days	44	11.40%	100.00%	5
61-90 days	12	22.73%	100.00%	3
90+ days	20	76.20%	100.00%	15
<b>Total</b>	<b>98</b>			<b>25</b>
<b>Statutory Charges</b>				
Current	5	0.00%	100.00%	-
1-30 days	7.0	2.20%	100.00%	0.2
31-60 days	8.0	5.50%	100.00%	0.4
61-90 days	8	16.50%	100.00%	1
90+ days	174	78.21%	100.00%	136
<b>Total</b>	<b>202</b>			<b>138</b>
<b>Resource Sector</b>				
Current	1,721	0.02%	100.00%	0.3
1-30 days	125	0.10%	100.00%	0.2
31-60 days	-	0.00%	100.00%	-
61-90 days	-	0.00%	100.00%	-
90+ days	-	0.00%	100.00%	-
<b>Total</b>	<b>1,846</b>			<b>0.5</b>
<b>Other Receivables</b>				
Current	2,389	0.34%	100.00%	8
1-30 days	1,057	5.00%	100.00%	53
31-60 days	54	19.51%	100.00%	11
61-90 days	452	50.13%	100.00%	227
90+ days	50	85.23%	100.00%	42
<b>Total</b>	<b>4,002</b>			<b>340</b>

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 25. Financial instruments and financial risk management (continued)

	2019 Closing balance at 01/07/2019	2019 Historical probability of default %	2019 Loss given default %	2019 Lifetime expected credit loss \$'000
<b>Ageing</b>				
<b>Rates and charges - other</b>				
Current	-	0.00%	0.00%	-
1-30 days	-	0.00%	0.00%	-
31-60 days	-	0.00%	0.00%	-
61-90 days	220	71.67%	100.00%	158
90+ days	1,295	71.67%	100.00%	928
<b>Total</b>	<b>1,515</b>			<b>1,086</b>
<b>Gas sales</b>				
Current	-	10.00%	100.00%	-
1-30 days	170	10.00%	100.00%	17
31-60 days	14	12.50%	100.00%	2
61-90 days	6	25.00%	100.00%	1
90+ days	79	83.80%	100.00%	67
<b>Total</b>	<b>269</b>			<b>87</b>
Less: GST				(8)
<b>Total</b>				<b>79</b>
<b>Penalties</b>				
Current	2	0.00%	100.00%	-
1-30 days	3	2.00%	100.00%	-
31-60 days	6	5.00%	100.00%	-
61-90 days	11	15.00%	100.00%	2
90+ days	176	66.00%	100.00%	116
<b>Total</b>	<b>198</b>			<b>118</b>

## Western Downs Regional Council

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

## Note 25. Financial instruments and financial risk management (continued)

	2019 Closing balance at 01/07/2019	2019 Historical probability of default %	2019 Loss given default %	2019 Lifetime expected credit loss \$'000
<b>Capital works recoveries</b>				
Current	3,038	0.00%	100.00%	-
1-30 days	-	10.00%	0.00%	-
31-60 days	-	0.00%	0.00%	-
61-90 days	-	0.00%	0.00%	-
90+ days	-	0.00%	0.00%	-
<b>Total</b>	<b>3,038</b>			<b>-</b>
<b>Other receivables</b>				
Current	154	0.00%	100.00%	-
1-30 days	927	3.00%	100.00%	28
31-60 days	219	19.75%	100.00%	43
61-90 days	93	44.99%	100.00%	42
90+ days	187	57.10%	100.00%	107
<b>Total</b>	<b>1,580</b>			<b>220</b>
Less: GST				(7)
<b>Total</b>				<b>213</b>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 25. Financial instruments and financial risk management (continued)

##### 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 (2019: nil)

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows * \$'000	Carrying amount \$'000
<b>2020</b>					
Trade and Other Payables	12,910	997	-	13,907	16,184
Lease Liabilities	14	60	224	298	269
	<u>12,924</u>	<u>1,057</u>	<u>224</u>	<u>14,205</u>	<u>16,453</u>
<b>2019</b>					
Trade and Other Payables	10,071	-	-	10,071	12,461
	<u>10,071</u>	<u>-</u>	<u>-</u>	<u>10,071</u>	<u>12,461</u>

\* 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.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 25. Financial instruments and financial risk management (continued)

##### 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 and borrowings with Queensland Treasury and/or other financial institutions (if applicable).

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
<b>2020</b>					
QTC cash fund	173,317	1,733	(1,733)	1,733	(1,733)
<b>Net</b>	<b>173,317</b>	<b>1,733</b>	<b>(1,733)</b>	<b>1,733</b>	<b>(1,733)</b>
<b>2019</b>					
QTC cash fund	139,665	1,397	(1,397)	1,397	(1,397)
<b>Net</b>	<b>139,665</b>	<b>1,397</b>	<b>(1,397)</b>	<b>1,397</b>	<b>(1,397)</b>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 26. 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 \$'000	Waste management \$'000	Water services \$'000	Sewerage services \$'000
Revenue for services provided to the Council	-	182	1,139	326
Revenue for services provided to external clients	13,661	6,608	13,483	8,202
Community service obligations	-	1,177	300	-
	13,661	7,967	14,922	8,528
Less: expenditure	(11,334)	(7,967)	(14,922)	(6,024)
Surplus/(deficit)	2,327	-	-	2,504

	Gas supply \$'000	Quarries \$'000	Washdown bays \$'000	Dalby regional saleyards \$'000
Revenue for services provided to the Council	66	2,501	-	-
Revenue for services provided to external clients	2,719	5,078	766	3,595
Community service obligations	-	-	-	-
	2,785	7,579	766	3,595
Less: expenditure	(2,181)	(5,292)	(664)	(2,324)
Surplus/(deficit)	604	2,287	102	1,271

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 26. National competition policy (continued)

Activities	CSO description	Actual \$'000
Description of CSO's provided to business activities:		
Water Services	To transfer general revenue for the shortfall in revenue.	300
Waste Management	To transfer general revenue for the shortfall in revenue.	1,177

#### Note 27. Transactions with related parties

##### (a) Subsidiaries (ie. entities and operations controlled by Council)

Council has no interest in any subsidiaries.

##### (b) Associates

Council has no interest in any associates.

##### (c) Joint ventures

Council has no interest in any joint ventures.



## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 27. Transactions with related parties (continued)

	2020	2019
	\$000	\$000

#### (d) Key management personnel

##### Transactions with key management personnel

##### Councillors

Paul McVeigh - Mayor  
 Andrew Smith - Deputy Mayor  
 Kaye Maguire  
 Ian Rasmussen  
 Peter Saxelby  
 Carolyn Tillman  
 Ray Brown (July 19 to March 20)  
 Greg Olm (July 19 to March 20)  
 Donna Ashurst (July 19 to March 20)  
 George Moore (April 20 to June 20)  
 Kylie Bourne (April 20 to June 20)  
 Megan James (April 20 to June 20)

##### Management

Ross Musgrove - Chief Executive  
 Graham Cook - General Manager  
 Scott Peut - General Manager  
 Jodie Taylor - General Manager

Council's key management personnel (KMP) includes the Mayor, Councillors, Chief Executive Officer and some executive management.

The compensation paid to key management personnel for comprises:

Short-term employee benefits	1,911	1,810
Post-employment benefits	227	187
Long-term benefits	58	25
<b>Total</b>	<b>2,196</b>	<b>2,022</b>

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 27. Transactions with related parties (continued)

## (e) Transactions with other related parties

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

Close family members include a spouse, child and dependant of a KMP or their spouse.

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

	Notes	\$000	\$000
Employee expenses for close family members of KMP	26(c)(i)	445	404
Purchase of materials and services from related parties of KMP	26(c)(ii)	12	30
<b>Total</b>		<b>457</b>	<b>434</b>
<b>26c(i)</b> 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 651.5 FTEs of which 5 are close family members of key management personnel.			
<b>26c(ii)</b> 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.			
Hire of Vehicles		3	-
Bus Hire		6	6
Goods sold on consignment to Moonie Regional Tourist Centre		3	3
Machinery Servicing		-	21
Accommodation & Hospitality		4	-
<b>Total</b>		<b>16</b>	<b>30</b>

## Western Downs Regional Council

### General Purpose Financial Statements for the year ended 30 June 2020

### Management Certificate for the year ended 30 June 2020

These general purpose financial statements have been prepared pursuant to 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 57, 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**

6 October 2020



Ross Musgrove

**CHIEF EXECUTIVE OFFICER**

6 October 2020



## 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 2020, and of its financial performance and cash flows for the year then ended;
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information, and the management certificate given by the Mayor and the Chief Executive Officer.

#### Basis for opinion

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

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

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

#### Other information

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

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

The councillors are responsible for the other information.

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

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

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

### **Responsibilities of the councillors for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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



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

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

### Report on other legal and regulatory requirements

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

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

C G Strickland  
as delegate of the Auditor-General

8 October 2020

Queensland Audit Office  
Brisbane

## Western Downs Regional Council

### Current Year Financial Sustainability Statement

for the year ended 30 June 2020

	Actual 2020	Target 2020
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#### Measures of financial sustainability

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

#### Performance indicators

##### 1. Operating surplus ratio

<u>Net result (excluding capital items)</u>	4.7%	0 - 10%
Total operating revenue (excluding capital items)		

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

<u>Capital expenditure on the replacement of assets (renewals)</u>	65.0%	more than 90%
Depreciation expense		

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

Over the previous five (5) years to 30 June 2019, Council's Asset Sustainability Ratio averaged 98.22% due to an extensive capital replacement program brought about by flood recovery of the road network and the end of life of water and sewerage treatment assets. Consequently, Council's assets are relatively new and Council did not meet the statutory target in 2019-20. Council has only a minor backlog in its capital maintenance program. Council has adequate cash to meet any backlog maintenance and unplanned capital maintenance over the forthcoming years.

##### 3. Net financial liabilities ratio

<u>Total liabilities less current assets</u>	-106.0%	less than 60%
Total operating revenue (excluding capital items)		

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

#### Note 1 - basis of preparation

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

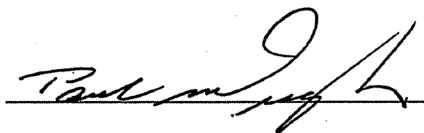
## Western Downs Regional Council

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

### Certificate of Accuracy for the year ended 30 June 2020

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

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



Paul McVeigh

**MAYOR**

6 October 2020



Ross Musgrove

**CHIEF EXECUTIVE OFFICER**

6 October 2020



## 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 statement of financial sustainability of Western Downs Regional Council (the council) for the year ended 30 June 2020 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

#### Basis of opinion

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

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

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

#### Emphasis of matter – basis of accounting

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

#### Other Information

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

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

The councillors are responsible for the other information.



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

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

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

### **Responsibilities of the councillors for the current year financial sustainability statement**

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

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

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

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

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

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



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

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

A handwritten signature in blue ink that reads "C. G. Strickland".

C G Strickland  
as delegate of the Auditor-General

8 October 2020

Queensland Audit Office  
Brisbane

## Western Downs Regional Council

### Unaudited Long-Term Financial Sustainability Statement

prepared as at 30 June 2020

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

#### Measures of financial sustainability

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

#### Performance indicators

##### 1. Operating surplus ratio

Net result (excluding capital items)

Total operating revenue (excluding capital items)

0 - 10%	4.7%	-2.8%	-0.9%	0.1%	0.3%	0.5%	0.8%	1.2%	1.6%	1.9%	2.0%
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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

> 90%	65.0%	95.4%	83.3%	74.1%	75.9%	71.3%	72.7%	73.1%	74.8%	76.0%	71.4%
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An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

##### 3. Net financial liabilities ratio

Total liabilities less current assets

Total operating revenue (excluding capital items)

< 60%	-106.0%	-101.3%	-96.9%	-99.0%	-104.5%	-108.9%	-113.3%	-117.8%	-122.7%	-127.8%	-133.5%
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

## Western Downs Regional Council

### Unaudited Long-Term Financial Sustainability Statement (continued) prepared as at 30 June 2020

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

In addition to these statutory ratios, Council also utilises the following ratios to assist in better understanding its long-term sustainability.

#### 1. Cash Cover of Operating Expenses

Cash and investments

Operating expenses (inc. depreciation) divided by 12

> 4 Months	14.6	12.3	11.9	12.2	12.8	13.3	13.8	14.4	15.0	15.6	16.3
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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.

#### 2. Council Controlled Revenue Ratio

Council Controlled Revenue

Total Operating Revenue (excluding capital items)

> 60%	64.3%	65.1%	65.0%	64.9%	65.2%	65.5%	65.7%	66.0%	66.2%	66.4%	66.7%
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Operating revenue that Council controls through its own decision-making as a percentage of total operating revenue.

#### 3. Remaining Useful Life of Assets Ratio

Property, Plant and Equipment

Depreciation

30-40 Years	33.4	33.0	32.7	33.0	33.0	32.8	32.5	32.4	32.3	32.2	31.6
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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

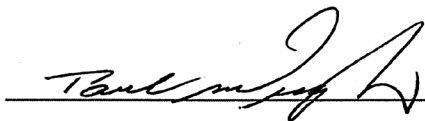
### Unaudited Long-Term Financial Sustainability Statement

#### Certificate of Accuracy

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

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

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



Paul McVeigh

MAYOR

6 October 2020



Ross Musgrove

CHIEF EXECUTIVE OFFICER

6 October 2020



OUR COMMUNITIES | OUR FUTURE

