

#lovewesterndowns
#australiaday
#reflectrespectcelebrate

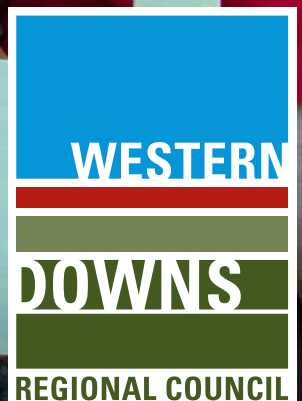


ANNUAL REPORT

1 July 2020 to 30 June 2021



WE'RE ALL PART
OF THE STORY.



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Contact Details and Distribution

Contact Council

To contact Western Downs Regional Council, you can:

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

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

Customer Service Centre Locations

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

Distribution

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

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

Alternatively, you can visit Council's website at 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 2020/21 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 2020/21 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 workshopped 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 are looking for.

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

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

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

Chapter 4: Reporting the Organisation's Performance – outlines our strategic direction, summarises our achievements toward meeting the objectives of the Corporate Plan, and provides an assessment of Council's overall performance by our Executive 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 2021.

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-two, with the construction of three projects underway this year. 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 nation building projects outside the administrative boundary, including the proposed Inland Rail which would increase freight capacity on the Western Line, 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.

People

Despite the trend of rural population decline, the Western Downs has a growing population, representing a 2.1% 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 0.7% over the next 21 years.

As at March 2021, the unemployment rate was 6.0%, this is significantly below the average for Queensland (7.3%).

The largest industries by employment are construction, agriculture, forestry and fishing, electricity, gas, water and waste services. Together they provide 41.4% of the total jobs in the region.

Economy

Mining makes the largest contribution to the regional economy, comprising 44.5% of the region's \$4.99 billion value-add in the 2019/20, followed by construction (16.5%), electricity, gas, water and waste services (9.4%) and agriculture, forestry and fishing (9.3%).

The Gross Regional Product (GRP) of the Western Downs region has grown by 65.7% over the past five years, from \$3.34 billion in 2015 to \$5.54 billion in 2020.

As is the case for most of the world during 2020 and 2021, the Western Downs community faced a range of challenges presented by the COVID-19 pandemic. Council established a comprehensive support and incentive program as part of the \$50 million COVID-19 Recovery Package to energise 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 business; 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 and intensive agriculture. Eligibility for this scheme was conditional, and in particular required the approved development to commence use by June 2022.

Supporting local business, our COVID-19 recovery package waived most application fees, to help supercharge the development and building industries, which saw a 48.8% increase in planning applications, 45.5% increase in building applications (not including private certified) and 45% increase in plumbing applications compared to previous year.

Lifestyle

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

My Community Directory, a Council initiative that was part of the Shell QGC Welcome Project has been enhanced, with more community groups and organisations signing up for their free membership. Council actively assists not-for-profit groups to enrol and keep their organisation's information up to date.

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°C, cooling for the winter months between 5 - 20°C.

Providing the appeal of our family friendly lifestyle, seventy-seven new residential dwellings were approved to be built in the Western Downs at a total value of approximately \$36.7 million, in the 12-month period to June 2021. This is significantly higher than the previous year (with thirty applications to the value of \$7 million).

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 centre in a scenic rural environment.

COVID-19 and restrictions on public gatherings following the pandemic disrupted most of our events and festival. *Words Out West 2021*, our annual readers and writers' festival however continued in spectacular fashion, and is now firmly on the readers and writers' calendar attracting prominent authors and journalists.

Council engaged our talented local musicians through an online *Groovin' in the Garage* competition, inviting them to perform and video an original song from their home (or backyard or shed). This popular competition led the way for Council to host *Groovin' in the Garden* picnic and music festival in Chinchilla's Botanic Parklands. The event was hugely successful and drew a happy crowd. *Groovin' in the Garden* proved so successful it will be back in 2022. Queensland Music Festival, Jimbour Station and Council delivered a spectacular Opera @ Jimbour. This biennial music extravaganza took on a new format, delivering several recitals in and around the homestead.

In conjunction with Regional Arts Development Fund (RADF), Regional Arts Support Network and Regional Art Services Network (RASN) delivered a regional Queensland strategic initiative 'Arts on Top' on the Bunya Mountains. This arts development festival attracted the who is who of the art world from all of Queensland and Northern NSW; despite COVID restrictions limiting the number of attendees, the event was an all-out success.

These events are a drawcard for visitors and regional communities alike, benefiting local businesses in the various towns.



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:



OUR VALUES moving us forward ●●●

Council's Risk Appetite Statement

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

Council's Strategic Priorities

The 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

Community Financial Report

This report summarises Council's Financial position at 30 June 2021 in simple terms.

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

For 2020/21, Council has delivered on these commitments with its finances strengthened and families having to pay relatively low 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 achievements for 2020/21 include:

- Delivering an operating profit of \$12.8 million (Recurrent Revenue of \$158.4 million less Recurrent Expenses of \$145.6 million),
- Completing capital works of \$52.2 million, and
- Increasing our cash by \$26.1 million.

1. Statement of Comprehensive Income (Profit and Loss)

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

Financial Summary 2020/21

Revenue and Expenditure - Recent Operating Surpluses \$'million

Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21
Recurrent Revenue	152.9	147.5	157.4	150.6	158.4
Recurrent Expenditure	136.2	133.1	140.6	143.6	145.6
Operating Surplus	16.7	14.4	16.8	7.0	12.8

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 \$179.8 million in revenue which consisted of \$158.4 million in recurrent revenue and \$21.4 million in capital revenue.

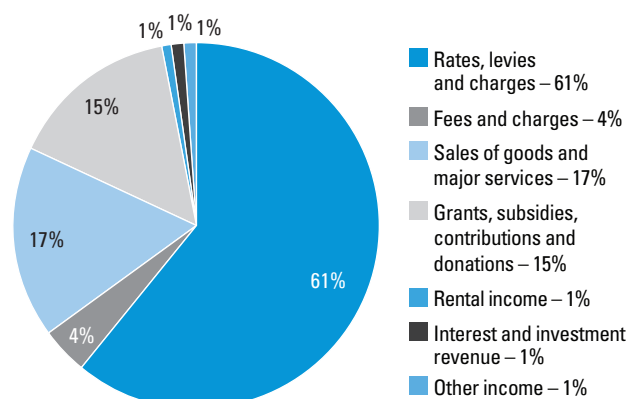
Recurrent or day-to-day income of \$158.4 million comprised:

- Rates, levies and utility charges \$97.3 million,
- Operational grants, subsidies and donations \$24.2 million,
- Sale of major services of \$26.1 million, including sale of gravel from our quarry and gravel pits, revenue from the use of our saleyards and revenue from contracts to maintain and upgrade Queensland Government owned roads,
- Fees and charges \$6.8 million,
- Rentals and levies \$1.8 million,
- Interest received \$1.1 million, and
- Other income \$1.1 million.

In addition, we received Capital Revenue of \$21.4 million to assist in delivering projects. This consisted mainly of grants provided by the State and Commonwealth Governments and contributions from the resource sector.

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

SOURCES OF COUNCIL RECURRENT REVENUE



Expenses - Where was the money spent?

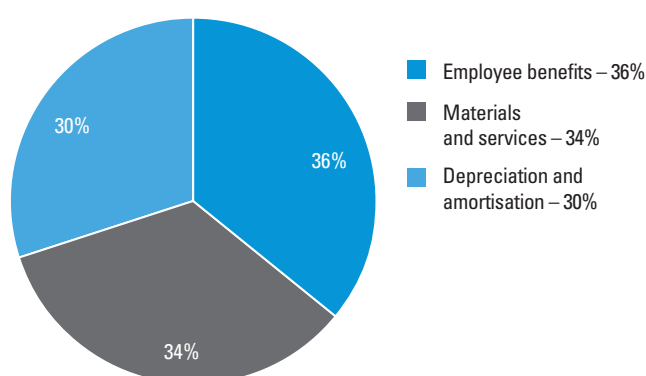
We incur both operating and capital expenditure in delivering services to our community.

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

Recurrent or day-to-day expenditure of \$145.6 million comprised:

- Employee costs \$52.2 million,
- Materials and services costs \$49.8 million, and
- Depreciation and amortisation \$43.6 million.

RECURRENT OR DAY TO DAY EXPENDITURE



In addition, capital expenses totalled \$7.8 million which mainly related to the write-off of infrastructure that needed 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 2021, Council assets were valued at \$1,713.7 million and comprised of:

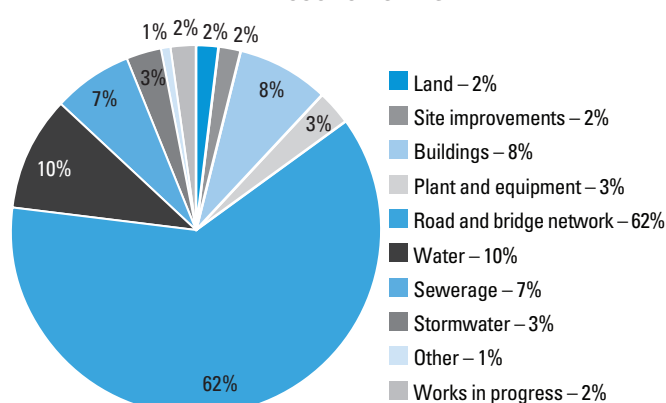
- Property, plant and equipment including intangibles \$1,487.3 million,
- Cash and cash investments \$201.1 million,
- Trade and other receivables \$18.7 million, and
- Inventories and contract assets \$6.6 million.

Council's most significant asset is our road and bridge network which is valued at \$911 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 breakdown of Council's property, plant and equipment is graphically represented 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 67%. 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	58%
Road and Bridge Network	67%
Water	59%
Sewerage	71%

Liabilities: What do we owe?

As at 30 June 2021, Council's liabilities total \$40.3 million. Our liabilities comprised:

- Trade and other payables \$15.3 million,
- Employee leave liabilities \$14.0 million,
- Provisions to restore Council's quarries, gravel pits, landfills and evaporation ponds \$8.3 million, and
- Contract and lease liabilities \$2.7 million.

Our Net Worth

Our net worth is \$1,673 million which comprised assets of \$1,714 million less liabilities of \$40.3 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 \$20.5 million was due to a positive net result of \$26.4 million (i.e. revenue of \$179.8 million less expenditure of \$153.4 million). The net result includes our operating profit of \$12.8 million and net capital revenue of \$13.6 million. An offset to this was a decrease in the value of our assets of \$5.9 million.

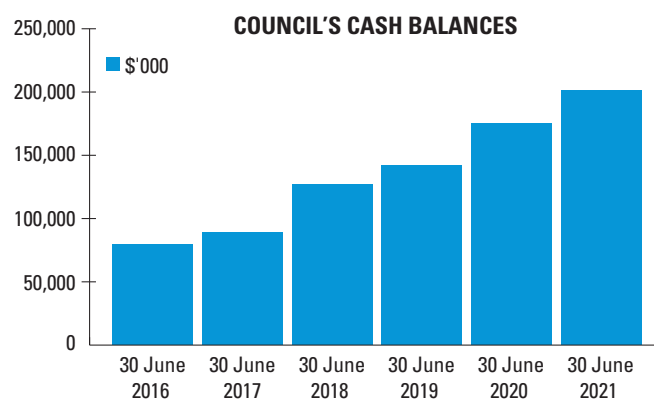
4. Statement of Cash Flows

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

Our cash balances increased by \$26.1 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 \$55.5 million together with capital revenue of \$21.4 million being greater than the funding required for capital works of \$52.2 million.

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



As at 30 June 2021, Council had adequate cash to meet 16.6 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 the local government's financial sustainability, several financial ratios are used.





Council's performance as at 30 June 2021 against these key financial ratios is listed below:

Ratio	Benchmark	2017/18 Results	2018/19 Results	2019/20 Results	2020/21 Results	Outcome
Operating surplus ratio (measures Council profitability)	0% to 10%	9.7%	10.7%	4.7%	8.1%	✓
Asset sustainability ratio (measures the extent we are sustaining our asset base)	>90%	70.6%	78.7%	65.0%	88.7%	✗
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%	-117.5%	✓
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	32.5 years	✓
Council controlled revenue ratio (measures the extent to which Council has control over its decision-making)	>60%	65.24%	63.0%	64.3%	65.7%	✓
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	16.6 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 is a diverse region at the forefront of the changing world and I am proud to lead a team dedicated to a brighter, more prosperous future for our community.

Despite significant challenges in the past twelve months, our region continues to experience growth and our economy is strong.

Our Gross Regional Product has grown by 18% in the past year alone, and now sits at \$5.54 billion which demonstrates our ongoing ability to attract investment and grow our region's economy.

We continue to see strong and sustained growth across our four economic pillars of agriculture, intensive agriculture, manufacturing and energy, with a surge in renewable energy projects solidifying our status as the 'Energy Capital of Australia'.

Backing local business continues to be a major focus for Council, and this year has seen the delivery of several support programs to help our community move through the pandemic and build a stronger future in the Western Downs. As part of this, our dedicated COVID-19 Business Support Program was utilised by a massive 93 local businesses, and we continue to offer a variety of initiatives to help business grow in the region and create more local jobs.

We aggressively attract business and investment opportunities in the region, and we continue to work closely with external industry partners to drive ongoing growth and certainty across the Western Downs. Our region benefits from fantastic relationships with organisations such as Toowoomba and Surat Basin Enterprise (TSBE) as well as our local Chambers of Commerce. These partnerships have delivered great outcomes over the year such as the innovative Emerging Exporters Program, and the inaugural Surat Basin Energy Awards highlighting excellence in the sector.

Council's record investment to guide the community through the pandemic has yielded fantastic results for residents, businesses and visitors to the region, with a raft of projects and initiatives either completed or well underway.

We have also harnessed an enormous opportunity to grow our tourism experiences here in the Western Downs. Several of our major projects are focused on bolstering our visitation while encouraging more locals to head outdoors and explore the wonder of their own backyard.

Enhancing our popular recreational spots such as the Chinchilla Weir, Caliguel Lagoon at Condamine, Lake Broadwater, Tara Lagoon and Waterloo Plain Environmental Park has supported the growing domestic tourism market and celebrated our natural environment.

Landmark projects such as the Miles CBD Streetscape, the MyAll 107 redevelopment, and a brand-new mountain biking adventure precinct at the Bunya Mountains will transform the region for the future, and I am so excited to see these projects progress over the year ahead.

We continue to invest in our region's fantastic major events which play a huge role in bringing our community together and encourage more people to head to our region and spend in our towns.

Our investment in the region's liveability has also been supported by our region's new brand identity 'it's the people that make it' which demonstrates our community's unique and welcoming character. Our combined love for the place we call home is what sets our community apart.

There are so many wonderful projects, events, and initiatives taking place across the region which shows confidence in the Western Downs and its growing reputation as a fantastic place to live, work, and raise a family.

I congratulate all the staff who are a part of the Western Downs Regional Council family and I look forward to working with the community in the year ahead to build a bright, sustainable future for our region.



Mayor
Councillor Paul McVeigh
Portfolio - Executive Services

Phone: 07 4679 4004

Mobile: 0408 700 392

paul.mcveigh@wdrc.qld.gov.au

REGD BUTCHERS SHOP
Nº 1991.

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"...our dedicated COVID-19 business support program was utilised by a massive 93 local businesses, and we continue to offer a variety of initiatives to help business grow in the region and create more local jobs..."



Meet your Councillors for 2020/2021

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 to 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)

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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
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kaye.maguire@wdrc.qld.gov.au



Councillor George Moore

Portfolio - Works and Technical Services
(Civil Works, Fleet, Quarries, Asset Management and Design)

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Councillor Megan James

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

Phone: 07 4679 4004
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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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ian.rasmussen@wdrc.qld.gov.au



Councillor Peter Saxelby

Portfolio - Utilities
(Water, Wastewater and Gas)

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Councillor Carolyn Tillman

Portfolio - Recreational Spaces and Cemeteries
(Parks, Open Spaces, Gardens and Cemeteries)

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

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

Council meetings are carried out in accordance with relevant legislation and the Meeting's – Council's Policy which is available on our website www.wdrc.qld.gov.au.

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

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

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

A total of twelve Ordinary Meetings and five Special Meetings were held from 1 July 2020 to 30 June 2021.

Councillor Briefings and Workshops

In addition to regular Council meetings, Councillor briefing sessions and workshops are also held to inform Council of important issues. These sessions are not a decision-making forum and therefore 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 Remuneration and Expenses Reimbursement Policy

Chapter 5 Part 3 Division 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.

Summary of Meeting Attendance by Councillors - 1 July 2020 to 30 June 2021

Councillor	Ordinary Meetings Attended	Special Meetings Attended
Cr Kylie Bourne	12 of 12	5 of 5
Cr Megan James	12 of 12	5 of 5
Cr Kaye Maguire	12 of 12	5 of 5
Cr Paul McVeigh (Mayor)	12 of 12	5 of 5
Cr George Moore	12 of 12	5 of 5
Cr Ian Rasmussen	11 of 12	5 of 5
Cr Peter Saxelby	12 of 12	5 of 5
Cr Andrew Smith (Deputy Mayor)	12 of 12	5 of 5
Cr Carolyn Tillman	12 of 12	5 of 5

Councillor's Remuneration, Superannuation, Expenses Incurred and Facilities provided 1 July 2020 to 30 June 2021

Councillor	Remuneration	Superannuation	Expenses Incurred	Facilities Provided*
Cr Kylie Bourne	\$70,751.37	\$6,721.32	\$2,659.11	\$20,352.00
Cr Megan James	\$70,751.37	\$6,721.32	\$3,231.84	\$20,352.00
Cr Kaye Maguire	\$70,751.37	\$8,490.17	\$5,298.75	\$20,352.00
Cr Paul McVeigh (Mayor)	\$133,181.57	\$15,981.77	\$14,155.95	\$20,352.00
Cr George Moore	\$70,751.37	\$6,721.32	\$1,502.50	\$20,352.00
Cr Ian Rasmussen	\$70,751.37	\$8,490.17	\$2,944.11	\$20,352.00
Cr Peter Saxelby	\$70,751.37	\$8,490.17	\$1,348.25	\$20,352.00
Cr Andrew Smith (Deputy Mayor)	\$83,238.34	\$9,988.64	\$11,510.48	\$20,352.00
Cr Carolyn Tillman	\$70,751.37	\$8,490.17	\$2,156.12	\$20,352.00

Particular Resolutions

One resolution was made at Council's Ordinary Meeting held 21 April 2021 under section 250(1) of the *Local Government Regulation 2012* relating to the amendment of the Councillor Expenses Reimbursement Policy for this financial year. A copy of the resolution is provided below:-

Corporate Services Report Councillor Expenses Reimbursement Policy – Council Policy

The purpose of this Report is to present the proposed Councillor Expenses Reimbursement Policy - Council Policy, as amended, for Council consideration.

COUNCIL RESOLUTION

Moved By Cr. I. J. Rasmussen

Seconded By Cr. K. A. Bourne

That this Report be received and that:

1. Council adopt the amended Councillor Expenses Reimbursement Policy - Council Policy as presented.

CARRIED

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.

Complaints about Council Conduct and Performance

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

The Office of the Independent Assessor considers complaints against Councillors. There was one Councillor conduct complaint made during the 2020/21 year, as disclosed in the following table.

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

Council must keep and publish a Councillor conduct register that records orders made about unsuitable meeting conduct by Councillors, a summary of decisions about suspected inappropriate conduct referred to Council and any action taken, a summary of decisions made by the Councillor Conduct Tribunal about whether a Councillor engaged in misconduct and any action taken and complaints about Councillors dismissed by the Office of the Independent Assessor, or decisions by the Independent Assessor to take no further action after undertaking an investigation. The Councillor conduct register is located on Council's website.

CHAPTER 3:

OUR ORGANISATION



OLD PUMPHOUSE BUILDING

In 1901, Dalby's Number 1 bore was constructed on the western side of Myall Creek, roughly 400m southwest of this location. When constructed, it was the easternmost artesian bore and provided water for the town and communal bore baths.

By 1934 Number 1 bore was struggling to service the growing town leading to a test bore, Number 2 bore, being drilled at this location by Roma Oil Co. to supplement the town's water supply. The new bore had about twice the capacity of the earlier shallower bore, however the water quality was still much lower than was considered suitable for consumption.



Photos: Boring for town water. Photos by Frank Francis.

In 1936 this brick pump house was built and both bores were connected to a new 100,000 gallon elevated concrete reservoir on Condamine Street.

The two bores continued to serve as the town's primary water supply until 1956 when new bores at Loudoun were developed. Number 2 bore was withdrawn from service totally in 1960 with the completion of the Dalby Water Treatment Plant. Number 1 bore continued to be used to supply the Dalby Swimming Pool on a limited basis until 1990.

CEO's Message

The Western Downs is earning its place as a region of choice for families, individuals, visitors, and industry, and Western Downs Regional Council remains focused on a high standard of service delivery and creating fantastic outcomes for the future of the region.

Council has embarked on a mammoth year of delivery to secure local jobs and drive future growth across the Western Downs under our COVID-19 Recovery Package. Our organisation has delivered an enormous number of projects in the space of one financial year, and it's a credit to our staff who have made a real difference in our region without compromising our high standard of service.

"It's phenomenal to see the ongoing benefits of supporting our youth to be a part of our organisation and ultimately the Western Downs community..."

Our responsible financial management has enabled Council to look to the future and generate economic opportunities by delivering projects and initiatives that have a lasting impact on our community, and it's been wonderful seeing these projects progress across the region.

We have invested a record amount into our parks and open spaces, which has beautified our region and reinvigorated some of our most popular natural destinations.

We continue to empower community pride in our neighbourhoods through the popular Adopt A Street Tree Program. This has seen more than 5,700 trees planted over the past four years, greening up our towns and creating a legacy for generations to come.

Our commitment to building an active, vibrant community has delivered a busy program of community events and activities for all ages across the year despite the challenges of the pandemic. Our Words Out West: Western Downs Readers and Writers Festival grew phenomenally in 2021, with more than 1,700 people attending across the six-day festival.

We continue to empower our fantastic community groups, and over the year have allocated more than \$246,000 to 139 groups through our regular grants and funding opportunities, as well as a massive \$944,000 to 147 groups and businesses through our COVID-19 Recovery Package funding support programs.

We continue to invest in local jobs and skilling the next generation and our Early Career Development Program continues to lead the way across the state, having earned Western Downs Regional Council the Large Employer of the Year at the Queensland Training Awards this year.

Our early career program continues to be a huge success, with 156 young people applying for the program this year, of which 17 have commenced traineeships and apprenticeships with Council. Our Community Spirit Bursary Program dedicated for high school leavers continues to invest in our future generations and has seen dozens of local students undertaking work placement since the program commenced in 2016.

It's phenomenal to see the ongoing benefits of supporting our youth to be a part of our organisation and ultimately the Western Downs community by offering dynamic and rewarding employment opportunities for a variety of skillsets.

The new financial year brings enormous opportunity to our region, and with the establishment of a new Corporate Plan to guide our strategic priorities for the next five years, there is confidence the Western Downs will continue to grow and prosper.

Ross Musgrove
Chief Executive Officer



Council's Organisational Structure

In consultation with our communities, the elected Council sets the strategic direction of the organisation under the authority of the Statement Government via the *Local Government Act 2009*. Council's Corporate Plan 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 2020/21 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.

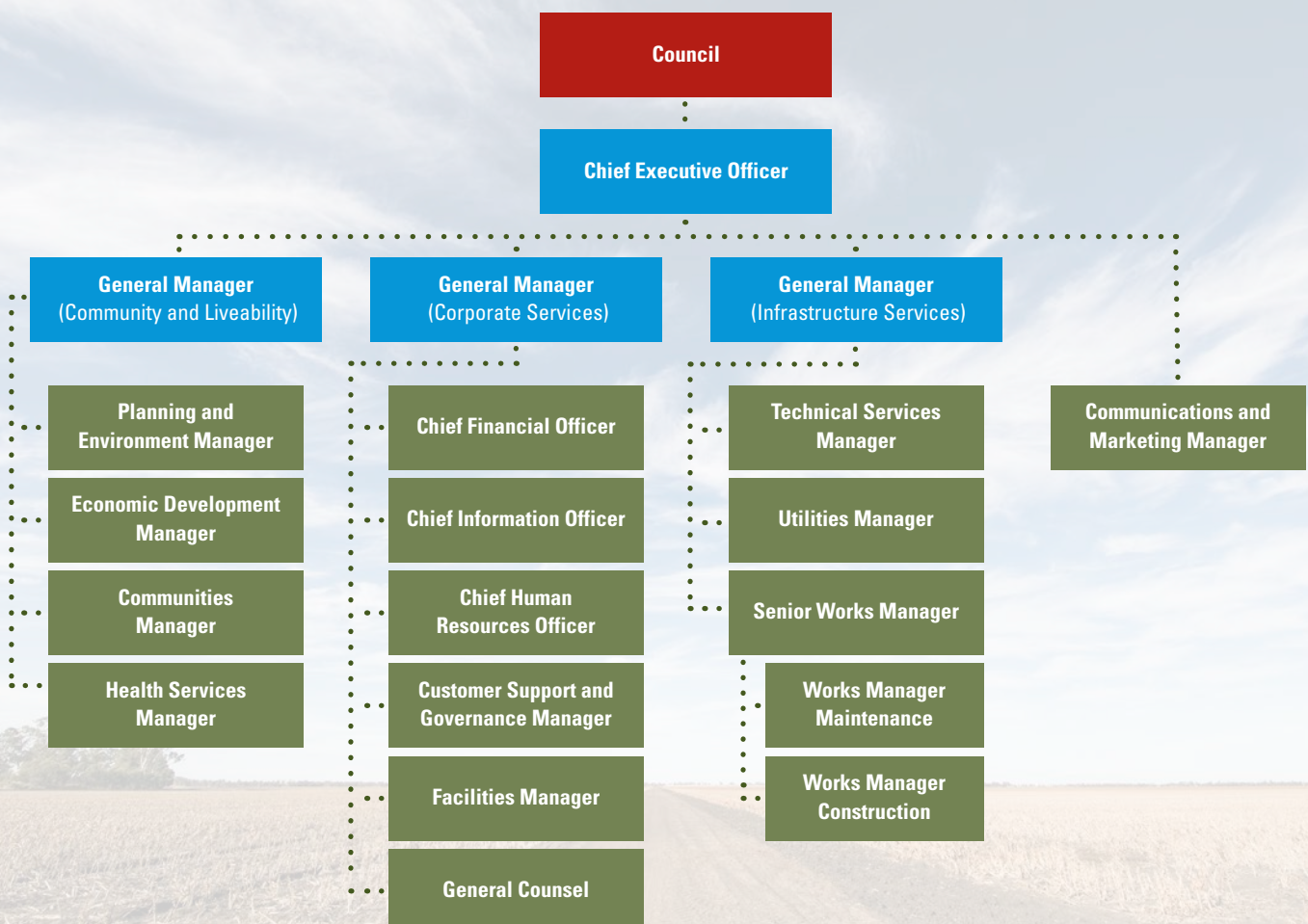
Western Downs Regional Council is structured into the following four divisions:

- 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 2021



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 2020/21, as listed below.

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

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

For a full list of business activities conducted by Council please refer to Chapter 5 of this Report, see Note 24 'National Competition Policy' of the Financial Statements, on page 87.

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 2020/21 financial year total \$1,243,776. Two remuneration packages were within the range \$200,000 to \$300,000 and two remuneration packages were within the range of \$300,000 to \$400,000.

Overseas Travel

No employees travelled overseas in an official capacity during the 2020/21 period.

Administrative Actions Complaints and Complaints Management Process

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

Council applies the principles of the *Human Rights Act 2019* when assessing and dealing with complaint matters to ensure that Council is

acting compatibly with human rights and gives proper consideration to human rights before making a decision.

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

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 Policy and Standard Work Practice and held three Complaints Management Working Group meetings to review the complaints management system and complaints received during the financial year.

Complaints received by Council during 2020/21 are listed in the table below.

The number of administrative action complaints made to Council:	29
The number of administrative action complaints resolved by Council under the complaint's management process:	26
The number of administrative complaints not resolved by the local government under the complaint's management process:	3
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:	88%

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

Human Rights

Council has an adopted Human Rights Policy and is committed to protecting and promoting human rights by ensuring that human rights are considered when making, interpreting and applying laws, developing policies, and providing services to our community. Council also recognises that it has an important role in complying with Queensland's *Human Rights Act 2019* through its actions, decisions, proposals and recommendations.

Under the *Human Rights Act 2019* a person who believes a public entity has breached their human rights obligations has the right to complain by

raising a complaint directly with Council. Under section 65 of the *Human Rights Act 2019*, Council has 45 business days to respond, after which the individual can make a formal complaint to the Queensland Human Rights Commission if the complaint has not been responded to or the person is not satisfied with Council's response. During 2020/21, Council did not receive any human rights complaints.

Public Sector Ethics - Reporting

Council has a formal Code of Conduct and Standards of Conduct for staff which incorporates the ethics, principles and obligations under the *Public Sector Ethics Act 1994*. Mandatory induction training for all new employees includes details on the requirement and obligations to all staff under the Code of Conduct. All new employees completed corporate induction training during 2020/21. Council continued to deliver education and awareness sessions to all employees on their ethical obligations as part of Council's commitment to the highest standards of public sector ethics.

Internal Audit

The internal audit function is established under section 105 of the *Local Government Act 2009*. It is an integral component of Council's corporate governance framework designed to add value to our business operations through continuous improvement. Internal audit is an independent function within the Council reporting to the Chief Executive Officer and the Audit Committee. The purpose of the internal audit function is to independently examine and evaluate Council processes and activities and provide assurance to Council, management and the community. Council resolved to appoint a contract internal audit firm to service the internal function in September 2020.

The scope of the internal audit work each financial year is set out in the Three-Year Strategic 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 2020/21 financial year included:

- Risk assessment and endorsement of the Three-year Strategic Internal Audit Plan
- Regular progress reports to Audit Committee on implementation of audit
- Regular program reports and statistics on implementation of external and internal audit recommendations
- Ongoing continuous control monitoring activities
- Audit of Payroll Operations
- Audit of Rates and Charges
- Audit of Cyber Security
- Audit of Procurement and Contract Management

The Audit Committee

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

Audit Committee members are as follows:

- Councillor Ian Rasmussen (Chair)
- Councillor Paul McVeigh
- 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 three times during the financial year, examined draft financial statements, and reviewed reports presented by internal audit and external audit.

Registers

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

- Local Laws Register (s31 of LGA 2009)
- Councillor Conduct Register (s150DX-s150DZ of LGA 2009)
- Register of Cost Recovery Fees and Commercial Charges (s98 of LGA 2009)
- Asset Register (s104 LGA 2009)
- Delegation Register (s260 of LGA 2009)
- Register of Interests (s201A, 201B & 201C of LGA 2009)
- Business Activities Register (s56 of LGR 2012)
- Register of Pre-Qualified Suppliers
- Register of Roads (s74(1)(b) of LGA 2009)
- Environmentally Relevant Activities
- Registers under the *Plumbing and Drainage Regulation 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 2020 to 30 June 2021, 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 2020/21, please refer to the General Purpose Financial Statements, on pages 94 and 99 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 91 and 96 respectively.

Community Financial Report

A simplified version of our financial performance for the period 1 July 2020 to 30 June 2021 as reported in our audited Financial Statements is provided in the Community Financial Report presented in Chapter 1 of this Report, pages 8 to 11.

Grants to Community Organisations

Donations and grants paid to community organisations for the year totalled \$1,006,718.

Rates Rebate and Concessions

During 2020/21 special charges totalling \$194,869 were levied with respect to the maintenance of roads related to quarries.

In accordance with Council policy, pensioner concessions of \$388,027 and community organisation concessions of \$447,783 were granted during the year.

More detail is provided in Chapter 5 of this Report, in the Financial Statements under Note 3 'Rates, Levies and Charges' on page 49.

Changes to Council Tenders

No invitations to change tenders under section 228(7) of the *Local Government Regulation 2012*, were made during the 2020/21 year.

Cooperation Between Local Governments

Western Downs Regional Council continued its involvement in the Queensland Water Regional Alliance Program (QWRAP). Council's commitment of \$2,252.50 cash and approximately \$7,586 in-kind contribution was spent during 2020/21 in the execution of the Alliance models for utilities. The alliance examines the benefits of a collaborative approach to particular utilities operations.

Council has also formally resolved to join a new water alliance with four other Queensland Council's and one New South Wales Council. The inaugural meeting of the water alliance was attended by representatives of Toowoomba, Western Downs, Southern Downs, Goondiwindi, Lockyer Valley and Tenterfield Councils.

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, and with Toowoomba Regional Council for building certification services.

At the January 2021 Ordinary Meeting, Council resolved to enter into a Memorandum of Understanding with Toowoomba Regional Council

to investigate and pursue a joint procurement exercise for waste and recycling collection and recycling process services.

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 24, under 'National Competition Policy' on page 87.

At its Special Meeting held on 22 June 2020, Council resolved to:

1. Adopt the Code of Competitive Conduct Policy.
2. Apply a Community Service Obligation Payment to the following businesses for 2020/21:
 - a. Water
 - b. Waste Management
 - c. Washdown Bays
3. Adopt the Dividend Policy, and receive dividend payments from the following businesses during 2020/21:
 - a. Commercial Works
 - b. Gas Supply
 - c. Sewerage
 - d. Quarries
 - e. Dalby Regional Saleyards

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 asset.

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, the Chief Executive Officer provides an informed assessment of Council's overall performance against the Corporate Plan and annual Operational Plan, following the summary of the organisation's performance outcomes, on pages 26 to 30.

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 2020/21 financial year against our Corporate Plan 2017 - 2022 and the Chief Executive Officer's assessment of our progress and highlights of important achievements under each strategic theme are shown overleaf in the Performance Outcome Highlights table 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 Assessment

An informed assessment of how Council performed in 2020/21 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.

Assessment Key

The following symbols indicate our progress at the end of the 2020/21 financial year:



ACHIEVED



ON TARGET



NEEDS IMPROVEMENT






SCHEDULED LATER IN
CORPORATE PLAN CYCLE



IMPACTED BY
COVID-19 PANDEMIC

Strategic Priority: STRONG ECONOMIC GROWTH




There is confidence in our strong and diverse economy

- Continue to improve our engagement with the development industry (including prospective developers) to improve planning and development schemes, processes and outcomes. 
- Our development assessment timeframes will continue to be our point of difference and amongst the best in the state. 
- Improve access to Council's road network for heavy vehicle combinations to benefit the region's businesses. 





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

- Identify and enable opportunities that facilitate new investment to the region. 
- Identify and enable activities that facilitate the development of local business and the local business hubs including entrepreneurship, side hustles and start-ups. 
- Health Services staff advocate for a suite of regional health services providing the community with 'whole of life care'; target State, Federal Government and private investment in Health Services in the Western Downs region and promote regional interagency collaboration. 


We optimise our tourism opportunities, unique experiences and major events

- Our community events are well promoted. 
- Value-add to, and enable the growth and development of, tourist markets to increase visitor night stay in the region. 
- Value-add to and enable the growth and development of the region's Destination Events through strategic stakeholder engagement. 

Business and industry in our region live local and buy local

- Identify opportunities that attract and retain skilled workers and their families to our region's towns. 
- Provide access to Council's road network for larger agricultural vehicles to benefit local businesses. 
- Commit, where possible, and within the value for money framework, to spending locally. 
- Residential and community based Health Services buy local where possible; recruit & attract staff to live local and support local communities. 

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

- Promote the region as an energy transmission infrastructure hub. 

Strategic Priority: ACTIVE VIBRANT COMMUNITIES

We are a region without boundaries, united in community pride	<ul style="list-style-type: none"> In partnership with the community, deliver regional events designed to support reading, literacy and learning, foster digital participation; and encourage culture and creativity. 	
Our community members are the loudest advocates for what's great about our region	<ul style="list-style-type: none"> Actively seek opportunities to strengthen Council's reputation as a community advocate. 	
	<ul style="list-style-type: none"> Support Health Services clients to participate in their local communities and encourage the wider community to engage with the services / aged care facilities. 	
	<ul style="list-style-type: none"> Our community is engaged and supported through capacity building programs and initiatives. 	
Our social, cultural and sporting events are supported locally and achieve regional participation	<ul style="list-style-type: none"> There are a range of quality facilities available to the community for events and functions. 	
	<ul style="list-style-type: none"> The Western Downs is recognised as a region that is culturally thriving and active. 	
Our parks, open spaces and community facilities are well utilised and connect people regionally	<ul style="list-style-type: none"> Robust planning and programming of our maintenance and open spaces projects to enhance our region's liveability and community pride through greenspace initiatives. 	
A recognised culture of volunteerism is active throughout our communities	<ul style="list-style-type: none"> Health Services staff acknowledge the contribution of volunteers that enhances the consumers experience and actively seek to welcome new volunteers to the services. 	
	<ul style="list-style-type: none"> Community partnerships encourage active volunteering and new ways of getting volunteers are investigated and implemented. 	



Performance Assessment

Strategic Priority: GREAT LIVEABILITY		
Our residents enjoy the convenience of modern infrastructure and quality essential services	• Deliver quality public Wi-Fi in significant community places.	
	• We will actively seek opportunities to work with regional partners for the delivery of waste collection services.	
	• Raise Council's profile and capability to offer high-quality facilities and event spaces.	
	• Increase Council's reputation as an essential and accountable service provider in the community.	
	• Western Downs Regional Council will deliver safe, inclusive, quality care and services throughout its Aged Care services.	
	• We deliver high quality customer service outcomes that meet the expectations of our community.	
	• We ensure our buildings are safe and fit-for-use.	
	• Continue to make improvements and increase compliance of Council's Waste Facilities, including a focus on reducing the impact and costs associated with the State Government waste levy.	
Valued recreational spaces, sporting and community facilities are provided regionally	• Deliver cemetery operations that are efficient and provide a range of options to meet the needs of our communities.	
	• Increase the cinema audience, return on investment and sustainability by building on our strengths and growing entrepreneurial opportunities.	
A safe and well maintained road network connects our region	• An up to date 10 year capital works program is in place.	
	• Our transport asset capital program is delivered on time and on budget.	
	• Our transport assets are well maintained and our systems for maintenance are appropriate.	
	• The survey and design program to align with adopted capital works program to provide lead time for construction.	
	• Quarry material production is to be well planned and aligned with works programs.	
Our region remains an affordable place for families to live, work, prosper and play	• Delivery of responsible budgets based on long term financial forecasts to ensure fully informed decision making is conducted and the impacts on future financial years is understood.	
	• 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.	

Strategic Priority: GREAT LIVEABILITY**We're recognised
as one of the
safest regions in
Queensland**

- Maintain a reliable CCTV network that enhances public safety in our major town centres.
- Our teams will continue to work with residents to improve the attitudes and behaviour of animal owners regarding the keeping of animals in our community.
- Environmental Health programs focus on improving outcomes for our community's health, safety and amenity.
- Continue to implement systems to improve road safety across the region through Traffic Advisory Committee (TAC)

**STRATEGIC PRIORITY: FINANCIAL SUSTAINABILITY****We are recognised
as financially
intelligent and
responsible Council**














- Review and continuous improvement of enterprise risk management and business continuity management systems.
- Provide leadership and guidance to build awareness of Corporate Performance Management.
- Core Corporate Systems and Network available to ensure Council is able to deliver services.
- Enable efficiencies via mobilisation and collaboration, through the provision and management of devices and connectivity.
- Financial Statements to be finalised in line with QAO expectations.
- Delivery of Budget.
- Operation of Budget.

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

- Promote Council as a strong employer of choice in the Western Downs.
- Continue to increase capacity of in house legal team to handle a greater volume and complexity of matters.
- Effectively manage property assets to maximise value to Council and the community.
- Commence preparations for Corporate Plan 2022 - 2027.
- Continually developing long term financial and asset management plans that ensure the services provided by Council are sustainable for the long term.



Performance Assessment

STRATEGIC PRIORITY: FINANCIAL SUSTAINABILITY		
Our value for money culture enables us to deliver our core functions sustainably	• Embed "Value for Money" as a core decision making consideration by staff.	
	• Measurement of current transport asset renewal and upgrade unit rates is completed to enable sound financial planning and management of Council's Transport Capital Works Program.	
	• Council's transport infrastructure maintenance practices enable sound financial management of maintenance budgets and operating funds.	
	• Council owned Health Services deliver financially responsible service models to our local communities.	
	• Provide a well controlled and safe gas network to the community.	
Our agile and responsive business model enables us to align our capacity with service delivery	• Take a strategic approach to compliance matters, focusing on reducing development that are approved and not compliant, and dealing with both routine and reactive planning compliance activities.	
	• Continue to seek external funding opportunities that assist landholders and syndicates address priority pests emerging after drought. Annual action plans will be developed to guide how we target priority pests in specific areas.	
	• Our fleet is utilised effectively and efficiently.	
	• Right to Information and Information Privacy applications are managed and processed in accordance with legislative requirements.	
	• We align our service delivery behind a contemporary customer service strategy.	
Effective asset management ensures that we only own and maintain assets that are utilised	• Improve our asset management capabilities and planning to deliver quality, well maintained, fit-for-purpose facilities to the community.	
	• Our fleet remains agile and is reflective of business requirements.	
	• Asset Management Plan (AMP) - Develop AMP with Asset Managers to ensure continued focus on delivering fit-for-purpose levels of service to the community.	



Performance Outcome Highlights 2020/21

Strategic Priority: **STRONG ECONOMIC GROWTH**

There is a confidence in our strong and diverse economy

- 2021 Protein Conference held in partnership with Toowoomba and Surat Basin Enterprise (TSBE).
- Developer forums were held in Dalby and Chinchilla, connecting Western Downs Regional Council with the development industry and promoting the Infrastructure Charges Incentive that Council adopted.

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

- As part of the COVID-19 Recovery Package an E-Commerce Initiative was delivered via webinars and one-on-one consultations, with 24 businesses participating.
- A total of 93 local businesses participated in the Business Recovery Planning Initiative.
- "How to Google My Business" workshops were delivered to local business owners and managers to help them improve their business's online presence.
- Council, in collaboration with the local Chambers of Commerce, launched Western Downs Youth Business program. Workshops were held in high schools across the region with videos on Council's website to encourage, support and educate young local entrepreneurs.
- Under partnership with TSBE the following events were held
 - 2021 Enterprise Evening with 110 attendees, 60% visiting from out of the Western Downs region.
 - Third round of the Emerging Exporters Program was launched with the cohort including 5 Western Downs businesses.
- The TASTE Western Downs magazine was launched and is a joint project between Council and TSBE. The magazine is intended to raise the profile of Western Downs local produce and promote local businesses by encouraging locals and travellers to visit cafes, restaurants, pubs, bakeries and butchers to purchase this wonderful produce.
- Council provided support to locally run career pathway initiatives; Miles Future Pathways Program, Chinchilla B.E.S.T. Ignite Your Futures Tour, and Dalby B.E.S.T. Small Business Industry Dinner.

We optimise our tourism opportunities, unique experiences and major events

- Council developed and launched a new Tourism Brand Campaign '*Experience Western Downs. It's the people that make it*'.
- A Tourism Family Campaign was rolled out, kicking off with the very popular and fun family video showcasing the Western Downs as a family destination. The Facebook acquisition advertising campaign proved successful with a significant increase in followers of 'Western Downs Queensland'.
- A new Council initiative, Arts On Top Regional Arts Forum was held over 3 days at the beautiful Bunya Mountains with more than 200 attendees.
- The biannual Opera @ Jimbour was successfully held in partnership with Queensland Music Festival. A new format provided small intimate performances throughout the grounds of the historic Jimbour House. Over 2,500 concert performance tickets were sold throughout the week.
- Design contract awarded for the brand new mountain bike trails at Russell Park, Bunya Mountains.

Performance Outcome Highlights 2020/21

Strategic Priority: **STRONG ECONOMIC GROWTH**

Business and industry in our region live local and buy local

- Council hosted a Western Downs Jobs Fair, offering opportunities to job seekers and employers to connect in the one place.
- Council awarded funding to the Chinchilla Community, Commerce & Industry (CCCI) to deliver a regional Buy Local Platform including Facebook page and website to support buy local initiatives. The Buy Western Downs platform has 238 businesses listed on the website and 798 Facebook page users.
- Panel arrangements were revamped to support local business, making it easier and clearer for suppliers to work with Council.
- \$8.08 million local spend within facilities capital projects across the region.
- 72.3% of the works capital procurement was spent locally.

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

- Under partnership with TSBE, a Hydrogen Summit was held bringing together academics, businesses and multiple tiers of government; with 170 attendees, 67% visiting from out of Western Downs region.

Strategic Priority: **ACTIVE VIBRANT COMMUNITIES**

We are a region without boundaries, united in community pride

- Words Out West Readers and Writers Festival was held for the second year and included sold out events, the Warra 'Schooners & Stories' night and the Writers Retreat at Jimbour House.
- Partnering with the local community, the Wandoan Soldier Settlers Avenue of Honour was officially opened, celebrating and honouring the contribution of the 103 soldier settler families to the development of the Wandoan community.
- We welcomed 58 new Australian citizens to our region.

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

- Seniors Month was celebrated across the region. In spite of the challenges of COVID-19, several activities were organised across the region, including those held at Council's aged care facilities.
- Council approved \$1 million for the Community Infrastructure Grants Program and \$300,000 for the Community Hardship and Assistance Grants Program.
- Student leader events were held in Dalby, Chinchilla, Miles and Tara where over 180 student leaders from across the region were given the opportunity to meet and interact with key community leaders and listen to the inspiring story of Krishna Stanton, Dean of Students, Cromwell College, Brisbane and former Olympian.

Strategic Priority: ACTIVE VIBRANT COMMUNITIES

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

- LED billboards were installed in Dalby and Chinchilla to promote community group events, programs and initiatives.
- Outdoor Drive-In experience came to Tara and Miles with over 110 vehicles and approx. 400 people enjoying the screening of The Lion King Live Edition.
- Youth month was celebrated throughout October seeing 1,566 youth participate in various events across the region.
- Groovin in the Garden was held in the Chinchilla Botanic Parkland in February with 995 tickets sold for the event. The Chinchilla Botanic Parklands came to life where the crowd enjoyed live music performances from local grown talent. Local food vendors from around the region had a successful afternoon serving up all the tasty treats to the crowd.
- Regional pool parties were a success across the region being held at Moonie, Chinchilla, Bell, Meandarra, Wandoan, Jandowae, Miles, Tara and Dalby with over 1,300 attendees across all events in November and February.
- Australia Day Events were celebrated across the region with approx. 1,300 people attending the events.
- Anzac Day Services were held across the region at 14 locations to commemorate 106 years since Australian and New Zealand troops set foot on the shores of Gallipoli. Over 8,000 people attended Dawn and Commemorative services throughout the Region.
- The annual Regional Artists' Exhibition recognising the region's top artists, was presented online, with the exhibition open from 7 November to 12 December, marking the exhibition's seventh year.
- The Western Downs Regional Artists Exhibition Website was launched.
- The 10 Artist preview event was held showcasing local artists across the region. Short videos of each artist were posted on Council's social media channels.

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

- Chinchilla Botanic Parklands won numerous awards claiming the Park of the Year at the Queensland Parks and Leisure Australia Annual Awards, Australia's Park of the Year at the National Parks and Leisure Awards and achieving international recognition by being the only regional park in Queensland to receive a coveted 'green flag' award.
- Council approved the concept design for a new public space at 120 Cunningham Street, Dalby.
- Chinchilla Cultural Precinct masterplan concept designs were developed in consultation with stakeholders.
- Capital projects were completed at regional parks including upgrades to BBQ's, shade shelters, amenities and playgrounds creating spaces that connect people regionally.
- The Adopt a Street Tree Program remains popular with 5,753 trees being planted since the program's inception in 2017, making the region cleaner and greener and strengthening community pride.
- The Warrego Highway Chinchilla Beautification Project was completed, with 780 plants being planted including street trees and a garden bed.
- The Condamine Street Dalby Beautification Project was completed, with 4,000 plants being planted including street trees and median garden beds.
- 9.5km of footpaths constructed. As part of Council's COVID-19 Response Package - Accelerated Infrastructure Package - 8.5km of new footpaths were constructed extending Council's footpath network to 121km. The Accelerated Infrastructure Regional Footpath program was fully funded by a combination of Local Roads and Community Infrastructure Funding Program and Works for Queensland Funding Program. These projects were delivered by highly skilled local contractors resulting in 100% local spend, which provided an economic stimulus to the local community.

A recognised culture of volunteerism is active throughout our communities

- To mark National Volunteers Week, a new online volunteering platform was launched to keep the community informed about various volunteering opportunities available within Council.

Performance Outcome Highlights 2020/21

Strategic Priority: GREAT LIVEABILITY

Our residents enjoy convenience of modern infrastructure and quality essential services

- Bell's Ensor Park received a water-smart upgrade to amenities catering to the needs of the local community and visitors.
- Council approved concept designs for the MyALL107 Cultural Precinct
- 81 projects completed across the region including infrastructure upgrades to various community facilities and open spaces.
- Upgrades or replacement of 5 regional toilet blocks were undertaken, modernising these essential services.
- The Western Downs Libraries launched the Words for Wellbeing Collection.
- 7.4km of sewer main was relined using 'no dig' technology to ensure many more years of trouble free service while keeping customer inconvenience to a minimum.
- 1.28km of water main was replaced to facilitate future road upgrades in Dalby, 300m of water main was replaced as part of the Miles Streetscape project and 735m of key trunkmain infrastructure in the vicinity of the water tower was replaced to improve the reliability of water mains in Chinchilla.

Valued recreational spaces, sporting and community facilities are provided regionally

- 9 regional facility masterplan projects totalling \$39.5M were commenced.
- Contracts valued at \$3.67M were awarded for the Tara Lagoon landscape masterplan and boardwalk projects.
- Tara Showgrounds received a \$270,000 upgrade to boost usage and deliver essential infrastructure in the community.
- Lake Broadwater, Caliguel Lagoon and Chinchilla Weir upgrades were completed providing modern and quality services to the community and visitors to our region.
- The Chinchilla Cinema makeover was completed including upgrades to cinema acoustics, new flooring, aisle lighting and new ergonomic seating.
- Council contributed \$514,000 to deliver a modern netball and sporting facility at the Chinchilla State High School in conjunction with the Queensland Education Department and Chinchilla Netball Association.
- Numerous community and sporting groups across the region were allocated funding to improve or build infrastructure as part of Council's COVID-19 Recovery Package.



Strategic Priority: GREAT LIVEABILITY**A safe and well-maintained road network connects our region**

- A massive \$42.1 million road program including road upgrades, gravel re-sheeting, bitumen dust suppression and bitumen resealing and \$2 million in new and improved footpaths.
- 174.9km of rural unsealed roads were gravel resheeted, renewing their gravel pavement to provide a safe and well-maintained road network. Of this, 46.7km of the regional gravel resheeting projects were completed by local contractor, co-funded by Drought Community Program Funding.
- 64.4km of rural roads reconstructed or upgraded to bitumen seal standard.
- 4 towns streets were upgraded from gravel to bitumen in Bell, Chinchilla and Wandoan.
- 10 town streets were reconstructed to include kerb and channel infrastructure.
- With the largest road network in Queensland of road assets, 11,220km of unsealed roads were graded with 17,000t of gravel repairs performed, 4,825ha of road side slashed and 199,554L of herbicide was sprayed.
- Council's repaired 9,652 defects, this includes 1,350 signs and 3,947 guideposts reinstated
- Council performed a condition survey on the road and footpath network to assist in forward planning asset renewals.
- A regional flood damage restoration program commenced to reinstate Council's transport network from the damage caused by the flooding in February 2020.

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

- The Rainwater Tank Subsidy Scheme providing rebates to residents was fully expended. The hugely successful scheme added 3.2 million litres of water supply to the region and will continue into the new budget year.

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

- Implementation of Disaster Management software which includes the community dashboard.

Strategic Priority: FINANCIAL SUSTAINABILITY**We are recognised as a financially intelligent and responsible Council**

- Western Downs is recognised as one of the leading Council's in Queensland following the release of the Queensland Audit Office *Financial Audit Report Local Government 2020 Report 17: 2020-21*. Councils are reviewed on performance across several areas including financial statements, financial sustainability, and internal controls (monitoring, risk assessment, controls, end of year processes, information and communication).
- Disciplined monitoring and rigid cleaning operations at the Dalby Reverse Osmosis plant (RO1), resulted in the membranes lasting 11 years longer than expected, resulting in an estimated saving of \$300,000.
- To boost economic growth, Council announced zero increase on most fees and charges not already waived under the COVID-19 Recovery Package for 2020/21.
- Building Better Regions Fund grant agreement executed valued at \$7.056M, being 50% co-funding of the MyALL107 Cultural Precinct Masterplan project.

Performance Outcome Highlights 2020/21

Strategic Priority: FINANCIAL SUSTAINABILITY

Our long term financial planning guides informed and accountable decision making

- Council adopted new Corporate Plan 2021 - 2026.
- Council adopted the 2021/22 Budget with long term forecasting demonstrating that there will be no debt for the next ten years, yet still be one of the most affordable places to live in Queensland.
- 2019/20 asset valuations completed and adopted by Council's Audit Committee making Council the only local government in Queensland to have this completed by 31 March 2020.
- As a part of the budgeting process, Council reviewed their rating strategy, reducing the rating categories from 217 down by 99 to 118 categories. Specifically, residential categories have reduced from 46 down to 7, commercial and industrial have been consolidated from 70 down to 44, and rural categories have been consolidated from 56 down to 25 categories. This is to make the rating system more transparent, clearer, and a more accurate representation of the community.

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

- Water security bolstered with a \$16 million strategy to increase water supply to residents and ensuring long-term sustainability for our growing region and economic growth over the next five years.

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

- Council continued to deliver high quality essential services with \$6.1 million being committed to waste and utilities.
- Recognising the importance of a strong agricultural sector, Council utilised real time data from our pest surveillance program to better tailor control measures, including targeting specific hotspot areas and scheduling programs when pest activity is at its peak.
- New Customer Service Centre software implemented which has improved customer service through the delivery of a Customer Service Relationship Management Solution and Sentiment Analysis.

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

- A brand-new double deck cattle loading ramp constructed at the Dalby Regional Saleyards.
- Council announced a record \$17.1 million commitment to recreational spaces and cemeteries.

People

- Our people and projects were recognised by various industry bodies, including: -
 - Brianna Barnett (Young Engineer of the Year), Lenny Wright (Team Member of the Year) and the Chinchilla Botanic Parklands (Projects \$5 million to \$10 million) were winners at the Qld Institute of Public Works Engineering Australasia 2020 Excellence Awards.
 - Council's team "Western Downs Watermelons" took out the 2020 Local Government Managers Association (LGMA) Rural Management Challenge.
 - Runners-Up Best Knowledge Management Project Results at the National Livepro Awards
- Customer Contact Team announced as finalist in the 2021 CSIA (Customer Service Institute Australia) Australian Service Excellence Awards, Customer Service Organisation of the Year – Government/Not-for-Profit.
- the Rural Services Team announced as winners of 'Excellence in Community Shaping' - Shaping Stronger, More Resilient, Productive Communities: Vertebrate Pest Monitoring Programme; at the LGMA Excellence Awards.
- Groovin' In The Garden announced a finalist in 'Excellence in Community Shaping', and COVID 19 Recovery Package project was announced a finalist in 'Excellence in Sustainability' at the LGMA Excellence Awards.

- Western Downs Regional Council selected as a finalist in the Large Employer of the Year category, and trainee Mitchell Pogan a finalist in the Bob Marshman Trainee of the Year category at the Queensland Training Awards.
- 13 employees participated in the Grow@Work Program, giving employees the opportunity to learn new skills and better understand other areas of Council.
- The Objective Leader program is up and running with 5 staff currently piloting the program.
- The Facilities Project Management Office was established complemented by the development and deployment of a comprehensive project management framework and training.
- Look Up and Live sessions were held across the region in partnership with Council and Ergon/Energex to raise awareness of hazards associated with overhead and underground electrical lines with employees, contractors working with WDRC and other community organisations.
- Increased engagement of WHS Representatives across the region including at Safety Walks, Committee Meetings and Hazard Inspections.
- Health and wellbeing programs have been conducted with strong participation in 10,000 step challenge, skin checks and flu vaccinations as well as high attendance at mental health programs.
- 8 students participated in work experience across the region.
- Council attended the Dalby Clontarf Career Forum for indigenous high school students.
- 7 graduating students across the Western Downs received Council's Community Spirit Bursary Award, recognising their academic achievements as well as their contribution toward their school community and the greater community. Each recipient receives \$1000 for tertiary study as well the opportunity for paid work experience with Council.
- 18 new trainees/apprentices commenced in February 2021 across the region.



CHAPTER 5:

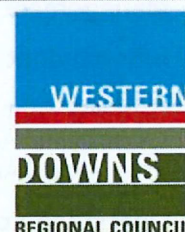
FINANCIAL REPORTING



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Western Downs Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021



Western Downs Regional Council

General Purpose Financial Statements for the year ended 30 June 2021

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Western Downs Regional Council

Statement of Comprehensive Income
for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	97,330	89,315
Fees and charges	3b	6,759	7,587
Sales revenue	3c	26,063	21,922
Grants, subsidies, contributions and donations	3d	24,209	26,666
Rental income	15	1,803	1,718
Interest received	4b	1,146	2,408
Other income	4a	1,084	983
Total recurrent revenue		158,394	150,599
Capital revenue			
Grants, subsidies, contributions and donations	3d	20,766	16,726
Capital income	5	679	206
Total capital revenue		21,445	16,932
Total income		179,839	167,531
Expenses			
Recurrent expenses			
Employee benefits	6	52,252	52,643
Materials and services	7	49,695	47,996
Finance costs	8	5	(83)
Depreciation and amortisation:			
- Property, plant and equipment	13	43,458	42,929
- Intangible assets		42	49
- Right of use assets	15	104	33
Total recurrent expenses		145,556	143,567
Other expenses			
Capital expenses	9	7,828	9,834
Total other expenses		7,828	9,834
Total expenses		153,384	153,401
Net result		26,455	14,130
Other comprehensive income			
(Decrease)/Increase in asset revaluation surplus	13	(6,011)	10,026
Impairment (loss) reversal relating to property, plant and equipment		67	(49)
Total other comprehensive income for the year		(5,944)	9,977
Total comprehensive income for the year		20,511	24,107

Western Downs Regional Council

Statement of Financial Position

as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	10	201,044	174,863
Receivables	11	18,673	17,938
Inventories	12	4,845	4,137
Contract assets	14	1,762	626
Total current assets		226,324	197,564
Non-current assets			
Property, plant and equipment	13	1,485,585	1,491,773
Right of use assets	15	421	247
Intangible assets		1,372	1,259
Total non-current assets		1,487,378	1,493,279
TOTAL ASSETS		1,713,702	1,690,843
LIABILITIES			
Current liabilities			
Payables	16	15,334	16,443
Contract liabilities	14	2,163	654
Lease liabilities	15	158	14
Provisions	17	12,938	11,662
Total current liabilities		30,593	28,773
Non-current liabilities			
Lease liabilities	15	305	255
Provisions	17	9,357	8,879
Total non-current liabilities		9,662	9,134
TOTAL LIABILITIES		40,255	37,907
Net community assets		1,673,447	1,652,936
COMMUNITY EQUITY			
Asset revaluation surplus	18	680,681	686,625
Retained surplus		992,766	966,311
Total community equity		1,673,447	1,652,936

Western Downs Regional Council

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

	Notes	Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
2021				
Balance as at 1 July 2020		686,625	966,311	1,652,936
Net result		-	26,455	26,455
Other comprehensive income for the year				
- Decrease in asset revaluation surplus	13	(6,011)	-	(6,011)
- Impairment (loss) reversal relating to property, plant and equip.	13	67	-	67
Other comprehensive income		(5,944)	-	(5,944)
Total comprehensive income for the year		(5,944)	26,455	20,511
Balance as at 30 June 2021		680,681	992,766	1,673,447
2020				
Balance as at 1 July 2019		676,648	953,572	1,630,220
Adjustment on initial application of AASB 9		-	(1,391)	(1,391)
Restated balance at 1 July 2019		676,648	952,181	1,628,829
Net result		-	14,130	14,130
Other comprehensive income				
- Increase in asset revaluation surplus	13	10,026	-	10,026
- Impairment (loss) reversal relating to property, plant and equip.	13	(49)	-	(49)
Other comprehensive income		9,977	-	9,977
Total comprehensive income for the year		9,977	14,130	24,107
Balance as at 30 June 2020		686,625	966,311	1,652,936

Western Downs Regional Council

Statement of Cash Flows
for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Receipts from customers		165,010	154,938
Payments to suppliers and employees		(110,515)	(102,788)
		54,495	52,150
Receipts:			
Interest received		1,146	2,408
Payments:			
Finance costs		(130)	(142)
Net cash generated by operating activities	22	55,511	54,416
Cash Flows from investing activities			
Receipts:			
Proceeds from sale of property, plant and equipment		2,361	620
Grants, subsidies, contributions and donations		20,733	15,446
Payments:			
Payments for property, plant and equipment		(52,226)	(37,858)
Payments for intangible assets		(113)	-
Net cash outflows from investing activities		(29,245)	(21,792)
Cash flows from financing activities			
Receipts:			
Repayments made on leases (principal only)		(85)	(13)
Net cash outflows from financing activities		(85)	(13)
Net increase in cash equivalents held		26,181	32,611
Cash and cash equivalents - beginning		174,863	142,252
Cash and cash equivalents - closing	10	201,044	174,863

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Information About These Statements

(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 2020 to 30 June 2021. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

(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 2020. None of the standards had a material impact on reported position, performance and cash flows.

(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 2021. These standards have not been adopted by Council and will be included in the financial statements on their effective date. There are no standards that are not yet effective that are expected to have a material impact on the Council in future reporting periods.

(1.d) Estimates and Judgements

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

estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Valuation and depreciation of Property, Plant & Equipment - Note 13
- Impairment of Property, Plant and Equipment - Note 9
- Provisions - Note 17
- Contingent Liabilities - Note 20
- Financial instruments and financial assets - Note 25
- Revenue recognition - Note 3

(1.e) Rounding and Comparatives

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

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

(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. The GST component of cashflows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified within operating activities.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(1.h) COVID-19

Council's operations for the year ended 30 June 2021 have been impacted by the ongoing COVID-19 pandemic. The following steps were taken by Council in response to the pandemic:

- Targeted fees and charges relief for business and residents.
- Relief of interest on overdue rates and charges.
- \$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 program.

These initiatives have resulted in:

- An increase in WIP due to the large volume of additional capital projects.
- A decrease of some revenue items such as animal registration and planning and development fees.
- An increase in capital grant funding from the State through Works for Queensland and Building Our Regions and from the Commonwealth through Local Roads and Community Infrastructure Program.
- An increase to donations expense.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2(a). Council functions - component descriptions

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

GENERAL OPERATIONS

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

COMMERCIAL WORKS

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

WASTE MANAGEMENT

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

WATER SERVICES

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

GAS SUPPLY

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

DALBY REGIONAL SALEYARDS

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

QUARRIES

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

SEWERAGE SERVICES

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

WASHDOWN BAYS

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

Western Downs Regional Council

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

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

Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring			Capital				Recurring	Capital				
	Grants	Other		Grants	Other								
2021	\$'000	\$'000		\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General operations	24,209	79,919		20,415	679		125,222	(97,039)	(5,617)	(102,656)	7,089	22,566	1,404,349
Commercial works	-	14,035		-	-		14,035	(10,228)	-	(10,228)	3,807	3,807	2,672
Waste management	-	6,815		202	-		7,017	(7,961)	-	(7,961)	(1,146)	(944)	11,481
Water services	-	12,310		77	-		12,387	(14,382)	(242)	(14,624)	(2,072)	(2,237)	155,914
Gas supply	-	3,045		-	-		3,045	(1,979)	-	(1,979)	1,066	1,066	10,718
Dalby regional saleyards	-	2,659		-	-		2,659	(2,018)	(675)	(2,693)	641	(34)	10,808
Quarries	-	6,303		-	-		6,303	(5,045)	(339)	(5,384)	1,258	919	4,101
Sewerage services	-	8,354		72	-		8,426	(6,394)	(955)	(7,349)	1,960	1,077	113,146
Washdown bays	-	745		-	-		745	(510)	-	(510)	235	235	513
Total	24,209	134,185		20,766	679		179,839	(145,556)	(7,828)	(153,384)	12,838	26,455	1,713,702

Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring			Capital				Recurring	Capital				
	Grants	Other		Grants	Other								
2020	\$'000	\$'000		\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General operations	26,666	69,820		16,681	206		113,373	(95,068)	(9,358)	(104,426)	1,418	8,947	1,380,552
Commercial works	-	13,661		-	-		13,661	(9,649)	-	(9,649)	4,012	4,012	2,491
Waste management	-	6,608		-	-		6,608	(7,959)	(70)	(8,029)	(1,351)	(1,421)	11,083
Water services	-	13,483		30	-		13,513	(14,651)	(178)	(14,829)	(1,168)	(1,316)	157,185
Gas supply	-	2,719		-	-		2,719	(2,181)	-	(2,181)	538	538	10,805
Dalby regional saleyards	-	3,595		-	-		3,595	(2,310)	-	(2,310)	1,285	1,285	11,583
Quarries	-	5,079		-	-		5,079	(5,289)	(123)	(5,412)	(210)	(333)	3,695
Sewerage services	-	8,202		15	-		8,217	(5,958)	(105)	(6,063)	2,244	2,154	112,707
Washdown bays	-	766		-	-		766	(502)	-	(502)	264	264	742
Total	26,666	123,933		16,726	206		167,531	(143,567)	(9,834)	(153,401)	7,032	14,130	1,690,843

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Revenue

	2021 \$'000	2020 \$'000
(a). Rates, levies and charges		
Rates and utility charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period that they relate to.		
General and special rates	77,070	67,906
State and rural fire levy	(134)	76
Water	5,600	5,532
Water consumption, rental and sundries	5,901	6,981
Sewerage	8,701	8,496
Waste management	5,303	5,242
Total rates and utility charge revenue	102,441	94,233
Less: discounts	(4,674)	(4,492)
Less: pensioner remissions	(437)	(426)
TOTAL RATES, LEVIES AND CHARGES	97,330	89,315

(b). Fees and charges

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

The performance obligation relates to the specific services which are provided to the customers by the Council. Generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. There is no material obligation for Council in relation to refunds or returns.

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

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

Fees and charges	1,737	2,029
Waste disposal fees	1,724	1,533
Water sales	1,075	1,354
Animal registration fees	160	323
Washdown bay fees	745	766
Cemetery fees	455	506
Rates searches	256	174
Other fees and charges	607	902
TOTAL FEES AND CHARGES	6,759	7,587

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Revenue (continued)

	2021 \$'000	2020 \$'000
(c). Sales revenue		
Sale of goods revenue is recognised at the point in time when the customer obtains control of the goods. Revenue from services is recognised when the service is rendered.		
Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract and recoverable works revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.		
Rendering of services		
Contract and recoverable works	14,115	10,574
Saleyard services	2,635	3,595
Total sale of services	16,750	14,169
Sale of goods		
Gas sales	3,010	2,675
Quarry sales	6,303	5,078
Total sale of goods	9,313	7,753
TOTAL SALES REVENUE	26,063	21,922

(d) Grants, subsidies, contributions and donations**Grant income under AASB 15**

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

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

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

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

Grant income under AASB 1058

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

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Revenue (continued)

	2021	2020
	\$'000	\$'000

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

Capital grants

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

Donations and contributions

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

(i) Operating

General purpose grants	16,082	17,071
State government subsidies and grants	1,887	4,315
Commonwealth government subsidies and grants	6,059	5,088
Contributions	181	192
<u>TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>24,209</u>	<u>26,666</u>

(ii) Capital

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

State government subsidies and grants	8,551	4,589
Commonwealth government subsidies and grants	9,893	5,402
Contributions	1,897	5,649
Developer assets contributed by developers at fair value	425	1,086
<u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>20,766</u>	<u>16,726</u>

Western Downs Regional Council

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

Note 3. Revenue (continued)

	2021		2020	
	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000
(d) Grants, subsidies, contributions and donations (continued)				
(iii) Timing of revenue recognition for grants, subsidies, contributions and donations				
Grants and subsidies	35,455	7,017	31,922	4,543
Contributions	2,503	-	6,927	-
	<u>37,958</u>	<u>7,017</u>	<u>38,849</u>	<u>4,543</u>

Note 4. Interest and other income

	Notes	2021 \$'000	2020 \$'000
(a). Other income			
Other income		311	213
Reimbursement of expenditure		541	229
Ticket Sales		232	541
<u>TOTAL OTHER INCOME</u>		<u>1,084</u>	<u>983</u>
(b). Interest received			
Interest received from bank deposits is accrued over the term of the investment.			
Interest received from financial institutions		1,081	2,152
Interest received from other sources		7	60
Interest from overdue rates and utility charges		58	196
<u>TOTAL INTEREST RECEIVED</u>		<u>1,146</u>	<u>2,408</u>

Western Downs Regional Council

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

Note 5. Capital income

	Notes	2021 \$'000	2020 \$'000
(a) Gain / loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment		1,870	480
Less: carrying value of disposed property, plant and equipment	13	(1,383)	(483)
		<u>487</u>	<u>(3)</u>
Proceeds from disposal of land and buildings		491	140
Less: carrying value of disposed land and buildings	13	(476)	(125)
		<u>15</u>	<u>15</u>
Gain on disposal of non-current assets		<u>502</u>	<u>12</u>
(b) Revaluations			
Revaluation increment of property, plant and equipment reversing previous revaluation decrement	13	-	193
		<u>-</u>	<u>193</u>
(c) Other			
Other capital income		177	1
		<u>177</u>	<u>1</u>
<u>TOTAL CAPITAL INCOME</u>		<u>679</u>	<u>206</u>

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 6. Employee benefits

	Notes	2021 \$'000	2020 \$'000
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		41,513	41,386
Councillors' remuneration *		714	702
Annual, sick and long service leave entitlements		9,308	8,283
Superannuation	21	5,548	5,257
		<u>57,083</u>	<u>55,628</u>
Other employee related expenses		1,248	1,074
		<u>58,331</u>	<u>56,702</u>
Less: capitalised employee expenses		(6,079)	(4,059)
<u>TOTAL EMPLOYEE BENEFITS</u>		<u>52,252</u>	<u>52,643</u>

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

Note 7. Materials and services

Expenses are recorded on an accruals basis as Council receives the goods or services.

Advertising	98	261
Audit of annual financial statements by the Auditor-General of Queensland	187	205
Consultancy services	726	768
Diesel and fuel	2,553	3,067
Donations and grants paid	1,812	966
Insurance	1,587	1,523
Legal fees	133	270
Precept payment	555	455
Purchase of gas	908	1,005
Repairs and maintenance	10,016	11,406
Services - contractors	26,375	20,818
Subscriptions and registrations	548	509
Telecommunications	523	401
Utilities	2,397	2,856
Other materials and services	1,277	3,486
<u>TOTAL MATERIALS AND SERVICES</u>	<u>49,695</u>	<u>47,996</u>

Western Downs Regional Council

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

Note 8. Finance costs

	2021	2020
Notes	\$'000	\$'000
Bank charges	126	129
Impairment of receivables and bad debts written off	(165)	(296)
Interest on leases	2	2
Provision for evaporation ponds - unwinding of discounts on provision	1	-
Provision for quarry - unwinding of discounts on provision	10	28
Provision for refuse sites - unwinding of discounts on provision	21	38
Provision for gravel pits - unwinding of discounts on provision	10	16
TOTAL FINANCE COSTS	5	(83)

Note 9. Capital expenses

(a) Loss on impairment

Impairment of property, plant and equipment:

Road and bridge network	-	67
Total impairment losses	-	67

less: impairment offset in ARR (Equity)

Road and bridge network	-	(67)
13	-	(67)

Reversals of impairment losses previously recognised in the income statement:

Road and bridge network	-	(82)
13	-	(82)

Impairment (gain)/losses recognised in the Income Statement

-	(82)
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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	(47)	70
Discount rate adjustment to quarry rehabilitation liability	336	123
	289	193

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 2021

Note 9. Capital expenses (continued)

	Notes	2021 \$'000	2020 \$'000
(c) Revaluation decrement			
Revaluation down of property, plant and equipment	13	135	-
		<u>135</u>	<u>-</u>
(d) Other capital expenses			
Loss on write-off of assets		7,404	9,723
		<u>7,404</u>	<u>9,723</u>
<u>TOTAL CAPITAL EXPENSES</u>		<u>7,828</u>	<u>9,834</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	2,146	1,546
Deposits at call	198,898	173,317
<u>BALANCE PER STATEMENT OF CASH FLOWS</u>	<u>201,044</u>	<u>174,863</u>
Cash and cash equivalents	201,044	174,863
Less: externally imposed restrictions on cash	(4,761)	(3,112)
Unrestricted cash	<u>196,283</u>	<u>171,751</u>

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

These include:

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

Unspent government grants and subsidies	3,811	2,115
Unspent special rates	950	997
Total externally imposed restrictions on cash assets	<u>4,761</u>	<u>3,112</u>
Total unspent restricted cash	<u>4,761</u>	<u>3,112</u>

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Receivables

	2021	2020
	\$'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.

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

Current

Trade and Other Receivables (Financial Instruments)

Rates and charges	8,044	7,884
Sale of services, fees and charges	5,328	4,002
Gas utility	123	98
Infringements	316	202
Grant funding	-	54
Main roads	2,672	2,491
Resource sector	40	1,846
Water charges not yet levied	-	168
Gas charges not yet levied	703	593
GST recoverable	1,286	729
Prepayments	959	844
Total	19,471	18,911
less: Provision for impairment		
Total provision for impairment - receivables	(798)	(972)
<u>TOTAL CURRENT RECEIVABLES</u>	<u>18,673</u>	<u>17,939</u>

Western Downs Regional Council

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

Note 11. Receivables (continued)

	2021 \$'000	2020 \$'000
Movement in the provision for impairment is as follows:		
Opening balance at 1 July	(972)	(1,495)
<i>Add</i>		
Additional impairments recognised	(84)	(359)
<i>Less</i>		
Impaired debts written off during the year	-	235
Impairments provided for but recovered during the year	262	647
Impairments reversed	(4)	-
Balance at the end of the year	(798)	(972)

Interest is charged on outstanding rates (8.53% per annum from 1 July 2020, previously 9.83% per annum). No interest is charged on other debtors.

Note 12. Inventories

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

Inventories held for distribution are:

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

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

Inventories held for distribution

Quarry and road materials	2,823	2,291
Stores and materials	2,022	1,846
	4,845	4,137
<u>TOTAL CURRENT INVENTORIES</u>	<u>4,845</u>	<u>4,137</u>

Note 13. Property, plant and equipment

*Asset additions comprise

Western Downs Regional Council

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

Note 13. Property, plant and equipment

30 June 2020	Land	Site improvements	Buildings	Plant and equipment	Furniture and fittings	Road and bridge network	Water	Sewerage	Stormwater	Gas infrastructure	Heritage assets	Works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement basis	Fair value	Fair value	Fair value	Cost	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	Cost
Opening gross balance - at cost	36,793	42,137	188,891	74,682	464	-	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	74,682	464	1,171,933	234,307	149,552	59,626	15,151	11,764	-	1,910,154
Additions*	-	-	-	-	-	-	-	-	-	-	-	37,780	2,012,339
Contributed assets	-	2	-	-	-	852	114	118	-	-	-	-	1,086
Disposals	(125)	-	-	(1,584)	-	-	-	-	-	-	-	-	(1,709)
Write-offs	(1,186)	(2,431)	(1,200)	(57)	-	(14,909)	(999)	(126)	(80)	-	-	-	(19,812)
Revaluation decrements to equity (ARS)	-	-	-	-	-	-	(1,828)	-	-	-	-	-	(3,014)
Revaluation increments to equity (ARS)	-	193	-	-	-	-	8,457	-	1,896	452	250	-	193
Work in progress transfers	-	657	3,091	-	-	-	-	-	-	-	-	-	-
Transfers from/to held for sale category	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	-	-	-	80,410	464	-	-	-	-	-	-	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	-	1,939,216
Total gross value of property, plant and equipment	36,164	46,139	194,827	80,410	464	1,187,184	233,364	152,019	61,902	15,603	12,014	23,244	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	-	(14)	(714)	-	-	(8,414)	(904)	(21)	(21)	-	-	-	(10,088)
Impairment loss (recognised in equity)	-	-	-	-	-	67	-	-	-	-	-	-	67
Impairment reversal (via P/L)	-	-	-	-	-	(82)	-	-	-	-	-	-	(82)
Impairment reversal (via equity)	-	-	-	-	-	(18)	-	-	-	-	-	-	(18)
Revaluation decrements to P/L	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	-	325	986	-	-	1,828	888	503	(1,669)	-	303	-	(1,669)
Revaluation decrements to equity (ARS)	-	-	-	(35)	-	-	-	-	-	-	-	-	5,135
Adjustments and other transfers	-	-	-	-	-	-	-	-	-	-	-	-	(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 impairment of 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	27,908
Other additions	-	-	-	-	-	-	-	-	-	-	-	9,872	9,872
Total asset additions	-	-	-	-	-	-	-	-	-	-	-	37,780	37,780

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Property, plant and equipment (continued)

(a) Recognition

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

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 existing useful life of the non-current asset is expensed as incurred.

Capital and operating expenditure

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

Land under roads

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

(b) Measurement

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

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

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of the 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.

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

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

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Property, plant and equipment (continued)

(c) Depreciation (continued)

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

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

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

Key judgements and estimates

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

(d) Impairment

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

(e) Valuation

Valuation Processes

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

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Property, plant and equipment (continued)

(e) Valuation (continued)

In the intervening years, Council undertakes either:

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

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

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

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

In accordance with AASB 13 fair value measurements are classified into three levels as follows:

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

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

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

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

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 (i.e., level 1 inputs) Council instead utilises a reasonable spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

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

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

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 2020-21 asset valuations.

Western Downs Regional Council

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

Note 13. Property, plant and equipment (continued)

(e) Valuation (continued)

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land (Level 2)	Market value	30-Jun-19	Australis	<ul style="list-style-type: none"> Analysis of price movements in the local property market during the indexation year, 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), and Published reports by real estate research services and independent property journals. 	-5.95% for Category 1, 1.45% for Category 2 *	Nil
Site improvements (Level 3)	Current replacement cost	30-Jun-19	Australis	<ul style="list-style-type: none"> Analysis of industry or sector indices, as well as price guides and quotes from market participants including Producer Price Indexes, ABS Construction materials index, Wage Index, Architectural, Engineering and Technical Services Index, available from the Australian Bureau of Statistics, Building Cost Indices available from the Australian Institute of Quantity Surveyors (AIQS), Building Cost Indices available from construction guides such as Rawlinson's, and Discussions with local external or internal Council contractors and suppliers. 	1.93%	Nil

Western Downs Regional Council

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

Note 13. Property, plant and equipment (continued)

(e) Valuation (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Market value buildings (Level 2) 2021: \$3,525k 2020: \$3,528k	Market value	30-Jun-19	Australis	<ul style="list-style-type: none"> 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. 	0.00%	Nil
Heritage buildings (Level 3) 2021: \$121,843k 2020: \$120,619k	Current replacement cost	30-Jun-19	Australis	<ul style="list-style-type: none"> Analysis of industry or sector indices, as well as price guides and quotes from market participants including Producer Price Indexes, ABS Construction materials index, Wage Index, Architectural, Engineering and Technical Services Index, available from the Australian Bureau of Statistics, Building Cost Indices available from the Australian Institute of Quantity Surveyors (AIQS), Building Cost Indices available from construction guides such as Rawlinson's, and Discussions with local external or internal Council contractors and suppliers. 	1.96%	Nil

Western Downs Regional Council

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

Note 13. Property, plant and equipment (continued)

(e) Valuation (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Roads, bridges and footpaths network (Level 3)	Current replacement cost	31-Mar-21	AssetVal	<ul style="list-style-type: none"> Recent similar project costs, Quotes from suppliers, Unit rate databases; and Indices and industry standard resources such as Rawlinson's Construction Handbook 	-1.00%	Nil
Water and sewerage (Level 3)	Current replacement cost	30-Jun-19	Australis	<ul style="list-style-type: none"> 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. 	0.83% and 0.94% respectively	Nil
Stormwater and gas (Level 3)	Current replacement cost	30-Jun-20	Australis	<ul style="list-style-type: none"> 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. 	0.52% and 0.39% respectively	Nil

* Category 1 encompasses the suburbs of Chinchilla, Drilham, Dulacca, Kogan, Macalister, Miles, Tara and Wandoan. Category 2 encompasses the remaining suburbs in the Western Downs Region.

Western Downs Regional Council

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

Note 14. Contract balances

	2021	2020
	\$'000	\$'000

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	1,762	626
<u>TOTAL CONTRACT ASSETS</u>	<u>1,762</u>	<u>626</u>

(b) Contract liabilities

Funds received upfront to construct Council controlled assets	2,163	635
Non-capital performance obligations	-	19
<u>TOTAL CONTRACT LIABILITIES</u>	<u>2,163</u>	<u>654</u>

Council's contract liabilities are a result of funding received to construct assets, such as buildings, where at 30 June 2021 Council had not yet spent the funds. This includes funding programs such as Work for Queensland and other similar funding initiatives.

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

Funds to construct Council controlled assets	635	1,610
Non-capital performance obligations	19	-
<u>Total revenue included in the contract liability</u>	<u>654</u>	<u>1,610</u>

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Contract balances (continued)

(c) Significant changes in contract balances

Council has received additional funding during the 2020-21 financial year for additional projects that are part of the Council's stimulus package that was implemented in response to the COVID-19 pandemic. Some of the projects are large and are expected to go across financial years. This has caused Council's contract assets and liabilities to increase at 30 June 2021 when compared to 30 June 2020.

Note 15. Leases

Council as a lessee

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

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

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

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

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

Exemption to lease accounting

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

Terms and conditions of leases

Council has leases in place over land and building assets.

Buildings

Council has entered into a building lease for the library whilst the old site is being upgraded. The lease does not have any annual percentage increases to be applied and is for a 2 year period.

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 2021

Note 15. Leases (continued)

	Buildings \$'000	Land \$'000	Total \$'000
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Right of use assets

2021

Balance at 1 July 2020	-	247	247
Additions to right-of-use assets	286	-	286
Adjustments to right-of-use assets due to remeasurement of lease liability	-	(8)	(8)
Depreciation charge	(71)	(33)	(104)
Balance at 30 June 2021	215	206	421

2020

Adoption of AASB 16 at 1 July 2019	-	280	280
Depreciation charge	-	(33)	(33)
Balance at 30 June 2020	-	247	247

Lease liabilities

	2021 \$'000	2020 \$'000
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Classified as:

Current lease liability	158	14
Non-current lease liability	305	255
Total lease liabilities	463	269

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
2021					
Leases over land	13	56	207	276	248
Leases over Buildings	145	73	-	218	215
	158	129	207	494	463
2020					
Leases over land	14	60	224	298	269
Leases over Buildings	-	-	-	-	-
	14	60	224	298	269

Western Downs Regional Council

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

Note 15. Leases (continued)

	2021	2020
	\$'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	104	33
Interest expense on lease liabilities	2	2

Net expense relating to leases

106	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 2021

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 property, plant & equipment in the statement of financial position.

Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.

	2021 \$'000	2020 \$'000
Aged care	1,043	1,008
Community housing rental income	472	440
Community facilities	2	3
Commercial leases	195	196
Other property rental income	91	71
Total operating lease income (rental income)	1,803	1,718
Direct operating expenses from property that generated rental income	7,124	6,852
Total operating lease expenses	7,124	6,852
Net operating lease (loss)	(5,321)	(5,134)

Council leases out accommodation at its aged care facilities, community housing and aircraft hangers at its aerodromes. 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	5,988	10,585
Other entitlements	230	259
Accrued expenses	5,214	1,894
Payments received in advance	2,314	2,277
Accrued wages and salaries	638	431
Other	950	997
TOTAL CURRENT PAYABLES	15,334	16,443

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

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. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

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

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

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

The provision for refuse and evaporation pond restoration is calculated as the present value of anticipated future costs associated with the closure of the sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life is \$3,828,525 and is expected to occur over the years 2022 to 2041.

Similarly, the present value of the estimated cost of restoring the evaporation ponds to a useable state at the end of its useful life is \$645,445 and is expected to occur over the years 2022 to 2026.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Provisions (continued)

	2021	2020
	\$'000	\$'000

The provision for quarry and gravel pits rehabilitation represents the present value of the anticipated future costs associated with the closure of the quarries, refilling the basin, and reclamation and rehabilitation of these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for quarry and gravel pits rehabilitation is reviewed at least annually and updated based on the facts and circumstances available at the time.

The present value of the estimated cost of restoring the quarry site to a useable state at the end of its useful life is \$1,711,528 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 \$2,072,923 and is expected to occur over the years 2022 to 2055.

Current

Annual leave	4,675	4,454
Long service leave	7,426	6,789
Refuse restoration	167	258
Gravel pit restoration	263	161
Evaporation pond restoration	407	-

TOTAL CURRENT PROVISIONS

<u>12,938</u>	<u>11,662</u>
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Non-current

Long service leave	1,930	1,943
Quarry rehabilitation	1,712	1,899
Refuse restoration	3,670	3,668
Gravel pit restoration	1,807	1,369
Evaporation pond restoration	238	-

TOTAL NON-CURRENT PROVISIONS

<u>9,357</u>	<u>8,879</u>
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Details of movements in provisions:

Long service leave

Balance at beginning of financial year	8,732	8,131
Additional provision	1,119	1,201
Amount used	(495)	(600)
Balance at end of financial year	<u>9,356</u>	<u>8,732</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 2021.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Provisions (continued)

	2021 \$'000	2020 \$'000
Quarry rehabilitation		
Balance at beginning of financial year	1,899	1,771
Increase in provision due to unwinding of discount	10	28
Increase/(decrease) in provision due to change in discount rate	(274)	291
Increase/(decrease) in estimate of future cost	77	(191)
Balance at end of financial year	1,712	1,899
Refuse restoration		
Balance at beginning of financial year	3,926	3,839
Increase in provision due to unwinding of discount	21	38
Increase/(decrease) in provision due to change in discount rate	(36)	(59)
Increase/(decrease) in estimate of future cost	(74)	108
Balance at end of financial year	3,837	3,926
Gravel pit restoration		
Balance at beginning of financial year	1,530	1,493
Increase in provision due to unwinding of discount	10	16
Increase/(decrease) in provision due to change in discount rate	(32)	13
Increase/(decrease) in estimate of future cost	562	8
Balance at end of financial year	2,070	1,530
Evaporation pond restoration		
Balance at beginning of financial year	-	-
Additional provision	644	-
Increase in provision due to unwinding of discount	1	-
Balance at end of financial year	645	-

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:

Garbage collection contract	6,484	5,292
Recycling centres contract	2,406	2,274
Aerodrome management	1,289	1,649
Other	7,633	6,214
Total commitments	17,812	15,429

Western Downs Regional Council

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

Note 19. Commitments for expenditure (continued)

	2021 \$'000	2020 \$'000
Capital commitments		
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:		
Property, plant and equipment		
Road, drainage and bridge network	1,443	424
Buildings & Site Improvements	20,781	2,163
Other	1,962	1,289
Total commitments	24,186	3,876
These expenditures are payable as follows:		
Within the next year	37,812	12,638
Later than one year and not later than 5 years	4,186	6,667
Total Payable	41,998	19,305

Note 20. Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2020 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise. This is because 2020-21 LGM financial statements will not be audited until post 31 October 2021.

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 \$998,426.11.

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

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.

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." 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 34 employees by headcount that are members of the Scheme, any increase in contributions is likely to be minor.

	Notes	2021 \$'000	2020 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		291	332
Other superannuation contributions for employees		5,257	4,925
Total superannuation contributions paid by Council for employees	6	<u>5,548</u>	<u>5,257</u>

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

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

	2021 \$'000	2020 \$'000
Net operating result from statement of comprehensive income	26,455	14,130
Non-cash items		
Depreciation and amortisation	43,604	43,011
(Reversal) of previous Impairment losses of property, plant and equipment	-	(82)
(Reversal) of prior period property, plant and equipment revaluation decrements costed direct to the income statement	-	(193)
Changes in accounting policy	-	(1,391)
	<u>43,604</u>	<u>41,345</u>
Losses/(gains) recognised on fair value re-measurements through the income statement		
Unwinding of discount rates on reinstatement provisions	42	82
Write-offs relating to the fair valuation of property, plant and equipment	135	-
	<u>177</u>	<u>82</u>
Investing and development activities		
Net (profit) on disposal of assets	(502)	(12)
Loss on write-off of assets	7,404	9,723
Non cash capital grants and contributions	(20,733)	(15,446)
Impairment of receivables and bad debts written off	(425)	(1,086)
	<u>(14,256)</u>	<u>(6,821)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(561)	583
Increase/(decrease) in provision for impairment of receivables	(174)	(523)
(Increase)/decrease in inventories	(708)	599
(Increase)/decrease in contract assets	(1,136)	(626)
Increase/(decrease) in payables	(4,597)	3,916
Increase/(decrease) in contract liabilities	1,509	654
Increase/(decrease) in employee leave entitlements	845	997
Increase/(decrease) in other provisions	867	170
Increase/(decrease) in other liabilities	3,488	(171)
Increase/(decrease) due to impairments	-	49
Bad debts written off which were not provided for	-	35
Other	(2)	(3)
	<u>(469)</u>	<u>5,680</u>
Net cash provided by operating activities	55,511	54,416

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 23. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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

Financial risk management

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

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

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

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

Council does not enter into derivatives.

Credit risk

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

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

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar State/Commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*. Council only invests in financial institutions that have an equivalent Standard and Poor's long term rating of A with a neutral outlook or better.

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

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

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 23. 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.

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

	2021 \$'000	2020 \$'000
Rates and Charges	6,799	7,450
Rates and Charges - Other*	1,246	602
Gas Sales	123	98
Statutory Charges	316	202
GST Recoverable	1,286	729
Grant Funding	-	54
Main Roads	2,672	2,491
Resource Sector	40	1,846
Sundry	5,327	4,002
Prepayments	959	844
Gas Charges Not Yet Levied	703	593
Total	19,471	18,911

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 2021

Note 23. Financial instruments and financial risk management (continued)

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 2021

Note 23. 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.

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.

	2021	2021	2021	2021
	Closing	Historical	Loss given	Lifetime
	balance	probability	default	expected
Ageing	\$'000	%	%	credit loss
				\$'000
Rates and Charges - Other				
Current	-	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	-	0.00%	100.00%	-
61-90 days	-	0.00%	100.00%	-
90+ days	1,246	41.97%	100.00%	523
Total	1,246			523

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 23. Financial instruments and financial risk management (continued)

Ageing	2021 Closing balance \$'000	2021 Historical probability of default %	2021 Loss given default %	2021 Lifetime expected credit loss \$'000
Gas Sales				
Current	-	1.00%	100.00%	-
1-30 days	51	9.09%	100.00%	4.6
31-60 days	-	22.73%	100.00%	-
61-90 days	14	45.45%	100.00%	6.4
90+ days	58	81.82%	100.00%	47.5
Total	123			58.5
Statutory Charges				
Current	11	1.00%	100.00%	0.1
1-30 days	7	5.00%	100.00%	0.4
31-60 days	18	10.00%	100.00%	1.8
61-90 days	45	25.00%	100.00%	11.3
90+ days	235	50.00%	100.00%	117.5
Total	316			131.0
Resource Sector				
Current	-	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	-	0.00%	100.00%	-
61-90 days	-	0.00%	100.00%	-
90+ days	-	0.00%	100.00%	-
Total	-			-
Other Receivables				
Current	5,012	0.35%	100.00%	17.5
1-30 days	74	4.20%	100.00%	3.1
31-60 days	69	8.61%	100.00%	5.9
61-90 days	15	24.80%	100.00%	3.7
90+ days	151	36.66%	100.00%	55.4
Total	5,321			85.7

Western Downs Regional Council

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

Note 23. Financial instruments and financial risk management (continued)

	2020 Closing balance at \$'000	2020 Historical probability of default %	2020 Loss given default %	2020 Lifetime expected credit loss \$'000
Ageing				
Rates and charges - other				
Current	-	0.00%	0.00%	-
1-30 days	-	0.00%	0.00%	-
31-60 days	-	0.00%	0.00%	-
61-90 days	8	77.89%	100.00%	6.0
90+ days	594	77.89%	100.00%	463.0
Total	602			469.0
Gas sales				
Current	-	1.22%	100.00%	-
1-30 days	22	10.00%	100.00%	2.0
31-60 days	44	11.40%	100.00%	5.0
61-90 days	12	22.73%	100.00%	3.0
90+ days	20	76.20%	100.00%	15.0
Total	98			25.0
Less: GST				-
Total				25.0
Statutory charges				
Current	5	0.00%	100.00%	-
1-30 days	7	2.20%	100.00%	0.2
31-60 days	8	5.50%	100.00%	0.4
61-90 days	8	16.50%	100.00%	1.0
90+ days	174	78.21%	100.00%	136.0
Total	202			138.0

Western Downs Regional Council

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

Note 23. Financial instruments and financial risk management (continued)

	2020 Closing balance at	2020 Historical probability of default	2020 Loss given default	2020 Lifetime expected credit loss
Ageing	\$'000	%	%	\$'000
Resource sector				
Current	1,721	0.02%	100.00%	0.3
1-30 days	125	0.10%	0.00%	0.2
31-60 days	-	0.00%	0.00%	-
61-90 days	-	0.00%	0.00%	-
90+ days	-	0.00%	0.00%	-
Total	1,846			0.5
Other receivables				
Current	2,389	0.34%	100.00%	8.0
1-30 days	1,057	5.00%	100.00%	53.0
31-60 days	54	19.51%	100.00%	11.0
61-90 days	452	50.13%	100.00%	227.0
90+ days	50	85.23%	100.00%	42.0
Total	4,002			340
Less: GST				-
Total				340

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 23. 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 (2020: nil)

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows * \$'000	Carrying amount \$'000
2021					
Trade and Other Payables	11,840	950	-	12,790	15,104
Lease Liabilities	158	129	207	494	463
	<u>11,998</u>	<u>1,079</u>	<u>207</u>	<u>13,284</u>	<u>15,567</u>
2020					
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>

* 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 2021

Note 23. 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 with Queensland Treasury.

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

Sensitivity

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

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

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

	Net carrying amount \$'000	Net result		Equity	
		1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
2021					
QTC cash fund	198,898	1,989	(1,989)	1,989	(1,989)
Net	198,898	1,989	(1,989)	1,989	(1,989)
2020					
QTC cash fund	173,317	1,733	(1,733)	1,733	(1,733)
Net	173,317	1,733	(1,733)	1,733	(1,733)

Western Downs Regional Council

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

Note 24. 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	-	190	1,036	355
Revenue for services provided to external clients	14,035	6,814	12,310	8,354
Community service obligations	-	963	1,210	-
	14,035	7,967	14,556	8,709
Less: expenditure	(11,411)	(7,967)	(14,556)	(6,481)
Surplus	2,624	-	-	2,228

	Gas supply \$'000	Quarries \$'000	Washdown bays \$'000	Dalby regional saleyards \$'000
Revenue for services provided to the Council	73	7,280	-	-
Revenue for services provided to external clients	3,045	552	745	2,659
Community service obligations	-	-	-	-
	3,118	7,832	745	2,659
Less: expenditure	(1,979)	(5,048)	(657)	(2,050)
Surplus	1,139	2,784	88	609

Western Downs Regional Council

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

Note 24. 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.	1,210
Waste Management	To transfer general revenue for the shortfall in revenue.	963

Note 25. Transactions with related parties

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

(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.

(d) Key management personnel

Transactions with key management personnel

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

The compensation paid to key management personnel for comprises:

Short-term employee benefits	1,925	1,911
Post-employment benefits	192	227
Long-term benefits	14	58
Total	2,131	2,196

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 25. 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.

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

	Notes	2021 \$000	2020 \$000
Employee expenses for close family members of KMP	26(e)(i)	201	445
Purchase of materials and services from related parties of KMP	26(e)(ii)	35	12
Total		236	457

26(e)(i) 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 653.55 FTEs of which 4 are close family members of key management personnel.

26(e)(ii) 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	1	6
Goods sold on consignment to Moonie Regional Tourist Centre	-	3
Catering	4	-
Machinery Parts	30	-
Accommodation & Hospitality	-	4
Total	35	16

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

Most of the entities and people that are related parties of Council live and operate within the Western Downs Region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples include:

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

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

Western Downs Regional Council

General Purpose Financial Statements

for the year ended 30 June 2021

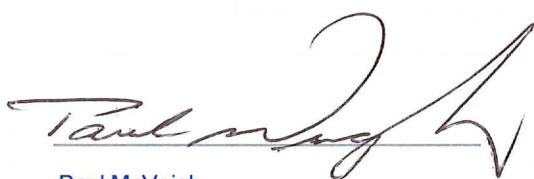
Management Certificate

for the year ended 30 June 2021

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 50, 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

05-10-2021



Jodie Taylor

ACTING CHIEF EXECUTIVE OFFICER

05/10/2021

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 financial report of Western Downs Regional Council.

In my opinion, the financial report:

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

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

The councillors are responsible for the other information.

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



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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



C G Strickland
as delegate of the Auditor-General

8 October 2021

Queensland Audit Office
Brisbane

Western Downs Regional Council

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

	Actual 2021	Target 2021
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Measures of financial sustainability

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

Performance indicators

1. Operating surplus ratio

Net result (excluding capital items)	8.1%	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

Capital expenditure on the replacement of assets (renewals)	88.7%	more than 90%
Depreciation expense		

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

3. Net financial liabilities ratio

Total liabilities less current assets	-117.5%	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 2021.

Western Downs Regional Council

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

Certificate of Accuracy for the year ended 30 June 2021

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

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



Paul McVeigh

MAYOR

05-10-2021

dd Month 2021



Jodie Taylor

ACTING CHIEF EXECUTIVE OFFICER

05/10/2021

dd Month 2021

INDEPENDENT AUDITOR'S REPORT

To the councillors of Western Downs Regional Council

Report on the current-year financial sustainability statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

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

Responsibilities of the councillors for the current-year financial sustainability statement

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

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

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

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

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

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



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

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

C G Strickland
as delegate of the Auditor-General

8 October 2021

Queensland Audit Office
Brisbane

Western Downs Regional Council

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

	Target 2021	Actual 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
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Measures of financial sustainability

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

Performance indicators

1. Operating surplus ratio

Net result (excluding capital items)

Total operating revenue (excluding capital items)

0 - 10%	8.1%	3.1%	2.5%	3.3%	4.8%	3.9%	4.0%	4.1%	4.4%	4.3%	5.4%
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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%	88.7%	100.4%	81.8%	96.2%	85.1%	81.5%	95.8%	83.6%	86.1%	79.7%	84.4%
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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%	-117.5%	-115.9%	-108.6%	-110.2%	-110.7%	-111.9%	-113.7%	-119.7%	-124.5%	-131.3%	-137.2%
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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 2021

	Target 2021	Actual 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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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	16.6	14.9	13.9	14.1	14.3	14.2	14.4	15.2	15.8	16.6	17.5
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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%	65.7%	67.3%	67.2%	67.1%	67.0%	68.2%	68.5%	68.8%	69.1%	69.4%	69.6%
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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	32.5	32.4	32.2	32.6	32.6	32.6	32.6	32.5	32.3	31.8	32.5
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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

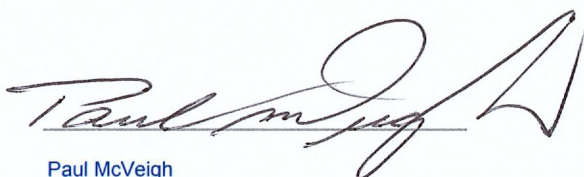
Unaudited Long-Term Financial Sustainability Statement

Certificate of Accuracy

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

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

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



Paul McVeigh

MAYOR



Jodie Taylor

ACTING CHIEF EXECUTIVE OFFICER



OUR COMMUNITIES | OUR FUTURE

