

2018/19 ANNUAL REPORT

Creating opportunities for
strong economic growth



ABOUT THIS REPORT

Our Annual Report summarises Council's 2018/19 activities, our achievements, our challenges and a snapshot for the year to come.

The Annual Report is a major accountability tool in Council's governance framework, which provides non-financial and financial information to enable the community to assess the performance of Council in achieving its goals and objectives.

This is the first year of Our Plan, Our Future – Council's Corporate Plan 2018–2023 and we have already made good progress in its implementation.

Acknowledgement

We acknowledge the traditional custodians of this land on which we work, live and play, and pay our respect to their cultures, their ancestors and to the elders, past, present and future.

The *Local Government Act 2009* and Regulations advises Councils on what is required in the Annual Report each financial year. We welcome feedback from our community and key stakeholders on this report and on our performance throughout the year.

To provide feedback please contact Council on (07) 4620 8888 or email council@balonne.qld.gov.au

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STATISTICS

<p>Population 4480 RESIDENTS</p>	<p>Total Shire Output \$597m</p>	<p>Unemployment 5.6%</p>
<p>Food & Fibre Leaders AGRICULTURE, FISHING AND FORESTRY</p> <p>47% SHIRE OUTPUT</p>	<p>Service Hub TOURISM, AGRICULTURE & KEY SERVICES</p>	<p>Growing our People for a Better Balonne</p>
<p>Business Count 895 BUSINESSES</p>	<p>Committed to SKILLS, INNOVATION AND IGNITING IDEAS</p>	<p>Servicing 31,152km²</p>
<p>\$314m</p> <p>GROSS REGIONAL PRODUCT</p>	<p>Exports out of Balonne</p> <p>72% AGRICULTURE</p>	<p>Exclusion or Cluster Fencing</p> <p>37% OF THE SHIRE</p>

National Institute of Economic and industry Research (NEIR) 2018 (Shire Output figures). Australian Bureau of Statistics (March 2019) – Unemployment Rate Australian Bureau of Statistics (2018) – Business Count. NIEIR – Gross Regional Product, Exports out of Balonne. Department of Agriculture & Fisheries SWRED (December 2018) – Fencing

VALUES AND MISSION

Our Plan, Our Future sets the strategic direction for Council.

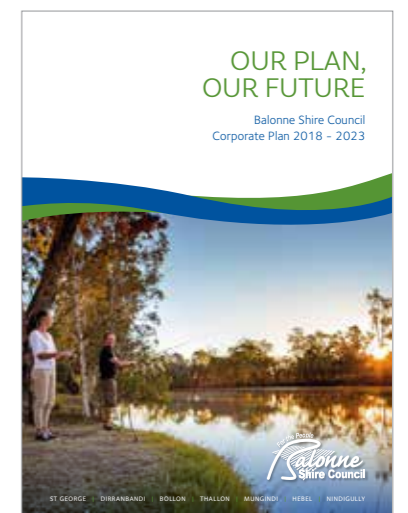
Council's Corporate Plan 2018-2023, Our Plan, Our Future, sets the strategic direction for a five-year period. It has identified five key community priority areas based on community feedback.

- 1 Youth Retention
- 2 Small Town Sustainability
- 3 Skilling and Training
- 4 Value-add Diversification
- 5 Shared Vision

Council's strategic goals

- 1 Community
- 2 Economy
- 3 Environment
- 4 Infrastructure
- 5 Governance

The new plan commenced on 1 July 2018 and Council has already made some significant progress on working towards our vision and mission.



Our Vision

Connected, innovative communities, where economies are strong and opportunities are abundant.

Our Mission

To invest in people, ignite ideas, meet our challenges and grow prosperity.

Our Values

Our values will enable us to achieve our vision and mission:

Our Customers	Our customers are the centre of everything we do; we get things done with speed, conviction and agility.
Our People	We value teamwork and interdependence; we value each other and seek benefit from diverse people and perspectives.
Our Reputation	Our reputation is our most valuable asset; we act honestly and consistently in our behaviours, actions and decisions.



MESSAGE FROM OUR MAYOR

Murray Darling Basin water buy-back scheme. We thank Federal Member for Maranoa the Hon David Littleproud and the Federal Government for helping our struggling communities. Funding to the value of \$9.1 million will be used on projects which include:

- Up to \$5 million to construct wild dog exclusion fencing
- Up to \$1 million to expand digital connectivity
- Up to \$82,500 for the Dirranbandi Rural Transaction Centre Hub and to install video conferencing at the local library
- Up to \$70,000 to improve the Dirranbandi Showgrounds
- Up to \$875,000 to develop and construct hot springs in Dirranbandi
- Up to \$499,100 to conduct business coaching
- Up to \$492,000 to revitalise Dirranbandi's main street.

This year Council has ramped up its community consultation to ensure projects we do are what the community want and will support. Some of the more

significant projects that we have received community feedback on include:

- free camping in the Shire
- St George Library-Hub concept
- Digital connectivity to ensure shire-wide improvement

Our Community Catch-up Days were a little more informal this year and well attended. These are important to ensure Council, Council's team and communities are working together toward a common goal.

One of these community requests was for more closed-circuit television (CCTV) and we were fortunate to receive \$53,500 from the Federal Government's Safer Communities Fund - Infrastructure Grants to install CCTV cameras at various locations throughout the Shire including St George, Bollon and Dirranbandi. This project will be completed in the 2019-20 year.

Since adopting the Balonne Shire Economic Development Plan in February our Council team has been working hard to find new and innovative ways to boost our regional economy. Council,

in partnership with the Department of Agriculture and Fisheries and Trade Investment Queensland (Toowoomba and Taipei offices) and Austrade Tokyo office, hosted seven delegates from a variety of food-based companies in those countries who are looking for opportunities in meat, pulses, vegetables, grains and agricultural technology. The visit was a great opportunity to provide potential investors with information on the region's products and for local businesses to build strong relationships with our new connections with Japan and Taiwan.

I acknowledge that in the coming twelve months there will be Council elections but I look forward to seeing the Shire continue to progress strongly and build on the bases already put in place. I can assure you Council will be doing its very best for the remainder of the term to continue this performance and provide results beneficial to you, our communities and ratepayers.

Cr Richard Marsh
Mayor

What an eventful and challenging year this has been!

This year Council has created what we believe will be a lasting legacy for the Shire with the introduction of the Wild Dog Exclusion Fencing Special Rate Scheme and the first steps to achieve a single rural rate in the dollar. Both these historic decisions have been taken to ensure the future sustainability of our Shire and its residents.

Councillors voted unanimously to support Shire landholders wanting to construct wild dog exclusion fences (WDEF) on their property boundary through a special rate levied over 20 years. Council received approval for the scheme and will initially draw down up to \$7 million of the \$8 million loan approved by Queensland Treasury Corporation. The remaining \$1 million will require a further Council resolution before drawdown. Council made the bold decision to stand with its landholders to ensure the development of a more sustainable

and diverse Shire economy. We believe WDEF will provide many ongoing benefits including boosting our economy and economic resilience, arresting population decline through increasing job numbers and improving biosecurity over the whole of the shire by closing pest access corridors. Council will recoup this 20-year fixed interest loan from participating landholders through a special rate levied on their property.

Councillors have also been on a three-year journey with senior Council officers to move to a single rural rate in the dollar which will be phased in over seven years. This time frame is necessary to minimise the impact of this change on our rural ratepayers. It will not only simplify the current rating structure, but also provide a consistent approach to the shire's rural categories, take into account the cost of maintaining existing facilities and necessary services and address the

inherent differences in income earning potential of land and its valuation. This initiative was implemented in the 2019/20 Budget.

This year also saw many hours dedicated to updating our Local Laws. The major changes include the number of animals and types of animals that can be kept within town areas. Residents should consider the animals they have and check to ensure that the new laws are being complied with. Specifically residents with more than two dogs must ensure the extra animals are desexed and registered. The objective is to help alleviate the animal control issues we are experiencing in our towns.

Significant funding has been received through the Murray Darling Basin Economic Development Program specifically to boost the two communities most impacted by the



OUR REGION

OUR REGION

The Balonne Shire is the gateway to the west - located about 500km inland from the Queensland capital, Brisbane, and is nestled in Queensland just above the New South Wales border. Our Shire serves as a bridge between the expanse of the great outback to its west, and the Great Dividing Range and capital city to its east.

The Shire hub, St George, sits at the intersection of six highways providing connectivity for the transportation of goods and a central meeting place for residents and the travelling public.

Across 31,151.8km², 4480 residents call one of our seven communities home – St George, Thallon, Dirranbandi, Bollon, Nindigully, Mungindi and Hebel.

One of the unique things about our Shire is that every town is situated beside a river. Our towns are known for their rich history, friendly locals, bird life, wide open spaces and relaxed country lifestyle.

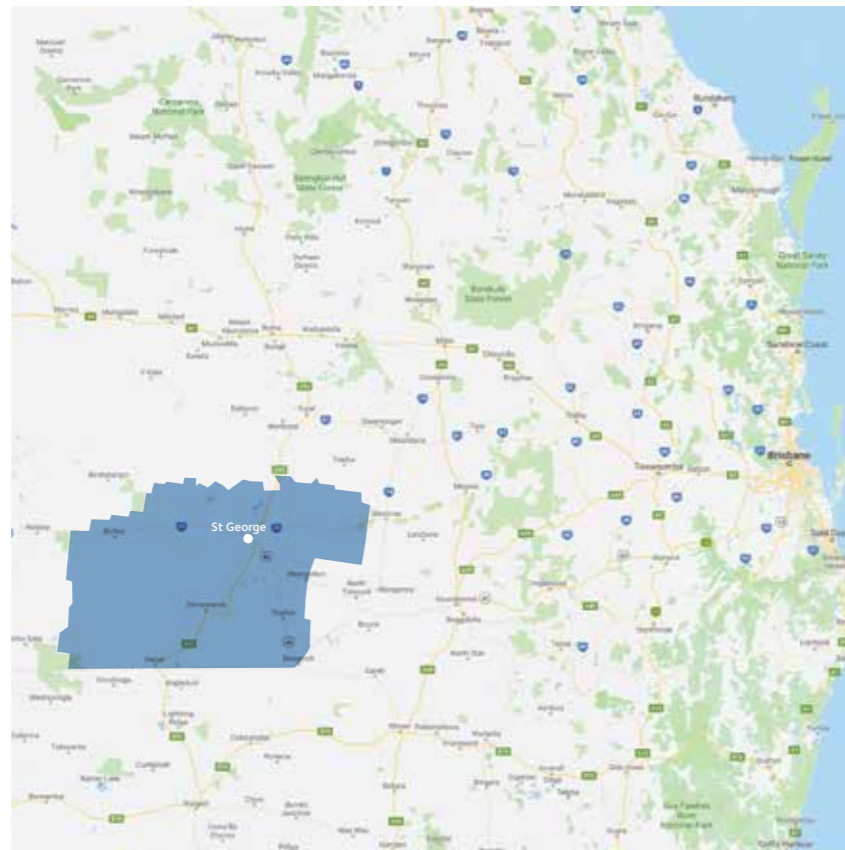
Traditionally, the Shire's economy has been built around agriculture, in particular the production of cotton, grain, sheep and cattle. We also have landholders growing horticultural crops such as grapes, onions, blueberries, broccoli, carrots and garlic. There has been an increase in the number of feedlot developments approved and now operating in the Shire. The long extended drought and Murray Darling Buy-Back Scheme has impacted significantly on our local economy.

Council continues to pursue economic development and has been working with landholders to increase digital connectivity across the Shire to help support local businesses connect with the global world of commerce.

We have a \$7 million special rate exclusion fencing scheme to help fund fencing in the Shire to increase sheep and goat numbers.

We have also secured over \$5.8m in funding for pest management, cluster fencing and exclusion fencing projects.

Council also works with the South West Regional Councils, South West Queensland Local Government Association and Border Region of Councils on a range of collaborative projects from tourism to economic development, roads of regional significant and more.



OUR PURPOSE

Our purpose is to provide for the current and future residents of the Balonne Shire and visitors to our region.

Council is here to serve and represent current and future generations of residents living in our Shire and to welcome those who visit the Shire.

Our team provides services, facilities and activities that benefit our communities – from parks and playgrounds for people of all ages, to the sporting grounds, showgrounds and community halls that keep our residents and visitors active and entertained.

Council supplies water using both bore and river water supplies. We have a significant road network to maintain and service that if joined together would equate to 3019km – about the same distance as St George to Adelaide River, just south of Darwin. We have a mix of sealed and unsealed roads and an active

stock route that has played a significant role during the drought.

We have advocated on behalf of our community and successfully lobbied for government funding following the detrimental effects of the Murray Darling Basin Northern Basin Water Buy-Back Scheme and the continuing drought.

There has been an increased focus on Economic Development to support local businesses and to create or explore new opportunities.

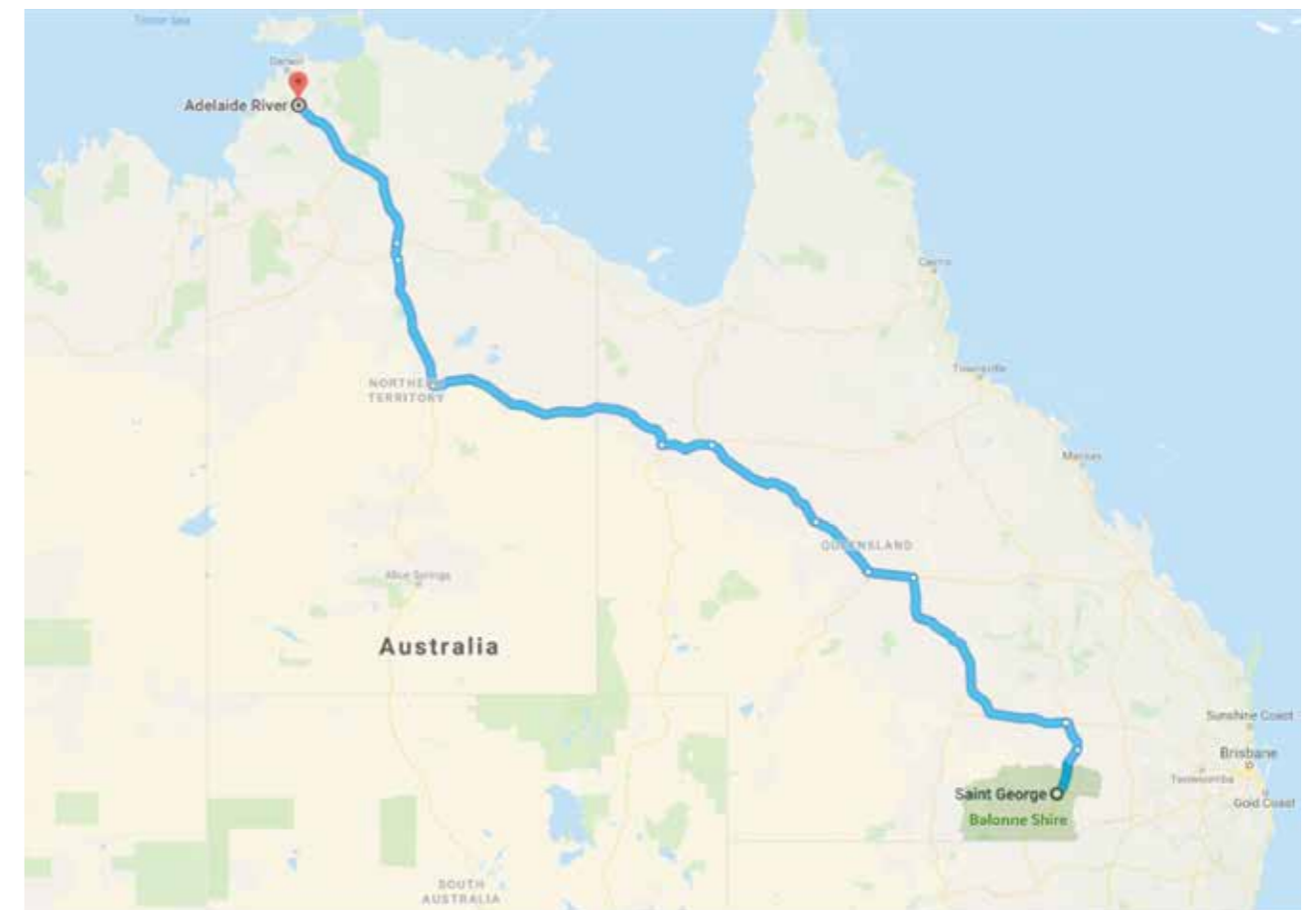
Our waste services are provided through a contract with JJ Richards and we have a number of landfill sites across the Shire. We provide Environmental, Planning & Development services and have a number of partnerships for community

health, well-being and multi-culturalism.

Council works in close partnership with the Department of Transport and Main Roads to ensure our highways are well maintained. We have successfully achieved increased contract works for the Department which is providing increased work and improved services for the local economy.

We actively plan and prepare for natural disasters working with the District Disaster Management Group and Emergency Services Queensland. We also educate our communities to remain resilient.

We recognise the value in welcoming visitors to the Shire and have increased funding and resources to promote and support tourism in the Shire.





OUR COUNCILLORS

2018/19 is the last full financial year of the council elected in March 2016 with elections coming up in March 2020.

Your Councillors have been advocating on behalf of residents locally and lobbying and advocating on behalf of the Shire at the State and Federal Government levels.



Cr Richard Marsh
Mayor

Elected to Council in July 2002 and elected Mayor in 2016.

The Mayor has oversight of all committees and portfolios and is responsible for the portfolios of Disaster Management; Regional Road Group; Indigenous Affairs; Economic Development; Financial Management; Human Resource Management & Enterprise Bargaining; Regional Planning, Planning Scheme & Development Regulations. Chair Region 12 of the Murray Darling Basin Association Inc.



Cr Fiona Gaske
Deputy Mayor

Elected to Council in 2012.

Responsible for the portfolios of Financial Management; Information Communication Technology; Asset Management; Cleansing - Waste Management, Refuse Collection & Landfill; Community Safety; Cemeteries; Parks & Gardens; Economic Development; Public Health; Cultural Development inc Cultural Centre; and Libraries.



Cr Samantha O'Toole

Elected to Council in 2016.

Responsible for the portfolios of Regional Planning, Planning Scheme & Development Regulations; Water Resource Management & Urban Water & Waste Water; Asset Management; Urban Streets, Storm Water & Footpaths; Aerodromes; Environmental Health; Public Transport; Economic Development; and Recreation Facilities - Pools, Sporting Fields, Skate Park, Court Sports.



Cr Scott Scriven

Elected to Council in 2016.

Responsible for the portfolios of Regional Planning, Planning Scheme & Development Regulations; Information Communication Technology; Asset Management; Cleansing - Waste Management, Refuse Collection & Landfill; Stock Routes & Commons & Water Facilities; and Plant Pest Control and Animal Pest Control.



Cr Robyn Fuhrmeister

Elected to Council in 2016.

Responsible for the portfolios of Urban Animal Control; Tourism, Stock Routes & Commons & Water Facilities; Plant Pest Control; Animal Pest Control; Administration & Depot Buildings, Staff Housing, Buildings & Halls; Community Events; Museums; and RADF.



Cr Robert Paul

Elected to Council in 2012.

Responsible for the portfolios of WORK; Shire Roads, Bridges & Drainage East; Fleet Management; and Showgrounds & Horse Sports Facilities - St George, Thallon and Nindigully.



Cr Ian Todd

Elected to Council in 2016.

Responsible for the portfolios of Water Resource Management & Urban Water & Waste Water; Information Communication Technology; Workplace Health & Safety; Urban Streets, Storm Water & Footpaths; Community Safety; Great Artesian Basin; Economic Development; WORK; Shire Roads, Bridges & Drainage (West); Showgrounds & Horse Sports Facilities - Dirranbandi, Bollon & Hebel; and Fleet Management.



ADVOCATING FOR OUR COMMUNITY

OUR ADVOCACY

Our Councillors play a key role in providing the strategic direction for Council and are strong advocates on behalf of the community across a number of State and Federal issues which impact on the Shire.

Deputations with State and Federal members have included:

- Hon Dr Anthony Lyneham, Minister for Natural Resources, Mines and Energy
- Hon David Littleproud, Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management
- Hon Stirling Hinchliffe, Minister for Local Government, Minister for Racing & Minister for Multicultural Affairs
- Mr Mick Keelty, AO, Northern Basin Commissioner

Councillors represent the interests of Council and the community on a range of external organisations or government

working groups. Councillors also attend as many community organisation meetings as possible.

Local and regional meetings attended:

- Border Region of Councils – working with North Western New South Wales Councils to our South
- South West Regional Economic Development Group
- South West Queensland Local Government Association – The Balonne Shire Council is the secretariat for the SWQLGA and will host the final conference here in St George on 7 November 2019 before the March 2020 elections.
- Local Government Grants Commission
- Indigenous Elders and South West Indigenous Committee
- Progress Associations and Showground User Groups across the Shire
- Regional Assembly of Councils

Murray Darling Basin

The Mayor continues to Chair the Region 12 Councils on the Murray Darling Basin Association. The Association is an advocacy group providing the government and other bodies with input relevant to the Basin.

Council successfully advocated for funding, in consultation with the community, for long-term growth projects for diversifying industry and broadening the economic base of the Shire. Minister Littleproud announced over \$9 million worth of projects in the Shire. Council will implement the following projects over the next two years with the remainder of funds distributed directly to other community organisations.

Other grants that Council has successfully received include a further round of Works for Queensland funding from the Queensland Government that will see a further \$1.2 million spent on



infrastructure across the Shire over the next two years. Council has also been able to upgrade the Mungindi River Park Rest Area and continue the widening of the St George River foreshore footpath. Council was also successful in achieving funding under Building our Regions Round 4 for the development of the St George airport and digital connectivity projects.

Professional Development for our Councillors

Councillors have participated in a number of professional development sessions and regional meetings to stay across the diverse range of responsibilities Council has:

- Local Government Association Queensland (LGAQ) annual conference
- South West Regional Economic Development (SWRED) meetings
- South West Queensland Local Government Association meetings

Councillors have worked with our Senior Leadership Group in workshops and committee meetings to formulate policy and strategic direction across a wide range of issues including:

- Rates and levies reviews
- Wild Dog Forum
- Local Laws
- Planning Scheme
- Budget workshops
- Project planning for grant funding opportunities
- Asset management

Council workshops help councillors to make informed decisions when it comes to passing a resolution at Council's ordinary meetings on complex matters.

PROJECTS

Dirranbandi Business Revitalisation & Shopfront Beautification Grant	\$492,000
Dirranbandi Thermal Hot Springs	\$575,000
Dirranbandi Showgrounds Irrigation Upgrade	\$70,000
Balonne Shire Digital Connectivity Project	\$1,000,000
Wild Dog Exclusion Fencing	\$5,000,000
Business Mentoring Program	\$499,100
Dirranbandi Rural Transaction Hub – E-technology upgrade	\$82,500



WILD DOG EXCLUSION FENCING

Council made the historic decision to adopt a special rate scheme to assist landholders to build wild dog exclusion fencing across the Shire.

The aim is to improve economic diversity and resilience, biodiversity and community wellbeing through funding wild dog fencing in the Shire. A loan of up to \$8 million from Queensland Treasury Corporation (QTC), passed on to farmers through a wild dog exclusion fence special rate scheme is estimated to leverage \$17 million or 1900km of exclusion fencing. Using modelling from external consultancies, this investment is estimated to increase sheep numbers by an additional 100,000 sheep within 10 years for a \$15million economic benefit per year.

This economic modelling does not take into consideration the positive impacts

it would have on other livestock such as cattle and goats, and cropping.

Council arranged a workshop with State and Local Government stakeholders and met with Queensland Treasury Corporation and used the information kit developed by McCullough Robertson to develop a business case. The business case was adopted by Council at its meeting on 21 February 2019.

A wild dog fencing forum was then held with community and business stakeholders to inform landholders and local suppliers and contractors of how the scheme would roll out.

Approval was received from the Queensland Treasurer for the loan on 31 May 2019 and the special rate scheme was adopted at Council's budget meeting on 27 June 2019.



OUR PEOPLE

A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The 2018/19 financial year will arguably go down in Balonne Shire Council history as one of momentous achievement, vision and indeed outcomes for many years.

As Sir Humphrey in the British comedy program *Yes Minister* would have said "that was a very courageous decision Minister". This Council has made a number of courageous decisions in the last financial year which will stand the Shire in good stead for the economic and climatic tough times which undoubtedly lay ahead.

This is the last financial year report before the 2020 Quadrennial Local Government Elections and it could be argued that in a normal election year Councillors would not make decisions that could or would be considered "courageous" in the lead up to that election.

I am very pleased to say that your Councillors did not shirk the heavy lifting and delay making decisions that they believe will have a positive benefit for our Shire. At the commencement of every council meeting Councillors say the following prayer which is meant to guide them during their deliberations: "Lord grant us the strength and wisdom to make decisions to deliver the best outcomes in the public interest for the people of the Balonne Shire." This Council has taken that prayer very literally which has resulted in

some momentous decisions being taken this year:

- Restructuring our rating system to ensure the fairness and equity of our differential categories for all rural landholders including moving to a single rate in the dollar
- Adoption of the special rating scheme for Wild Dog Exclusion Fencing
- Rewriting our local laws
- Developing a new town planning scheme (still ongoing)
- Business case for the proposed new Library/Innovation Hub
- Digital connectivity strategy to ensure innovative and connected communities
- Winning Department of Transport and Main Roads work including the ongoing Carnarvon Highway Upgrade Project (CHUP) and the approaches for the new Noondoo-Thallon bridge
- Securing grants totalling approx \$18 million this financial year

Operationally speaking those same decisions have had a massive impact on every aspect of our business and means for the first time in many years we are close to our maximum number of

approved staff. Traditionally we have run quite lean and mean, as an organisation, to ensure we do not burden ratepayers with the full cost of running at 100% of our staff establishment number.

Securing such a large amount of grant funding has meant though we have had to ramp up our total number of employees to ensure we are able to deliver the grant-funded projects on time, that the projects meet all their milestones and deliver a positive benefit for our communities.

I am extremely proud of the contribution to our Shire that each and every single staff member has made over the past 12 months and acknowledge their hard work and selflessness in delivering for the people of Balonne.

As this is the last year in the current term of our Councillors I would like to publicly thank each and every one of them both personally and professionally for their unwavering support and assistance over the term of Council. Without that support and assistance we simply could not have delivered all the positive outcomes which have been achieved as a direct result of those "courageous" decisions.

OUR SENIOR LEADERSHIP GROUP

The Senior Leadership Group (SLG) includes our Chief Executive Officer and three Directors. SLG meets weekly to keep track of major projects, emerging issues, strategic planning and to improve communication between departments.



Chief Executive Officer

Matthew Magin

Matthew joined us in November 2016. Prior to joining Balonne Shire Council he was CEO at the Burdekin Shire Council. Matthew has extensive background in stakeholder engagement, government relations, economic development and the retail industry.



Director Finance & Corporate Services

Michelle Clarke

Michelle has been with Council since October 2016 and was officially appointed to this role in February 2017. Michelle holds a Bachelor of Law & Administration and successfully completed a Graduate Certificate in Professional Accounting in 2018. She is now completing her Post Graduate Certificate in Corporate Governance and Risk Management.



Director Infrastructure Services

Andrew Boardman

Andrew joined our team as Manager Roads & Drainage in September 2018. He was formerly the Director Engineering & Regulatory Services at McKinlay Shire Council. Andrew was appointed Director Infrastructure Services in March 2019. He holds a Bachelor of Engineering - majoring in Civil Construction and Structural Engineering.



Director Community & Environmental Sustainability

Dr Digby Whyte

Digby joined our team in September 2018 and has experience in the broad field of parks and recreation at city, regional, state and international levels in New Zealand, the USA, Australia, and France. He has dealt with services ranging from tourism and events, cultural heritage, infrastructure, education, biosecurity, and sheep and beef farming.





OUR TEAM

We value teamwork and interdependence; we value each other and seek to benefit from diverse people and perspectives.

Our employees are our most valuable asset and they are a major factor in contributing to a positive public image. Council's mission is to invest in people, ignite ideas, meet our challenges and grow prosperity. We are committed to developing our staff well-being, encouraging personal and professional growth and create a safe and healthy work environment built on mutual trust, respect and integrity.

Council thanks those employees who were part of our team in 2018/19 for their work and contribution to our Shire. We wish them all the very best in their future endeavours.

Developing our people

We strive to enhance the skills and capabilities of our employees, in order to develop effective, efficient and multi-skilled teams.

For an organisation to perform effectively, emphasis must be placed on the training and development of our staff. In line with training guidelines we are committed to:

- Providing fair and equal access for all employees in relation to training and professional development opportunities
- Enhancing the productivity and performance of its employees
- Ensuring employees are kept abreast with advancements, technological, professional and/or ideological, in their respective fields of expertise
- Linking staff development and appraisals with the identification of training needs to ensure that Council's strategic and operational direction and initiatives are achieved
- Ensuring training dollars are distributed fairly and equitably throughout the organisation
- Providing opportunities for employees to develop career paths

We actively encourage our employees to undertake study to enhance their knowledge and skills. As part of the training guidelines, Council contributes to the financial cost of approved courses.

Managers and Supervisors participated in self-awareness, communication and

conflict management training using Enneagram as the foundation to help us better understand our personalities and motivations and lead others through teamwork.

Fifteen staff attended customer Service training that involved Disc profiling to help our staff respond to challenges and manage conflicts in the workplace. This training was well received and will be rolled out to all staff in 2019/20.

Equal Employment Opportunity

We are committed to the implementation of, and adherence to, equal employment opportunity principles in all facets of our operations.

We treat our employees and employment applicants fairly when making decisions on selection and promotions. These decisions are made on factors such as skills, qualifications, abilities and aptitude.

Management received adverse action awareness training and we have used the services of an external provider to ensure

independence and merit selection in our recruitment practices.

Our expected behaviours

To ensure employees are aware of, and adhere to, the expected standards of workplace behaviour and performance, Council's Code of Conduct is promoted through Council's General Induction Program and Tool Box Talks.

The expectations contained within the Code of Conduct are based upon the ethical principles outlined in the *Public Sector Ethics Act 1994*, specifically:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency

In 2018/19 all staff received:

- Fraud Awareness Training
- Code of Conduct Training

Regular updates on employment policies are provided through Tool Box Talks and staff meetings. Performance appraisals are undertaken annually.

Our traineeships

Each year we employ at least three trainees. We have had success in the past with our trainees either staying on or using their qualifications to gain employment elsewhere.

In 2018/19 we employed a further three trainees:

- Horticulture – Dirranbandi
- Horticulture – St George
- IT & Business Administration

We have one Horticultural trainee who was extended during the period. All trainees complete a Certificate in their relevant field and funding is provided through Skilling Queenslanders for Work – First Start Program.

We attend the Employment Expo at the St George High School every year.



Our volunteers

Our turn-over rate this year was 21.74% (an increase of 4.67% - not including casuals and part-time employees). There were 42 external and internal positions advertised during the reporting period.

The Balonne Shire Visitor Information Centre is fortunate to have the assistance of 21 dedicated and highly valued volunteers who provide invaluable local knowledge and experience to those

visiting the region. The Centre relies on volunteers to cover weekends and staff leave. Volunteers perform a range of duties including customer service, money and till operation, pricing and all other duties as required. Collectively our volunteers have provided almost 1300 hours of their time at the Centre during the 2018/2019 period. We also have new volunteers assisting with Heritage and Bird Watching Tours.

St George Library have a volunteer that assists with putting the return books

away on the shelves. The "book fairy" visits the library weekly (sometimes more) and provides a valuable service to the library team.

We also have very progressive community groups that work with council to improve facilities and opportunities in the Shire. We take the opportunity to thank all of our volunteers and active community members for their time and commitment.

OUR TEAM*	
Executive:	4
Corporate & Financial Services:	18
Community & Environmental Sustainability:	22
Infrastructure Services:	49
Composition Men:	52
Composition Women:	41
TOTAL:	93

*as at 30 June 2019



Lunch for VIC Volunteers during Volunteers Week



Our staff breakfasts

This year we held three staff breakfasts. Our staff breakfasts are designed to get the entire workforce together with elected members to improve communication, share information and promote staff initiatives. Our Senior Leadership Group and elected members cook the breakfast and where appropriate we bring in guest speakers. At the staff breakfasts we presented information and consulted with our staff on the Enterprise Bargaining Agreement; Workplace Health and Safety; Superannuation options, Salary Packaging options and the Budget.

Keeping our people safe at work

We recognise the importance of developing and maintaining healthy and safe working conditions in all workplaces and the importance of keeping the work health and safety practices in these workplaces under constant review.

We are 100% committed to providing a workplace that is safe and without risk to the health and safety of all employees, contractors, volunteers, work-experience students, visitors and members of the public. More on workplace health & safety initiatives can be found in the Governance section on page 61.

Looking after our people

All staff and their immediate family have access to an Employee Assistance Program that provides counselling and confidential support in partnership with Assure Programs. Apart from this formal assistance our staff have shown support for each other by donating leave through our Enterprise Bargaining Agreement, fundraising activities and donations to relevant charities.



Staff breakfasts



OUR CUSTOMERS

ENGAGING WITH OUR COMMUNITY

Council continues to increase consultation and engagement with our residents and communities.

Our engagement with communities over the past 12 months were undertaken through a range of mediums relating to a wide range of projects, initiatives and programs.

Free **community newsletters** are printed and delivered to every Shire household quarterly. This includes upcoming events and information on projects being undertaken by Council. This year Council began a newsletter – Beyond the Wire – to supply relevant information to our landholders such as pest control information and workshops. This newsletter will be done on an “as needs” basis. Staff newsletters are done quarterly and there are weekly updates from Directors and the CEO sent to all staff and Councillors to keep them informed about what our team has been doing.

Council also sends **media releases** to print, radio and television. In the 2018-19 year we produced and distributed 50 media releases advising the community of rates, dog registrations, community catch-up days, Council projects,

workshops, wild dog exclusion fencing forums and special rate, Get Ready Day and the opening of the St George Chinese Community Memorial to name a few.

Council also uses **social media** to get our messages out. Our Facebook page following has increased by 20.3% over the previous year. The most popular videos posted on Council’s Facebook page was promotional Lifestyle video and Community Catch-up with Mayor Richard Marsh and Deputy Mayor Fiona Gaske.

Our Twitter page had an 34.9% increase in followers with the most popular tweet being our #BringBackJack campaign for the *Paperback Hero* anniversary. This reached more than 31,000 people. In May, we launched a Balonne Shire Council LinkedIn page to spread the word about employment, business and innovation opportunities available in our region. In the two months the site was live we secured 164 followers.

Council’s **website** had 18.8% more new users (24,016) than the previous year (20,927) with 12,951 accessing the

Website	2016/17	2017/18	2018/19
Sessions	39,675	36,755	41,039
Unique Users	21,616	20,927	24,016
Page Views	105,726	90,749	96,987

Social Media Platform	No of Followers		
	2016/17	2017/18	2018/19
Facebook	1574	2418	2908
Twitter	74	191	258

website via a desktop computer, 8912 by mobile phone and 2719 by use of a tablet. The most popular pages were our employment page, camping and visitor information pages.

We offer a variety of methods that residents and visitors can use to lodge a service request or complaint, including the free smart phone application, **Snap Send Solve**. This application allows residents or visitors to report issues and provide feedback quickly and easily. Snap Send Solve allows the user to submit a photograph and a short description of the request as well as providing the GPS co-ordinates. Snap Send Solve uses your email address to send us the request that we then lodge in our system and forward on to the relevant department. We can use the details you provide in the application to reply to your request with an acknowledgement email and

a reference number. Once the request has reached completion, our team will contact you to advise of outcome.

Service requests and complaints can also be submitted by calling Council or emailing servicerequest@balonne.qld.gov.au.

Our Finance & Corporate Services team have been rotating on a weekly roster to ensure multi-skilling and **improved customer service** at our front counter and incoming phone calls.

During 2018/19 we received over 8604 calls and 4996 face-to-face customers on a variety of issues. The top area of enquiry was rates (2255) followed by animal management (931); facilities (804) and planning inquiries. (726).

On average we have recorded 5-6 **compliments** per month. Our staff members receive a letter from the

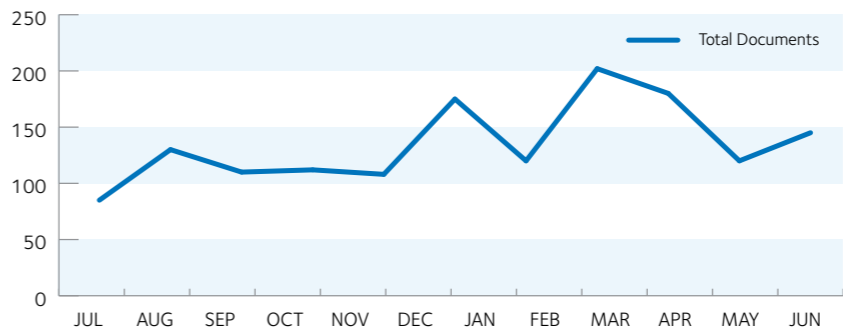
Chief Executive Officer to congratulate them on the compliment to encourage continued improvement and acknowledge their community service.

The number of service requests per month ranges from 100-200 (see below graph) with an average completion rate of 80%, slightly below our target of 85%.

Council will continue to engage with our communities and key stakeholders for input into matters of strategic direction, improvement of community facilities and services and levels of service.



Number of Service Requests by Month





OUR REPUTATION

We have a range of governance functions that demonstrate openness, transparency and accountability to ensure we continuously improve our reputation in the community.

Performance Monitoring and Reporting Performance

The Operational Plan 2018/19 forms the basis of our quarterly performance reporting. These reports include progress on the implementation of our Corporate and Operational plans and financial reporting of budget performance. The Corporate Plan 2018-2023 and Operational Plan 2018/19 are available on our website.

The primary tool for external accountability is the annual report. This document is prepared annually to show the community and interested stakeholders how successful Council has been in achieving the strategic goals and objectives outlined in the corporate plan.

The report contains detailed financial and non-financial information about Council's activities and performance. See from page 67.

No. of administrative complaints received	No. of complaints resolved	No. of complaints outstanding
5	4	1

Further information on our service request system and minor complaints is shown at page #20

Administrative Action Complaints

Council had no external review complaints with the Queensland Ombudsman in 2018/19. Council had one matter (involving three complainants) with the Crime & Corruption Commission (CCC). An external independent investigator was appointed and completed an investigation as required by the CCC. Council is currently awaiting the CCC to undertake a public interest review and provide an outcome for the complainants and Council.

A majority of complaints continue to be about Council's procurement

arrangements. Council engaged the services of an experienced procurement specialist who has reviewed the procurement policies and procedures and provided training to our staff. The procurement specialist assisted Council with the wild dog exclusion fencing scheme, preferred supplier arrangements and digital connectivity tender process.

Right to Information (RTI)

Under *Queensland's Right to Information Act 2009* and *Information Privacy Act 2009*, members of the community are able to apply for access to documents held by Council (subject to statutory exemptions).

The *Information Privacy Act 2009* also allows members of the community to apply for and request amendments to documents concerning their personal affairs, where it is believed the information is incomplete, out-of-date, inaccurate or misleading.

Our Finance & Corporate Services Department receives and processes all Council's Right to Information and Information Privacy requests. In 2018/19 Council received one Right to Information application that was later withdrawn. Council received no information privacy breach complaints in 2018/19.

Our Audit Committee operates in accordance with the *Local Government Act 2009*, the *Local Government Regulation 2012* (the Regulation) and the Audit Committee Terms of Reference. The committee met three times during the 2018/19 financial year.

The Audit Committee reports directly to Council and is composed of four voting members. At 30 June 2019 the audit

committee membership comprised: Independent Chair, James Hetherington, Mayor Richard Marsh, Cr Fiona Gaske. The fourth independent member position is currently vacant.

Council and the Audit Committee would like to take this opportunity to thank the Goondiwindi Regional Council for releasing James Quinnell who has served as independent audit committee member on our Audit Committee for the past three years. Jason resigned in March 2019 and was a valuable member of the committee.

The Chief Executive Officer and all Directors, the Manager Finance Services and Council's Internal Auditor together with representatives of Queensland Audit Office attend Audit committee meetings as standing invitees. Council's External Auditor attends to provide an overview of the External Audit.

Council's Internal Auditors Arabon Audit & Assurance Pty Ltd commenced on 1 July 2018 to perform Council's Internal Audit Function.

During 2018/19 two site visits were undertaken by Arabon Audit & Assurance Pty Ltd. They completed an internal audit plan, internal audit charter and the following internal audits:

- Credit cards (100% of recommendations complete)
- Wild Dog Scalps (80% of recommendations complete)
- Fuel cards (80% of recommendations complete)
- Fleet management (just commenced)

Management reports on the progress of implementing the recommendations that arise from internal audit.

All of the above initiatives and programs demonstrate openness, transparency and accountability to ensure we continuously improve our reputation in the community. More information can be found in the Statutory Information section of the report on page 63.





OUR PERFORMANCE

Our performance is measured against what we said we would do in our four-year Corporate Plan 2018-2023 and one-year Operational Plan 2018/19.

This includes the delivery of projects, programs, tasks the performance measures as well as progress towards four year term achievements. Our Annual Report is presented in the five key program areas:



Community



Economy



Environment



Infrastructure & Planning



Governance



1. COMMUNITY

Pursuit of active and healthy lifestyles where cultures, traditions and the arts are celebrated, including the provision of safe and welcoming spaces to connect, engage and learn.

15
actions
were included in the
Operational Plan for
Community

8 actions achieved
90%
on target and/
or complete

2 actions achieved
between
70%-90%
of action target

1* actions achieved
less than
70%
of action target
(*4 had no target set)

Action Status



- 53.33% (8)** ON TRACK
- 13.33% (2)** MONITOR
- 6.67% (1)** NEEDS WORK
- 26.67% (4)** NO TARGET



COMMUNITY SPACES TO CONNECT, ENGAGE AND LEARN

Through the various school holiday programs held at the libraries throughout the year Council has seen an increase in youth participation of 5%. Workshops/activities have focused on Science, technology, engineering and mathematics (STEM) themes.

Participants were able to fly drones and create a short movie from the images taken by the drones and learn coding and robotics just to mention a few activities. Other activities that have been offered included learning to use virtual reality equipment, and program the Little Bit Droid through mazes.

Work camp

Over the past 12 months Work camp has assisted more than 42 community organisations. The St George and Dirranbandi Camps have provided assistance with the set up and packing up of over 10 community events.

Both camps have undertaken numerous projects for community groups and

Council such as painting and restoration of timber decks of the community hall in Hebel and Dirranbandi Rural Transaction Centre building; concreting and paving in Dirranbandi; restoration and painting of the Dirranbandi rail and precinct steam engine and press staining wagon; landscaping works in St George and Dirranbandi (including the construction of the brick retaining wall at St George foreshore. Construction of horse stables at the St George Showgrounds and the renovation of the Disaster Management Training Room.

Shade area Dirranbandi Pool

Funding was received from the Foundation for Rural and regional Renewals (FRRR) program to construct a shaded area for Dirranbandi Pool.

A number of support letters were received from community groups to support the funding application. The work commenced on the 3 June 2019 and was completed on 21 June 2019.



HEALTHY & ACTIVE LIFESTYLES

Council has upgraded community spaces across the Shire to promote healthy and active lifestyles.

Council nominated the community of Dirranbandi for a Keep Queensland Beautiful award. Frank Deshon from Dirranbandi was awarded the 2018 Community Champion Award.

Council has provided finance assistance to 10 community events including; the Battle in the Balonne Triathlon, charity golf days; school fetes; local shows and NAIDOC week.

In 2019 Australia Day was held in Thallon. The event was well supported with more than 150 people attending the morning celebrations.

Council was successful in receiving a grant through the Queensland Remembers Funding Program which, in collaboration with St George RSL Sub Branch. The funding was used to support the commemoration of the 100th anniversary of the signing of the Armistice (end of World War 1) via a laser light display of World War 1 images.



VIBRANT CREATIVE ARTS, MUSIC, LOCAL HISTORY AND CULTURE

Thirteen Community groups have successfully received funding for arts and cultural activities through Council's Regional Arts Development Fund. A total of \$30,322 has been provided to the community.



Name of funding recipient	Activity name
Dirranbandi Arts Council	Building Resilience and Community through art
Dirranbandi RTC	Dirranbandi Creative Welding 2019
Mungindi Progress Association	Old Bridge Monument
Bollon Sewing Group	Rugs for a Reason
Dirranbandi Arts Council Inc.	Dirranbandi Restoration 2019
Applicant Alison Orchin, Auspicing : Mungindi Progress Association	Mungindi Upholstery Class 2019
St George Art Group Inc.	Simplifying figures in your paintings
Dirranbandi Progress Association Inc.	Dirranbandi Water Tower Project; stage one
Linda Thomas	Aussie Quick Quilt Roadshow
Thallon Progress Association Inc.	Recycled Metal Sculptures
Maranoa Performing Arts	Creating dance and choreography opportunities
Dirranbandi Arts Council Inc.	2019 Upholstery
St George Art Group Inc.	Pastel portraits



STRONG COMMUNITY ORGANISATIONS

Community group meetings

There were 27 community groups who received funding through Council's community grants donation and sponsorship program. A total of \$17,835.37 was awarded to the community.

COMMUNITY WELLBEING

CCTV Surveillance

Council obtained \$70,000 in funding in the 2018/19 financial year to upgrade CCTV surveillance in the St George Area. This funding allowed 47 camera and wireless connections to be purchased with installation of these on-going. Council has received further funding for the 2019/20 financial year to expand CCTV surveillance to other Shire locations.

Local Laws 2018

The Balonne Shire Council adopted its new local laws in October 2018. On 1 January 2019, Council began a six month education program to ensure that community were aware of these new changes.

As from 1 July, 2019, Local Law 2 (Animal Management) will see many community residents needing to desex their animals if they choose to have an extra dog permit. When more than two dogs are located on an allotment, desexing of the extra dog/s must occur.

Also new in this Animal Management space is the Stock Dog Permit. This permit allows community residents who work in the agricultural space to house their working dogs within the town area. The number of dogs allowed is dependent on the area of land where they are located.

It is important to note that permits are required from Council if events, stalls or other community activities are being held on roads, reserves, parks or footpaths

Community safety meetings

Ten community safety meetings held throughout the year.

Balonne in step (Community capacity building project)

This is a pilot project, funded by South West Hospital and Health Service (SWHHS) which aims to improve the physical, social and emotional wellness



of the Balonne community through service integration and collaboration.

Eleven partnership activities were coordinated throughout the year:

- Visualise your Future, Study and Work through Virtual Reality (Olly the Virtual Reality Bus)
- Back to School Day
- Family resilience programs
- Easter school holiday 2018
- Youth forum
- Fabulous Lemon Drops – children concerts (St George and Dirranbandi)

DISASTER MANAGEMENT

Council held a successful Get Ready Balonne Family Fun Day for our community on 17 November with more than 600 people attending. Displays of firefighting, first aid, and information about the changing Flood alert levels for St George were well received.

The new flood alert levels for St George were accepted by the Bureau of Meteorology. The previous alerts were Minor 4m, Moderate 5m and Major 6m which did not correlate with what was happening in the Balonne River at St George. At these levels the river was still contained within the banks. The new alerts – Minor 6m, Moderate 8m and Major 10m – better reflect levels within the river.

This also will prevent complacency during times of flood.

The Local Disaster Management Group has met twice as required under the *Disaster Management Act 2003*.

St George Levee Bank – Council has made progress on finalising easement agreements on the St George Levee Bank and continues to undertake maintenance works.

Council has finalised one earth levee matter through a compulsory acquisition process. Six block wall levee matters were finalised in 2018/19. There are three outstanding earth levees to finalise



(all at various stages of negotiation) and five block wall levee easements yet to finalise.

During 2018/19 financial year Council spent approximately \$97,000 on levee bank contingency matters to obtain

valuation reports, legal advice and necessary survey plans. \$16,000 was spent on Levee Bank Maintenance. A watering system was applied to one part of the levee as a trial.

2018 / 19 Performance Measures

Performance Measures	Annual Target	Actual
Upgrades to community spaces and facilities	90% of budget complete	90%
Number of grants awarded to community and sporting groups	1	98%
Support for arts, music and cultural programs and events	12	9
Number of learning and engagement programs and attendance rates	10% increase	10%
Disaster response rate	1	0



2. ECONOMY

Strong economic growth where SMEs (Small to Medium Enterprises) and agriculture-related businesses thrive, with a focus on improved connectivity, skilling, diversification and innovation.

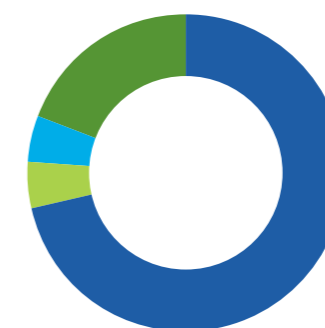
21
actions
were included in the
Operational Plan for
Economy

15 actions achieved
90%
on target and/
or complete

1 action achieved
between
70%-90%
of action target

1* actions achieved
less than
70%
of action target
(*4 had no target set)

Action Status



- 71.42% (15) ON TRACK
- 4.76% (1) MONITOR
- 4.76% (1) NEEDS WORK
- 19.05% (4) NO TARGET



INITIATIVES TO BUILD THE FOOD AND FIBRE LEADERS PROFILE

From the 2018–2022 Balonne Shire Economic Development Strategy, three of the four economic pillars are directly attributed to agriculture (sheep and cattle, cotton and grain) and horticulture.

Twenty-one key investment priority projects have been identified of which fifteen have direct linkages to agriculture and horticulture stressing the importance of the sectors and future economic growth of the Shire.

Council has actively supported these sectors through exclusion fencing programs (special rate scheme), agri-business support, engagement and collaboration with peak agribusiness industry associations, supply chain introductions and on-farm diversification and value-add opportunities.

Other areas of support to the sectors include: training and skilling, education, employment needs and opportunities, export development, letters of support

for grant funding and advocacy supporting the sectors and raising industry concerns to all levels of government. Council has been liaising with food and fibre associations to have a regional voice on behalf of the sectors as well as developing an overarching strategy that will align with the proposed Queensland Food and Fibre Strategy.

INVESTMENT ATTRACTION & PARTNERSHIP

An Economic Development Officer (EDO) was employed in late July 2018 to help facilitate and drive further economic growth in the Balonne Shire. This position is fully funded by the Federal Government. In 2018–2019, there were five investments (\$7.375 million) announced including the expansions at Moonrocks and the St George Medical Centre and the announcement of a \$5 million fish hatchery for St George.

Combined, these projects will create 10 new jobs and retain a further 25 current full-time equivalent jobs in the Shire.

A significant investment made by Council, the \$8 million exclusion fencing special rate scheme will provide an economic stimulus that will further encourage both local business expansion as well as future inward investment. Council has been proactive in generating 65 new business enquiries of which 23 are local business expansion and 42 are inward investment opportunities. The agriculture and horticulture sectors accounted for 31 of these enquiries.

Assisting Council with new investment enquiries include, but not limited to: local businesses and business associations (St George and District Chamber of Commerce, progress associations), Commonwealth of Australia Government departments (Austrade, Regional Development Australia Darling Downs South West (RDA DDSW), Department of Industry, Science and Innovation and

Department of Agriculture; Queensland Government, Trade and Investment Queensland (TIQ), Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP), Department of Agriculture and Fisheries (DAF), regional business associations, international chambers of commerce, commercial agents, business consultants and other professional service providers. And the Economic Development Officer attending targeted national agriculture and horticulture conferences (Evoke Ag and Hort Connections) to generate both inward investment opportunities and opportunities for local business and industry.

In partnership with TIQ and DAF, Council organised an inbound trade and investment delegation from Japan and Taiwan looking at opportunities in agriculture for the Shire.

VALUE-ADD AND DIVERSIFICATION STRATEGIES

The Balonne Shire is heavily reliant on the agriculture and horticulture sectors



as these sectors account for more than 50% of the Shire's economy. To diversify the local economy, Council has been assisting businesses and agribusinesses in diversification through potential domestic and export markets for products and services as well as assisting with potential procurement and value chain opportunities with government and industry. An example of this is the partnership of four Balonne Shire businesses in Toowoomba Surat Basin Enterprise (TSBE) and Santos'

Taste of the West event in Roma showcasing their produce to national food service providers notably servicing the hospitality and health care sectors. Council is also supporting on farm value-add, vertical integration and diversification and working to leverage further opportunities from these investments and projects. With its investment in exclusion fencing, Council is also identifying and supporting opportunities during all stages of the sheep and cattle value chains.



SKILLING, TRAINING & INNOVATION

Council has been working with various job service providers to develop relevant training and skilling programs for local businesses, working with the AgTech sector to trial as well as potentially develop such opportunities in the Shire, workforce development strategies for industry, an overview of current and future employment opportunities in the Balonne Shire and educational and training opportunities with a focus on the agriculture and horticulture sectors.

Through partnership with Council secured Advancing Regional Innovation Program (ARIP) funding offset costs for: youth entrepreneurship programs, business mentoring and CRM and event management software for the St George Chamber of Commerce.

Council secured funding to conduct research and develop a full business case with concept plans for the proposed St George Library-Hub. This proposed redevelopment involves a brand new library (with a business and learning hub) and the refurbishment of Stage 1 of the Cultural Centre which includes meeting room space (equipped with the latest technology) in the Cultural Centre Annex.

Additionally Council received funding (from the Murray Darling Basin Economic Development Program) to run a e-technology pilot in Dirranbandi which

has the potential to link into a main hub, such as the proposed St George Library-Hub, using the notion of a hub and spoke model. Discussions are also under way to develop a tertiary education pilot.

BUSINESS INCUBATION & SUPPORT

Council has provided support to existing and start-up businesses through the introduction of government and private business support services, awareness of small business grants, mentoring, referral of various relevant government programs supporting business and industry in Balonne Shire (122 referrals in 2018-2019) and one-on-one consultations with Council's Economic Development Officer.

Programs offered in 2018-2019 to help support businesses in areas such as: marketing, e-commerce, finance and tax included: Bettering Balonne business training sessions, Business Mentoring to 17 participating businesses in the Shire, business grants, and the Queensland's ecoBiz program, delivered to seven businesses in Balonne Shire helping these businesses save costs by minimising energy, waste and water usage. With \$2 million in grant funding secured to increase the digital connectivity in the Shire, this investment will increase operational efficiencies and will be a catalyst to further stimulate investment for both

business and industry and the agriculture and horticulture sectors (AgTech development and innovation) expansion and start-ups. Council supported the St George & District Chamber of Commerce with its projects including: business training and Queensland Small Business Week. Council has also been in discussion with regional co-working space organisations and reviewing such programs enabling service for Balonne Shire based businesses.

TOURISM GROWTH & DEVELOPMENT

Council employed a new Manager Tourism in February 2019. The position will raise the strategic approach to attracting tourists and events to the Shire with a flow on effect to the local economy. Council secured a \$55,000 Building Better Regions Grant to create and deliver a new Tourism & Events Strategy. This will enable our Shire to be better placed in attracting events and capitalising on tourism and economic opportunities, while simultaneously providing strategic direction for the continued support and development of tourism attractions and events which provide significant economic benefits to the community.

Visitor numbers are expected to continue to expand with the preparation of a Tourism Strategy and the first allocation of Tourism Events Grants.

Achievements in 2018/19 include:

- Designed and delivered a new promotional 2019 Balonne Shire Calendar of Events featuring the Shire's top-tier tourism focused events
- Created a new \$50,000 Tourism Events Grant Funding Program aimed at supporting event organisers to develop, promote and execute events that will make a positive and ongoing contribution to the Shire
- Designed and delivered a new St George & Surrounds Travellers Guide featuring the GrainCorp Silos at Thallon on the front cover
- Increased the Balonne Shire's Tourism Products with the introduction of two new tours – St George Heritage Tour and Bird Watching Tour
- Created and delivered a new Birds of Balonne brochure to help avid birders identify and find the colourful birds that inhabit the Balonne Shire
- Supported the Nindigully Pub in their application for a \$58,000 Year of Outback Tourism Grant for the new Nindigully Film & Music Festival
- Attended the Queensland Caravan, Camping & Touring Super Show in Brisbane in June 2019
- Worked with the St George Commercial Caravan Park Operators to trial a low-cost camping option aimed at capturing the RV Traveller market
- Continued to support and grow our key tourism stakeholder partnerships including Southern Queensland Country Tourism, SWRED, Adventure Way, The Great Inland Way and Balonne Shire Tourism Networking Group
- Strengthened our regional partnerships with neighbouring shires through staff, families and cross border promotions
- Implemented the Balonne Shire's 2018/2019 Tourism Marketing Campaign
- Established St George and Surrounds Facebook page dedicated to tourism and showcasing our region

All of the above efforts have seen an increase of 432 visitors to our Shire for the 2018/2019 period compared to the 2017/2018 financial year.

CROSS-REGIONAL PARTNERSHIPS

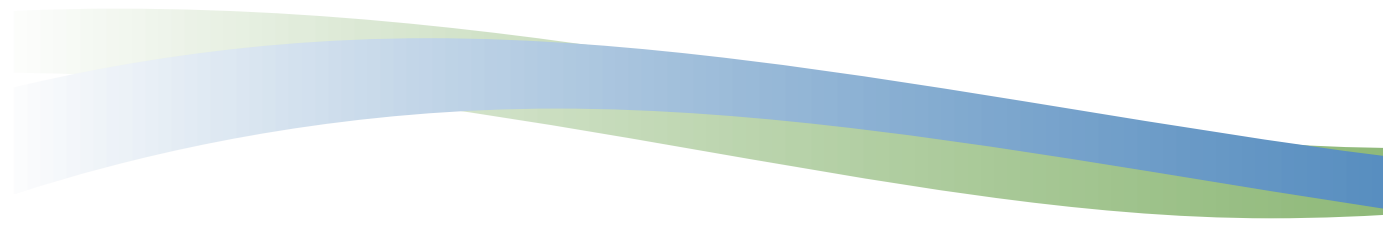
To assist and collaborate on regional economic development, Balonne Shire Council has developed and built-on relationships with various regional partners including, but not limited to: South West Regional Economic Development (SWRED), TSBE, RDA DDSW and DSDMIP. Notable activities included the employment of a SWRED Principal Project Officer that assisted BSC on various South West Queensland initiatives including exclusion fencing grants, workforce development strategies and assistance with Council's 21 key priority investment projects, regional advocacy on issues affecting the region such as: attracting population growth, digital connectivity, transport and logistics, and zonal taxation. Regarding transport and logistics, Council has been pro-active in the economic development opportunities from such regional infrastructure projects such as: development of a master plan for the St George Aerodrome, inland rail development, road corridors and upgrades, and the expansion plans at Wellcamp Airport.



2018 / 19 Performance Measures

Performance Measures	Annual Target	Actual
Increased access to TAFE, tertiary and other professional development programs	10%	10%
Number of new businesses established	2	0
Number of businesses value-adding and diversifying	100%	100%
Increased visitor numbers	5% increase	11,962 visitors
Advocacy efforts and investment attraction to improve transportation & infrastructure & services	2	2
Investment attraction & new industry growth	10	65
Number of cross-regional economic growth initiatives.	5% increase	5%



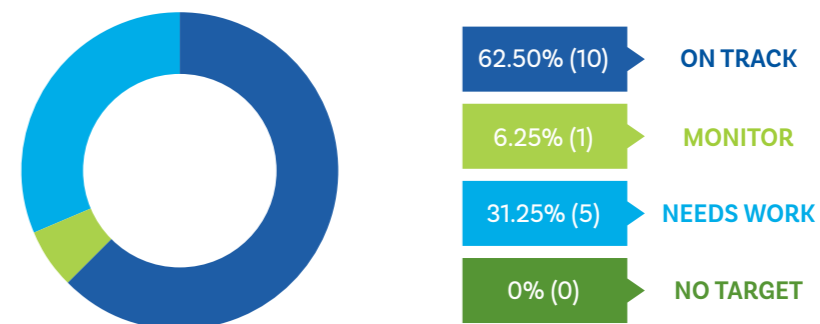


3. ENVIRONMENT

To enhance, protect and sustain the environment, ensuring a triple bottom line approach of balancing social and economic needs with environmental goals.



Action Status





BEST PRACTICE WASTE MANAGEMENT & RECYCLING

In 2018/19 Council re-tendered the **St George Landfill**. This resulted in a local operator Madchar Pty Ltd being awarded the contract.

We take this opportunity to thank Proterra Group for the past four years of service to our community. Council will continue to work with our local contractor to ensure compliance with environmental conditions and more efficient use of existing landfill.

Council has just completed its second year of **Kerbside recycling** with our contractor JJ Richardson.

We also welcomed the **container refund scheme** to St George assisting the Lions Club with promotions and planning support. The scheme has proven to be very popular with over 647,000 containers deposited in just six months of operation.

Council completed its **Waste Recycling Plan** which outlines the strategic direction for Council over the next 10 years.

Product	YTD in tonnes 2018/19
Mixed Paper	93.36
Glass	58.44
HDPE	2.72
PET	3.38
Mixed Plastics	6.66
Steel	2.62
Aluminium	1.45
Net	168.63
Contamination/Waste	18.49
Total	187.12

This plan addresses landfill space, recycling and other technologies.

We have investigated our **landfill remediation** liability as part of future planning for landfill operations. Our

external provider conducted a full audit of all our landfill sites informing Council on works required in the short, medium and long term. The report will assist council in planning for the future as part of its (long-term) term financial planning.

The Balonne Shire Council is committed to ensuring all landfills located within the Balonne Shire meet the requirements of our licence which is issued by the Department of Environmental Science. All urban landfills have been maintained and upgraded to ensure better signage, better trench maintenance as well as better access for the community to the site. Green waste disposal sites have been improved.

Annual Shire Clean Up - In March 2019, Council carried out its Annual Shire Clean Up. Residents of St George, Dirranbandi, Thallon and Bollon were able to place hardstand waste on to the footpath for collection. This project is carried out during the Clean Up Australia Day campaign ensuring all allotments in urban areas have the ability to remove any unwanted hardstand waste. The response from the public was amazing and we will continue to offer this service in 2020.

Council is also working to improve waste minimisation and to stop illegal dumping on road reserves throughout the Shire. We have been working with the Department of Science through grant funding to gather accurate data and clean up opportunities for the illegally dumped tyres, waste and litter.

EFFECTIVE WATER PLANNING

Dirranbandi Water Treatment Plant Upgrade

Funding was obtained through Local Government Grants and subsidies Program (LGGSP) to upgrade the Dirranbandi Water Treatment Plant. Planning for the upgrade, which involves cooling the bore water supply, was undertaken with work programmed for the 2019/2020 financial year.

Henry Street Bore

Maintenance work was undertaken on the Henry Street water bore to provide a backup bore supply for St George.

Water Restrictions

A combination of dry weather and works by SunWater at Beardmore Dam necessitated the implementation of Level 2 restrictions for river water supply in the St George Township. Level 2 restrictions were in place for six months of the year.

Asset Upgrade

Ongoing asset upgrade and replacements saw works undertaken at Whytes Road and Victoria Street, St George, Bollon airport, and Moore and Kirby streets Dirranbandi.

Water Quality

Council's laboratories provide a number of different tests depending on the environment and suspected issue to ensure that the quality of water is safe for its intended use.

Council regularly tests:

- drinking water, including reticulated (town water), bottled, tank and other stored water to ensure suitability for consumption in accordance with the Australian Drinking Water guidelines
- waste and recycled water for contamination or the presence of pharmaceuticals and drugs, pesticides and herbicides, radionuclides and toxins
- pools and spas for bacterial or toxic substances
- recreational waters such as rivers, lakes, dams and ponds for bacterial, algal and chemical contamination

BIOSECURITY, PEST MANAGEMENT & STOCK ROUTE PLANNING

Queensland Arbovirus Sentinel Surveillance Program - Murray Valley encephalitis virus (MVEV), West Nile virus kunjin subtype (WNVKUN), Japanese encephalitis virus (JEV), Ross River (RRV) and Barmah Forest viruses (BFV) are arboviruses of human health significance.

The deployment of the sugar-based passive box trap Queensland Arbovirus Sentinel Surveillance Program facilitates warning of virus emergence, virus sequencing opportunities and diagnostic test validation, while providing valuable insight into virus ecology and epidemiology with the overarching objective of reducing human disease risk.

The sugar-based surveillance program using CO²-baited passive box traps allows effective surveillance in remote locations for Murray Valley encephalitis virus (MVEV), West Nile virus kunjin subtype (WNVKUN), Japanese encephalitis virus (JEV) Ross River virus (RRV) and Barmah forest (BFV) virus. Surveillance sites were located at Bamaga and Seisa (supported by NAQS), Mapoon and Cooktown on Cape York Peninsular, Normanton and Karumba in the Gulf of Carpentaria, Mt Isa in the north west, Longreach and Emerald in the central west and St George in the south west.

Data sharing arrangements with NAQS enable sharing of surveillance results from the Bamaga and Seisa sites. The Queensland Arbovirus Sentinel Surveillance Program has now been operational for three years with demonstrated effectiveness by the detection and rapid reporting of arboviruses of human health significance. All historic data has been collated which will assist with gaining a greater understanding of the epidemiology and ecology of these arboviruses into the future.



Wild Dog Exclusion Fencing (WDEF)

Council made the significant economic decision to successfully seek an \$8 million Queensland Treasury Corporation (QTC) loan to fund wild dog exclusion fencing to aid landholders to return to sheep and goats and better protect crops from wild pigs. The loan is to be repaid over 20 years by a special rate on landholders seeking loan monies and will inject \$15 million annually into the Shire. Preparation included two landholder forums, a newsletter, councillor workshops with consultants, economic impacts, due diligence, and forming fencing supplier and constructor vendor panels. There were 29 landholder applications approved for up to \$7 million of the loan monies by a panel with rates set from 2019/20.

The drive to fund WDEF included a number of grants. In addition to managing a REDP grant of \$733,000 for fencing by clusters of landholders, Council successfully sought an \$800,000 DAF Communities Combating Pests and Weeds Initiative grant and the then Minister for Agriculture and Water Resources announced on 29 March a successful grant for \$5 million of Murray-Darling Basin monies for wild dog exclusion fencing.



Biosecurity Plan

This year Council prepared a Draft Balonne Shire Biosecurity Plan to respond to the *Biosecurity Act 2014*. Council worked with DAF, landholders, the Wild Dog Advisory Committee, AgForce and consultants Ecosure with a series of five public workshops in St George, Dirranbandi, Thallon, Bollon and Boolba to identify priority feral plants

and animals and methods to manage them. The draft plan was scheduled for broad public comment in August in 2019. In addition reports were prepared on managing and funding feral animal services.

Council has continued to conduct eradication of Coral Cactus and Harrisia Cactus of properties throughout the Shire.

Queensland Feral Pest Initiative (QFPI) Funding

Balonne Shire (in conjunction with Maranoa Regional Council) has been for many years been pursuing effective methods of wild dog control for Southern Inland Queensland. Each Council has an active Wild Dog Advisory Committee made up of landholders from their respective syndicate areas. Committee members are active in championing the cause of wild dog control to their fellow landholders and the public. This project seeks to fill gaps in control and value-add to the existing feral animal control programs, which are already being undertaken in the Maranoa and Balonne regions, as well as to further compliment works, which are currently planned and trial new technologies. Funding is currently 80% completed.

The concept aims to increase diversity on properties, allowing land managers to continue with or return to small stock (particularly sheep). The sheep and wool industry can then benefit local towns through increased employment. Collaborative Area Management groups can also lead to an improvement of floristic diversity, quantity and quality, leading to an overall improvement in resource condition.

The following works were fully funded through Department of Natural Resources, Mines and Energy:

- Moonie River Reserve-Night Yard
- Mulga View Water-Facility New troughs, tanks and security fencing
- Bandy Andy Water-Facility New tanks

INVESTMENT & ADOPTION OF SUSTAINABLE & RENEWABLE SOLUTIONS

Council has played an active role in providing support services and referrals to local businesses by investigating renewable energy opportunities including solar, partnering with the Queensland Government and Chamber of Commerce



Industry Queensland (CCIQ) in the delivery of the ecoBiz program to local businesses, referring of AgTech products and services that improve environmental efficiencies for irrigators, producers and graziers and investing and securing grant funding for exclusion fencing which enhances biosecurity in the Shire.

ecoBiz (www.ecobiz.cciq.com.au), is a program funded by the Queensland Government and is free of charge for businesses. The program has been operating for more than 10 years and has assisted thousands of businesses across Queensland to save money on energy, water and waste expenses. On average, each business has been able to save about 12% on their energy costs, 13% on water bills and 21% on waste-related costs.

Strong partnerships with stakeholder groups & renewable solutions

Council continues to work with key stakeholders and partners including peak industry associations, various agriculture and horticulture associations and relevant government departments including: Commonwealth of Australia Department of Agriculture and Queensland State Government Department of Natural Resources, Mines and Energy (DNRME), Department of Environment and Science.



STRONG PARTNERSHIPS WITH STAKEHOLDER GROUPS & GOVERNMENT

Council worked with landholders and QTC to develop a Wild Dog Exclusion Fence special rate scheme to fund a greater return to sheep and goats and better protect crops from wild pigs. Two landholder and supplier forums were held in 2018/2019.

We also have worked with Department of Agriculture and Fisheries (DAF), Landholders, and the Wild Dog Advisory Committee to draft the Shire's Biosecurity Plan under the *Biosecurity*





Act 2014. Five landholder and public workshops were held across the Shire to identify priority feral plants and animals and methods to manage them.

ADVOCACY FOR TRIPLE BOTTOM LINE APPROACH

Balonne Shire Council is committed to a healthy, connected and sustainable community and aims to minimise environmental impact by achieving a balance between our built infrastructure and the conservation of our natural resources. A triple bottom line approach was represented by a number of large projects, although nested under a leading Community, Economy, or Environment

goal in Council's Corporate Plan 2018-23. They were often assisted by cross-Council project teams such as the Wild Dog Exclusion Fence project, Digital Connectivity initiatives, new Local Laws and planning for a Library Innovation Hub. All of these projects fit within the financial, environmental, social responsibilities of Council. Tourism and the development of events through employment of a tourism manager, developing tourism grants for community events, and stage one of an upgraded cultural centre will bring diversity to the Shire's economy while adding to the cultural and social liveability of residents.

The preparation of Council's Draft Planning Scheme seeks to support and balance social and economic outcomes while ensuring the environment is sustained.

Council maintains and collects all information necessary to meet its obligations regarding environmentally relevant activities and associated returns and reporting. All returns and reporting were submitted to the Department of Environment and Heritage Protection (DEHP).

Council completed an audit of its Quarries to ensure compliance with relevant planning and environmental requirements.

COMMUNITY EDUCATION PROGRAM

National Tree Day

National Tree Day started in 1996 and has grown into Australia's largest community tree-planting and nature care event. It's a call to action for all Australians to get their hands dirty and give back to the community. While every day can be Tree Day, we dedicate celebration of Schools Tree Day and National Tree Day to the last Friday and last Sunday in July.

Council supports every school with a \$100 voucher, whereby the school can purchase either trees, shrubs or other plantings suitable for their school. Council will continue with this project in 2020.

Every Day School Clean Up

A School Clean Up is a great way to inspire students to learn about the impact of rubbish on their local environment while playing an active role in their community. It's a day when students and teachers work together to clean up an area which is special to you. Council continues to support all schools within the Shire for School Clean Up Day.

Bindle Camping Ground

Bindle Camping Ground is now a site which requires all campers to "Take rubbish with you".

WASTE WATER & SEWERAGE SERVICES THAT PROTECT PUBLIC HEALTH & THE ENVIRONMENT

National Waste Water Drug Monitoring Program

The Australian Criminal Intelligence Commission has contracted the University of Queensland, and the University of South Australia, to deliver this program across Australia. Relationships have been built between the universities and the operators of waste water facilities across Australia to permit the collection and analysis of samples.

The Balonne Shire Council is part of this waste water group. Waste water analysis from the National Waste Water Drug Monitoring Program measured the presence of the following substances:

- methylamphetamine
- amphetamine
- cocaine
- methylenedioxymethylamphetamine (MDMA) -
- methylenedioxyamphetamine (MDA)
- heroin
- mephedrone
- methylene
- oxycodone
- fentanyl
- nicotine
- alcohol

The Balonne Shire Council will continue with this program in 2020.

Public Health - Council continues to license 53 businesses in the food industry. Council also encourages outdoor dining. The Handy Store at St George is the latest business to embrace outdoor dining at their store in Victoria Street.



Into the Future

- Council successfully obtained funding of \$200,000 for Moonie and Maranoa River Catchments Weeds Management to be delivered over the next 12 months through on-ground and aerial surveys with Biosecurity Queensland.
- Delivering a further \$88,100 of funding to upgrade our Stock Route Water Facilities and Night Yards throughout the Balonne Shire Network.
- Update and implement Balonne Shire's Stock Route Management Plan 2019-2024 for better delivery of the *Stock Route Management Act 2002* Principles.
- Dirranbandi Water Treatment Plant Upgrade.

2018 / 19 Performance Measures

Performance Measures	Annual Target	Actual
Evidence of collaborative approaches including partnerships and engagement	0	11
Number of strategic communication responses to advocate for balanced environmental management laws and reform	5	5
Reduction in wild dog numbers	5%	5%
Percentage of cluster fencing erected in the Shire	70%	37%
Water consumption targets for households and industry	100%	100%
Waste management consumption targets for households and industry	5%	5%
Forums, attendance at meetings and other community engagement programs	5%	5%
Implementation of the Stock Route Management and Biosecurity Plans	100%	90%





4. INFRASTRUCTURE & PLANNING

Effective town planning and infrastructure design to support the Shire's needs with a focus on visionary planning to suit changing needs into the future

21
actions
were included in the
Operational Plan for
Infrastructure & Planning

13 actions achieved
90%
on target and/
or complete

4 actions achieved
between
70%-90%
of action target

4 actions achieved
less than
70%
of action target

Action Status



- 61.90% (13)** ON TRACK
- 19.05% (4)** MONITOR
- 19.05% (4)** NEEDS WORK
- 0% (0)** NO TARGET



DIGITAL CONNECTIVITY FOR BUSINESS AND INDUSTRY GROWTH AND SOCIAL CONNECTEDNESS

Digital connectivity for business and industry growth and social connectedness is a key program area in Council's Corporate Plan.

Communication and engagement with Telcos and other providers has occurred in scoping the Shire's requirements, developing grant applications, seeking expressions of interest, and ultimately tendering to provide the best data or mobile-based solution. Tenders were on the basis of planning and co-investment of digital connectivity infrastructure.

Planning has included a Digital Strategy Day public meeting in September, a follow-up online survey, and interviews with different sectors of the community to develop case studies on business and social needs for high-speed internet. The Shire also cooperated with five other South West Queensland Councils for business case development and seeking grant funding from Building Our Regions (BOR4) led by the Queensland Department of State Development.

A BOR4 grant of \$1 million was obtained to be matched with \$1m from the successful Telco. A further \$1 million was obtained from the Murray Darling Basin Economic Development Program (MDBEDP) announced by the Minister of Agriculture and Water Resources on 29 March 2019.

The Shire seeks to extend the percentage area of improved digital connectivity in stages as grants are obtained. The first stage covering St George, Dirranbandi, Thallon and Hebel would increase Shire coverage by 21%. Further grants are being sought to connect Bollon and Boolba as Stage 2.

SAFE, EFFICIENT CONNECTED TRANSPORT NETWORKS

Transport networks are critical for the economic sustainability and growth of

the Balonne Shire and region. Council sustains two main modes of transport within the Shire, road and air.

Road Maintenance

Council allocated and spent \$2.5million on shire roads and \$960,000 on town street maintenance in the 18/19 financial year. We have four grader crews to complete road maintenance and other capital works. Majority of the maintenance is rural road medium formation grading. These rural maintenance works have been affected by the lack of water with sourcing water continuing to be a major factor in maintenance planning.

Transport Infrastructure Development Scheme (TIDS)

This is a scheme funded jointly by state and local governments through the Roads Alliance. This funding for Council

is governed through the South West Regional Roads Group for Local Roads of Regional Significance. Council contributes 50% to the funding.

Council projects that received TIDS funding in the 18/19 financial year were:

- Kooroon Road Re-Sheeting and Floodway widening - \$520,000
- Mitchell - Bollon Road Re-Sheeting - \$380,000
- Bollon - Dirranbandi Re-seal \$300,000

Council and South West were successful in 100% expenditure of this funding, this is a highly successful program for Council.

Roads To Recovery (R2R)

R2R is a Federal Government funded multi-year program. This program is 100% funded and is used for local road recovery. The projects nominated and completed in the 18/19 financial year were:

- Whyenbah Road Gravel Re-Sheeting \$230,891
- Cubbie Road Gravel Re-Sheeting \$276,990

Road Maintenance Performance Contract (RMPC)

Council completed the 18/19 financial year with a 100% spend of the RMPC funds allocated to a high standard. Council aims to deliver a value for money high quality service to Department of Transport and Main Roads (DTMR) and we have achieved this target this financial year.

Aerodromes

Council is the operator of three aerodromes within the Balonne Shire. These are located at Bollon, Dirranbandi and St George. Each aerodrome is a different category, Bollon is an aircraft landing area, Dirranbandi is registered aerodrome and St George is a certified aerodrome. St George has a regular public transport services that are operated by Rex Airlines as a regulated route for the Queensland Government. These transport services operate twice a week.

Council maintains its aerodromes to the legislative requirements for each category. The ongoing maintenance includes, mowing, line marking, inspections, light repairs, surface corrections, sweeping and various other duties. Council allocated \$160,000 towards aerodrome maintenance in the 18/19 financial year.





COMMUNITY INFRASTRUCTURE FOR EXISTING & FUTURE NEEDS

The Shire Library-Hub located in St George, was a significant facility being consulted and planned this year. This project involved planning for the redevelopment of the St George Library to create a vibrant contemporary library, business and community “hub” with broader programs, longer opening hours and enhanced street appeal. Extensive research and consultation included:

- Reviewing Queensland State Library and regional libraries
- Forming a St George Library Revitalisation Project advisory group
- 2 x Public Consultation Sessions
- 18 face-to-face individual engagements with from a broad cross section of the community
- Survey - over a six-week period during December 2018 and January 2019. A total of 84 survey responses were received, with 73 online responses and 11 paper copies submitted via locked collection boxes.
- Councillor workshops

Defining needs with citizens informed the concept design brief by consultants Complete Urban that included:

- A new 653m Library-Hub Building (incorporating a business and learning hub) with a forecourt
- Revitalised adjoining Greenspace / Courtyard
- Refurbished Cultural Centre Façade with a foyer art gallery
- Refurbished Annexe with meeting rooms equipped with modern technology

In June Council endorsed the concept for public consultation and seeking grant funding of \$4-5 million.



River Rail Precinct Dirranbandi - Stage 1

Under the master plan stage 1 was completed for the Dirranbandi River Rail Precinct. Council was successful in receiving a Regional Economic Development Plan (REDP) grant for Stage 1.

This was used to complete Footpaths, Deck, Shelter, Arbour, and Dry River Bed. This is an exciting project that is changing the profile of the area.



Mungindi River Park Upgrade - Stage 1

Stage 1 of the Mungindi River Park Upgrade was completed in the 18/19 financial year with \$150,000 allocated from the Drought Community Program (DCP). This included renovations to the amenities buildings, installation of a sealed carpark and a hot water system to the amenities.

Balonne River Foreshore St George

The foreshore project is a staged multi-year program for upgrading the facilities. In the 18/19 year the canoe ramp, boat ramp, footpath widening, landscaping, disabled toilets were completed.

Thallon Toilet

The Thallon toilet was identified as a priority for upgrade by the Thallon Community and Council. Funding from the Drought Communities Program (DCP) was allocated to the project. This was completed in the 2018/2019 financial year with Council receiving positive feedback for the works.

Sewage Irrigator

Council was successful in State Governments Building Our Region (BOR) funding program for the creation of effluent reuse system.



This system composed of the purchase and installation of a sewage irrigator. The purpose of this project is to reduce the quantity of sewage in Council's evaporation ponds reducing risk of overflows into the environment and reuse the effluent.

This Project commenced in the 17/18 financial year and was completed in the 18/19 year for a total cost of \$433,067. An external party is contracted to operate the system for Council supporting further employment.

PROTECTION AND ENHANCEMENT OF WATER SUPPLY

Water Supply is critical for communities and Council prioritises a high service level for our residents, ratepayers and visitors. Council allocated \$1,025,000 towards water maintenance in the 18/19 financial year with a further \$285,000 allocated in the capital budget for replacements, upgrades and renewals.

The maintenance program includes inspections, leak repairs, meter reading, hydrant testing, and other duties as required. These works are critical for the amenity of local communities and ensuring a reliable and high-quality supply.

SUSTAINABLE DEVELOPMENT & PLANNING

Since April 2016, Balonne Shire Council has worked with the Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP), to prepare the new **Balonne Shire Planning Scheme** using a contemporary model suitable for regional Queensland. The working draft planning scheme was prepared in March 2018 and through 2018-19 Councillors have been engaged in a series of workshops to develop scheme policy and detail with DSDMIP updating the draft and associated maps. The Draft Scheme includes more business friendly development processes and extension of the Centre (business) precinct along Victoria Street, St George. The Scheme provides for economic development balanced with social and sustainable environmental considerations.

Following the workshops the Draft Scheme was approved for public consultation and included 'meet the planner' consultation days. Council received 11 submissions ranging from administrative to individual zoning changes. The submission will be reviewed in a Council workshop to consider the endorsement of the Scheme to the Minister or re-consultation following any significant changes in response to submissions.

TECHNOLOGY INVESTMENT FOR DATA-LED CHANGE (TO ACHIEVE COST SAVINGS & EFFICIENCY)

Two initiatives advancing data-led change through technology were planning for Digital Connectivity that would see fast internet and adequate data support for farms and businesses to use technology to enhance their operations and communications, and the new Library Hub involving information technology supporting web-based communications and accessible fast internet.

A number of stakeholders and users were engaged to discuss their different needs in accessing technology, automating systems, improving online business solutions, markets and communications.



Into the future

Roads 2 Recovery (R2R)

The 2018/19 financial year was the end of the current Roads to R2R Program. The Federal Government announced another roads to recovery program for the 19/20 – 23/24 period.

Balonne Shire was allocated a total of \$5,707,248 for the 2019/20 – 2023/24 period with \$1,141,450 estimated to be spent in the 19/20 financial year.

Transport Infrastructure Development Scheme (TIDS)

For the 2019/20 financial year Council has nominated re-seals on the Bollon-Dirranbandi and Salmon roads and surface correction, edge repair and shoulder grading on the St George Noondoo Road.

Roads Maintenance Performance Contract (RMPC)

Council have received the 2019/20 RMPC for the Balonne Shire Area. Council

hopes to continue a high quality of work and building its relationship with TMR. This contract continues to grow and is a great opportunity for Council.

Carnarvon Highway Upgrade Program (CHUP)

Carnarvon Highway Upgrade Program – Council were successful in obtaining contract work from the Department of Transport and Main Roads for the widening of the pavement on the Carnarvon Highway North of St George. Whilst works commenced in June 2019 the remainder of the works will be completed in the 2019/20 financial year.

Asset Management

Council took big steps in the preparation for the implementation of Asset Management Plans within Council by the creation of the Asset Management Framework and workshopping of service levels and the asset management strategy to Councillors. The plans that Council are developing currently are for its transport infrastructure (Roads, Kerb & Channel, Bridges, Footpaths), Utilities (water and Sewerage) and buildings. These plans will be workshopped and finalised for adoption by Council in the 2019/20 financial year.

Utility Supply Renewals

In the 2019/20 Council has allocated majority the State Government's Works for Queensland (W4Q) for water and sewerage upgrades in Dirranbandi and St George.

The water main replacements (both Dirranbandi and St George) and sewerage upgrades (in Dirranbandi) were allocated \$470,000 and \$477,000 respectively.

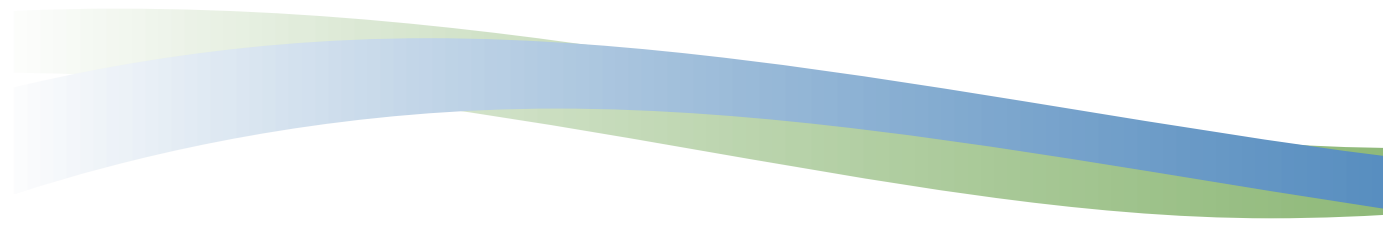
Community infrastructure for existing & future needs

Council will seek further funding to complete the next stages of the Mungindi River Park Upgrade, River Rail Precinct Dirranbandi, and Balonne River Foreshore St George.

2018 / 19 Performance Measures

Performance Measures	Annual Target	Actual
Percentage of improved digital connectivity	5%	5%
Communication and engagement with Telcos and other providers	100%	100%
Percentage of infrastructure projects completed within budget and on time	90%	90%
Application of Smart Regions principles in new builds and infrastructure planning decisions	100%	100%
Adoption of consistent infrastructure planning principles for all projects	100%	100%
Percentage of business and community members access adequate communications.	10%	10%





5. GOVERNANCE

To develop an effective governance framework that drives enhanced organisational performance through project management, financial sustainability, performance management and community engagement.

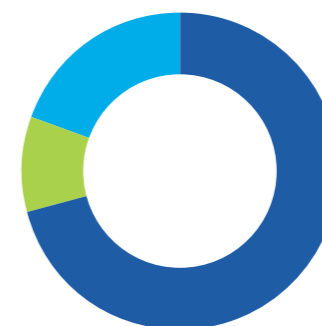
31 actions
were included in the Operational Plan for Inclusive & Ethical Governance Activities

22 actions achieved
90%
on target and/or complete

3 actions achieved between
70%-90%
of action target

6 actions achieved less than
70%
of action target

Action Status





ACTIVE COMMUNITY & STAKEHOLDER ENGAGEMENT

Council adopted its Community Engagement Strategy and Policy in October 2018. We have engaged with the community and stakeholders to share information and consult on a range of projects, initiatives and programs including:

- Wild Dog Exclusion Fencing Government and Local Government Stakeholders Forum
- Wild Dog Exclusion Fencing Landholder and Contractor meetings
- Digital Strategy Day to share information on options for rural properties
- Innovation and Library Hub project
- Upgrade to Mungindi Recreation Area
- Pursuit of funding to upgrade the Bollon Aerodrome perimeter fence
- Development of our new local laws
- Consultation around our proposed planning scheme
- Information concerning a review of Council's rural differential rating strategy

- Recreational vehicle strategy and free camping options across the Shire

Community Catch-Up Days were held in Thallon, Bollon, Dirranbandi and St George. We took a different approach meeting in local parks and local pubs and later in the day to make this interactive catch up a success.

Some of the outcomes achieved through our community engagement were:

Subsidised Low-Cost Camping Trial – St George Caravan Park operators met with Council concerned about free camping grounds. As a result a subsidised low-cost camping scheme is being trialled.

Mungindi Recreation Area – Mungindi Progress Association have attended a number of community catch-up days to advocate for improved parking and recreational facilities on the banks of the Barwon River to attract visitors and improve the look and feel of the town as people cross the New South

Wales–Queensland border. This project is continuing and has been achieved with funding from the Federal Drought Communities Program. This will continue to be developed through the State Government's Local Government Grants & Subsidies Program.

St George River Foreshore – Council has used funding with the State Government's Works for Queensland and Federal Government's Regional Economic Community Drought Funding to widen the footpath along the banks of the Balonne River.

The path is used daily by recreational walkers, weekly by our energetic Park Run team and frequented by visitors to the Shire. We have also improved the boat ramp and canoe ramp parking areas for our recreational boat users. Landscaping has also improved the amenity of the area along with new shelters and BBQ facilities.

EFFECTIVE STRATEGIC PLANNING & PARTNERSHIPS

The Draft Balonne Shire Planning Scheme provided a medium-term view on balancing development with social and environmental outcomes. The Scheme was done in partnership with Department of State Development, Infrastructure and Planning (DSDIP).

The Draft Biosecurity Plan provided a five-year view on prioritising and managing invasive plant and animal pests. The Plan was prepared with the assistance of landholders, Biosecurity Queensland, AgForce and the Wild Dog Advisory Committee

Library-Hub concept planning developed library, business and community hub facilities that would serve the next 10 years and be a platform for broader activities, information technology and knowledge sharing. Early planning was supported by the State Library of Queensland.

Development of a Tourism and Events Strategy was made possible with a successful Building Our regions (BOR) grant for \$55,000 and Council approved

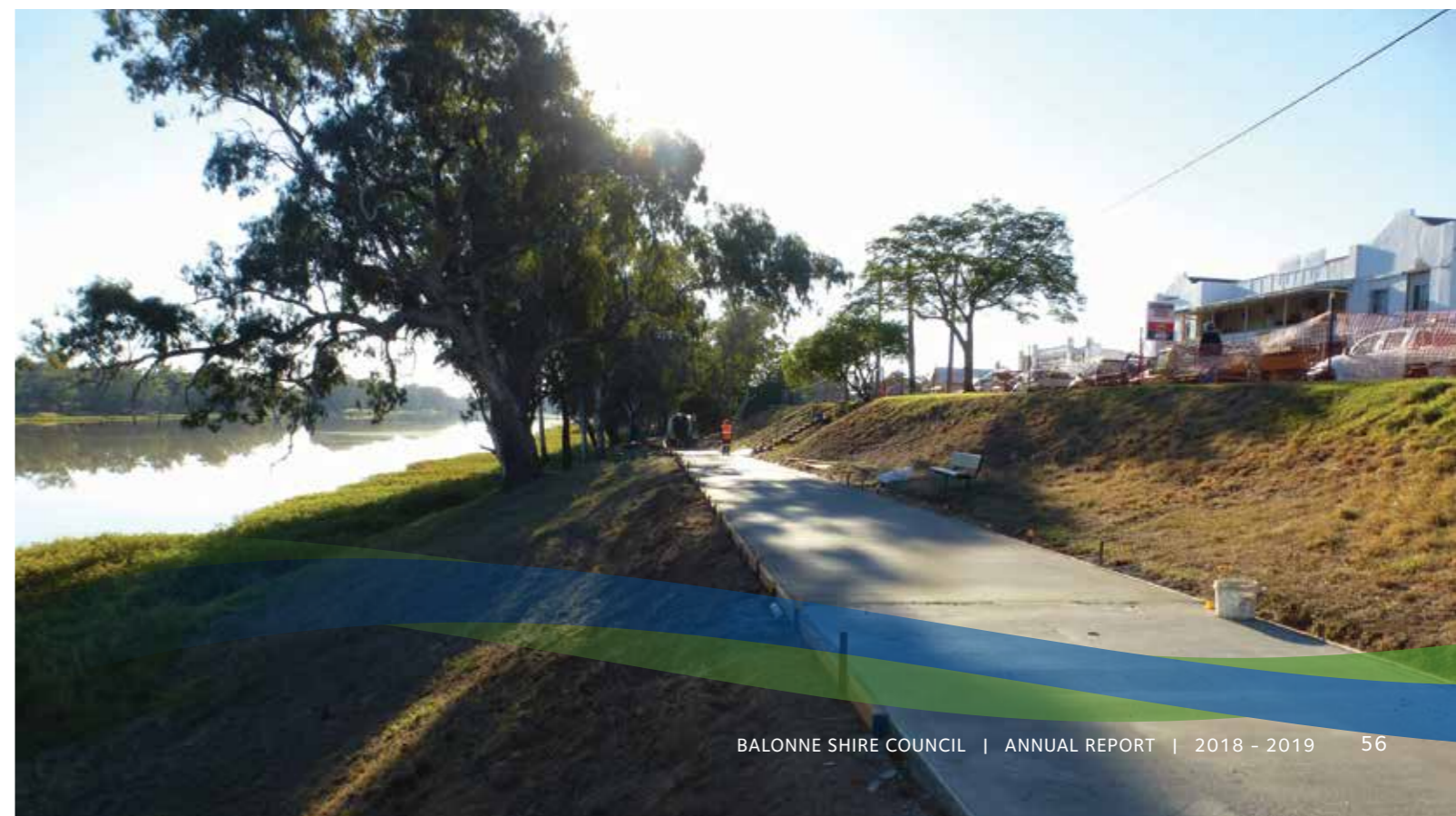
an annual grant scheme of \$50,000 to support Tourism events in the Shire.

A focus on significant Wild Dog Exclusion Fencing expenditure was aimed at economic growth through returning the Shire to sheep and small stock production. This was done in conjunction with landholders, Queensland Treasury Corporation (QTC) and Federal and State Government grant funding.

The digital connectivity initiative was aimed at improving social and economic outcomes through access to fast internet and growth of data and web based information and technology.

Planning began on the St George Aerodrome to provide for future growth and \$1m was achieved through Building our Regions Federal Government grant program for hangars, taxi way and associated works.

Infrastructure Services began planning for new and updated park and street masterplans for more efficient and integrated development.



EXCELLENCE IN SERVICE DELIVERY & PROJECT MANAGEMENT

Council continues to develop sound governance and project management tools to assist with budgeting, asset management and service delivery. Business cases are developed for new grants and we maintain a list of shovel-ready projects for Council to prioritise as and when funding becomes available. This list is developed from feedback and ideas presented by our community user groups, progress associations, councillors, employees, and residents.

Our Works for Queensland Program works were completed within agreed timeframes with the exception of the Thermal Springs Project that received an extension of time to 30 October 2019.

A business case has been endorsed by the Information Communication Technology Committee to replace Council's existing Enterprise Business Management System in 2019/20.

One of our core values is our customers and we document all requests for service and report on them monthly.

HIGH LEVELS OF ACCOUNTABILITY & COMPLIANCE

Council's **delegations** register and authorised officer authorisations were reviewed and up to date. Authorised officer training was completed by relevant staff and the Chief Executive Officer's delegation was reviewed in accordance with the *Local Government Act 2009*.

Related Party Disclosures (ASB1124) requires the disclosure of relevant additional information in the Council's Annual Financial Statements for 2018/19 financial year. Council used the Governance Institute of Australia's best practice guide for consideration of related party transactions to determine if reporting was required.



Risk Management Council appointed an external provider to review its Enterprise Risk Management Framework. Council has now developed and adopted its risk appetite statement, risk tolerances and strategic risks. Council has a low appetite is for risks associated with:

- Wellbeing and safety of staff and the community
- Poor standards of ethics, integrity and all aspects of security
- Compliance with legislation and regulation

The Council is willing to accept a higher level of risk where there is an opportunity to pursue innovative initiatives with benefits, such as innovative economic opportunities.

The following strategic risks will be monitored by the Audit Committee and progress on mitigation strategies will be regularly reported to Council:

- Inadequate engagement and assessment of the impact of external and internal stakeholders on our community, viability and productive capacity
- Ineffective management of the economic and social impact of natural disasters
- Disruption to services, inefficiencies or breaches of Council's obligations arising from system and infrastructure failures
- Inability to achieve Council's vision and mission to deliver community services and meet current and future needs

- Failure to provide a supportive cultural environment that promotes Council as an employer of choice
- Inability to achieve financial sustainability and meet current and future needs of the community

Council's Operational risk register is currently under way and the first quarter report will be completed in October 2019.

Council has a Draft **Business Continuity Plan** which will be finalised in 2019/20.

Council implemented a Councillor Code of Conduct and brought its Code of Meeting practice up to date to meet the new legislative changes. The changes introduced additional disclosure requirements for conflicts of interest and investigation guidelines. Councillors received two training sessions with the Department of Local Government Multicultural Affairs & Racing and Office of Integrity Commissioner to help understand the new requirements. New forms were introduced to assist councillors to disclose their personal interests and record them in the minutes.

Councillor complaints - Council received four notifications from the Office of Independent Assessor. The Office of Independent Assessor was introduced in December 2018 and investigates and assesses complaints about councillor conduct. Council is required to maintain a register and publish the findings of any complaints. Council has received four notices of decision and has one matter still awaiting resolution.

Councillor Conduct Register Section 150DY Local Government Act 2009

Date of complaint	Summary of Complaint	The reasons for the decision	Name of the Councillor about whom the decision was made	The date of the decision	Decision
15/02/2019	It was alleged that the Council's tender process for the annual water allocation was not transparent. It was also alleged that a councillor involved in the process failed to declare a conflict of interest in relation to the process.	The OIA delegate made the decision to dismiss the complaint under Section 150X(c)(i) of the Local Government Act 2009. The process was found to be in line with Council policies and legislation.	Not required to be published under S150DZ(2)	11/03/2019	a decision by the assessor to take no further action in relation to conduct of a councillor after conducting an investigation
15/02/2019	It was alleged that Councillor 1 had knowledge of Councillor 2's perceived conflict of interest and material personal interest, however Councillor 1 failed to report this.	The OIA delegate made the decision to dismiss the complaint under Section 150X(c)(i) of the Local Government Act 2009. The OIA decided it was not a justifiable use of resources to investigate the conduct of Councillor 1 on the basis of preliminary inquiries which were undertaken in relation to conduct in question.	Not required to be published under S150DZ(2)	11/03/2019	to dismiss the complaint under Section 150X(c)(i) of the Local Government Act 2009. The OIA decided it was not a justifiable use of resources
25/03/2019	It was alleged that the subject councillors displayed unsuitable meeting conduct and failed to manage that conduct appropriately	The complaint was dismissed pursuant to section 150Y(b)(iii) as an unjustifiable use of resources. The appropriate person to deal with unsuitable meeting conduct is the Chair of the meeting and it should be dealt with at the time.	Not required to be published under S150DZ(2)	25/04/2019	to dismiss the complaint under Section 150X(c)(i) of the Local Government Act 2009. The OIA decided it was not a justifiable use of resources
25/03/2019	It was alleged the subject councillor displayed unsuitable meeting conduct during a council meeting.	The complaint was dismissed pursuant to section 150Y(b)(iii) as such conduct pursuant to the Local Government Act should have been dealt with by the meeting Chair at the time.	Not required to be published under S150DZ(2)	29/04/2019	a decision by the assessor to take no further action in relation to conduct of a councillor after conducting an investigation



FINANCIAL MANAGEMENT FOR LONG-TERM SUSTAINABILITY

Council received borrowing approval from the Queensland Treasury Corporation (QTC) and Department of Local Government Multicultural Affairs and Racing for \$8 million to implement the Wild Dog Exclusion Fencing scheme.

The credit review conducted during this process provided council with a result of moderate with neutral outlook. Refer to Council's financial statements and community financial report for more information on our financial sustainability page 67 and 74 respectively.

SAFE & HEALTHY WORKPLACE ENVIRONMENT

All WHS **Training including Staff Inductions** continues to highlight our safety initiatives with the majority of employees undertaking some type of work health and safety training or induction through the year.

Council has continued to implement its Drug and Alcohol Policy conducting random Drug and Alcohol tests with a number of external and internal providers, testing 31 employees in 2018/19. Contractors have also been tested on the worksite. Disciplinary action is taken against any person that fails a test.

Hazard Inspections are helping identify items that require immediate rectification as well as for our maintenance programs. Job site inspections have indicated that in most areas we are compliant with requirements.

A new service request system has assisted us to ensure that action plans are implemented in a timely manner to respond to any hazards identified during the inspection process.

We have shared more than 25 different safety topics using **Take 5 and Toolbox Talks** across the entire workforce. The Take 5 concept involves staff taking five minutes to think about the job and the potential workplace hazards.

These weekly messages allow supervisors and staff to consider a range of safety matters relevant to the workplace from electrical safety to manual handling.

A **Health and Safety Committee** meets every three months. This committee is comprised of management representatives and Health and Safety representatives, other Council officers and specialists can be called in, as required.

Training was undertaken by use of internal and external professionally qualified trainers. Training has been conducted for First Aid, Confined Space Entry, Traffic Management, Working at Heights, and a range of other requirements.

All managers and supervisors received WHS risk management training to assist in the identification, assessment and mitigation WHS risks in the workplace.

Workplace Incidents and Injuries Statistics relating to incidents and injuries during the last five financial years are shown in the table below. There has been an increase in the number of strains and sprains and bruise injuries this financial year. In response, management is working with staff to raise awareness of the importance of assessing their work environment and seek help for heavy lifting.

INJURY	2014/15	2015/16	2016/17	2017/18	2018/19
Strain/sprain	7	1	3	2	7
Foreign body	0	0	6	0	2
Bruise	1	0	3	1	4
Cuts / Laceration	1	1	2	2	0
Burns/scalds	2	0	1	0	0
Skin irritation	0	0	1	0	0
Weld flash	0	1	0	0	0
Puncture	1	0	0	0	1
Poisoning	0	0	0	0	0
Fracture	0	0	0	0	0

ENGAGED EMPLOYEES IN MEANINGFUL, PRODUCTIVE WORK

Council successfully entered into a new Enterprise Bargaining Agreement (EBA) with employees. The EBA was certified in December 2018 following extensive consultation with employees and unions. We reduced two agreements to one single agreement for three years. Staff have received the following benefits from the first full pay period:

- 2% increase from 1 July 2018
- 2.25% increase from 1 July 2019
- 2.25% increase from 1 July 2020

Employee Engagement Survey - Council conducts a staff survey every two years to gauge the culture of the organisation and provide guidance to management on areas for improvement. Five key reasons to undertake an employment engagement survey are:

- To seek feedback from employees
- To understand key issues and concern from their perspective
- To identify opportunities for improvement
- To provide a benchmark to measure effectiveness of initiatives

To benchmark results against previous surveys
In March 2019 results were shared across the Council demonstrating a positive shift in the organisation. We have seen a significant improvement in communication from -14% in 2016 to 61% satisfaction in 2019. We have also seen an improvement in workplace culture from -22% in 2016 to 57% in 2019.

The results of our staff survey suggest that we are headed in the right direction to improve our culture through a combination of leadership, use of management tools and training. We also acknowledge that we still have room for improvement.



TABLE 1 – ANNUAL Rates in the Dollar proposed*

Category	Short description	RID 19/20 c/\$	RID 20/21 c/\$	RID 21/22 c/\$	RID 22/23 c/\$	RID 23/24 c/\$	RID 24/25 c/\$	RID 25/26 c/\$
100	Grain And Grazing	1.183860	1.201608	1.219632	1.240976	1.265795	1.291111	1.316864
200	Mixed use with Cotton	1.774000	1.697811	1.621621	1.545432	1.469242	1.393053	1.316864
300	Sole Cotton	2.128580	1.993296	1.858009	1.722723	1.587436	1.452150	1.316864
500	Small Rural And Cropping	1.267660	1.293013	1.316864	1.316864	1.316864	1.316864	1.316864

IMPORTANT NOTE: that table 1 rates in the dollar and percentage increases/decreases are estimates only and are subject to CCI* or CPI* increases and valuation variations from year to year and will be dependent upon a council resolution to set the rates on an annual basis as required by the Local Government Act 2009 and Local Government Regulations 2012.

CCI = council cost index CPI = consumer price index

EFFECTIVE INVESTMENT PROGRAM & INNOVATIVE FINANCE APPROACHES

A move to a **single rural rate** – Councillors participated in workshops with management over the past three years to develop a **long-term rating strategy**. When developing its rating strategy the impacts of the 2017/18 valuations were taken into account where significant changes for many of our rural properties occurred.

The proposed rating strategy was adopted by Council on 27 June 2019 with the Budget. The strategy includes the consolidation of rural Categories 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74 and 75 into four rating categories 100, 200, 300 and 500. The proposed strategy is to move all of these rural categories to a single rural rate in the dollar over a seven-year period.

The seven-year strategy aims to achieve a single rural rate by 2025/26.

Our procurement policy and processes were completely reviewed during 2018/19 and all key staff received training. Council has put in place a number of **Preferred Supplier Arrangements** using Vendor Panel including:

- Gravel, sand and other road building materials
- Trade services
- Wet and dry plant hire
- Traffic Control
- Exclusion Fencing Suppliers
- Exclusion Fencing Contractors

We take this opportunity to thank Council Business Solutions and Vendor Panel who assisted Council to set up and improve these arrangements. Thanks also to Sarah Holt from the Department of State Development for assisting our local suppliers to register with Vendor Panel.

Into the future

- A project management framework will be developed
- Business Enterprise Management system will be replaced
- Operational risks will be reported quarterly with Council's Operational Plan performance report
- Council's Business Continuity Plan will be finalised and implemented
- Online learning management system for contractor workplace health & safety induction



2018 / 19 Performance Measures

Performance Measures	Annual Target	Actual
Evidence of reduced duplication of services	5% increase in efficiency	5%
Number of government/industry joint initiatives	2	14
Compliance with statutory and corporate requirements	100%	100%
Improved financial sustainability ratios	Refer page 76 of the community finance report	
Employee satisfaction	10%	84%





STATUTORY INFORMATION

The following information is provided in accordance with the Local Government Act and Regulations.

Grants to Community Organisations

- Free or concessional use of Council facilities - \$3,541.69
- 27 community groups received funding through Council's community grants donation and sponsorship program. A total of \$17,835.37 was awarded to the community
- 13 Community groups have successfully received funding for arts and cultural activities through Council's Regional Arts Development Funded. A total of \$30,322 has been provided to the community

Registers

In accordance with Section 190 (1) (f) of the Local Government Regulation 2012, the following lists the registers and

other publications that are kept under the control of the Chief Executive Officer.

These are open to inspection, with or without restriction. In some cases, charges may apply for copies or extracts if these are allowable.

- Land Record
- Fees and Charges
- Road Register
- Local Law Policies
- Shire Planning Scheme
- Council Meeting Minutes
- Council Delegations
- Delegations by Chief Executive Officer
- Policy Register
- Corporate Plan
- Annual Operational Plan
- Budget

- Annual Report
- Personal Interest of Councillors
- Personal Interests of Councillors' Related Persons
- Personal Interest of the Chief Executive Officer and other specified employees
- Land and Reserves

We are responsible for the following land under infrastructure:

- 3019km of roads (a further 639.58km of Main Roads are within the Shire); and
- 14,040.66 hectares of reserve land that are reserves under the Land Act 1994

This land does not have a value within our financial statements.

Policies

A full list of Council's policies is available on our website.

Internally we have a number of Human Resources Policies and management directives

- Drug & Alcohol Policy and Procedure
- Workplace Bullying, Sexual Harassment & Discrimination Policy
- Support for Employees affected by Domestic Family Violence Policy
- Smoke-Free Work Environment - Management Directive
- Discipline - Management Directive
- Attendance & Absenteeism - Management Directive
- Induction - Management Directive
- Interview Panel Guidelines - Management Directive
- Reimbursement of Relocation Expenses - Management Directive
- Probation Period - Management Directive
- Managing Performance Issues - Management Directive

Advisory Groups and committees:

- ICT Steering Committee
- Audit Committee (includes two independent members of the community)
- Waste Advisory Committee
- Plant Committee
- Workplace Health and Safety Committee
- Wild Dog Advisory Committee
- Community Safety Committee (includes external members of the community)
- Rowden Park User Group (includes sporting clubs)
- Showgrounds User Groups

Special Rates & Charges

Thallon Town Rural Fire Brigade

For the 2018/19 year a special charge was levied on those rateable properties contained in the benefited area in the town of Thallon. This was for the purpose of raising revenue to fund the operation of the Thallon Town Rural Fire Brigade.

During the year \$7,564.80 was levied.

Domestic Animal Levy

For the 2018/19 year a special charge was levied on those rateable properties in Categories 1-3, within the Balonne Shire boundary. This levy is for the purpose of raising revenue to fund the continued operation of Domestic Animal Management services or activities in the Shire. During the year \$29,841 was levied.

Feral Animal Levy

For the 2018/19 year a special charge was levied on those rateable properties in Rating Categories 63, 73, 74, 75, 79, 80 and 81 within the Balonne Shire Council boundary. This levy is for the purpose of raising revenue to fund the continued operation of Feral Animal Management services or activities in the Shire. During the year \$166,281.74 was levied.

Environment Levy

For the 2018/19 year a special charge was levied on those rateable properties contained in the benefited area surrounding the towns of St George, Dirranbandi, Bollon, Hebel, Thallon and Nindigully. This was for the purpose of raising revenue to fund the continued operation of the landfills in St George, Dirranbandi, Bollon, Hebel, Thallon and Nindigully. During the year \$10,250 was levied.

Rebates and Concessions

Pensioner Rate Remissions

Council provides a Remission of Rates for properties owned or occupied by Pensioners, equal to 100% of the General Rate up to a maximum of \$170 per annum, to owners of qualifying premises. This subsidy was in addition to the subsidy offered by the State Government. This includes a concession for pensioners for their waste service.

Payment of Rates by Instalments

The Council will accept applications for payment of rates by instalments from property owners who can demonstrate a genuine financial hardship. The Council has determined that each such

application is to be assessed on its merits. All instalment plans must have the effect of liquidating the debt within six months, unless Council, by resolution, determines otherwise.

No premium is charged for the payment of rates by instalments under such arrangements; however Interest continues to be charged on overdue rates which are subject to an instalment payment plan.

The applicant must comply strictly with the terms of the instalment plan agreed to. Default will result in Council requiring immediate full payment of future instalments.

Concessions for Rates and Charges and Other Remission Requests

Concessions for Rates and Charges and other remission requests, or rate deferral requests, are assessed on a case- by- case basis, in accordance with Section 190 (1)(g) of the Local Government Regulation 2012. Balonne Shire Council grants concessions of 50% of utility charges to religious, charitable and other organisations. Total concessions granted for 2018/19 was \$11,353.96.

Discount for Prompt Payment of Rates and Charges

Council allows a discount for prompt payment of rates/ charges as a means to ensuring a timely flow of cash to fund its operations. Council set by resolution at its Budget Meeting a discount of 10%, with the date by which, the rate must be paid at least 30 days after the issue of the rate notice. Council provides the discount for each rate moiety.

The discount applies to the prompt payment of:

- General Rates
- Urban Water Charges incl. Excess Water and Consumption Charges
- Rural Residential Water Charges incl.

Excess Water Charges

- Sewerage Charges
- Cleansing Charges
- Thallon Town Rural Fire Brigade Special Charges

Community Grants 2018/19		TOTAL \$ 17,745.19
St George Chinese Community Memorial	Sponsorship	\$2,000.00
St George State High School	Donation – Awards Night	\$100.00
Queensland Health	Donation – Dental Van	\$339.79
St George State High School	Donation – Show Team Uniforms	\$200.00
St George Polocrosse Club	Sponsorship – 2018 Carnival	\$200.00
Warawee Home for the Aged	Donation – Senior Games	\$200.40
Dirranbandi P-10 State School	Sponsorship	\$200.00
Keep Queensland Beautiful Project	Queensland Tidy Town Nomination	\$450.00
Queensland Cotton	Sponsorship	\$200.00
Life Line Darling Downs & South West Qld	Donation	\$500.00
St Patrick's Fete Committee	Sponsorship	\$300.00
Tri St George	Sponsorship	\$500.00
Life Line Darling Downs & South West Qld	Donation	\$200.00
Dirranbandi Pastoral & Agricultural Society	Sponsorship	\$1,000.00
Netball Queensland Darling Downs	Donation	\$200.00
Heart of Australia Pty Ltd	Donation	\$2,000.00
St George Cotton Growers' Association	Sponsorship	\$300.00
St George Golf Club Inc	Sponsorship – Dragon Country	\$4,100.00
Mungindi Community Preschool	Community Sponsorship	\$330.00
St George Arts Council Inc	Sponsorship	\$250.00
St Patrick's Catholic Primary School	Community Sponsorship	\$1,375.00
St George Tennis Club Inc	Sponsorship	\$400.00
Mungindi Show Society	Show Society Grant	\$2,000.00
St George Polocrosse Club	Sponsorship	\$200.00
Bollon Polocrosse Association	Grant	\$200.00

Regional Arts Development Fund		TOTAL \$16,708
Aussie Quick Quilt	Quick Quilt Workshop	\$2,450.00
Thallon Progress Assoc	Recycled Metal Sculptures	\$3,408.00
Dirranbandi Progress Assoc	Water Tower Project	\$1,350.00
Dirranbandi Rural Transaction	Creative Welding 2019	\$2,902.00
D Cross	Steel Cod Sculpture	\$16,500.00
Bollon QCWA	Rugs for a Reason	\$1,440.00
St George Art Group	Moving forward in Water Colour	\$3,100.00
Dirranbandi Arts Council	Simplifying Figures in Painting	\$3,495.00
Mungindi Progress Association	Dirranbandi Restores Upholstery Class	\$8,757.00
Maranoa Performing Arts	Create Dance & Choreography	\$1,772.73
Balonne Creative Arts	Fabric Medium Bag Making	\$1,348.00
The Smartprint Group	The Cod Plaque	\$247.27

Remuneration Package Range	No. of contract positions
\$0.00 - \$100,000	0
\$100,001 - \$200,000	3
\$200,001 - \$300,000	1





COMMUNITY FINANCIAL REPORT

The Community Financial Report is a simplified version of Council's financial performance and position for the 2018/19 financial year. The aim of the report is to assist readers in evaluation Council's financial performance and position without the need to interpret the financial information contained in the Annual Financial Statements.

Council's financial statements are audited by the Queensland Audit Office in partnership with Prosperity Audit Services.

The key statements that are summarised in the Community Financial Report are:

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

5-YEAR FINANCIAL SUMMARY

Financial Fast Facts	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
Capital Expenditure	\$10,706	\$8,369	\$6,537	\$7,013	\$5,946
Net Result – Surplus (Deficit)	\$3,692	\$1,053	\$4,183	\$1,645	\$2,779
Increase/(Decrease) in Net Assets	\$52,629	\$10,148	\$6,367	\$3,551	\$45,628
Revenue	\$29,558	\$24,100	\$27,966	\$25,648	\$27,636
Percentage of Revenue from Rates & Charges	16%	34%	38%	38%	38%
Expenses	\$25,866	\$23,088	\$23,783	\$24,003	\$24,857
Cash Holdings	\$14,975	\$17,168	\$21,616	\$25,595	\$31,225
Restricted Cash	\$4,484	\$4,852	\$6,976	\$8,163	\$15,396
Borrowings	\$3,651	\$3.42	\$3.18	\$2,932	\$2,659
WIP	\$2,267	\$5,605	\$689	\$2,415	\$4,759

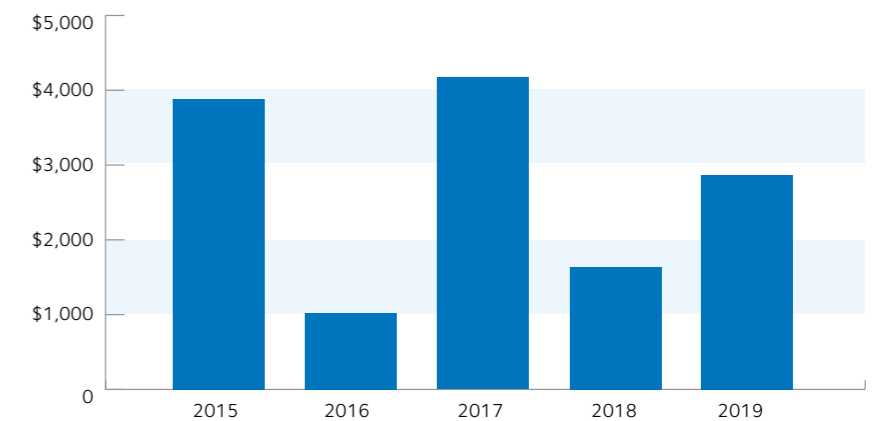
STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income measures how Council performed in relation to revenue and expenses for the year. Council's overall result for 2018/19 was a surplus of \$2.779 million which is the difference between revenue and expenses.

In comparison Council's overall surplus has increased from \$1.645 million in 2017/18 due largely to a combination of increased operational grants and increased rates revenue.

The Statement of Comprehensive Income shows both cash transactions and non-cash transactions. For example, all rates issued are recorded as revenue when levied irrespective of them actually being paid. The amount not paid would show in the Statement of Financial Position as an amount owed to Council. In accounting terms this is referred to as accrual accounting principles.

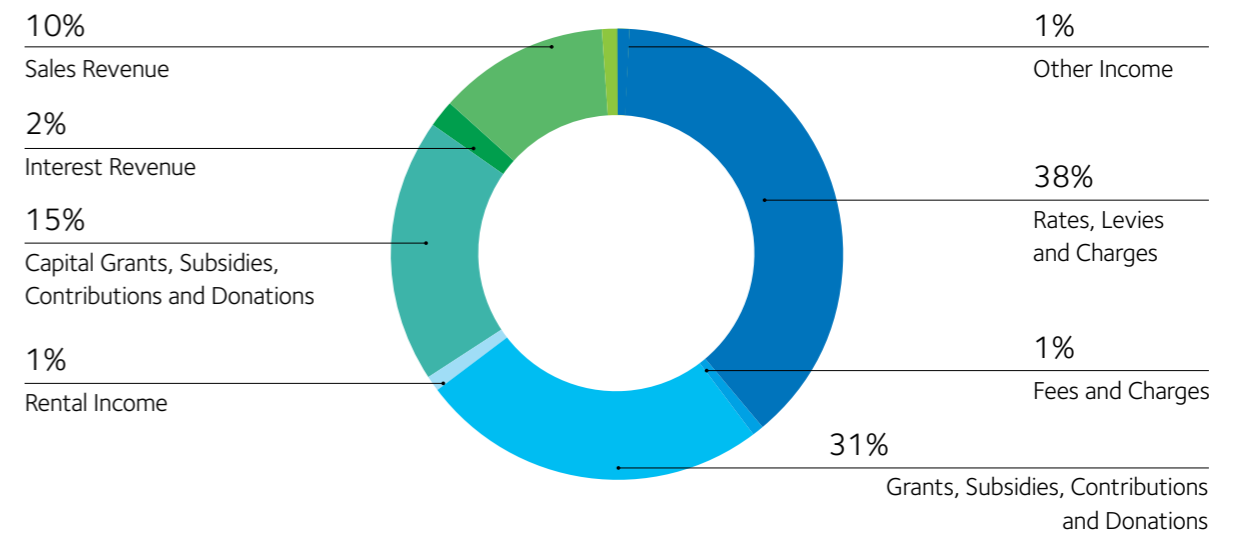
Overall Surplus / (Deficit)





Revenue

Council's total revenue for the financial year was \$27,636 million.



5-YEAR FINANCIAL SUMMARY OF REVENUE & EXPENSES

Depreciation	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
Rates, Levies and Charges (Net of Discounts)	\$8,907	\$9,311	\$9,472	\$9,789	\$10,470
Federal Assistance Grant	\$7,040	\$4,729	\$7,576	\$5,438	\$5,805
Other Grants, Subsidies & Contributions	\$7,913	\$4,578	\$5,348	\$5,802	\$7,048
Sales Revenue	\$4,242	\$4,220	\$4,145	\$3,144	\$2,803
Interest and Investment Revenue	\$592	\$529	\$425	\$584	\$683
Other Income	\$386	\$201	\$357	\$389	\$315
Fees and Charges	\$261	\$273	\$269	\$276	\$273
Rental Income	\$288	\$259	\$238	\$226	\$239
Capital Income	\$0	\$41	\$136	\$0	\$0
Total Revenue	\$29,558	\$24,141	\$27,966	\$25,648	\$27,636

Expenses	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
Employee Costs	\$6,039	\$5,906	\$6,113	\$6,126	\$6,285
Material, Services and Other Expenses	\$11,072	\$9,371	\$9,438	\$9,181	\$10,763
Depreciation	\$5,518	\$7,594	\$8,012	\$8,190	\$7,624
Borrowing Costs	\$263	\$217	\$220	\$212	\$184
Capital Expenses	\$2,974	\$0	\$0	\$294	\$1
Total Expenses	\$25,866	\$23,088	\$23,783	\$24,003	\$24,857

Net Rates, Levies & Charges - \$10.470 million

- General rates / Community Levy totalled \$7.078 million
- Special Rates from Domestic Animal, Feral Animal and Thallon Fire Levies \$202,000
- Water charges of \$1.886 million for access and \$98,228 for water consumption and sundry water charges
- Urban waste water charges of \$1.138 million
- Waste service charges of \$1.106 million.
- Total rates discounts of \$1.003 million and Pensioner remissions of \$35,917

Fees & Charges - \$273,000

This includes (but is not limited to):

- Planning and building \$61,000
- Cemetery Charges \$43,000
- Hire Charges \$74,425
- Animal registrations and other animal fees \$59,000

Interest & Investment Revenue - \$683,000

Council's cash investments were held by Westpac Banking Corporation and Queensland Treasury Corporation (QTC) and returned interest revenue of \$654,000. Council charges interest of 11% on outstanding rates, levies and charges balances which generated \$29,000 in 2018/19.

Operating Grants, Subsidies, Contributions & Donations - \$8.587 million

The majority of Council's operating grants came from the Federal Government in the form of an annual Financial Assistance Grant which totalled \$5.805 million. This included a 'bring forward' payment of the 2019/20 allocation of \$2.957 million.

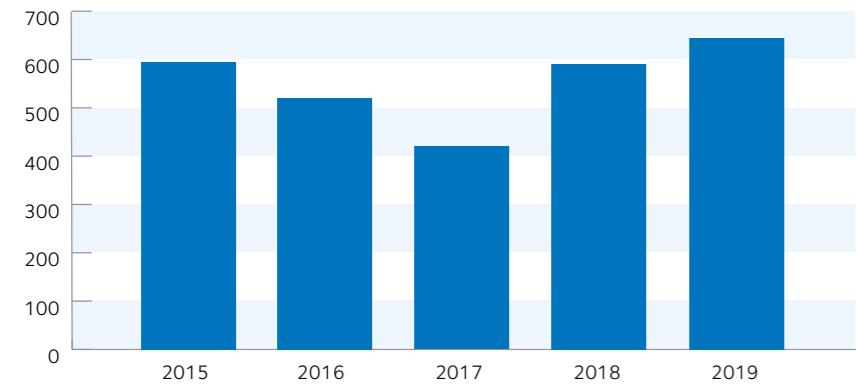
Capital Grants, Subsidies, Contributions & Donations - \$4.266 million

Capital revenue varies from year to year depending on the level of grant funding sourced. In 2018/19 \$600,000 was received for Works for Queensland projects, \$662,000 for Roads to Recovery projects, \$666,000 for Drought Communities projects, and other various State and Commonwealth government subsidies and grants.



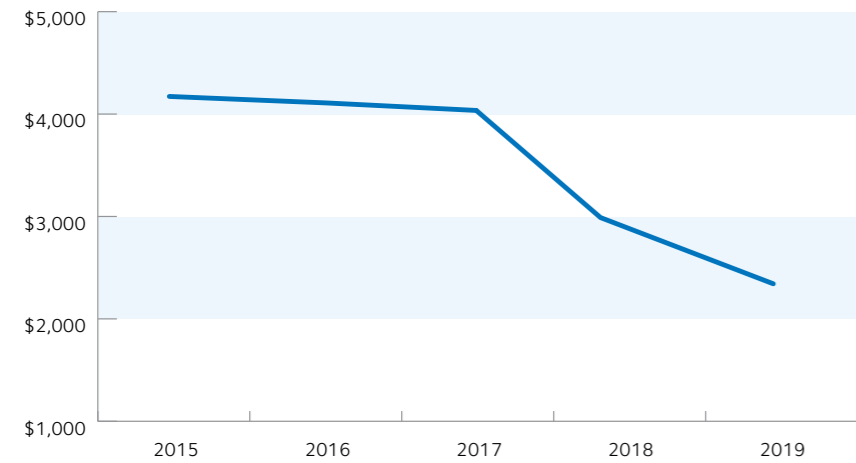
Interest & Investment Revenue - \$683,000

Council's cash investments were held by Westpac Banking Corporation and Queensland Treasury Corporation (QTC) and returned interest revenue of \$654,000. Council charges interest of 11% on outstanding rates, levies and charges balances which generated \$29,000 in 2018/19.



Sales Revenue - \$2.803 million

Whilst sales revenue contributed to 10% of Council's income the downward trend in value has continued with 2018/19 being 11% less than that received in 2017/18.

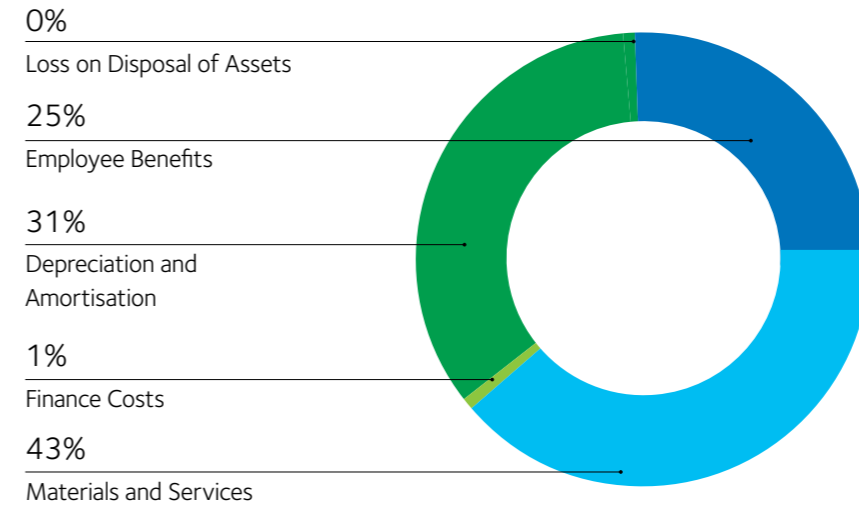


The significant reduction in sales revenue is due to a decrease in State Transport and Main Roads funding across the South West Region.

Expenses

Council's total expenses for 2018/19 were \$24.857 million.

Operating expenses consist of materials and services, employee benefits, depreciation, finance costs and loss on disposal of assets. A breakdown of Council's 2018/19 operating expenses is shown below:



Council provides a wide range of services to the community. This work is performed by Council staff and in some instances contractors. Wherever possible, local suppliers and local contractors are used, so the money flows back into the local economy.

The three major cost categories are employee costs, materials and services and depreciation.

Materials and services of \$10.763 million accounted for 43% of all operating expenses. The costs for materials and services incorporates our payments to suppliers for the delivery of services and projects to the community such as roads, parks, water, sewerage, waste, footpaths, libraries, pools, community halls, planning and building services and compliance and includes payments for purchases like bitumen materials, gravel, electricity, fuel and other operational costs.

Employee costs of \$6.285 million included employee salaries and wages, superannuation, leave entitlements and Councillor remuneration. This was consistent with 2017/18.



5 YEAR FINANCIAL DEPRECIATION BY ASSET CLASS

Revenue	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
Buildings	\$409	\$427	\$869	\$897	\$741
Plant and Equipment	\$1,024	\$994	\$949	\$765	\$729
Furniture and Fittings	\$19	\$26	\$35	\$36	\$28
Water Supply Network	\$608	\$455	\$382	\$571	\$592
Other Infrastructure Assets	\$283	\$365	\$525	\$527	\$113
Transport Infrastructure	\$2,854	\$4,932	\$4,864	\$5,022	\$5,156
Urban Waste Water Network	\$271	\$362	\$369	\$362	\$253
Intangible Assets	\$50	\$33	\$19	\$10	\$12
Total Depreciation	\$5,518	\$8,012	\$7,594	\$8,190	\$7,624

STATEMENT OF CASH FLOWS

Cash and cash equivalents was \$31.225 million as at 30 June 2019. This cash balance is sufficient to cover Council's restricted assets and commitments of \$15.396 million including \$8.614 million in reserves for future asset replacement.

The Statement of Cash Flows is similar to your personal bank statement. If you summarised your bank statements for the year it would be your cash flow statement.

Council's cash flow statement on reports on cash movements and shows:

1. How much money we started the year with;
2. Where the incoming money came from;
3. Where the money was spent; and
4. How much money we had left at the end of the year.

The Statement of Cash Flows quantifies the inflows and outflows of cash throughout the organisation during the financial year.

Cash flows for the period are separated into operating, investing and financing activities.

- Operating activities – includes all areas such as rates, user charges, grants, employee costs, material and services, interest and administration – \$7.543 million
- Investing activities – includes money Council receives and spends when we buy or sell property, plant and equipment – (\$1.64 million)
- Financing activities – incorporates cash received if Council takes out new loans or cash paid to repay loans – (\$273,000).

CASH FLOW	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
Opening cash balance	\$16,597	\$14,975	\$17,168	\$21,616	\$25,595
Net cashflow from operating activities	\$4,342	\$6,730	\$6,308	\$6,227	\$7,543
Net cashflow from investing activities	(\$5,694)	(\$4,307)	(\$1,619)	(\$2,000)	(\$1,640)
Net cashflow from financing activities	(\$270)	(\$230)	(\$241)	(\$248)	(\$273)
Closing cash balance	\$14,975	\$17,168	\$21,616	\$25,595	\$31,225



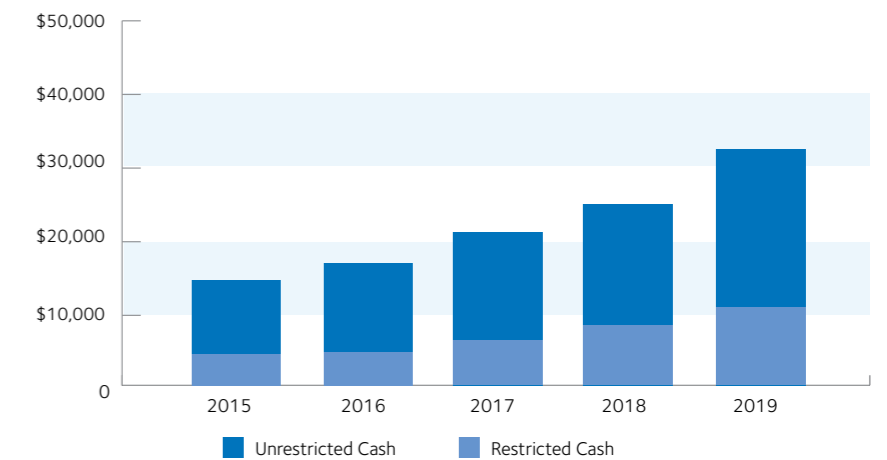
STATEMENT OF FINANCIAL POSITION

Current Assets - \$33.2 Million

The major component of current assets was cash and investments totaling \$31.2 million at 30 June 2019.

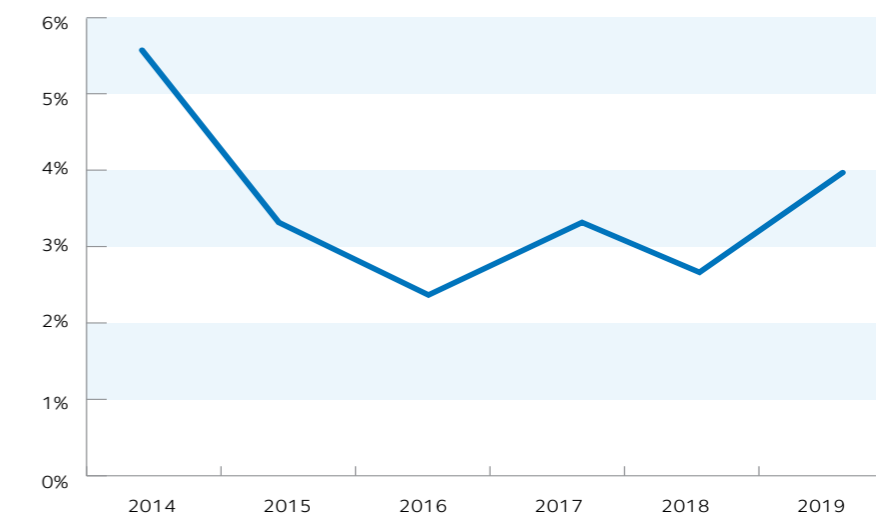
Of these funds, \$15.4 million is restricted (grants, subsidies, developer contributions and specific Council reserves).

Cash balance at year end



The rates arrears ratio shows the percentage of rates outstanding and consequently the effectiveness of Council's collection of rates and charges.

Rates in Arrears Ratio





Non-Current Assets - \$335.6 Million

This figure is the value of Council's infrastructure assets, buildings and facilities, plant and equipment and capital works in progress at 30 June 2019.

ASSET GROUP	\$'000
Land	\$2,949
Buildings	\$39,774
Plant and Equipment	\$5,437
Furniture and Fittings	\$182
Water Supply Network	\$20,888
Intangible Assets	\$31
Transport Infrastructure	\$214,793
Urban Waste Water Network	\$13,560
Capital Work in Progress	\$4,759
Total	\$335,591

Liabilities

Council owes \$2.659 million in loans.

Local Governments, in general, have a very high level of assets under their control but are limited in revenue raising opportunities. This means that the majority of Councils in Queensland have to rely on borrowing or substantial grants to fund major capital works, while using their general revenue (rates, fees and charges) to provide services and maintain community assets.

Details of all loans outstanding as at 30 June 2019 are as follows:

LOANS OUTSTANDING AS AT 30 JUNE 2019	
Description of Purpose	Amount
Bridgeworks A/c	\$141
Administration Building	\$1,587
Work Depot Account	\$250
Water	\$681
Total	\$2,659

STATEMENT OF CHANGES IN EQUITY

Asset Revaluation Surplus - \$242.2 Million

This amount represents an accumulation of the net increase in value of Council's non-current assets having regard to asset condition, useful life and time value of money.

Retained Surplus - \$87.7 Million

This amount represents Council's estimated net wealth at the end of the year.

KEY LOCAL GOVERNMENT FINANCIAL INDICATORS		2018 Actual Result	Benchmark	Within Limits
Ration	Description			
Operating Surplus Ratio	This is the indicator of the extent to which revenue raised cover operational expenses only or is available for capital funding.	-6.36%	Between 0-10%	No
Asset Sustainability Ratio	This ratio helps to show whether Council is replacing assets as their service potential is used up.	31.89%	Greater than 90%	No
Net Financial Liability	This ratio explains the level of debt Council has compared to its operating revenues.	-117.59%	Less than 60%	Yes

FINANCIAL SUSTAINABILITY RATIOS

Operating Surplus Ratio

The Operating Surplus Ratio indicates the extent to which operational revenues raised cover operating expenses.

Calculated as: Net operating result / Total operating revenue (excluding capital items).

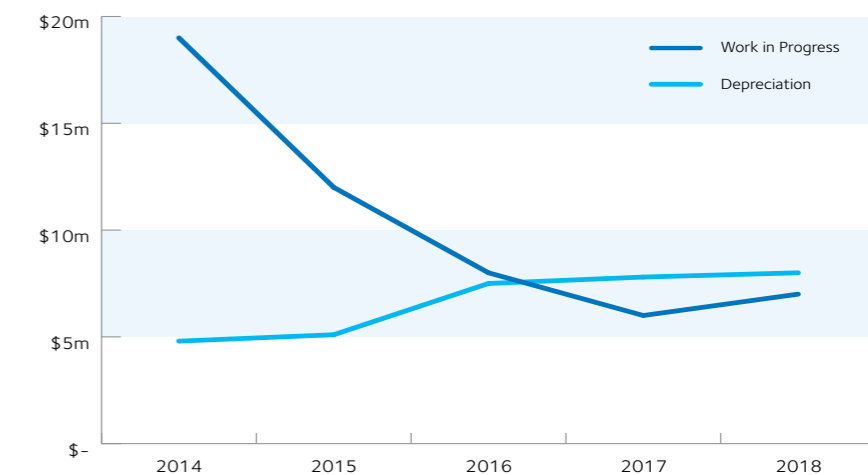
The Financial Management Sustainability Guideline 2013 has set the target between 0% and 10%. Council's performance continues to be negatively impacted in part due to loss of sales revenue and maintaining service levels to customers at previous levels. The ratio for 2018/19 is -6.36% which is an improvement on the 2017/18 result of -14.41%.

Asset Sustainability Ratio

The Asset Sustainability Ratio indicates the extent to which assets are being replaced as they reach the end of their useful lives.

The Financial Management Sustainability Guidelines 2013 has set the target at greater than 90%. Achieving this target would indicate that Council is renewing and replacing its assets at a greater rate than they are wearing out.

The ratio was 31.89% in 2018/19, which has improved on the 2017/18 result of 28.32% but is significantly below the set target. The 2011 flood event is still impacting this ratio as depreciation has increased considerably as a direct result of the money spent on repairs following the flood.



Calculated as: Capital Expenditure on replacement of assets (renewals) / Depreciation Expense.

Net Financial Liabilities Ratio

The Net Financial Liabilities Ratio indicates the extent to which operating revenue (including grants and subsidies) can cover net financial liabilities (usually loans and leases).

Calculated as: (Total liabilities – current assets) / Total operating revenue.

The Financial Management Sustainability Guideline 2013 has set the target as not greater than 60%.

Councils that have net financial liabilities that are greater than 60 per cent of operating revenue have a limited capacity to increase loan borrowings and may experience stress in servicing current debt.

Council has a –117.59% performance ratio, which means that Council has ability to increase its loan borrowing.



BALONNE SHIRE COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended June 2019

For the People



General Purpose Financial Statements

for the year ended 30 June 2019

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Statement of Comprehensive Income

for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Income			
Revenue			
Recurrent Revenue			
Rates, Levies and Charges	3a	10,470	9,789
Fees and Charges		273	276
Rental Income		239	226
Interest and Investment Revenue	3b	683	584
Sales Revenue	3c	2,803	3,144
Other Income		315	389
Grants, Subsidies, Contributions and Donations	4a	8,587	6,315
Total Recurrent Revenue		23,370	20,723
Capital Revenue			
Grants, Subsidies, Contributions and Donations	4b	4,266	4,925
Total Revenue		27,636	25,648
Total Income		27,636	25,648
Expenses			
Employee Benefits	5	6,285	6,126
Materials and Services	6	10,763	9,181
Finance Costs		184	212
Depreciation and Amortisation		7,624	8,190
Total Recurrent Expenses		24,856	23,709
Capital Expenses		1	294
Total Expenses		24,857	24,003
Operating Result		(1,486)	(2,986)
Net Result		2,779	1,645
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to the Net Result</i>			
Gain on Revaluation of Property, Plant and Equipment	13	42,849	1,906
Total Other Comprehensive Income		42,849	1,906
Total Comprehensive Income		45,628	3,551

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

Balonne Shire Council

Statement of Financial Position as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	31,225	25,595
Trade and Other Receivables	8	1,804	2,470
Inventories		189	197
Total Current Assets		33,218	28,262
Non-Current Assets			
Property, Plant and Equipment	9	302,342	261,192
Intangible Assets		31	19
Total Non-Current Assets		302,373	261,211
TOTAL ASSETS		335,591	289,473
LIABILITIES			
Current Liabilities			
Trade and Other Payables	10	1,506	1,264
Borrowings	11	296	279
Provisions	12	1,061	923
Other Liabilities		6	6
Total Current Liabilities		2,869	2,472
Non-Current Liabilities			
Borrowings	11	2,363	2,653
Provisions	12	506	123
Total Non-Current Liabilities		2,869	2,776
TOTAL LIABILITIES		5,738	5,248
Net Community Assets		329,853	284,225
COMMUNITY EQUITY			
Asset Revaluation Surplus	13	242,155	199,306
Retained Surplus		87,698	84,919
Total Community Equity		329,853	284,225

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

Balonne Shire Council

Statement of Changes in Equity for the year ended 30 June 2019

	Notes	Asset Revaluation Surplus \$'000	Retained Surplus \$'000	Total Equity \$'000
2019				
Opening Balance		199,306	84,919	284,225
a. Net Operating Surplus for the Year		-	2,779	2,779
b. Other Comprehensive Income				
- Revaluations : Property, Plant and Equipment	13	42,849	-	42,849
Other Comprehensive Income		42,849	-	42,849
Total Comprehensive Income		42,849	2,779	45,628
Equity Balance as at 30 June 2019		242,155	87,698	329,853
2018				
Opening Balance		197,400	83,274	280,674
a. Net Operating Surplus for the Year		-	1,645	1,645
b. Other Comprehensive Income				
- Revaluations : Property, Plant and Equipment	13	1,906	-	1,906
Other Comprehensive Income		1,906	-	1,906
Total Comprehensive Income		1,906	1,645	3,551
Equity Balance as at 30 June 2018		199,306	84,919	284,225

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

Statement of Cash Flows

for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Cash Flows from Operating Activities			
Receipts from Customers		13,430	13,292
Payments to Suppliers and Employees		(16,754)	(15,449)
		(3,324)	(2,157)
Receipts:			
Investment and Interest Revenue Received		683	584
Rental Income		239	226
Non Capital Grants and Contributions		8,587	7,000
Other		1,035	850
Payments:			
Borrowing Costs		(184)	(212)
Other		507	(64)
Net Cash Inflow from Operating Activities	17	7,543	6,227
Cash Flows from Investing Activities			
Receipts:			
Sale of Property, Plant and Equipment		(1)	(294)
Grants, Subsidies, Contributions and Donations		4,266	4,925
Payments:			
Purchase of Property, Plant and Equipment		(5,893)	(6,629)
Payments for Intangible Assets		(12)	(2)
Net Cash Outflow from Investing Activities		(1,640)	(2,000)
Cash Flows from Financing Activities			
Payments:			
Repayment of Borrowings		(273)	(248)
Net Cash Outflow from Financing Activities		(273)	(248)
Net Increase/(Decrease) for the year		5,630	3,979
Cash and Cash Equivalents at beginning of the financial year		25,595	21,616
Cash and Cash Equivalents at end of financial year	7	31,225	25,595

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies

(1.a) Basis of preparation

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except financial assets and liabilities, certain classes of property, plant and equipment which are measured at fair value.

Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

The Council uses the Australian dollar as its functional currency and its presentation currency within these financial statements.

(1.b) Constitution

Balonne Shire Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

The Council uses the Australian dollar as its functional currency and its presentation currency.

Recurrent/Capital Classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income on the following basis:

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.

The following transactions are classified as either "Capital Income" or "Capital Expenses" depending on whether they result in accounting gains or losses:

- Disposal of non-current assets
- Revaluations of investment property and property, plant and equipment.

All other revenue and expenses have been classified as "recurrent".

(1.c) Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Balonne Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 9 Financial Instruments for the first time. AASB 9 replaces AASB 139 and relates to the recognition, classification and measurement of financial assets and financial liabilities. Implementing AASB 9 has resulted in a change to the way council calculates impairment provisions, which are now based on expected credit losses instead of incurred credit losses.

On 1 July 2018 (the date of initial application), council re-assessed the classification, measurement category and carrying amount of each financial instrument (listed below) in accordance with AASB 9. There were some changes to classification, but this did not result in changes to measurement categories (listed below). Carrying amounts were also unchanged.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

Financial asset/liability	Measurement Category (unchanged)	
Cash and cash equivalents	Amortised cost	
Receivables	Amortised cost	
Other financial assets	Amortised cost	
Borrowings	Amortised cost	

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

The standards that are expected to have a material impact upon Council's future financial statements are:

Effective for annual reporting periods beginning on or after 1 July 2019

- AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Identifiable impacts at the date of this report are:

Some grants received by the Council will be recognised as a liability, and subsequently recognised progressively as revenue as the Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations these are expected to continue being recognised

as revenue upfront assuming no change to the current grant arrangements.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the Council's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that time these receipts will be recognised as a liability (unearned revenue). There will be no impact upon the recognition of other fees and charges.

Based on Councils assessment, if Council had adopted the new standards in the current financial year it would have had the following impacts:

- Revenue decrease of \$1,241,123 due to deferral of grant funding, pre-paid rates, and other sales related revenue (based on the facts available to Council at the date of assessment).

- There would be an equal reduction in the reported equity as the reduced revenue will require an increase in recognition of contract liabilities, and statutory receivables.

- Net result would be lower on initial application as a result of decreased revenue. A range of new disclosures will also be required by the new standards in respect of the council's revenue.

Transition method

The Council intends to apply AASB 15, AASB 1058 and AASB 2016-8 initially on 1 July 2019, using the modified retrospective approach. The recognition and measurement principles of the standards will be retrospectively applied for the current year and prior year comparatives as though the standards had always applied, consistent with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The Council intends to apply the practical expedients available for the full retrospective method. Where revenue has been recognised in

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

full under AASB 1004, prior to 1 July 2019, but where AASB 1058 would have required income to be recognised beyond that date, no adjustment is required. Further, Council is not required to restate income for completed contracts that start and complete within a financial year. This means where income under AASB 1004 was recognised in the comparative financial year (i.e. 2018/19), these also do not require restatement.

- AASB 16 Leases – The Council has assessed the impacts of the new standard that initial application of AASB 16 will have on its financial statements, however, the actual impacts may differ as the new accounting policies are subject to change until the Council presents its first financial statements that include the date of initial application.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Leases in which the Council is a lessee

The Council will recognise new assets and liabilities for its operating leases of motor vehicles. The nature of expenses related to those leases will now change because the Council will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Council has recognised an operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

The Council has elected not to recognise any leases under the AASB 16 as they have been assessed as being low-value assets under the standard.

No significant impact is expected for the Council's finance leases.

Based on Councils assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have no financial impact due to Council not currently leasing any assets.

Leases in which the Group is a lessor

No significant impact is expected for other leases in which the Council is a lessor.

Peppercorn Leases

Council is the lessee of a number of Deed of Grant in Trust leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council's intention is to apply the fair value measurement requirements to these leases, once mandated.

Transition method

The Council intends to apply AASB 16 initially on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

The Council intends to apply the practical expedient for the definition of a lease on transition. This means that it will apply AASB 16 on transition only to contracts that were previously identified as leases applying AASB 117 Leases

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

and Interpretation 4 Determining whether an Arrangement contains a Lease.

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

The standards are expected to have a material impact upon Council's future financial statements are:

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income of Not-for-Profit Entities
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements

Effective for annual reporting periods beginning on or after 1 January 2021

- AASB 17 Insurance Contracts

(1.d) Critical accounting judgements and key sources of estimation uncertainty

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Valuation and depreciation of Property, Plant & Equipment - Note 9
- Provisions - Note 12
- Contingencies - Note 15
- Receivables Impairment – Note 8
- Financial Instruments and Financial Assets – Note 20

(1.e) Revenue

Rental income

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

Fees and Charges

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

(1.f) National Competition Policy

Council has resolved not to apply the code of competitive conduct to any of its prescribed activities.

(1.g) Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000 unless otherwise indicated.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(1.h) Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

(1.i) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Note 2(a). Council Functions - Component Descriptions

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

CORPORATE GOVERNANCE

The objective of corporate governance is to provide effective organisational leadership through strategic planning, accountability and ethical standards of practice. This function includes activities and services relating to risk management, strategic and operational planning and also includes the Mayor, Councillors and Chief Executive Officer.

CORPORATE SERVICES

The goal of corporate services is to enhance the capability and performance of Balonne Shire Council and ensure resources are directed to achieve organisational objectives. This function includes activities and services related to social and corporate performance, human resources and information services.

PLANNING, DEVELOPMENT AND ENVIRONMENTAL HEALTH SERVICES

The objectives of this function is to implement appropriate planning and building construction controls to ensure and encourage the balance between quality development of the shire and the protection of the environment. As well as to implement policies and operational grams that will contribute to the environmental health and wellbeing of the community. This function includes activities and services related to planning, development and environmental health services.

RURAL SERVICES

The goal of this function is to provide effective and efficient management of stock routes, animal and weed pests. The major activities and services included in this function is pest management.

INFRASTRUCTURE SERVICES

This functions objective is the provision of quality services and infrastructure for the current and future community that is planned, provided and managed on sound environmental and asset management principles. Activities and services included in this function relate to infrastructure that meets our communities needs including roads, water and sewerage.

COMMUNITY LIFESTYLE

The goal of the community lifestyle function is to encourage and promote a sense of community and belonging, community pride, engagement, wellbeing and grow social capital. Parks and gardens related activities and services is the major contributor to this function.

ECONOMIC DEVELOPMENT

The objective of economic development is to foster a vibrant economic environment which promotes a strong and sustainable regional economy. This function includes activities and services related to tourism and economic development.

COMMERCIAL SERVICES

The goal of commercial services is to undertake commercial works within the scope of Council's expertise in an efficient and cost effective manner. This function includes activities and services relating to private works (RMPC, DMR, etc).

Note 2(b). Analysis of Results by Function

Functions	Gross Program Income			Total Income	Gross Program Expenses		Net Result from Recurring Operations	Net Result	Total Assets
	Recurring Grants \$'000	Other Grants \$'000	Capital Grants \$'000		Recurring Expenses \$'000	Capital Expenses \$'000			
2019									
Corporate Governance	-	-	-	-	(457)	-	(457)	(457)	-
Corporate Services	4,585	7,246	-	11,831	(3,195)	(1)	8,636	8,635	36,708
Planning & Development and Environmental Health Services	16	204	-	220	(810)	-	(591)	(591)	3,647
Rural Services	1,392	238	-	1,630	(1,301)	-	329	329	466
Infrastructure Services	1,671	4,185	2,339	8,195	(13,725)	-	(7,869)	(5,530)	276,495
Community Lifestyle	916	75	1,427	2,418	(2,901)	-	(1,910)	(483)	18,214
Economic Development	7	37	-	44	(617)	-	(573)	(573)	61
Commercial Services	-	2,798	500	3,298	(1,850)	-	949	1,449	-
Total	8,587	14,784	4,266	27,636	(24,856)	(1)	(1,486)	2,779	335,591
2018									
Corporate Governance	-	-	-	-	(460)	-	(460)	(460)	-
Corporate Services	3,907	6,631	-	10,538	(2,809)	-	7,729	7,729	29,474
Planning & Development and Environmental Health Services	13	210	-	223	(760)	-	(537)	(537)	3,482
Rural Services	305	220	-	525	(862)	-	(337)	(337)	197
Infrastructure Services	1,636	4,044	4,132	9,812	(13,312)	(294)	(7,632)	(3,794)	240,274
Community Lifestyle	111	62	176	349	(3,107)	-	(2,934)	(2,758)	16,015
Economic Development	342	41	617	1,000	(431)	-	(48)	569	31
Commercial Services	-	3,201	-	3,201	(1,968)	-	1,233	1,233	-
Total	6,314	14,409	4,925	25,648	(23,709)	(294)	(2,986)	1,645	289,473

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Revenue Analysis

	Notes	2019 \$'000	2018 \$'000
Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.			
(a). Rates, Levies and Charges			
Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.			
General Rates / Community Levy		7,078	6,453
Special Rates		202	202
Water		1,886	1,833
Water Consumption, Rental and Sundries		98	79
Urban Waste Water		1,138	1,111
Waste Charges		1,106	1,075
Total rates and utility charge revenue		11,508	10,753
Less: Discounts		(1,003)	(930)
Less: Pensioner remissions		(35)	(34)
TOTAL RATES, LEVIES AND CHARGES		10,470	9,789

(b). Interest and Investment Revenue

Interest received from term deposits is accrued over the term of the investment.

Interest Received from Term Deposits		655	561
Interest from Overdue Rates and Utility Charges		28	23
TOTAL INTEREST AND INVESTMENT REVENUE		683	584

(c). Sales Revenue

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

The council generates revenue from a number of services including mainly contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date.

Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

Sale of services

Contract and Recoverable Works		2,766	3,104
Visitor Info Centre		37	40
TOTAL SALES REVENUE		2,803	3,144

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Grants, Subsidies, Contributions and Donations

	Notes	2019 \$'000	2018 \$'000
Grants, subsidies, donations and contributions that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of funds.			
Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets.			
Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.			
(a) Recurrent			
General Purpose Grants		5,805	5,438
State Government Subsidies and Grants		2,478	648
Commonwealth Government Subsidies and Grants		263	165
Contributions		41	64
TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS		8,587	6,315

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.

(b) Capital

State Government Subsidies and Grants		2,020	1,692
Commonwealth Government Subsidies and Grants		2,246	3,233
TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS		4,266	4,925

Note 5. Employee Benefits

Wages and Salaries		3,814	3,754
Annual, Sick and Long Service Leave Entitlements		903	850
Superannuation	16	626	617
Training Costs		353	336
Workers Compensation Insurance		72	71
Councillors Remuneration		431	421
		6,199	6,049
Other Employee Related Expenses		86	77
TOTAL EMPLOYEE BENEFITS		6,285	6,126

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 5. Employee Benefits (continued)

	Notes	2019 #	2018 #
Total Employees at year end:			
Administration Staff		34	33
Depot and Outdoors Staff		46	47
Total full time equivalent employees		80	80
Total Elected members		7	7

Note 6. Materials and Services

Advertising and Marketing		156	38
Administration Supplies and Consumables		56	51
Aerodrome Maintenance		153	153
Audit of Annual Financial Statements by the Auditor-General of Queensland		44	42
Audit Services		32	20
Cleansing Services		1,434	975
Communications and IT		192	190
Community Donations / Assistance		33	54
Contractors		166	11
Councillors' Expenses (incl. Mayor) - Other		12	20
Insurance		346	322
Land Protection Fund Precept		254	251
Legal Fees		137	51
Power		24	39
Repairs and Maintenance		4,760	4,529
Subscriptions and Registrations		85	80
Swimming Pools - Council Owned		330	360
Urban Waste Water		371	281
Urban Water Services		1,016	922
Other		1,162	792
TOTAL MATERIALS AND SERVICES		10,763	9,181

Note 7. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Cash at Bank and on Hand		17,761	11,704
QTC Cash Fund		13,464	13,891
TOTAL CASH AND CASH EQUIVALENTS		31,225	25,595

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Cash and Cash Equivalents (continued)

	Notes	2019 \$'000	2018 \$'000
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Restricted Cash, Cash Equivalents and Investments

Council's Cash and Cash Equivalents are subject to a number of Internal and External Restrictions that limit amounts available for discretionary or future use. These include:

Internally imposed Expenditure Restrictions at the reporting date:

Future Capital Works		1,868	618
Future Asset Replacement		8,614	7,515
Future Recurrent Expenditure		4,914	30
Total Unspent Restricted Cash, Cash Equivalents and Investments		15,396	8,163

Cash, cash deposits and term deposits are held with the Commonwealth Bank of Australia (AA-), Westpac Banking Corporation (AA-) and Queensland Treasury Corporation (AAA) in normal term deposits, deposits at call and business cheque accounts.

Note 8. Trade and Other Receivables

Receivables are amounts owed to council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement is required with 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.

Current

Rateable Revenue and Utility Charges		412	294
Other Debtors		1,342	2,062
Prepayments		56	120
Total		1,810	2,476
less: Provision for Impairment			
Rateable Revenue and Utility Charges		(5)	(5)
Other Debtors		(1)	(1)
Total Provision for Impairment - Receivables		(6)	(6)
TOTAL CURRENT TRADE AND OTHER RECEIVABLES		1,804	2,470

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors.

There is no concentration of credit risk for rates and utility charges.

Note 9. Property, Plant and Equipment

30 June 2019	Capital Work in Progress		Land	Buildings	Plant and Equipment		Furniture and Fittings	Water Supply Network	Other Infrastructure Assets	Transport Infrastructure	Urban Waste Water Network	Total
	\$'000	Cost			\$'000	Cost						
Measurement Basis		Note										
Opening Gross Balance - at Cost	2,415		-	-	12,242	404	-	-	-	-	-	15,061
Opening Gross Balance - at Fair Value	-		2,919	33,052	-	-	30,632	-	25,380	244,567	18,277	354,827
Opening Gross Balance	2,415		2,919	33,052	12,242	404	30,632	-	25,380	244,567	18,277	369,888
Correction to Opening Balances	-		-	8	-	-	-	-	-	-	-	8
Additions*	5,946		-	(14)	(174)	-	-	-	-	-	-	5,946
Disposals	-		-	-	-	-	-	-	-	-	-	(188)
Revaluation Decrements to Equity (ARS)	-	13	-	-	-	-	(494)	-	-	-	-	(494)
Revaluation Increments to Equity (ARS)	-	13	30	5,449	-	-	-	-	-	31,266	3,575	40,320
Work in Progress Transfers	(3,602)		-	297	113	7	213	-	220	2,339	413	-
Adjustments and Other Transfers	-		-	25,600	-	-	-	-	(25,600)	-	-	-
Total Gross Value of Property, Plant and Equipment - at Cost	4,759		-	-	12,181	411	-	-	-	-	-	17,351
Total Gross Value of Property, Plant and Equipment - at Fair Value	-		2,949	64,392	-	-	30,351	-	-	278,172	22,265	398,129
Total Gross Value of Property, Plant and Equipment	4,759		2,949	64,392	12,181	411	30,351	-	278,172	278,172	22,265	415,480
Opening Accumulated Depreciation	-		-	16,327	6,165	201	12,571	-	5,546	60,605	7,281	108,696
Correction to Opening Balances	-		-	7	23	-	-	-	-	-	-	30
Depreciation Expense	-		-	741	729	28	592	-	113	5,156	253	7,612
Disposals	-		-	(6)	(173)	-	-	-	-	(2,382)	-	(179)
Revaluation Decrements to Equity (ARR)	-	13	-	-	-	-	(3,700)	-	-	-	-	(6,082)
Revaluation Increments to Equity (ARR)	-	13	-	1,890	-	-	-	-	-	-	1,171	3,061
Adjustments and Other Transfers	-		-	5,659	-	-	-	-	(5,659)	-	-	-
Total Accumulated Depreciation of Property, Plant and Equipment	-		-	24,618	6,744	229	9,463	-	-	63,379	8,705	113,138
Total Net Book Value of Property, Plant and Equipment	4,759		2,949	39,774	5,437	182	20,888	-	-	214,793	13,560	302,342

Other Information
Range of Estimated Useful Life (years) - Not depreciated 15 - 75 3 - 50 5 - 60 10 - 100 5 - 100 10 - 300 10 - 100

*Asset Additions Comprise												
Asset Renewals	591		-	37	73	-	184	-	-	1,929	-	2,814
Other Additions	1,753		-	260	40	7	29	-	200	410	413	3,112
Total Asset Additions	2,344		-	297	113	7	213	-	200	2,339	413	5,926

A transfer between classes has been processed following a review of the fixed asset register in order to most appropriately reflect the underlying use of the asset. This includes the reclassification of assets between all asset classes excluding Land. The net effect of these transfers on the financial statements is nil.

Note 9. Property, Plant and Equipment (continued)

30 June 2018	Capital Work in Progress		Land	Buildings	Plant and Equipment		Furniture and Fittings	Water Supply Network	Other Infrastructure Assets	Transport Infrastructure	Urban Waste Water Network	Total
	\$'000	Cost			\$'000	Cost						
Measurement Basis		Note										
Opening Gross Balance - at Cost	689		20	-	12,938	508	-	-	282	5,950	81	24,213
Opening Gross Balance - at Fair Value	-		2,972	33,542	-	-	26,660	-	22,541	230,710	17,405	333,830
Opening Gross Balance	689		2,992	33,542	12,938	508	30,405	-	22,823	236,660	17,486	358,043
Additions*	7,013		-	-	(645)	-	-	-	-	-	-	7,013
Disposals	-		-	-	-	-	-	-	-	-	(17)	(662)
Revaluation Decrements to Equity (ARS)	-	13	(73)	(1,052)	-	-	(405)	-	2,017	4,215	808	(1,530)
Revaluation Increments to Equity (ARS)	-	13	-	-	(51)	(104)	-	632	540	3,692	-	7,040
Adjustments and Other Transfers	(5,287)		-	562	-	-	-	-	-	-	-	(16)
Total Gross Value of Property, Plant and Equipment - at Cost	2,415		-	-	12,242	404	-	-	-	-	-	15,061
Total Gross Value of Property, Plant and Equipment - at Fair Value	-		2,919	33,052	-	-	30,632	-	25,380	244,567	18,277	354,827
Total Gross Value of Property, Plant and Equipment	2,415		2,919	33,052	12,242	404	30,632	-	25,380	244,567	18,277	369,888
Opening Accumulated Depreciation	-		-	15,133	5,699	223	11,762	-	4,032	53,714	6,614	97,177
Depreciation Expense	-		-	897	765	36	571	-	527	5,022	362	8,180
Disposals	-		-	-	(258)	-	-	-	-	-	(7)	(265)
Revaluation Increments to Equity (ARR)	-	13	-	198	-	-	238	-	987	1,869	312	3,604
Total Accumulated Depreciation of Property, Plant and Equipment	-		-	16,327	6,165	201	12,571	-	5,546	60,605	7,281	108,696
Total Net Book Value of Property, Plant and Equipment	2,415		2,919	16,725	6,077	203	18,061	-	19,834	183,962	10,996	261,192

Other Information
Range of Estimated Useful Life (years) - Not depreciated 15 - 75 3 - 50 5 - 60 10 - 100 5 - 100 10 - 300 10 - 100

*Asset Additions Comprise												
Asset Renewals	793		-	360	-	-	368	-	-	569	-	2,090
Other Additions	933		-	-	23	24	264	-	540	3,139	-	4,923
Total Asset Additions	1,726		-	360	23	24	632	-	540	3,708	-	7,013

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Property, plant and equipment (continued)

9 (a) Recognition

Plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as and expense in the year of acquisition. All other items of property, plant and equipment are capitalised. There is no recognition threshold for land.

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

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

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

9 (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 (as shown in the table above) 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 incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

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

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

9 (c) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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

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

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date. As part of the asset valuation process Council has reassessed the useful lives. This reassessment resulted in a reduction in depreciation expense recognised for Transport Infrastructure, Urban Waste Water Network, Buildings and Plant and Equipment assets.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Property, plant and equipment (continued)

9 (d) Impairment

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

9 (e) Major Plant

Plant with a cost in excess of \$150,000, which is prone to a high degree of price fluctuations or in danger of becoming obsolete, is classified as major plant. This asset class primarily includes specialised earthmoving equipment.

9 (f) Valuation**(i) Valuation processes**

Councils' valuation policies and procedures are set by the finance committee of the executive management team which comprises the Chief Executive Officer, Director of Finance and Corporate Service, Director of Infrastructure and Manager Finance Services. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information.

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

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

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used in valuing each different asset class are disclosed below.

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

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

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

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

There were no transfers between levels 1 and 2 during the year, nor between level 2 and 3.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Property, plant and equipment (continued)

(ii) Valuation techniques used to derive fair values**Land (level 2)**

Land fair values were determined by independent valuer, AssetVal effective 30 June 2019. Level 2 valuation inputs were used to value land in freehold title as well as land for special purpose, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are prices per square metre.

Buildings (level 2 and 3)

The fair value of buildings were determined by independent valuer, AssetVal effective 30 June 2019. Where there is a market for Council building assets, they are categorised as non-specialised buildings and fair value is derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size (level 2). The most significant inputs into this valuation approach were price per square metre.

Where Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees. The gross current values have been derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook). Where a depth in market can be identified, the net current value of a building asset is the difference between the market value of the asset as a whole (including land) and the market value of the land component. Where there is no depth of market, the net current value of a building asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value, useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

	2019	2018
	\$'000	\$'000
Buildings		
- Non-Specialised Buildings (level 2)	1,742	1,703
- Specialised Buildings (level 3)	38,032	15,021
Total	39,774	16,724

Infrastructure assets (level 3)

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

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

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. The CRC was determined using methods relevant to the asset class as described under individual asset categories below.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Property, plant and equipment (continued)

Roads*Current replacement cost*

Council categorises its road infrastructure into urban and rural roads and the further sub categorises these into sealed and unsealed roads. Urban roads are managed in segments of 200m, while rural roads are managed in 2km segments. All road segments are then componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC was calculated by reference to asset linear and other specifications, estimated labour and material inputs, service costs, and overhead allocations. Council assumes that pavements are constructed to depths of 22.5cms for high traffic areas and 15cms for lower traffic locations. Council also assumes that all raw materials can be sourced locally. For internal construction estimates, material and services prices were based on existing contract rates or supplier price lists and labour wage rates were based on Council's Enterprise Bargaining Agreement (EBA). All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Where construction is outsourced, CRC was based on the average of completed similar projects over the last few years.

A full valuation of Council's Transport Infrastructure network was conducted for 2019 by AssetVal Pty Ltd and accepted by Council which resulted in a revaluation increase of \$28,927,000.

Accumulated depreciation

A sample of the roads (approximately 10%) were visually inspected by the Valuer. No testing or measurement of defects or condition was undertaken. An assessment of remaining useful life was made by the Valuer taking into consideration the visual condition, construction date, evidence of recent repairs or capital works and the surrounding environmental factors.

Bridges*Current replacement cost*

Bridges were componentised with unit rates applied to the individual components varying for different material types used in construction in order to determine the replacement cost. Construction estimates were determined on a similar basis to roads.

Accumulated depreciation

In determining the level of accumulated depreciation, remaining useful lives were calculated based on condition assessments. The condition assessments were made using a seven point scale with 0 being the lowest and 6 being the highest. A 0 condition assessment indicates an asset with a very high level of remaining service potential. 6 represents an asset at the end of its useful life.

Water and Sewerage*Current replacement cost*

The water and sewerage infrastructure fair values were determined by independent valuers, AssetVal Pty Ltd effective 30 June 2019. CRC was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

Accumulated depreciation

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine useful life. Where site inspections were not conducted (i.e. for passive assets), the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.

For wastewater gravity mains the assumption that the pipes will be relined was adopted.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Trade and Other Payables

Notes	2019 \$'000	2018 \$'000
Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.		
Liabilities are recognised for employee benefits such as wages and salaries, sick, annual and long service leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.		
As council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability.		
Current		
Creditors and Accruals	833	609
Annual Leave	673	639
ATO - Net GST Payable	-	16
<u>TOTAL CURRENT TRADE AND OTHER PAYABLES</u>	<u>1,506</u>	<u>1,264</u>

Note 11. Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Therefore, they are measured at amortised cost. Principle and interest repayments are made quarterly in arrears.

All borrowings are in Australian dollar denominated amounts and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2021 to 15 June 2032.

Current

Loans - Queensland Treasury Corporation	296	279
<u>TOTAL CURRENT BORROWINGS</u>	<u>296</u>	<u>279</u>

Non-current

Loans - Queensland Treasury Corporation	2,363	2,653
<u>TOTAL NON-CURRENT BORROWINGS</u>	<u>2,363</u>	<u>2,653</u>

Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation		
Opening Balance at Beginning of Financial Year	2,932	3,180
Principal Repayments	(273)	(248)
Book value at end of financial year	2,659	2,932

The QTC loan market value at the reporting date was \$3,261,102. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Borrowings (continued)

Loan Disclosures

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government.

All borrowings are in Australian dollars denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2021 to 15 June 2032.

There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

Council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Note 12. Provisions

Long Service Leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of employee remaining in the Council's employment or other associated employment which would result in the council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

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

Refuse Dump Restoration

A provision is made for the cost of restoring refuse dumps where it is probable the Council will be liable, or required, to do this when the use of the facility is complete.

The provision of refuse restoration is calculated as the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in the facts and circumstances available at the time. Management estimates that the site will close in 2020 and that the restoration will occur progressively over the subsequent four years.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Provisions

	2019	2018
Notes	\$'000	\$'000
As refuse dumps are on state reserves or DOGIT land which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.		
Current		
Long Service Leave	1,025	878
Other Entitlements	36	45
TOTAL CURRENT PROVISIONS	1,061	923
Non-current		
Long Service Leave	47	123
Refuse Restoration	459	-
TOTAL NON-CURRENT PROVISIONS	506	123
Details of movements in Provisions:		
Long Service Leave		
Balance at Beginning of Financial Year	1,001	1,135
Additional Provision	71	(134)
Balance at End of Financial Year	1,072	1,001
Refuse Restoration		
Balance at Beginning of Financial Year	-	-
Additional Provision	459	-
Balance at End of Financial Year	459	-

Refuse restoration

Balonne Shire Council currently operates six (6) active landfill sites.

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of their useful life. The projected cost is \$1,583,327 and this cost is expected to be incurred between 2028 and 2140 after closing the site between 2018 and 2120 and allowing a period for settlement.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Asset Revaluation Surplus

	2019	2018
Notes	\$'000	\$'000
The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus. Increases and decreases on revaluation are offset with a class of assets.		
Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.		
When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.		
Movements in the asset revaluation surplus:		
Balance at beginning of financial year	199,306	197,400
Net adjustment to non-current assets at end of period to reflect a		
change in current fair value:		
Land	30	(73)
Buildings	3,559	(1,250)
Water Supply Network	3,206	(643)
Other Infrastructure Assets	-	1,030
Transport Infrastructure	33,648	2,346
Urban Waste Water Network	2,404	496
	9	42,849
	242,155	199,306
Balance at end of financial year		
Asset revaluation surplus analysis		
The closing balance of the Asset Revaluation Surplus comprises the following asset categories:		
Land	3,596	3,565
Buildings	12,827	9,268
Land Held for Resale	29	29
Plant and Equipment	1,498	1,498
Furniture and Fittings	307	307
Water Supply Network	21,095	17,888
Other Infrastructure Assets	4,193	4,193
Transport Infrastructure	183,528	149,881
Urban Waste Water Network	15,082	12,677
Balance at end of financial year	242,155	199,306

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Commitments for Expenditure

Notes	2019 \$'000	2018 \$'000
(a) Capital Commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, Plant and Equipment		
Buildings	42	-
Other Infrastructure Assets	3	-
Transport Infrastructure	105	517
Water Supply Network	7	1
Furniture & Fittings	-	16
Urban Waste Water Network	-	51
These expenditures are payable as follows:		
Within the next year	157	585
Total Payable	157	585
Sources for Funding of Capital Commitments:		
Future Grants and Contributions	157	585

(b) Contractual commitments

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

Waste Collection Contract (per year) - Expires 30/06/2025	526	526
Landfill Maintenance Contract - Expires 01/06/2022	775	138
	1,301	664

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. 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 2018 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$96,366.

Note 16. Superannuation

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

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

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Superannuation (continued)

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

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities. Balonne Shire Council contributed 0.43% of the total contributions to the plan in the 2018-19 financial year.

	Notes	2019 \$'000	2018 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		626	617
Total superannuation contributions paid by Council for employees	5	626	617
			2020 \$'000
Contributions council expects to make to the Regional Defined Benefits Fund for 2019-20			640

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Reconciliation of Net Result for the year to Net Cash Inflow/(Outflow) from Operating Activities

	Notes	2019 \$'000	2018 \$'000
Net operating result from Income Statement		2,779	1,645
Non-cash items			
Depreciation and Amortisation		7,624	8,190
		<u>7,624</u>	<u>8,190</u>
Investing and development activities			
Net Losses/(Gains) on Disposal of Assets		1	294
Non Cash Capital Grants and Contributions		(4,266)	(4,925)
		<u>(4,265)</u>	<u>(4,631)</u>
Changes in operating assets and liabilities:			
(Increase)/Decrease in Receivables		668	1,166
(Increase)/Decrease in Inventories		8	19
Increase/(Decrease) in Payables and Accruals		224	(43)
Increase/(Decrease) in Other Liabilities		443	15
Increase/(Decrease) in Employee Leave Entitlements		62	(134)
		<u>1,405</u>	<u>1,023</u>
Net cash provided from/(used in) Operating Activities from the Statement of Cash Flows		<u>7,543</u>	<u>6,227</u>

Note 18. Reconciliation of Liabilities arising from Finance Activities

	As at 30-Jun-18 \$'000	Cashflows \$'000	Non-Cash Changes (New Leases) \$'000	As at 30-Jun-19 \$'000
Loans	2,932	(273)	-	2,659
	<u>2,932</u>	<u>(273)</u>	<u>-</u>	<u>2,659</u>

	As at 30-Jun-17 \$'000	Cashflows \$'000	Non-Cash Changes (New Leases) \$'000	As at 30-Jun-18 \$'000
Loans	3,180	(248)	-	2,932
	<u>3,180</u>	<u>(248)</u>	<u>-</u>	<u>2,932</u>

Note 19. Events Occurring After Balance Sheet Date

There are no material adjusting events after the balance date.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial Instruments

The effect of initially applying AASB 9 on the Council's financial instruments is described in Note 1.d. Comparative information has not been restated to reflect the requirements.

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

Risk Management Framework

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

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.

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

Credit Risk Exposure

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.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial Instruments (continued)

	Notes	2019 \$'000	2018 \$'000
The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:			
Financial Assets			
Cash and Cash Equivalents	7	31,225	25,595
Receivables - Rates	8	407	289
Receivables - Other	8	1,341	2,061
Total		32,973	27,945

Cash and Cash Equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Trade and Other Receivables

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of defaults.

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

The Council does not require collateral in respect of trade and other receivables. The Council does not have trade receivables for which no loss allowance is recognised because of collateral.

At 30 June 2019, the exposure to credit risk for trade receivables by type of counterparty was as follows:

	2019 \$'000	2018 \$'000
Property Charges	407	289
GST Recoverable	65	-
Other	1,216	1,949
Total	1,688	2,238

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial Instruments (continued)

	2019 Not credit- impaired \$'000	2019 Credit impaired \$'000	2018 \$'000
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A summary of the Council's exposure to credit risk for trade receivables is as follows:

Receivables

Not Past Due	351	-	346
Past Due 31-60 Days	804	-	1,667
Past Due 61-90 Days	-	-	6
More than 90 Days	527	6	456
	<u>1,682</u>	<u>6</u>	<u>2,476</u>
Loss Allowance	-	(6)	(6)
Total	<u><u>1,682</u></u>	<u><u>-</u></u>	<u><u>2,470</u></u>

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

Expected credit loss assessment as at 1 July 2018 and 30 June 2019

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.

The following table provides information about the exposure to credit risk and expected losses for trade receivables from individual customers as at 30 June 2019:

	2019 Weighted- average loss rate %	2019 Gross carrying amount \$'000	2019 Loss allowance \$'000	2018 Credit- impaired (Y/N)
Not Past Due	0.00%	351	-	N
Past Due 31-60 Days	0.00%	804	-	N
Past Due 61-90 Days	0.00%	-	-	N
More than 90 Days	0.02%	533	6	N
Total		<u><u>1,688</u></u>	<u><u>6</u></u>	

Loss rates are based on actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Council's view of economic conditions over the expected lives of the receivables.

There was no movement in the allowance for impairment in respect of trade receivable during the year.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial Instruments (continued)

Liquidity Risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with 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.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 11.

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

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
2019					
Trade and Other Payables	1,506	-	-	1,506	1,506
Loans - QTC	426	1,193	1,902	3,521	2,659
	<u>1,932</u>	<u>1,193</u>	<u>1,902</u>	<u>5,027</u>	<u>4,165</u>
2018					
Trade and Other Payables	1,264	-	-	1,264	1,264
Loans - QTC	426	1,382	2,140	3,948	2,932
	<u>1,690</u>	<u>1,382</u>	<u>2,140</u>	<u>5,212</u>	<u>4,196</u>

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

Notes to the Financial Statements
for the year ended 30 June 2019

Note 20. Financial Instruments (continued)

Market Risk

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

Interest Rate Risk

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

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

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	Net Result		Equity	
	Amount \$'000	1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
2019					
QTC Cash Fund	13,464	135	(135)	135	(135)
Other	17,761	178	(178)	178	(178)
Loans - QTC	(2,659)	(27)	27	(27)	27
Net	28,566	286	(286)	286	(286)
2018					
QTC Cash Fund	13,891	139	(139)	139	(139)
Other	11,705	117	(117)	117	(117)
Loans - QTC	(2,932)	(29)	29	(29)	29
Net	22,664	227	(227)	227	(227)

In relation to the QTC loans held by the Council, the following has been applied:

QTC Generic Debt Pool - the generic debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

Fair Value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in Note 11.

Notes to the Financial Statements
for the year ended 30 June 2019

Note 21. Transactions with Related Parties

Key Management Personnel**(a) Transactions with Key Management Personnel**

KMP include the Mayor, Councillors, council's Chief Executive Officer and Directors.

The compensation paid to Key Management Personnel comprises:

	2019 \$000	2018 \$000
Short-Term Employee Benefits	1,166	1,190
Post-Employment Benefits	73	81
Long-Term Benefits	18	5
Total	1,257	1,276

Detailed remuneration disclosures are provided in the annual report.

(b) 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 close family members. Close family members include a spouse, child and dependent of a KMP or their spouse. No close family members were employed by Council in the 2018/2019 financial year.

No transactions between council and other related parties are applicable based on the criteria.

(c) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(d) 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 Balonne Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

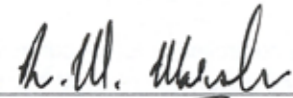
- Payment of rates
- Normal use of council's sport and recreational facilities
- Dog registration
- Normal fees and charges
- Normal creditor and debtor transactions

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 and other businesses.

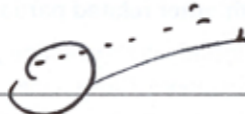
These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulations) and other prescribed requirements.

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 36, 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.



Cr R W Marsh
MAYOR



Mr J M Magin
CHIEF EXECUTIVE OFFICER

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Balonne Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Balonne Shire Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2019, 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 2019, 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 management certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland 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 of Queensland 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 the information included in Balonne Shire Council's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and the long-term financial sustainability statement.

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 council for the financial report

The council is 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 council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The council is 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 2019:

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



11 October 2019

Carolyn Dougherty
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Current Year Financial Sustainability Statement
for the year ended 30 June 2019

	Actual 2019	Target 2019
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Measures of Financial Sustainability

Council's performance at 30 June 2019 against key financial ratios and targets.

Performance Indicators

1. Operating Surplus Ratio

Net Result (excluding capital items)		
Total Operating Revenue (excluding capital items)	-6.36%	between 0 - 10%

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

2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals)		
Depreciation Expense	31.89%	more than 90%

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)	-117.59%	less than 60%

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

Note 1 - Basis of Preparation

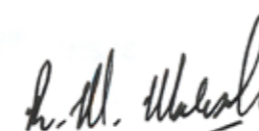
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2019.

Current Year Financial Sustainability Statement
for the year ended 30 June 2019

Certificate of Accuracy
for the year ended 30 June 2019

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.



Cr R W Marsh
MAYOR



Mr J M Magin
CHIEF EXECUTIVE OFFICER

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Balonne Shire Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year statement of financial sustainability of Balonne Shire Council (the council) for the year ended 30 June 2019 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Balonne Shire Council for the year ended 30 June 2019 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland 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 of Queensland 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 the information included in Balonne Shire Council's annual report for the year ended 30 June 2019, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and the long-term financial sustainability statement.

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 council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines 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.



Carolyn Dougherty
as delegate of the Auditor-General

11 October 2019

Queensland Audit Office
Brisbane

Long-Term Financial Sustainability Statement
prepared as at 30 June 2019

	Target		Actual		Forecast									
	30-Jun 2019	10%	30-Jun 2019	30-Jun 2020	30-Jun 2021	30-Jun 2022	30-Jun 2023	30-Jun 2024	30-Jun 2025	30-Jun 2026	30-Jun 2027	30-Jun 2028	30-Jun 2029	
Measures of Financial Sustainability														
2018-2019 Budget and Long Term Sustainability Statement against key financial ratios and targets.														
Performance Indicators														
1. Operating Surplus Ratio														
Net Result (excluding capital items)	0 - 10%													
Total Operating Revenue (excluding capital items)	-6.36%	-15.55%	-16.71%	-13.40%	-12.56%	-9.60%	-7.63%	-6.65%	-4.58%	-2.86%	-2.50%			
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)	> 80%													
Depreciation Expense	31.89%	75.70%	93.50%	39.29%	59.20%	78.50%	84.00%	95.40%	123.71%	200.00%	166.3%			
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.														
3. Net Financial Liabilities Ratio														
Total Liabilities less Current Assets	< 60%													
Total Operating Revenue (excluding capital items)	-117.59%	-82.80%	-89.28%	-99.77%	-106.59%	-99.40%	-110.10%	-101.40%	-85.00%	-52.40%	-59.80%			
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.														

Long-Term Financial Sustainability Statement (continued)
prepared as at 30 June 2019

Balonne Shire Council Financial Management Strategy

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

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

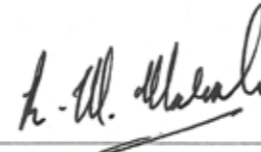
Long-Term Financial Sustainability Statement

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2019

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.



Cr R W Marsh
MAYOR



Mr J M Magin
CHIEF EXECUTIVE OFFICER

COUNCILLOR EXPENSES REIMBURSEMENT POLICY

1. POLICY STATEMENT

To provide guidance for reimbursement of reasonable expenses incurred by Councillors in discharging their duties and responsibilities.

2. PRINCIPLES

This policy ensures that the Council's reimbursement of expenses incurred by Councillors is consistent with the local government principles and financial sustainability criteria as defined in the *Local Government Act 2009*.

Councillors should not be financially disadvantaged when carrying out their roles, and should be fairly and reasonably compensated in accordance with statutory requirements and community expectations.

Councillors should not receive a private benefit through their role as a Councillor and as such this policy provides for actual reimbursement of legitimate expenses and full disclosure through appropriate accountability requirements.

3. SCOPE

This policy applies to all Councillors for the reimbursement of expenses incurred, or to be incurred, by them in undertaking their responsibilities. This policy does not provide for salaries or other forms of Councillor Remuneration. Councillor Remuneration is determined annually by the Local Government Remuneration and Discipline Tribunal.

4. DEFINITIONS

Council business - means the official business of a Councillor as generally described in Chapter 2, Part 1 of the *Local Government Act 2009*. Council business should result in a benefit being achieved either for the local government and/or the local government area.

**** Participating in a community group event or being a representative on a board not associated with Council is not regarded as Council business.**

Entertainment and hospitality - means the cost to Council of providing entertainment or hospitality as outlined in Council's Entertainment and Hospitality Expenditure Policy.

Professional development - includes study tours, attendance at industry workshops, courses, seminars and conferences that improves Councillors' skills and knowledge relevant to their responsibilities as Councillor.

Training - any facilitated learning activity which is considered by Council to be a requirement for Councillors to discharge their duties and responsibilities as Councillors.

5. POLICY

The Council will reimburse Councillors for expenses as set out in this policy. Any expenses not provided for by this policy may be reimbursed only with approval from the Chief Executive Officer. When considering an application for approval of any matter related to this policy, the Council or the Chief Executive Officer must have regard to any relevant principles as contained in the *Local Government Act 2009* and any applicable budget allocation.

Council business

The Council will reimburse expenses incurred in undertaking Council business which includes:

- Preparing, attending and participating in Council meetings, committee meetings, workshops, strategic briefings, deputations and inspections;
- Attending civic functions or civic events to perform official duties or as an official Council representative;
- Attending public/community meetings, presentation dinners and annual general meetings as an official Council representative;

Professional development

The Council will reimburse expenses incurred for Council-approved professional development incurred for:

- mandatory professional development; and
- discretionary professional development deemed beneficial for the Councillor's role.

5.1 Travel Expenses

The Council will reimburse local, interstate and overseas travel expenses (e.g. flights, car, accommodation, meals) deemed necessary for undertaking Council business and approved professional development. Councillors are to travel via the most direct route, using the most economical and efficient mode of transport. The amount of the reimbursement will be the actual amount expended by the Councillor.

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



5.2 Flight bookings

All Councillor travel approved by Council will be booked and paid for by Council. Economy class is to be used where possible although Council may approve business class in certain circumstances. Airline tickets are not transferable and can only be procured for the Councillor's travel on Council business. They cannot be used to offset other unapproved expenses (e.g. cost of partner accompanying the Councillor).

5.3 Travel transfer costs

Any travel transfer expenses associated with Councillors travelling for approved business will be reimbursed on production of original receipts. Example: trains, taxis, buses and ferry fares. Cab charge vouchers may also be used if approved by Council where Councillors are required to undertake duties relating to the business of Council.

5.4 Private vehicle usage

Councillors may use their own vehicle with a mileage paid at the appropriate rate determined by the ATO1 or alternatively Councillors may request the use of an available Council vehicle, or hire car if a Council vehicle is not available. Councillors are to provide written notice when travelling for official Council purposes and provide 12 hours written notice to book a Council vehicle.

Council may reimburse expenses for private use of a Councillor's own vehicle if the:

- Travel is in accordance with this policy
- Claim for mileage is substantiated with log book details
- Total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers.

If Councillors are utilising their own vehicle they must have appropriate insurance as outlined at 6.4.

However if a Council staff member is taking a Council vehicle and the Councillor still chooses to use their own vehicle, without prior approval, then the kilometre allowance will not be paid and the Councillor is not covered under Council's insurance arrangements."

Amount (cents per km)

66.0c (refer to footnote 1 on previous page)

5.5 Accommodation

All Councillor accommodation for Council business will be booked and paid for by Council. Where particular accommodation is recommended by conference organisers, Council will take advantage of the package deal that is the most economical and convenient to the event.

5.6 Meals

Councillors will be reimbursed for the actual cost of meals when:

- the Councillor incurs the cost personally;
- the meal was not provided within the registration costs of the approved activity/event/travel; and
- the Councillor can produce original documents sufficient to verify the actual meal cost.

The actual and reasonable costs allowed for meals are not to exceed the Public Service Domestic Travelling and Relieving Expenses Directive No 9-11 September 2011 equal to the allowance for overnight stay in Brisbane (or as updated).

Meal allowances shall be to the value below, however, the CEO may approve payment beyond these amounts in circumstances considered appropriate.

(Current 1st September 2011)

- Breakfast \$23.65
- Lunch \$26.55
- Dinner \$45.60

If a Councillor cannot produce a receipt for a meal they have purchased then a statutory declaration must be completed to claim the reimbursement. No alcohol will be paid for by Council.

5.7 Incidental expenses

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

6. PROVISION OF FACILITIES

All facilities provided to Councillors remain the property of Council and must be returned to Council when a Councillor's term expires.

6.1 Administrative tools

Administrative tools may be provided to Councillors as required to assist Councillors in their role.

Administrative tools include:

- office space and meeting rooms
- computers
- mobile phones / reimbursement of call costs
- stationery
- access to photocopiers
- printers
- facsimile machines
- publications
- use of Council landline telephones and internet access in Council offices.

Secretarial support may also be provided for the Mayor and Councillors. Council may provide a Councillor with home office equipment including computer, internet access if necessary.

6.2 Maintenance costs of Council owned equipment

Council will be responsible for the ongoing maintenance and reasonable wear and tear costs of Council-owned equipment supplied to Councillors for official business use. This includes the replacement of any facilities which fall under Council's asset replacement program.

6.3 Name Badge/Safety equipment for Councillors

A local government may provide Councillors with:

- a name badge
- the necessary safety equipment for use on official business. e.g.: safety helmet/boots.

6.4 Insurance Cover

Council will indemnify or insure Councillors in event of injury sustained while discharging their civic duties.

Council will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.

For all purposes of this policy, the use of a private motor vehicle for official purposes must be authorised by the Council.

Before authorisations are given under this directive, the following conditions are to be met:

- the vehicle is to be covered by either a comprehensive motor vehicle insurance policy or a third party property damage insurance policy; and
- the Councillor is to produce evidence that the insurance policy has been endorsed to indemnify the Balonne Shire Council against certain liabilities at law. This is a standard endorsement available on request from all insurance companies. The policy does not require the actual words 'Balonne Shire Council'; the word 'employer' will suffice.

Balonne Shire Council will refund any endorsement fees.

6.5 Fuel Costs

Fuel for a Council-owned vehicle used for official Council business, will be provided or paid for by Council.

6.6 Car Parking Amenities

Council will reimburse Councillors parking costs while attending official Council business, upon production of tax invoice.

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

7. LEGAL PARAMETERS

Local Government Act 2009

Local Government Regulation 2012

Australian Taxation Law

<https://www.ato.gov.au/individuals/income-and-deductions/deductions-you-can-claim/vehicle-and-travel-expenses/car-expenses/>

8. ASSOCIATED DOCUMENTS

Code of Conduct for Employees

Entertainment and Hospitality Policy

Public Sector Directive -

<https://www.qld.gov.au/gov/system/files/documents/2011-09-domestic-travelling-and-relieving-expenses.pdf?v=1447991623>

Reimbursement of Expenses Claim form



How to contact Council

Balonne Shire Council
118 Victoria Street
St George QLD 4487

Phone: (07) 4620 8888
Fax: (07) 4620 8889
Email: council@balonne.qld.gov.au

Office hours are:
8.45am to 5pm
Monday to Friday
(Excluding public holidays)

Postal Address:
PO Box 201
St George QLD 4487

All written correspondence
should be addressed to:
The Chief Executive Officer

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