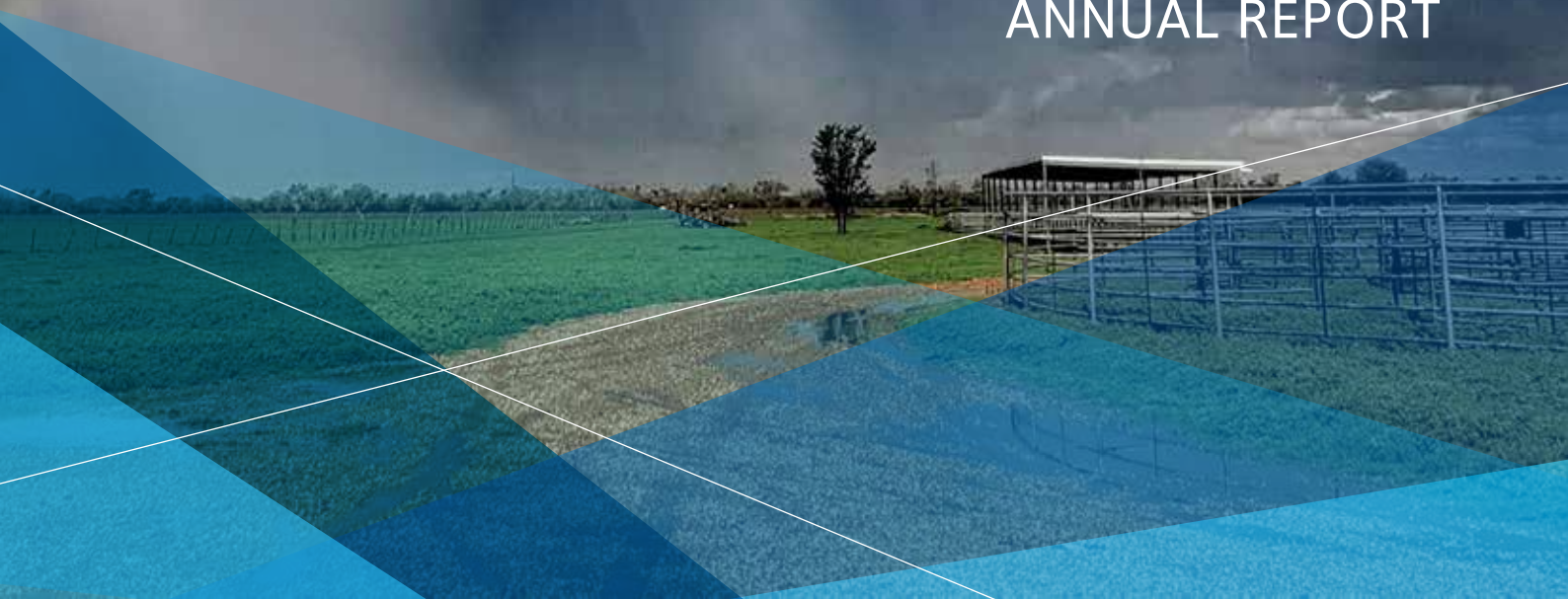


2019/20

A Year of Change

ANNUAL REPORT





About this report

Our Annual Report summarises Council's 2019/20 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 year ends the 2016-2020 term of Council and marks the beginning of a new term 2020-2024.

The report is structured on the key strategic goals of the Corporate Plan 'Our Plan, Our Future' and Council's values – Our Customers, Our People, Our Reputation.

The Local Government Act 2009 and Regulations advise Councils on what is required in the Annual Report each financial year. We welcome feedback from our community and 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

Acknowledgement

We acknowledge the traditional custodians of the 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.

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Welcome from our Mayor

The theme for this Annual Report is a year of change - and that certainly encapsulates the 2019-2020 financial year for the Balonne Shire Council.

After many years of drought, 2020 began with a flood event which filled our rivers and dams, promising a fresh start.

Our Welcome Mate campaign was launched and reached over 136,000 people as well as attracting the attention of Tourism Queensland and pop princess Kylie Minogue, who re-tweeted it to her millions of followers.

Then came the global pandemic which has rocked the entire world including our own backyard. COVID-19 came at a challenging time with local government elections looming, Council entering the recovery phase of the flood and our Shire significantly impacted by years of drought and water buy backs.

On 28th March 2020, the 2016 Council concluded its term with the local government elections and the new Council was sworn in on 14th April 2020 with the former Mayor, Richard Marsh, leaving Council after 18 years, four years, as Mayor. Richard's dedication to the community was evident by his attendance at so many events and meetings in the Shire and advocating for change at State and Federal level. He brought to the table a rich knowledge of local government and we wish Richard, and his wife Glenda, all the very best as they continue to work very hard within their local business. Personally, I would like to thank Richard for his support and hand over as the ultimate professional he is. We were able to seamlessly transition as an organisation and Local Disaster Management Group and get on with the job at hand.

Council also farewelled Fiona Gaske, the Deputy Mayor, and Robert Paul, who both served on Council for eight years. Cr Rod Avery, Cr Bill Winks and Cr Richard Lomman were all welcomed to the table with Cr Lomman elected as Deputy Mayor.

In this Annual Report we acknowledge the foundation work of the outgoing Council upon which the 2020-2024 team will continue to build as well as progressing other initiatives.

Work has begun on all approved projects under Wild Dog Exclusion Fencing Special Rate Round 1, and Round 2 was approved at Council's Budget meeting on 25th June. WDEF Special Rate and grant-funded projects will realise 1903 km of fencing and a significant increase in sheep and goat numbers across the Shire. Not only does the fencing offer more opportunities for landholders to both increase production and diversify but also provides employment and income opportunities for some of our smaller communities.

Council has been fortunate to support its local businesses through a mentoring program which has proven timely given the pandemic. The Business Mentoring programme commenced in December 2019 and at the time of writing

this report there are 28 active mentees (14 agriculture and horticulture producer, eight small/medium enterprises and six and tourism ventures) in the first round.

Digital Connectivity projects Stages 1, 3 and 4 have commenced and work is continuing to lobby and seek funding for Stage 2 Bollon and Stage 5 Mungindi-Thallon and Mungindi-Hebel links.

There was extensive debate around Council's rates and charges for 2020/21 due to COVID-19 on the back of years of drought and the February flood event. In the end Council decided that rates and charges would not increase for most rating categories. The new rural categories - 100, 200, 300 and 500 - did, however, continue to move to a single rural rate in the dollar (as shown in table page 72). Pedestal charges were reviewed for non-residential properties and, based on benchmarking changed from a three-tier pricing structure to a single flat rate. Food shop licence fees have been waived for 2020/21 and the discount period for payment of rates was extended out to 60 days for the August levy instalment.

Council's response to COVID-19 was swift providing important information and assistance to our community on how to stay safe, how to remain open for business and how to seek help and advice. We also played an important role in assisting the Australian Defence Force and Queensland Police Service to close the borders.

Our communities are also to be congratulated for the role they have played in ensuring South-West Queensland has remained Coronavirus free.

I wish to thank my fellow Councillors, past and present, and all our staff for their continued commitment and work over the last year.

Cr Samantha O'Toole
Mayor





Message from our Chief Executive Officer

This financial year has arguably been one of the most daunting that I can ever remember in terms of the challenges thrown at us and how we have had to deal with them, not only as your local council but the community as a whole.

For the first half of the financial year we were still in the grips of a severe drought which resulted in Council reviewing its water restriction policy in recognition of the dire predicament facing the community.

Then, in February, we had what can only be described as a “good flood” in that it filled the dam, allowed those with access to irrigation to conduct a significant amount of pumping, saw water flowing to Hebel and Dirranbandi for the first time in many years and there was no inundation of homes.

As a community we were collectively rubbing our hands together in anticipation of some economic good times for our farmers and their supply chains. Additionally, we had the launch of the Welcome Mate campaign which had positioned us well for a bumper tourist season and saw a phenomenal number of social media hits as a result.

Congratulations must go to Kim Wildman, Sally Rigney and all those staff and community members involved in putting the Welcome Mate campaign together. It just showed you do not need a big budget and production crew from a capital city to build a programme from the ground up predominantly with locals and enjoy significant recognition nationally.

Of course, as we are all well aware, before we got a chance to catch our breath after years of drought then a flood we were hit with the COVID-19 global pandemic which literally tore the guts out of communities across the country and indeed the world. Since then, and right up until the end of the financial year, COVID-19 dominated the landscape for Council and our staff.

Border closures had a massive impact on communities close to the border as many residents traverse the border as a normal part of their daily routines. Council assisted Queensland Police Service (QPS) in closing the borders and establishing check points so the police and ADF personnel could monitor people movements. The cost of all Councils support and assistance has, unfortunately, had to be met from our own resources as a global pandemic does not trigger disaster relief funding support.

Recent events in Victoria, and to a lesser extent NSW, show us that this pandemic is certainly still a frightening and complex virus that simply will not be beaten until all members of the community abide by the advice from the health experts.

It has been a massive year for Councillors and Council officers with a very successful track record in terms of winning grants and, when combined with flood recovery works and other economic stimulus from the State and Australian Governments, it looks like the new financial year is going to be just as challenging.

Matthew Magin
Chief Executive Officer





Council Fine Tunes Organisational Structure

In November 2019 Councillors acknowledged the massive workload created by the roll out of the Wild Dog Exclusion Fencing (WDEF) project across the Shire and the potential impacts on the workforce, landholders and of course the economy.

From an operational perspective the previous structure of the Community and Environmental Sustainability Directorate (CES) was so diverse it was felt the sheer breadth of the department was too unwieldy to effectively manage the WDEF project. Council has endorsed the WDEF as its “signature project” and as such needed to be appropriately resourced and well managed.

Through a combination of the Special Rates Scheme (rounds 1 & 2) and several State and Australian Government grant programmes together with landholder contributions will see up to \$26 to \$28m dollars being invested in WDEF in the next few years. This does not consider those landholders who have just gotten on with the job of putting up their fencing without applying for financial assistance through the rates scheme or a grant.

To ensure operational effectiveness was maintained the CEO determined a small restructure of the Directorate was warranted and removed the tourism and Community Development portfolios out of CES and created the Office of the Chief Executive Officer (OCEO). This office now incorporates Economic Development, Tourism, Community Development, Media and Communications and Executive Support for the Mayor and CEO.

The former CES Directorate has been renamed Environment and Regulatory Services (ERS) and as the name suggests has a very clear focus. This Directorate comprises Rural Services, Environmental Health, Building Services and Planning. The Rural Services component is quite diverse and encapsulates bio-diversity plan, stock routes, animal control, land management and much more.

It is hoped this new structure will adequately reflect the very fabric of our Shire and work closely with all landholders and relevant agencies to ensure Balonne Shire is at the forefront of agricultural growth, diversification and sustainability through modern and environmentally responsible management of our land and finite resources.

Organisational Structure

Balonne Shire Mayor and Councillors

Chief Executive Officer

Finance & Corporate Services

- Administration
- Financial Management
- Customer Service
- Procurement
- Records Management
- Grant Management

- Human Resources
- Information Technology
- Governance
- Risk Management

Infrastructure Services

- Roads and Transport
- Water & sewerage
- Aerodromes
- Parks & Gardens
- Maintenance Operations

- Asset Management
- Facilities and Community Infrastructure
- Plant & Fleet Management
- Workplace Health & Safety

Environment & Regulatory Services

- Biosecurity & Rural Land Management
- Environmental Health
- Compliance

- Planning & Development
- Building Services

Office of the CEO

- Community Development
- Library Services
- Economic Development

- Tourism and Visitor Information Services
- Executive Support
- Media & Communications



Statistics

Population

4360
RESIDENTS



Total Shire Output

\$597m[^]



Unemployment

5.6%

Food & Fibre Leaders

AGRICULTURE, FISHING AND FORESTRY

47% SHIRE
OUTPUT



Service Hub
TOURISM,
AGRICULTURE &
KEY SERVICES

**Growing our
People** for a
Better Balonne



Business Count

895
BUSINESSES



Committed to
SKILLS,
INNOVATION
AND IGNITING
IDEAS



Servicing

31,152km²

\$330m



GROSS REGIONAL
PRODUCT

Exports out of Balonne

72%
AGRICULTURE



**Exclusion or
Cluster Fencing**

45%
OF THE SHIRE

National Institute of Economic and Industry Research (NIEIR) 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. High percentage of our population are volunteers with 30.8% compared with the State average of 18.8%.

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. The plan is based around five strategic goals:

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

On 14th April 2020 Council committed to continuing with the plan that commenced on 1 July 2018 and acknowledged the work already made towards realising 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.





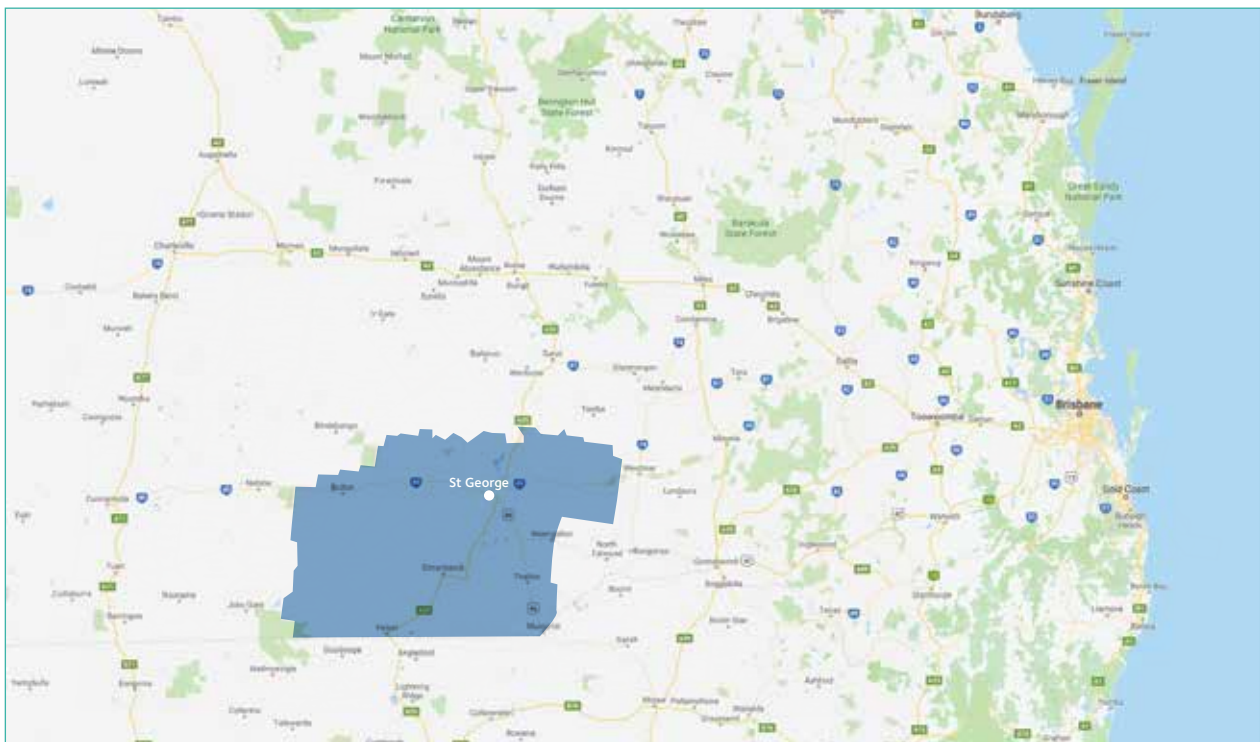
Our Shire

The Balonne Shire is fast becoming a leader in delivering on its vision for connected, innovated communities providing opportunity for economic growth.

Strategic projects which were begun during the year in review include Wild Dog Exclusion Fencing projects, Digital Connectivity in partnership with Field Solutions Group, and a business mentoring program to support our local businesses.

Covering an area of 31,152km² (the size of Belgium) with 3019km of roads and a gross regional product of \$330m, the Shire exports over \$240m each year from its key economic driver, the Agricultural industry.

Balonne is the gateway to the west – located about 500km inland from the Queensland Capital Brisbane. As a border Shire, Council has been instrumental in assisting the State and Federal Governments on Queensland border restrictions during the COVID-19 pandemic.



Our Purpose

Council serves the current and future generations of our communities. Our 4360 residents call one of our seven communities home – St George, Thallon, Dirranbandi, Bollon, Nindigully, Mungindi and Hebel.

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 of 3019km with a mix of sealed and unsealed roads and an active stock route that has played a significant role during the drought. Council has played an active role in disaster management with the February flood event followed by COVID-19. Council plans and prepares for natural disasters working with the District Disaster Management Group and Queensland Fire & Emergency Services. We also educate our communities on how to stay safe, prepare for an event, recover and remain resilient.

Council has increased its engagement and consultation with the community to ensure there is a platform to raise issues of concern and advocate to State and Federal Governments. 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.

We recognise the value in welcoming visitors to the Shire and embarked on a Welcome Mate program that unfortunately has been hampered by the Queensland border restrictions.

Economic Development is vital to support our local businesses as the world navigates the global pandemic

and provides opportunity to explore new innovative ways to conduct business and stay connected. Our waste services continue to be provided through a contract with JJ Richards and our St George Landfill is managed by a locally owned and operated company. We have had to investigate changes to our landfill sites across the Shire with ever changing environmental regulations.

Council provides Environmental, Planning & Development services and have a number of partnerships for community health, well-being and multi-culturalism. We work in close partnership with the Department of Transport and Main Roads to ensure the State road network is well maintained.

We have also been focusing on some of our more bread and butter activities such as increased road funding. Wherever possible we are continually engaging with the Department of Transport and Main Roads (TMR) to secure more roadworks both road maintenance and new projects. As an example, we recently completed a section of the Carnarvon Highway on the eastern entrance to St George and are finishing the approaches to the New Bullamon Bridge at Thallon. By securing these works we are not only able to retain our existing workforce but expand and upskill our crews and contract out works to local and regional contractors.

The former Mayor, Deputy Mayor and CEO travelled to Canberra towards the end of 2019 meeting with several Australian Government Ministers to discuss priority projects. The Country University Centre was one of our signature projects and we were able to present to them a comprehensive and compelling business case for such a facility. Council was ultimately successful in securing funding for the new library and innovation hub proposed for St George and the Country University Centre in St George and Dirranbandi that will open in Semester 1, 2021.



Snap shot of achievements over the past 4 years

Council would like to acknowledge the collective work of the previous and current elected Councillors, community, staff and key stakeholders in achieving the following over the past four years.

Achieved 2016/17

- Community Safety Committee established
- ICE forum held in St George
- Lobbying the Federal Government to abandon water buy backs and advocate for economic relief
- Pimelea poisoning and anthrax outbreak managed
- New Chief Executive Officer and Executive Team appointed
- New values – Our Customers, Our People, Our Reputation
- Completion of Hutt Street River Water Pump Station
- Negotiation of a new waste/recycling contract
- Snap Send Solve introduced to report requests for action
- Increased focus on Workplace Health & Safety
- Drug & Alcohol Policy introduced
- Royal Military College of Duntroon training exercises in St George
- Restructure of Organisation and Senior Leadership Group established
- Employee Satisfaction Survey at all time low at -15% satisfaction
- Council fuel bowser and stores closed


Achieved 2017/18

- Bipartisan support secured for capping the water recovery limit in the Northern Basin to 320GL
- Safe Streets with CCTV
- Community Engagement Framework adopted
- Community Catch Up days initiated
- New Corporate Plan adopted
- Wild Dog Exclusion Fencing Community Consultation and Government Forums Credit review with QTC indicates moderate with neutral outlook
- Economic Development officer and Grants officer secured with funding from the Regional Economic Diversification Program
- Audit & Risk Committee appoints an Independent Chair
- National Wastewater Drug Monitoring program commences
- Staff Breakfasts introduced
- New single Enterprise Bargaining Agreement achieved
- After Hours Phone Service implemented
- Bollon-Dirranbandi Road fully sealed
- Dual waste bin kerbside service implemented
- Upgrade to Thallon, Bollon and Hebel Libraries
- St George River Foreshore Footpath widening
- Aggressive advocacy with State & Federal Government over drought relief
- St George effluent re-use irrigation project



Achieved 2018/19

- \$9m in Murray Darling Basin Economic Development Program funding announced
- Economic Development Plan adopted
- Local Laws Revised and Updated
- Digital Connectivity funding achieved and partnership with Field Solutions Group established
- Wild Dog Exclusion Fencing Special Rate Scheme Business Case
- First Asset Management Plans adopted
- Community Collective and Wellbeing Project initiated
- Tourism Strategy & Action Plan adopted
- Tourism Events Grants introduced
- Centralised procurement and preferred supplier arrangements and increased use of Vendor Panel
- Seven-year single rural rate strategy introduced
- Dirranbandi Multi-Sports Complex completed
- Majority of outstanding St George Levee Bank Easements finalised
- Employee Satisfaction Survey with increase to +61% satisfaction
- Gravel Pit Audit undertaken
- St George Landfill operation contract awarded to locally owned and operated company.



Achieved 2019/20

- BATHS St George Open
- Airport Master Plan Adopted
- Planning Scheme Revised and Updated
- \$1m in St George General Aviation funding achieved
- \$3.174m Wild Dog Exclusion Fencing Special Rate Scheme Round 1 projects commence
- \$4.6m WDEF Round 2 applicants approved
- Murray Darling Basin \$5m Wild Dog Exclusion Fencing funding allocated
- CCWI WDEF funding of \$800,000 allocated
- \$3m Transport & Main Roads Carnarvon Highway Upgrade
- Johnathan Thurston Academy and the man himself visit over 3 days
- Project Governance Framework
- Level 6 Water restrictions introduced as water levels reach critical
- Christmas lights bring cheer to community
- Mungindi River Park redevelopment
- Local Government Elections March 2020
- February Flood event brings welcome relief filling Beardmore Dam and Jack Taylor Weir
- Global Pandemic and COVID-19 Restrictions affect all communities
- New Enterprise Financial Management System implemented
- Funding achieved for new Library Innovation Hub, St George and Country University Centre for St George and Dirranbandi
- Rate payers provided an extended discount period of 60 days for August 2020 levy
- Pedestal charges reviewed from three-tier charge format to one-tier
- No rate increase for a majority of rating categories and the seven-year Single Rural Rate Strategy continues



Welcome to our new Council

Council was sworn in on 14th April 2020 following the 28th March 2020 elections.

All Councillors are here to represent the interests of the Shire as a whole for present and future generations. The new Council developed a portfolio and committee structure and allocated our smaller townships to at least two elected representatives to help share the workload and representation.

Cr Samantha O’Toole Mayor

First elected as a Councillor in 2016, Cr O’Toole was elected Mayor in 2020.

The Mayor is the ex-officio of all portfolios and committees. The Mayor is Chair of the Local Disaster Management Group and Innovation Library Hub Advisory Committee, member of the Audit & Risk Committee and South West Economic Development Group.





Cr Richard Lomman
Deputy Mayor

First elected as a Councillor in 2020 and appointed Deputy Mayor by Council on 14 April 2020.

Cr Lomman has the portfolios of Economic Development & Planning and Finance & Governance. He represents the townships of Thallon and Nindigully.



Cr Scott Scriven

First elected as a Councillor in 2016, this is the second term for Cr Scriven.

Cr Scriven has the portfolios of Rural Services & Environmental Management and Infrastructure & Asset Management. He represents the townships of Thallon and Nindigully.



Cr Rod Avery

First elected as a Councillor in 2012-2016 and then re-elected as a Councillor in 2020, this is the second term for Cr Avery.

Cr Avery has the portfolios of Rural Services & Environmental Management and Economic Development & Planning. He represents the townships of Dirranbandi and Mungindi.



Cr Ian Todd

First elected to Council in 2016, this is the second term for Councillor Todd.

Cr Todd has the portfolios of Infrastructure & Asset Management and Finance & Governance. He represents the townships of Dirranbandi and Hebel.



Cr Robyn Fuhrmeister

First elected to Council in 1996, this term will mark 25 years of service for Cr Fuhrmeister's as a Balonne Shire Councillor.

Cr Fuhrmeister has the portfolios of Tourism & Events and Communities & Open Space. She represents the townships of Mungindi and Bollon.



Cr Bill Winks

First elected to Council in 2020, and is his first term as Councillor.

Cr Winks has the portfolios of Communities & Open Space, Tourism and Events. He represents the townships of Bollon and Hebel.

Farewell to our outgoing Councillors

We take this opportunity to thank the former Mayor Richard Marsh, Deputy Mayor Fiona Gaske and Councillor Robert Paul for their service to the Balonne Shire Council and our communities and wish you and your families all the best in your future endeavours.



Cr Marsh

First elected to Council in July 2002 Cr Marsh served fourteen years as a Councillor before being elected as Mayor in 2016-2020.

Cr Marsh was presented a plaque for his dedicated service 2016-2020 as Chair of the Murray Darling Association Inc for Region 12.



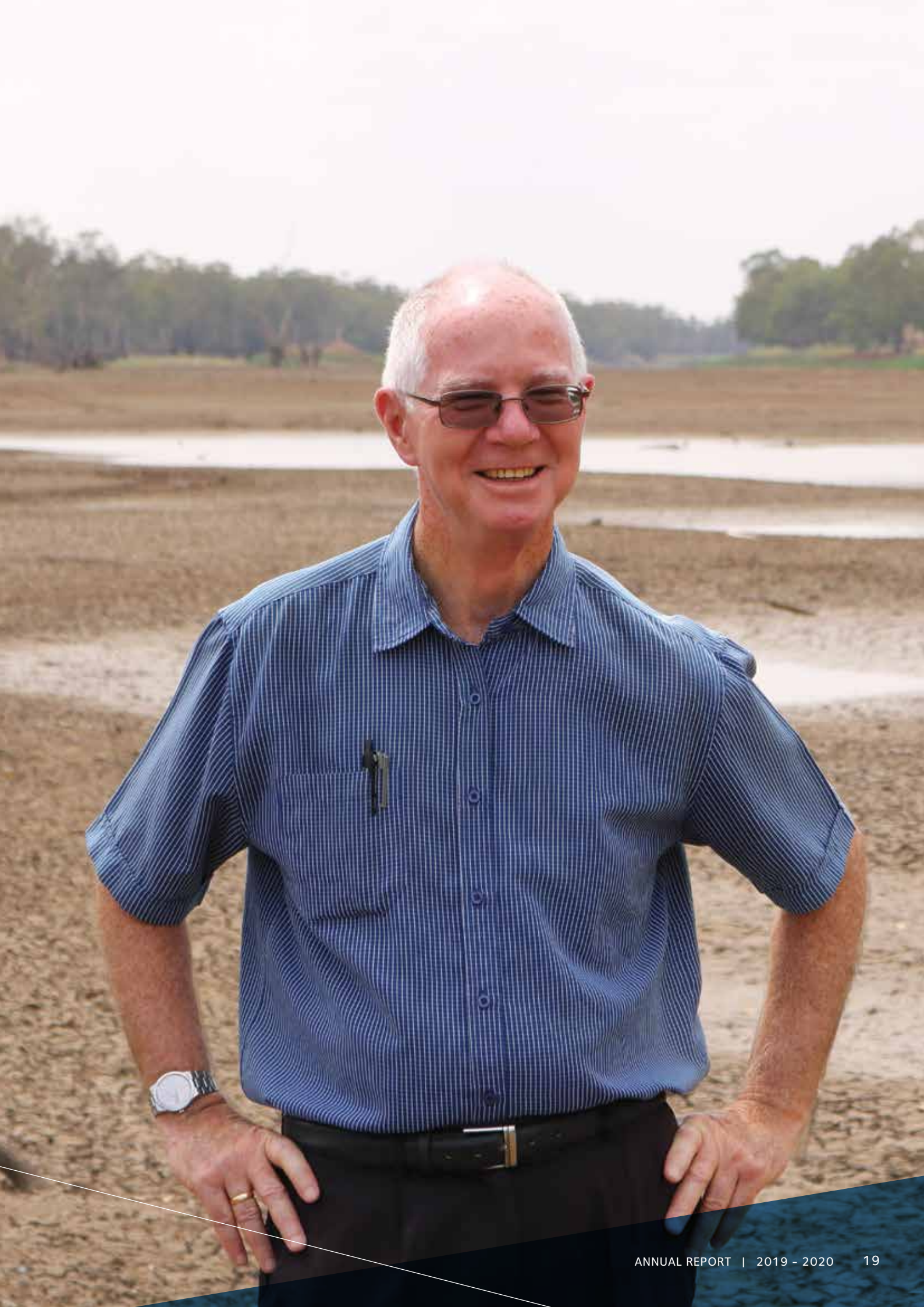
Cr Gaske

First elected to Council in 2012, Cr Gaske was appointed as Deputy Mayor in 2016, serving eight years as a Councillor.



Cr Paul

First elected to Council in 2012, Cr Paul serving eight years as a Councillor.





Our People

OUR SENIOR LEADERSHIP GROUP



Chief Executive Officer

Matthew Magin

Matthew was appointed Chief Executive Officer in November 2016. He has an extensive background in stakeholder engagement, government relations, economic development and the retail industry. He was CEO of the Burdekin Shire prior to joining Balonne. Matthew is a Director with Local Government Manager's Australia Queensland, a member of the Councils of Western Queensland and represents Council on a wide range of regional and community committees and groups. Matthew's biggest challenge in 2019/20 has been in his role as Local Disaster Co-ordinator with the Local Disaster Management Group responding to the February 2020 flood event following closely by COVID-19. A restructure of Community & Environmental Sustainability in 2019 has moved Communities and Tourism under the Office of the CEO along with Economic Development, Media and Communications.



Director Finance & Corporate Services

Michelle Clarke

Finance and Corporate Services provides enabling services to Council from payroll, information technology through to financial management. Michelle has been with Council since October 2016 and was officially appointed as Director Finance & Corporate Services in February 2017. Michelle holds a Bachelor of Law and Administration, Graduate Certificate in Business (Professional Accounting) and will complete her Graduate Diploma in Applied Risk Management and Corporate Governance in 2020. Michelle is a Qualified Justice of the Peace, Fellow with Local Government Managers Australia and Fellow of the Governance Institute of Australia. The biggest challenge in 2019/20 for Finance & Corporate Services was changing our financial management system to IT Vision's Synergy Soft and Altus Payroll, after 28 years with Civica's Practical Computer Systems.



Director Environment & Regulatory Services

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. The Community Environmental Sustainability Department was restructured in 2019 to the Department of Environment & Regulatory Services. The Department's biggest challenge in 2019/20 has been managing over \$14m in Wild Dog Exclusion Fencing projects across the Shire and finalising the revised Planning Scheme.



Director Infrastructure Services

Andrew Boardman

Andrew joined Council in September 2018 and was appointed Director Infrastructure Services in March 2019. He holds a Bachelor of Engineering – majoring in Civil Construction and Structural Engineering. The biggest challenge for the Department of Infrastructure Services has been the implementation of a substantial capital works program on top of an increased Roads Management Performance Contract and \$3m Carnarvon Highway Upgrade followed by the February 2020 Flood Event.





OUR TEAM

The year 2019/20 started with great team work to deliver services to our community and finished with a need for resilience as we worked together to stay safe, stay apart and get through this together following COVID-19 restrictions.

Council values 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 every one of our employees who were part of the 2019/20 team for their work and contribution to our Shire. We wish them all the very best in their future endeavours.

We said farewell to Mr Karl Hempstead, Rural Services Manager after 12 years' service and Mrs Kathy Elliott, who served the Council for 46 years.

Barbara Mitchell served our community in the Bollon Library for 16 years. We extend our condolences and sympathy to the Mitchell family. Barbara was a well loved member of our team.

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 Toolbox 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

Regular updates on employment policies are provided through Tool Box Talks and staff meetings. Performance appraisals are undertaken annually. A majority of training moved to on-line with COVID-19 restrictions.

Developing our people

Council introduced a new Learning Management System to deliver online training and has offered our employees professional development and training opportunities throughout the year. Council is 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.

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. Council adopted a Human Rights Policy that applies to its workforce and customers.

Our traineeships

Each year we employ at least three trainees and in 2019/20 we had three successfully completing their traineeship with two staying on full time.

Horticulture – Dirranbandi

Horticulture – Bollon

IT & Business Administration

All trainees complete a Certificate in their relevant field and funding is provided through Skilling Queenslanders for Work – First Start Program. 2019/20 recruitment was disrupted with COVID-19 and has delayed appointments of trainees. We were able to employ one trainee in Horticulture at Thallon and we will have two more trainees in 2020/21.

Our staff breakfasts

In 2019/20 Council held three staff breakfasts. The staff breakfast voted as the all-time best was the one attended by Johnathan Thurston in August 2019. While we cannot get celebrities to join us each time 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 our staff receive updates on the Budget, Workplace Health and Safety; Superannuation options, Salary Packaging and more. Staff breakfasts were on hold for several months due to the global pandemic however, Council has maintained contact through regular newsletters, Microsoft Team meetings and smaller 'socially distanced' meetings.





Keeping our people safe at work

Council recognises 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. The safety of our employees, contractors, volunteers, work-experience students, visitors and members of the public is our priority.

Risk assessments were introduced for travel during COVID-19 restrictions and new management directives were introduced to manage working from home and the possible need for COVID-19 leave. Our different workplaces were isolated from each other during the height of the pandemic to reduce the risk of cross contamination. Fortunately for the Balonne Shire there were no positive cases in the South West region. More on workplace health & safety initiatives can be found in the Governance section on page 70.

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.

We have had a number of our staff go through some health issues this year and our prayers and thoughts are with them and their families.

Our Volunteers

Our Visitor Information Centre (VIC) currently has 14 registered volunteers. The Visitor Information Centre relies on volunteers to cover weekends and staff leave. The centre is very grateful to all our valuable volunteers who give dedicate so much of their time. Their duties range from pricing of merchandise, customer service and the daily running of the information centre on weekends. The centre is always looking for additional volunteers and runs regular recruitment campaigns throughout the year.

We have a number of volunteers that help out at our library to return books to their shelves.

We thank all of our volunteers who help provide these important services to our visitors and residents.

OUR TEAM	
Office of the CEO (including Communities & Tourism)	17
Corporate & Financial Services	18
Environment & Regulatory Services	9
Infrastructure Services:	51
TOTAL:	95
Composition Men:	55
Composition Women:	40





Our Customers

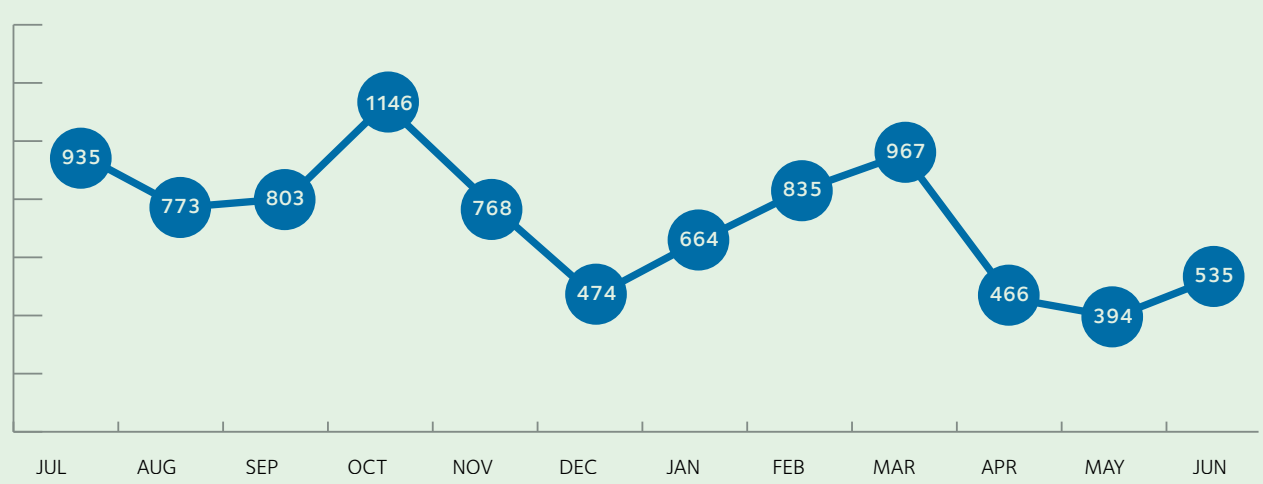
ENGAGING WITH OUR COMMUNITY

Council adopted a Customer Service Charter in June to streamline its process and provide timeframes that we can inform our customers and measure against to deliver quality customer service.

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

calls. During 2019/20 we received over 8760 calls on a variety of issues. The top area of enquiry was rates as shown with the spike in September and February. We also experienced an increase with the February 2020 Flood Event and COVID-19. Our doors were closed for approximately 6 weeks with COVID restrictions with a decrease in enquiries as shown for April and May. On average Council records 5-6 compliments per month. Our Chief Executive Officer personally writes a letter to the teams and/or staff members who receive a compliment to thank them for their efforts

Number of Calls



Balonne Shire Council Customer Service Charter

This Customer Service Charter outlines our commitment to you and the standards you can expect and your options if we don't meet those standards.

Our Customer Service Charter will be guided by:

Our values

Our Customers

We understand you have a lot of things to do, so we get things done with speed, honesty and integrity.

Our People

We value teamwork and communication, we value each other and work towards the common goals and objectives.

Our Responsibilities

Our responsibility is to meet your needs, we are not merely, and certainly not the best, we are the only.

Our standards

Personal Information provided by a customer to Council is protected in accordance with the requirements of the *Information Privacy Act 2009* and the *Right to Information Act 2009*

We aim to:

Answer your telephone calls	➢ Within 4 rings
Return your telephone message	➢ Within 24 hours
Respond to written correspondence	➢ Within 10 business days
Acknowledge service requests	➢ In 3 business days
Action/Resolve service requests	➢ Within 10 business days
Acknowledge complaints	➢ In 3 business days
Investigate complaints	➢ Within 30 business days
Keep you updated	➢ When matter cannot be resolved within above timeframes
Refer customers on social media to service request process or customer service charter	➢ Within 24 hours on business days
Provide excellent customer service	➢ To all customers in a professional and polite manner
Continuously improve our services	➢ Through customer feedback
Respond to emergencies	➢ After-hours service available via Council's phone number
	➢ For genuine emergencies officers will respond as a call out

Balonne Shire Council Customer Service Charter

If Council cannot provide the service you require, we will endeavour to refer you to an appropriate service provider.

To allow us to help, we expect that you will:

- Provide us with all the information that we need to assist you
- Communicate with us respectfully
- Contact us if you believe we have made an error
- Provide reference numbers where applicable
- Provide feedback on our services

What if you are not happy with our responses?

We recognise that there are times when you will disagree with our actions or decisions. Therefore we have a complaints management policy in place.

You can lodge a complaint:

- On our Website, or
- By submitting it in writing to Council

Whenever you contact us we will:

- Identify ourselves
- Greet and listen to you with respect, courtesy and understanding
- Respond to your enquiry in a professional and timely manner
- Endeavour to resolve your enquiry at the first point of contact
- Set clear expectations of the next steps and deliver on those commitments

Service Requests - Flow Chart

Contact Council:

- 112-118 Victoria Street, ST GEORGE QLD 4487
- 07 4620 8888
- council@balonne.qld.gov.au
- www.balonne.qld.gov.au
- Balonne Shire Council
- Snap Send Solve (Download the free app)
- BalonneSC

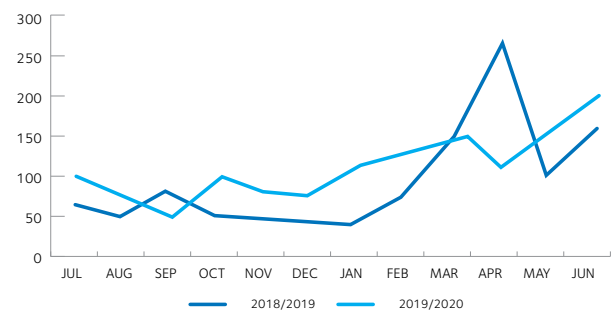
Social Media Platform	No of Followers		
	2017/18	2018/19	2019/20
Facebook	2418	2908	4280
Twitter	191	258	320

Council also uses social media to get our messages out. Our Facebook page has increased by 100% from 2018/19 and Twitter has increased from last year with most popular tweet being Johnathan Thurston's announcement of his visit to the Balonne Shire with 9690 impressions.

The Welcome Mate social media campaign was a hit with Kylie Minogue sharing the Balonne Shire tourism message with her 2.2m followers. See more at page 44.

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. Council continues to promote Snap Send Solve as a way visitors and residents can report issues such as road conditions or stray animals. 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%. Service request can also be submitted to Council by calling the administration office or emailing servicerequest@balonne.qld.gov.au There is also an online form on our website for compliments and complaints.

Service Request Reporting





Our Reputation

Administrative Action Complaints

Council had no external review complaints with the Queensland Ombudsman in 2019/20. Council referred one matter to the Crime & Corruption Commission (CCC) resulting in disciplinary action of an employee. The number of administrative complaints increased from five to eight received in 2019/20.

No. of administrative complaints received	No. of complaints resolved	No. of complaints outstanding
8	8 (including 1 from 2018/19)	1
Further information on our service request system and minor complaints is shown at page 27		

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.

In 2019/20 Council received and processed two Right to Information applications however the applicants did

not proceed with the application following receipt of the decision notice and estimate fees.

Council received no information privacy breach complaints in 2019/20.

Audit & Risk Management

Our Audit & Risk Committee operates in accordance with the *Local Government Act 2009*, the *Local Government Regulation 2012* (the Regulation). The committee met four times during the 2019/20 financial year and introduced a format for flying minutes. The Audit & Risk Committee reports directly to Council and is composed of four voting members.

The Committee members are;

- Independent Chair, James Hetherington (appointed 2017)
- Independent Member: Craig Dreher (appointed 2019)
- Mayor Samantha O'Toole, Cr Ian Todd (Incoming members 14/04/2020 to 30/06/2020)
- Mayor Richard Marsh, Cr Fiona Gaske (Outgoing members 01/07/2019 to 13/04/2020)

The Chief Executive Officer and all Directors, the Manager Finance Services, together with representatives of Queensland Audit Office attend Audit & Risk 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 attend to report on the internal audit function of Council.

Internal Audit Function

During 2019/20 only one site visit was undertaken by Arabon Audit & Assurance Pty Ltd and one remote visit (due to COVID-19).

The following internal audit recommendations were completed:

- Wild Dog Scalps (100% of recommendations complete)
- Fuel cards (100% of recommendations complete)
- Credit Cards (100% recommendations complete)

In progress:

- Fleet management (April 2019 - 50% of recommendations completed)
- Capital works and budgeting (November 2019 - 10% of recommendations completed)

- Grants management (April 2020 - 5% of recommendations completed)

Management reports to the Committee on the progress of implementing the recommendations arising from internal and external audit. The audit function creates an opportunity for continuous improvement.

All of the above initiatives and programs demonstrate openness, transparency and accountability. More information can be found in the Governance section of the report on page 63.

Performance Monitoring and Reporting Performance

The Operational Plan 2019/20 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 2019/20 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 Our Performance Section from page 80.







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 2019/20

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



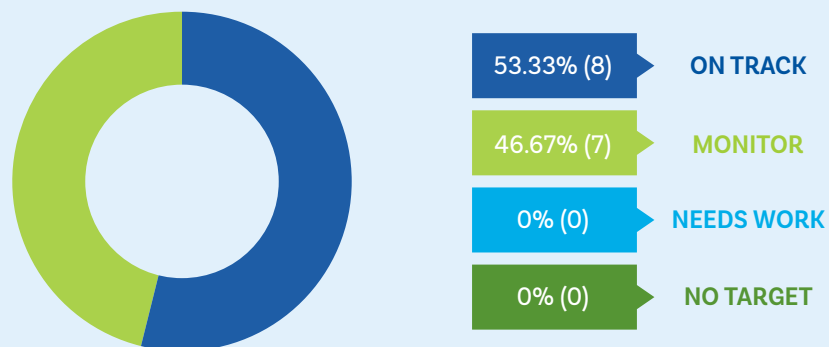


1. Community

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.



Action Status





Community Spaces to Connect, Engage and Learn

Evolution of Library Services

Throughout the Shire, Council ran holiday programs in each of the libraries which included cartoon, robotics and Lego workshops, which were very popular with the local children. Council received an interactive floor for the library which has proven to be a huge success with the children and activities have been able to continue even during the COVID-19 pandemic. A tech savvy workshop for seniors, where participants were able to learn basic computer skills, also proved popular.

Council saw an increase in library usage and new members during the year. While our libraries had to close for a time during the pandemic, there was a significant increase in members and new members using online resources.

Bollon Library

As part of its commitment to enhancing its regional library services to the Balonne community, Council continued to explore opportunities to enhance community participation and access to some of its existing library facilities across the region.

The Bollon locality was identified as one town where, through collaboration with a local business operator, Council may be able to offer enhanced accessibility to library services to the public, whilst at the same time enhancing business patronage to the local area. Discussions with State Libraries Queensland about the concept were well received.

The Bollon and surrounding community are currently serviced by a small library facility that is located at the Bollon civic centre and community hall. The library's current opening hours are part time on Wednesday and Friday every week.

Council's Library Services Strategic Plan 2018-2020, outlines Council's vision and areas of strategic focus. The Plan outlines the need to explore Partnerships and Collaborations to support the delivery of enhanced services to the broader community.

This project will progress further over the 2020-21 financial year.

Healthy & Active Lifestyles

Johnathan Thurston – You be the Difference

Rugby league great Johnathan “JT” Thurston and the JT Academy got to experience some real country hospitality when they visited St George for three days in August last year. The Academy met residents from all over the Shire, with mental health and youth development being the focus.

The former North Queensland Cowboy and State-of-Origin legend encouraged our residents to soldier on in the tough times, and the towns morale was on a high for months afterward. Some of the activities undertaken during the visit included:

- Community meet and greet where more than 500 people came from inside and outside the Shire to meet JT and get a piece of memorabilia signed.
- A mental health talk with the local rugby union and league senior teams where players were encouraged to speak up when they are not okay and to seek support from their teammates.
- Breakfast with businesses hosted by the St George & District Chamber of Commerce, where JT encouraged 35 business owners saying that “tough times don’t last, but tough people do.”
- Elders meeting at Mani Tribes where JT met with our Elders at the Mani Tribe’s gallery and got to view some of the amazing artwork done by locals.
- Morning tea at Warrawee where JT and his team had some fun with the residents over tea and cake.
- School workshops with all the schools from the Shire where JT and academy members focused on leadership, development, and courage. All the while encouraging the children to stay in school and learn from the leaders around them.

Funds break down

JT fundraising auction	\$ 7,550 (one off)
Peak Services	\$ 2,000 (per/yr x 5 years)
Beast sale	\$ 2,500 (one off)
BSC contribution	\$ 6,000 (annual amount)

Bursary Annual Budget	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
JT fundraising auction	1,510	1,510	1,510	1,510	1,510
Peak Services	2,000	2,000	2,000	2,000	2,000
Beast Sale	500	500	500	500	500
BSC contribution	6,000	6,000	6,000	6,000	6,000
Total bursary budget	10,010	10,010	10,010	10,010	10,010



- JT got to taste an onion on a tour of Moonrocks and also got to see some of the vegetables produced in the Shire.

A Night with JT” was a spectacular evening with local produce served by our very own Big Buddy Program. We got to hear some great stories from JT and auctioned off memorabilia. A fundraising auction was held during the Johnathan Thurston visit to support a Emerging Leaders Bursary over the next 5 years, raising \$7,550. Council also received a commitment from Peak Services for a donation of \$2,000 per year for the next five years. A local property owner donated the proceeds from the sale of a beast (approximately \$2,500) and Council allocated \$7,000 in the 2019-20 budget for bursary. \$1,000 of this allocation will be used for promotion of the bursary.

Congratulations to Colin Mackenzie who received the 2020 Emerging Leaders Bursary (Senior Category). Mr Mackenzie from St George was a worthy recipient of the \$4000 bursary and is currently awaiting the outcome of current COVID travel restrictions to enable him to undertake his chosen professional development opportunity to further enhance his leadership and life skills.

Council contribution over five years is based upon an annual budget allocation of \$7,000 (\$1,000 each year for promotion; \$6000 for bursary).

It was a truly memorable time for many and a welcome relief from the drought.



St George BATHS

The Balonne Artesian Thermal Hot Springs [the BATHS] located at the St George Swimming Pool were officially opened by the State Local Government Minister Hon Stirling Hinchliffe on Sunday 8th December.

The BATHS were funded by a \$750,000 grant from the Queensland Government's Works for Queensland program. Featuring artesian spring water heated to 34 degrees the BATHS are reputed to offer healing powers and are particularly beneficial for older people. There is the opportunity to do low-impact exercise and easy access with ramp and rail built into the design.

The facility had to close in March 2020 due to COVID-19 restrictions however, Council is hopeful it can re-open soon providing a therapeutic aid for locals as well as growing the town's tourism attractions. This project puts St George on the outback thermal springs trail.

Vibrant Creative Arts, Music, Local History And Culture

Council supports local arts, music, history and culture and during the year supported some great events and initiatives including the Songs to Die for Opera and the Little Green Road to Fairyland ballet along with many local events. For the first time in a long time Christmas tree decorations were put in place in St George to brighten up the town – receiving some great feedback from locals and travellers. Decorations and lights will be extended to other towns in the Shire in 2020 following consultation with the community.

Regional Arts Development Fund

Four community groups received funding for arts and cultural activities through Council's Regional Arts Development Fund. A total of \$8,998 was provided by Council. Unfortunately, due to the pandemic many events and workshops were unable to go ahead as planned.

Name of funding recipient	Activity name
Dirranbandi Arts Council	2020 Upholstery Workshop
St George Aboriginal Housing	Children's Community Cultural Program
Balonne Kindergarten	Totem poles for the indigenous garden
Balonne Creative Arts Group	Quick Curves hand and paper piecing workshop

Multicultural activities

Council - along with Shires of Bulloo and Paroo and the Department of Local Government, Racing and Multicultural Affairs began work on an initiative to become welcoming and inclusive Shires as a way of seeking to boost the population within the local government areas. A multicultural, migration and settlement strategy is currently under development by Council in partnership with its

communities. A big focus is being put on our multicultural residents and new residents moving to our towns. Council holds Citizenship Ceremonies, led by the Mayor. During the year 10 residents became Australian citizens.

Council hosted a new residents' dinner to welcome those who had recently arrived into the Shire on 21 February 2020. All attendees received a welcome pack including information on the Shire.

Advancing regional forums

The Department of Premier and Cabinet have set up an Advancing Regional Queensland Community Forums for different areas and members on those forums advocate to the State Government as the voice of the community. Meetings occur quarterly and two Ministers are on each of the Area's Forums. From there actions are planned and sub-groups meet throughout the year. As part of the Darling Downs and South West Forum we are focusing on:

- Tourism
- Sustainability as a Shire including sustainable migration and population boost
- Digital connectivity
- Small businesses
- Training and education.

Some of the achievements from this are and not limited to:

- St George and the Celebrating Multicultural Queensland Regional Partnerships that has become a case study for the 'Sustainability as a Shire' project and how we are attracting new residents to regional areas.
- A percentage of total State Government grant monies allocated has to be used for regional areas.
- Advocating for specific training programs that can assist with upskilling people in areas of the skill shortages in regional areas, this includes agriculture and livestock management.

In the Future

Council is currently working with business in Dirranbandi to complete the Dirranbandi Beautification and Energy Efficiency Project.

Council is currently working with the Dirranbandi Community and relevant Government agencies to finalise the Dirranbandi Hot Baths project.

Council has expanded its Christmas Lights Project to include townships across the Shire for 2020/21.



Australia Day 2020

Australia Day 2020 was held in St George, with our former Deputy Mayor, Fiona Gaske singing the National Anthem to over 150 attendees. The Citizen of the Year is a well-known local resident who along with other local candidates were acknowledged for the great work they have done for our Shire.

Award recipients were -

- Junior Sports Achievement Award: Kate Southern
- Senior Sports Achievement Award: Kevin Southern
- Sports Administrator Award: Alistair Mace
- Cultural Achievement Award: Katie Parker
- Community Event of the Year: St George Rugby League Centenary Celebrations
- Community Service Award: Majella Morris
- Young Citizen of the Year Award: Lillian Stenhouse
- Citizen of the Year: Barbara McMillan





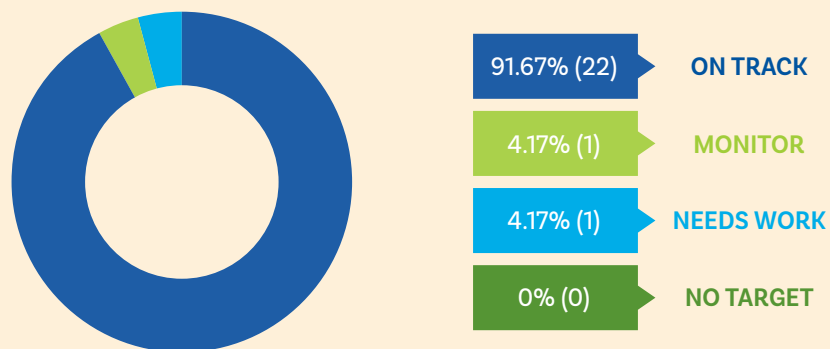


2. Economy

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



Action Status





Initiatives to Build the Food and Fibre Leaders Profile

Agriculture underpins the Balonne Shire's economy accounting for 50% (\$241m) of the Shire's total economic output and 34% of its workforce.

The 2018-2022 Balonne Shire Economic Development Plan identifies four economic pillars as tourism, cotton and grain, sheep and cattle and the horticultural sector. Council has been actively working with producers and peak industry groups to support, expand and diversify the capability of and opportunities for the Shire's producers.

Initiatives Council has been working on to build the Shire's food and fibre leaders opportunities and profile include:

- Supply chain opportunities for producers with key partners (e.g. TSBE and Trade and Investment Queensland) and markets including export and value-add opportunities in all sectors – cotton, grain, cattle, lamb and mutton, wool and fruit and vegetables
- Identification and adoption of agricultural technologies including mentoring and related workshops in this area
- Improving the digital connectivity across the Shire and on properties to enable growth
- Council sponsored and participated in the Focus on Food and Fibre Conference held in St George in August

- The opportunity for producers to value-add and diversify their operations through investments in exclusion fencing and the business mentoring program (14 producers participating in Round 1 of the Special Rate Wild Dog Exclusion Fencing Scheme).
- Participating in Queensland AgTech Month in November with the two-day AgTech and digital forum in St George
- Investing in producers in the business mentoring with professional agricultural mentors
- Lobbying and meeting with organisations such as Queensland Farmers Federation and in Canberra (November), the National Farmers' Federation and the Centre for Entrepreneurial Agri-Technology
- Participating in the TropAg Conference in November identifying opportunities for producers
- Promotion of employment opportunities in the agricultural and horticultural sectors to partners assisting in the relocation of migrant workers.

Council was working with partners on a series of events and workshops supporting the sector, unfortunately many of these events AgTech demonstrations – LoRaWan field day demonstrations, computer training courses, and the Agtech20 event in Mungindi were cancelled due to COVID-19 restrictions.

Investment Attraction & Partnership

Council has been active in promoting the Shire to attract inward investment and business expansion for the Shire. Council identified 21 priority projects in 2017 of which 11 are still active. Some of these projects include: Shire-wide exclusion fencing programs, the re-opening of the St George Meatworks facility, growth in feedlot operations, expansion and diversification of the horticultural sector as well as working on inland rail opportunities in Thallon.

Council's signature economic development project is exclusion projects including funding from the Murray Darling Basin Economic Development Program (MDBEDP) program, two rounds of special rate schemes and further state and commonwealth funding for fencing programs. A total of \$14.5m in exclusion fencing funding has been secured with matching funding by landholders. The construction of the fences creates and retains more than 50 jobs in the Shire. With the desire to increase small livestock (sheep and goat) numbers in the Shire and region, Council has been active in identifying and promoting these further investment opportunities to key groups in the wool and lamb and mutton supply chains.

Council has been working with the owners of the St George Meatworks facility and key partners to potentially re-open the facility which would generate employment and further opportunities for the Shire. In horticulture, Council has been supporting businesses such as Moonrocks which is expanding and diversifying operations, assisting with essential and migrant worker programs, mentoring, skilling and training and grant/funding opportunities. There has also been real growth in enquires to establish cattle and sheep feedlot in the Shire. Council has been assisting in planning approvals and business support including further supply chain opportunities in this industry. Inland rail is a further opportunity with the end of the South-West line located in Thallon. Council

has commissioned studies on the feasibility of hubs and warehousing and has been active in partnership with other neighbouring Councils on three business cases under the Australian

Government's Country Line Improvement Program (CLIP) and Productivity Enhancement Program (PEP) to look at the feasibility and opportunities inland rail could bring to the region.

Overall, more than \$30m in **grant funding** for projects has been secured across the Shire and is now rolling through the local economy. The grant funding is not only in response to economic stimulus on the back of crippling drought, but also assisting in the recovery process following February's floods.

This economic stimulus is underpinned by several major projects funding seven projects for \$9m.

Other major projects and announcements include:

- Dirranbandi Thermal Baths Project - \$875,000
- Dirranbandi Business Improvement Scheme - \$420,000 in funding announcements
- Inland Rail project - (3 business cases - for federal inland rail infrastructure funding)
- Continued work on the Shire's Priority Economic Development Projects
- Announcements of 4 investments totalling \$7.2m.

Digital Connectivity has been identified as critical infrastructure needed to grow the Shire's economy. Currently, \$3m (which includes \$2m in Commonwealth and State funding) has been allocated for tower and wireless construction and asset upgrades to increase digital services across the Shire. Investing in high-speed upload and download digital connectivity will produce Shire-wide economic benefits for producers and businesses to expand as well as attract further investment, workers, and families to the Shire.



Value-Add And Diversification Strategies

Council's signature economic development project is the investment in Wild Dog Exclusion Fencing. A total of \$8.174m in fence funding includes \$3.174m from Balonne Shire Council's Special Rate Scheme – Round 1 and \$5m from the MDBEDP program. Co-contributions from land holders and investment in small livestock make these fencing projects key enablers for future economic growth in the Shire.

The business mentoring program under the MDBEDP program, has assisted in identifying various strategies and opportunities for producers, small-medium enterprises, and tourism operators with regards to value-add and diversification. In Round 1 there were 30 active participants and of that figure, more than half of the mentees are looking to diversify or adopting value-added strategies in their operations. The exclusion fencing program has also been able to identify further value-add and diversification opportunities for producers, post-fence construction with Council working with these producers on long-term economic opportunities and benefits for the Shire.

Council has been working with key partners such as: the Queensland Government's Departments of State Development, Tourism and Innovation (DSDTI) and Agriculture and Fisheries (DAF), Toowoomba Surat Basin Enterprise (TSBE) and the Queensland AgTech Month group to assist in diversification and value-add support. Support has come in the form of AgTech and Innovation training and workshops for producers, businesses looking to establish on-line presences, producers looking at value-add opportunities on their properties, producers diversifying into professional services and businesses pivoting and/or expanding to identify and realise Shire and regional procurement opportunities.



Skilling Training & Innovation

Developing training for residents and attracting skilled workers to the region is a key driver for the Council. Council continued to partner with the St George Chamber of Commerce and the Department of State Development Tourism and Innovation to deliver the Bettering Balonne program to support small-medium enterprise businesses in the Shire. Council and its partners including the Department of Employment and Small Business Training (DESBT) continue to work with residents and the business community on apprenticeship and skills-based training programs for the Shire.

In June, the Federal Minister of Agriculture the Hon David Littleproud made two major announcements for the Shire – funding of \$5m for the \$6m **Library Innovation Hub** in St George and an additional \$700,000 to house the **Country University Centre (CUC)** that will service St George and Dirranbandi. These projects are a real catalyst for tertiary education and future economic growth for the Shire. Construction of the Library is scheduled to commence in late 2020/early 2021.

Council has been in discussion with the Office of the Chief Entrepreneur, the Queensland Government's Advance Queensland, training providers and co-working space and "hot-desk" operators in Toowoomba and Brisbane. The proposed library and innovation hub will provide a key hub and spoke model connecting the Shire to these key centres improving the overall skilling and training needs for residents and the workforce with the aim to retain more residents in the Shire by offering specific training programs both vocational training and degree qualified opportunities here in the Balonne Shire. Council will be working with its training providers and key stakeholder partners such as the St George Chamber of Commerce, Progress Association and business community to meet the training and skilling needs and trends for our local residents and current and future businesses.

COVID-19 impacted the delivery of several in-person training courses from March until June, but training shifted to on-line webinars and training which will be incorporated and utilised further in the investment in digital technology, the library and the Country University Centre.

Business Incubation & Support

The Federal Government's **Murray Darling Basin Economic Development Program Business Mentoring Program** kicked off in December with 34 businesses across the Shire (including producers, small-medium and tourism businesses) enrolling. By the end of the financial



year, there were 30 active businesses all matched with professional mentors to assist participating businesses with growth plans and opportunities to help grow their farm enterprises and businesses. In addition to the direct one-on-one mentoring the participating businesses receive, there is also a series of workshops and webinars by specialists focusing on areas such as: finance, marketing, e-commerce, entrepreneurship, and farm management. Mentees are also eligible to apply for project funding up to \$2,000 as well as feasibility study assistance up to \$20,000 to assist in business expansion, employment, diversification (e.g. selling on-line), utilising agricultural technology, value-add opportunities as well as improving overall efficiencies in the businesses.

COVID-19 had a dramatic impact on the Shire's economy when CPOVID-19 restrictions came in place in March. Council provided immediate and on-going support to the business community through:

- Establishing a business task force group for support and recovery
- Assistance with grant applications including a webinar on completing the Queensland Government Adaption Grants
- Assistance with Commonwealth and State Government funding programs for businesses including the JobKeeper program
- Fast tracking and securing additional grant funding for infrastructure projects to drive local economic growth
- Delivery of the Murray-Darling Basin Economic Development Program projects (\$9m) across the Shire
- Lobbying and support for producers and businesses affected by border closures and the need for essential workers
- Extension of the business mentoring program to our business community
- Dedicated contact for business support assistance

- The development of an online employment and job seeker portal through Connect South West Queensland's website - www.stgeorgeqld.com
- COVID-19 Queensland Health safe plans for our businesses and producers
- Economic recovery plan

Council also partnered with the St George Chamber of Commerce launching the Buy Balonne Gift Card in September 2019 with 95 businesses participating across the Shire in all seven communities. The main priority of the program is to encourage residents to shop locally by purchasing a Buy Balonne Gift Card as a gift that can only be redeemed within the Shire at the participating businesses. By the end of the financial year, there were \$41,288 in funds loaded on the cards with \$25,764 being spent locally.

Tourism Growth & Development

Tourism & Events Strategy

At the end of 2019/20 Council secured a \$55,000 Building Better Regions Grant to create and deliver a new Tourism & Events Strategy. Consultant Krista Hauritz was contracted to undertake the project. As a part of the strategy research a Benchmarking Report and a Tourism and Events Local Government Audit was also conducted by the consultant. The purpose of this strategy is to collectively share the long-term vision and strategic direction for tourism and events in the Balonne Shire. It provides the framework to collaboratively maximise the economic benefits of tourism and events, while managing the environmental and social impacts, including benefits for the local community. The document was formally adopted by Council in February 2020.

A Welcome Change

Welcome Mate is a story of resilience and hope. The Balonne Shire is full of robust people, the backbones of our community, but by the beginning of 2020 they were worn out and worn down from years of trying to survive a prolonged drought.

Faced with, what at the time looked like bleakest of futures for the 2020 tourist season (little did we see COVID-19 coming), the Balonne Shire Council had the courage to confront the challenge head-on and take responsibility for the Shire's collective future. Rather than relying on the Registered Tourism Operators (RTOs) to provide the solution and direction, Council took an innovative approach and fully funded and supported the creation and delivery of a local grassroots inspired and driven tourism marketing campaign.

It was a game-changing solution that utilised the region's people power.

The Welcome Mate Tourism Marketing Campaign was devised to raise the profile of the Shire's tourist image and attract travellers, and also to lift the flagging spirits of the Balonne community. Inspired by Tourism Australia's Matesong television commercial featuring Kylie Minogue, the campaign drew on the notion of mateship - inviting travellers from the city to "Be Our Mate" and visit the Balonne Shire.

Travellers were encouraged to go to the St George Visitor Information Centre and say the phrase "I'll be your mate" with the first 500 travellers to do this rewarded with a Welcome Mate Pack which included a \$20 Buy Balonne Gift Card, exclusive discount vouchers, local merchandise and regional information. The addition of the Buy Balonne Gift Card and local discount vouchers encouraged travellers to stay longer and ensured spending stayed within the Shire.

As a second step of the campaign, the Balonne Shire collaborated with Josh Arnold, from Small Town Culture, to film a parody of Kylie Minogue's Matesong featuring the people and places within the Shire and it's seven towns which was shared via social media and sent to media outlets around the country. Based on an ethos of friendship and loyalty, the Welcome Mate campaign struck an immediate and deep chord with the Balonne Shire community, which embraced it as their own.

While the concept itself was simple, its power was in its execution and delivery. By mobilising the Balonne Shire community to not only support the Welcome Mate campaign but to be actively involved, elevated it from a one-dimensional tourism promotion to a dynamic multi-faceted Shire advertisement that allowed every member of the community stewardship of the region's destination image.

The campaign proved a huge success exceeding the expectations of the creative team, Council and the community. The key achievements to date have been:

- Increased visitation and length of stay in the Shire*
- Raised the profile of the Shire through positive national media coverage including a live cross to Weekend Sunrise
- Generated around \$1,228,691 in free advertising and reached an audience of 2,277,737 people around the country
- Matesong video Facebook post received 589 likes, 130 comments, and was shared 934 times reaching an audience of more than 136,000 people, leading to an increase of more than 500 followers
- Endorsed by Kylie Minogue who shared it with her more than 2.3m social media followers
- Shire's Manager Tourism invited by Managing Director of Tourism Australia, Phillipa Harrison, to attend the 2020 Destination Australia Conference



While the campaign in its original format was put on hold due to COVID 19, rather than withdraw it altogether it was taken to the next level. A second line, "Welcome to Our Place", was added to the "Welcome Mate" greeting as a way of re-establishing community identity, pride and connection to "Our Place"; the Balonne Shire. In doing this not only have we reawakened community spirit in the face of seemingly insurmountable challenges but also made our place a welcoming space for visitors.

Tourism Product Development

Thanks to a \$19,900 grant from the Foundation for Rural and Regional Renewal the **Boomerang sculptures at Nindigully** were given a much-needed facelift. Created as part of the set of the Boomerang Café for the iconic Australian movie, **Paperback Hero**, which starred Hugh Jackman and Claudia Karvan, the sculptures were brought back to life just in time to celebrate the 20th anniversary of the release of the movie. St George artist and descendant of Kamilaroi nations Yuwulaaraary, Euahlayi and Bigambul, Barry "Rainman" Boland, was chosen to transform the sculptures in consultation with the original designer Jon Dowling. New informational signboards and a boomerang shaped rock garden at the base of the sculptures were then installed as the final stage of a revitalisation project.

Cross-Regional Partnerships

Remote Area Boards (RABs) undertake development activities in remote regions of Queensland. RABs bring together key economic development stakeholders to provide a single voice on strategic issues, and act as a community forum to decide economic priorities. The South West Regional Economic Development RAB is made up of six member Councils. Being the Paroo, Quilpie, Barcoo, Balonne and Murweh Shire Councils and Maranoa Regional Council. The South West Regional Economic Development Group developed an Economic Development Plan for the region in late 2019.

Other economic development partnerships include: Regional Development Australia – Darling Downs South-West and the Department of State Development, Tourism and Innovation in economic development projects and grant funding, membership with TSBE and export and inward investment opportunities with Trade and Investment Queensland and at Wellcamp Airport as well as work with key partners such as: the Department of Agriculture and Fisheries (DAF) in AgTech development and support to producers and Advance Queensland Toowoomba, Goondiwindi and Brisbane partners regarding innovation. Council has also partnered with the

Department of Employment and Small Business Training on training and skilling for residents and various partners with regards to opportunities for workers and families relocating to the Shire.

Regarding the development of three businesses cases to explore inland rail opportunities at Thallon, Council has partnered with various Councils and groups including:

- The Border Region of Councils (BROC) incorporating the Regional Councils of Southern Downs and Goondiwindi, and the Shire Councils of Balonne, Inverell, Tenterfield, Gwydir, and Moree Plains, Toowoomba Regional Council and the Darling Downs and South West Queensland Council of Mayors
- Goondiwindi Regional Council and Balonne Shire Council

In The Future

In 2020 the South West member councils are aiming to establish a Regional Organisation of Councils and will develop a State Election Plan ahead of the October 2020 State Government election.

Council is also working with SWRED on a regional investment attraction prospectus and a marketing strategy to attract further investment to the region.

There will be nearly 2000 km of Council funded exclusion fencing projects constructed by 2021 with further value-add and diversification and re-stocking investments occurring by landholders and producers. Council will continue to support producers with these growth opportunities including identifying and attracting further supply-chain opportunities.

Council will deliver more than \$30m in infrastructure projects and will oversee the completion of the seven Murray-Darling Basin Economic Development Program projects totalling \$9m providing direct economic benefits across the Shire.

Council will continue to secure funding and invest in the delivery and expansion of digital connectivity connecting more than 50% of the Shire by 2021. The Library Hub and Country University Centre will become operational in mid-2021 delivering on-line training and innovation opportunities. Council will also continue to work with partners on training, business development and procurement opportunities.

It is anticipated that at least five investments totalling more than \$10m will be announced in the 2020-21 financial year creating employment opportunities for residents whilst attracting additional workers and families to the Shire.



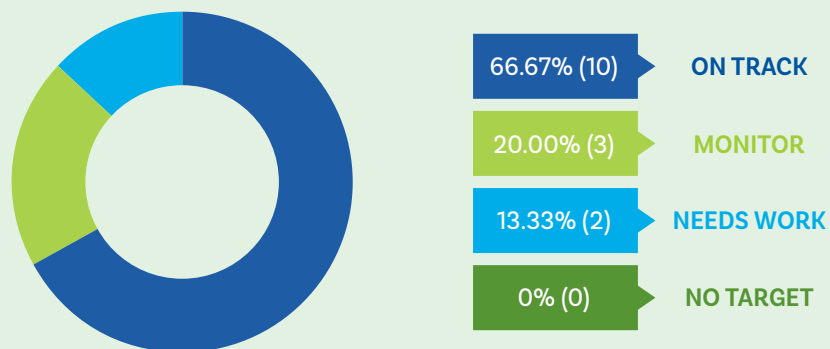


3. Environment

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

Landfill sites

All landfills within the Balonne Shire continued to operate within the EPA licence guidelines. At the St George landfill, maintenance work was carried out on the green waste pads. A new cardboard burning station was installed. This new area mitigates risk to the community when carrying out disposal.

The landfill at Nindigully has been closed due to the costs of maintaining this site under the new Environmental conditions. After meeting with the community of Nindigully, Council installed two front lift bins which are collected each fortnight. Since the opening of the new site in late February 2020, the site operated well. New signage has been installed at the site.

Maintenance work has been carried out at Thallon, Dirranbandi and Hebel landfill sites. A new trench was excavated at Hebel. Maintenance trench work was carried out at the Dirranbandi site along with an upgrade on the litter fence and gravel access road.

Green waste

Together with other rural Shires, Council began discussions with Department of Environment and Science for green waste solutions.

Green waste is identified as waste and therefore cannot be burnt. On three sites – Bollon, Dirranbandi, and Thallon landfills - Council is stockpiling the green waste.

A green waste viability study was undertaken by Council to identify projected costs associated with the future disposal of green waste.

Waste collection

Council continued a two-bin system of general and recycled waste from households and businesses to improve sustainability,

Council and JJ Richards met regularly to assess the contract and look at best practice measures.

Should any member of the community require assistance with their waste collection service due to sickness or physical ability, they could contact Council on 07 4620 8888.

Container recycling

The Balonne Shire Council promoted the Lions Club of St George with their container recycling depot in St George.

Illegal Tyre Dumping

Council partnered with other local government authorities located in South West Queensland to collect and recycle used tyres from their individual communities.

The Balonne Shire council expected about 300 tonnes of tyres would be presented from throughout the townships and rural properties of the Balonne Shire.

The project allows for the tyres to be processed and recycled to create three main by-products – Tyre, or pyrolysis, oil, steel and crumbed rubber.

The low-grade oil is often reused for heating or as a diesel substitute/additive in industrial machinery.

The remaining steel and rubber can be used in infrastructure such as crumbed rubber asphalt and steel fibre reinforced cement, which increases the load bearing and structural integrity of roadways as well as reducing road noise.

With the information and data collected from the community throughout the project, Council aimed to partner with Tyre Stewardship Australia to continue the processing, recycling, and potential reuse of end of life tyres within the Shire.

Annual Shire Clean Up

Council offered the residents in the St George, Dirranbandi, Thallon, and Bollon the opportunity to place hardstand waste on the footpath for collection in March 2020.

This project enabled communities to dispose of unwanted waste including large objects that they are unable to dispose of themselves.

Nine car bodies were among the items collected in 2020.

The annual Shire Clean Up was carried out during the Clean Up Australia Day campaign and the response from the communities was overwhelming.



Effective Water Planning

Dirranbandi Water Treatment Plant Upgrade

Jointly funded by the Queensland Government through the Local Government Grants and Subsidies Scheme and Council, the Dirranbandi Water Treatment Plant Project was completed in the 2019/2020 financial year.

The project involved the installation of a cooling tower to cool the bore water supply prior to treatment promising renewed flexibility in the delivery of water to the community.

Dirranbandi's water supply is a combination of bore water and treated river water, and funding under the Local Government Grants and Subsidies Program has been spent on installing a cooling tower. The cooling tower will significantly reduce the temperature of the bore water which leaves the bore head at approximately 60°C.

The cooling tower offers more operational flexibility, as Council can adjust the blend without residents experiencing an increase in water temperature.

Previous studies undertaken by Council have suggested an increase in the level of bore water in the blend was advisable to improve water quality and security, but residents were sometimes concerned by the resulting temperature increase.

Water Restrictions

Given that 2019 was the driest year on record for St George, the very low levels in Jack Taylor Weir necessitated the implementation of previously unseen Level 5 restrictions for the township in January 2020.

Collaboration with Sunwater and Mallowa Irrigation was essential to maintain dwindling supplies. Additional infrastructure was installed to augment the river water supply.

Council adopted a new water restriction policy for the township of Mungindi and a revised restriction policy for St George.

Asset Upgrade

Ongoing asset upgrades and main replacements saw works undertaken in Burke St, Charles St, Cowildi St, Horace St and Perkins St in Dirranbandi and Scott St and St Georges Terrace, in St George.

The works were funded through the Queensland Government Works for Queensland (W4Q) program



Biosecurity, Pest Management & Stock Route Planning

Biosecurity Plan

Council developed and adopted a Biosecurity Plan to provide strategic direction for the management of pest plants and animals in the Balonne Local Government Area.

It covers a five-year period and is consistent with principles of pest management, state pest management strategies, guidelines for pest management, Balonne's community interest and the Biosecurity Act 2014.

The Plan prioritises pest plants and animals within the Balonne Shire into three categories (high, medium and low), and identifies local alert species which could cause significant impacts if introduced.

Council will work with communities and landholders to manage pest plants and animals within the Balonne Shire, to achieve the objectives and provide mechanisms to monitor and improve all aspects of Biosecurity.

Queensland Arbovirus Sentinel Surveillance Program

The surveillance program commenced in 2016 and continues annually from January to June. Program coordination is provided by the Communicable Disease and Infection Management team within the Communicable Diseases Branch (CBD), of the Department of Health. Field activities are a collaborative effort by public health units, hospital and health services and local government.

Sentinel virus surveillance facilitates warnings of virus emergence, and diagnostic tests while providing valuable insights into virus ecology with the objective of reducing the risk of human disease.

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.

There are 14 sites spread throughout Queensland with St George having two sites. Site selection has been governed by several criteria including the previous occurrence of human cases, known areas of past virus activity, probable vector locations and availability of staffing to manage traps.

In the 2019-20 surveillance period St George had two positive results for both Barmah Forest Virus and Ross River Virus. Council released a media statement warning residents and travellers in the St George region to take precautions to avoid mosquito bites following the detections.

Gravid Aedes Trap (GAT) Mosquito Surveillance Program

The Darling Downs Public Health Unit (DDPHU) has implemented a Gravid Aedes Trap (GAT) mosquito surveillance program with local governments within the Darling Downs Health (DDH) and South West Hospital and Health Service (SWHHS) areas.

The GAT mosquito surveillance program assists public health authorities to determine the presence of *Aedes aegypti* and *Aedes albopictus*, mosquitoes.

The introduction, establishment and spread of invasive mosquito species within a region is of public health importance due to their role in the local transmission of mosquito borne diseases such as dengue, chikungunya and Zika.

Due to COVID-19 this programme was unable to be fully completed in 2020.

Stock Routes

Rural Services conducted six capital work projects:

- Mulga View water facility night yard (new)
- Clearwater Dam earthworks including desilting, drainage and pipeworks.
- Mona water facility 2 x 10,000 litre polythene tanks.
- Clonard water facility night yard.
- Burgorrah water facility upgrade including three cement troughs and a submersible solar pump.
- Bindle water facility upgrade including two new concrete troughs and cement tank repairs.

A draft Stock Route Management Plan was developed for the next five years for review by Councillors, and the Department of Natural Resources, Mines and Energy (DNRME).

The Plan outlines Council's responsibilities and management practises to maximise the economic, environmental, and cultural aspects and further biosecurity needs of the stock route network.

During 2019/20 Balonne Shire had over 6000 head of cattle traverse through the Shire with 12 grazing permits issued.

1080 Baiting and Wild Dog Scalps

The feral animal levy paid by landholders has been used annually to fund a bounty for wild dog scalps, a retainer for professional trappers, and bait for two baiting campaigns. This year saw a baiting augmented by a \$215,000 Queensland Feral Pest Initiative grant to conduct aerial baiting in a difficult part of the Shire.

Council received 281 wild dog scalps from July 2019 to June 2020, these were all compliant with requirements under a new Wild Dog Scalp and Bounty Policy and procedure.

Balonne Shire Council conducts two bi-annual on-ground baiting campaigns per year in October 2019 and April 2020.

October 2019 participation numbers were 63 properties for a total of 2540 kg meat baits. April 2020 participation numbers were 81 properties however due to COVID-19 manufactured baits DE-K9 were utilised for this campaign for a total of 14,000 individual baits (equivalent to 3,500kg of meat baits).

To align with new legislation officers from five different regions completed re-accreditation of their 1080 licenses. These regions being St George, Goondiwindi, Paroo, Western Downs, and Toowoomba. Training was conducted by registered RTO, Ballistic Training.

Aerial Baiting Campaign

Aerial baiting campaign (Stage 2), of the Queensland Feral Pest Initiative (QFPI) – Round 2 was conducted over a minimum of 90,000ha and including a minimum of 20 properties. These were in the bordering region of Maranoa Regional Council and Balonne Shire Council, in the North-Western part of Balonne Shire, excluding areas contained within exclusion fencing. Field cameras were placed at strategic locations around the landholder properties to gauge pest animal numbers and movements to assist targeting baiting. Indications were that the baiting was successful.

Wild Dog Exclusion Fence Schemes and Programs

Wild dog exclusion fencing is a flagship economic project for Council involving grant funding and a special rate scheme with Council borrowing funds from the Queensland Treasury Corporation (QTC). The funds raised through State and Federal Government grants and the QTC in most cases is matched by approved landholders to create over \$30 million in fencing projects across the



Shire. The 1900 kilometres of fencing projects will expand the Shire wild dog exclusion fencing from a previous 37 percent to nearly 60 percent – a level of critical mass that should significantly improve the economic, biodiversity and community wellbeing outcomes. There is approximately 45% of the Shire fenced as at 30 June 2020.

The project was managed by rural services, financial, procurement, and economic teams across Council. Communications were stepped up to include a monthly e-Beyond the Wire update to the participating landholders across 100 properties, and a printed newsletter sent to all landholders.

Special Rate Scheme – Wild Dog Exclusion Fencing

Round 1 of the Special Rate Wild Dog Exclusion Fencing Scheme commenced on 1 July 2019 when Council adopted its Overall Plan on 27 June 2019. Council utilised borrowings from the QTC and approved 23 properties to provide a total of 393.5 km of fencing. \$3.174m in funds were drawn down from the QTC, agreements were signed and co-contributions by landholders.

Council approved 14 properties in Round 2 of the Special Rate Wild Dog Exclusion Fencing Scheme. A further four properties are subject to availability of funding. Round 2 provides up to 324km of fencing.

MURRAY DARLING BASIN ECONOMIC DEVELOPMENT PROGRAM

Dirranbandi & St George Wild Dog Exclusion Fencing Projects

The Murray Darling Basin Economic Development Program is to assist communities that were impacted by the water recover activities under the Murray Darling Basin Plan. This project aimed to construct up to 820 km of wild dog exclusion fencing (WDEF) to a minimum standard over three years through to 2021-2022. The project cost of \$5m grant matched by \$5m in-kind contribution by landholders, will have both direct and indirect effects on the local economies of the Dirranbandi and St George communities.

Council approved 40 properties under the funding program. By 30 June properties were receiving materials on site and initial inspections were starting to take place.

COMMUNITIES COMBATING PESTS AND WEED IMPACTS DURING DROUGHT

Wild Dog Exclusion Fencing

Council received \$800,000 in funding from the Department of Agriculture and Water Resources, in conjunction with our rural landholders to construct approximately 122km of Wild Dog Exclusion Fencing over a 12-month period.

Council approved 10 properties for wild dog exclusion fencing under this funding. By 30 June seven landholders had completed fencing.





REGIONAL ECONOMIC DIVERSIFICATION PROGRAMME

Wild Dog Cluster Group Exclusion Fencing

Council has been undertaking Cluster Fencing under the Regional Economic Diversification Programme, the funding made available to landholders was \$733,100 in the Balonne and Maranoa Local Government Areas. This project commenced in the latter part of 2017 and will be completed late in 2020.

Council is project managing two clusters of properties under this project, plus one under the Maranoa Regional Council. These clusters together cover approximately 240 km of exclusion fencing enclosing 17 properties.

Domestic Animal Management

Council's domestic animal Pound and procedures were upgraded this year to provide a more effective, efficient, and safe service. The water system was changed from river water to bore water and with a pressure pump system, and a sewerage system was connected, both to increase the hygiene of cleaning procedures. Utilities were brought up to standard, a WHS audit conducted, and bedding and conditions for animals improved. Re-homing procedures and organisations were reviewed, and the first volunteer assistant was engaged.

Animal Statistics

There was a total of 122 Impoundments, with 22 of them being cats or kittens, for the financial year 2019/20.

There were 1335 registered dogs for the financial year 2019/20.

Strong Partnerships with Stakeholder Groups & Government

Council has worked with the Department of Agriculture and Fisheries, Department of Natural Resources, Mines and Energy, AgForce, Non-Government Organisations (NGO), the Wild Dog Advisory Committee, landholder syndicates and landholders in the development of the Balonne Shire Biosecurity Plan 2019-2024, and the roll out of wild dog exclusion fencing projects, together with aerial baiting programs. Council worked with Department of State Development, Manufacturing, Infrastructure, and Planning in the development of its 2019 Balonne Shire Planning Scheme, using the state model facilitated by the department.

COMMUNITIES COMBATING PESTS AND WEEDS IMPACTS DURING DROUGHT

Maranoa and Moonie River Catchment Weed Management

Council was successful with a \$200,000 grant from the Department of Agriculture and Water Resources to increase awareness of specific weed infestations that are invasive, a financial burden on landholders, and that affect agricultural industries along the Moonie and Maranoa River catchment areas.

- Conducted follow up inspections on areas that were sprayed, documenting success or the need to respray or take a different approach.
- Performed an on-farm approach to try and get more participation on the pest weed/ animal survey.
- Performed inspections of the Moonie/ Maranoa rivers for new or unidentified pest weeds/ animals.
- Researched new and innovative ways to combat pest weed/ animals in the Balonne Shire. (Bio- control, cool burning, bio friendly chemical to control pest weeds near waterways).
- Employed QMDC Indigenous rangers to complete initial spray of parthenium patches in eastern stock route.
- Purchased five pieces of commercial-grade spraying equipment to loan to landholders/land managers to combat weeds on private property.
- Researched the effects of invasive/ noxious weeds on habitat and native grasses and animals.



Advocacy for Triple Bottom Line Approach

A number of submissions were made on State environmental and economic policies and strategies, through the Local Government Association of Queensland. At the 124th Annual Local Government Association Conference in October 2020 a motion calling for legislative change to vegetation clearance on rural boundaries will be considered.

Council participated in a Climate Change Governance Audit with Local Government Association of Queensland and will be working with key stakeholders in 2020/21 to formalise Council's approach to climate change.

Community Education Program

Council provided information to the community across its social media, website, and newsletter platforms and more directly in relation to registering and looking after dogs through school visits, household contact, and planning community education with our Indigenous community via an indigenous organisation. Environmental education was aided through assisting the National Tree Day. The latter part of the program was reduced by the COVID 19 pandemic.

Planet Ark's National Tree Day is Australia's biggest community tree-planting event.

The Schools Tree Day was held on Friday 26th July 2019 and National Tree Day was Sunday 28th July 2019.

Tree Day is an opportunity to do something positive for the local environment and for the community to reconnect with nature.

Council provided each school within the Balonne Shire with a \$100 voucher to purchase either trees, shrubs, or other plantings suitable to their needs for their school gardens.

Food Licences

Balonne Shire Council issued 52 Food Licenses in 2019-20 with five having outdoor dining permits for their establishments.

COVID-19

Since March 2020, the Balonne Shire Council has been working together with businesses, local tourist operators and community groups to successfully navigate the Queensland Health directives for COVID-19. Council helped ensure that businesses continued to operate within the guidelines of the health directives. Our businesses here at Balonne, have been creative in keeping their doors open to our community. The community of Balonne have also been heavily involved in maintaining the motto "buying local". For this we say Thank-you. The tourism industry and community events were heavily impacted, with most events and tours cancelled. It is anticipated that tours and events will open once Queensland reopens.

The Balonne Shire Council has also been assisting the Queensland Police Service with border control. Our thanks to our local border communities who have been helpful to our QPS and ADF staff on the ground with the supply of firewood and other home baked goodies.

Wastewater & Sewerage Services that Protect Public Health & Environment

Asset Upgrade

Design for the replacement of the 2.93 km Dirranbandi sewer rising main was completed with construction to be undertaken in 2020/21. These works are also being undertaken through the Queensland Government's Works for Queensland program.

Water Quality Testing

Council continues to provide a number of different tests depending on the environment to ensure that the quality of water is safe for its intended use.

During the period July 2019 – February 2020, Council conducted a large number of private rainwater tests for the community.

These tests were to identify E. coli in the water. When E. coli was identified in the rainwater, Council provided a sound and effective process to the owner to help eliminate

the bacteria from their water supply. Tests were also carried out on the river systems within the Shire.

Wastewater & Sewerage Testing

The Australian Criminal Intelligence Commission has contracted the University of Queensland and the University of South Australia to deliver the National Wastewater Drug Monitoring Program across Australia.

Council has committed to undertaking the program for another three years with the assistance from the University of Queensland.

Samples are collected monthly and while this testing is primarily for illicit drugs and substances, COVID-19 will also be tested in coming months.

Into the Future

Funding will continue to be sought for Wild Dog Exclusion Fencing projects.







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

12 actions achieved

90%

on target and/
or complete

1 action achieved
between

70%-90%

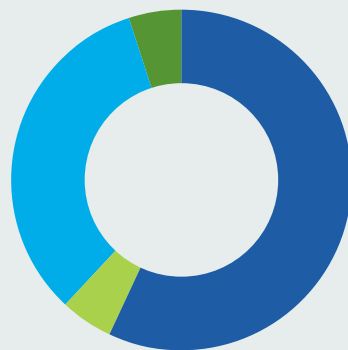
of action target

7 actions achieved
less than

70%

(*1 action had no target)

Action Status



57.14% (12)

ON TRACK

4.76% (1)

MONITOR

33.33% (7)

NEEDS WORK

4.76% (1)

NO TARGET



Digital Connectivity for Business & Industry Growth and Social Connectedness

The Balonne Shire Council **Digital Connectivity Project** is a strategic and staged approach will focus on the area of internet connectivity. An added benefit of the project could be the possibility to further investigate the use of the towers for further connectivity upgrades and IOT (Internet of Things) gateways.

Council facilitated the delivery of this project by sourcing \$2m of funding (plus Telco contributions) and Council will provide overall project management and oversight. Once each stage is complete, the infrastructure will be owned and operated by the appointed telecommunications carrier licence holder (network operator), Field Solutions Group. The network will provide wholesale broadband to internet service provider (ISP) retailers. For stages 1, 3 and 4 a total of twelve points of presence will be utilised to gain

heights of up to 45 m. This includes, seven new towers and (5) asset re-use such as water towers, grain silos and other infrastructure with height as negotiated by Field Solutions Group to best suit the digital design. The towers are expected to go live in December 2020/January 2021.

Stage 1 is proudly funded by the Queensland Government's Building Our Regions program. Stage 3 and 4 has been made possible with funding by the Australian Government under the Murray–Darling Basin Economic Development Program.

Solving digital connectivity is a strategic priority, however it requires ongoing lobbying and funding to become a reality. Council has submitted two separate grants for Stage 2 Bollon and awaits news on the Cross-Border Commissioner Infrastructure fund for Stage 5 (Mungindi-Thallon link and Mungindi-Hebel). Stage 5 is an important part of the model as it is proposed to provide redundancy and backhaul for the entire Balonne and Moree network.

Safe, Efficient Connected Transport Networks

Council has four grader crews for construction and maintenance works on the local roads network. These crews also support works on the State road network as well.

Maintenance

This has been a challenging year for works to Council's local roads.

Works were hampered due to a lack of water from the extreme drought conditions and by the severe weather event that occurred in late February 2020.

These events resulted in the delay and disruption to the regular annual roads maintenance program.

Severe Weather Event February 2020

In February 2020 there was a severe weather event across the region that resulted in widespread damage to Council local road assets. The event was lodged with the State Governments Queensland Reconstruction Authority (QRA) and activated as a recognised event on 9th March 2020.

The Local Disaster Management Group was activated along with the District Disaster Management Group and resulted in a multi-agency response to the event.

Council coordinated a local Counter Disaster Response, emergent works/repairs and the inspections of the road assets for the Repair of Essential Public Assets. The applications for the Repair of Essential Public Assets commenced in the 2019/20 year and repair works will continue into the 2020/21 financial year.

Council also assisted the Queensland Police Service and Australian Defence Force with border closures erected barriers and locking gates.

Transport Infrastructure Development Scheme (TIDS)

The Transport Infrastructure Development Scheme (TIDS) is a jointly funded initiative between State and Local Governments. It is administered through the Roads Alliance and the South West Regional Roads Group.

This funding is specifically for Local Roads of Regional Significance (LRRS) and is funded 50/50 by State and Local Governments.

The following projects received funding under TIDS in 2019/20:

- Salmon Rd Reseal
- Bollon-Dirranbandi Rd bitumen repair/reseal

- St George-Noondoo Rd stabilisation and heavy shoulder grading

Roads to Recovery (R2R)

Roads to Recovery (R2R) is a Federal Government funded multi-year program.

This program was renewed by the Federal Government in 2019/20 and a funding amount of \$6.8m has been committed to Council from 2019/20 to 2023/24, \$1.7m of which was allocated within the 2019/20 financial year.

The following projects received funding under R2R in 2019/20:

- Pavement rehabilitation including re-shaping and sealing to Jakelawar-Goodooga Rd
- Gravel re-sheeting on Chelmer, and Teelba Rds
- Resealing on Whyenbah, Fernlee Roads, Alfred, Andrew, Anne, Arthur, Bowen, Elizabeth, Munro Sts St George, Booligar, Bullamon, Currawildi, Garah, Henry, Pine, William Streets Thallon, Barwon, Bridge, George, Gregory, Stephen Streets Mungindi, Belmore, George, Jane, Mary and William Streets Bollon and Dawes, Hannah, Horace, Ida, Kirby, Railway, Theodore, Waterson Sts Dirranbandi.

State Roads

Council partners with the Department of Transport and Main Roads to deliver contract maintenance and upgrade works. Council has an RMPC Crew that services the State Road Maintenance contract with the support of Council's construction crew to deliver maintenance and construction services.

Road Maintenance Performance Contract (RMPC)

Council delivered its largest Road Maintenance Performance Contract (RMPC) to date in 2019/20 maintaining the State Road network on behalf of the Department of Transport and Main Roads (TMR).

Council's roads team successfully completed the contract with a 100% spend of the RMPC funds allocated. Council aims meet the TMR expectation of 100% spend whilst ensuring value for money and a high-quality service.

Carnarvon Highway Upgrade Program (CHUP)

Council were awarded the Sole Invitee Contract to deliver the Carnarvon Highway Upgrade Program (CHUP) works for the Department of Transport and Main Roads (TMR). These works were funded through the Federal Governments Heavy Vehicle Safety Productivity Program.



The works Council completed included pavement widening of 7.25 km of the Carnarvon Highway from north of St George to the Moonie Highway intersection. These works were delivered to a high standard and well within the contractual timeframes.

Bullamon Bridge

Council was awarded the Sole Invitee Contract to partner with RoadTek to deliver the construction of the Bullamon Bridge.

It was responsible for the delivery of the approaches and support works and RoadTek for the bridge structure.

Aerodromes

Council is the operator of two registered Aerodromes at Dirranbandi and St George and an Aircraft Landing Area at Bollon. St George and Dirranbandi are required to have annual technical inspections.

St George Aerodrome has a State Government regulated regular public transport service which is operated by Rex Airlines twice a week. Each aerodrome has a maintenance program.

St George General Aviation Project

Council was successful under the State Government Building our Regions Round 4 funding for the St George General Aviation Project.

This funding is a multi-year funding from 2019/20 and is to be finalised in the 2020/21 financial year.

The design works were undertaken in the 2019/20 final year and the construction works will be completed in 2021.

Bollon

Grant funding was allocated for the upgrade of the fencing at the Bollon Aerodrome. The fencing was updated from stock fencing to exclusion fencing to minimise the possibility of an aerodrome collision with wildlife. This upgrade was delivered by Council in response to community and Royal Flying Doctor Service requests.

Community Infrastructure for Existing & Future Needs

St George

Council allocated funding to undertake the Master Planning of the St George CBD, River Foreshore, Rowden Park and Streetscape. Council also joined with Sunwater for Master Planning of the Beardmore Dam Recreation area. These Masterplans are to ensure a plan for future Council investments in St George. These works commenced in the 2019/20 financial year and will be completed in the 2020/21 year. The community consultation component of the master planning was delayed by COVID.

Council funded the Canoe Ramp extension; these works were completed when the river was dry in early 2020. Another Council funded project is the Footpath Extension (Rotary Park to the Flood Signage) to complete the southern end of the river walk, this may tie into the bush tucker garden in future. Council allocated a second stage of funding for the bush tucker garden. This is a community lead project aimed at increasing knowledge of indigenous bush tucker located in the Balonne area.

Council also allocated funding to upgrade the Rotary park playground surface to a Softfall & Artificial Turf. This will improve the amenity, improve safety, and reduce maintenance costs.

Council allocated funding to improve the town atmosphere, especially considering the drought, by installing a Christmas Tree and lighting at the Council Administration Centre, lighting on shelters on foreshore and lighting in Henry Street. This was a well receive project with positive feedback from the community.

In 2019/20 Council completed the 'BATHS' Project, the Balonne Artesian Thermal Hot Springs. This project was funded by the State Government Works for Queensland Project. The project didn't get to operate the first winter season as COVID restricted pool activities and tourism numbers.

At Rowden Park Council allocated funding to complete two community requests, first to install exhaust fans to the sports change rooms and second an external power connection for the scoreboard (to make available the use of an electronic scoreboard).

At the St George Cemetery Council also nominated funding to install two additional head beams. This allows head stones to be fixed to a centrally located beam.

Council were successful for the Australian Governments Drought Community Program funding, three projects were nominated for St George:

- Grey Street Lighting and Electrical
- St George Showground New Amenity Building
- River Foreshore Path Widening, Amphitheatre plank replacement and the footbridge replacement.

Dirranbandi

Council funded the sealing of the Dirranbandi Pontoon Carpark. This included the construction of a gravel base and seal. This is to improve access, protect the riverbank and define the parking area to the Dirranbandi Pontoon Carpark.

Council installed a playground fence to civic centre playground to improve child safety.

The Kirby Street Footpath Upgrade was also undertaken with Council funding. This project upgraded 324m of footpath to a wider footpath to improve access.

The Dirranbandi Multi-Purpose Sporting Complex was successful for the Australian Governments Drought Community Program funding for the installing of fencing, turf, irrigation and artificial turf (under the covered area) to finalise the works to the sporting facility. Council funding the air conditioning to the Kitchen and Meeting Room.

Council were successful for funding through the Australian Government's Murry Darling Basin Economic Development Program for the funding for the Dirranbandi Thermal Baths that will be constructed in the 2020/21 financial year and the Polocrosse Irrigation. The Polocrosse irrigation was completed in the 2019/20 financial year and is the first stage of improving irrigation water at the Dirranbandi Showgrounds.

Council were successful for the Queensland Governments Queensland Disaster Resilience Funding for the installation of generators at the Dirranbandi Civic Centre. This is to ensure the Civic Centre, as the town's disaster recovery centre is appropriately equipped to operate without mains power.

At the Dirranbandi showgrounds Council funded the Power Master Plan – to understand current and future electrical demand to best plan for the identified needs, Council also funded the Luncheon Pavilion Cupboard Replacement at the showground.

Hebel

Council, at the community's request, was able to provide additional arena panelling for the showgrounds as well as complete a shelter relocation with funding allocated under the Queensland Governments Work for Queensland program. Council also installed a gas deep fryer in the Hebel Hall to cater for functions.

The Hall was utilised during the border closures by Queensland Police Service and the Australian Defence Force.





Thallon

Council allocated funding to undertake works to the Thallon Cemetery. This project involved the installation of a remembrance area and a dedicated parking area from the street. Council has allocated further funding in the 2020/21 year to continue work with improved access and irrigation to be installed to the cemetery.

Five Thallon Projects were successful for the Australian Governments Drought Community Program funding. These projects include:

- Thallon Park Fence, this is to improve the safety of the area.
- Thallon Playground Shade Structure, this is a hard/fixed structure to replace the existing shade sail.
- Thallon Park Solar Lights, this is to improve access by increasing the lighting along the path.
- Thallon RV Area Bollards
- Thallon RV Area Pipes, this is to improve the drainage and access to the RV area.

Council funded dripper line replacement around the town as well as replacement irrigation solenoids at Railway Park. These projects aim to improve the irrigation and amenity of Thallon.

Nindigully

Council completed the gravel surfacing of the Nindigully Truckstop, the project aim is to provide a dedicated all weather parking area for heavy vehicles at Nindigully.

Mungindi

The Mungindi River Park was successful for the Australian Governments Drought Community Program funding for a fixed shade structure over the playground Council was also successful in receiving funding through the Queensland Government's Local Government Grants and Subsidies Program, New South Wales Government's Cross border funding and the Australian Government Murray Darling Basin funding for stages 2 & 3 of the River Park Upgrade. These works will break ground in 2020/21. The Mungindi community played a significant role in supporting the Australian Defence Force and Queensland Police Force during the COVID-19 border closures.

Bollon

Council allocated funding to undertake a RV and Streetscaping Master Plan in Bollon to ensure a plan for future Council investments in Bollon was in place. These works commenced in in the 2019/20 financial year and will be completed in the 2020/21 year, the community consultation component of the master planning was delayed by COVID.

Council were successful in obtaining Queensland Government's Work for Queensland funding for the refurbishment of the showground's toilet block and the purchase of a new toilet block for the showground camping area. Both projects were community requests aiming to improve the ablution facilities at the showground.

At the Bollon showgrounds Council also funded the Power Master Plan – to understand current and future electrical demand to best plan for the identified needs, the Decking around the Camp Draft Office, to ensure ease of access and a viewing point and the gypsum application on the polocrosse fields to approved the fields to improve the surface.

Two projects in Bollon were successful for the Australian Governments Drought Community Program fund, the Bollon Aerodrome Fencing, this included a exclusion fence to reduce the potential of a wildlife collision with aircraft and Walter Austin Park Furniture and additional funds to implement Phase 1 of the Bollon Master Plan.

Council allocated funding to upgrade the sprinkler system at Walter Austin Park, these works were undertaken to improve the lawn area of the park by more consistent watering.

Council were successful for the Queensland Governments Queensland Disaster Resilience Funding for the installation of generators at the Bollon Civic Centre. This is to ensure the Civic Centre, as the town's disaster recovery centre is appropriately equipped to operate without mains power.

Protection and Enhancement of Water Supply

Safe and reliable water supplies are vital for communities, residents, ratepayers and visitors.

In addition to ongoing maintenance of water supply infrastructure, Council allocated \$1.125m replacements across the Shire for capital projects including water main replacements and upgrades to the Dirranbandi Water Treatment Plant.

Sustainable Development & Planning

Building

In 2019–20 there were 35 Building Applications for the Balonne Shire Council with a total value of \$2.64m. This development consisted of new dwellings, sheds/carports, new micro abattoir, new feedlot sheds and an extension to an existing business. 2018–19 there were 38 building applications for a total value of \$3.64m.

A local builder won Best Rural and Remote Home at the Master Builders awards for a new dwelling within the Shire.

Planning

Seven development applications were approved in 2019–20 compared to 14 applications in 2018–19. They consisted of the following:

- High impact industry – Small micro-abattoir facility, rural-residential St George
- Telecommunication facility – NBN Tower, Dirranbandi
- Dwelling – House, CBD St George
- Low Impact Industry and caretaker's accommodation – Building depot, office, caretaker's residence, St George

- Health Care Services (Dental Clinic) – Caretaker's accommodation and reconfiguring a lot (creation of access easement), St George
- Low Impact Industry – Increase in Scale – Motor vehicle repair business, CBD St George
- Reconfiguring a lot – Two lots into two lots rural landholding boundary adjustment

Planning Scheme

On 19th December 2019 Council resolved to approve the new Balonne Shire Planning Scheme, the regulatory document for development within Balonne Shire. This scheme replaced the *Balonne Shire Council Planning Scheme 2006 (as Amended 2014)*.

The development of a new planning scheme was assisted by the Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP) and has been a major project of Council's to complete having been ongoing since April 2016.

The intent of the current *Balonne Shire Planning Scheme 2019* is to facilitate development within the Shire while balancing current Queensland legislative requirements and ensuring economic, social and environmental prosperity.

Improvements of the new scheme include lower levels of assessment where development is generally consistent with the character of the area.

Into the Future

- Council will focus on restoration of its road network following the February 2020 Flood event. Over \$20m in funding has already been approved through the Queensland Reconstruction Authority with works to continue in 2020/21 and finalised in 2021/22.
- A focus on Workplace Health & Safety and Quality Assurance Programs is currently underway with a view to achieving Transport & Main Roads Accreditation.





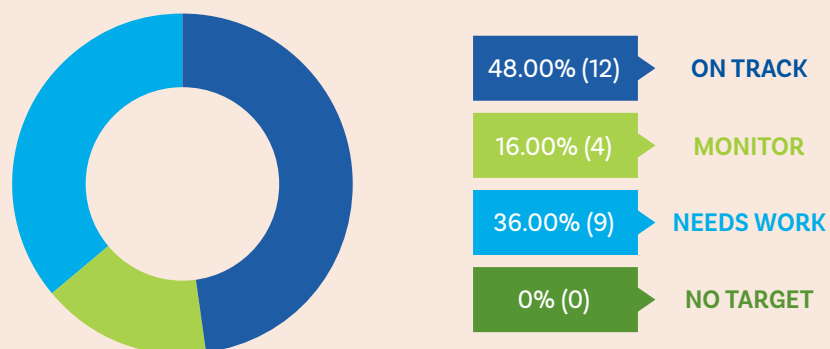


5. Governance

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



Action Status





Active Community & Stakeholder Engagement

Council have become actively engaged with community and stakeholders over 2019/2020, and this will continue into next financial year with an exciting range of plans and projects outlined.

New Media and Communications team

Council was supported by a number of local media consultants in 2019/20 which demonstrated the wealth of skills that we have in our regional and remote Shire. Council was able to elevate its media platform and respond to disaster events in early 2020.

Council has now engaged two skilled media and communication officers who commenced in July 2020.

Flood Alerts

The community of Balonne were regularly updated with flood alerts during the February flood event via social media, the website, radio announcements and community notices boards. The Queensland Police and the Queensland Fire & Rescue Services also completed door knocks to keep households informed where inundation was likely. The Local Disaster Management Group held meetings and

issued daily media releases giving updates on road closures and river heights.

COVID-19

The COVID-19 global pandemic response is led by Queensland Health and Council has disseminated key messages and raised awareness to our community on how to stay safe.

Border closures had a massive impact on communities as many residents traverse the border as part of normal daily routines. Council assisted Queensland Police Service (QPS) in closing the borders and establishing check points so the police and Australian Defence Force personnel could monitor people movements.

Master Planning for recreational areas

Council sought feedback from the community regarding recreational areas across the Shire. COVID-19 restrictions limited the number and type of community consultation sessions. The recreation areas include: -

- St George River Foreshore
- Street Trees
- Beardmore Dam

- Rowden Park
- CBS Streetscape
- River Foreshore

Community Catch Up Days

One Community Catch Up Day was held in Bollon on 2nd October 2019 attended by 27 people with particular interest in telecommunications and the need for improved digital connectivity.

Unfortunately, Community Catch Up Days were put on hold in the first half of 2020 due to COVID-19 restrictions.

Effective Strategic Planning & Partnerships

Regional Partnerships

Council attended three South West Queensland Local Government Association meetings that include a Regional Economic Development Group and Regional Roads and Transport Group. There are six member Councils - Paroo, Quilpie, Barcoo, Balonne and Murweh Shire Councils and Maranoa Regional Council. Balonne Shire hosted the South West Queensland Local Government conference in St George on 7th November 2019 and is the secretariat of the Association.

The Balonne Shire Council participated in a number of strategic partnerships including:

- the Western Queensland Alliance of Councils with regard to COVID-19 restrictions with a view to protecting the Outback region.
- Council hosted the Border Regional Councils meeting on 12 – 13 March 2020 in St George.
- Council met with the Cross Border Commissioner in January 2020
- The Chief Executive Officer attended the CEOs of Western Councils Reference Group on 3 March 2020.

Council has been working with the SWQLGA member councils on a disaster resilience project to improve and update Disaster Management Plans. This has been possible with Disaster Resilience funding through the Queensland Reconstruction Authority.

Country University Centre - Balonne

Balonne Shire Council has partnered with the Country Universities Centre (CUC) to develop higher education “mini-hubs” in St George and Dirranbandi. More on page 42.

Excellence in Service Delivery & Project Management

Project Governance Framework

Council adopted the Project Governance Framework in February 2020 to enhance delivery of a wide range of projects to the Shire. The Framework will deliver a structured approach for the investment decision making and delivery processes. The Framework consists of a policy, strategy and processes. These elements provide clear lines of accountability and a consistent approach to project management. The hierarchy of these elements are shown in figure 1.

Figure 1

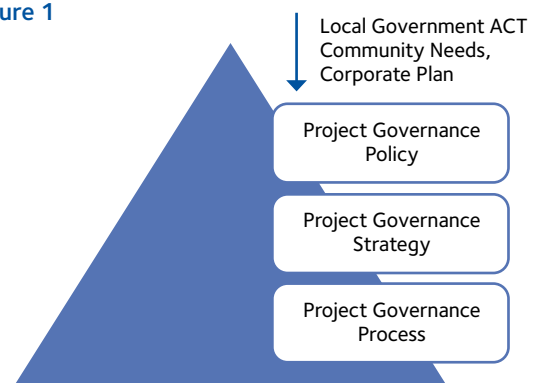


Figure 1: Project Governance Framework Element Hierarchy

Asset Management

Council has adopted Asset Management Plans [AMP] for its Transport Infrastructure and Water Assets; and is finalising its Housing Asset Management Plan. The AMPs identify the service levels and to guide Council’s long-term financial position. This has satisfied a long outstanding deficiency arising from Council’s external audits. The AMPs will assist Council to operate, maintain and renew the physical infrastructure assets relating to its assets to a level that:

- is acceptable to Council and the community in terms of safety, access, quality, impact on the environment, meeting community needs and;
- is financially sustainable for Council to do so.

The South West Queensland Local Government Association member Councils were successful in achieving over \$704,000 in funding through the Queensland Government - Local Government Grants & Subsidies Program [LGGSP]. This program aims to implement sustainable asset management systems that will maintain and extend the functional life of existing and future infrastructure assets. It is also encourages collaboration and resource sharing between the member Councils.

Grant Funding

Council has secured over \$30m in grant funding for projects over the past two financial years. In addition, the February Flood Event will add a further \$20m in restoration works across the road network and community infrastructure. Some of the major funded projects will be delivered over multiple financial years. Council takes into consideration the feedback and ideas received from

community groups, progress associations, Councillors, employees and residents for new projects. A business case is developed for new grants and successful grants are strengthened by community engagement, strategic partnerships and involvement of key stakeholders.

Some of the grant funding made available to Council in 2019/20 include:

Program	Program Dept	Project	Amount Applied for (\$)
Tackling Tough Times Together	Foundation for Rural & Regional Renewal	Restoration of Nindigully Boomerangs	\$20,000.00
Celebrating Multicultural Queensland Program	Department of Local Government, Racing & Multicultural Affairs	Multicultural Development in the Balonne Shire (MDO Role and Projects)	\$300,000
Tackling Regional Adversity through Integrated Care (TRAIC)	Department of Health	Building Stronger Communities	\$60,000
Advance QLD Engaging Science Grant	Department of Environment & Science (DES), QLD Gov	Balonne - Its Rocket Science	\$7,550.00
Drought Communities Program \$1m ext Dec 19	Department of Infrastructure Transport, Regional Cities & Infrastructure, Federal Gov	Balonne Community Infrastructure Projects	\$1,000,000.00
Local Government Illegal Dumping Partnerships Program	Department of Environment & Science, QLD Gov	Illegal Dumping Compliance Field Officer	\$154,379.44
Local Government Illegal Dumping Hotspots Grant Program	Department of Environment & Science, QLD Gov	Balonne Illegal Dumping Project	\$57,500.00

High Levels of Accountability & Compliance

Council reviewed the Chief Executive Officer's **delegated authority** in February 2020, as required under the Local Government Act. The delegations register and authorised officer authorisations allow council employees to operate within the risk appetite and tolerance set by Council and service our community.

Related Party Disclosures (ASB1124) requires the disclosure of relevant additional information in the Council's Annual Financial Statements for 2019/20 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.

All Councillors completed an extensive in-house induction program covering the structure of council, legislative requirements, roles and responsibilities, budgeting, financial management and policies. The training was complemented by mandatory on-line training modules provided by the Department of Local Government Racing and Multi-cultural Affairs. The Department also provided an on-line presentation in April 2020.

Councillor Conduct Register Section 150DY Local Government Act 2009

There have been no Councillor complaints this financial year, however a decision is pending with the Office of the Independent Assessor on a complaint that was raised in 2018/19 and originally deemed as no further action required.

Risk Management

Council reviewed its risk appetite statement and risk tolerances in May 2020 confirming it is willing to accept a higher level of risk where there is an opportunity to pursue initiatives with benefits, such as innovative and economic opportunities. Council has a low appetite for risks associated with a threat to the wellbeing and safety of staff and the community, poor standards of ethics, integrity and all aspects of security.

Council utilises CAMMs Business Software risk module to record its strategic risks and is developing quarterly reports for Operational Risks. This is being closely monitored by the Audit & Risk Committee.

Council's Strategic risks have been identified as:

- Inadequate engagement and assessment of the impact of external and internal stakeholders on our community, environment, viability and productive capacity

- Ineffective management of the economic and social impact of events, pandemics and 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 future needs
- Failure to provide a safe, 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

There are a number of operational risks that are common across the organisation. A summary of Council's operational risk register is shown in figure 2.

Financial Management for Long-Term Sustainability

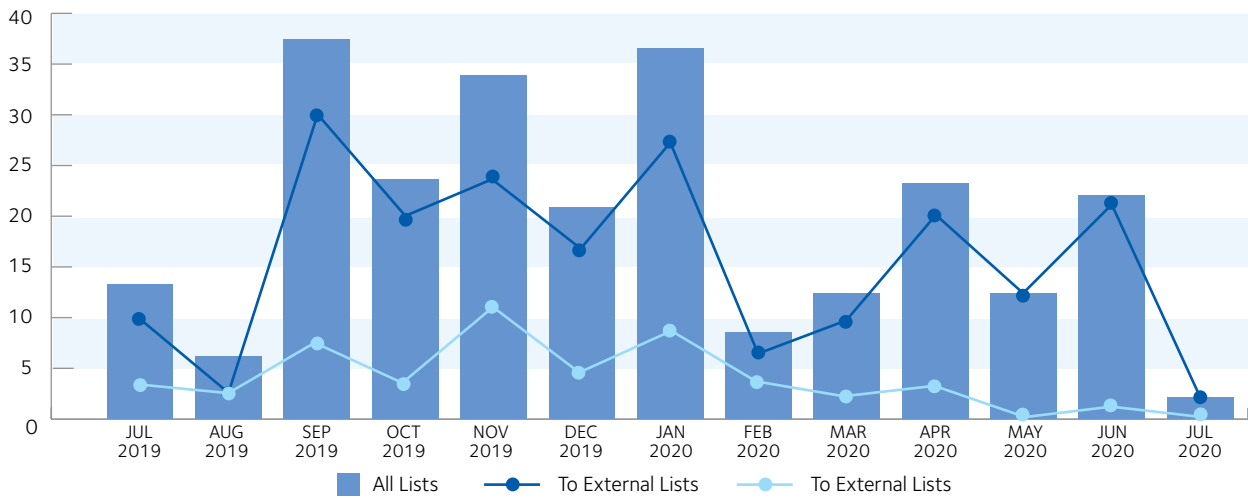
Changing the way, we do business

Council undertook a review of its **procurement processes** towards the end of 2018/19 and into 2019/20. As a result, Council's procurement process has been described as robust in an Internal Audit Report on Capital Works. Council utilises Vendor Panel and a series of preferred supplier arrangements to improve efficiency and compliance: -

- Gravel, sand and other road building materials
- Trade services
- Wet and dry plant hire
- Traffic Control
- Exclusion fencing suppliers
- Exclusion fencing contractors
- Legal Services

Vendor Panel improves the probity and integrity of quotations and a tender process by ensuring compliances are received and monitored by Council and that prices remain confidential until after the closing date. Multi-party evaluations have been introduced to assess quotations for larger projects, all of which can be performed online by panel members. This has assisted council in inviting independent panel members from outside the organisation which again increases the probity of the procurement process. Council also utilises Localbuy and the Queensland whole-of-government standing offer arrangements to achieve value for money. The following graph indicates the increased utilisation of Vendor Panel in the last twelve months.

Requests by internal buyers per month (last 13 months)



Changing IT Systems

Council implemented a **new Enterprise Resource Planning system** replacing its 28-year service with Practical Computer Services [PCS] and Civica. Council would like to acknowledge the value gained from its relationship with PCS that was ahead of its time and fit for purpose – developed with user feedback. Unfortunately, PCS has not kept up with the ever-changing technology and increased demand for mobility. Balonne Shire Council is too small to adopt some of the systems that larger providers offer. In October 2019 Council undertook an investigative process to test the market and developed a business case and project plan to move to Synergy Soft and Altus suite of modules.

On 25 May 2020 Council's new financial system in partnership with IT Vision went live. Synergy Soft and Altus offer the ability to increase mobility and has online approvals. 78 out of a total of 98 council employees are now completing online timesheets reducing the volumes of manual handwritten timesheets. Purchase orders are now able to be approved online and emailed direct to suppliers. Quotations can also be attached within the system. The key foundation of the project was the review of Council's General Ledger [Chart of Accounts] and considered critical to the success of the project. The new financial system and reporting structure is based around council's organisational structure.

There is no doubt that it has been a challenging project with the February Flood Event and COVID-19 restrictions. Microsoft Teams became an invaluable tool to keep staff and the IT Vision consultants in virtual contact with some working from home, some working out of Western Australia, New South Wales and the remainder in St George, Queensland.

Work is continuing into 2020/21 to embed and integrate the new system throughout the organisation together with

improved reporting. Council will also look at further modules and enhanced community online payment options.

Council would like to take this opportunity to thank the Finance & Corporate Services Team and the IT Vision consultants for their efforts to implement the new system.



Safe & Healthy Workplace Environment

All WHS training including **staff inductions** continues to highlight our safety initiatives with most employees undertaking some type of work health and safety training or induction during 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 about 50 employees during the financial year. Contractors have also been tested at work sites. Disciplinary action is taken against any person who returns a positive result and may include counselling and on-going monitoring.

Hazard inspections are helping identify items which require immediate rectification as well as for our

maintenance programs. Job site inspections have indicated that, in most areas, we are compliant with requirements.

Thirty-one different safety topics were shared using **Take 5's** across the entire workforce. The Take 5 concept involves all staff taking five minutes to think about the job and the potential work hazards. Daily Toolbox talks also help to raise the awareness of relevant safety issues.

These weekly messages allow supervisors and staff to consider a range of safety measures relevant to the workplace from electrical safety to manual office safety, pressure safety, trenching and excavating and safety data sheets.

A **Health and Safety Committee** meets every three months. This committee includes management and health and safety representatives. Other Council officers and specialists are called in as required.

Safety Training was undertaken by internal and external professionally qualified trainers. This training has been

conducted in areas such as first aid, CPR, pool lifeguard activities, traffic management, chemical distribution and plant tickets.

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

Council's Insurers completed a safety audit under the new WHS Standards identifying a solid safety culture on the job sites. However there was a less than satisfactory result for Council's processes and systems. Management will continue to work with all key stakeholders into 2020/21 to improve the audit result.

Workplace **incidents and injuries** statistics for the last five financial years as shown in the table below. There was another significant increase in the number of strains/sprains which have now risen from two in 2017/18 to 13 last financial year. Bruise injuries remain the second highest reported injury. Most of our incidents are due to slips, trips and falls causing these injuries.

INJURY	2015/16	2016/17	2017/18	2018/19	2019/20
Strain/sprain	1	3	2	7	13
Foreign body	0	6	0	2	1
Bruise	0	3	1	4	0
Cuts / Laceration	1	2	2	0	1
Burns/scalds	0	1	0	0	0
Skin irritation	0	1	0	0	1
Weld flash	1	0	0	0	0
Puncture	0	0	0	1	0
Poisoning	0	0	0	0	0
Fracture	0	0	0	0	0
Slips/trips/falls	0	0	0	0	5
Near miss	0	0	0	0	1



Engaged Employees in Meaningful, Productive Work

Employees receive a **performance appraisal** on a twelve-monthly cycle. The purpose of the appraisal is to provide feedback on work completed, plan the year ahead and identify any training or skills gaps to be addressed.

Two (2) **staff breakfasts** were held in 2019. In March, 2020 our planned staff breakfasts were placed on hold due to COVID-19 restrictions. Regular smaller team meetings, staff newsletters and CEO 'water cooler' updates have ensured that communications continue across the organisation and use of Microsoft Teams.

Adapting to Changing Circumstances

Council has an established Local Disaster Management Plan. Disaster Management is based on risk and integrated with strategic planning. Council was able to demonstrate its resilience to absorb disturbance and re-organise to continue to function during recent events including the Flood and COVID-19. Council formalised its response in a Business Continuity Plan adopted in February 2020 and a Draft Pandemic Response Plan. These documents provide a readily accessible, useable and thorough document to enable Council and employees to respond during any disruption to business. A range of policies, procedures and risk assessments were put into place to mitigate the risk of COVID-19 including working from home, separation of work areas and travel restrictions. Council supported its employees with a message of '*Stay Safe, Stay Apart, Together we will get through this.*

Effective Investment Program & Innovative Finance Approaches

Council reviews its **Investment Policy** each final year as part of its budget. Council has investments through the Queensland Treasury Corporation and several smaller short-term investments with Westpac Banking Corporation.

The **Wild Dog Exclusion Fencing [WDEF] Special Rate Scheme** – Round 1 is an innovative approach to promote economic development across the Shire. Council borrowed \$3.714m from Queensland Treasury Corporation [QTC] for Round 1 and has approved a further 17 properties for Round 2. Round 2 will see a further draw down of the QTC loan of up to \$4.8m. More can be found on WDEF programs on page 52.

Council has also undertaken a review of its **accounting treatment of assets** in consultation with the Queensland Audit Office due to the volatility of infrastructure asset values, a substantially increasing annual depreciation expense and resultant challenge for Council in being able to maintain a positive financial operating performance. The project will continue into 2020/21 and the appointment of an Asset Accountant will also assist with moving to a new integrated asset management system.

This is the second year of Councils **seven-year rating strategy** to achieve a single rural rate across its rural categories 100,200,300 and 500. This strategy was introduced due to the volatility in the 2017/18 valuations. The table below shows the proposed transition.

TABLE 1 – ANNUAL Rates in the Dollar proposed*

Category	Description	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
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: Rates in the dollar and percentage increases/decreases are estimates only and are subject to Council Cost Index or Consumer Price Index 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.



Into the Future

In 2020/21 Council proposes to:

- Continue to work with Local Government Mutual Services and the recommendations arising from the Work Health & Safety Audit to improve our Safety Management Systems.
- Implement the Queensland Government rolling reform agenda in the local government sector. The reforms further strengthen the transparency, accountability and integrity measures that apply to Council. On 12 October 2020 new requirements will come into effect. Councillors and Management will receive training and the Code of Meeting Practice, Councillor Code of Conduct and other relevant policies will be updated to reflect the new provisions under the *Electoral and Other Legislation (Accountability, Integrity and Other Matters) Amendment Act 2020*.
- Complete the South West Regional Roads and Transport Group Asset Management project with funding through the Queensland Government Local Government Grants & Subsidies Program.
- Implement Telstra whisper – a new communication network to keep our community better informed
- Review Council's website and implement a Disaster Management Dashboard in partnership with Guardian and through Get Ready Queensland Funding.
- Complete a biennial Employee Cultural Survey in March 2021.
- The South West Queensland Local Government Association are considering the creation of a Regional Organisation of Councils to improve its support of member councils and strengthen its advocacy platform for the region.



Statutory Information

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

Professional Development for our Councillors

Councillors have participated in professional development sessions and regional meetings to stay across the diverse range of responsibilities including:

- Annual Local Government Association of Queensland Conference
- Online training with Department of Racing Multicultural Affairs
- Elected Member Update with Local Government Association
- Online Local Disaster Management training and scenario exercises for the new Mayor and Deputy Mayor

Council has attended:

- South West Queensland Local Government Association
- South West Regional Economic Development (SWRED)
- South West Regional Transport & Roads Group
- Darling Downs & South West Queensland Council of Mayors

- Wild Dog Barrier Fence Advisory Group
- South West Regional Waste Group
- Regional Tourism Organisation/Association
- Regional Arts Development Fund Reference Panel
- Adventure Way
- Great Inland Way
- Tourism Operators Meeting
- Queensland Great Artesian Basin Advisory Committee
- Murray Darling Association
- Border Region of Councils

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
- Budget workshops
- Project planning for grant funding opportunities
- Asset management

Councillor attendance at Council and Committee Meetings

Councillor Name	Dates	Council Ordinary Meeting	Special Council Meeting
Former Councillors			
Cr Richard March (Mayor)	1 July 2019 to 9 April 2020	9	1
Cr Fiona Gaske (Deputy Mayor)	1 July 2019 to 9 April 2020	8	0
Cr Robert Paul	1 July 2019 to 9 April 2020	9	1
New Elected Council			
Cr Samantha O'Toole (Mayor)	1 July 2019 to 30 June 2020	11	3
Cr Richard Lomman (Deputy Mayor)	10 April 2020 to 30 June 2020	3	2
Cr Scott Scriven	1 July 2019 to 30 June 2020	12	3
Cr Ian Todd	1 July 2019 to 30 June 2030	12	3
Cr Robyn Fuhrmeister	1 July 2019 to 30 June 2020	12	3
Cr William Winks	10 April 2020 to 30 June 2020	3	2
Cr Rod Avery	10 April 2020 to 30 June 2020	3	2

Council held 94 workshops, 4 Audit and Risk Committee meetings and 3 Information, Communications and Technology (ICT) meetings over 2019/2020 financial year.

Councillor Conduct (s150) and Councillor complaints register/ any decisions of QIA

No councillor complaints for 2019/20.

Councillor remuneration including facilities

Councillor Name	Dates	Base Allowance
Former Councillors		
Cr Richard March (Mayor)	1 July 2019 to 9 April 2020	\$82,554.52
Cr Fiona Gaske (Deputy Mayor)	1 July 2019 to 9 April 2020	\$47,728.82
Cr Robert Paul	1 July 2019 to 9 April 2020	\$43,289.28
New Elected Council		
Cr Samantha O'Toole (Mayor)	1 July 2019 to 30 June 2020	\$64,821.96
Cr Richard Lomman (Deputy Mayor)	10 April 2020 to 30 June 2020	\$13,583.81
Cr Scott Scriven	1 July 2019 to 30 June 2020	\$53,607.96
Cr Ian Todd	1 July 2019 to 30 June 2030	\$53,049.00
Cr Robyn Fuhrmeister	1 July 2019 to 30 June 2020	\$53,459.72
Cr William Winks	10 April 2020 to 30 June 2020	\$14,451.71
Cr Rod Avery	10 April 2020 to 30 June 2020	\$11,772.52

Senior Management Remuneration

Remuneration package including salary, superannuation, rental assistance and vehicle for the Senior Leadership Group (SLG) totalled \$885,050 for 2019/2020

Remuneration package range	Number of Contract positions
\$0.00-\$100,000	0
\$100,001 - \$200,000	5
\$200,001 - \$300,000	1

Advisory Groups and committees:

Council adopted the following Standing Committee, Advisory Committees and User Groups to consult with both internal and external stakeholders.

- Community Advisory Committee
- Work Camp Advisory Committee
- Innovation Library Hub Advisory Committee
- Dirranbandi Multi Sports User Group
- Dirranbandi Swimming Pool Advisory Committee
- Rowden Park Users Group
- Business Taskforce including Business Mentoring Advisory Group and Bettering Balonne
- South West Economic Development Group
- Information Communications & Technology (ICT) Standing Committee
- Audit & Risk Committee
- Infrastructure & Assets Standing Committee
- Dirranbandi Showgrounds User Group
- Bollon Showgrounds User Group
- St George Showgrounds User Group
- Pest Management Advisory Committee
- Local Disaster Management Group
- Local Disaster Community Recovery Committee

Registers / Policies S190 LGR must include any invitations to change tenders / concessions for rates/charges

Registers held by Council

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
- Planning Scheme
- Council Meeting Minutes
- Council Delegation to Chief Executive Officer
- Delegations by Chief Executive Officer to employees
- Policy Register
- Corporate Plan
- Annual Operational Plan
- Budget
- Lease register
- Archive Register

Council maintains a current and up to date policy register, which indicates when policies require to be reviewed.

Policies 2019/20

- Drug and Alcohol Policy
- Rate Recovery policy
- Minor Assets Policy
- Light Vehicle Fleet Policy
- Emerging Leaders Bursary Policy
- Traffic Management Policy – Event /Private Road Closures
- Mungindi Water Restrictions Policy
- St George Water Restrictions Policy
- Community Grants and Assistance Policy
- Human Rights Policy
- Councillor Portfolio Policy
- Media policy
- Body Worn and Vehicle Mounted Camera Policy

The following Management Directives were adopted by the Senior Leadership Group:

- Working from Home
- COVID-19 Leave
- Risk Assessments for Travel Outside of the Shire

Land and Reserves

Council is 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*

Special Rates and Charges – Levies

Thallon Town Rural Fire Brigade

For 2019/20 a special charge was levied on those rateable properties contained within the benefited area of Thallon. This was for the purpose of raising revenue to fund the operational of the Thallon Town Rural Fire Brigade. During the year \$7564.80

Domestic Animal Levy

For the 2019/20 year a special charge was levied on those rateable properties Category 1 – 3 within the Balonne Shire Council boundary. This levy is for the purpose of raising revenue to assist funding Council’s Domestic Animal Management services or activities in the Shire. During the year \$29,830.50 was levied.

Feral Animal Levy

For the 2019/20 year a special charge was levied on those rateable properties in the Rating Categories 79,80,81 and new category 100 and all properties > or = 1000 Hectares in Cat 200 and Cat 300 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 \$163,686.29 was levied.

Environmental Levy

For the 2019/20 year a special charge was levied on those rateable properties contained in the benefited area surrounding the townships of St George, Dirranbandi, Bollon, Thallon, Hebel, Mungindi 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.

Wild Dog Exclusion Fencing Special Rate Scheme

For the 2019/20 year a special rate was levied on those approved rateable properties that participated in Round 1 of the Special Rate Scheme commenced development for the specific purpose to construct exclusion fencing on the benefited properties. The special rate scheme is underpinned with a loan from Queensland Treasury Corporation and in 2019/20 \$3.174m was drawn down from the loan facility. There are no rates levied in 2019/20 for the Wild Dog Exclusion Fencing special rate scheme until 2022/23. Round 2 was approved for the Wild Dog Exclusion Fencing Special Rate Scheme on 25 June 2020 with the estimated borrowings of \$4.8m capitalised.

Levied \$ Figures 2019/20

Special rates	Levy (2019/20)
Thallon Town Rural Fire Brigade	\$7,564.80
Domestic Animal Levy	\$29,830.50
Feral Animal Levy	\$163,686.29
Environmental Levy	\$10,250.00

Rebates and Concessions

Pensioner Rebate Remissions

Council provides a remission of rates for properties owned or occupied by pensioners, equal to a maximum of \$170.00 per annum to owners of qualifying premises. The subsidy was in addition to the subsidy offered by the State Government. This includes a concession for pensioners for their waste services.

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 Regulations 2012. Balonne Shire Council grants concessions of 50% of utility charges to eligible religious, charitable, and other organisations. Total concessions granted for 2019/20 was \$20,899.66.

- **Discount for prompt Payment of Rates and Charges**

Council allows a discount for prompt payment of rates /charges as a means of 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 rates must be paid at least 30days after the issue of the rates notice. Council provides the discount for each rate moiety.

The discount applies to the prompt payment of:

- General rates
- Urban Water Charges including Excess Water and Consumption Charges
- Rural residential Water Charges

Excess Water Charges include: -

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

Invitations to Change Tenders

There were no invitations to change tender specifications over 2019/2020.

Grants to community organisations

Free or concessional use of Council facilities- \$1,445.45

23 Community Groups received funding through Council's community grants donations and sponsorship program. A total of \$23,289.00 was awarded to the community

4 community groups have received funding for arts and cultural activities through Councils Regional Arts Development Fund (RADF). A total of \$8998.00 has been provided to the community

Regional Arts Development Fund 2019/20 projects

Organisation	Project	TOTAL \$8998
Dirranbandi Arts Council	2020 Upholstery Workshop	\$ 1,820.00
St George Aboriginal Housing	Children's Community Cultural Program	\$ 3,000.00
Balonne Kindergarten	Totem poles for the Indigenous Garden	\$ 2,500.00
Balonne Creative Arts Group	Quick Curves hand and paper piecing workshop	\$ 1,678.00

Table of Community Grants donations and sponsorships projects

Community Grants 2019/20	Project Name	TOTAL \$23,239.00
Balonne Boar Buster Inc	Sponsorship	\$1,000.00
Bush Disciples	Sponsorship	\$2,200.00
Dirranbandi & Districts Little Athletics	Sponsorship	\$500.00
Dirranbandi P-10 State School	Sponsorship	\$1,000.00
Mungindi Community Preschool	Sponsorship	\$330.00
Netball Queensland Darling Downs	Sponsorship	\$1,000.00
QC ANV Charity Fund Inc	Donation	\$200.00
QCWA – Thallon – Daymar Branch	Sponsorship	\$1,000.00
QLD Blue Light Association - Dirranbandi	Sponsorship – Australia Day Event	\$500.00
Rural Solutions Queensland Inc	Sponsorship	\$500.00
South West Emus	Sponsorship	\$500.00
St George & District Chamber of Commerce Inc	Donation	\$3,200.00
St George District Fishing	Donation	\$250.00
St George & District Rugby Union Club	Sponsorship	\$1,000.00
St George Cotton Growers Association	Sponsorship	\$300.00
St George Golf Club	Sponsorship – Sand Green Cup	\$2,000.00
St George High School	Sponsorship	\$100.00
St George Pony & Riding Club	Sponsorship	\$1,000.00
St George RSL Sub-Branch	Sponsorship	\$3,200.00
St George Tennis Club Inc	Sponsorship	\$600.00
St Patrick's Fete Committee	Sponsorship	\$300.00
Thallon Progress Association	Sponsorship	\$500.00
Tri St George Inc	Sponsorship	\$2,059.20



Community Financial Report

The Community Financial Report is a simplified version of Council's financial performance and position for the 2019/20 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

Executive summary of key financial highlights

- Cash holdings of \$40,239,149 generating \$370,944 in interest revenue
- Council debt increased as a result of borrowing for the WDEF Special Rate Loan Scheme (Round 1).

5 Year Financial Summary

Financial Fast Facts	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Capital Expenditure	\$8,369	\$6,537	\$7,013	\$5,946	\$8,724
Net Result – Surplus (Deficit)	\$1,053	\$4,183	\$1,645	\$2,779	\$3,062
Increase/(Decrease) in Net Assets	\$10,148	\$6,367	\$3,551	\$45,628	\$1,535
Revenue	\$24,100	\$27,966	\$25,648	\$27,636	\$32,998
Percentage of Revenue from Rates & Charges	34%	38%	38%	38%	32%
Expenses	\$23,088	\$23,783	\$24,003	\$24,857	\$29,936
Cash Holdings	\$17,168	\$21,616	\$25,595	\$31,225	\$40,239
Restricted Cash	\$4,852	\$6,976	\$8,163	\$15,396	\$19,215
Borrowings	\$3.42	\$3.18	\$2,932	\$2,659	\$5,572
WIP	\$5,605	\$689	\$2,415	\$4,759	\$8,114

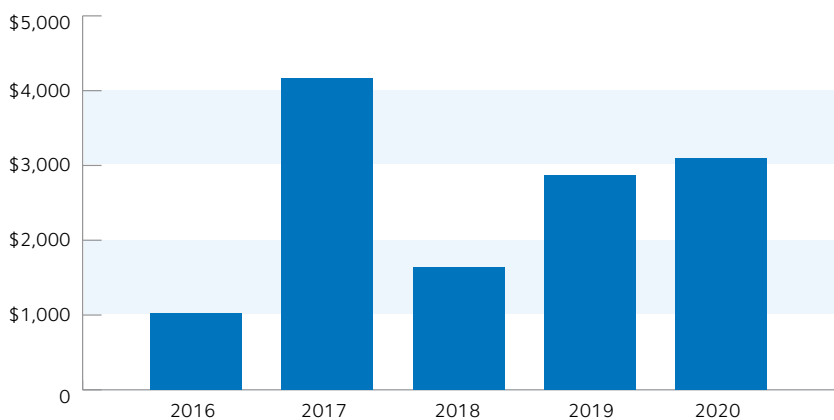
Statement of Comprehensive Income

The Statement of Comprehensive Income measures how Council performed in relation to revenue and expenses for the year. Council's operating result for 2019/20 was a surplus of \$3.062 million which is the difference between revenue and expenses.

In comparison Council's operating surplus has increased from \$2.779 million in 2018/19 due largely to a combination of increased grant funding and increased sales 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)



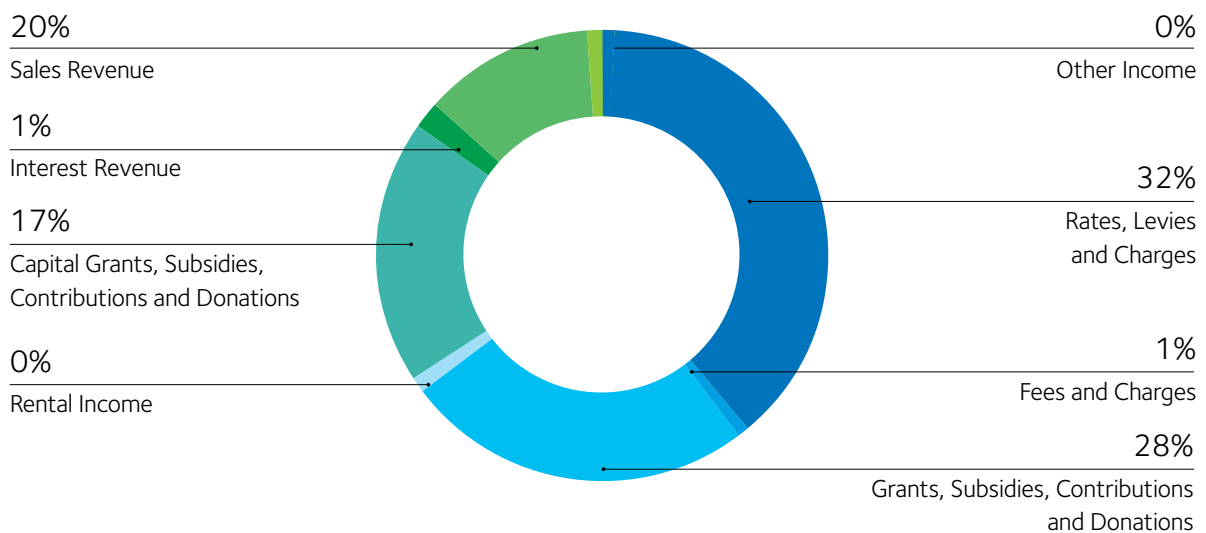
5-Year Financial Summary of Revenue & Expenses

Depreciation	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Rates, Levies and Charges (Net of Discounts)	\$9,311	\$9,472	\$9,789	\$10,470	\$10,478
Federal Assistance Grant	\$4,729	\$7,576	\$5,438	\$5,805	\$5,854
Other Grants, Subsidies & Contributions	\$4,578	\$5,348	\$5,802	\$7,048	\$8,892
Sales Revenue	\$4,220	\$4,145	\$3,144	\$2,803	\$6,582
Interest and Investment Revenue	\$529	\$425	\$584	\$683	\$389
Other Income	\$201	\$357	\$389	\$315	\$295
Fees and Charges	\$273	\$269	\$276	\$273	\$292
Rental Income	\$259	\$238	\$226	\$239	\$209
Capital Income	\$41	\$136	\$0	\$0	\$7
Total Revenue	\$24,141	\$27,966	\$25,648	\$27,636	\$32,998

Expenses	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2017/18 \$'000	2019/20 \$'000
Employee Costs	\$5,906	\$6,113	\$6,126	\$6,285	\$6,927
Material, Services and Other Expenses	\$9,371	\$9,438	\$9,181	\$10,763	\$15,112
Depreciation	\$7,594	\$8,012	\$8,190	\$7,624	\$7,699
Borrowing Costs	\$217	\$220	\$212	\$184	\$198
Capital Expenses	\$0	\$0	\$294	\$1	\$0
Total Expenses	\$23,088	\$23,783	\$24,003	\$24,857	\$29,936

Operating Revenue

Council's total revenue for the financial year was \$32.998 million.



Net Rates, Levies & Charges - \$10.478 million

- General rates / Community Levy totalled \$6,946 million
- Special Rates from Domestic Animal, Feral Animal and Thallon Fire Levies \$200,258
- Water charges of \$1.769 million for access and \$81,106 for water consumption and sundry water charges
- Urban waste water charges of \$1.071 million
- Waste service charges of \$1.126 million.
- Total rates discounts of \$932,000 and Pensioner remissions of \$35,722.

Fees & Charges - \$292,000

This includes (but is not limited to):

- Planning and building \$66,961
- Cemetery Charges \$51,362
- Hire Charges \$67,409
- Animal registrations and other animal fees \$59,475

Operating Grants, Subsidies, Contributions & Donations - \$9.145 million

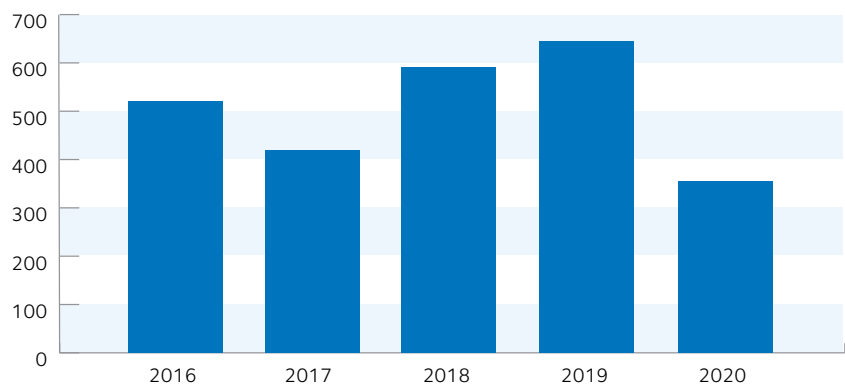
Operating grant funding varies from year to year depending on the number of successful grant applications received. The annual Federal Financial Assistance Grant contributed \$5.854 million to the overall operational Grant funding which included a 'bring forward' payment of the 2020/21 allocation of \$3.018 million. Council also recognized \$1.751 million of funding for projects through the Murray Darling Basin Funding Scheme. The new accounting standard for revenue recognition that was adopted by Council this year effected the overall reportable grant funding amount.

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.

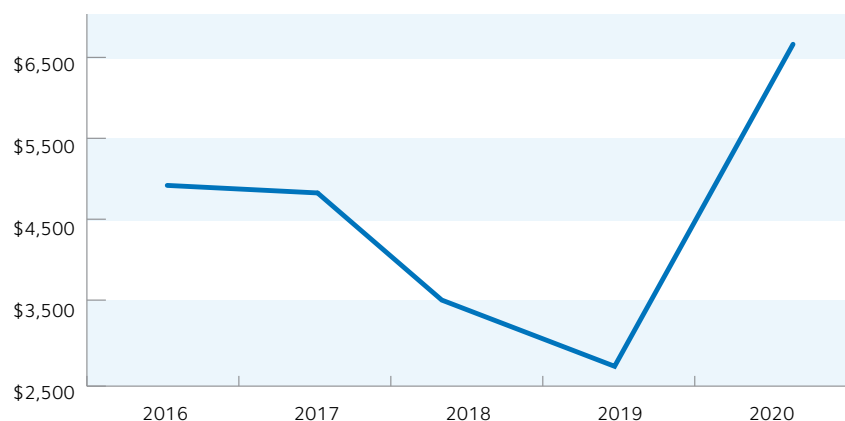
Interest & Investment Revenue - \$389,000

Council's cash investments were held by Westpac Banking Corporation and Queensland Treasury Corporation (QTC) and returned interest revenue of \$370,944. Council charged interest of 11% on outstanding rates, levies and charges balances which generated \$18,056 in 2019/20.



Sales Revenue - \$6.582 million

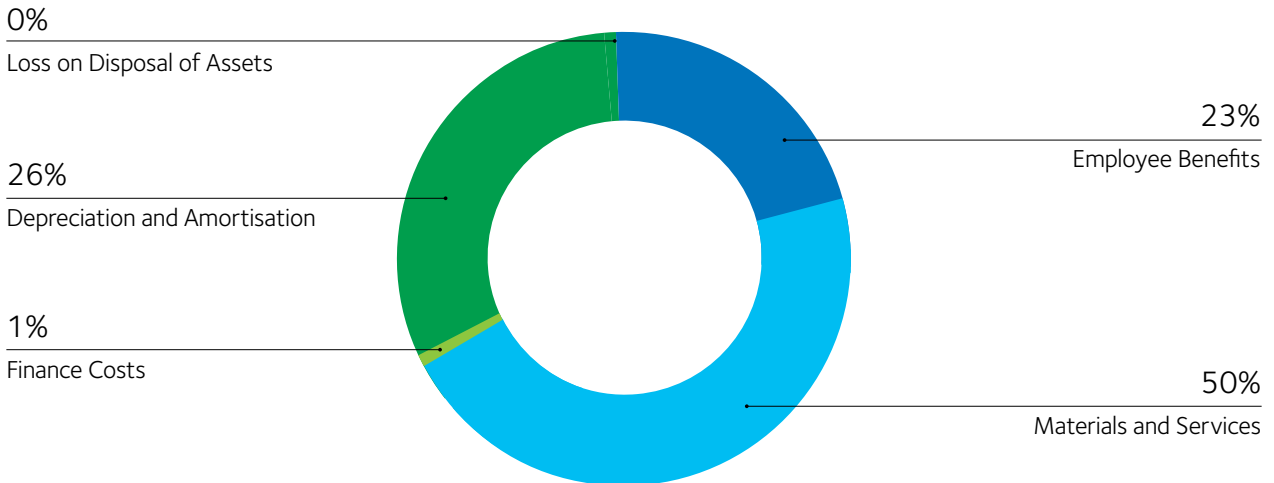
Sales revenue contributed to 20% of Council's income in 2019/20 up from 10% in 2018/19. The significant increase in sales revenue is due to an increase in State Transport and Main Roads funding.



Expenses

Council's total expenses for 2019/20 were \$29.936 million.

Operating expenses consist of materials and services, employee benefits, depreciation, finance costs and loss on disposal of assets. A breakdown of Council's 2019/20 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 \$15.112 million accounted for 50% 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 \$6.927 million included employee salaries and wages, superannuation, leave entitlements and Councillor remuneration.

5 Year Financial Depreciation by Asset Class

Revenue	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Buildings	\$427	\$869	\$897	\$741	\$741
Plant and Equipment	\$994	\$949	\$765	\$729	\$729
Furniture and Fittings	\$26	\$35	\$36	\$28	\$28
Water Supply Network	\$455	\$382	\$571	\$592	\$592
Other Infrastructure Assets	\$365	\$525	\$527	\$113	\$113
Transport Infrastructure	\$4,932	\$4,864	\$5,022	\$5,156	\$5,156
Urban Waste Water Network	\$362	\$369	\$362	\$253	\$253
Intangible Assets	\$33	\$19	\$10	\$12	\$12
Total Depreciation	\$8,012	\$7,594	\$8,190	\$7,624	\$7,624

Statement of Cash Flows

Cash and cash equivalents was \$40.239 million as at 30 June 2020. This cash balance is sufficient to cover Council's restricted assets and

commitments of \$19.215 million including \$9.448 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 – \$9.634 million
- Investing activities – includes money Council receives and spends when we buy or sell property, plant and equipment – (\$3.533 million)
- Financing activities – incorporates cash received if Council takes out new loans or cash paid to repay loans – \$2.913 million.

CASH FLOW	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Opening cash balance	\$14,975	\$17,168	\$21,616	\$25,595	\$31,225
Net cashflow from operating activities	\$6,730	\$6,308	\$6,227	\$7,543	\$9,634
Net cashflow from investing activities	(\$4,307)	(\$1,619)	(\$2,000)	(\$1,640)	(\$3,533)
Net cashflow from financing activities	(\$230)	(\$241)	(\$248)	(\$273)	\$2,913
Closing cash balance	\$17,168	\$21,616	\$25,595	\$31,225	\$40,239

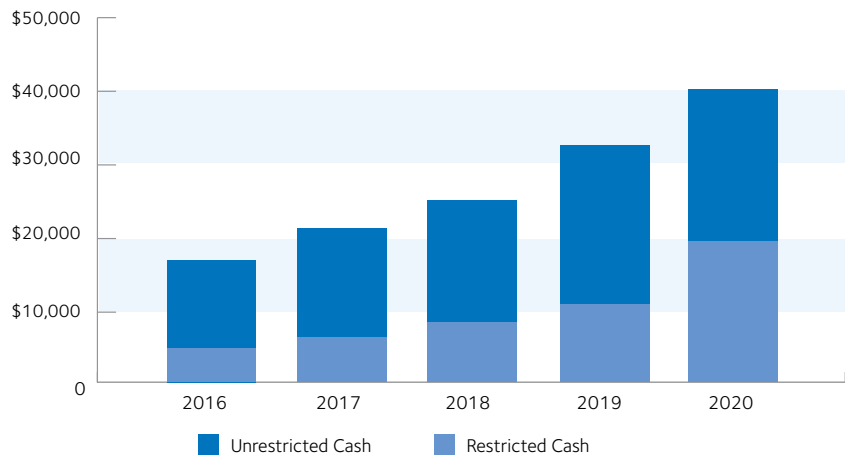


Statement of Financial Position

Current Assets - \$42.3 million

The major component of current assets was cash and investments totaling \$40.3 million at 30 June 2020. Of these funds, \$19.2 million is restricted (grants, subsidies, developer contributions and specific Council reserves).

Cash balance at year end



Non-Current Assets - \$303.029 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 2020.

ASSET GROUP	\$'000
Land	\$2,950
Buildings	\$41,181
Plant and Equipment	\$4,864
Furniture and Fittings	\$160
Water Supply Network	\$20,649
Intangible Assets	\$35
Transport Infrastructure	\$211,818
Urban Waste Water Network	\$13,258
Capital Work in Progress	\$8,114
Total	\$303,029



Liabilities

Council owes \$5.572 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.

Council borrowed \$3.175 million in 2019/20 to facilitate the Round 1 of the WDEF Special Rates Loan Scheme which will be recovered through rates over 20 years.

Details of all loans outstanding as at 30 June 2020 are as follows:

LOANS OUTSTANDING AS AT 30 JUNE 2020	
Description of Purpose	Amount
Bridgeworks A/c	\$98
Administration Building	\$1,498
Work Depot Account	\$130
Water	\$642
WDEF Special Rates Loan Scheme (Round 1)	\$3,204
Total	\$5,572

Statement of Changes in Equity

Asset Revaluation Surplus - \$242.155 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 - \$89.233 million

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

KEY LOCAL GOVERNMENT FINANCIAL INDICATORS		2020 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.	-9.30%	Between 0-10%	No
Asset Sustainability Ratio	This ratio helps to show whether Council is replacing assets as their service potential is used up.	64.22%	Greater than 90%	No
Net Financial Liability	This ratio explains the level of debt Council has compared to its operating revenues.	-103.55%	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 2019/20 is -9.30% which is a deterioration on the 2018/19 result which was -6.36%.

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 -103.55% performance ratio, which means that Council has ability to increase its loan borrowing.

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 64.22 % in 2019/20, which has improved on the 2018/19 result of 31.89% but is significantly below the set target.





Balonne Shire Council

General Purpose Financial Statements

for the year ended June 2020

For the People



General Purpose Financial Statements
for the year ended 30 June 2020

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Balonne Shire Council

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	10,478	10,470
Fees and charges	3b	292	273
Sales revenue	3c	6,582	2,803
Grants, subsidies, contributions and donations	3d	9,145	8,587
Total recurrent revenue		26,497	22,133
Capital revenue			
Grants, subsidies, contributions and donations	3d	5,601	4,266
Total capital revenue		5,601	4,266
Other income			
Rental income		209	239
Interest received		389	683
Other income		295	315
Capital income		7	-
Total other income		900	1,237
Total income		32,998	27,636
Expenses			
Recurrent expenses			
Employee benefits	4	6,927	6,285
Materials and services	5	15,112	10,763
Finance costs		198	184
Depreciation and amortisation:			
- Property, plant and equipment	8	7,683	7,612
- Intangible assets		16	12
Total recurrent expenses		29,936	24,856
Other expenses			
Capital expenses		-	1
Total other expenses		-	1
Total expenses		29,936	24,857
Operating result		(2,546)	(1,486)
Net result		3,062	2,779
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	8	-	42,849
Total other comprehensive income for the year		-	42,849
Total comprehensive income for the year		3,062	45,628

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 2020

	Notes	2020 \$'000	2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	40,239	31,225
Receivables	7	1,163	1,748
Inventories		265	189
Contract assets	9	579	-
Other assets		36	56
Total current assets		42,282	33,218
Non-current assets			
Property, plant and equipment	8	302,994	302,342
Intangible assets		35	31
Total non-current assets		303,029	302,373
TOTAL ASSETS		345,311	335,591
LIABILITIES			
Current liabilities			
Payables	10	2,472	1,506
Contract liabilities	9	4,144	-
Borrowings	11	253	296
Provisions	12	956	1,061
Other liabilities		1	6
Total current liabilities		7,826	2,869
Non-current liabilities			
Borrowings	11	5,319	2,363
Provisions	12	776	506
Total non-current liabilities		6,095	2,869
TOTAL LIABILITIES		13,921	5,738
Net community assets		331,388	329,853
COMMUNITY EQUITY			
Asset revaluation surplus	13	242,155	242,155
Retained surplus		89,233	87,698
Total community equity		331,388	329,853

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 2020

	Notes	Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
2020				
Balance as at 1 July 2019		242,155	87,698	329,853
Other adjustments		-	(5)	(5)
Adjustment on initial application of AASB 15 / AASB 1058	19	-	(1,522)	(1,522)
Restated balance as at 1 July 2019		242,155	86,171	328,326
Net result		-	3,062	3,062
Total comprehensive income for the year		-	3,062	3,062
Balance as at 30 June 2020		242,155	89,233	331,388
2019				
Balance as at 1 July 2018		199,306	84,919	284,225
Restated balance at 1 July 2018		199,306	84,919	284,225
Net result		-	2,779	2,779
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	8	42,849	-	42,849
Other comprehensive income		42,849	-	42,849
Total comprehensive income for the year		42,849	2,779	45,628
Balance as at 30 June 2019		242,155	87,698	329,853

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

Balonne Shire Council

Statement of Cash Flows for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts from customers		17,743	13,430
Payments to suppliers and employees		(21,360)	(16,754)
		(3,617)	(3,324)
Receipts:			
Interest received		389	683
Rental income		209	239
Non capital grants and contributions		11,585	8,587
Other		875	1,035
Payments:			
Borrowing costs		(198)	(184)
Other		391	507
Net cash flow - operating activities	17	9,634	7,543
Cash Flows from investing activities			
Receipts:			
Proceeds from sale of property, plant and equipment		7	(1)
Grants, subsidies, contributions and donations		5,204	4,266
Payments:			
Payments for property, plant and equipment		(8,724)	(5,893)
Payments for intangible assets		(20)	(12)
Net cash flow - investing activities		(3,533)	(1,640)
Cash flows from financing activities			
Receipts:			
Proceeds from borrowings		3,175	-
Payments:			
Repayment of borrowings		(262)	(273)
Net cash flow - financing activities		2,913	(273)
Net increase/(decrease) for the year		9,014	5,630
plus: Cash and cash equivalents - beginning		31,225	25,595
Cash and cash equivalents - closing	6	40,239	31,225

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 2020

Note 1. Summary of Significant Accounting Policies

(1.a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

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

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

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

(1.c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation,

that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

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

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

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

- AASB 17 Insurance Contracts

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

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

(1.d) Estimates and Judgements

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

- Valuation and depreciation of Property, Plant & Equipment - Note 8
- Provisions - Note 12
- Contingent Liabilities - Note 15
- Financial instruments and financial assets – Note 21
- Revenue - Note 3

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

Note 1. Summary of Significant Accounting Policies (continued)

(1.e) Rounding and Comparatives

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

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

(1.f) 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 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.g) Taxation

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

(1.h) Impacts of Covid-19 Pandemic

Council undertook the following key actions during the current year in response to the COVID-19 pandemic, some of which will also impact the financial results for the 20/21 financial year:

- Council has extended the period to pay rates from 30 days to 60 days;
- General rates did not increase for the 20/21 financial year; and
- Annual food licence fees have been waived for 20/21

The impacts of these measures is not material to the 19/20 financial statements of Council and is not expected to be material for the 2020/21 financial year.

Notes to the Financial Statements

for the year ended 30 June 2020

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).

Balonne Shire Council

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

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

Functions	Gross programme income						Total income	Gross programme expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring		Capital		Other	Recurring		Capital					
	Grants	Other	Grants	Other									
2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate governance	93	-	-	-	-	93	(993)	-	(900)	-	(900)	-	-
Corporate services	4,587	6,916	-	7	-	11,510	(2,552)	-	8,951	(2,552)	8,951	37,775	37,775
Planning and development and environmental health services	98	167	-	-	-	265	(807)	-	(542)	(807)	(542)	3,764	3,764
Rural services	2,156	238	93	-	-	2,487	(1,851)	-	543	(1,851)	543	483	483
Infrastructure services	863	4,222	4,611	-	-	9,696	(13,360)	-	(8,275)	(13,360)	(8,275)	284,505	284,505
Community lifestyle	1,245	120	618	-	-	1,983	(4,322)	-	(2,957)	(4,322)	(2,957)	18,715	18,715
Economic development	103	30	279	-	-	412	(761)	-	(628)	(761)	(628)	69	69
Commercial services	-	6,552	-	-	-	6,552	(5,290)	-	1,262	(5,290)	1,262	1,262	1,262
Total	9,145	18,245	5,601	7	-	32,998	(29,936)	-	(2,546)	(29,936)	(2,546)	3,062	345,311
2019	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate governance	-	-	-	-	-	-	(457)	-	(457)	-	(457)	-	-
Corporate services	4,585	7,246	-	-	-	11,831	(3,195)	(1)	8,636	(3,196)	8,636	36,708	36,708
Planning and development and environmental health services	16	204	-	-	-	220	(811)	-	(591)	(811)	(591)	3,647	3,647
Rural services	1,392	238	-	-	-	1,630	(1,301)	-	329	(1,301)	329	466	466
Infrastructure services	1,671	4,185	2,339	-	-	8,195	(13,725)	-	(7,869)	(13,725)	(7,869)	276,495	276,495
Community lifestyle	916	75	1,427	-	-	2,418	(2,901)	-	(1,910)	(2,901)	(1,910)	18,214	18,214
Economic development	7	37	-	-	-	44	(617)	-	(573)	(617)	(573)	61	61
Commercial services	-	2,799	500	-	-	3,299	(1,850)	-	949	(1,850)	949	1,449	1,449
Total	8,587	14,784	4,266	-	-	27,637	(24,857)	(1)	(1,486)	(24,858)	(1,486)	2,779	335,591

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

Note 3. Revenue

	Notes	AASB 15 2020 \$'000	AASB 1058 2020 \$'000
Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.			
Revenue recognised at a point in time			
Rates, levies and charges	3a	-	10,478
Fees and charges (excluding infringements)	3b	258	-
Infringements	3b	-	34
Sale of goods and services	3c	6,582	-
Grants, subsidies, donations and contributions	3d	-	10,099
Rental Income		209	-
Interest received		389	-
Other Income		302	-
		<u>7,740</u>	<u>20,611</u>
Revenue recognised over time			
Grants and subsidies	3d	4,144	-
Revenue relating to grants for assets controlled by council	3d	-	503
		<u>4,144</u>	<u>503</u>
Total revenue		<u>11,884</u>	<u>21,114</u>
<hr/>			
	Notes	AASB 15 2019 \$'000	AASB 1058 2019 \$'000
Revenue recognised at a point in time			
Rates, levies and charges	3a	-	10,470
Fees and charges (excluding infringements)	3b	269	-
Infringements	3b	-	4
Sale of goods and services	3c	2,803	-
Grants, subsidies, donations and contributions	3d	-	11,331
Rental Income		239	-
Interest Received		683	-
Other Income		315	-
		<u>4,309</u>	<u>21,805</u>
Revenue recognised over time			
Grants and subsidies	3d	1,522	-
		<u>1,522</u>	<u>-</u>
Total revenue		<u>5,831</u>	<u>21,805</u>

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

Note 3. Revenue (continued)

	2020	2019
Notes	\$'000	\$'000
(a). Rates, levies and charges		
2020 accounting policy		
Rates and annual charges are recognised as revenue when the council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
2019 accounting policy		
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	6,946	7,078
Special rates	201	202
Water	1,922	1,886
Water consumption	87	98
Urban waste water	1,165	1,138
Waste charges	1,126	1,106
Total rates and utility charge revenue	11,447	11,508
Less: discounts	(932)	(1,003)
Less: pensioner remissions	(37)	(35)
TOTAL RATES, LEVIES AND CHARGES	10,478	10,470

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue (continued)

	2020	2019
Notes	\$'000	\$'000
(b). Fees and charges		
2020 accounting policy		
Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.		
The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. There is no material obligation for Council in relation to refunds or returns.		
Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.		
Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.		
2019 accounting policy		
Fees and charges are recognised when council is unconditionally entitled to those funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.		
Building and development fees	48	62
Infringements	34	4
Licences and registrations	49	52
Swimming Pool Fees	36	32
Cemetery Fees	51	43
Council Facilities Hire	36	43
Water Connection Fees	6	4
Searches and Other Council Document Fees	21	15
Other fees and charges	11	18
<u>TOTAL FEES AND CHARGES</u>	<u>292</u>	<u>273</u>

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue (continued)

Notes	2020 \$'000	2019 \$'000
(c). Sales revenue		
Sale of goods revenue is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.		
Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. 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	6,552	2,766
Total sale of services	6,552	2,766
Sale of goods		
Visitor info centre	30	37
Total sale of goods	30	37
TOTAL SALES REVENUE	6,582	2,803

(d) Grants, subsidies, contributions and donations**2020 accounting policy****Grant income under AASB 15**

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

The performance obligations are varied based on the agreement but include [provide details of performance obligations within AASB 15 grants e.g. events, vaccinations]. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Note 3. Revenue (continued)

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

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

Grant income under AASB 1058

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

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

Capital grants

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

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

2019 accounting policy

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

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. Those below the thresholds are recorded as expenses.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue (continued)

	Notes	2020 \$'000	2019 \$'000
(d) Grants, subsidies, contributions and donations (continued)			
(i) Recurrent			
General purpose grants		5,397	5,805
State government subsidies and grants		3,200	2,478
Commonwealth government subsidies and grants		99	223
Contributions		43	41
2017 flood event		-	40
2020 flood event		406	-
<u>TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>		<u>9,145</u>	<u>8,587</u>

(ii) Capital

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

State government subsidies and grants		2,106	2,020
Commonwealth government subsidies and grants		3,495	2,246
<u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>		<u>5,601</u>	<u>4,266</u>

Note 4. Employee benefits

Wages and salaries		4,285	3,814
Councillors remuneration		437	431
Annual, sick and long service leave entitlements		991	903
Superannuation	16	684	626
Training costs		314	353
Workers compensation insurance		104	72
		<u>6,815</u>	<u>6,199</u>
Other employee related expenses		112	86
<u>TOTAL EMPLOYEE BENEFITS</u>		<u>6,927</u>	<u>6,285</u>

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

Balonne Shire Council

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

Note 4. Employee benefits (continued)

	2020	2019
Additional information:		
Total Council employees at the reporting date:	No.	No.
Elected members	7	7
Administration staff	41	34
Depot and outdoors staff	47	46
Total full time equivalent employees	95	87

Note 5. Materials and services

	2020 \$'000	2019 \$'000
Advertising and marketing	55	156
Administration supplies and consumables	65	56
Aerodrome maintenance	188	153
Audit of annual financial statements by the Auditor-General of Queensland	36	44
Audit services	18	32
Cleansing services	1,249	1,434
Communications and IT	619	192
Community donations / assistance	43	33
Contractors/Consultants	257	166
Councillors' expenses (incl. mayor) - other	50	12
Insurance	227	346
Land protection fund precept	118	254
Legal fees	41	137
Power	49	24
Repairs and maintenance	4,680	4,760
Subscriptions and registrations	82	85
Swimming pools - Council owned	351	330
Urban waste water	271	371
Urban water services	954	1,016
2020 flood event	415	-
Other materials and services	5,344	1,162
TOTAL MATERIALS AND SERVICES	15,112	10,763

Total audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial statements are \$43,600 (2019: \$42,600).

Notes to the Financial Statements

for the year ended 30 June 2020

Note 6. Cash and cash equivalents

Notes	2020 \$'000	2019 \$'000
<p>Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.</p>		
<h4>Cash and cash equivalents</h4>		
Cash at bank and on hand	9,454	17,761
Deposits at call	4,573	-
Term deposits	10,000	-
QTC cash fund	16,212	13,464
TOTAL CASH AND CASH EQUIVALENTS	40,239	31,225

Restricted cash and cash equivalents

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

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

Unspent government grants and subsidies	4,144	-
WDEF Special Rate Loan Scheme (R1)	1,943	-
Total external restrictions	6,087	-

Internally imposed expenditure restrictions at the reporting date:

Future capital works	618	1,868
Future asset replacement	9,448	8,614
Future recurrent expenditure	3,062	4,914
Total internal restrictions	13,128	15,396
Total unspent restricted cash	19,215	15,396

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.

Balonne Shire Council

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

Note 7. Receivables

	2020	2019
Notes	\$'000	\$'000
<p>Receivables, loans and advances are amounts owed to council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued. Terms for loans and advances are usually a maximum of five years with interest charged at non-commercial rates. Security is not normally obtained.</p> <p>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.</p> <p>Because Council is empowered under the provisions of the <i>Local Government Act 2009</i> to sell an owner's property to recover outstanding rate debts, Council does not impair rate receivables.</p>		
Rates and charges	407	412
Other debtors	762	1,342
Total	1,169	1,754
<p>less: Provision for impairment</p>		
Rates and charges	(5)	(5)
Other debtors	(1)	(1)
Total provision for impairment - receivables	(6)	(6)
<u>TOTAL CURRENT RECEIVABLES</u>	<u>1,163</u>	<u>1,748</u>

Balonne Shire Council

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

Note 8. Property, plant and equipment

30 June 2020		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	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000
Measurement basis			Nil																			
Opening gross balance - at cost		4,759	-	-	-	-	12,181	-	-	411	-	-	-	-	-	-	-	-	-	-	17,351	-
Opening gross balance - at fair value		-	-	2,950	64,392	-	-	-	-	-	30,351	-	-	-	-	-	278,172	-	-	-	398,130	-
Opening gross balance		4,759	-	2,950	64,392	-	12,181	-	-	411	30,351	-	-	-	-	278,172	-	-	-	415,481	-	
Additions*		8,724	-	-	(402)	-	(252)	-	-	(185)	-	-	-	-	-	(287)	-	-	-	-	8,724	-
Disposals		-	-	-	2,938	-	143	-	-	80	-	-	-	-	-	1,998	-	-	-	-	(1,126)	-
Work in progress transfers		(5,359)	-	-	2,939	-	12,106	-	-	306	210	-	-	-	-	1,998	-	-	-	-	-	-
Total gross value of property, plant and equipment - at cost		8,114	-	-	2,939	-	12,106	-	-	306	210	-	-	-	-	1,998	-	-	-	-	25,673	-
Total gross value of property, plant and equipment - at fair value		-	-	2,950	63,990	-	-	-	-	-	30,351	-	-	-	-	277,885	-	-	-	-	397,442	-
Total gross value of property, plant and equipment		8,114	-	2,950	66,929	-	12,106	-	-	306	30,561	-	-	-	-	279,883	-	-	-	-	423,115	-
Opening accumulated depreciation		-	-	-	24,618	-	6,744	-	-	229	9,483	-	-	-	-	63,379	-	-	-	-	113,138	-
Depreciation expense		-	-	-	1,433	-	733	-	-	30	450	-	-	-	-	4,733	-	-	-	-	7,683	-
Disposals		-	-	-	(304)	-	(235)	-	-	(114)	-	-	-	-	-	(48)	-	-	-	-	(701)	-
Total accumulated depreciation of property, plant and equipment		-	-	-	25,748	-	7,242	-	-	146	9,912	-	-	-	-	68,065	-	-	-	-	120,121	-
Total net book value of property, plant and equipment		8,114	-	2,950	41,181	-	4,864	-	-	160	20,649	-	-	-	-	211,818	-	-	-	-	302,994	-
Other information																						
Range of estimated useful life (years)		-		No depreciated		15 - 75		3 - 50		5 - 60		10 - 100		5 - 100		10 - 300		10 - 100				
*Asset additions comprise																						
Asset renewals		224	-	-	347	-	464	-	-	-	1,064	-	-	-	-	2,800	-	-	-	-	4,908	-
Other additions		2,270	-	-	1,267	-	177	-	-	-	-	-	-	-	-	102	-	-	-	-	3,816	-
Total asset additions		2,494	-	-	1,614	-	641	-	-	-	1,064	-	-	-	-	2,902	-	-	-	-	8,724	-

Balonne Shire Council

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

Note 8. Property, plant and equipment

30 June 2019	Note	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	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
		Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value
Opening gross balance - at cost		2,415	-	12,242	404	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening gross balance - at fair value		-	2,919	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening gross balance		2,415	2,919	12,242	404	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction to opening balances		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions*		5,946	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals		-	-	(174)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrements to equity (ARS)		-	-	(14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress transfers		-	30	113	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers		(3,602)	-	297	113	7	213	220	2,339	413	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers		-	-	25,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total gross value of property, plant and equipment - at cost		4,759	-	12,181	411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	411	12,181	411	30,351	-	278,172	22,265	398,129	-	-	-	-	-	-	-	-	-	-	-
Opening accumulated depreciation		-	-	6,165	201	16,327	-	12,571	-	60,605	7,281	108,696	-	-	-	-	-	-	-	-	-	-	-
Correction to opening balances		-	-	23	-	7	-	-	-	-	-	30	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense		-	-	729	28	741	-	592	-	5,156	253	7,612	-	-	-	-	-	-	-	-	-	-	-
Disposals		-	-	(173)	-	(6)	-	(3,700)	-	(2,362)	-	(179)	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrements to equity (ARS)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers		-	-	1,890	-	1,890	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers		-	-	5,659	-	5,659	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total accumulated depreciation of property, plant and equipment		-	-	6,744	229	24,618	-	9,463	-	63,379	8,705	113,138	-	-	-	-	-	-	-	-	-	-	-
Total net book value of property, plant and equipment		4,759	2,949	5,437	182	20,888	-	20,888	-	214,793	13,560	302,942	-	-	-	-	-	-	-	-	-	-	-
Other information		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Range of estimated useful life (years)		-	No depreciated	15 - 75	3 - 50	5 - 60	10 - 100	5 - 100	10 - 300	10 - 100	10 - 100	10 - 100	-	-	-	-	-	-	-	-	-	-	-
*Asset additions comprise		5,946	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other additions		5,946	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total asset additions		5,946	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Note 8. Property, plant and equipment (continued)

(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.

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

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

Land under roads

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

(b) Measurement

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

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

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

Property, plant and equipment received in the form of contributions or for significantly less than fair value are initially recognised at their fair value.

Note 8. Property, plant and equipment (continued)

(c) Depreciation

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

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

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

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.

Key judgements and estimates

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

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

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

Note 8. Property, plant and equipment (continued)

(d) Impairment

Property, plant and equipment is assessed for indicators of impairment annually. If an indicator of possible impairment exists, 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.

A severe weather event occurred during February 2020 which caused significant damage to Council's road network. Natural disaster events such as this are common in the Balonne Shire area and generally occur three to four times per decade. Prior to 30th June, works were undertaken to ensure all damaged roads were trafficable, the full costs of repair work will be funded by the State Government through its Disaster Recovery Funding Arrangements. Works will be completed over the two years ending 30th June 2022.

Council performed a detailed assessment of the road network impacted by the weather event in assessing its funding claim. This assessment included an examination over the road network condition. It also included quantification of planned repair work and an estimate of the capital component or loss in service potential of the road network from the weather event. Certain road network components were damaged, with all roads trafficable, and no road assets were completely destroyed which would require them to be written off at year end. Council's assessment indicates that the majority of the work to be performed is operational and repair work in nature. This includes repair of road surfaces, pot holes, grading and other remedial works that are considered to be expenditure items.

The estimated impact of the effect on the carrying value of the road network was calculated at approximately \$2.8 million, and this amount is not considered material on the carrying value of the infrastructure, property, plant and equipment held by Council. No write down in the depreciated replacement cost of the road network has been recorded at 30 June 2020 as a result. This amount of \$2.8 million also approximates the capital component of work that Council will perform in future periods with the remaining funded amount being repair work.

(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.

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

Note 8. Property, plant and equipment (continued)

(f) Valuation

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

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.

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

Note 8. Property, plant and equipment (continued)

(f) Valuation (continued)

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

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

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

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

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

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Council's policy for determining transfers between fair value hierarchies is:

- at the end of the reporting period.

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

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

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

Capital work in progress

Capital works in progress is valued at cost until capitalisation. If there are indicators of obsolescence or wasted costs, those cost would be transferred to expense prior to capitalisation or at 30 June each year.

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. The values were internally reviewed by Council for the period ended 30 June 2020 using localised data and the Valuer General's assessment for local price movement. The twelve month movement was deemed to be immaterial.

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

Note 8. Property, plant and equipment (continued)

(f) Valuation (continued)

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

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.

The values were internally reviewed by Council for the period ending 30 June 2020 referencing ABS and other appropriate indices, internal cost drivers such as wage growth, and comparisons with similar local government. The movements for the twelve months ended 30 June 2020 were deemed immaterial and not applied to the asset values.

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.

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.

	2020	2019
	\$'000	\$'000
Buildings		
- Non-Specialised Buildings (level 2)	1,838	1,742
- Specialised Buildings (level 3)	39,342	38,032
Total	<u>41,181</u>	<u>39,774</u>

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Property, plant and equipment (continued)

(f) Valuation (continued)

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

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.

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 at 30 June 2019. An internal assessment of the value of Transport Infrastructure was conducted for the year ended 30 June 2020. This assessed ABS and other appropriate indices, internal construction cost movements, and movements at similar local governments. The movements were deemed immaterial and not applied to the asset values.

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

Note 8. Property, plant and equipment (continued)

(f) Valuation (continued)

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

Roads (continued)

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 five point scale with 1 being the lowest and 5 being the highest. A 5 condition assessment indicates an asset with a very high level of remaining service potential. 1 represents an asset at the end of its useful life.

Water and Sewer

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.

The values were internally reviewed by Council for the period ending 30 June 2020 referencing ABS and other appropriate indices, internal cost drivers such as wages growth, and comparisons with similar local governments. The movements for the twelve months ended 30 June 2020 were deemed immaterial and not applied to the asset values.

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 2020

Note 9. Contract balances

	2020 \$'000
Notes	
<p>Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.</p> <p>When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.</p> <p>When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.</p>	
(a) Contract assets	
Contract assets	579
<u>TOTAL CONTRACT ASSETS</u>	<u>579</u>
Classified as:	
Current contract assets	579
Non-current contract assets	-
Total contract assets	<u>579</u>
Contracts with customers	170
Contracts to construct Council's own assets	409
(b) Contract liabilities	
Funds received upfront to construct Council controlled assets	503
Deposits received in advance of services provided	3,641
<u>TOTAL CONTRACT LIABILITIES</u>	<u>4,144</u>
Classified as:	
Current contract liabilities	4,144
Non-current contract liabilities	-
Total contract liabilities	<u>4,144</u>

Balonne Shire Council

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

Note 9. Contract balances (continued)

	2020	2019
Notes	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Funds to construct Council controlled assets	-	
Deposits received in advance of services provided	1,522	
<u>Total revenue included in the contract liability</u>	<u>1,522</u>	

(c) Significant changes in contract balances

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

Note 10. Payables

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

Liabilities are recognised for employee benefits such as wages and salaries, sick, annual and long serve 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.

Creditors and accruals	1,608	833
Security bonds, deposits and retentions	1	-
Annual leave	863	673
<u>TOTAL CURRENT PAYABLES</u>	<u>2,472</u>	<u>1,506</u>

Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Borrowings

Notes	2020 \$'000	2019 \$'000
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Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly/semi annually/annually 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 December 2039. There have been no defaults or breaches of the loan agreement during the period.

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.

Current

Loans - Queensland Treasury Corporation	253	296
<u>TOTAL CURRENT BORROWINGS</u>	<u>253</u>	<u>296</u>

Non-current

Loans - Queensland Treasury Corporation	5,319	2,363
<u>TOTAL NON-CURRENT BORROWINGS</u>	<u>5,319</u>	<u>2,363</u>

Reconciliation of loan movements for the year

Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	2,659	2,932
Loans raised (WDEF Special Rate Loan Scheme Round 1)	3,175	-
Principal repayments	(262)	(273)
Book value at end of financial year	<u>5,572</u>	<u>2,659</u>

The QTC loan market value at the reporting date was \$6,090,669. 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.

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2020 or 2019 financial years.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Provisions

	2020	2019
Notes	\$'000	\$'000
Long service leave		
<p>The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.</p>		
<p>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.</p>		
Refuse dump restoration		
<p>A provision is made for the cost of restoring refuse dumps and quarries where it is probable the Council will have an obligation to rehabilitate when the use of the facilities is complete.</p>		
<p>The provision for refuse restoration is calculated as the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time and interest rates attached to Commonwealth Government guaranteed securities at the reporting date. The average Discount Factor as at 30 June 2020 was 1.766%. Management estimates that the final sites will close in 2120 and that the restoration will occur progressively over the subsequent four years.</p>		
<p>As refuse dumps are on State reserves 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.</p>		
Current		
Long service leave	898	1,025
Other entitlements	58	36
TOTAL CURRENT PROVISIONS	956	1,061
Non-current		
Long service leave	132	47
Refuse restoration	644	459
TOTAL NON-CURRENT PROVISIONS	776	506

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Provisions (continued)

Notes	2020 \$'000	2019 \$'000
Details of movements in provisions:		
Long service leave		
Balance at beginning of financial year	1,072	1,001
Additional provision	-	71
Decrease due to payments	(42)	-
Balance at end of financial year	<u>1,030</u>	<u>1,072</u>
Refuse restoration		
Balance at beginning of financial year	459	-
Additional provision	-	459
Increase in provision due to unwinding of discount	182	-
Increase/(decrease) in provision due to change in discount rate	3	-
Balance at end of financial year	<u>644</u>	<u>459</u>

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 sites to a useable state at the end of their useful lives. The projected cost is \$1,583,327 and this cost is expected to be incurred between 2028 and 2140 after closing the sites between 2018 and 2120 and allowing a period for settlement.

Note 13. Asset revaluation surplus

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

Note 14. Commitments for expenditure

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	517	775
	<u>1,043</u>	<u>1,301</u>

Balonne Shire Council

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

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 2020 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$114,393.

Note 16. Superannuation - regional defined benefit fund

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Superannuation - regional defined benefit fund (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 assets and there are no known requirements to change the rate of contributions.

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

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

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

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

	Notes	2020 \$'000	2019 \$'000
Superannuation contributions made to the Defined Benefits Fund		65	70
Other superannuation contributions for employees		619	556
Total superannuation contributions paid by Council for employees	4	684	626

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

**Note 17. Reconciliation of net result for the year to net cash inflow (outflow)
from operating activities**

Notes	2020 \$'000	2019 \$'000
Net operating result from income statement	3,062	2,779
Non-cash items		
Depreciation and amortisation	7,699	7,624
	<u>7,699</u>	<u>7,624</u>
Investing and development activities		
Net (profit)/loss on disposal of assets	(7)	1
Non cash capital grants and contributions	(5,601)	(4,266)
	<u>(5,608)</u>	<u>(4,265)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	585	668
(Increase)/decrease in inventories	(76)	8
(Increase)/decrease in contract assets	(579)	-
(Increase)/decrease in other assets	20	-
Increase/(decrease) in payables	775	224
Increase/(decrease) in contract liabilities	3,405	-
Increase/(decrease) in employee leave entitlements	(20)	62
Increase/(decrease) in other provisions	185	459
Increase/(decrease) in other liabilities	186	(16)
	<u>4,481</u>	<u>1,405</u>
Net cash provided from/(used in) operating activities from the statement of cash flows	<u>9,634</u>	<u>7,543</u>

Note 18. Reconciliation of liabilities arising from finance activities

	As at 30-Jun-19 \$'000	Change in accounting policy \$'000	Cashflows \$'000	Non-cash changes (new leases) \$'000	As at 30-Jun-20 \$'000
Loans	2,659	-	2,913	-	5,572
	<u>2,659</u>	<u>-</u>	<u>2,913</u>	<u>-</u>	<u>5,572</u>
	As at 30-Jun-18 \$'000	Change in accounting policy \$'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>-</u>	<u>(273)</u>	<u>-</u>	<u>2,659</u>

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Changes in accounting policy

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

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

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

Revenue standards - AASB 15 and AASB 1058

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

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

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

	Balance at 1-Jul-19 \$'000
Opening contract balances on transition at 1 July 2019	
Contract liabilities	
Under AASB 15	-
Under AASB 1058	1,522
Total contract liabilities	<u>1,522</u>

Balonne Shire Council

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

Note 19. Changes in accounting policy (continued)

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

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

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

Statement of comprehensive income for the year ended 30 June 2020

Revenue

Operating grants	(9,145)	(2,440)	(11,585)
Capital revenue	(5,601)	397	(5,204)
Net total	(14,746)	(2,043)	(16,789)

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

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

Statement of financial position at 30 June 2020

Contract assets	579	(579)	-
Total current assets	579	(579)	-
TOTAL ASSETS	579	(579)	-
Contract liabilities	(4,144)	4,144	-
Total current liabilities	(4,144)	4,144	-
TOTAL LIABILITES	(4,144)	4,144	-
Net community assets	(3,565)	3,565	-
Retained earnings	(89,233)	(2,043)	(91,276)
Total community equity	(89,233)	(2,043)	(91,276)

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Changes in accounting policy (continued)

Statement of cash flows for the year ended 30 June 2020

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

AASB 16 'Leases'

Council does not lease any vehicles or property, and all other leases have been assessed by Council as being low-value, immaterial assets under the standard and therefore have an immaterial effect to the financial statements, and no adjustments were required on transition to the new standard.

Note 20. Events after the reporting period

There are no material adjusting events after the balance date.

Note 21. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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

Financial risk management

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

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 and risk committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. The Council audit and risk 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 and risk committee.

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

Note 21. Financial instruments and financial risk management (continued)

Credit risk

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

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

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

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

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund 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 and therefore generally for rates debtors the credit risk is low.

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

By the nature of the Council's operations, there is a geographical concentration of risk in the Council'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 exposure to credit risk for trade receivables by type of counterparty was as follows:

	2020 \$'000	2019 \$'000
Property charges	397	407
GST recoverable	259	65
Other	492	1,216
Total	1,148	1,688

Refer to Note 7 for further details.

Note 21. Financial instruments and financial risk management (continued)

Accounting policies

Accounting policies - receivables

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

Accounting policies - grouping

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

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

Council has identified 5 distinctive groupings of its receivables: rates and charges, statutory charges, grants, lease receivables, other debtors.

Rates and charges: Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts and therefore the expected credit loss is immaterial. Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

Statutory charges: In some limited circumstances Council may write off impaired statutory charges, on this basis Council calculates an ECL for statutory charges (non-rates and utility charges). Although not material, disclosure is being made for the purposes of public interest and transparency.

Grants: payable by State and Commonwealth governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the State and Commonwealth Governments have high credit ratings, accordingly Council determines the level of credit risk exposure to be immaterial and therefore does not record an expected credit loss for these counterparties.

Lease receivables: have been identified as a separate debtor group. Council has elected to use the simplified approach for lease receivables. Internal historical data shows no defaults have occurred, even in the event of a default occurring, Council has determined expected credit losses for this receivables grouping to be immaterial, accordingly an expected credit loss of lease receivables is not calculated.

Other debtors: Council identifies other debtors as receivables which are not rates and charges; statutory charges; lease receivables; or grants.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Financial instruments and financial risk management (continued)

Disclosure - credit risk exposure and impairment of receivables

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

Council uses a provision matrix to measure the expected credit losses on statutory charges and other debtors. Loss rates are calculated separately for groupings with similar loss patterns. The calculations reflect historical observed default rates calculated using credit losses experienced on past transactions from the last 6 years for each group. Loss rates are based on actual credit loss experience over the past 6 years, current conditions and the Council's view of economic conditions over the expected lives of the receivables. Council has determined there are five material groupings for measuring expected credit losses based on a combination of their statutory status, Council's policies and procedures, sale of services and goods, and risk default profiles of these revenue streams.

In Council's statements after reviewing macro economic conditions, Council reached the conclusion that forwards looking conditions indicated no foreseeable expected deviations from historically calculated ratios, thus no forward looking adjustments were made.

Expected credit loss assessment

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

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

Liquidity risk

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

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Exposure to liquidity risk

The 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Financial instruments and financial risk management (continued)

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities for 2020) 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
2020					
Trade and other payables	2,472	-	-	2,472	2,472
Loans - QTC	426	1,347	5,335	7,108	5,572
	<u>2,898</u>	<u>1,347</u>	<u>5,335</u>	<u>9,580</u>	<u>8,044</u>
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>

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

Market risk

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

Interest rate risk

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

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

Sensitivity

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Financial instruments and financial risk management (continued)

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

	Net carrying amount \$'000	Net result		Equity	
		1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
2020					
QTC cash fund	16,212	162	(162)	162	(162)
Other	24,027	240	(240)	240	(240)
Loans - QTC	(5,572)	(56)	56	(56)	56
Net	34,667	346	(346)	346	(346)
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)

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.

(b) 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 2020

Note 22. Transactions with related parties

(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 for comprises:

	2020	2019
	\$000	\$000
Short-term employee benefits	1,214	1,166
Post-employment benefits	83	73
Long-term benefits	-	18
Total	1,297	1,257

(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 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.

Balonne Shire Council

General Purpose Financial Statements

for the year ended 30 June 2020

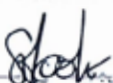
Management Certificate

for the year ended 30 June 2020

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

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

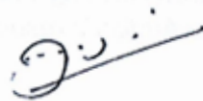
- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 45, present a true 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 S C O'Toole

MAYOR

13 October 2020



Mr J M Magin

CHIEF EXECUTIVE OFFICER

13 October 2020

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

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

- 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.



Dale Hassell
as delegate of the Auditor-General

13 October 2020

Queensland Audit Office
Brisbane

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

	Actual 2020	Target 2020
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Measures of financial sustainability

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

Performance indicators

1. Operating surplus ratio

Net result (excluding capital items) ⁽¹⁾	-9.30%	0 - 10%
Total operating revenue (excluding capital items) ⁽²⁾		

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) ⁽³⁾	64.22%	more than 90%
Depreciation expense		

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

3. Net financial liabilities ratio

Total liabilities less current assets	-103.55%	less than 60%
Total operating revenue (excluding capital items) ⁽²⁾		

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

Note 1 - basis of preparation

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

Balonne Shire Council

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

Certificate of Accuracy for the year ended 30 June 2020

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

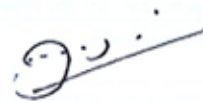
In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability Statement has been accurately calculated.



Cr S C O'Toole

MAYOR

13 October 2020



Mr J M Magin

CHIEF EXECUTIVE OFFICER

13 October 2020

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

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



Dale Hassell
as delegate of the Auditor-General

13 October 2020

Queensland Audit Office
Brisbane

Balonne Shire Council

Unaudited Long-Term Financial Sustainability Statement prepared as at 30 June 2020

	Target 2020	Actual 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			Forecast									
Measures of financial sustainability												
Council's performance at 30 June 2020 against key financial ratios and targets.												
Performance indicators												
1. Operating surplus ratio												
Net result (excluding capital items) ⁽¹⁾												
Total operating revenue (excluding capital items) ⁽²⁾												
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
0 - 10%	-9.30%	-16.89%	-14.96%	-13.51%	-12.80%	-12.99%	-11.83%	-11.09%	-10.39%	-9.71%	-9.99%	
2. Asset sustainability ratio												
Capital expenditure on the replacement of assets (renewals) ⁽³⁾												
Depreciation expense												
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
> 90%	64.22%	67.29%	68.42%	70.17%	71.93%	70.89%	72.65%	74.40%	76.14%	77.89%	76.80%	
3. Net financial liabilities ratio												
Total liabilities less current assets												
Total operating revenue (excluding capital items) ⁽²⁾												
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.												
< 60%	-103.55%	-82.24%	-79.20%	-71.64%	-66.54%	-59.51%	-52.47%	-45.42%	-38.39%	-31.18%	-30.20%	

Balonne Shire Council

Unaudited Long-Term Financial Sustainability Statement (continued)

prepared as at 30 June 2020

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 adopted seven key financial performance indicators to guide our financial health. In addition to the financial indicators, we have the above three sustainability indicators that have been set by the Department of Local Government, Community Recovery and Resilience 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.

The table above summarises how we performed against set targets for the three key financial performance indicators established in our financial strategy.

Unaudited Long-Term Financial Sustainability Statement

Certificate of Accuracy

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

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


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



Cr S C O'Toole

MAYOR

13 October 2020



Mr J M Magin

CHIEF EXECUTIVE OFFICER

13 October 2020



How to contact Council

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St George QLD 4487

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Email: council@balonne.qld.gov.au

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Monday to Friday
(Excluding public holidays)

Postal Address:
PO Box 201
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All written correspondence
should be addressed to:
The Chief Executive Officer

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