



Burdekin Shire Council

AGENDA

ORDINARY COUNCIL MEETING

**HELD AT COUNCIL ADMINISTRATION BUILDING,
145 YOUNG STREET, AYR**

on 11 June 2019

COMMENCING AT 9:00AM

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Burdekin Shire Council

TUESDAY 11 JUNE 2019

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1 PRAYER

2 DECLARATIONS OF INTEREST

3 MINUTES AND BUSINESS ARISING

3.1 Ordinary Council Meeting Minutes - 28 May 2019

Recommendation

That the minutes of the Ordinary Council Meeting held on 28 May 2019 be received and confirmed.



Burdekin Shire Council **MINUTES**

ORDINARY COUNCIL MEETING

**HELD AT COUNCIL ADMINISTRATION BUILDING,
145 YOUNG STREET, AYR**

on 28 May 2019

COMMENCING AT 9:00AM



Burdekin Shire Council

TUESDAY 28 MAY 2019

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Ordinary Council Meeting 28 May 2019



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ATTENDANCE

Councillors L.A. McLaughlin (Mayor), S.P. Perry (Deputy Mayor), E.J. Bawden, A.J. Goddard, U.E. Liessmann, J.T. Bonanno, and J.F. Woods

Mr. T. Brennan - Chief Executive Officer
Mr. N. Wellwood – Director of Infrastructure, Planning and Environmental Services
Mr. D. Mulcahy – Manager Environmental and Health Services (Part)
Mr. W. Saldumbide - Manager Operations (Part)
Mr. S. Great - Manager Planning and Development (Part)
Mr. M. Pearce – Senior Planning Officer (Part)

Minutes Clerk – Miss. N. Loizou

Apologies:

Mr. N. O'Connor – Director Corporate and Community Services
Mrs. K. Olsen – Acting Director Corporate and Community Services

1 PRAYER

The meeting prayer was delivered by Pastor Gavin Henderson of the Presbyterian Church.

2 DECLARATIONS OF INTEREST

The Mayor called for declarations of interest.

Councillor Liessmann informed the meeting that he may have a Perceived Conflict of Interest in relation to Item 11.1 as his son is married to the daughter of Mr and Mrs Lewis the owners of Burdekin Transport, which is the applicant for the Planning approval. It was determined by the other Councillors that this was not a perceived conflict of interest and Councillor Liessmann remained in the room during discussion of this item.

Councillor Goddard declared a perceived conflict of interest in relation to Item 11.1 as he is the brother in law of Mr R. Lewis, one of the owners of Burdekin Transport, which is the applicant for the Planning approval. Councillor Goddard advised of his intention to leave the room during discussion of this item.

3 MINUTES AND BUSINESS ARISING

3.1 Ordinary Council Meeting Minutes - 14 May 2019

Recommendation

That the minutes of the Ordinary Council Meeting held on 14 May 2019 be received and confirmed.

Resolution

Moved Councillor Goddard, seconded Councillor Bonanno that the recommendation be adopted.

CARRIED

4 REPORTS

5 GOVERNANCE

6 ENVIRONMENTAL AND HEALTH SERVICES

7 CLIENT SERVICES

8 FINANCIAL & ADMINISTRATIVE SERVICES

8.1 Adoption of 2018/2019 Revenue Policy

Executive Summary

Under the *Local Government Act 2009*, Council is required to prepare, and by resolution, adopt a Revenue Policy for each financial year.

The policy identifies the principles Council intends to apply in relation to levying rates and charges, granting concessions for rates and charges, recovering overdue rates and charges and cost-recovery methods.

A draft Revenue Policy for 2019/2020 is attached for consideration and adoption.

Recommendation

That Council adopts the 2019/2020 Revenue Policy attached to the report.

Resolution

Moved Councillor Liessmann, seconded Councillor Bawden that the recommendation be adopted.

CARRIED

8.2 Monthly Financial Report for Period Ending 30 April 2019

Recommendation

That the Monthly Financial Report for Period Ending 30 April 2019 be received.

Resolution

Moved Councillor Woods, seconded Councillor Perry that the recommendation be adopted.

CARRIED

9.16am – Mr. Shane Great entered the meeting

9 OPERATIONS

10 TECHNICAL SERVICES

9.28am – Councillor Goddard left the meeting during discussion of item 11.1 due to a perceived Conflict of Interest as disclosed at the commencement of the meeting.

11 PLANNING & DEVELOPMENT

Delegates of Burdekin Transport attended the meeting and spoke briefly to the Development Application.

11.1 Development Application - Material Change of Use for Extractive Industry - Sand Extraction from the Haughton River Adjacent to 1004 Upper Haughton Road, Upper Haughton (Lot 64 on CP868133 and Lot 13 on SP113329)

Executive Summary

Council has received a Development Application from RPS on behalf of their client Burdekin Transport seeking a development permit for a Material Change of Use for Extractive Industry – sand extraction from the Haughton River, on land adjacent to 1004 Upper Haughton Road, Upper Haughton (lot 64 on CP868133 & Lot 13 on SP113329).

The proposal is defined as an Extractive Industry and triggers an 'Impact Assessable' Development Application in accordance with the provisions of the Burdekin Shire Council's IPA Planning Scheme (*the scheme*). As the application is Impact Assessable it was required to be publicly notified for 15 business days.

The application also required referral to the North Queensland State Assessment Referral Agency (NQSARA) having regard to matters of State Significance.

Recommendation

That Council approves the Development Application for a Material Change of Use for an Extractive Industry – sand extraction from the Haughton River on land adjacent to 1004 Upper Haughton Road, Upper Haughton (Lot 64 on CP868133 & Lot 13 on SP113329) subject to the following conditions:

General

1. The extraction and screening use may operate only between the hours of 6.00a.m. to 6.00p.m. Monday to Friday and 6.00a.m. to 3.00p.m. Saturday. There must be no operation on Sundays or public holidays.

Approved Plans

2. (a) The proposed development must be completed and maintained generally in accordance with the drawings/documents identified in the Table below, except as otherwise specified by any condition of this approval.

Document	Plan Ref, Rev	Prepared by	Date
Haughton River Quarry Extraction Area A and Access Route	118407-03: Rev, B	RPS Australia	15/03/2019
Haughton River Quarry Extraction Area G and Access Route	118407-03-01: Rev, D	RPS Australia	15/03/2019

- (b) Where a discrepancy or conflict exists between the written condition(s) of the approval and the approved plans, the requirements of the written conditions(s) will prevail.
- (c) The proposed development must comply with all Planning Scheme requirements as applying at the date of this approval, except as otherwise specified by any condition.

Outstanding Charges

3. All rates and charges (including regulated infrastructure charges), in arrears in respect of the land, subject of the application, are paid in full prior to the commencement of the proposed use.

Notice of Intention to Commence the Use

4. Prior to the commencement of the use on the site, written notice must be given to Council that the use (development and/or works) fully complies with the decision notice issued in respect of the use.

Damage

5. Any damage which is caused to Council's infrastructure as a result of the proposed development must be repaired immediately.

Public Utility Services

6. The developer must at its own cost undertake all necessary alterations to public utility mains and services as are rendered necessary by the carrying out of any required external works or other works associated with the approved development;

Drainage

- 7.1 The approved development and use(s) must not interfere with the natural flow of stormwater in the locality in such a manner as to cause ponding or concentration of stormwater on adjoining land or roads.
- 7.2 Any external catchments discharging to the premises must be accepted and accommodated within the development's stormwater drainage system.

Transportation of Sand

8. There must be no release of soil, sand, mud or other contaminants to roads as a result of the transportation of materials from the site to which this approval relates. All material transported from the site must be covered to prevent dust and spillage during transport.

Extraction Method

9. The approved extraction amount must be by mechanical means only. There must be no blasting carried out in the operation of the use.

Access and Road Upgrades

- 10.1 The applicant will construct a new intersection where the proposed haul road meets Upper Haughton Road.
- 10.2 The intersection of the haul road and Upper Haughton Road is to be designed to cater for haulage vehicles using a swept path template for a prime mover and semi-trailer. The intersection shall be based on the attached plan "Turning Path Rev A" and be sealed with a minimum 50mm thick AC14HA5S asphalt. The 4 metre wide grid is to be incorporated into the design.
- 10.3 Upgrade the existing track within the unnamed road reserve to ensure minimum site distance and turning radii meet safety standards.
- 10.4 The applicant must pay Council (on an annual basis) the amount of 31 cents/tonne for routine maintenance costs for the duration of extraction operations using Upper Haughton Road. Once evidence of extraction rates is received by Council via the annual report, the amount payable will be calculated and the developer provided with a tax invoice for payment. Payment must be made within 14 days of the tax invoice being issued, or such alternative date as stipulated on the tax invoice.

Limitation on Use

- 11.1 The Extractive Industry use is limited to a maximum extraction rate of 100,000 cubic metres of material to be removed from the site annually.
- 11.2 The operation must be confined within the boundaries of the authorised operating area delineated on the Extraction Area Plans and in general accordance with the specifications shown on supporting material lodged and in particular the Site Based Management Plan. There must be no additional disturbance including extraction, construction of roads or access tracks or tree clearing outside the approved extraction area except as allowed for in the conditions of this approval.

Annual Report

- 12.1 An annual survey must be completed to ensure that the volumes of soil and extent of extraction, is not exceeded. The survey must be undertaken by a person having suitable qualifications to undertake survey works and to an accuracy to determine maximum volumes are not exceeded.
- 12.2 An accurate annual report must be provided to Council detailing the exact amount of sand materials which were extracted from the site for the previous year (the Annual Report). This report must be endorsed/signed by the Department of Natural Resources Mining and Energy and be strictly in accordance with the issued quarry allocation permit.
- 12.3 Records must be made and maintained of all loads of soil removed from the site. Records must include volumes of soil and dates of removal. Records must be kept for a period of at least five years and be available to an officer from Burdekin Shire Council, or authorised officer upon request.

Operational Works

13. Where operational works are required to be carried out, the developer must, within the timeframe required by the Planning Act 2016 and prior to the commencement of any work, lodge with Council an application for a development permit for operational works. As part of such application, the developer must submit:-
- (a) detailed and complete engineering drawings and specifications of the proposed works prepared by a civil engineer, who is both registered under the Professional Engineer's Act 2002 and is a current Registered Professional Engineer of Queensland; and
 - (b) certificate from the engineer who prepared the drawings stating that the design and specifications have been prepared in accordance with these conditions, relevant Council Codes and Planning Scheme Policies and the relevant Australian Standard Codes of Practice;

Resolution

Moved Councillor Woods, seconded Councillor Bonanno that the recommendation be adopted.

CARRIED

9.42am – Councillor Goddard returned to the meeting

11.2 Request for Council Approval - Transfer Lot 29 on SP232097 to Council Ownership - Newton Solicitors on behalf of Jalroy Pty Ltd

Executive Summary

Council has received correspondence from Newton Solicitors on behalf of their client Jalroy Pty Ltd requesting that Council agree to take ownership of 65-87 Woods Street, Ayr (Lot 29 on SP232097) from the current landowner Jalroy Pty Ltd.

Recommendation

That Council not accept the offer to transfer 65-87 Woods Street, Ayr (Lot 29 on SP232097) to Burdekin Shire Council ownership.

Resolution

Moved Councillor Woods, seconded Councillor Bawden that the recommendation be adopted.

CARRIED

9.49am - Councillor Woods advised that due to a personal commitment he would need to be excused for the remainder of the meeting

12 COMMUNITY DEVELOPMENT

13 ECONOMIC DEVELOPMENT

14 NOTICES OF MOTION

9.49am – Mr Shane Great left the meeting

15 CORRESPONDENCE FOR INFORMATION

15.1 Attendance - Northern Alliance of Councils Meeting and Conference - 14 to 16 August 2019 - Bowen

Resolution

Moved Councillor Perry, seconded Councillor Bawden that Council approves the attendance of Councillors Bonanno, Woods and McLaughlin at the Northern Alliance of Councils Meeting and Conference to be held from 14 to 16 August 2019 in Bowen, and all expenses of their attendance be met by Council.

CARRIED

4 REPORTS

4.1 Late Report - Replacement of Frilled Necked Lizard Sculpture - Home Hill Comfort Stop

Executive Summary

Approval is requested to commission artist, Cameron Rushton to re-create the frilled necked lizard sculpture which was installed on the large granite rock at the Home Hill Comfort Stop. The sculpture was recently stolen.

Recommendation

That replacement of the recently stolen frilled necked lizard sculpture at the Home Hill Comfort Stop be approved at a cost of \$2,200 excl GST.

Resolution

Moved Councillor Liessmann, seconded Councillor Perry that the recommendation be adopted.

CARRIED

16 GENERAL BUSINESS

16.1 Home Hill Issues

Councillor Liessmann asked if action could be followed up on the repair of the digital town clock at Home Hill, the speakers at the Comfort Stop and the removal of damaged promotional banners in the main street. These items were noted for follow up by Council Officers.

10.07am – The meeting adjourned for morning tea

10.35am – The meeting recommenced with the addition of Mr. Wayne Saldumbide, Mr. Shane Great and Mr. Marty Pearce.

17 CLOSED MEETING ITEMS

18 DELEGATIONS

18.1 Deputation - Alluvium Consultants

10:30am – Ms. Phebe Bicknall, Senior Coastal Engineer and Ms. Fiona Chandler, Regional Manager of Alluvium provided Council with a brief overview in relation to Phases 3 to 8 of the Coastal Adaption Hazard Strategy Project for the Burdekin Shire, which is being funded by the State Government through the Local Government Association of Queensland.

11.30am – Mr Dan Mulcahy entered the meeting

There being no further business the meeting closed at 11.40am.

These minutes were confirmed by Council at the Ordinary Council Meeting held on 11 June 2019.

MAYOR

3.2 Burdekin Senior Advisory Group Meeting Minutes - 10 April 2019

Recommendation

That the minutes of the Burdekin Senior Advisory Group Meeting held on 10 April 2019 be received and adopted.

Burdekin Shire Council

Minutes – Burdekin Senior Advisory Group Meeting held on 10 April 2019

Held at Ernie Ford Boardroom
The meeting commenced at 10.15am

CLAUSE 1

ATTENDANCE

Cr. Ted Bawden (Chairperson)
Melissah Lammon
Graham Andersen
Tom Callow
Glenis Cislowski
Dr. Brian Glover
John Rowan

APOLOGIES – Robert Lesca

CLAUSE 2

WELCOME

Chairperson, Cr. Ted Bawden welcomed everyone to the meeting.

CLAUSE 3

MINUTES RECEIVED

Moved Mrs. Glenis Cislowski, seconded Dr. Brian Glover that the Minutes of the Burdekin Senior Advisory Group Meeting held on 20 February, 2019 be received.

CLAUSE 4

BUSINESS ARISING FROM PREVIOUS MINUTES 20 FEB 2019

Cr. Ted Bawden advised the request for caravan parking that was raised at the BSAG meeting 20 February, was discussed at the Council meeting on Tuesday 9 April. Cr. Ted Bawden advised there is currently allocated parking for caravans in Graham Street at the back of the Sibby's building. Members of BSAG recommended more caravan parking and suggested another ideal location for caravan parking is the centre parking area near the bus stop in Graham Street.

CLAUSE 5 RECRUITMENT OF NEW BSAG MEMBERS

Cr. Ted Bawden advised he visited Eleanor from the Visitor Information Centre in Ayr to seek interest from the volunteers there to join the Burdekin Senior Advisory Group. Eleanor suggested to place an 'expression of interest' in the Tourism newsletter. Melissah Lammon to email Rachel Todd to place 'expression of interest' in the next Tourism newsletter. Cr. Ted Bawden will contact Cr. Liessmann to liaise with David Jackson regarding an 'expression of interest' being placed in the Home Hill newsletter. Discussions were also held around inviting other members of the public to attend. Doug Chappel's name was suggested. Melissah Lammon to contact Doug.

CLAUSE 6 SENIORS WEEK LUNCHEON

Melissah Lammon advised everyone that Queensland Seniors Week for 2019 is 17 – 25 August. It was agreed that BSAG will hold a Seniors Week Luncheon on Monday 19 August at the Theatre Foyer in conjunction with a Seniors Week Expo at the Burdekin Library on the same day. Melissah Lammon advised she has contacted Debra Cochran from Burdekin Community Association and Debra confirmed there are no other Burdekin Senior Week events on Monday 19 August. It was agreed to keep the same format and style as the 2018 Seniors Week Luncheon. Cost will be \$5 per person and we will use different businesses for catering. Some suggestions included: wraps and sandwiches from Cafelicious, pizza from Ember on Parker, party pies & sausage rolls from Phelan's Bakery, party fish from Five Way's. This will be discussed in more detail at the meeting in June.

CLAUSE 7 GENERAL BUSINESS

7.1 Suggestion for BSAG Meetings to be held off site

Graham Andersen recommended to hold some of the Burdekin Senior Advisory Group meetings off site in different locations such as Giru and Claredale Pastures and invite locals to attend. Cr. Ted Bawden advised he will discuss this in more detail with the Mayor.

Meeting closed: 11.20am

Meeting Minutes taken by Melissah Lammon

NEXT MEETING – Wednesday, 19 June 2019 at 10.00am in the John Hy Peake Meeting Room.

ACTION ITEMS

Action required	Person/s responsible	Status
Organise Sgt. Steve Barton as a Guest Speaker to attend BSAG meeting	Melissah Lammon	
Organise Jim Collins as a Guest Speaker to attend BSAG meeting	Melissah Lammon	

3.3 Audit Committee Meeting Minutes - 8 May 2019

Recommendation

That the minutes of the Audit Committee Meeting held on 8 May 2019 be received and adopted.

Location of Meeting:	Ernie Ford Board Room
Date of Meeting:	8/05/2019
Commencing at:	9:05am
Minutes Clerk:	Sandra Saunders – Governance Support Officer

Attendance

Attendees	Mr Ian Jessup (Independent Chairperson), Mr Jim Fahey (Independent Professional Member), Mr Jim Nuttall (Independent Community Member), Cr Sue Perry, Cr John Woods, Mr Nick O'Connor (Director Corporate and Community Services), Mrs Rebecca Stockdale (Senior Governance Officer), Mrs Kathy Cortabitarte (Financial Accountant Systems) – part of meeting, Kim Olsen (Manager Financial & Administrative Services), Kevin Byers (Manager Technical Services) – part of meeting, Mrs Eileen Robinson (Manager Client Services - Project Officer for Cloud transition) – part of meeting. Mrs Donna Sinanian (External Audit - Crowe Horwath) - Via telephone, Ms Ashita Lal (QAO Manager) - Via telephone, Ms Cathy Blunt (Internal Audit Function OCM) - Via telephone.
Apologies	Mayor Lyn McLaughlin, Mr Terry Brennan (Chief Executive Officer), Mr Nick Wellwood (Director of Infrastructure Planning and Environmental Services), Mr Sri Narasimhan (QAO)

Minutes

1. Apologies

Apologies were received from Cr. Lyn McLaughlin, Mr Terry Brennan, Mr Nick Wellwood and Mr Sri Narasimhan.

2. Accept Minutes from Previous Meeting

The minutes of the previous meeting were circulated via email to all members. Moved Cr Woods, seconded Mr Nuttall that the minutes from the previous meeting be formally accepted by the Committee.

Carried.

3. Financial Reporting

3.1 Review of Ordinary Citizen Transactions for Related Party Disclosure

Mrs Cortabitarte advised there are no proposed changes to the list of Ordinary Citizen Transactions used for related party disclosures from last financial year. Mrs Cortabitarte advised that the list of Ordinary Citizen Transactions has been reviewed by management and was workshopped with Council with no changes proposed at this time.

The Audit Committee Endorsed the list of Ordinary Citizen Transactions.

3.2 Shell Financial Statements

Mrs Cortabitarte provided an overview of the briefing notes and 30 June 2019 Shell Annual Financial Statements as circulated to attendees prior to the meeting.

Items highlighted by Mrs Cortabitarte include:

- Due to the monsoon event this year, the effective date of the Land and Improvements Valuation is now the 31 May 2019.
- There have been changes to the estimated restoration dates for the Cromarty and Kirknie Road Landfill Sites.
- Very few changes have occurred in the statements. Factors considered in the preparation of the Shell Financial Statements include: The organisational restructure; Flooding event in March 2018; Monsoonal event in February 2019; Assets held for sale; Superannuation; Grants, subsidies and contributions.
- Receivables and Community Loans are two areas which required consideration, but it has been determined that the impact of the New Accounting Standards is immaterial, and no additional disclosure has been included in the financial statements. Workpapers have been prepared and a brief paper stating Council's processes will be provided to the auditor for their consideration.

Mr Jessup enquired on:

- whether a note disclosing the new valuation methodology of 1.5% on valuation of Internal Designs was required. Mrs Cortabitarte advised changes in methodology are not generally noted.
- whether the finalisation of the Superannuation actuarial assessment, commenced in July 2018, referred to in Note 22, was still outstanding. Mrs Cortabitarte advised Council is expecting the completion of the Report on this assessment in the very near future and was not expected to be outstanding at the time of finalisation of the financial statements.

Mr Fahey enquired on:

- the Waste Loan repayments. Mrs Olsen advised the Waste loan will be paid out on 15 June 2019 and the General Loan will be paid out August 2020. That will extinguish all of Council current debt.

Moved Mr Jessup, seconded Mr Fahey that the Shell Financial Statements be endorsed by the Audit Committee.

Carried.

3.3 Review Investment Policy

Mrs Olsen provided an overview of the Council Investment Policy and current interest rates.

This has been workshopped with the Councillors and there have been no recommended changes. Mrs Olsen noted that interest rates are currently very low with the banks and credit unions.

Moved Mr Jessup, seconded Cr Perry that the Audit Committee endorses the Investment Policy.

Carried

4. Infrastructure Assets - Proposed annual infrastructure valuation methodology report

A copy of the Draft Internal Valuation Report 2018–2019 and Valuation Index Report was circulated to attendees prior to the meeting.

Mr Byers advised the Committee that the Land & Improvements and Other Assets will be comprehensively revalued by Australian Pacific Valuers (APV) Pty Ltd effective 31 May 2019. This year, the valuation process has seen marginal variations with an increase of approximately 1.5% due to added design costs. Bridge and Major Culvert Assets index rate is 3.9%. Transport has seen a 4.8% increase over two years. There has been an approximate total of 5.5% increase in asset valuation across the board.

Mr Jessup enquired on:

- the actual dollar amount incurred with the 1.5 % design cost increase and suggested consideration of a disclosure be made in the notes as it's a significant amount. Mrs Sinanian responded that a disclosure in the notes would be unlikely to be required.
- The increase in cost of box culverts. Mr Byers advised that there has been a large increase to the costs of pre-cast box culvert prices from all quality suppliers.
- The unit rate increase on Concrete pavement and Stabilised pavement amounts (page 15). Mr Byers to review these figures.
- The unlined channels increase amount (page 18). Mr Byers to review this figure.

Moved Mr Jessup seconded Cr Woods that the Audit Committee notes the Draft Internal Valuation Report as presented.

Carried

The final report will be presented to the Committee in June.

5. QAO Advice- QO briefing on emerging issues

Ms Lal provided an overview on planned performance audits and other matters of interest as listed in the QAO Briefing Paper.

Ms Lal noted that Burdekin Shire Council is not involved in two of the upcoming local government sector audits planned over the next three years. These are: Managing the cost of local government services and Managing consumer food safety in Queensland. Also highlighted by Ms Lal are QAO's blogs and articles on their website that apply to Council.

The Planned Performance Audit and Managing the Cost to Local Government Services Audit is in progress and will be tabled later this year.

Mr Jessup advised he will be electronically attending the Audit Committee Chair Briefing hosted by QAO in Brisbane this month.

6. External Audit**6.1 External Audit Plan (including audit timetable, staffing and proposed audit fee)**

Mrs Sinanian provided an overview of the 2019 External Audit Plan, risks and timeframes as circulated to the attendees at the commencement of this meeting and apologised for not being able to physically attend today's meeting.

Audit Committee Meeting

Due to the weather events earlier in the year physical asset valuation for Land and Improvements and Other Assets will now be provided by 30 June 2019, and subject to audit review by 31 July 2019. All other asset classes subject to internal desktop or comprehensive revaluation will be provided as agreed by 20 May 2019.

Mr Jessup acknowledged that the External Audit Plan be noted by the Committee.

6.2 Consider need for closed briefing session

No closed session was required.

7. Internal Audit Briefing**7.1 Progress towards achieving audit schedule**

Ms Blunt reported that the Internal Audit plan is progressing well. Field work for WH & S audit report was conducted last week and the report is being prepared and will be ready for review next week. That will conclude the internal audit activity planned for this year. Reviews for next year are: Risk Management Framework and ICT Controls and Development Application Processes.

As detailed in the briefing report Ms Blunt noted that during the period under review, 23 findings/recommendations were identified with 58 individual management actions to be implemented. Of these 58 management actions, 14 have been completed and 26 are due for completion after the date of this report. Ms Blunt suggested the recommendations are pushed out to Managers to follow up and provide a quarterly report.

There were no high-risk recommendations to be addressed and all medium risks are being actioned.

Mrs Stockdale advised an Enterprise Risk Management Framework Take 5 has been developed for staff awareness and training. This will be rolled out to all staff in June.

Mr O'Connor thanked Ms Blunt and her team for their valuable input.

Moved Cr Woods, Seconded Mr Fahey that Internal Audit Report be accepted by the committee.

Carried.

7.2 Food and Accommodation Licensing & Compliance - April 2019

Mrs Stockdale advised the Food and Accommodation Licensing & Compliance will be tabled at the meeting next month following management feedback on the report.

7.3 Follow-up on agreed management action items from previous internal audits**8. Management Updates****8.1 Risk Management Update**

Mr O'Connor provided an update on Enterprise Risk Management (ERM). A briefing paper was provided to attendees prior to the meeting.

Topics covered:

- Risk Management overview and Business Continuity Plan (BCP) update. The ERM Policy is currently being updated. Ms Blunt suggested the ERM Policy is emailed to her for review during the update process. The BCP is undergoing a review with subplan owners reviewing subplans, this will be followed by a desktop testing environment then being developed and activated.

Audit Committee Meeting

- The Fraud and Corruption Control Plan is being implemented.
- There has been an increase to the Loss of Council Assets with three substantial break and enter incidents on Council property in 2019.
- Mandatory training of the Code of Conduct is being developed and will be provided to staff in the upcoming months.

Moved Cr Perry, seconded Mr Fahey that the ERM briefing paper has been noted by the Audit Committee.

Carried.

8.2 Overview of ICT transition to Cloud - Risks and Management Plan

Mr O'Connor and Mrs Robinson (Project Manager for Cloud transition) provided an overview of the ICT transition to Cloud with a Power Point presentation. Council is currently at the data migration stage with the scheduled date of 'going live' on 16 September 2019.

Mr Jessup noted that he had previous experience with major data losses and advised to ensure fail-proof back up options are considered.

Cr Perry commented that she has concerns around future security risks when accessing data on personal devices.

Mr Jessup thanked Mr O'Connor and Mrs Robinson on behalf of the committee for her update.

8.3 Follow up on Audit Issues (External Audit)

The list of outstanding audit issues from External Audit have all been implemented and there are currently no follow-up items listed.

9. Other Business

No other business was raised by committee members at this meeting.

Meeting Closure

Meeting Closed at:	10:35am
Date of Next Meeting:	19/06/2019 at 9am

3.4 Regional Arts Development Fund Meeting Minutes - 23 May 2019

Recommendation

That the minutes of the Regional Arts Development Fund Meeting held on 23 May 2019 be received and adopted.

Burdekin Shire Council

Minutes – RADF Advisory Group Meeting held on 23 May 2019

Held at John Hy Peake Heritage Rooms

The meeting commenced at 3pm

CLAUSE 1

ATTENDANCE

Cr U Liessmann – Chairman
Mr David Cornwell - Manager Community Services
Ms Erin Alloway
Mrs Treena List

Mrs Janice Horan – RADF Liaison Officer

Apologies:
Cr J Bonanno
Mrs Coral Colquhoun
Observer – Cr Lyn McLaughlin, Mayor

CLAUSE 2

MINUTES OF 9 APRIL 2019 MEETING RECEIVED

It was resolved that the minutes of the RADF Advisory Group Meeting held on 9 April 2019 be received. CARRIED

CLAUSE 3

BUSINESS ARISING FROM MINUTES

Upgrade of Cane Harvester – near Home Hill Diorama (Clause 3)

The meeting noted that, at its meeting held on 23 April 2019, Council had resolved not to proceed with the upgrade of the cane harvester until further investigation and consultation had been undertaken.

Angel Wings Silhouette – Burdekin Theatre (Clause 5)

The meeting noted the preferred location for the angel wings silhouette was on the side wall of the Burdekin Theatre near the garden. Plans to replace the external sheeting on Burdekin Theatre rendered this site unsuitable at this time.

The meeting resolved to investigate options and costs for creation of mobile angel wings silhouette board, noting that a mobile unit would be suitable for use at all community and cultural events. CARRIED

CLAUSE 4

CONSIDERATION OF APPLICATIONS RECEIVED IN JUNE 2019 ROUND

The meeting noted that funds of \$22,855 were available for this, the second and final round in 2018/19 funding year.

Applicant	Project	Requested Funding	Recommended Funding
Burdekin Shire Council – Community Services Department	Towards cost of conducting 2019 Burdekin Cultural Fair on 31 May 2019	\$5,000	\$5,000
Burdekin Patchwork & Quilters Guild	Towards cost of conducting quilting workshop with tutor, Debbie Alford	\$715	\$715
Burdekin Shire Council – Tourism Section	Towards cost of employing consultant to undertake Alva Art Trail Concept Development	\$5,000	\$4,900
Burdekin Shire Council – Governance Section	Towards cost of attendance at Arts Ablaze Conference by RADF Liaison Officer, Mrs Janice Horan (to be held at Scenic Rim Regional Council area from 1 to 6 October 2018)	\$3,240	\$3,240
Home Hill Harvest Festival Inc	Towards cost of creating artwork as part of 2019 Canefields Ephemera	\$5,000	\$5,000
Burdekin Shire Council – Tourism Section	Towards costs of producing A3 foldout map of Burdekin Art Trail.	\$1,000	\$1,000
Burdekin Shire Council – Economic Development Department Section	Towards cost of creating “Mick the Canecutter” Mascot to promote destination event “Sweet Days, Hot Nights Festival”	\$3,000	\$3,000
TOTAL		\$22,955	\$22,855

Committee member, Mr David Cornwell removed himself from the meeting for the deliberation of the Burdekin Cultural Fair grant application due to a declared conflict of interest.

The meeting resolved to recommend funding of RADF projects as listed above for Round 2 of the 2018/19 funding year. CARRIED

CLAUSE 5

REPLACEMENT OF STOLEN FRILLED NECKED LIZARD ARTWORK - HOME HILL COMFORT STOP

The meeting noted that the frilled necked lizard artwork that was installed on the large granite rock at the Home Hill Comfort Stop had recently been stolen.

The meeting recommends that the frilled necked lizard artwork be replaced.

There being no further business, the meeting closed at 4-45pm.

Cr U Liessmann
CHAIRMAN

4 REPORTS

4.1 Council Workshop Meetings - May 2019

Document Information

Referring Letter No: Not Applicable

File No: 1394

Name of Applicant: Not Applicable

Location: Not Applicable

Author and Title: Mr. Terry Brennan – Chief Executive Officer

Executive Summary

The Council conducted workshops on 7 and 21 May 2019 with a range of policy and operational issues discussed.

A brief summary of the items discussed at the workshops is contained in the report.

Recommendation

That the report on the Council workshops held on 7 and 21 May 2019 be received and noted.

Background Information

In the latter part of 2016 the Council adopted governance arrangements based on holding Council meetings on a fortnightly basis each month, with the exception of December and January each year. In conjunction with this decision it also agreed to conduct workshops with councillors on the alternate week to scheduled Ordinary Council Meetings.

During the past month workshops were held on 7 and 21 May 2019. The workshops covered a range of policy and operational issues and included attendance by external parties along with site inspections. A brief summary of the issues discussed at the workshops is outlined below:

7 May 2019

- Temporary Road Closure – McDowell Road, Carstairs
- School Parking Plans – Ayr
- Principal Cycle Network Plan
- Review of Existing Policies
 - ✓ Community Use of Council Bus

-
- ✓ Care of Public Property
 - Proposed Public Art Projects
 - Proposed Indoor Community Sports Complex/Cyclone Shelter project – Home Hill
 - Wilmar Cane Siding – Beach Road, Ayr
 - Proposed Bioremediation Services Agreement – Ayr/Brandon Sewage Treatment Plant
 - Operational Plan Quarter 3 Review

21 May 2019

- Waste Management Policy Review
- Councillor Remuneration Payments – ATO requirements for Single Touch Payroll
- Review of Existing Policies
 - ✓ Vandalism Policy
 - ✓ Councillor Expense Reimbursement
- Vendor Panel – Upgrade to Silver Package
- Update on CCTV Camera Surveillance
- Memorial Hall – Capital and Operational Budget Adjustments
- Site Inspections
 - ✓ Kirknie Landfill
 - ✓ Groper Creek

Link to Corporate/Operational Plan

5.3.1 Demonstrate open and transparent leadership.

Consultation

Consultation was undertaken with various parties in the presentation of the workshop topics.

Legal Authority or Implications

Not Applicable.

Policy Implications

Any policy proposals are subsequently referred to an Ordinary Council Meeting via a report for consideration and if approved adoption.

Financial and Resource Implications

As highlighted in the workshop presentations.

Report Prepared By:

Mr. Terry Brennan – Chief Executive Officer.

Report Authorised By:

Mr. Terry Brennan – Chief Executive Officer.

Attachments

1. Not Applicable.

5 GOVERNANCE

5.1 Amendment to Wording on Fees and Charges 2019/2020 - Building Application Fees/ Development Application Fees

Document Information

Referring Letter No: Not Applicable

File No: 367

Name of Applicant: Not Applicable

Location: Not Applicable

Author and Title: Mrs. Julie O'Shea – Administration Officer (Planning and Development)

Executive Summary

Minor amendment to the "Building Application Fees/Development Assessment Fees" Section in Fees and Charges 2019/20 to change a superseded legislation reference and also for clarification on the wording of the same fee.

In addition, amend the wording under the Rate Search and Rate and Property Search sections to include the Town Planning Zone.

Recommendation

That Council approve the following changes to the 2019/20 Burdekin Shire Council Fees and Charges:

- Amend legislation reference for Building Fee "Request to Extend Development Approval". Change from "*Sustainable Planning Act 2009 | s241*" to "*Planning Act 2016 | s86*".
- In relation to the same fee, add (Building Works Only), i.e. "Request to Extend Development Approval (Building Works Only)"
- Under the 'Rate Search' section, amend the description to "Includes Rates information, Town Planning Zone and the last two (2) water meter readings, if applicable."
- Under the 'Rate and Property Search' section, amend the first line of the description to "Includes Rates information, Town Planning Zone and the last two (2) water meter readings, if applicable."

Background Information

The legislation listed on the Adopted Fees and Charges for 2019/20 for the fee “Request to Extend Development Approval” refers to the superseded legislation being “*Sustainable Planning Act*” which has been replaced by *Planning Act 2016*.

Also in relation to this same fee it is proposed to add the additional wording to distinguish between Development Approvals **for Building Works** and Development Approvals for **Planning Applications**, which are two separate fees.

In relation to the changes to the Rate Search and Rate and Property Search section, information on the Town Planning Zone is also to be included in these Searches.

Link to Corporate/Operational Plan

Not Applicable.

Consultation

Not Applicable.

Legal Authority or Implications

Incorrect reference to superseded Act.

Policy Implications

Not Applicable.

Financial and Resource Implications

Not Applicable.

Report prepared by:

Mrs. Julie O’Shea – Administration Officer (Planning and Development).

Report authorised by:

Mr. Shane Great – Manager Planning and Development.

Attachments

1. Not Applicable.

5.2 Updated Complaints Policy Regarding Corrupt Conduct by the Chief Executive Officer (Section 48A Policy)

Document Information

Referring Letter No: Not Applicable

File No: 1282

Name of Applicant: Not Applicable

Location: Not Applicable

Author and Title: Mrs. Rebecca Stockdale – Senior Governance Officer

Executive Summary

Section 48A of the *Crime and Corruption Act 2001* requires Council to have a policy for dealing with any complaints or matters regarding corrupt conduct by the Chief Executive Officer. Council first adopted a Section 48A Policy in 2014 and later revised and readopted the policy in 2018. Changes to the *Crime and Corruption Act 2001*, that came into effect on 1 March 2019, include an updated definition of “Corrupt Conduct”. Additionally, the CCC have made recommendations following a review of the policy to include further details of the two nominated persons, including contact details and postal addresses. The CCC also recommended to include clarification within the policy that a reference about notifying or dealing with the complaint to the public official within the *Crime and Corruption Act* is a reference to the nominated person.

Recommendation

That Council adopts the updated Complaints Policy Regarding Corrupt Conduct by the Chief Executive Officer as attached to this report.

Background Information

On 9 November 2018, the *Crime and Corruption and Other Legislation Amendment Act 2018* was passed, bringing in changes to the *Crime and Corruption Act 2001*. The changes to the Act came out of recommendations from both the CCC and Units of Public Administration (UPAs) to:

- (a) widen the definition of corrupt conduct to capture additional types of behaviour;
- (b) extend the CCC’s jurisdiction over conduct that, while not technically within the public sector, can corrupt its functions and damage public

confidence in it; and

- (c) ensure that full records of decisions about allegations of corrupt conduct are kept by UPAs.

Link to Corporate/Operational Plan

5.3.1 Demonstrate open and transparent leadership

5.3.3 Adhere to the governance framework and public reporting systems

Consultation

Council has received feedback as part of a review conducted by the Crime and Corruption Commission of all Section 48A policies. The amendments to this policy reflect the advice provided by the CCC.

Legal Authority or Implications

Crime and Corruption Act 2001

48A Policy about how complaints involving public official are to be dealt with

- (1) A public official must, in consultation with the chairperson, prepare a policy about how the unit of public administration for which the official is responsible will deal with a complaint that involves or may involve corruption of the public official.
- (2) The policy may nominate a person other than the public official to notify the commission of the complaint under section 37 or 38, and to deal with the complaint under subdivision 1 or 2, on behalf of the public official.
- (3) If the policy includes a nomination as mentioned in subsection (2), this Act applies as if a reference about notifying or dealing with the complaint to the public official were a reference to the nominated person.
- (4) In this section—
complaint includes information or matter.

Policy Implications

This is a revised Policy and will replace the existing Complaints Regarding Corrupt Conduct by the CEO Policy. The updated Policy will be added to Council's Policy Register and published to the Public Website.

Financial and Resource Implications

Not Applicable.

Report Prepared By:

Mrs. Rebecca Stockdale – Senior Governance Officer

Report Authorised By:

Mr. Terry Brennan – Chief Executive Officer

Attachments

1. Updated Complaints Regarding Corrupt Conduct by the Chief Executive Officer Policy.

Policy Type	Statutory
Function	Governance
Policy Owner	Manager Governance and Local Laws
Policy Contact	Executive Officer
Review Schedule	24 Months
Resolution No.	1452357

1. Purpose

The purpose of this policy is to provide Council with direction for dealing with any complaint that may arise that involves, or may involve corrupt conduct by the Chief Executive Officer (CEO) so that integrity and transparency are maintained.

2. Scope

This policy applies to any complaints, information or matters received by Council which involve allegations of corrupt conduct by the CEO.

3. Policy Rationale

The policy is designed to assist Council to:

- a) Comply with s48A of the Crime and Corruption Act 2001
- b) Promote public confidence in the way suspected corrupt conduct by the CEO of Council is dealt with (s34(c) CC Act)
- c) Promote accountability, integrity and transparency in the way Council deals with a complaint that is suspected to involve, or may involve, corrupt conduct by the CEO.

4. Definitions

"Crime and Corruption Commission"

The Commission continued in existence under the Crime and Corruption Act 2001

"CC Act"

Crime and Corruption Act 2001

"Complaint"

For the purposes of this policy, complaint means not only a formal complaint, but also—

- 'information' that might be received through such means as internal audits, media articles, or investigation of other complaints for example.
- 'matter' that might be received through such means as court proceedings, or referrals from the Coroner or a public inquiry.

"Corruption"

Means corrupt conduct.

"Conduct"

The act, manner, or process of carrying on.

Includes-

- Neglect, failure or inaction
- Conspiracy to engage in conduct
- Attempt to engage in conduct

"Corrupt Conduct"

See Section 15 of the *Crime and Corruption Act 2001*.

"Nominated Person"

Is the position nominated by this Policy to deal with complaints, information or matters involving corrupt conduct or alleged corrupt conduct by the CEO.

"Reasonable Suspicion"

Is suspicion based on evidence sufficient for a reasonable person to suspect corrupt conduct. You do not have to "believe" that the alleged conduct is corrupt conduct, or that the conduct has actually occurred.

5. Policy Application

This policy applies:

- If there are grounds to suspect that a complaint may involve corrupt conduct by Burdekin Shire Council's Chief Executive Officer.

For clarity, this policy applies to all persons who hold an appointment in, or are employees of the Council (whether full-time, part-time or casual), all councillors and all persons performing work at the direction of, or in connection with, or on behalf of the Council (collectively "workers") and places an obligation on each individual to report any known or suspected corrupt conduct by the Chief Executive Officer.

Meaning of worker:

A person is a **worker** if the person carries out work in any capacity for a person conducting a business or undertaking (for this Policy "Council") including work as-

- a) an employee; or
- b) a contractor or subcontractor; or
- c) an employee of a contractor or subcontractor; or
- d) an employee of a labour hire company who has been assigned to work in the person's business or undertaking; or
- e) an apprentice; or
- f) a trainee; or
- g) a student gaining work experience; or
- h) a volunteer.

6. Policy Statement

- 6.1 As a Unit of Public Administration (UPA), Council is committed to providing open, honest and transparent processes particularly in respect of dealing with complaints regarding corrupt conduct of the CEO.

6.2 Nominated Person

Having regard to s48A (2) and (3) of the CC Act, Council nominates, through this policy:

The Independent Chair of the Audit Committee; and

The Mayor of Burdekin Shire Council as the nominated persons to notify the Crime and Corruption Commission (CCC) of the complaint and to deal with the complaint under the CC Act.

Together, the nominated persons will, with or without consulting the CCC or the Minister responsible for Local Government, decide who will be the nominated person for the particular complaint; and

- the nominated person for that particular complaint will inform the CCC and the Minister responsible for Local Government that they are the nominated person for the particular complaint.

Once Council nominates a person (through adoption of this policy), the *Crime and Corruption Act* applies as if a reference about notifying or dealing with the complaint to the CEO is a reference to the nominated person/s.

6.3 Contact Details

The Independent Chair of the Audit Committee is currently Mr Ian Jessup. Mr Jessup is contactable by phone on 0419 212 816 or alternatively via email: jessupi45@gmail.com

The Mayor is currently Cr. Lyn McLaughlin. Mayor McLaughlin can be contacted by phone on 47 839 812 or alternatively via email: Councillor.McLaughlin@burdekin.qld.gov.au

Written correspondence can be forwarded to either nominated person via Council's postal address: PO Box 974, Ayr, 4807.

7. Complaints Involving a Reasonable Suspicion of Corrupt Conduct by the CEO

- 7.1 Council can accept complaints involving allegations of corrupt conduct by the CEO through Council's Complaints Management System or they can be referred directly to either of the nominated persons.
- 7.2 Complaints involving reasonable suspicion of corrupt conduct by the CEO can also be referred directly to the CCC, the Minister responsible for Local Government, the Queensland Ombudsman and/or to the Police.
- 7.3 If there is uncertainty about whether or not a complaint should be reported, it is best to report it to the nominated person.
- 7.4 If the nominated person reasonably suspects the complaint may involve corrupt conduct by the CEO, they are to:

- a) notify the CCC of the complaint¹, and
- b) deal with the complaint, subject to the CCC's monitoring role, when-
 - directions issued under s40 apply to the complaint, if any, or
 - pursuant to s46, the CCC refers the complaint to the Mayor or the Independent Chair of the Audit Committee to deal with.

7.5 If the CEO is in receipt of a complaint and reasonably suspects the complaint may involve corrupt conduct on their part, they are to:

- (i) report the complaint to one or both of the nominated persons as soon as practicable and may also notify the CCC, and
- (ii) take no further action to deal with the complaint unless requested to do so by the nominated person in consultation with the Minister responsible for Local Government.

Where directions issued under s40 apply to the complaint:

- (i) the nominated person is to deal with the complaint, and
- (ii) the CEO is to take no further action to deal with the complaint unless requested to do so by the nominated person in consultation with the Minister responsible for Local Government.

8. Resourcing the Nominated Person

8.1 If pursuant to ss40 or 46 the nominated person has responsibility to deal with the complaint:

- (i) Burdekin Shire Council will ensure that sufficient resources are available to the nominated person to enable them to deal with the complaint appropriately, and
- (ii) the nominated person is to ensure that consultations, if any, for the purpose of securing resources sufficient to deal with the complaint appropriately are confidential and are not disclosed, other than to the CCC, without authorisation under a law of the Commonwealth or the State;
- (iii) the nominated person must, at all times, use their best endeavours to act independently, impartially and fairly having regard to the:
 - Purposes of the CC Act
 - The importance of promoting public confidence in the way suspected corrupt conduct in Council is dealt with², and
 - Council's statutory, policy and procedural framework.

8.2 If the nominated person has responsibility to deal with the complaint, they:

- (i) Are delegated the same authority, functions and powers as the CEO to direct and control staff of Burdekin Shire Council as if the nominated person is the CEO of Burdekin Shire Council for the purpose of dealing with the complaint only;
- (ii) Are delegated the same authority, functions and powers as the CEO to enter into contracts on behalf of Burdekin Shire Council for the purpose of dealing with the complaint;
- (iii) Do not have any authority, function or power that cannot- under the law of the Commonwealth or the State be delegated by either the Mayor or the CEO, to the nominated person;

¹ Under ss 37 or 38, subject to s40 of the CC Act.

² See s34(c) CC Act

9. Principles

Procedural Fairness

When dealing with a matter under this policy procedural fairness principles must be observed.

Managing Conflicts of Interest

The nominated person/s must ensure that they manage any real or perceived conflicts of interest in relation to dealing with matters under this policy.

10. Procedures

Liaising with the CCC

The CEO is to keep the CCC and the nominated person/s informed of:

- (i) The contact details for the CEO and the nominated persons (where there is more than one nominated person)
- (ii) Any proposed changes to this policy

Consultation with the CCC

The CEO will consult with the CCC when preparing or amending any policy about how the Burdekin Shire Council will deal with a complaint that involves or may involve corrupt conduct by the CEO.

11. Legislation

Crime and Corruption Act 2001
Local Government Electoral Act 2011
Local Government Act 2009
Local Government Regulation 2012
Building Act 1975
Environmental Protection Act 1994
Invasion of Privacy Act 2014
Plumbing and Drainage Act 2002
Regional Planning Interests Act 2014
Water Act 2000
Planning Act 2016
Liquor Act 1992
Public Interest Disclosure Act 2010
Electoral Act 1992.

12. Related Documents

Document Title	Description
Complaints Management Policy	
Public Interest Disclosures Policy	
Fraud and Corruption Control Policy	

13. Document History

Revision Number	Revision Details	Approved By (Officers Name)	Resolution Number	Date
1.0	Adopted	Ordinary Council Meeting	1403044	16/12/2014
2.0	Adopted	Ordinary Council Meeting	1452357	24/04/2018
3.0	Revised Draft- Feedback Provided by CCC	Rebecca Stockdale	N/A	27/05/2019

6 ENVIRONMENTAL AND HEALTH SERVICES

7 CLIENT SERVICES

8 FINANCIAL & ADMINISTRATIVE SERVICES

8.1 Adoption of Non-Current Asset Accounting Policy

Document Information

Referring Letter No: Not Applicable

File No: 1192

Name of Applicant: Not Applicable

Location: Not Applicable

Author and Title: Mrs. Helen Swinney – Financial Accountant

Executive Summary

Under the *Local Government Act 2009 (the “Act”)* and *Local Government Regulation 2012 (the “Regulation”)*, Council is required to prepare its general purpose financial statements in compliance with Australian Accounting Standards and to value its non-current physical assets using the prescribed accounting standards for Council’s asset register. These requirements are covered in this policy.

A Non-Current Asset Accounting Policy is attached for consideration and adoption.

Recommendation

That Council adopts the Non-Current Asset Accounting Policy.

Background Information

Council manages approximately \$505 million in non-current assets which is a significant investment of Council’s resources. How Council manages and financially accounts for these assets is important for Council’s future sustainability.

The Non-Current Asset Accounting Policy’s objective is to provide a framework for the capture, recognition and control of Council’s non-current assets based on

legislative requirements and Australian Accounting Standards. The following is an extract of the required legislation.

Chapter 5 Financial Planning and Accountability

Part 10 Asset Accounting

Section 206 Valuation of non-current physical assets

- (1) The value of a local government's non-current physical assets must be worked out using the prescribed accounting standards.
- (2) The local government must, by resolution, set an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.
- (3) The amount must be included in a note in the local government's general purpose financial statement.
- (4) For subsection 2, the following assets that are controlled by the local government do not have a value for a local government's general purpose financial statement-
 - (a) Land that is a reserve under the Land Act;
 - (b) A road that is not owned by the local government.

The Non-Current Asset Accounting Policy commencing 1 July 2019 is based on this legislation.

The previous Non-Current Asset Accounting Policy was adopted by Council on 8 May 2018. No changes to this policy have occurred.

Link to Corporate/Operational Plan

Organisational Sustainability 5.3.4 Undertake regulatory responsibilities in accordance with legislative regulations.

Consultation

Council discussed this policy at a workshop on 14 February 2019.

Legal Authority or Implications

A local government Non-Current Asset Accounting Policy must comply with the *Local Government Regulation 2012* and the *Local Government Act 2009* and the Australian Accounting Standards.

Policy Implications

New policy based on previous policy with amendments to reflect current legislation and prescribed accounting standards and practice.

Financial and Resource Implications

Nil

Report Prepared By:

Mrs. Helen Swinney – Financial Accountant

Report Authorised By:

Mrs. Kim Olsen – Manager Financial and Administrative Services

Attachments

1. Non-Current Asset Accounting Policy

Policy Type	Corporate
Function	Financial Management
Policy Owner	Manager Financial and Administrative Services
Policy Contact	Financial Accountant Assets
Review Schedule	24 Months
Resolution No.	Enter Resolution Number

1. Purpose

The purpose of this policy is to regulate and guide the identification and recording of assets of the Burdekin Shire Council to ensure compliance with the *Local Government Act 2009*, *Local Government Regulation 2012* and *Australian Accounting Standards and Interpretations*.

2. Scope

This policy applies to all asset accounting related activities for property, plant and equipment, and intangible assets. Please refer to the following asset classification section for specific details of the asset classes and examples of assets in each class.

This policy does not apply to property, plant and equipment that are held for sale which will be recorded in accordance with Accounting Standard AASB 5 *Non-Current Assets held for Sale and Discontinued Operations*, and disposed in accordance with the *Local Government Act 2009*, and other relevant Council policies and procedures.

3. Definitions

Asset is a resource controlled by the Council as a result of past events and from which future economic benefits are expected to flow to the Council. The asset can be tangible, i.e. have a physical substance (e.g. land, buildings) or intangible, i.e. no physical substance (e.g. computer software).

Asset Class is a grouping of assets of a similar nature and use, e.g. land, buildings, machinery.

Asset Custodian is a Council officer who has the day-to-day management of a Council asset.

Cost is the amount of cash or cash equivalents paid, or the fair value of the other consideration given, to acquire an asset at the time of its acquisition or construction, e.g. contributed physical asset.

Cost Approach is a valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Council Control means Council has control of an asset if Council has the power to obtain the future economic benefits flowing from the resource and to restrict the access of others to those benefits.

Depreciable Amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Economic Benefit is the potential to contribute, directly or indirectly, to the flow of cash or cash equivalents to the Council. It includes social, environmental and financial benefits to Council.

Expenditure Definitions

Operating expenditure is recurrent expenditure that is continuously required, e.g. electricity, staff, overheads, fuel.

Maintenance expenditure is recurrent asset expenditure that is periodically or regularly required as part of the anticipated schedule of works needed to ensure the asset achieves its useful life. It can include, minor parts, painting, servicing, repairs, etc.

Capital expenditure is major expenditure that has benefits beyond 12 months. It includes renewal/replacement, upgrade and new assets.

Capital renewal/replacement is periodical expenditure on existing assets that returns the service potential or the life of the asset up to that which it had originally.

Capital upgrade is expenditure that enhances an existing asset to provide a higher level of service or increase the life of the asset beyond its original life, e.g. widening of road, building extension.

Fair Value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

First Principles - current purchase prices are obtained for components of the asset together with the costs to install, which may include plant, labour and sundry material costs.

Highest and Best Use means the use of a non-financial asset by market participants that would maximise the value of the asset or the group of assets within which the asset would be used.

Impairment - an asset is impaired when its recoverable amount is less than its carrying amount.

Infrastructure Assets - typically these assets are large interconnected networks or composite assets that meet the needs of the community, e.g. roads, water, sewerage. Generally, these assets have long lives and often have no market value.

Income Approach is a valuation technique that converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Inputs - The assumptions that market participants would use when pricing the asset, including assumptions about risk, such as the following:

- (a) the risk inherent in a particular valuation technique used to measure fair value; and
- (b) the risk inherent in the inputs to the valuation techniques.

Inputs may be observable or unobservable.

Level 1 inputs - Quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.

Level 2 inputs - Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 inputs - Unobservable inputs for the asset.

Market Approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets or group of assets, such as a business.

Material - Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Minor assets are items that would meet most of the asset recognition tests but have been acquired for cost less than \$1 (land) or \$5,000 (all other assets). These assets are treated as an expense as they are under the capitalisation threshold.

Nominal Cost means an asset provided to Council at no cost or a very small amount.

Non-Current Asset is an asset that provides an economic benefit for a period greater than one year.

Observable inputs are inputs that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset.

Recoverable Amount is the higher of an asset's net selling price and its value in use.

Remaining Useful Life is the remaining operational life of an asset, irrespective of the period an asset has been in use and its initial estimate of useful life.

Residual Value is the estimated amount that the Council would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Unobservable inputs are inputs for which market data is not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset.

Useful Life is the period over which an asset is expected to be available for use by Council.

4. Objectives

The objectives of this policy are to:

- a) Ensure compliance with prescribed legislation and Australian Accounting Standards.
- b) Outline the accounting principles to be followed by Council employees when identifying, recognising, recording and valuing Burdekin Shire Council's property, plant and equipment.

5. Policy Statement

5.1 Asset Classifications

A class of property, plant and equipment is a grouping of assets of a similar nature and use.

The classes of property, plant and equipment assets relevant to the Burdekin Shire Council are:

Asset Class	Examples of Assets Forming the Asset Class
Land and Improvements	Land, land under roads, restoration and landfill improvements.
Buildings	Corporate and cultural buildings, residential houses, swimming pools, sheds, public conveniences, caravan park cabins, demountables
Transport (Road & Bridges)	Road structures, box culverts, pipes, kerb and channel, footpaths, speed bumps, car parks, nodes, roundabouts, bridges and major culverts
Drainage	Box culvert, pipe, inverts, manholes, stormwater pits, lined channels and special drainage projects
Water	Reticulation pipes, bore sites, water towers, buildings, treatment plants, storage facilities
Sewerage	Treatment plants, pump stations, rising mains, reticulation mains, manholes
Plant and Equipment	Office equipment, computer hardware equipment, common use/general purpose library books, motor vehicles (sedans and utilities), trucks, heavy equipment, trailers, mowers, boats & motors, etc.
Other Assets	Fibre optic, car parks (off road), internal roads, landscaping, fencing, structures (BBQ shelters, rotundas, gazebo, bus shelters), playground equipment, basketball half courts, shade covers, in-ground irrigation systems, park furniture, solar powered lights, boat ramps and pontoons, aerodrome runways, signage, heritage tractor, etc.
Leasehold Improvements	Improvements to assets leased by Council
Intangible Assets	Software
Work in Progress	Property, plant and equipment, and intangible assets under construction or in progress, which are not yet in a location and condition necessary for it to be capable of operating in the manner intended by management

5.2 Asset Recognition

The following criteria must be met for an item to be recognised as an asset in the Council's financial asset register:

- It is probable that future economic benefits associated with the item will flow to Council;
- The cost or fair value of the item can be measured reliably;
- Council has control over the asset;
- The cost or fair value exceeds Council's asset recognition threshold; and
- Expected to be used for more than one financial year.

An item of property, plant and equipment that qualifies for recognition as an asset shall initially be measured at cost.

5.3 Asset Recognition Thresholds

Council is required under the Local Government Regulation 2012 s 206 (2) by resolution to set an amount for each different type of physical asset below which the value of the asset must be treated as an expense.

If the expenditure for the item is equal to or above the threshold it may be capitalised as an asset if it meets all the recognition criteria. Capitalisation is the process of recognising an asset in Council's financial statements as a non-current asset.

The threshold to recognise costs as an asset are as follows:

Asset Type	Threshold (GST exclusive)
Land	\$1
Land Improvements	\$5,000
Buildings	\$5,000
Infrastructure (Roads and Bridges, Water, Sewerage)	\$5,000
Plant and Equipment	\$5,000
Office Equipment, Furniture & Fittings	\$5,000
All other assets (including intangible assets)	\$5,000

The above thresholds must be disclosed by way of note in the Council's general purpose financial statements.

Buildings, Other Assets and Infrastructure asset classes – If the total capital expenditure per project exceeds the asset class capitalisation threshold, as stated in the recognition threshold table above, the project is capitalised irrespective of whether or not the individual asset components exceed the capitalisation threshold.

Minor land parcels which have no realisable market value and possess limited or negligible service potential, for example, access restrictions, pump stations, are recorded in Council's financial asset register at a nominal value.

Land that is a reserve under the Land Act and a road that is not owned by the Council do not have a value for the purposes of the Council's general purpose financial statements.

5.3.1 Land under Roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. Freehold land under roads which is controlled by Council and acquired prior to 1 July 2008 is recognised at fair value. Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised as Council's asset.

Land under roads acquired on or after 1 July 2008 must be recognised in accordance with *AASB116 Property Plant and Equipment*.

5.4 Contributed Assets

All Council assets that qualify for recognition are to be measured initially at cost. Where Council acquires an asset at nil cost or nominal value the asset is called a contributed asset. This can occur by way of contracts with developers, State Government arrangements or bequests to Council.

If the contributed asset is land, Council takes ownership when the title passes to Council.

If the contributed asset is infrastructure, Council takes ownership when a practical completion inspection has been undertaken and the asset becomes "on Council maintenance".

The cost of a contributed asset is the fair value at the date of acquisition as assessed by a suitably qualified person. This is not considered a revaluation of the asset at that time.

5.5 Not Previously Recognised Assets

Where material assets are identified from prior accounting periods that have not been recognised in the financial statements they should be treated as a correction of an error under *AASB108 Accounting Policies, Changes in Accounting Estimates and Errors*. Prior period comparative information will need to be adjusted to reflect the not previously recognised assets when they are material.

5.6 Networked Assets

A network is a grouping of multiple assets that are individually below the capitalisation threshold. These assets perform a whole service and require recognition in the financial statements due to their collective value, e.g. library books, CBD bins, BBQ shelters.

5.7 Asset Expenditure

It is imperative that costs are classified correctly as either:

- a) An expense, which is accounted for in the Comprehensive Income Statement and affects the Council's operating result, OR
- b) Capital, which is included in the cost of an asset. Capital costs are accounted for in the Statement of Financial Position of the Council and depreciated where applicable. These can be for a new, upgrade/renewal or replacement asset.

Costs may be initial or subsequently incurred after initial purchase.

Initial capital costs include those to purchase or construct an asset and getting it ready for use.

Examples include:

- Purchasing price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended, e.g. employee expenses directly from construction or acquisition; costs of site preparation; initial delivery and handling costs; costs of testing whether asset is functioning properly; professional fees; design costs
- Initial estimate of costs to dismantle and remove the item and restore site location where the obligation is recognised and measured under *AASB137 Provisions, Contingent Liabilities and Contingent Assets*, e.g. Landfill restoration.

Once the asset is in the location and condition necessary for it to be capable of being operated in the manner intended, the capitalising of costs cease.

The following initial costs are expensed and are not capitalised:

- General administration and other indirect overhead costs
- Training costs

5.7.1 Expenditure after Initial Purchase

Where costs are incurred subsequent to the initial purchase of the asset, they can only be capitalised when it improves the condition of the asset beyond its originally assessed standard of performance or capacity. This can occur through:

- Extending the annual service potential provided by the asset, or
- Extending the useful life of the asset

Repairs and maintenance are to be expensed as incurred e.g. repairs for damage or wear or tear that would have prevented the asset reaching its original estimated useful life, such as day to day servicing.

5.7.2 Spare Parts

Minor items of spare parts are charged to the item of plant and expensed to the Comprehensive Income Statement.

Major spare parts and stand-by equipment are recognised as plant and equipment when:

- The expenditure exceeds the asset recognition threshold, and
- The benefits from the item will be for more than one financial year.

5.8 Asset Disposal

An asset is to be derecognised in the financial asset register when it is sold, traded, scrapped, lost, stolen, destroyed, decommissioned, abandoned or by any other factors which cause an asset to cease providing a future economic benefit to Council.

If the asset is to be sold, the provisions of *AASB5 Non-Current Assets Held for Sale and Discontinued Operations* may apply.

When an asset is destroyed, scrapped, lost, or stolen, it is written-off and a loss is recorded in the Comprehensive Income Statement.

5.9 Assets withdrawn permanently from use and demolition/removal

Where an asset is permanently retired from use, the fair value of the asset must be reviewed. If the asset class to which the asset belongs is not being revalued then the provisions of *AASB136 Impairment of Assets* may apply.

Where an asset is demolished and a new asset is constructed in its place, the carrying amount of the old asset is derecognised in accordance with *AASB116 Property Plant & Equipment*. The cost of demolition or removal of the old asset can be capitalised as site preparation costs of the new asset only if there is:

- No provision for restoration of the old asset, and
- Prior to demolition a formal Council commitment to demolish and build on the site of the old asset, e.g. Council meeting minute.

If an asset is demolished or removed and there is no formal commitment to rebuild on the site prior to demolition or removal, the costs are to be expensed.

If the asset is valued at fair value and the costs of demolition or removal have been capitalised as site preparation costs, consideration should be given to impairment tests to ensure the asset value is not overstated.

5.10 Register of Non-Current Assets

A list of all of the Council's non-current assets, other than those items which are under the asset threshold and treated as an expense, must be recorded in a register which is to be kept by the Council.

The asset register is to record as a minimum:

- a) opening and closing balances; and
- b) capital expenditures; and
- c) depreciation charges; and
- d) revaluation increments and decrements; and
- e) disposals/write offs; and
- f) not previously recognised and contributed assets; and
- g) internal transfers; and
- h) impairment losses; and
- i) all relevant dates of the above.

5.11 Complex Assets

A complex asset is one where it can be apportioned to significant components.

Complex assets include buildings (e.g. major community and corporate building), road networks, and water and sewerage distribution networks.

The significant components of a complex asset are identified and depreciated separately. This provides more reliable and relevant information for users of the financial statements and asset management.

A significant component is one that meets the following criteria:

- a) Can be separately identifiable and measurable and is able to be separated from the complex asset; and
- b) Requires replacement at regular intervals during the life of the complex asset that is different to other components; and
- c) Has a significant value in relation to the total cost of the complex asset; and
- d) Has a different estimated useful life from the complex asset so that failure to depreciate it separately would result in a material difference in the annual depreciation expense for that asset.

Examples of complex assets and their potential significant components are:

- Roads – subgrade, pavement, seal, kerb and channelling, footpaths, roundabouts
- Buildings – substructure, superstructure, roof structure, roof sheeting, finishes (fit-out), fittings, services and external services

On replacement of a component of a complex asset the existing written down value of the original component should be derecognised.

5.12 Depreciation

Where non-current assets have a limited useful life they must be depreciated in accordance with *AASB116 Property, Plant and Equipment*.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciation begins when an asset is available for use and ceases at the earlier of:

- The date the asset is classified as held for sale, and
- The date that the asset is derecognised.

The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Useful life is the period over which an asset is expected to be available for use by an entity.

Each part of an item of property, plant & equipment with a cost significant to the total cost shall be depreciated separately (complex assets).

The depreciation charge for each period is classified as an expense in the Statement of Comprehensive Income. Depreciation forms part of the cost of operations and contributes directly to Council's net operating result.

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

The depreciation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. The straight-line method of depreciation is adopted by Council to reflect patterns of consumption for all non-current assets other than Land and Heritage Assets which are not subject to depreciation.

Work in progress cannot be depreciated as the assets are not available for use.

5.12.1 Re-Life Fully Depreciated Assets

Where an asset is valued at cost and it has been fully depreciated but is still in use, a re-life of the asset is not possible.

Where an asset is valued at fair value the revaluation process should ensure that an asset still in use has some useful life. Where however the fair value has been written down to zero and the assets are still in use they can be re-lived and revalued if they are material.

5.13 Asset Reviews

Asset depreciation rate, remaining useful life, impairment and residual value are to be reviewed at least on an annual basis by Asset custodians and management to ascertain if any amendments are required.

5.14 Valuation of Assets

An item of property, plant and equipment that qualifies for recognition as an asset shall initially be measured at cost.

Subsequent to initial recognition, Council can determine to use the Cost Basis or Fair Value Basis for the valuation of non-current assets. Council adopts to apply:

- At Cost for plant and equipment, leasehold improvements and intangibles
- Land and improvements, buildings, transport (roads and bridges), water, sewerage, drainage and other assets are measured on the revaluation basis, at fair value, in accordance with *AASB 116 Property Plant & Equipment* and *AASB 13 Fair Value Measurement*.

5.14.1 Valuation Method by Asset Class

Fair Value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

To calculate a fair value pursuant to AASB13, information must be obtained, and/or assumptions made, about a range of factors, including but not limited to:

- the characteristics e.g. The condition and location of the asset;
- which market a sale of that asset would take place in;
- who would buy the asset and what they would take into account;
- what is the highest and best use for the asset; and
- which costs are to be taken into account.

Council shall use a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The valuation technique is used to estimate the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions. The three commonly used valuation techniques are

- market approach, or
- income approach, or
- cost approach.

The fair value measurement assumes that the transactions are taking place in either the principal market or, in the absence of a principal market, the most advantageous market for the asset.

AASB 13 states that an entity's current use of an asset is presumed to be the highest and best use, unless market or other factors suggest that a different use would maximise the value of the asset.

Regardless of which valuation technique is used, the data inputs used for the calculation must be categorised into one of the three levels of the fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Valuation inputs that are observable are more reliable than inputs that are unobservable, as often unobservable inputs are derived by an entity rather than reflecting market evidence. Unobservable inputs used must reflect the assumptions market participants would use when pricing the asset.

When there is observable data for similar assets available, that data is likely to represent the best indicator of the asset's fair value. For example some land and general non-specialised buildings may be valued using the market approach.

The majority of Council's assets are rarely traded and reliable comparisons with similar assets do not exist, therefore the cost approach will be the most appropriate method. Current Replacement cost (CRC) is the most common valuation technique under the cost approach.

The valuation method for each Asset Class subsequent to initial recognition is:

Asset Class	Valuation Method
Land and Improvements	Fair Value - Market approach or cost approach where no market is readily available
Buildings	Fair Value - Market approach or cost approach where no market is readily available or if the building is of a specialised nature
Leasehold Improvement	At cost
Plant and Equipment	At cost
Other Assets	Fair Value - Cost Approach
Roads and Bridges	Fair Value - Cost Approach
Drainage	Fair Value - Cost Approach
Water	Fair Value - Cost Approach
Sewerage	Fair Value - Cost Approach
Intangible	At cost

5.14.2 Transfers between levels

Annually Council must review the fair value levels assigned to its assets and any resulting transfers (in or out) between levels of the fair value hierarchy shall be recognised at the end of the reporting period and disclosed if material.

5.15 Revaluation of Assets

For all assets other than those valued at cost:

At least once during each financial year non-current assets valuations should be reviewed to ascertain if there has been a material movement in fair value since the last financial year.

If there has been a material movement of fair value of the class of asset since the last financial year a revaluation is to be undertaken. This can be achieved by either engaging an independent, professionally qualified valuer or Council staff to determine the fair value of the assets. For buildings, land, bridges, other assets and specific water and sewerage assets this process involves the valuer physically sighting all assets specifically listed and making their own assessments of the condition of the assets at the date of inspection and determining the fair value. It may be appropriate in particular circumstances to have a combination of internal and external expertise. A combination of unit rates and condition assessments are used to value the remaining assets. Unit rates used are either derived rates, actual construction rates or calculated using first principles. Condition is assessed by physically sighting a sample of assets or by using aged based analysis. Process guidelines, maintenance history and regular inspection reports are also considered.

If there has been no material movement of fair value, indices/desktop updates as supplied by a qualified valuer/internal qualified staff may be applied for the intervening years until a full revaluation is undertaken. There must be sufficient evidence retained that the index used is robust, valid and appropriate to the asset class.

When reviewing the applicable indices Council staff may take into consideration not applying the index if it is less than a 5 percent variance (greater or lower) than the prior year. However, should Council decide not to apply an index in a financial year, when reviewing the fair value movements in the following financial year, the index will be calculated on a cumulative basis.

A full revaluation of all applicable asset classes should be undertaken at least once every three to five years. However, when an asset class has significant and volatile changes in fair value a revaluation should be undertaken annually.

If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued. A class of assets may be revalued on a rolling basis provided the revaluation of the assets is completed within a short period and revaluations are kept up to date.

Complex asset components are measured on the same basis as the assets to which they relate, e.g. Building asset class is valued at fair value therefore each building component is valued at fair value.

5.15.1 Revaluation and accumulated depreciation

When an item of property plant and equipment is revalued, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of the remaining useful life.

5.15.2 Revaluation increments and decrements

If the fair value of the asset class increased as a result of the revaluation, the net increment must be credited to the asset revaluation surplus for that asset class. However, when the net revaluation increase reverses a previous decrement that was recognised in the profit and loss as an expense for that asset class, the net revaluation increase must be recognised in the profit and loss as income to the extent of the previous decrement.

Net revaluation decrements for each asset class must be recognised in the profit and loss, except to the extent it reverses a previous increment for that asset class which was recognised in the asset revaluation surplus and there is a positive balance in the asset revaluation surplus to absorb the new decrement.

Increments and decrements for individual asset revaluations are offset within the relevant asset class revaluation surplus

5.15.3 Asset revaluation surplus – disposal of assets

When an asset is disposed of, the amount reported in the asset revaluation surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

5.16 Asset Impairment

All non-current assets including intangible assets are to be reviewed on an annual basis for indicators of impairment by asset custodians and management.

Where the fair value of the asset exceeds the recoverable amount it is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Where assets have been revalued at fair value there should not be any impairment loss as the recoverable amount should be equal to the fair value.

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, except where the asset is at fair value. When there is an impairment loss on a revalued asset the impairment loss is offset against the asset revaluation surplus of the relevant asset class to the extent available. Any remaining loss is then expensed in the Statement of Comprehensive Income.

5.17 Materiality

Materiality plays an essential part in the decision making process and preparation of the financial statements. This is because information contained or omitted from the financial statements can impair its usefulness to users.

Materiality is a concept which requires professional judgement. An omission or misstatement of an item is material if, individually or collectively, it would influence the economic decisions of users of the financial statements or the accountability of management or governing body.

In assessing materiality the size and nature of the omission or misstatement are usually evaluated together. The surrounding circumstances should also be considered.

The preliminary level of materiality can be obtained from the Queensland Audit Office Annual External Audit Plan for Burdekin Shire Council. The touch points to the Financial Statements need to be considered when assessing materiality. The Financial Statement elements are

- Statement of Comprehensive Income
- Statement of Financial Position (total assets excluding PPE)
- Property, plant and equipment

6. Legislation

Local Government Act 2009

Local Government Regulation 2012

Australian Accounting Standards and Interpretations

7. Document History

Revision Number	Revision Details	Approved By (Officers Name)	Resolution Number	Date
1.0	Adopted	Ordinary Council Meeting	1267417	25/06/2013
1.1	Adopted	Ordinary Council Meeting	1358864	24/06/2014
1.2	Adopted	Ordinary Council Meeting	1439118	23/06/2015
1.3	Adopted	Ordinary Council Meeting	1513058	28/06/2016
1.4	Adopted, New policy template	Ordinary Council Meeting	1398037	27/06/2017
1.5	Adopted	Ordinary Council Meeting	1454330	8/05/2018

9 OPERATIONS

10 TECHNICAL SERVICES

11 PLANNING & DEVELOPMENT

11.1 Fast-Track Opt-Out Declaration - Plumbing and Drainage Reform

Document Information

Referring Letter No: Not Applicable

File No: 412

Name of Applicant: Not Applicable

Location: Not Applicable

Author and Title: Mrs. Julie O'Shea – Administration Officer (Planning and Development)

Executive Summary

New plumbing laws come into effect on 1 July 2019. As part of the new laws, Local Governments can make a Fast Track Work Declaration that transfers standard application work to the fast track application process.

Council can however choose to opt-out of fast-track applications by Council resolution.

Recommendation

That Council resolve to opt-out of the fast-track application process in relation to Section 40(1) of the *Plumbing & Drainage Regulation 2019*.

Background Information

New plumbing laws which come into effect on 1 July 2019 allow for certain applications to be fast-tracked. This process reduces the approval timeframe from 20 business days to 2 business days. Council can choose to opt-out of the fast-track process however this must be by Council resolution.

Due to Council's Plumbing Inspector being employed part-time, the fast-track process deadline of 2 business days is not able to be achieved. The majority of Plumbing Applications are issued within 7 business days which is under the Revised Standard Application Process deadline of 10 business days.

Link to Corporate/Operational Plan

Not Applicable.

Consultation

Not Applicable.

Legal Authority or Implications

Plumbing & Drainage Act 2018 & Plumbing & Drainage Regulation 2019.

Policy Implications

Not Applicable.

Financial and Resource Implications

Not Applicable.

Report Prepared By:

Mrs. Julie O'Shea – Administration Officer (Planning and Development).

Report Authorised By:

Mr. Shane Great – Manager Planning and Development.

Attachments

1. Not Applicable.

11.2 Preparation Adoption and Implementation of a New Planning Scheme for the Burdekin Shire Council

Document Information

Referring Letter No: Not Applicable

File No: 1765 and 544

Name of Applicant: Not Applicable

Location: Not Applicable

Author and Title: Mr. Shane Great – Manager Planning and Development

Executive Summary

Under Section 18 of the *Planning Act 2016 (the Act)*, Council are required to submit the draft Burdekin Shire Planning Scheme for its Local Government area to the Department of State Development, Manufacturing, Infrastructure and Planning for first State Interest Review.

Recommendation

Pursuant to Section 18 of the *Planning Act 2016* (Chief Executive Notice – Step 6 of Stage 2), Council resolves to lodge with the Department of State Development, Manufacturing, Infrastructure and Planning Council's proposed Planning Scheme and supporting material to allow first State Interest Review to commence.

Background Information

In accordance with the Chief Executive Notice, pursuant to Section 18 of the *Planning Act 2016*, Council must give notice to the Department of State Development Manufacturing, Infrastructure and Planning (DSDMIP) requesting a state interest review of the proposed Planning Scheme. Council has now reached the stage whereby all DSDMIP's requirements as part of Stage 2 Step 6 have been met in accordance with the Chief Executive Notice. The documents included in the State Interest Review Package include; Draft Planning Scheme, Associated Mapping, State Interest Reporting and Supporting Appendices, Natural Hazards – Risk and Resilience Evaluation Report and Feasible Alternatives Assessment Report.

In consultation with their respective communities and the Queensland Government, Local Governments are responsible for preparing and maintaining their own Local Planning Scheme. Council must consider all State interests and any Regional Plan requirements. Upon receipt of the proposed Planning Scheme, the Chief Executive must give the proposed Planning Scheme to other relevant state agencies for

consideration of the effect of the Planning Scheme on State Interests, including those identified in legislation and the State Planning Policy.

The State Interest Review stage has an identified timeframe of 40 business days and upon completion must give the Local Government a notice advising of the outcome including any changes. Council will need to address any required changes imposed by the State prior to commencing the next phase of public consultation.

Link to Corporate/Operational Plan

The Planning Scheme needs to incorporate strategies and development standards that ensure specific outcomes of Council's Corporate and Operational Plans are achieved.

Consultation

Extensive consultation is required from relevant stakeholders. This includes community engagement initiatives to ensure legislative requirements are complied with. State agencies, community representative groups and the shire's residents will also be considered and incorporated into consultation strategies.

Legal Authority or Implications

Scheme preparation is a requirement of the *Planning Act 2016*.

Policy Implications

Not Applicable.

Financial and Resource Implications

This project is funded out of the Recurrent Maintenance Reserve.

Report Prepared By:

Mr. Shane Great – Manager Planning and Development.

Report Authorised By:

Mr. Nick Wellwood – Director Infrastructure, Planning and Environmental Services

Attachments

1. Not Applicable.

12 COMMUNITY DEVELOPMENT

13 ECONOMIC DEVELOPMENT

14 NOTICES OF MOTION

14.1 Letter of Support - Councillor Uli Liessmann - Proposed New Indoor Community Sports Complex - Home Hill Community Sports Club

Background Information

The Home Hill Community Sports Club has invested funds to undertake concept planning for a new Indoor Community Sports Club at Home Hill. The Club advises that the building would also be built to a Class 1 Category 5 Cyclone Shelter standard which could be used as a Cyclone Shelter and Emergency Relief Shelter when required for up to 750 persons.

The Club is seeking funding for the complex via State and/or Federal Grants and discussions have been occurring with the relevant State and Federal Members of Parliament about the Project. The Club has received advice through the State Government that any proposal for the construction of a Cyclone Shelter as part of the Club's plans would require the support of the Burdekin Shire Council and form part of its Local Disaster Management Plan.

The Club President, Mr. Bob Ford, attended a Council Workshop Meeting during May 2019 to outline details of the project and seek support from Council for a letter of support.

I believe the request should be treated as any other requested support that Council receives from time to time to demonstrate that it is proactive in new development in the Burdekin Shire.

Recommendation

That Council provide a letter of support to the Home Hill Community Sports Club for its proposed new Indoor Community Sports Club to be built on its grounds at Ninth Avenue, Home Hill which the Club advises will also be able to be used as a Category 5 Cyclone Shelter, subject to the Club confirming that the building will meet all the design criteria for this purpose.

14.2 Reallocation of Unspent Funds for Public Artwork - Councillor Uli Liessmann

Background Information

The Council allocated an amount of \$50,000 for Public Artwork in the 2018/19 budget and approx. \$19,000 will remain unspent at 30 June 2019. To assist with undertaking Public Artworks Projects across the Shire in the 2019/20 financial year, approval is sought to reallocate the remaining funds to the 2019/20 budget.

Proposed Resolution

That Council approve the remaining funds of approx. \$19,000 budgeted for Public Artwork in the 2018/19 budget to be re-allocated for use in the 2019/20 financial year.

15 CORRESPONDENCE FOR INFORMATION

Tabled Separately

16 GENERAL BUSINESS

17 CLOSED MEETING ITEMS

17.1 Confidential Report - TBSC/19/008 – Management of Burdekin Cascades Caravan Park.

17.2 Confidential Report – Annual Tenders for the Supply and Delivery of Material Goods for the Period 1 July 2019 to 30 June 2021.

18 DELEGATIONS

18.1 Australian Citizenship Ceremony

10.15am - Several members of the Burdekin Community will attend an Australian Citizenship Ceremony.