



Burdekin Shire Council

AGENDA

ORDINARY COUNCIL MEETING

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

on 13 October 2020

COMMENCING AT 9:00AM

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Burdekin Shire Council

TUESDAY 13 OCTOBER 2020

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1 PRAYER

2 DECLARATIONS OF INTEREST

3 MINUTES AND BUSINESS ARISING

3.1 Ordinary Council Meeting Minutes - 22 September 2020

Recommendation

That the minutes of the Ordinary Council Meeting held on 22 September be received as a true and correct record.



Burdekin Shire Council

MINUTES

ORDINARY COUNCIL MEETING

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

on 22 September 2020

COMMENCING AT 9:00AM



Burdekin Shire Council

TUESDAY 22 SEPTEMBER 2020

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Ordinary Council Meeting 22 September 2020



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ATTENDANCE

Councillors L.A. McLaughlin (Mayor), S.P. Perry (Deputy Mayor), K.D. Boccalatte, J.T. Bonanno, M.J. Detenon, J.A.G. Furnell and M. Musumeci

Mr. T. Brennan – Chief Executive Officer
Mr. N. O'Connor – Director Corporate and Community Services
Mr. N. Wellwood – Director of Infrastructure, Planning and Environmental Services
Mrs. K. Olsen - Manager Financial and Administrative Services (Part)
Mr. W. Saldumbide – Manager Operations (Part)
Mr. K. Byers – Manager Technical Services (Part)
Mrs. J. Thomasson – Revenue Coordinator (Part)
Mrs. L. Palmer – Accounts Payable Officer (Part)
Mr. D. Pappalardo – Technical Officer (Part)
Mr. N. Toll – Media and Communications Officer

Minutes Clerk – Miss. S. Moffat

1 PRAYER

The meeting prayer was delivered by Pastor Gerry MacManus of the Burdekin Community Church.

2 DECLARATIONS OF INTEREST

The Mayor called for declarations of interest.

No declarations of interest were identified.

3 MINUTES AND BUSINESS ARISING

3.1 Ordinary Council Meeting Minutes - 8 September 2020

Recommendation

That the minutes of the Ordinary Council Meeting held on 8 September 2020 be received as a true and correct record.

Resolution

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

CARRIED

4 EXECUTIVE

4.1 CEO

4.2 ECONOMIC DEVELOPMENT

5 CORPORATE AND COMMUNITY SERVICES

5.1 CLIENT SERVICES

5.2 COMMUNITY DEVELOPMENT

5.3 FINANCIAL AND ADMINISTRATIVE SERVICES

5.3.1 Monthly Financial Report for Period Ending 31 August 2020

Recommendation

That the Monthly Financial Report for Period Ending 31 August 2020 be received.

Resolution

Moved Councillor Detenon, seconded Councillor Musumeci that the recommendation be adopted.

CARRIED

9.12am Mr. Saldumbide and Mrs. Palmer entered the meeting.

9.14am Mr. Byers and Mr. Pappalardo entered the meeting.

5.4 GOVERNANCE

6 INFRASTRUCTURE, PLANNING AND ENVIRONMENTAL SERVICES

6.1 ENVIRONMENTAL AND HEALTH SERVICES

6.2 OPERATIONS

6.2.1 Tender Submissions Received for ACL/20/001 Pre-Qualified Suppliers for Hire of Wet and Dry Plant and Equipment and ACL/20/002 Traffic Control Providers

Executive Summary

Submissions for Approved Contractors List ACL/20/001 – Request for Pre-Qualified Suppliers for Hire of Wet and Dry Plant and Equipment and ACL/20/002 – Request for Pre-Qualified Suppliers for Traffic Control Providers (including equipment) closed at 2:00pm on 18 August 2020.

Council received 96 applications for Hire of Wet and Dry Plant and Equipment with 27 applications deemed non-conforming due to insufficient documentation being supplied with the application or submission not be lodged through VendorPanel as per Request for Tender Conditions of Contract – Register of Prequalified Suppliers for Hire of Wet and Dry Plant and Equipment, Clause 1.8 Lodgement of Offers. Of the 69 conforming applications, 37 were from local suppliers of the requested services. There were four (4) local suppliers in the 27 non-conforming submissions.

Council received seven (7) applications for Traffic Control Providers by the nominated closing time. Of these, two (2) were deemed non-conforming as insufficient documentation was supplied with the application.

Recommendation

That Council accepts the tenders as per the attached listing of suppliers for the purpose of establishing a Register of Pre-Qualified Suppliers for Hire of Wet and Dry Plant and Equipment and Traffic Control Providers for the period up to and including 30 September 2023 with an opportunity for an annual refresh at 30 September 2021 and 30 September 2022.

Resolution

Moved Councillor Musumeci, seconded Councillor Detenon that the recommendation be adopted.

CARRIED

9.26am Mrs. Palmer left the meeting.

9.29am Mr. Saldumbide left the meeting.

6.3 PLANNING AND DEVELOPMENT

6.4 TECHNICAL SERVICES

6.4.1 South Ayr Drainage

Executive Summary

To alleviate ongoing drainage issues in Robert Street, Tamarind Estate and Woods Street, Ayr it has been identified that Council require drainage easements to be acquired to secure and formalise drainage paths in the area to upgrade and increase the current drain capacity. The proposed works will only provide some localised flooding relief during low intensity rainfall events due to the area being in a flood plain and the limited capacity of the culverts crossing the railway line.

Recommendation

That Council:

1. Endorses the acquisition of easements for drainage purposes by negotiation, or compulsory acquisition if required, through Lot 62 on A2658, Lot 72 on A2658, Lot 21 on A2658 and Lot 31 A2658; and
2. Endorses the finalisation of simultaneous road opening/closures as per Attachment 2, to secure future overflow path.

Resolution

Moved Councillor Musumeci, seconded Councillor Detenon that the recommendation be adopted.

Voting on Motion

FOR – Councillor McLaughlin

AGAINST – Councillors Perry, Musumeci, Furnell, Detenon, Bonanno and Boccalatte

LOST 1/6

Resolution

Moved Councillor Musumeci, seconded Councillor Furnell that Council endorses the finalisation of simultaneous road opening/closures as per Attachment 2 of the Report, to secure future overflow path.

CARRIED

10.17am Mr. Byers and Mr. Pappalardo left the meeting.

7 NOTICE OF MOTION

8 RECEIPT OF PETITIONS

9 CORRESPONDENCE FOR INFORMATION

10.19am Mrs. Thomasson entered the meeting.

10 GENERAL BUSINESS

10.1 Acknowledgement and Appreciation of Staff for the Live at the Grounds Event

Councillors acknowledged and expressed appreciation for the efforts by staff involved in hosting the Live at the Grounds - Mega Tribute Show held on Saturday, 19 September 2020 at the Ayr Showgrounds. Feedback provided to Council indicates the event was successful and well received by the community.

10.2 Acknowledgement and Appreciation of Staff for the Volunteers Morning Tea

Councillor Perry advised the Volunteers Morning Tea held on Monday, 21 September 2020 at the Kalamia Hotel was very well organised and well received. Volunteers and visitors had expressed positive feedback regarding the new Visitor Information Centre and overall operation of the Plantation Park Precinct.

10.3 Acknowledgement and Appreciation of Staff for the Rita Island SES Day

Councillor Boccalatte advised the Rita Island SES Open Day held on Saturday, 19 September was a success. Councillor Boccalatte wished to thank Council Officers for their contribution in organising the event.

10.4 Prize Draw for Timely Rates Payment Incentive Scheme

Councillor McLaughlin conducted a random prize draw for the Timely Rates Payment Incentive Scheme. The winners of the scheme were:

1. D. Robson – Alva
2. C. Sutcliffe – Ayr
3. E.J. Lane – Home Hill
4. T. Ferraris – Ayr

10.40am Mrs. Olsen and Mrs. Thomasson left the meeting.

10.41am Meeting adjourned for morning tea.

11.01am Meeting resumed.

11 CLOSED BUSINESS ITEMS

12 DELEGATIONS

There being no further business the meeting closed at 11.10am.

These minutes were confirmed by Council at the Ordinary Council Meeting held on 13 October 2020.

MAYOR

3.2 Audit Committee Meeting Minutes - 16 September 2020

Document Information

File Reference	388
Report Author	Mrs. Rebecca Stockdale – Senior Governance Officer
Meeting Date	13 October 2020

Purpose

This report provides the Minutes of the Audit Committee Meeting held on 16 September 2020.

Summary of Recommendations and Actions for Council's Attention and Adoption:

Item 3.1

That the Audit Committee lay the Asset Management Framework and Asset Management Roadmap on the table and carry over consideration of the outstanding internal audit agreed action items to the February 2021 meeting.

Item 3.1

That all other agreed management updates pertaining to internal audit action items as tabled be accepted.

Item 4

That the Audit Committee commend the Final Financial Statements to the Mayor and Chief Executive Officer (CEO) to be signed.

Item 5

That the Audit Committee accept the Audit Closing Report.

Item 6

That the Audit Committee note the draft Annual Report.

Item 7

That the Audit Committee noted the Audit Activity Report and endorsed the agreed management actions contained in the Fraud and Corruption Control Internal Audit Report.

Item 8

That the Audit Committee Charter be circulated to Audit Committee Members and tabled at the February 2021 meeting.

Item 9

That the self-assessment survey be forwarded to Audit Committee members and management and that results are collated and reported at the Audit Committee Meeting in February 2021.

Recommendation

That:

1. the minutes of the Audit Committee Meeting held on 16 September be noted, and;
2. the recommendations as detailed in the minutes and summarised in Item 3.1 to Item 9 above be adopted.

Attachments

1. Minutes – Audit Committee Meeting – 16 September 2020

Meeting Minutes

Meeting	Audit Committee Meeting		
Date	Wednesday, 16 September 2020	Time	9:02AM
Attendees	Mr Ian Jessup – Independent Chairperson; Mr Jim Fahey – Independent Professional Member; Mr. Jim Nuttall – Independent Community Member; Councillor Sue Perry; Councillor Michael Detenon; Mr. Terry Brennan – Chief Executive Officer; Mr Nick O'Connor – Director Corporate and Community Services (part); Mr. Nick Wellwood – Director Infrastructure, Planning and Environmental Services (part); Mrs Kim Olsen – Manager Financial and Administrative Services; Mrs Kathy Cortabitarte – Financial Accountant, Systems; Mrs Rebecca Stockdale – Senior Governance Officer; Ms Hope Johnstone – Financial Accountant; Mrs Donna Sinanian – Crowe (External Audit); Via Telephone- Ms Ashita Lal – QAO; Mrs Cathy Blunt – OCM (Internal Audit Contractor).		
Apologies	Mayor Lyn McLaughlin; Ms Tracey Mayhew (Crowe)		
Chairperson	Mr Ian Jessup		
Minutes Clerk	Mrs Rebecca Stockdale		
Location	John Drysdale Chambers		

Minutes

1. Apologies

Mr. Jessup acknowledged the apologies that were received for this meeting.

2. Accept Minutes from Previous Meeting

The minutes of the previous meeting were circulated to all members via email and were accepted via response email.

Moved Cr Detenon, seconded Cr Perry that the minutes from the previous meeting be formally adopted by the Audit Committee. Carried.

3. Management Updates

3.1. Update on Outstanding Internal Audit Matters

Mr. Wellwood attended the meeting to brief the committee on the draft Asset Management Framework and Asset Management Roadmap. The two documents respond to a number of outstanding internal audit agreed management action items from the Asset Management Internal Audit completed in June 2018. It was proposed by management that the Audit Committee accept the tabled documents as substantial completion of the three outstanding internal audit matters listed in the tabled update. The committee agreed that the documents lay on the table and carry over consideration of the outstanding internal audit agreed action items to the February 2021 meeting.

The committee also accepted all other management updates from other internal audits as tabled.

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4. Financial Reporting

Ms. Johnstone briefed the committee on a number of minor changes which had been made to the draft financial statements in the preparation of the final financial statements. The audit committee noted the financial statements and made no recommendation for amendment.

Moved Mr Jessup, seconded Mr. Fahey that the Audit Committee commend the Final Financial Statements to the Mayor and CEO to be signed. Carried.

5. External Audit

The final audit closing report was circulated to members ahead of the meeting. Mrs. Sinanian briefed the committee on the key elements.

Moved Mr. Jessup, seconded Cr. Perry that the Audit Closing Report be accepted by the Audit Committee. Carried.

6. Annual Report

A copy of the draft Annual Report was circulated ahead of the meeting along with a sneak peek of the illustrated final document. Mrs Stockdale briefed the committee on key inclusions in the annual report and the process adopted to develop the draft.

The Audit committee noted the draft content and proposed format and presentation of the annual report. Mr. Fahey highlighted an error on page 28 of the draft. The committee noted the draft annual report.

7. Internal Audit

An Internal Audit Activity Report was forwarded to members ahead of the meeting. The completed Internal Audit Report for the Fraud and Corruption Control review was also provided to members ahead of the meeting. Mrs. Blunt briefed the committee on both reports.

The Audit committee noted the Audit Activity Report and endorsed the agreed management actions contained in the Fraud and Corruption Control Internal Audit Report.

8. Audit Committee Performance and Effectiveness

8.1. Review Audit Committee Charter

- Minor amendments suggested to align with adopted charter template.
- Draft revised document to be circulated to members and considered at February 2021 meeting.

8.2. Self-Assessment- Committee performance

- Self-assessment survey has been refined and simplified.
- Survey to be emailed to all members and management for completion with reminder to be forwarded a few weeks later.
- Results will be collated, and a report prepared for the next audit committee meeting in February.

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9. Other Business

Mr. Brennan briefed the committee on some current and emerging projects:

- Tenders for water supply projects for Home Hill.
- Proceeding with planning for water security projects in Ayr including reservoir and pipelines.
- Capital works program and Works for Queensland projects are progressing well.

Meeting Closed 10:20am

Agreed Recommendations to Council

Minute Item	Recommendation
3.1	That the Audit Committee lay the Asset Management Framework and Asset Management Roadmap on the table and carry over consideration of the outstanding internal audit agreed action items to the February 2021 meeting.
3.1	That all other agreed management updates pertaining to internal audit action items as tabled be accepted.
4	That the Audit Committee commend the Final Financial Statements to the Mayor and CEO to be signed.
5	That the audit committee accept the Audit Closing Report
6	That the Audit Committee note the draft Annual Report.
7	That the Audit committee noted the Audit Activity Report and endorsed the agreed management actions contained in the Fraud and Corruption Control Internal Audit Report.
8	That the Audit Committee Charter be circulated to audit committee members and tabled at the February 2021 meeting.
8	That the self-assessment survey be forwarded to Audit Committee members and management and that results are collated and reported at the Audit Committee Meeting in February 2021.

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3.3 RADF Advisory Group Meeting Minutes - 22 September 2020

Document Information

File Reference	37
Report Author	Mrs. Janice Horan – Grants and Property Officer
Meeting Date	13 October 2020

Purpose

This report provides the Minutes of the RADF Advisory Group Meeting held on 22 September 2020.

Summary of Recommendations and Actions for Council's Attention and Adoption:

Item 3 Nominations for Membership of RADF Advisory Group

That Mr John Woods be appointed to the RADF Advisory /Group for the mandatory term of four (4) years.

Item 4 RADF Budget of \$50,986 for 2020/21 year

That Council notes the 2020/21 RADF Budget and proposed timing for Round 1 of funding.

Item 5 Proposed Projects to expend remaining Council Budget and /Works for Queensland Funds

That the following whimsical artworks be installed:

- (a) Toilet Block (Version 1) on northern entrance to Brandon (\$712);
- (b) Giru Artwork on premises at 16 Carey Street (\$2,881);
- (c) Revised concept for premises at 80 Queen Street, Ayr (TBC);
- (d) Side wall of premises at 131-133 Edward Street, Ayr (\$3,066);
- (e) Side wall of premises at 178 Queen Street, Ayr (\$3,066);
subject to owner's permission being received.

Item 6 Re-allocation of RADF Funds of \$10,000

That RADF funds of \$10,000 originally proposed for "Sculpted by Fire" and Burdekin Cultural Fair be re-allocated to the 2020 Community Christmas Carols.

Recommendation

That:

1. the minutes of the RADF Advisory Group Meeting held on 22 September 2020 be noted, and;
2. the recommendations as detailed in the minutes and summarised in 3 to 6 above be adopted.

Attachments

1. Minutes – RADF Advisory Group Meeting Minutes – 22 September 2020

Meeting Minutes

Meeting	RADF Advisory Group Meeting		
Date	Tuesday, 22 September 2020	Time	4.00 PM
Attendees	Cr Lyn McLaughlin, Cr Sue Perry, Cr John Bonanno, Mr David Cornwell (Manager Community Services), Mrs Treena List, Mrs Coral Colquhoun		
Apologies	Nil		
Chairperson	Cr Sue Perry		
Minutes Clerk	Mrs Janice Horan		
Location	Ernie Ford Board Room		

Minutes

1. Welcome

Cr Sue Perry opened the meeting and welcomed attendees.

2. Minutes of 23 April 2020 Meeting Received

It was resolved that the minutes of the meeting held on 23 April 2020 be received and approved as a true and accurate record.

Business Arising from Minutes

2.1 - Clause 7 – Mr Cornwell informed the meeting that further expressions of interest from Queensland consultants had been sought to undertake the Art and Cultural Strategy. He advised that expressions of interest were currently being assessed and that the expected timeframe for completion of the strategy was six months.

2.2 – Clause 9 – Cr Perry advised the meeting that the '4807' artwork had been installed in Plantation Park. She said that the removal of one sign to facilitate installation of the artwork had assisted in drawing attention to the remaining two signs.

2.3 – Clause 10 – Cr Perry advised that no further communication had been received from the owner of the former Home Hill Co-Op Building and that the owner of the building had confirmed he would provide approval to proceed with the proposed mural for the site when he was in a legal position to do so.

2.4 – Clause 12 – Cr Perry advised the meeting that lighting in Lloyd Mann Gardens had been considered as part of the Christmas Lights Plan. She advised that three other locations had been selected and that further consideration would be given to lighting in Lloyd Mann Gardens as further funds became available.

3. Nominations considered for Membership of RADF Advisory Group

The meeting reviewed two nominations received for membership of the RADF Advisory Group

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following the expiration of Ms Erin Alloway's four year term of membership.

It was agreed to recommend to Council that Mr John Woods be appointed to the RADF Advisory Group for the agreed mandatory term of four (4) years.

4. RADF Budget of \$50,986 for 2020/21 year

The meeting noted that the RADF Budget for 2020/21 was \$50,986 which included carry-over funds of \$11,486 from Round 2 of 2019/20 which did not proceed because of COVID-19 restrictions. It was also noted that nominations would be invited in mid-October for Round 1 of the RADF program for projects to be undertaken in the first half of 2021. Advertisements would be placed in print and electronic media.

It was agreed to recommend that Council notes the 2020/21 RADF Budget and proposed timing for Round 1 of funding.

5. Proposed Projects to expend remaining Council Budget and Works for Queensland Funds

Cr Perry advised the meeting that consideration had been given on projects to be undertaken to expend remaining Council Budget and Works for Queensland funds totalling approximately \$60,625. Cr Perry advised that three (3) projects had been selected:

- (a) Whimsical artwork throughout the district;
- (b) Installation of skins on shopfronts in Eighth Avenue, Home Hill; and
- (c) Design and installation of a sculpture utilising cane bins and possibly a stool of cane and "Mick" – the Sweet Days Hot Nights Mascot.

The meeting reviewed each of the proposed projects.

(Cr McLaughlin declared a potential conflict of interest and left the meeting during discussion on the proposed sculpture as a relative who owns Vass Engineering could be requested to provide concept drawings and a quotation for the project.)

The meeting agreed to recommend to Council that the following whimsical artworks be installed:

- (a) Toilet block (Version 1) on northern entrance to Brandon (\$712);
 - (b) Giru artwork on premises at 16 Carey Street (\$2,881);
 - (c) Revised concept for premises at 80 Queen Street, Ayr (TBC);
 - (d) Side wall of premises at 131-133 Edwards Street, Ayr (\$3,066);
 - (e) Side wall of premises at 178 Queen Street, Ayr (\$3,066);
- subject to owners' permission being received.

6. Re-allocation of RADF Funds of \$10,000

Cr Perry advised the meeting that a decision had been made to re-allocate RADF funds of \$10,000, originally proposed for cancelled projects of "Sculpted by Fire" and 2020 Burdekin Cultural Fair. (Clause 11 of RADF minutes of 23 April 2020). Arts Queensland had been advised of the intention to re-allocate the funds.

The meeting noted that "Sculpted by Fire" and 2020 Burdekin Cultural Fair had been cancelled due to COVID-19 restrictions.

It was agreed to recommend that RADF funds of \$10,000 originally proposed for "Sculpted by Fire" and Burdekin Cultural Fair be re-allocated to the 2020 Community Christmas Carols.

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7. Future Role of RADF Advisory Group and revised charter of Burdekin Cultural Advisory Group

Mr Cornwell updated the meeting on the future role of the RADF Advisory Group following Council's review of all Advisory Committees. It was noted that the review included an update of the charter of the Burdekin Cultural Advisory Group and the establishment of the Burdekin Community Advisory Group. (It was also noted that the scope of the Burdekin Cultural Advisory Group had been expanded to include oversight of the development and implementation of the Arts and Cultural Strategy). Cr McLaughlin advised that Councillors had been nominated on each Advisory Group and expressions of interest would also be invited from community representatives.

8. General Business

8.1 Lighting – Lloyd Mann Gardens

Cr Bonanno advised that, although he noted that lighting in Lloyd Mann Gardens had not been selected to be funded from the recent allocation of funding under the Christmas Lights Plan, he would like further consideration to be given to installation of lighting in Lloyd Mann Gardens when future funding becomes available.

There being no further business, the meeting closed at 5-15pm.

Agreed Action Items

	Action Item	Responsible Officer	Due Date	Status
1	Contact artist for revised artwork concept at 80 Queen Street, Ayr	J Horan	30/10/20	Current

Recommendations for Council Consideration

	Recommendation	Minute Item Number
1	That Mr John Woods be appointed to the RADF Advisory Group for the mandatory term of four (4) years.	3
2	That Council notes the 2020/21 RADF Budget and proposed timing for Round 1 of funding.	4
3	That the following whimsical artworks be installed: (a) Toilet block (Version 1) on northern entrance to Brandon (\$712); (b) Giru artwork on premises at 16 Carey Street (\$2,881); (c) Revised concept for premises at 80 Queen Street, Ayr (TBC); (d) Side wall of premises at 131-133 Edwards Street, Ayr (\$3,066); (e) Side wall of premises at 178 Queen Street, Ayr (\$3,066); subject to owners' permission being received.	5
4	That RADF funds of \$10,000 originally proposed for "Sculpted by Fire" and Burdekin Cultural Fair be re-allocated to the 2020 Community Christmas Carols.	6

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4 EXECUTIVE

4.1 CEO

4.1.1 Council Workshops - September 2020

File Reference 1394

Report Author Mr. Terry Brennan – Chief Executive Officer

Authoriser Mr. Terry Brennan – Chief Executive Officer

Meeting Date 13 October 2020

Link to Corporate/Operational Plan

Burdekin Shire Council Corporate Plan 2017-2022

5.3.1 Demonstrate open and transparent leadership

Executive Summary

The Council conducted two (2) workshops during the previous month on 1 and 15 September 2020, with a range of policy and operational issues discussed by Councillors and staff.

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

Recommendation

That the report on the Council workshops held on 1 and 15 September 2020 be received and noted.

Background

The Council has adopted governance arrangements which are based on it holding Council meetings on a fortnightly basis each month, with the exception of December and January each year. In conjunction with these arrangements it holds workshops with councillors on the alternate week to scheduled Council meetings.

During the past month workshops were held on 1 and 15 September 2020. The workshops covered a range of policy and operational issues. They also included presentations by external parties.

A brief summary of the issues discussed at the workshops is outlined below:

1 September 2020

- Update on Current Legal Matters
- Budget Update – Works for Queensland Projects
- South Ayr Drainage
- Requests for Various Road Closures
- Revised Declaration of Gifts, Benefits and Prizes Policy
- Revised Public Interest Disclosure Policy
- Revised Revenue Assistance (Interest Free Loans) Policy

15 September 2020

- Reef Guardian Action Plan
- Water Access Fees – Various Properties
- ‘Dial Before You Dig’ Automation
- Regional Arts Services Network and 2021 North Queensland Old Youth Artists Camp
- Community Assistance Grants – Review of Guidelines
- Water Charges – Former Ayr Racecourse
- Mackenzie-Macmillan Streets, Ayr – Intersection Options
- Burdekin Memorial Hall – Front Façade Refurbishment Options
- Review of Public Access to Computers and Internet at Shire Libraries Policy
- Review of Library Collection Development Policy

Consultation

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

Budget & Resource Implications

As highlighted in the workshop presentations

Legal Authority & Implications

N/A

Policy Implications

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

Risk Implications (Strategic, Operational, Project Risks)

Strategic Risk due to possible reputation damage if policies are not effectively developed with input and support from Councillors.

Attachments

1. N/A

4.1.2 Appointment of Acting Chief Executive Officer

File Reference 395

Report Author Mr. Terry Brennan – Chief Executive Officer

Authoriser Mr. Terry Brennan – Chief Executive Officer

Meeting Date 13 October 2020

Link to Corporate/Operational Plan

Burdekin Shire Council Corporate Plan 2017-2022

5.2.3 Build effective leadership and management capability.

Executive Summary

The Chief Executive Officer (CEO) will be taking a period of annual leave from Friday, 23 October 2020 to Monday, 2 November 2020. During the absence of the CEO on leave, the Council should appoint an Acting CEO. It is proposed that the Director Corporate and Community Services, Mr. Nick O'Connor, be appointed Acting CEO for this period.

Recommendation

That the Director Corporate and Community Services, Mr. Nick O'Connor, be appointed Acting CEO from Friday, 23 October 2020 to Monday, 2 November 2020, during the absence of the CEO on annual leave.

Background

The Chief Executive Officer, Mr. Terry Brennan, will be taking a period of annual leave from Friday, 23 October 2020 to Monday, 2 November 2020. During the absence of the CEO on leave, the Council should take action to appoint another officer to act as the CEO.

It is proposed that the Director Corporate and Community Services, Mr. Nick O'Connor, be appointed as Acting CEO during the absence of the CEO on leave.

Consultation

N/A

Budget & Resource Implications

N/A – covered within existing salaries budget.

Legal Authority & Implications

Section 195 of *Local Government Act 2009* provides for the appointment of an Acting CEO by the Council.

Policy Implications

N/A

Risk Implications (Strategic, Operational, Project Risks)

Risk that delegated powers and decision making cannot be exercised due to the absence of the CEO.

Attachments

1. N/A

4.2 ECONOMIC DEVELOPMENT

5 CORPORATE AND COMMUNITY SERVICES

5.1 CLIENT SERVICES

5.2 COMMUNITY DEVELOPMENT

5.2.1 Adoption of Revised Public Access to Computers and Internet at Shire Libraries Policy

Document Information

Referring Letter No: N/A

File No: 395

Name of Applicant: N/A

Location: Burdekin Library

Author and Title: Ms. Alexis Adams – Library Services Manager

Executive Summary

Council provides public access computers and internet access as a service at both the Council Libraries. Computer and internet access are necessary services to fulfill the information education, recreation and cultural needs of the patrons of the Libraries. Council first adopted -the Policy for Public Access to the Internet at Shire Libraries in 1997. It was updated and adopted in 2017 to provide a formally endorsed framework for computer, internet and WIFI services provided at the Shire Libraries. It has now been reviewed and updated with minor amendments.

Recommendation

That Council adopts the Public Access to Computers and Internet at Shire Libraries Policy as attached to this report.

Background Information

Council adopted an updated policy on computer and internet provision in the Shire Libraries during a full policy review in 2017. This Policy has now been reviewed. A Risk Assessment section has been added to meet current Council Policy template requirements. Some minor amendments to grammar have also been made.

Link to Corporate/Operational Plan

Burdekin Shire Council Corporation Plan 2017-2022

3.1.3 Encourage equitable access to facilities

3.3.1 Encourage increased use of community spaces and facilities

5.3.5 Improve methods of service delivery to the community based on innovation, feedback and review processes.

Consultation

Council discussed this policy at a Council Workshop on 15 September 2020.

Legal Authority or Implications

Legal considerations such as Copyright and Censorship are covered in the policy.

Policy Implications

This is a revised policy and will replace the existing “Public Access to Computers and Internet at Shire Libraries”. The policy will be updated in Council’s Policy Register and published to Council’s website.

Financial and Resource Implications

There is no additional financial implication through the adoption of this policy. Computer and Internet services costs are included in the annual budget.

Report Prepared By:

Ms. Alexis Adams – Library Services Manager

Report Authorised By:

Mr. David Cornwell – Manager Community Services

Attachments

1. Public Access to Computers and Internet at Shire Libraries

Policy Type	Corporate
Function	Arts and the Library
Policy Owner	Manager Community Services
Policy Contact	Manager Library Services
Effective Date	Click or tap to enter a date.

Purpose

This policy provides a formally endorsed framework for computer, internet and WIFI services provided through the Burdekin Shire Council Libraries.

Scope

This policy applies to all people at Council's libraries accessing the public computers, WIFI service or internet service.

Policy Statement

To ensure equitable access to the internet and efficient use of resources, Burdekin Library reserves the right to establish terms and conditions for this use and to modify these terms and conditions when and where appropriate.

By using the Library's computer or internet service, users agree to these terms and conditions contained in the 'Terms and Conditions for Computer and Internet Access' available to the users prior to accessing the services.

By using the Library's electronic resources including the internet service, users release and discharge the Burdekin Shire Council and its employees from any liability which might arise including, but not limited to, loss of data, loss of privacy, offensive or inaccurate material or damage from viruses and malicious code.

Users should be aware that the downloading of illegal information from the internet could lead to prosecution.

Censorship

In line with the statement by the Australian Library and Information Association on online content regulation, Burdekin Libraries do not filter or censor internet content. Powers of censorship are vested with Australian Federal and State Governments. Complaints about internet content must be addressed to the Australian Communications and Media Authority.

Copyright

Much of the material (including software) available on the internet is under copyright. Users should be aware that, unless otherwise permitted by the *Copyright Act 1968*, unauthorised copying of a work in which copyright subsists (including digital copying) may infringe the copyright in that work. A copyright owner is entitled to take legal action against a user who infringes his or her copyright.

Risks of Access

The Libraries are not responsible for filtering internet content or supervising internet use. Some material available on the internet is unsuitable for minors. When a user is under the age of 18 years, supervision or restriction of a child's access to the internet is the responsibility of the parent/caregiver.

The internet enables access to material that is offensive and objectionable to many members of the public. The library service cannot protect clients from information they may deem offensive. The library seeks to address community concerns by placing public computers in full public view.

The internet is a largely unpoliced domain and internet services are not secure. Therefore, users should exercise caution when submitting personal details or other information that could have the potential to be misused.

Users should be aware that communications over a wireless network are not secure. Information sent from or to a wireless connected device can be captured by anyone else with a wireless device and appropriate software.

The Libraries cannot guarantee the quality of information on the internet. It is the responsibility of the user to determine the validity, quality and relevancy of the information accessed.

Data downloaded from the internet may contain viruses. Every user is responsible for maintaining virus-checking software on their home computing or portable equipment.

Conduct

Any computer issues should be reported to Library staff immediately. Users should not attempt to 'repair' hardware or software issues.

Unacceptable conduct may lead to the suspension of Library internet privileges. Unacceptable conduct includes, but is not limited to:

- destruction or damage to Library equipment or software;
- licence infringement;
- attempting to modify or gain access to files, passwords or data belonging to others;
- executing unauthorised software on the Library computers;
- display or downloading of offensive or inappropriate material;
- behaviour that causes disruption to other users including not using headphones when accessing sites with sound;
- illegal, criminal or anti-social (intimidation, harassment, bullying) internet use;
- use of the Libraries' facilities to conduct a business;
- use of the Libraries' facilities for any illegal activity;
- abuse of, or threats to library staff;
- refusal to vacate a public computer when a booking has expired.

Abuse of posted terms and conditions will be subject to sanctions at the discretion of the Manager Library Services. Library staff will determine what constitutes a violation of this policy or the posted terms and conditions.

Fees and Charges

Council may from time to time levy charges for use by non-members. Charges may be levied for printing and other consumables. Fees and charges are reviewed annually and are available from library staff or in the Burdekin Shire Council Schedule of Fees and Charges on Council's website.

Privacy

The State Government's *Information Privacy Act 2009* requires the Burdekin Library to uphold the privacy of clients. We therefore do not actively monitor information or sites accessed by users of Burdekin Library's internet connection. Personal information gathered by Burdekin Library is used only for the purposes for

which it was originally gathered and is not disclosed to any external party, unless this is lawfully required or unless such disclosure is necessary to counter a serious threat to individual or public safety.

Exceptions

Nil.

Objectives

The objective of this policy is to promote responsible and equitable use of computers and internet in the Burdekin Libraries being consistent with library policies and National, State and Local Laws.

Risk Management

This Policy mitigates several risks associated with the provision of fair and equitable access to internet services to members of the public. The policy outlines several specific risks associated with internet access and use and identifies the responsibilities of users of this service in response to those risks.

From time-to-time as new risks arise in relation to the provision of this service, council officers will apply Council's adopted Enterprise Risk Management Framework and may conduct formal and informal risk assessments to identify high-risk usage issues and to decide on the appropriate treatments.

Legislation

Broadcasting Services Act 1992

Copyright Act 1968

Information Privacy Act 2009

Local Government Act 2009

Definitions and Abbreviations

Libraries	any library facility managed by Burdekin Shire Council.
Public Computers	any fixed or moveable device accessing internet content and other computing services managed for public use by the Libraries.
Internet Service	includes internet access provided by the Libraries through WIFI or networked computers.
WIFI	a facility allowing computers, smartphones or other devices to connect to the internet or communicate with one another wirelessly within a defined area. For this policy WIFI means the Burdekin Shire Council Library Members WIFI.

Document History and Version Control

Title of Document	Public Access to Computers and Internet at Shire Libraries Policy
Document Reference Number	LIB-POL-0003 Rev 1
Review Schedule	36 months
Council Meeting Date	Click or tap to enter a date.
Council Resolution Number	Click or tap here to enter text.

5.2.2 Library Collection Development Policy Report

Document Information

Referring Letter No:	N/A
File No:	395
Name of Applicant:	N/A
Location:	Burdekin Library
Author and Title:	Ms. Alexis Adams – Library Service Manager

Executive Summary

The Library Collection Development Policy provides a formally endorsed framework for the development and maintenance of Council's Public Library Collections. Council adopted a policy for Public Library Collection Development in 2013. It was updated and adopted in 2018 to ensure the information; educational, recreational and cultural needs of the community are considered and balanced in relation to the limitations of Library space and budget. It has now been reviewed and updated with minor amendments.

Recommendation

That Council adopts the Library Collection Development Policy as attached to this report.

Background Information

The State Library of Queensland's *Guideline for Collections* states that such a policy "should be endorsed by Council, aligned to the strategic plan and updated every two (2) years or sooner if change is required".

Council adopted an updated policy on Library Collection Development for the Shire Libraries during a policy review in 2018. This Policy has now been reviewed this year. A Risk Assessment section has been added to meet current Council Policy template requirements. Some minor amendments to grammar have also been made.

Link to Corporate/Operational Plan

Burdekin Shire Council Corporation Plan 2017-2022:

3.1.3 Encourage equitable access to facilities

3.3.1 Encourage increased use of community spaces and facilities

3.3.3 Encourage creative and cultural pursuits that enhance the community identity

Consultation

Council discussed this policy at a Council Workshop on 15 September 2020.

Legal Authority or Implications

N/A

Policy Implications

This is a revised policy and will be updated in Council's Policy Register and published to Council's website.

Financial and Resource Implications

The collections budget is provided by the State Government through the Public Library Grant.

Report Prepared By:

Ms. Alexis Adams – Library Services Manager

Report Authorised By:

Mr. David Cornwell – Manager Community Services

Attachments

1. Library Collection Development Policy

Policy Type	Corporate
Function	Arts and the Library
Policy Owner	Manager Community Services
Policy Contact	Manager Library
Effective Date	Click or tap to enter a date.

Purpose

Burdekin Library's Collection Development Policy provides a framework for the acquisition and maintenance of the library collection.

Scope

This policy applies to all library branches and library staff.

Policy Statement

Criteria for selection

The Library's objective is to provide a quality collection of resources that cater for the recreational and information needs of all sectors of the community. Issues such as the expansion in knowledge based media, changing social values, technological advances and increasing awareness of cultural differences will be considered part of the selection criteria requiring library staff to be flexible, open-minded and responsible in the evaluation of library resources considered for acquisition.

Resources should support and be consistent with the general aim of Burdekin Library.

Resources should meet the broad spectrum of community needs.

Resources may not be excluded from selection based on personal taste, moral or political viewpoints, social or ideological variance.

Biased resources may be selected to meet specific objectives and to ensure that all viewpoints are represented in the collection.

Resources will be considered for selection based on their own merit and the audience for whom it is intended. Resources are judged on the work as a whole, not on a part taken out of context.

Priority is given to resources that are popular as well as being relevant to Burdekin lifestyles and trends.

Resources should be at levels and language appropriate to the various users of the Library.

Physical form and appearance of library resources should be suited for their intended use and users.

Resources must be suitable for public lending purposes with consideration to appropriate distribution and licensing agreements.

Resources deemed important as a local historical record for present and future use will be acquired.

Multiple copies of resources may be acquired when probable usage justifies it.

Within the guidelines set by this policy, the knowledge and experience of Library staff influences the choices of the library resources, as does their familiarity with the local community, other resources available, the current collection profile and the limits of the library budget.

Methods of selection

Library resources may be purchased from library suppliers, local retail outlets, subscription agencies or through consortia arrangements with other libraries.

Where possible, library resources will be ordered utilising library profiles and selection profiles, standing orders and online ordering through allocated suppliers to ensure a regulated supply of materials.

Additional mechanisms such as staff selection and public requests will also be utilised.

Resources will not be purchased from unsolicited sources unless they are of vital local significance and comply with the specific collection statement.

Criteria by which vendors are chosen include but are not limited to type and range of stock, price of stock, discount offered, reliability and speed of supply, reporting procedures of unfilled orders, ordering and invoicing procedures, LGA approved supplier.

All procurement of library resources is managed in accordance with Council's Procurement Policy.

Access to the collection

Most of Burdekin Library's collections are available for loan to all members of the Burdekin community. Access restrictions are those required by law or government legislation. There are collections that are only available for use in the library, for example, local history resources.

Access to the Burdekin Library's collections is provided free of charge as outlined in the Australian Library and Information Association (ALIA) policy on Free Access to Information (available at www.alia.org.au/policies) and as required by the Service Level Agreement for Public Library Services between the Library Board of Queensland and the Council.

Responsibility for selection

Collection development funding is a partnership between Burdekin Shire Council and the Queensland State Government. The Library Services Manager has formal responsibility for collection development and its budget. Responsibilities and duties relating to resources selection are also delegated to other library staff referring to input from the public and other team members.

Inter-Library Loan

Burdekin Library will borrow where possible, material that is not available for purchase or which does not meet the selection criteria. Burdekin Library provides Inter-Library Loans in accordance with the industry-accepted Inter-lending Code. Conditions imposed by the lending Library apply.

Gifts and Donations

Donated materials which meet the selection criteria and which are offered without condition may be accepted. All donated materials become the property of Burdekin Library and the Library reserves the right to discard donated materials at any time and by any means which are deemed appropriate and to refuse donated materials.

The acceptance or purchase of materials for memorial donations from individuals, institutions or community organisations will be arranged with the Library Services Manager within the requirements of this 'Library Collection Development' policy. A record of memorial donations will be retained at the Library.

Censorship

The primary objective of the Burdekin Library is to facilitate free and open access to the ideas and information available on all subjects utilising all possible formats. The Library will not acquire any resources that are prohibited by law. Library staff will not censor the information selected by any member of the public. Supervision of material read or accessed by persons less than 18 years of age remains the responsibility of the parent or legal guardian.

The Burdekin Library supports the Australian Library and Information Association's (ALIA) policy statements on free access to information. ALIA policy statements are available for access at www.alia.org.au/policies

Challenged materials

Burdekin Library accepts the possibility that some people may be offended by material held in the collection. These people have a right to express their view but not to force their beliefs on other members of the community or to deface library materials to record their disapproval.

Any person disagreeing with the inclusion or exclusion of materials in the collection has the right to appeal. Complaints outlining specific concerns about library materials should initially be submitted to the Library Services Manager in writing on the relevant form. The material in question will be re-evaluated using Burdekin Library's selection criteria and a reply provided to the complainant.

Collection evaluation and maintenance

Burdekin Library will evaluate the effectiveness of the library collections through analysis of performance data and regular stocktakes. Data collection is undertaken to develop the collection appropriately and to satisfy the requirements of the Library Board of Queensland's Service Level Agreement.

An up-to-date, attractive and useful collection is maintained through a continual withdrawal and replacement process. This ongoing process is the responsibility of the Library. Withdrawn materials will be handled in a similar manner and under the same authority as donated materials. As a guide, items are identified for withdrawal when they are:

- factually inaccurate or obsolete;
- worn beyond repair;
- no longer in demand;
- superseded by a new edition or a better title on the topic;
- of no discernible literary or topical merit;
- irrelevant to the needs of the community served;
- available elsewhere through reciprocal borrowing or interlibrary loan.

Exceptions

Nil.

Objectives

Because of the volume of publishing, as well as the limitations of budget and space, the Library must have a framework within which it can work to meet the information, educational, recreational and cultural needs of the community.

The Collection Development Policy is used by Library staff in the selection of resources and also serves to acquaint the general public with the principles of selection.

The basic principles underlying the policy are:

Access – Burdekin Library will provide free, adequate and convenient access to ideas, information and creative endeavour in a variety of formats whether held within the Burdekin Library or obtained from other sources.

Equity – Burdekin Library will provide resources for all people regardless of class, gender, age, disability, ethnic origin or economic status.

Participation – Burdekin Library will be adaptable to the changing needs of the community and actively seek informed community involvement including continuous feedback from customers. The Library encourages purchase suggestions from the community.

Effective Citizenship – Burdekin Library will provide information to assist the individual or community groups to be effective citizens in the social, political, economic, cultural and natural environment in which they live. Such information is necessary to enable the individual to be aware of their civil rights to safeguard those rights and to interact effectively within society.

Cultural Relevance – Burdekin Library will endeavour to match resources with customer requirements for diversity of ethnicity, interest and experience and will also acknowledge the needs of special groups.

Creativity and Leisure – Burdekin Library will provide resources which the individual can use to foster their creative and leisure pursuits.

Education – Burdekin Library will support lifelong learning in the form of self-education, thus helping to develop economic value in the community.

Risk Management

Council is committed to applying a risk- based approach to the development and management of the Library Collection. In managing the acquisition and maintenance of the Library's Collection, officers will consider the risks associated with the usefulness and ongoing value of collection material. This policy aims to mitigate many of the other risks associated with selection of collection materials through setting clear criteria for material selection. The policy also mitigates the risks associated with access to items of historic value by stipulating access conditions, thus reducing the risk of loss of irreplaceable items. Council's Library Collection is also valued in accordance with the Asset Management Framework and is insured as part of Council's wider insurance framework.

Legislation

Libraries Act 1988

Definitions and Abbreviations

Collection	means the total accumulation of books and other materials owned by the Burdekin Shire Library, organised and catalogued for ease of access by its users.
Library	means Burdekin Library.
Resource	means an item acquired for the library collection including print material, photographs, streaming services, digital services etc.

Related Documents

Reference Number	Document Title
http://www.alia.org.au/about-alia/policies-standards-and-guidelines/statement-free-access-information	Free Access to Information
https://plconnect.slq.qld.gov.au/managing-my-library/standards-and-guidelines	Guidelines and Standards for Queensland Public Libraries
LIB-OSD-0006	Library Collection Development Operational Standard
https://www.burdekin.qld.gov.au/policies	Current Procurement Policy
http://www.alia.org.au/about-alia/policies-standards-and-guidelines/statement-public-library-services	Public Library Services
LIB-FRM-0001	Request for Reconsideration of Library Materials

Document History and Version Control

Title of Document	Library Collection Development Policy
Document Reference Number	LIB-POL-0002 Rev 1
Review Schedule	24 months
Council Meeting Date	Click or tap to enter a date.
Council Resolution Number	Click or tap here to enter text.

5.3 FINANCIAL AND ADMINISTRATIVE SERVICES

5.3.1 First Revised Budget Report 2020 - 2021

File Reference	2254
Report Author	Ms. Fiona Smith – Financial Accountant
Authoriser	Mrs. Kim Olsen – Manager Financial and Administrative Services
Meeting Date	13 October 2020

Link to Corporate/Operational Plan

Burdekin Shire Council Corporate Plan 2017- 2022:

5.3.2 Ensure Council's financial position is effectively managed;

5.3.3 Adhere to the governance framework and public reporting systems; and

5.3.4 Undertake regulatory responsibilities in accordance with legislative regulations.

Executive Summary

In accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*, Council may, by resolution, amend the budget for a financial year at any time before the end of the financial year. As required by the regulation, Council has completed a budget revision for 2020/2021 and the next two (2) financial years.

Management has completed a review of the 2020/2021 budget based on results to the end of August and estimated transactions for the remainder of the financial year. The first amended budget includes capital carryover projects and funding.

An amended budget for the 2020/2021 financial year is submitted for adoption.

Recommendation

That the amended budget and report for the period ending 30 June 2021 as tabled be adopted.

Background

The amended budget is based on best estimates of expenditure and income as provided by the relevant Managers to the end of August.

Financial Analysis

The original budget operational deficit of \$304,107 has increased to \$2,116,027 in the first budget revision. This increase is mainly attributable to the prepayment in 2019/2020 of half of the 2020/2021 Financial Assistance Grant of \$1,881,806. The opening retained surplus has increased from the original budget to the revised budget by \$175,298. The improved opening retained surplus is a result of the focus leading into the end of financial year on reducing spending unless projects were already planned and required to proceed at that time. This was done to support funding the deficit in the 2020/2021 original budget.

The budgets for Sales of Contract and Recoverable Works for Burdekin Shire Rivers Improvement Trust and Main Roads have been reduced. Both revenue and expenditure (Employee Benefits and

Materials and Services) were reduced by \$140,000 due to timing of the adoption of the contract and scope of works. This amendment has nil effect on the net result.

The introduction of the new revenue accounting standards in the 2019/2020 financial year affected the timing of recognition of grant revenue. In particular, the grant revenue from Disaster Recovery Funding Arrangements for the January 2020 event was reduced in the revised budget as it was recognised as revenue in the 2019/2020 financial year. Consequently, Operating Grants and Subsidies has reduced from the original budget. Also, a change in the timing of completion of works has resulted in a decrease to Employee Benefits and Materials and Services.

The budget revision includes a number of new operational projects which have been funded by reserves. These include the Charlies Hill scoping study, Burdekin Library garden enhancement, and a review of the boundary at Lloyd Mann Park.

Other capital expenses has a budget of (\$95,078) which reflects the actual write off of assets to September 2020. This expense is not included in the original budget as Council assumes no profit or loss on disposal or write off of assets.

The original budget resulted in retained deficits for the 2020/2021 year and following two (2) financial years in the general fund. Reserves were used to fund the retained deficits. Following changes in the revised budget the funds required to be transferred from reserves for the three years has decreased.

The 2020/2021 Capital Works Program budget has increased by \$4.7 million to \$29.0 million. The revised budget includes \$4.5 million of carryover projects representing incomplete projects from the 2019/2020 financial year.

Capital projects carried over from 2019/2020 include:

\$ 437,415	Disaster Recovery Funding Arrangements – Fiveways Road Replace Culverts
\$ 385,911	Home Hill 5ML Water Storage Reservoir
\$ 286,538	Burdekin Theatre Refurbishment and Upgrade
\$ 258,589	Sewerage Pump Stations Rising Main Upgrade Program #4 Home Hill
\$ 248,798	Sewer Reline and Manhole Rehabilitation Project
\$ 239,083	Hurricane Cliff Repeater Renewal
\$ 230,316	Construct Roundabout at Intersection of Fiveways, Kelly, Kidd and Ivory Roads, Brandon
\$ 205,698	Conlan Street Generator
\$ 200,000	Sewage Treatment Plants Rising Main Assessments
\$ 197,427	Ayr Industrial Estate McCathie Street
\$ 176,587	Ayr/Brandon Water and Wastewater Treatment Plant Macro Algal Nutrient Removal Upgrade
\$ 160,000	Civil Works Design ANZAC Park Masterplan
\$ 148,887	Home Hill Bore Pump Replacement Stage 2
\$ 112,584	Ayr Industrial Estate Expansion
\$ 110,455	Disaster Recovery Funding Arrangements – Mt Inkerman Trail Repairs
\$ 102,751	Mt Inkerman Walking Trail Extension to Mt Inkerman Road
\$ 99,598	Gateway and Town Entrance Signage Renewal
\$ 92,248	Water Meter Replacement and Upgrade Program
\$ 85,702	Water Supply Scheme Continued Implementation of SCADA Upgrade
\$ 80,000	Ayr Water Tower Replace Handrails on Top of Tower

\$ 62,000	Disaster Recovery Funding Arrangements – 2019 Event Sandy Camp Road Construction
\$ 60,000	Burdekin Library Replace Carpet
\$ 51,452	Queen Street – Mackenzie Street to Railway Street Renewal of Footpaths/Drainage
\$ 50,000	Woods Street – Upgrade Drainage from Robert/Drysdale Street Intersection to Woods Street

The below grants for capital projects were approved and are to be fully expended within the 2020/2021 financial year:

Works for Queensland COVID Round \$1.95 Million

\$ 350,000	Home Hill Water Supply Inline Ultraviolet Disinfection
\$ 310,000	Home Hill Be-Active Trail
\$ 250,000	Burdekin Theatre Decking
\$ 230,000	Queen/Railway Streets Intersection Drainage Upgrade and Footpath Renewal
\$ 226,000	Ayr Showgrounds Development Works
\$ 170,000	Footpath Renewal Program
\$ 90,000	Burdekin Memorial Hall Entrance Revitalisation Construction
\$ 80,000	Ayr SPS 01 Replace Second Pump and Motor with Submersible
\$ 70,000	Home Hill Transfer Station Replace Security Fence
\$ 54,000	Morris Creek Landing Replace Existing Amenities
\$ 50,000	Ayr Town Entrance Sign Renewal
\$ 40,000	Public WiFi Expansion
\$ 30,000	Plantation Creek Boat Ramp Amenities Refurbishment

Local Roads and Community Infrastructure Program \$620,000

\$ 380,000	Norham Road Reconstruction Airdmillan Road to Caravan Park
\$ 350,000	Anabran Road Asphalt Overlay Concrete Floodway (includes \$110,000 Council Contribution)

Other new/additional projects, funded by grants and depreciation, are detailed below:

\$ 88,492	Mobile Lighting Towers
\$ 70,000	Disaster Recovery Funding Arrangements - Flood Warning Network
\$ 45,850	Digital Billboard at Giru
\$ 30,000	Pyotts Gate Automation of Control Gate
\$ 22,000	Burdekin Memorial Hall Entrance Revitalisation Design

Consultation

The amended budget has been collated and presented by the Finance and Administrative Services Department from estimates provided by Managers, in consultation with the Chief Executive Officer and Director Corporate and Community Services.

Budget & Resource Implications

Refer to content of report.

Legal Authority & Implications

Chapter 4 of the *Local Government Act 2009*.

Section 170 of the *Local Government Regulation 2012*.

Interpretation guidance on this legislation is provided from the Department of Local Government.

Policy Implications

N/A

Risk Implications (Strategic, Operational, Project Risks)

Councils Operational Risk Register for Finance includes Ineffective Financial Management and Poor Budget Control. This budget review is a control measure listed in our risk register and helps to control risk by using a collaborative approach, management oversight, and transparent reporting to Council and the wider community.

Attachments

1. First Revised Budget Including Financial Sustainability 2020-2021

BURDEKIN SHIRE COUNCIL
Budgeted Statement of Comprehensive Income
For the periods ending 30 June

	Original Budget 2020/21 \$	Revised Budget 2020/21 \$	Forecast 2021/22 \$	Forecast 2022/23 \$
Revenue				
Rates and utility charges	40,337,955	40,356,539	41,345,498	42,335,471
Less Pensioner remissions	(320,000)	(320,000)	(320,000)	(320,000)
Net rates and utility charges	40,017,955	40,036,539	41,025,498	42,015,471
User fees and charges	2,392,822	2,349,490	2,447,478	2,496,424
Contributions	268,738	196,404	194,380	200,209
Operating grants and subsidies	5,059,738	3,242,566	4,178,218	4,063,520
Interest revenue	1,160,700	1,160,700	1,166,175	1,178,018
Sales of contract and recoverable works	1,924,000	1,784,000	1,860,000	1,897,200
Other income	342,970	468,134	365,333	372,637
TOTAL OPERATING REVENUES	51,166,923	49,237,833	51,237,082	52,223,479
Expenses				
Employee benefits	(22,021,768)	(21,852,529)	(22,146,507)	(22,557,680)
Materials and services	(16,773,102)	(16,779,571)	(15,707,453)	(15,827,640)
Depreciation and amortisation	(12,594,900)	(12,640,500)	(12,996,713)	(13,300,818)
Finance costs	(81,260)	(81,260)	(77,520)	(79,070)
TOTAL OPERATING EXPENSES	(51,471,030)	(51,353,860)	(50,928,193)	(51,765,208)
Operating surplus (deficit)	(304,107)	(2,116,027)	308,889	458,271
Capital income and expenditure:				
Capital grants and subsidies	11,739,403	15,006,003	9,306,158	6,134,158
Other capital expenses		(95,078)		
Net result for the period	11,435,296	12,794,898	9,615,047	6,592,429

BURDEKIN SHIRE COUNCIL
Budgeted Statement of Financial Position
As at the periods ending 30 June

	Original Budget 2020/21 \$	Revised Budget 2020/21 \$	Forecast 2021/22 \$	Forecast 2022/23 \$
Current Assets				
Cash and deposits	54,006,419	57,252,203	54,741,908	55,977,073
Receivables	2,820,908	1,955,570	1,955,570	1,955,570
Inventories	533,911	524,225	524,225	524,225
Other assets	1,014,426	1,683,350	1,683,350	1,683,350
	<u>58,375,664</u>	<u>61,415,348</u>	<u>58,905,053</u>	<u>60,140,218</u>
Non-Current Assets				
Receivables	342,260	342,783	342,783	342,783
Property, plant and equipment	541,009,813	542,125,836	554,164,594	558,252,247
Intangible assets	476,324	547,019	480,448	401,177
Capital work in progress	8,045,003	8,668,825	8,668,825	8,668,825
Other assets	33,709	38,470	38,470	38,470
	<u>549,907,109</u>	<u>551,722,933</u>	<u>563,695,120</u>	<u>567,703,502</u>
TOTAL ASSETS	<u>608,282,773</u>	<u>613,138,281</u>	<u>622,600,173</u>	<u>627,843,720</u>
Current Liabilities				
Trade and other payables	3,982,165	5,654,325	5,654,325	5,654,325
Provisions	5,607,322	5,545,865	5,656,781	5,769,916
Contract liabilities		469,924	229,870	229,870
Other	1,735	2,714	2,714	2,714
	<u>9,591,222</u>	<u>11,672,828</u>	<u>11,543,690</u>	<u>11,656,825</u>
Non-Current Liabilities				
Provisions	18,610,788	20,428,958	20,404,941	18,942,924
	<u>18,610,788</u>	<u>20,428,958</u>	<u>20,404,941</u>	<u>18,942,924</u>
TOTAL LIABILITIES	<u>28,202,010</u>	<u>32,101,786</u>	<u>31,948,631</u>	<u>30,599,749</u>
NET COMMUNITY ASSETS	<u>580,080,763</u>	<u>581,036,495</u>	<u>590,651,542</u>	<u>597,243,971</u>
Community Equity				
Asset revaluation reserve	312,775,138	315,584,389	315,584,389	315,584,389
Accumulated surplus/(deficiency)	267,305,625	265,452,106	275,067,153	281,659,582
TOTAL COMMUNITY EQUITY	<u>580,080,763</u>	<u>581,036,495</u>	<u>590,651,542</u>	<u>597,243,971</u>

BURDEKIN SHIRE COUNCIL
Budgeted Statement of Cash Flows
For the periods ending 30 June

	Original Budget 2020/21 \$	Revised Budget 2020/21 \$	Forecast 2021/22 \$	Forecast 2022/23 \$
Cash Flows from Operating Activities:				
Receipts				
Net rates and utility charges	40,017,955	40,036,539	41,025,498	42,015,471
Total fees and charges	2,392,822	2,349,490	2,447,478	2,496,424
Sales of contract and recoverable works	1,924,000	1,784,000	1,860,000	1,897,200
Interest revenue	1,160,700	1,160,700	1,166,175	1,178,018
Contributions	268,738	196,404	194,380	200,209
Government subsidies and grants	5,059,738	3,514,168	4,178,218	4,063,520
Other Income	342,970	468,134	365,333	372,637
	<u>51,166,923</u>	<u>49,509,435</u>	<u>51,237,082</u>	<u>52,223,479</u>
Payments				
Employee benefits	(21,820,104)	(21,852,529)	(22,029,608)	(22,438,442)
Materials and services	(16,773,102)	(16,779,571)	(15,707,453)	(15,827,640)
Finance costs	(81,260)	(81,260)	(77,520)	(79,070)
	<u>(38,674,466)</u>	<u>(38,713,360)</u>	<u>(37,814,581)</u>	<u>(38,345,152)</u>
Cash provided by / (used in) operational activities	12,492,457	10,796,075	13,422,501	13,878,327
Cash Flow from Investing Activities:				
Proceeds from sale of capital assets	380,000	365,000	450,000	450,000
Government grants and subsidies	11,739,403	15,006,003	9,306,158	6,134,158
State government subsidies and grants arising from contract assets and liabilities		(2,920,458)	(240,054)	
Payments for property, plant and equipment	(24,231,853)	(28,828,937)	(25,406,200)	(17,759,200)
Payments for rehabilitation work			(30,000)	(1,468,120)
Payments for intangibles	(40,000)	(184,423)	(12,700)	
Net cash provided by investing activities	<u>(12,152,450)</u>	<u>(16,562,815)</u>	<u>(15,932,796)</u>	<u>(12,643,162)</u>
Cash Flow from Financing Activities:				
Repayment of borrowings	(349,352)	(346,051)		
Net cash provided by financing activities	<u>(349,352)</u>	<u>(346,051)</u>		
Net Increase (Decrease) in Cash Held	(9,345)	(6,112,791)	(2,510,295)	1,235,165
Cash at beginning of reporting period	54,015,764	63,364,994	57,252,203	54,741,908
Cash at end of Reporting Period	54,006,419	57,252,203	54,741,908	55,977,073

BURDEKIN SHIRE COUNCIL
Budgeted Statement of Changes in Equity
For the periods ending 30 June

	Original Budget 2020/21 \$	Revised Budget 2020/21 \$	Forecast 2021/22 \$	Forecast 2022/23 \$
TOTAL COMMUNITY EQUITY				
Balance at the beginning of period	568,645,467	568,241,597	581,036,495	590,651,542
Increase (decrease) in net result	11,435,296	12,794,898	9,615,047	6,592,429
Balance at the end of period	580,080,763	581,036,495	590,651,542	597,243,971
 Retained Surplus/Deficit				
Balance at the beginning of period	255,870,329	252,657,208	265,452,106	275,067,153
Increase (decrease) in net result	11,435,296	12,794,898	9,615,047	6,592,429
Balance at the end of period	267,305,625	265,452,106	275,067,153	281,659,582
 Asset Revaluation Surplus				
Balance at the beginning of period	312,775,138	315,584,389	315,584,389	315,584,389
Increase (decrease) in net result				
Balance at the end of period	312,775,138	315,584,389	315,584,389	315,584,389

BURDEKIN SHIRE COUNCIL
Measures of Financial Sustainability
For the year ended 30 June

	Original Budget 2020/21 %	Revised Budget 2020/21 %	Forecast 2021/22 %	Forecast 2022/23 %
Operating Surplus Ratio				
<u>Net operating surplus</u>	-0.6%	-4.3%	0.6%	0.9%
Total operating revenue				
The extent to which operating revenue covers operational expenses.				
Target: Between 0% and 10% per annum (on average over the long term)				
Asset sustainability ratio				
<u>Expenditure on replacement assets</u>	132.3%	155.6%	128.1%	110.0%
Depreciation expense				
The extent to which the infrastructure assets are being replaced as they reach the end of their useful lives.				
Target: >90% per annum (on average over the long term)				
Net Financial Liabilities Ratio				
<u>Total liabilities - current assets</u>	-59.0%	-59.5%	-52.6%	-56.6%
Operating revenue				
Measures the extent to which the net financial liabilities of Council can be serviced by operating revenues.				
Target: <60% per annum (on average over the long term)				
Net rates and utility charges original budget prior year	39,999,369	39,999,369	40,017,955	41,025,498
Net rates and utility charges budgeted for current year	40,017,955	40,036,539	41,025,498	42,015,471
Change rates and utility changes net of discounts	18,586	37,170	1,007,543	989,973
Percentage change	0.0%	0.1%	2.5%	2.4%

5.4 GOVERNANCE

5.4.1 Audit Committee Charter 2021 Report

File Reference	388
Report Author	Mrs. Rebecca Stockdale – Senior Governance Officer
Authoriser	Mr. Nick O'Connor – Director Corporate and Community Services
Meeting Date	13 October 2020

Link to Corporate/Operational Plan

Burdekin Shire Council Corporate Plan 2017-2022:

5.3.3 Adhere to the governance framework and public reporting systems.

Executive Summary

The *Local Government Act 2009* requires Council to establish an Audit Committee. The Audit Committee serves in an advisory capacity to provide independent assurance regarding the integrity of Council's financial documents, the internal audit function and risk management framework.

The Audit Committee has recently conducted a review of their charter, in line with recent recommendations from Council's Advisory Committee Structure Review. Only minor amendments to the charter have been proposed, changing the term "decision-making" to "making of recommendations" to reflect the advisory nature of the committee.

The Charter is now presented to Council for formal adoption.

Recommendation

That Council adopts the revised Audit Committee Charter 2021 as attached to this report.

Background

The Audit Committee Charter is reviewed annually by the Audit Committee in consultation with management.

Consultation

Council's Audit Committee discussed the proposed amendments to the charter at their meeting on Wednesday, 16 September 2020.

Budget & Resource Implications

The independent members of the Audit Committee are remunerated as outlined in the charter. This amount is included in the current budget.

Legal Authority & Implications

Local Government Act 2009

105 Auditing, including internal auditing

- (1) Each local government must establish an efficient and effective internal audit function.
- (2) Each large local government must also establish an audit committee.
- (3) A large local government is a local government that belongs to a class prescribed under a regulation.
- (4) An audit committee is a committee that—
 - (a) monitors and reviews—
 - (i) the integrity of financial documents; and
 - (ii) the internal audit function; and
 - (iii) the effectiveness and objectivity of the local government's internal auditors; and
 - (b) makes recommendations to the local government about any matters that the audit committee considers need action or improvement.

Policy Implications

N/A

Risk Implications (Strategic, Operational, Project Risks)

There are no additional risk implications associated with the adoption of the Audit Committee Charter. The Charter helps to address particular operational risks of the Audit Committee by settling clear expectations related to conflicts of interest, appropriateness of discussion topics, the roles and responsibilities of members and timeliness of preparation of agenda and minutes.

The Audit Committee is also regularly briefed on Council's Enterprise Risk Management Framework and Risk Management Activities and initiatives both at Strategic, Operational and Project level.

Attachments

1. Audit Committee Charter 2021

Audit Committee Charter

2021

Purpose

The purpose of this charter is to outline the authority, composition, membership procedures, operational guidelines and responsibilities of the Audit Committee (the committee).

Authority

The committee has no executive powers, unless delegated to it by the Council through resolution.

The committee is directly responsible and accountable to Council for the exercise of its duties and responsibilities. In carrying out its duties and responsibilities, the committee must at all times recognise that primary responsibility for management of Council rests with the Chief Executive Officer.

The Audit Committee is a committee of the Burdekin Shire Council and is directly responsible to the Council. In performing its responsibilities, the committee has the authority to:

- Undertake its responsibilities in accordance with applicable local government Acts and Regulations.
- Conduct or authorise investigations into matters within its scope of responsibility.
- Request the attendance of any employee at committee meetings.
- Conduct meetings with Council's internal and external auditors, if necessary.
- Request information on any controlled entity.
- Perform other functions as directed by the Council.
- Access information, records and personnel of Council to achieve the above purpose.

Role

The role of the committee is to provide independent assurance and assistance to the Council on:

- The risk, control and compliance frameworks.
- The Council's external accountability responsibilities as prescribed in the *Local Government Act* and its *Regulations*.

The committee will provide prompt and constructive reports on its findings directly to the Council, particularly when issues are identified that could present a material risk or threat to the Council.

Relationship with CEO and Council

The Audit Committee will endeavour to have an open, transparent and accountable relationship with the CEO and Council. Recommendations and findings of the Audit Committee shall be forwarded to the CEO and Council in a timely manner and the Audit Committee act as an independent source of counsel to the CEO and Council.

It is recognised by the audit committee that the CEO has a key role in supporting the effectiveness of the audit committee through the provision of information, enabling the availability of key personnel, and the effecting and execution of decisions made by Council following recommendations from the Audit Committee.

Internal Audit

The committee will act as a forum for internal audit and oversee its planning, monitoring and reporting processes. This process will form part of the governance processes that ensure that Burdekin Shire Council internal audit function operates effectively, efficiently and economically.

Council has appointed a contract auditor, O'Connor, Marsden and Associates (OCM) to perform the functions of internal audit. A representative from OCM will have a standing invitation to attend audit committee meetings.

External Audit

The committee has no power of direction over external audit or the manner in which the external audit is planned or undertaken but will act as a forum for the consideration of external audit findings and will ensure that they are balanced with the view of management. The external auditor will have a standing invitation to attend committee meetings.

Membership

The members of the committee, taken collectively, will have a broad range of skills and experience relevant to the operations of the Council.

At least one member of the committee shall have accounting or related financial management experience, with understanding of accounting and auditing standards in a public sector environment.

Independent External Membership of the committee is by virtue of the appointed position; no delegates of any of the independent external members are permitted.

Council has resolved to establish an Audit Committee comprising of the following members to be appointed by Council:

- a) 2 councillors; and
- b) Up to three external independent persons with significant experience and skills as outlined below.

The three external members shall be selected as follows:

Independent Community Member

This member must be independent of Council and have not been an employee or elected member of Burdekin Shire Council within the past 8 years. They must be generally of good character and free of any criminal convictions. They must reside in the Burdekin Shire Local Government Area. They need not hold any particular professional qualifications but should be sufficiently experienced in business or organisational management so as to be able to participate fully in the business and functions of the committee. They must be able and willing to subscribe to Burdekin Shire Council's Code of Conduct.

Independent Professional Member

This member must be independent of Council and have not been an employee or elected member of Burdekin Shire Council within the past 8 years. They must be generally of good character and free of any criminal convictions. They need not reside in the Burdekin Shire Local Government Area. They must hold duly recognised professional qualifications in Accounting, Law, Finance, Business or Risk Management and should be sufficiently experienced in business or organisational management so as to

be able to participate fully in the business and functions of the committee. They must be able and willing to subscribe to Burdekin Shire Council's Code of Conduct.

Independent Chairperson

This member must be independent of Council and must not have been an employee or elected member of Burdekin Shire Council within the past 8 years. They must be generally of good character and free of any criminal convictions. They need not reside in the Burdekin Shire Local Government Area. They must hold duly recognised professional qualifications in Accounting, Finance, Business or Risk Management and should be sufficiently experienced in business or organisational management so as to be able to lead the business and functions of the Committee. The Chair shall also promote effective communications between the Audit Committee and Council, Chief Executive Officer (CEO), other senior management and the external auditors. The Chair shall ensure the Audit Committee meetings are run smoothly and that the views of all members are heard, and that the agenda and meeting papers properly reflect proceedings. They must be able and willing to subscribe Burdekin Shire Council's Code of Conduct.

Attendees (non-voting)

Any current Councillor of Burdekin Shire Council (including the Mayor), who is not an Audit Committee Member, may attend Audit Committee Meetings as a non-voting observer.

It is noted that the Chief Executive Officer cannot be a member of the audit committee but can attend meetings of the committee as an advisor and conduit between the committee and council officers.

Other non-voting attendees will be:

- The Manager Administration and Financial Services
- The Manager Technical Services
- The Manager Client Services
- The Coordinator of Quality and Safety
- Representative of the External Auditor (QAO) and, if a contractor is appointed by the QAO, a representative of that contractor
- Invitees (non-voting) for specific Agenda Items (as requested by the committee)

Proxy

A Councillor nominated by Council to attend in the absence of a Councillor member.

Mayor ex officio

The Mayor is an ex officio member of all Council Advisory Committees including the Audit Committee.

Recruitment and Selection of Members

The selection criteria and process for the appointment of the independent external members shall ordinarily be as follows:

1. The Council shall, through advertising, seek nominations from persons interested in being appointed to the available position. All nominees who satisfy the conditions of this charter shall be eligible for appointment.

2. The eligible persons will be interviewed by a Panel comprising the Mayor, Deputy Mayor and the Council's Chief Executive Officer who shall make recommendations to the Council.
3. Successful applicants will be required to undergo a police check.
4. Following receipt of recommendations from the Panel, the Council may appoint the independent external member by resolution.

Tenure

To allow for knowledge continuity the independent external members will be appointed for a term of four years, after which they will be eligible for extension or re-appointment for a further four years at the discretion of Council, following a review of their performance.

The position of Independent Community Member will become vacant in November of the year of a local government election.

The position of Independent Professional Member will become vacant in March of the year following a local government election.

The position of Independent Chairperson will become vacant in April two years after a local government election.

The maximum number of consecutive terms an independent external member can be a member of the committee without the need for calling for further nominations is two (2) terms. Council shall retain complete discretion in relation to offering a second term and shall take into consideration the performance of the independent member.

Vacancy

In the case of resignation from the committee by an independent external member, the Council is to appoint another independent external member as soon as is possible in accordance with the process set out above. This member's term will be served in accordance with the above term of office provisions regardless of when the appointment takes place.

Meetings and Attendance

The committee will meet at least four times each financial year and will adopt a meeting schedule each calendar year.

The committee has the authority to convene additional meetings as circumstances require.

Attendance at each meeting shall be in person, unless prior approval has been granted by the Audit Committee Chair to attend via teleconference.

Representatives from the external auditor (QAO, or their contracted auditor) are permitted to attend each meeting either in person or via teleconference.

Meeting agendas will be prepared and provided in advance to members. The committee should determine its own agenda, with input from officers, ensuring appropriate consultation to include emerging issues and emphasis on the most significant risks and threats.

As soon as practicable after the meeting, a written report about the matters reviewed at the meeting and the committee's recommendations will be provided to the Council for consideration and adoption.

Responsible Officer: Senior Governance Officer(10009)

Effective Date: 2/10/2020

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At a meeting of the audit committee—

- (a) a quorum is at least three members of the committee; and
- (b) either—
 - (i) the chairperson presides; or
 - (ii) if the chairperson is absent, the member chosen by the members present as chairperson for the meeting presides.

Making of Recommendations

The committee is expected to discuss agenda items and come to a consensus about the recommendations it makes to Council. Recommendations are to be recorded in the minutes and will be submitted to Council via a meeting report, with a copy of the minutes of the meeting, immediately following email acceptance of the minutes by all members. Should the committee not be able to reach consensus on a recommendation in relation to an agenda item, each member of the committee shall be entitled to one vote only. In the case of an equality of votes on any issue, the Chair shall have the casting vote.

Conflicts of Interest and Ethical Practices

Members are required to declare any interests that could constitute a real, potential or perceived conflict of interest with respect to participation on the committee. The declaration must be made on appointment to the committee and in relation to specific agenda items at the outset of each committee meeting, and be updated as necessary. Members of the Audit Committee must conduct themselves in a way which is considered appropriate and promotes a culture of ethical behaviour.

Confidentiality

All information acquired during a member's term of office on the Audit Committee is confidential to Burdekin Shire Council and should not be disclosed either during the membership or after termination (by whatever means) to third parties except as permitted by law and with prior clearance from the Chair of the committee.

Minutes

- Secretariat support for the audit committee meetings will be the responsibility of the CEO.
- The secretariat, in consultation with the Chair, will prepare and send notices of meetings and agendas and accurately transcribe all decisions of the committee.
- The secretariat will disseminate all correspondence, reports, briefing papers and other information relevant to the committee's activities and operations.
- Completed minutes shall be forwarded by the secretariat to the Chair within 3 working days of the Audit Committee Meeting for approval.
- The Chair is to respond to the secretariat with approval or alterations within 2 working days.
- Minutes with any amendments from the Chair are then to be forwarded to all committee members via email.
- Committee members are to indicate their agreement that the minutes are correct via a response email- where no response has been provided, it will be taken that the member agrees with the minutes as they stand.
- Approved minutes are to be circulated to all committee members and attendees as well as being presented to council to be received and adopted at the earliest possible ordinary council meeting.

Responsible Officer: Senior Governance Officer(10009)

Effective Date: 2/10/2020

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Undertakings

The committee will undertake the following:-

- (a) monitor and review—
 - (i) the integrity of financial documents; and
 - (ii) the internal audit function; and
 - (iii) the effectiveness and objectivity of the local government's internal auditors;
- (b) make recommendations to the Council about any matters that the audit committee considers need action or improvement;
- (c) review each of the following matters—
 - (i) the internal audit plan for the internal audit for the current financial year;
 - (ii) the internal audit progress report for the internal audit for the preceding financial year including the recommendations in the report and the actions to which the recommendations relate;
 - (iii) a draft of the local government's financial statements for the preceding financial year before the statements are certified and given to the auditor-general under section 212 of the *Local Government Regulation 2012*;
 - (iv) the auditor-general's audit report and auditor-general's observation report about the local government's financial statements for the preceding financial year.

In undertaking the above responsibilities, the committee may carry out the following:

Financial Statements

- Review the appropriateness of accounting policies adopted by the Council and ensure the accounting policies adopted are relevant to the Council and its specific circumstances.
- Review the appropriateness of significant assumptions and critical judgements made by management, particularly around estimations which impact on reported amounts of assets, liabilities, income and expenses in the financial statements.
- Review the financial statements for compliance with prescribed accounting and other requirements.
- Review, with management and external auditors, the results of the external audit and any significant issues identified.
- Exercise caution by questioning and seeking full and adequate explanations for any unusual transactions and their presentation in the financial statements.
- Ensure that assurance with respect to the accuracy and completeness of the financial statements is given by management.

Internal Control

- Understand the scope of internal and external auditors' review of internal control and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- Have final authority to review and approve the annual internal audit plan and all major changes to the plan.
- Monitor the effectiveness of the internal audit function on an ongoing basis.
- Receive and review Internal Audit reports.
- Review the findings and recommendations of internal audit and the response to them by management.
- Review the implementation of internal audit recommendations accepted by management.

External Audit

- Review the findings and recommendations of external audit (including from performance audits) and the response to them by management.
- Review the implementation of external audit recommendations accepted by management and where issues remain unresolved ensure that satisfactory progress is being made to mitigate the risk associated with audit's findings.
- The appointment of the external auditor is controlled by the Auditor General and not by Council. The Committee therefore has limited opportunity to influence the scope of work of the auditor.
- Review the external auditors' proposed audit scope and approach.
- Monitor the progress of actions proposed in relation to significant findings and recommendations made by the external auditors.
- The audit committee will act as a forum for the consideration of external audit findings and will ensure that they are balanced with the views of management.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies and any auditor observations.

Risk Management

- Review Council's framework for managing and monitoring enterprise wide risk and evaluate whether management have addressed, considered and managed risks throughout the organisation.
- Gain an understanding of the current areas of greatest financial and operational risk and how management is managing these effectively.
- Regularly review the Council's Risk Register to identify areas of significant risk and determine if appropriate controls or treatments are being applied to eliminate or mitigate those risks.
- Identify areas of risk not adequately addressed or not identified in current action plans and recommend investigation into those areas for Risk Assessment purposes.

Reporting

The audit committee Chair will prepare an annual report to the Council summarising the performance and achievements for the previous year.

Remuneration

The independent members of the Committee will be entitled to fees for preparation and attendance at the meetings of \$781.06 (excluding GST) per meeting. This will cover all preparation time and meeting

attendance as well as expenses for travel and reasonable out of pocket disbursements. The independent chairperson will be entitled to fees for preparation and attendance at meetings of \$1562.15 (excluding GST) per meeting. Meeting fees shall be indexed annually from 1 July and will be consistent with any percentage increase decided by the Local Government Remuneration Commission. Council reserves the right to review the audit committee members' remuneration rates from time to time to determine alignment with industry norms.

Evaluation of Committee Activities

The committee will undertake a self-assessment of its performance for the previous twelve months in February each year.

Review of Charter

The charter will be reviewed annually by the committee to ensure it remains consistent with the committee's authority, objectives and responsibilities.

Once reviewed by the Audit Committee, the Charter is to be presented to Council for adoption.

5.4.2 Annual Report 2019/2020

File Reference 439

Report Author Mrs. Rebecca Stockdale – Senior Governance Officer

Authoriser Mr. Nick O'Connor – Director Corporate and Community Services

Meeting Date 13 October 2020

Link to Corporate/Operational Plan

Burdekin Shire Council Corporate Plan 2017-2022:

5.3.1 Demonstrate open and transparent leadership.

Executive Summary

Under the *Local Government Regulation 2012* Council is required to prepare an Annual Report for each financial year. The 2019/2020 Annual Report has been compiled to fairly represent Council's achievements throughout the financial year that contribute to meeting the strategic intents outlined in the adopted Burdekin Shire Council Corporate Plan 2017-2022. The report also displays all required statutory information in a logical, sequential manner making this information easier to locate in the final report.

The Annual Report also includes the General-Purpose Financial Statements, the current year Financial Sustainability Statement, the Long-Term Financial Sustainability Statement and a Community Financial Report which all demonstrate Council's stable financial position.

Recommendation

That Council adopts the Annual Report 2019/2020 as per the attachment.

Background

All Local Governments must prepare Annual Reports to discharge their public accountability responsibilities. As a communication tool, the Annual Report provides a broad range of information to Council's stakeholders and rate payers on the services provided by Council, the activities completed, and the financial performance during the past financial year. Council's Annual Report allows ratepayers, the community, and the wider public to assess how we have performed in relation to stewardship of community assets, and the efficiency, effectiveness and cost-effectiveness of operations.

Consultation

All Managers and Directors were involved in providing information for the Annual Report. Other relevant officers throughout the organisation were required to gather and provide necessary content according to statutory reporting requirements. A copy of the Draft Annual Report was provided to Council's Audit Committee for review and consideration at the meeting held on Wednesday, 16 September 2020. Council's Financial Statements were also endorsed by the Audit Committee at this meeting. The final copy of the Annual Report was also forwarded to the external Auditor for their review.

Budget & Resource Implications

There are no budget or resource implications associated with the adoption of the Annual Report. In previous years, Council arranged for printed copies of the report to be produced and mailed to government departments and other stakeholder groups. As the report can be accessed easily in digital format, limited hard copies will be produced in-house with no additional expense to Council.

Legal Authority & Implications

The Department of Local Government, Racing and Multicultural Affairs have published an Annual Report Compliance Checklist. With the adoption of the Annual Report at this meeting and the subsequent publication to Council's website, all necessary compliance measures have been met.

Local Government Regulation 2012

182 Preparation of annual report

- (1) A local government must prepare an annual report for each financial year.
- (2) The local government must adopt its annual report within 1 month after the day the auditor-general gives the auditor-general's audit report about the local government's financial statements for the financial year to the local government.
- (3) However, the Minister may, by notice to the local government, extend the time by which the annual report must be adopted.
- (4) The local government must publish its annual report on its website within 2 weeks of adopting the annual report.

Policy Implications

N/A

Risk Implications (Strategic, Operational, Project Risks)

A Project Plan was developed and endorsed for the development of the Annual Report. The Project Plan outlined the risks of timeliness, accuracy and compliance with legislation. The development and execution of the Project Plan has ensured the identified risks were effectively managed and the resulting Annual Report document has been delivered within the agreed timeframes, includes all statutory information and is accurate.

Attachments

1. Annual Report 2019/2020



Burdekin Shire Council

2019/20 ANNUAL REPORT



Burdekin
Shire Council



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Our Achievements

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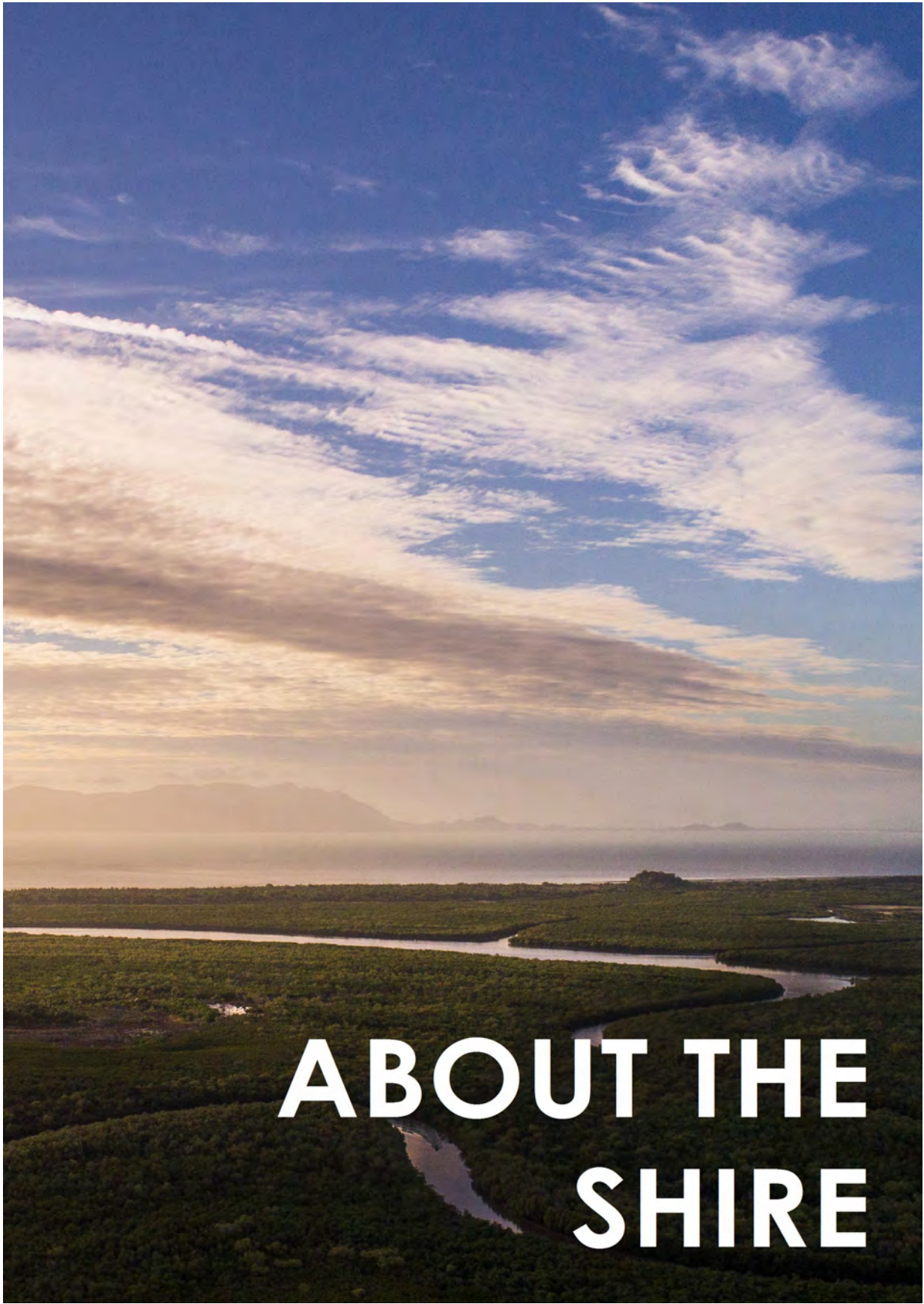
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SHIRE PROFILE

Welcome to the Burdekin, where unspoilt natural beauty meets a thriving rural community right on the doorstep of the Great Barrier Reef.

LOCATION

Situated on the mighty Burdekin River delta 80km South of Townsville and 100km North of Bowen, Burdekin Shire is in the heart of the dry tropics.

GEOGRAPHY

Bordered by Townsville City Council to the North, Charters Towers Regional Council to the West and Whitsunday Regional Council to the South, Burdekin Shire boasts rich, fertile soils, abundant water supplies and pristine coastlines.

LOCAL GOVERNMENT AREA

5,052.5 square kilometres.

POPULATION

16,971 (Australian Bureau of Statistics, 2019).

ECONOMY

In 2017/18, key sectors contributing to the Burdekin economy included: agriculture, forestry and fishing; manufacturing; healthcare and social assistance; retail trade; construction; and education and training.

CLIMATE

The Burdekin's daily average temperature ranges from 25°C to 32°C with 300 days of sunshine per year and an average annual rainfall of 1,060mm.





**Burdekin Shire Council respectfully
acknowledges the Bindal and Juru people of the
Birri Gubba Nation as the traditional custodians
of the land on which we live and work.**



MAYOR'S REPORT

Welcome to the 2019/20 Annual Report - Council's opportunity to celebrate and reflect on milestones from the previous financial year whilst meeting the legislative requirement of reporting to State Government.

It is an understatement when I say the past 12 months have been like none in the Burdekin's history. However, when faced with adversity, our incredible community's strength and resilience shine through.

As you read this report, I hope you are filled with pride at the innovative thinking, strategic planning and progressive works undertaken to ensure the Burdekin Shire continues to be an ideal place to live, work, play and invest.

To begin the 2019/20 Annual Report, I would like to acknowledge the dedication and hard work of both terms of Councillors, past and present, for their commitment to represent the best interests of all Burdekin residents. The work undertaken by the previous Council in the 2016-20 term will not go unnoticed, as it ensured Council was in a stable financial position prior to the announcement of a global pandemic in March 2020, whilst ensuring Council delivered services and infrastructure. Despite no direct impact on the Burdekin for three-quarters of the financial year, the short-term effects of COVID-19 required long-term solutions, with Council operations and services adapting quickly. Upon their induction, the incoming Councillors for the 2020-24 term rose to the challenge, delivering a 2020/21 budget with a clear focus on the essential services of Council and no increase to rates and charges in response to COVID-19.

The Burdekin has had a lot to celebrate over the past 12 months. In September 2019, Plantation Park Nature Play was officially opened following a lot of planning and the tireless work of Council staff, Councillors, community members, and key stakeholders bringing the vision to life and creating a one-of-a-kind play space suitable for all ages and abilities. A short walk from Plantation Nature Play, the Burdekin Visitor Information Centre was relaunched. The new centre, a converted semi-trailer, is now able to travel to significant festivals and exhibitions in the

region to promote the Burdekin Shire, and allows the centre to be moved to higher ground in the event of flooding. The Burdekin Visitor Information Centre refurbishment, carpark, irrigation and landscaping were supported by the Queensland Government through the Works for Queensland program and other Local Government funding programs.

Also, in September 2019, Council adopted a Customer Service Charter. The charter states that Council will: actively engage and listen to you; acknowledge your enquiry; provide you with accurate information and advice; be accountable; and go above and beyond to obtain the best possible outcome for customers and the community.

Burdekin Industry Breakfasts also returned this financial year, featuring presentations from Evolution Mining and the Townsville Manufacturing Hub, plus an introduction to the draft Burdekin Economic Development Strategy. The strategy was open for community consultation in 2019, before *Outlook 2025: Burdekin Economic Development Strategy 2020-25* was adopted by Council, outlining key industries and economic potential across the Shire over the next five years.

Community consultation also occurred for the draft ANZAC Park Master Plan, developed by Ross Planning. The draft featured an SS Yongala themed water play space, a pump track, sporting fields and more, and received a significant amount of feedback from the community. The master plan was the first of several park master plans in the design stage, with drafts for several Home Hill parklands due to be released in the coming financial year.

Community events continued to be well-supported



across the Burdekin including:

- Seniors Week, marked with an expo and luncheon;
- Queensland Road Safety Week, which welcomed representatives from the Department of Transport and Main Roads to the Burdekin Visitor Information Centre for a range of information and giveaways;
- Burdekin Mental Health Week, with author talks, a movie night, and a *Pilates and Pancakes* event;
- National Recycling Week, which was celebrated with a series of social media videos featuring students from East Ayr State School discussing what can and can't be recycled;
- Australia Day, marked by music performances, a citizenship ceremony and recognition of the 2020 Burdekin Citizens of the Year;
- Alva Beach Clean Ups in October and March, collecting roughly 300kg of rubbish;
- *Are You Ready Expo* held in November to prepare residents for cyclone season, and;
- Community Christmas Carols in ANZAC Park with special guest Chynna Taylor.

Then 2020 arrived in spectacular fashion.

At the end of January, the Burdekin district experienced an unprecedented localised flooding event following a period of significant concentrated rainfall. This event was testament to the swiftness of the Burdekin Local Disaster Management Group (LDMG), mobilising quickly with no advance warning of the event and meeting regularly to assess the situation and respond accordingly.

The LDMG was called together again just weeks later, when it became evident that novel coronavirus COVID-19 had become an issue of international significance. I want to thank the Townsville Hospital and Health Service and Queensland Health for hosting information sessions and workshops with the LDMG and community leaders in the Burdekin to ensure they had a thorough understanding of the virus and the response required. In 2019/20, the Burdekin reported no community transmission with only one positive case of COVID-19 (someone returning from overseas). This is no doubt due to the dedication of our entire community doing their part to slow the spread by following all additional hygiene and physical distancing directions.

Due to restrictions imposed nationally in response to the pandemic, all sections of our community were impacted, and it was no different at Council. While our focus was on the continuity of delivery of essential services, we also worked to ensure the safety of staff through workforce planning and the public through the introduction of new COVID Safe Plans and safety measures. Council staff were distributed between Council's Chambers, Depot, the Burdekin Multi-Purpose Hall, and their own homes in order to limit face-to-face interactions.

Virtual became the word of the year, with a shift to online services. Ordinary Council Meetings were livestreamed to Council's Facebook and YouTube pages while the public gallery was closed. The Burdekin Library continued community engagement through weekly Storytime videos on their Facebook page, and Council launched a *Happy Healthy Home* initiative encouraging locals to remain physically and mentally healthy while in isolation.

The Burdekin reached larger audiences than ever before during COVID-19 restrictions, with an April Fool's post changing the names of Home Hill and Ayr to *Stay at Home (Hill)* and *Breathe Fresh Ayr* reaching over half a million people; while the annual *Sweet Days, Hot Nights Festival* also went virtual over a three week period, with more than 120,000 viewers tuning in for the series of videos including a premiere of the 2020 First Fire filmed by drone.

In closing, I would like to sincerely thank all 10 Councillors, Chief Executive Officer Mr Terry Brennan, Directors, Senior Leadership Team, and all Council staff who I feel privileged to have worked with during this past year. Your continued focus on working collaboratively for the advancement of the community (Burdekin Shire and its people) is a constant inspiration.

If we take anything away from the past 12 months, it is this: the Burdekin is strong. We are resilient. And we are a community like no other.

Cr Lyn McLaughlin

Mayor



OUR COUNCILLORS

2016 – March 2020



Cr Lyn McLaughlin - Mayor

Cr McLaughlin served on numerous boards, groups and committees. She was Council's representative on:

Aerodrome Advisory Group (Chair)	Community Grants Panel
Bowen-Burdekin Local Marine Advisory Committee	District Disaster Management Group
Burdekin Cultural Advisory Group (Chair)	NQ Regional Organisation of Councils
Burdekin Local Disaster Management Group (LDMG)(Chair)	NQ Regional Roads and Transport Group
Burdekin Shire Rivers Improvement Trust (Deputy Chair)	NQ Sports Foundation
Burdekin Water Futures (Chair)	Reef Guardian Councils



Cr Sue Perry - Deputy Mayor

Cr Perry was Council's representative on:

Audit Committee
 Agr. Chamber of Commerce
 Burdekin Cultural Advisory Group
 Burdekin Neighbourhood Centre Association
 Burdekin Shire Rivers Group (Chair)
 Lower Burdekin Water Board



Cr Ted Bawden

Cr Bawden was Council's representative on:

Burdekin Community Association
 Burdekin Road Safety Advisory Committee
 Burdekin Seniors' Advisory Group (Chair)
 Rural Health Consultative Committee



Cr John Bonanno

Cr Bonanno was Council's representative on:

Burdekin Be Active Advisory Committee
 Burdekin PCYC
 Carols By Candlelight Committee
 Community Grants Panel
 RADF Advisory Group



Cr Tony Goddard

Cr Goddard was Council's representative on:

Aerodrome Advisory Group
 Burdekin LDMG
 Burdekin Liquor Accord
 Burdekin Road Safety Advisory Committee (Chair)
 Local Waste Management Advisory Committee
 NQ Waste Reduction and Recycling Plan Group
 Reef Guardian Councils



Cr Uli Liessmann

Cr Liessmann was Council's representative on:

Beachmount Reserve Management Group
 Lower Burdekin Landcare Group
 Community Grants Panel
 Home Hill Chamber of Commerce
 RADF Advisory Group (Chair)



Cr John Woods

Cr Woods was Council's representative on:

Audit Committee
 Burdekin Bowen Integrated Floodplain Management Advisory Committee
 Burdekin Cultural Advisory Group
 Burdekin LDMG
 Burdekin Shire Rivers Improvement Trust
 Regional Tourism Working Group of Townsville Enterprise Ltd

OUR COUNCILLORS

April 2020 Onwards



Cr Lyn McLaughlin - Mayor

Cr McLaughlin serves on numerous boards, groups and committees. She is Council's representative on:

Burdekin LDMG (Chair)
Burdekin Shire Rivers Improvement Trust (Deputy Chair)
Burdekin Water Futures (Chair)
District Disaster Management Group
NQ Regional Organisation of Councils (Chair)
NQ Regional Roads and Transport Group
Reef Guardian Councils



Cr Sue Perry - Deputy Mayor

Cr Perry is Council's representative on:

Audit Committee
Burdekin LDMG (Deputy Chair)
Community Grants Panel
RADF Advisory Group



Cr Kaylee Bocalatte

Cr Bocalatte is Council's representative on:

Aerodrome Advisory Committee
Burdekin Shire Rivers Improvement Trust
Lower Burdekin Water Board



Cr John Bonanno

Cr Bonanno is Council's representative on:

Biosecurity Plan Working Group
Home Hill Chamber of Commerce
NQ Sports Foundation
RADF Advisory Group



Cr Michael Detenon

Cr Detenon is Council's representative on:

Audit Committee
Ayr Chamber of Commerce
Bowen-Burdekin Local Marine Advisory Committee
Reef Guardian Councils



Cr John Furnell

Cr Furnell is Council's representative on:

Burdekin Community Association
Burdekin LDMG
Burdekin Neighbourhood Centre Association
Waste Management Advisory Committee



Cr Max Musumeci

Cr Musumeci is Council's representative on:

Burdekin-Bowen Integrated Flood Plain Management Advisory Committee
Burdekin Landcare Group
Burdekin Road Safety Advisory Committee
Community Grants Panel

CHIEF EXECUTIVE OFFICER'S REPORT

The 2019/20 financial year has been an extraordinary one as a result of the impacts of the COVID-19 pandemic and the massive disruptions caused to our way of life. Council had to respond to these impacts by activating its Business Continuity Plan in order to maintain service delivery to the community.

This required regular adjustments to our business operating model, with some areas of Council significantly impacted by the restrictions implemented to curb the spread of the virus. As a result, new and innovative ways had to be implemented to engage with the community and various online solutions were developed, including the delivery of some Library services virtually and the staging of the *Sweet Days Hot Nights Festival* this year as a virtual event over a three-week period.

During the early stages of the pandemic the 2020 Local Government elections were held in Queensland. In the Burdekin Shire this resulted in the election of four new Councillors along with two existing councillors and the Mayor. The new Council had to hit the ground running given the social and economic impacts of COVID-19 on the community and a well planned induction program was delivered by staff to assist them in their roles.

Despite the disruptions caused by COVID-19, the Council still achieved some major milestones during the year. These include the adoption of a new economic development strategy, *Outlook 2025: Burdekin Economic Development Strategy 2020-25*.

One of the strategic projects identified in the strategy is the development of more industrial land in the Shire and Council took the first steps in this regard with the purchase of land in Ayr adjacent to the existing Industrial Estate to enable its expansion. Planning approvals and detailed engineering designs have been completed and Council is now seeking funding to assist with the provision of the necessary infrastructure for the project.

Council invested in the upgrading of its IT systems during the year by moving its core software applications to the Cloud. This will provide the platform for enhanced mobility of operations for the workforce, particularly field based staff.

During the year we also undertook a consultative exercise with the staff to develop a new set of organisational values. There was good engagement from staff in this process and the final set of values reflects their collective input, which will enhance ownership of the adopted values.

Whilst COVID-19 caused disruptions to our operations, the workforce was still able to deliver the majority of the capital works program for the year. The overall program was in excess of 80% complete at 30 June 2020 and the roads and drainage program 90% complete, which is an excellent result given the disruptions that occurred to supply chains during the later part of the financial year. Ongoing improvements were made to our planning and monitoring processes to assist with delivery of the program.

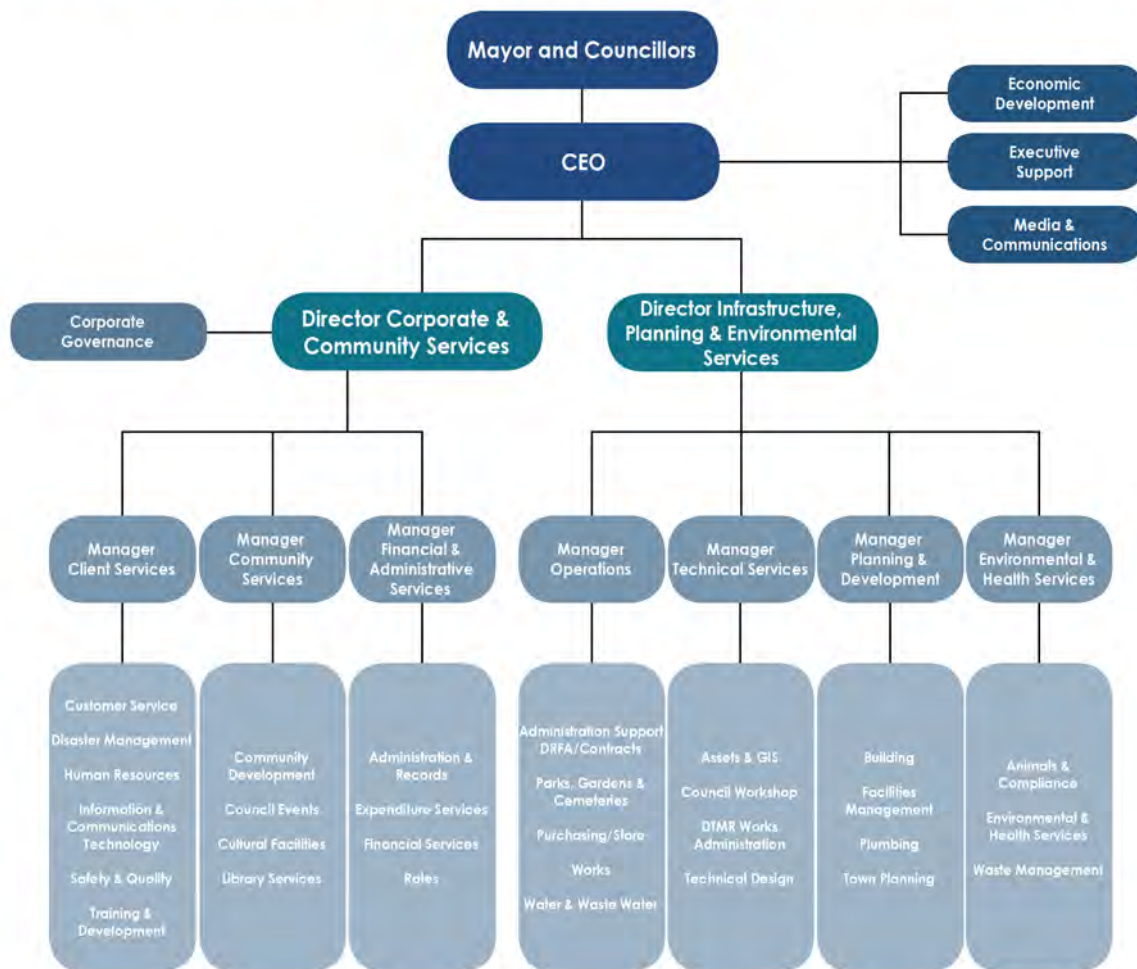
Some of the key priorities for next year include securing infrastructure funding for the Ayr Industrial Estate and the Macro-Algal Bioremediation projects, adoption of the new Planning Scheme following completion of the public consultation process and any further State interest reviews, finalisation of the Coastal Hazard Adaptation Strategy, progression of works on the Ayr water resiliency project and completion of projects under the Works for Queensland 2019-21 and COVID-19 funding programs.

I express my thanks to the Mayor, Councillor Lyn McLaughlin, Councillors past and present and the staff for their support over the past year, which has been an extraordinary one in many respects.

Terry Brennan



ORGANISATIONAL STRUCTURE



ORGANISATIONAL VALUES

To achieve our mission, Council has adopted the following values:

- Customers first;
- Lead and innovate;
- Value people;
- Continuous improvement, and;
- Ideas into action.

OUR VISION

Through committed leadership Burdekin Shire Council will work with the community to create an inclusive, welcoming and healthy environment that offers a high quality of liveability for residents that is underpinned by a productive and diverse economy.

OUR MISSION

To achieve our vision through leadership, facilitation, innovation and outstanding service.

COMMUNITY FINANCIAL REPORT

The Community Financial Report is prepared to provide a simplified version of Council's financial statements for the year ended 30 June 2020 and to provide the community with a better understanding of Council's financial performance and position.

The Community Financial Report is prepared in accordance with section 179 of the *Local Government Regulation 2012*.

The report provides a summary of Council's:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flow
- Measures of Financial Sustainability

The 2019/20 financial year is the first year of the two new Australian Accounting Standards: AASB 15 *Revenue from Contracts with Customers* (AASB 15) and AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058). These two standards became effective from 1 July 2019. The introduction of these two standards has meant that all sources of revenue for Council have had to be reviewed to ensure correct timing of recognition. These standards have also resulted in a Contract Asset and a Contract Liability being recognised.

The preparation of the 2019/20 Financial Statements have had the added pressure of the COVID-19 pandemic. Management has re-evaluated any areas that required judgement or estimation and no adjustments have been deemed necessary at this time. Given the dynamic and evolving nature of COVID-19 Council will continue to monitor the impacts of the pandemic on its financial position and reflect any changes in future reporting periods.

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income summarises Council's revenue and expenditure during the financial year. The items on the statement are split into recurrent and capital. This enables the user to differentiate between the revenue and expenses associated with the day to day operations of Council and the revenue and expenses incurred in relation to Council's renewing, upgrading and building new community assets.

The difference between the total revenue and expenditure is Council's net result. The net result this year is \$4,936,094.

COUNCIL'S RESULT AT A GLANCE

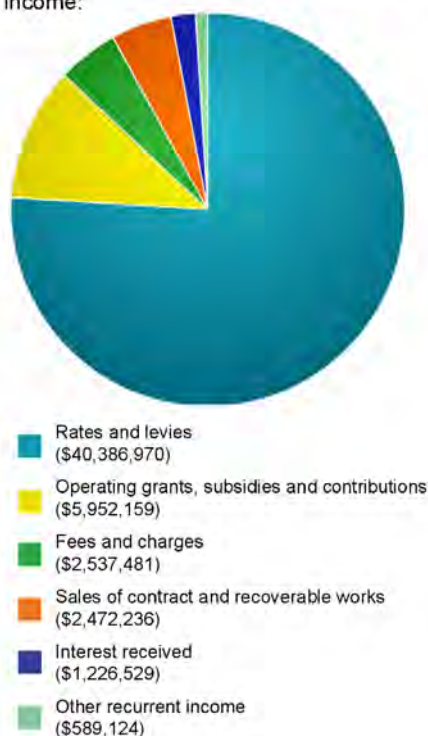
	2019/20
Recurrent (operating) income	\$53,164,499
Recurrent (operating) expenditure	\$50,763,013
OPERATING POSITION	\$2,401,486
Capital income	\$5,853,351
Capital expenses	\$3,318,743
NET RESULT	\$4,936,094

RECURRENT INCOME

Where did the money come from?

Council raised 80.74% of recurrent income from its own sources, eg. rates and levies, and fees and charges, therefore reducing Council's reliance on external sources of income. The continued support of grant funding from the State and Federal governments reduces the financial burden on ratepayers.

The following chart shows the different sources of recurrent income:

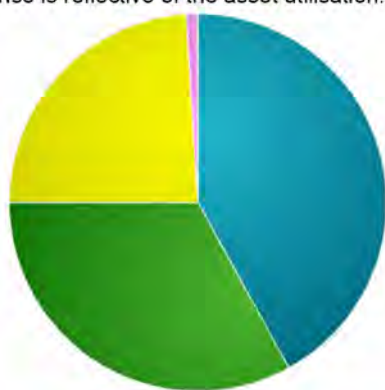


RECURRENT EXPENSES

Where was the money spent?

Council's recurrent expenses include employee benefits, materials and services, depreciation, amortisation and finance costs. These expenses are incurred in the day to day operation of Council administering corporate functions, providing services, operating community facilities and maintaining community assets. Throughout the year, these expenses are monitored to ensure compliance with Council policies and adopted budget.

Depreciation expenses reflect the reduction in the value of property, plant and equipment during an assets' useful life. Council's assets are reviewed annually taking into account the value, condition and remaining useful life. This ensures the depreciation expense is reflective of the asset utilisation.



Employee benefits
(\$21,256,466)

Materials and services
(\$16,949,690)

Depreciation
(\$12,076,446)

Finance costs
(\$412,083)

Amortisation
(\$68,328)

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position measures what Council owns (Assets) and what Council owes (Liabilities) at the end of the financial year. The difference between these two amounts is the net community wealth (Equity) of Council. Council's Financial Position at 30 June 2020 was:

What we own \$603,753,500	What we owe \$35,511,903	Total
Current assets \$67,943,349	Current liabilities \$15,082,945	Community
Non-current assets \$535,810,151	Non-current liabilities \$20,428,958	Equity
		\$568,241,597

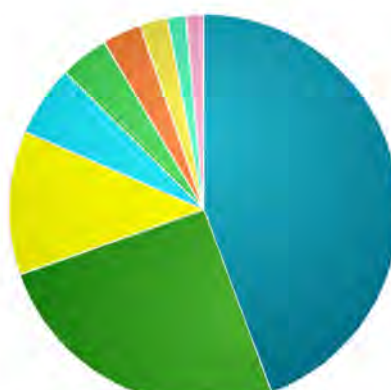
ASSETS

What do we own?

Council's assets consist of cash and cash equivalents, receivables, inventories, other assets (water consumption not yet levied and prepayments), contract assets, property, plant and equipment and intangible assets. 'Contract Assets' are new this year and represent grant revenue Council is entitled to but has not received at the end of the financial year. At 30 June 2020, Council's assets totalled \$603,753,500.

Council's most significant asset class is property, plant and equipment, which equates to 88.61% of Council's total assets.

In 2019/20, Council spent \$18,538,021 to renew, upgrade and build new community assets.



Works in progress
(\$8,218,899)

Transport (roads and bridges)
(\$4,679,645)

Plant and equipment
(\$2,219,795)

Buildings
(\$1,090,852)

Other assets
(\$746,127)

Water
(\$599,752)

Sewerage
(\$426,998)

Drainage
(\$284,426)

Land and improvements
(\$271,527)



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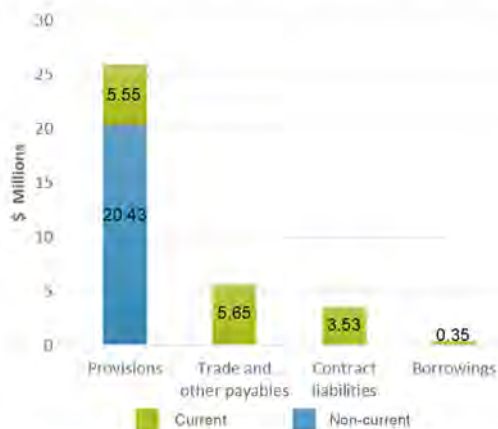
LIABILITIES

What do we owe?

Council's liabilities include borrowings, amounts owed to suppliers, provisions for future rehabilitation costs of landfill sites, amounts owed to employees both now and in the future and revenue received in advance.

There have been a number of changes to Council's liabilities this year. Annual Leave was previously classified as a payable, however it is now included in provisions. This year, prepaid rates are recognised as a payable due to the new revenue accounting standards, previously they were recognised as revenue in the year they were received. The new revenue standards have also introduced 'Contract Liabilities'. Contract liabilities are grant payments that have been received, however the work has not been completed. As with the prepaid rates, these would have been included as revenue prior to the new standards.

Council's liabilities increased in 2019/20 to \$35,511,903 due to the recognition of contract liabilities and prepaid rates as liabilities and an increase in the provision for future restoration of refuse sites.



LOAN DEBT

In accordance with the *Local Government Regulation 2012*, Council adopts an annual *Debt Policy* to ensure sound management of Council's existing and future debt. Council is mindful of the additional cost incurred by the community when assets are acquired through borrowings due to the additional costs for providing capital infrastructure. However, the use of borrowed funds enables the cost of longer life assets to be spread across the generations receiving the benefits of the assets.



There were no new loan borrowings in either the 2019/20 year or in the 10-year budget forecast. Council made principle repayments of \$1,333,036 and interest payments of \$68,774. Council's only outstanding loan is due to be fully repaid in September 2020, the outstanding debt at 30 June 2020 is \$346,051. This amount equates to \$39.32 per rateable property. This reduction from \$190.39 per rateable property in 2018/19 is reflective of the reduced loan amount outstanding.

STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity measures the change in Council's net worth over the financial year. This statement summarises the movements in the asset revaluation surplus and retained surplus. The new revenue accounting standards has resulted in an adjustment of \$4,093,811 being made to the opening balance of the retained surplus. The retained surplus increased to \$252,657,208 at 30 June 2020. The asset revaluation surplus increased to \$315,584,389 as a result of an increase on revaluation of council's assets of \$2,809,251.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows shows how Council spent and received cash throughout the year. These cash transactions are categorised in the statement as being operating, investing or financing activities. It differs from the other financial statements as it excludes non-cash items such as depreciation and amortisation. In 2019/20 Council's cash increased by \$1,636,386. Some of Council's cash is subject to external restrictions therefore limiting discretionary or future use.

FINANCIAL SUSTAINABILITY MEASURES

Financial sustainability is achieved through Council's ability to maintain infrastructure and remain financially viable over the long term. The three levels of financial sustainability outlined in section 169(5) of *Local Government Regulation 2012* are: Operating Surplus Ratio; Asset Sustainability Ratio; and Net Financial Liabilities Ratio. There are target ranges set by the Department of Local Government, Racing and Multicultural Affairs to be considered as planning tools to assess Council's current sustainability strategy over the long term and are not necessarily intended to be met each financial year.

OPERATING SURPLUS RATIO

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

Target	2020	2019	Comments
Between 0% and 10%	4.52%	5.60%	Council is within the target range for this ratio. This demonstrates that Council has been able to use operational revenue for operational expenditure. This also means that Council will be able to fund future capital expenditure while maintaining the service levels expected by ratepayers.

ASSET SUSTAINABILITY RATIO

This ratio is an approximation of the extent to which the infrastructure assets (long life assets, e.g. water, sewerage, roads, etc.) managed by Council are being replaced as they reach the end of their useful lives.

Target	2020	2019	Comments
Greater than 90%	92.36%	92.14%	Council reached the target for this ratio. Council's calculation for this ratio does not include the Plant and Equipment and Land and Improvements asset classes. Council's continued success in receiving grant funding provides the opportunity to invest in asset replacement.

NET FINANCIAL LIABILITIES RATIO

This ratio is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.

Target	2020	2019	Comments
Not greater than 60%	-61.00%	-70.10%	Council has met the requirements for this ratio. Council's current assets exceed total liabilities and therefore it has the capacity to borrow funds if required.





INTERNAL RESPONSE

The World Health Organisation (WHO) declared COVID-19 a Public Health Emergency of International Concern on 30 January 2020, before it was escalated to a pandemic on 11 March 2020, US time.

Burdekin Local Disaster Management Group (LDMG) held an extraordinary meeting on Friday 13 March, with information and advice provided to all members as well as community leaders by Queensland Health representatives. Council's Senior Leadership Group held a Business Continuity Planning meeting on Wednesday 18 March, at which a Pandemic Flu Committee was established to ensure Council's essential functions continued to operate while staff and customers remained safe. Wednesday 18 March was also the date National Cabinet announced any non-essential indoor mass gathering of more than 100 people should be cancelled, leading to the indefinite closure of the Burdekin Theatre and, one week later, the Burdekin Library.

The Pandemic Flu Committee's inaugural meeting was held on Thursday 19 March to discuss the distribution of indoor and outdoor workforces, with limits imposed on the amount of crew members per vehicle and separation of office staff working in close proximity to each other. Staff members were distributed between Council Chambers, Council Depot, the Burdekin Multi-Purpose Hall and home workstations.

Following venue closures and travel restrictions imposed by the National Cabinet, staff in several sections of Council faced a reduced workload - however the workload in other sections increased, leading to a skills register being established and all staff remaining gainfully employed with roles ranging from increased Customer Service support and IT assistance to regular sanitisation of Council buildings and design of updated signage and graphics for all Council facilities and social media channels.

Due to mass gathering restrictions, the public gallery in Council's Chambers was also closed - so all Ordinary Council Meetings during this time, including the Post-Election Meeting, were livestreamed.

Staff were provided with weekly electronic updates on the activities of the Pandemic Flu Committee to ensure they were aware of all actions being taken to keep the workplace safe and functional.



EXTERNAL RESPONSE



Council also responded quickly to support businesses affected by COVID-19, launching the *Buy In The Burdekin* campaign encouraging residents to spend money locally and support small businesses for as long as possible while they remained open. Council's Economic Development team distributed COVID-19 Impact Surveys to all business owners to ascertain the effects of the pandemic locally, as well as bright 'We're Open' signs to entice passing traffic to stop and support all those still in operation.



The Burdekin Library was one of the first in Queensland to take advantage of updated copyright arrangements from First 5 Forever allowing book readings to be broadcast for the duration of the pandemic. *Storytime Live* became a weekly occurrence on the Burdekin Library Facebook page, with a different picture book read and nursery rhyme sung at the same time each week to assist families in maintaining a routine for their children. Library staff also introduced the *Click, Collect* initiative, allowing residents to reserve items online and collect them from the Library once items had been packed for collection.



Another issue recognised early in the pandemic was a national shortage of toilet paper, which led to the *Strain Your Drain* campaign across social and local media. The campaign reminded residents that toilet paper was the only type of wipe that should be disposed of in the toilet, with wet wipes, paper towels, and anything else used in times of desperation to be bagged and disposed of in a red-lidded general waste bin.

As residents were advised to only leave their homes for essential services, Council's Community Development team launched the *Happy Healthy Home* initiative - a series of videos and infographics providing advice on how to stay physically and mentally healthy while social distancing. The series included wellbeing videos from key community groups such as the Burdekin Community Association and CORES Queensland, as well as fitness tips from various local providers.



The Burdekin's signature destination event, the *Sweet Days Hot Nights Festival*, also went virtual in order to celebrate the launch of the 2020 sugar cane crushing season despite social distancing measures. The virtual festival premiered different original videos every night for three weeks featuring festival favourites as well as mascot Mick the Cane Cutter. The virtual festival reached an audience of more than 120,000 people from not only the Burdekin but across Queensland, Australia, and as far afield as the Netherlands, the United Kingdom and United States of America.

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OUR PERFORMANCE

Council's Operational Plan 2019/20 detailed the key activities undertaken by Council to progress towards achieving the strategic objectives detailed in the adopted *Burdekin Shire Council Corporate Plan 2017-2022*.

Council's activities within the 2019/20 financial year fall into five key strategic areas and the highlights of achievements in these key areas are outlined below. A more detailed performance assessment is provided in the following chapters of this report.

INFRASTRUCTURE

- Completion of Plantation Park Nature Play and Burdekin Visitor Information Centre
- Water main extension - Drysdale Street, Ayr
- Renewal of Coutts Park playground
- Drainage culvert upgrade - Jerona
- Rural reseal program including bitumen patching and edge repairs
- Footpath, kerb, channelling and drainage works commenced - Queen Street, Ayr



ECONOMIC DEVELOPMENT

- Land purchased for Ayr Industrial Estate expansion
- Support provided to businesses following COVID-19 restrictions
- Burdekin Industry Breakfasts
- Development and adoption of *Outlook 2025: Burdekin Economic Development Strategy 2020-25*
- Virtual reality experience installed at Visitor Information Centres



SOCIAL WELLBEING

- Seniors Week - expo and luncheon held in August 2019
- ANZAC Park Master Plan adopted
- Burdekin Mental Health Week held in October 2019
- *Are You Ready Expo* held in November 2019
- Launched *Happy Healthy Home* to keep residents physically and mentally healthy
- *Click, Call & Collect* launched for safe loaning of Library books during COVID-19



ENVIRONMENT

- *Our Coast - Our Lifestyle* Coastal Hazard Adaptation Strategy launched
- Clean Ups held at Alva Beach in October 2019 and March 2020
- National Recycling Week held in November 2019
- Free dump weekend in November 2019 to prepare for cyclone season
- Pacific Biotechnologies collaboration - proposed first full-scale demonstration of macro-algal technology for wastewater treatment



ORGANISATIONAL SUSTAINABILITY

- Cloud transition completed for core ICT systems
- Customer Service Charter adopted in September 2019
- Winner - NQ LGMS Risk Excellence Award
- Delivery of Supervisor Training to 65 Coordinators, Supervisors and Leading Hands
- Implementation of *Recruitment and Selection Operational Standard*
- Implementation of *Drug and Alcohol Operational Standard*
- Enacted COVID-19 workforce planning



INFRASTRUCTURE

INFRASTRUCTURE FOR FUTURE NEEDS

Plantation Park Nature Play was officially opened in September 2019. The accessible playground features interactive water play areas, grass mounds, swings, sand play table and log climbers. The new park provides an ideal location for families to enjoy the free BBQ facilities and picnic shelters whilst children of all abilities play amongst nature.

This year, Council completed a large percentage of the annual Capital Works program including a number of roadworks and drainage projects. Works were completed to extend the useful life of the Anabranh bridge at Rita Island including applying a new waterproofing membrane between the asphalt and the bridge deck to reduce deterioration caused by the penetration of water. The Home Hill and Ayr Transfer Stations were enhanced with the reconstruction of the green waste pads and construction of swale drains (a shallow channel, lined with vegetation, used to convey stormwater) this year. The Kirknie Landfill site was the location for a series of infrastructure projects including installation of solar security cameras, construction of a resource recovery area including concrete, asphalt and clean fill stockpiles, two new groundwater monitoring bores and construction of drainage solutions for two of the leachate ponds at the landfill.

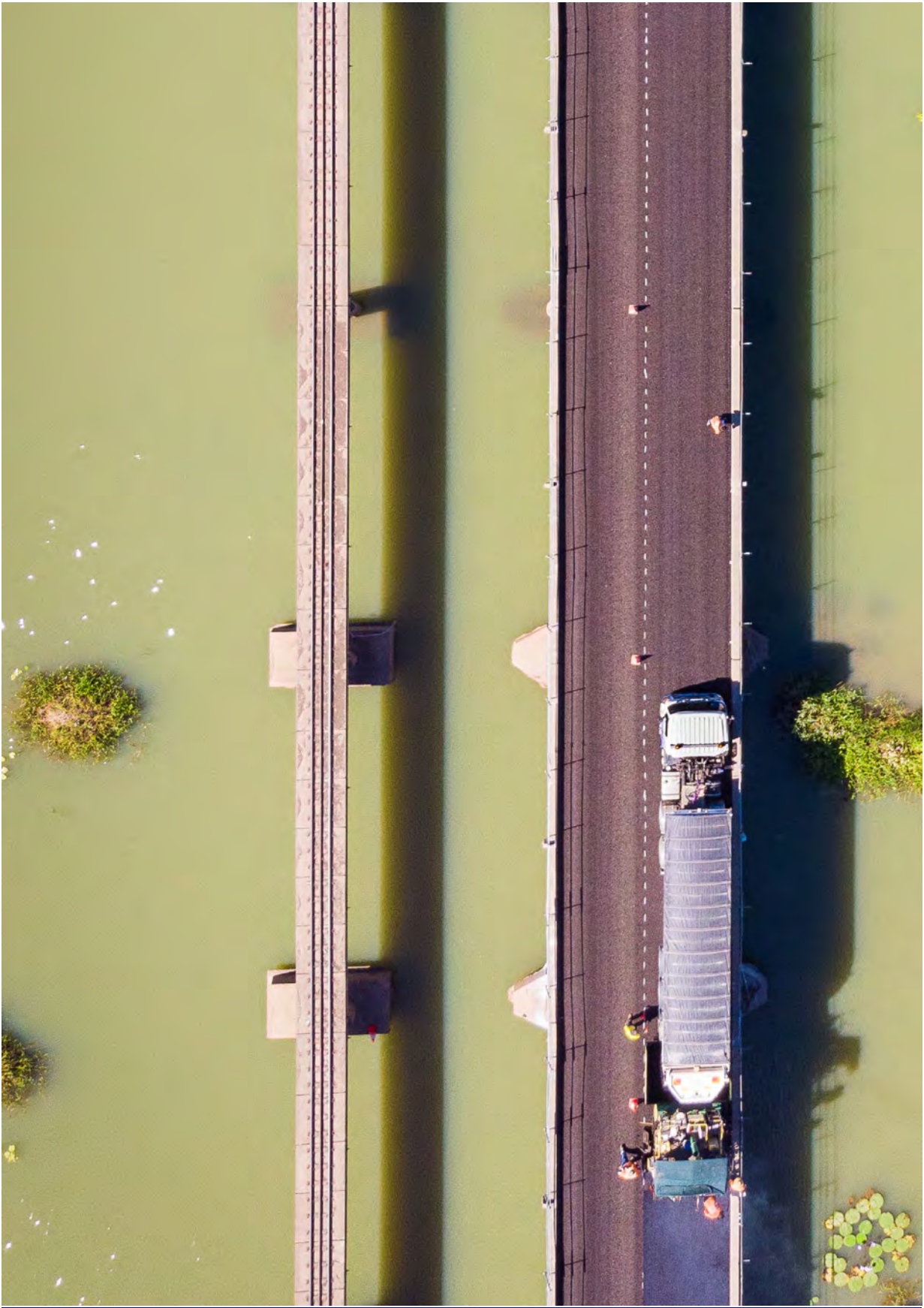
MANAGEMENT AND MAINTENANCE OF COMMUNITY ASSETS

In November, Council adopted a *Code of Operations for Cemeteries* which provides a consistent approach to the operation of cemeteries managed and maintained by Council. The Code specifies the procedures and standard for interments, and construction of memorial graves, mausoleums and vaults at the Ayr and Home Hill Cemeteries.

The Ayr Swimming Pool facility was refurbished this financial year with a major leak repaired and new scum gutters installed to improve access and filtration of the pool water. The Ayr and Home Hill Swimming Pools also had new all ability facilities installed to improve accessibility for people with disabilities and their caregivers.

Community consultation was undertaken with key stakeholders in relation to refurbishment plans for one of the Burdekin's most iconic community assets - the Burdekin Theatre. Planned refurbishment works will be undertaken over several financial years and are expected to be largely funded through grant funding such as the State Government's Works for Queensland program.





SAFE AND EFFECTIVE TRANSPORT NETWORKS

A number of footpath projects were undertaken this year including extension of the *Burdekin Be Active* walking trail. Footpath replacement and construction was undertaken on Beach Road, Ross Street, Braby Street and Clayton Street. Other footpath replacement projects included sections along Edwards Street, Sixth Street, Macmillan Street, Mackenzie Street and Young Street.

Major road construction works were undertaken at Hughes Road, Corica Road, McDowell Road and Kilrie Roads.

Council has continued to hold regular Road Safety Advisory Committee meetings throughout the year bringing together Council Officers and representatives from the local Chambers of Commerce, Queensland Police Service, the Department of Transport and Main Roads and Wilmar. The Advisory Committee provides a forum for the discussion of local road safety issues and provides recommendations to Council for consideration - helping to ensure our transport networks are as safe as possible.

SECURING AND MANAGING WATER RESOURCES

Council's Information and Communication Technology Team participated in the upgrade of Council's Water and Waste Water SCADA (Supervisory Control and Data Acquisition) system by building the required server for the SCADA system and procuring, configuring and deploying new network and backup power equipment at relevant sites. The new server and equipment will improve the capability and resilience of the water and waste water management system and the network communication links between Council's remote sites.

Council also undertook works to replace a number of water mains and investigate and install a new water bore at the Council Chambers. These works were part of a continued response to the emerging risk of PFAS (Per and Poly Fluoroalkyl Substances) detected in the water supply adjacent to Nelson's Lagoon bore field during 2018. Council's swift and sustained response included switching off affected bores, increased testing of water supply sources and mixing of water throughout the network to ensure a safe drinking water supply. Council has worked closely with the State Government to identify and fund an appropriate future plan for ensuring the water supply is sustainable into the future. Council has secured \$10 million in funding from the State Government to assist in mitigating the issues of PFAS at the Nelson's Lagoon bore field.

In Council's Waste Water area, major projects completed this year include the upgrade of sewerage

telemetry at 13 sites across the shire, refurbishment of the primary clarifier bridge at the Home Hill Sewage Treatment Plant and sewage pump station upgrades at a number of sites.

EFFECTIVELY EMPLOY TECHNOLOGY

Council completed the successful migration of core business systems to a cloud-based platform. The cloud-based technology allows for greater mobility of Council's workforce and has created a number of efficiencies across the business.

Some of the other major projects that have assisted Council to effectively employ technology this year are the virtualisation host server replacement, email security system replacement and the virtualisation of Council's phone system. Replacing the servers improves the overall performance of Council's on-premise business systems, helps ensure the availability and resiliency of those systems and provides elasticity to allow additional resources to be made available to business systems if required. The new email security system improves Council's protection against current and emerging email-based cybersecurity threats, has more functionality, gives staff more control over their emails and is less expensive. Council's physical phone system devices were replaced with a 'virtual' appliance, running on Council's virtualisation platform. The main benefit this provides is improved availability of the phone system, especially in the event of a disaster.

ECONOMIC DEVELOPMENT

EMPOWER THE COMMUNITY

The community was brought together in July 2019 when the Lexus Melbourne Cup tour allowed locals to get up close and personal with the 18-carat gold Melbourne Cup trophy. This once-in-a-lifetime opportunity was made possible by Victoria Racing Club, Burdekin Shire Council and Evolution Mining who provided the gold for the cup from their Mount Carlton mine site, 70km due south of Home Hill.

Council engaged with the community to develop a revised Economic Development Strategy which included representatives from all major companies and industry representative groups within the Shire.

Council also worked to promote all relevant training opportunities to local businesses and organisations through economic development networks.

ENCOURAGE INNOVATION

Council hosted a series of social media and digital marketing forums for small businesses to get on board and up to speed with current trends.

In February, Council officially launched the brand-new *Visit Burdekin, North Queensland* website. The website aims to provide inspiration to locals and visitors alike with lists of places, attractions, events and activities across the Shire.

In March, Council launched the *Buy in the Burdekin* campaign to help support businesses doing it tough during COVID-19. Council encouraged locals to spend their money where it counts and consider other ways to support the local economy such as buying gift cards that could be spent after restrictions eased.

STRENGTHEN NETWORKS

Council's Industry Breakfasts proved a popular way to establish and strengthen business networks within the Burdekin Shire this financial year. In September the Industry Breakfast hosted presenters from Evolution Mining, Townsville Manufacturing Hub, and SC Lennon and Associates. In February, Council presented the draft revised Burdekin Economic Strategy at an industry breakfast which also hosted speakers from Regis Aged Care and the Department of Defence. In March, Industry Breakfast attendees heard from Mr Campbell McCall, the Project Manager for the Houghton River Floodplain Project followed by Guthalungra Prawn Farm Project Manager, Mr. Peter McFarlane from Pacific Bio.

ENCOURAGE RE-INVESTMENT AND ATTRACT NEW INVESTMENT TO THE BURDEKIN

In July 2019, Council was invited to become a member of Smart Precinct North Queensland (SPNQ) Limited. The purpose of SPNQ is to set up and run an innovation hub to benefit the entrepreneur community in the region, provide practical and innovative ideas and recommendations for business start-ups and build and strengthen the regional innovation ecosystem and economy. The precinct also aims to increase regional start-up formation and business growth across the region, utilising and building on the competitive strengths of the area.

During the financial year Council has continued to progress the Ayr Industrial Estate project aimed at expanding the availability of industrial land and promote growth in the manufacturing sector. The expansion of the existing Industrial Estate will provide opportunities for new investment in the Burdekin.

Council connected with a regional aviation training provider regarding opportunities at the Ayr Aerodrome and officers attended an Aviation Industry Development workshop which was facilitated by Regional Development Australia.

PLAN AND COORDINATE OUR COMMUNITIES

In May, Council adopted *Outlook 2025: Burdekin Economic Development Strategy*. The strategy reinforces that economic development is a priority for Council and that Council is committed to being a key enabler for the Shire's economic future. The strategy was developed in consultation with key stakeholders, community members, government partners and representatives from peak industry bodies. The key objectives of the strategy include increasing employment opportunities, enhancing new industry development, growth and retention of existing business and attraction of new residents to the Burdekin Shire.

Key milestones have also been achieved in the development of a new Planning Scheme which will comply with the State Government *Planning Act 2016*. The new scheme integrates relevant State interests and will manage all types of development within the Shire. The new plan will identify and guide how land should be used in the future and what type of new developments will be supported by Council. Public feedback will be sought before the new scheme is adopted early in 2021.





SOCIAL WELLBEING

SAFE, HEALTHY, INCLUSIVE AND SOCIALLY-ENGAGED COMMUNITIES

During the first half of the financial year, Council hosted regular technology familiarisation sessions for seniors including introduction to computers and the internet and utilising tablets, e-books, audio books and other e-resources. Seniors can often feel excluded in a world full of technological advances and the *Seniors Embracing Technology* sessions support seniors to be more engaged and connected.

In August 2019, Council promoted Queensland Road Safety and Cane Train Weeks - asking all road users to make road safety their number one priority.

The global pandemic COVID-19 presented the Burdekin community with a variety of challenges. The *Happy Healthy Home* initiative was developed by Council in response to these challenges to provide tips and tricks on keeping physically and mentally healthy throughout the lockdown period and beyond. The program, which was presented through Council's social media platforms, included home fitness videos, hand-washing for children, free printable activity sheets and other helpful tips to support the community through the restrictions.

Council's Burdekin Library facilities are often a place where people gather and engage in a variety of activities. Again, due to COVID-19 restrictions, innovative alternatives had to be implemented to deliver services to the community. Council's Library staff delivered a *Click, Call and Collect* service to residents wishing to borrow books and also filmed First 5 Forever *Storytime* sessions that could be shared online while the library was closed.

STRONG COMMUNITY ORGANISATION

Throughout the year, Council has supported a range of community organisations in a variety of ways. Council's Community Grants Program has continued to provide support through the provision of grant funding and in-kind support such as the provision of rubbish bins and road closure signage. The Community Grants Program has supported organisations such as the Burdekin Readers and Writers Association, Burdekin Art Society Incorporated, Burdekin Offroaders, Burdekin Netball Association and the Rotary Club of Home Hill. Each of these organisations play a unique and important role within the community. Council has provided assistance to these organisations to deliver various events and projects that benefit the wider community.

CREATING PLACES OF COMMUNITY IDENTITY

Council's signature destination event, the *Sweet Days Hot Nights Festival* was scheduled to be hosted in May, however due to the global pandemic, the State Government imposed restrictions that meant a public event of this size was not permitted. Instead, the event was converted to a three-week virtual festival showcasing everything from the traditional First Fire event inclusive of drone footage as well as a series of videos, interviews and posts covering all aspects of the festival hosted on the *Sweet Days Hot Nights Festival* Facebook page. Festival mascot Mick the Cane Cutter joined in on the action learning how to make homemade pasta and catching up with cane cutters who missed out on competing in the 2020 *Australian Hand Cane Cutting Championships*. The virtual festival was an innovative way to keep the festival alive and raise interest, with over 120,000 people worldwide tuning in.

PROVISION OF PUBLIC SPACE

The restoration of the retaining wall in ANZAC Park in Ayr was completed early in the financial year. The new retaining wall has lifted the aesthetics of the park creating the perfect location for the annual *Community Christmas Carols* in December 2019.

In January, Council adopted the ANZAC Park Precinct Master Plan which was developed following community consultation by Ross Planning. The plan encompasses a 17.5-hectare area of land owned by Council and zoned as Open Space and Recreation. The precinct includes the Ayr Swimming Pool facility along with the existing PCYC, basketball, rugby, tennis and touch football fields along with ANZAC Park. The master plan maps out short, medium, and long-term projects which include an SS Yongala themed water play space, an outdoor stage, a pump track for skate and cycle enthusiasts, a beach volleyball court, fitness equipment circuit and more. Once completed, the precinct will offer both formal and informal recreation opportunities for people of all ages, skill levels and abilities.

With over 300 days of sunshine every year, the Burdekin Shire prides itself on beautiful parks and public spaces. In April and May, while parks were closed across the country due to COVID-19 restrictions, Council upgraded the Coutts Park playground on Beach Road in Ayr. An innovative 'You & Me Swing' was installed which allows parents and children to enjoy swinging together.

Council's Parks and Gardens crews worked hard

throughout the year keeping parks, facilities and public conveniences in top condition exceeding the targets set for response times to customer requests throughout the year.

BUILD A ROBUST AND RESILIENT COMMUNITY

Resilience and adaptability are part of the fabric of the North Queensland community. In November 2019 Council hosted the inaugural *Are You Ready Expo*. The expo showcased the depth of experience and resources available throughout all emergency services within the Burdekin and provided attendees with key information about preparedness for disaster events such as cyclones, flooding, bushfires, and earthquakes. The event was well attended and the free children's activities included a jumping castle, rock wall and face painting.

Council received grant funding from the Queensland Reconstruction Authority through the Natural Disaster Resilience Program to upgrade the flood warning network on the Burdekin River. These improvements will assist Council to deliver more accurate information to the community during flooding events.

In March, following the World Health Organisation's (WHO) declaration of the global pandemic COVID-19, Council's Local Disaster Management Group (LDMG) developed and adopted a *Pandemic Influenza Sub Plan* as part of the broader disaster management framework. The LDMG proactively monitored the COVID-19 situation as it unfolded and provided daily reports to the Townsville District Disaster Management Group with updates in relation to our community, business and farming sectors, backpacker hostels and Council's essential services.









ENVIRONMENT

BALANCING THE NEEDS OF THE COMMUNITY AND THE ENVIRONMENT

In February, Council teamed up with neighbouring councils to deliver key messages to the community about best practice recycling protocols. A video was jointly produced helping to educate residents on the simple steps required to recycle household items.

Throughout the year Council has proactively monitored mosquito breeding sites across the Shire and has undertaken larvicidal control activities to help manage mosquito numbers to improve public safety. Mosquitos can be carriers of communicable diseases such as Ross River Virus, Dengue, Malaria, Zika Virus and some forms of Encephalitis. The implementation of the *Mosquito Management Plan* has helped to control mosquitoes using cost effective and environmentally appropriate management methods.

Council's Waste Management unit have worked throughout the year to continuously improve waste management practices. This has been achieved through environmental monitoring programs at several legacy landfill sites as well as at the Kirknie Landfill site and Ayr and Home Hill Transfer Stations. This program helps to monitor ground water, surface water and/or landfill related gas at Council's known landfill sites.

A SUSTAINABLE ENVIRONMENT

Council has continued with the development of further phases of a long-term Coastal Hazard Adaptation Strategy (CHAS) through the *Our Coast - Our Lifestyle* project, supported by State Government funding for the program through the Local Government Association of Queensland. As a proactive measure for the future management of our coastal areas, this project has been undertaken to help Council better understand the current and future impacts of coastal hazards, understand vulnerabilities and risks to a range of community assets and engage with the community to understand their preferred approach to adaptation. The project has also helped to determine the cost associated with making the coastline more resilient and has helped to identify priorities and timeframes for possible resilience projects. In alignment with the Queensland Government's *QCoast2100* coastal hazard adaptation program, this project has included community consultation sessions, stakeholder engagement meetings, a new storm tide inundation study and updated assessments of erosion prone areas along our coastline.

ORGANISATIONAL SUSTAINABILITY

STRONG ENGAGEMENT WITH THE COMMUNITY

A systematic and thorough review was initiated this year examining Council's advisory committee structure. Council utilises advisory committees as a way of engaging with various sectors of the community to establish two-way communication and to identify opportunities for cooperation and collaboration. The review seeks to ensure that Council's advisory committee structure aligns with the needs of the community and the strategic focus areas of Council.

AN ORGANISATIONAL CULTURE THAT EMBRACES OUR VALUES

In August, Council adopted an organisation-wide Customer Service Charter. The charter reinforces Council's 'customer first' culture and promotes best practice across the organisation in identifying and meeting the needs of our customers both internal and external to the organisation.

Enterprise risk management and fraud and corruption control were the focus of in-house training sessions which were custom designed and delivered across Council during the financial year. Embedding effective risk management practices across all business areas of Council was a key step taken to ensure Council's organisational culture demonstrates efficiency and accountability. The fraud and corruption training focused on raising awareness of these kinds of risks and provided clear avenues for reporting any suspected wrongdoing.

COMMITMENT TO CONTINUOUS IMPROVEMENT, CUSTOMER SERVICE AND ACCOUNTABILITY

Council's Business Continuity Plans (BCPs) were reviewed and updated in the first half of the financial year and a live scenario evacuation test was carried out in December followed by a desktop test of the BCPs. This review and update process positioned Council well to respond quickly to the COVID-19 business interruption events that occurred in the second half of the financial year. Council has been able to continue to deliver essential services to the community and maintain the safety of staff.

CREATE A WORKPLACE REGARDED AS AN 'EMPLOYER OF CHOICE'

A new *Drug and Alcohol Operational Standard* was implemented during the financial year demonstrating Council's commitment to workplace safety. The standard saw the introduction of random drug and alcohol testing and all employees attended mandatory training on the new standard. Council's Supervisors, Leading Hands and Coordinators were provided with training in essential supervisory skills with the aim of improving workplace practices. A new performance review process was also introduced for senior management and other identified officers. The process includes setting performance objectives and goals and helps to ensure a high level of accountability for officers.



CORPORATE GOVERNANCE

COMPLAINTS MANAGEMENT

Council is committed to a fair and robust complaints management process. Council acknowledges that from time to time members of the public may not be satisfied with the actions taken or decisions made by Council. This financial year, a comprehensive review of Council's complaints management framework was conducted which resulted in a number of key changes to Council's *Complaints Management Policy*. An effective complaints management system allows Council to suitably respond to administrative action complaints, identify trends and implement improvements to service delivery standards. The revised policy includes an *Administrative Action Complaints Management Procedure* and a *Guideline for Handling Unreasonable Complainant Conduct*. Additionally, new measures have been introduced this year to ensure that all complaints are assessed against the *Human Rights Act 2019* and that throughout all stages of the complaints management process, including investigation findings or decisions, proper consideration will be given to human rights requirements.

ASSESSMENT OF PERFORMANCE IN RESOLVING COMPLAINTS

Throughout the year, all administrative action complaints have been managed through Council's Customer Request Management (CRM) system. Council have responded within reasonable timeframes to each of the administrative action complaints received and have provided clear communication to each complainant in relation to their complaint matter. Many of the administrative action complaints have been resolved to the customer's satisfaction through this process, however Council acknowledges that some customers have remained dissatisfied with the outcome of the complaint management process. In these instances, customers were encouraged to seek redress through an internal review of Council's decision or by contacting another authority such as the Queensland Ombudsman's office. Council's Governance Unit and Executive Leadership Team have maintained oversight of all administrative action complaint matters from receipt to resolution to ensure that appropriate action has been taken. The adjacent table outlines the number of complaints received and resolved within the financial year. Three of the complaints resolved in this financial year were made in a previous financial year.

RISK MANAGEMENT

Risk is defined as the effect of uncertainty on achieving objectives. Council's key objectives are defined in the five year Corporate Plan and annual Operational Plan. Risk management is the structured approach to identifying, evaluating and managing risk. Council's Enterprise Risk Management (ERM) Framework outlines the approach currently implemented to mitigate risks and enhance opportunities in order to achieve the strategic and operational objectives of Council.

Council have undertaken a range of projects throughout the financial year that enhance risk management practices within the organisation. Customised, in-house risk management and fraud and corruption control training was delivered throughout the organisation during this financial year. The training was aimed at raising awareness amongst staff of the ERM Framework, the types of risks Council encounters and the processes to be applied in addressing those risks.

In March, Council was selected as the winner of the NQ Local Government Mutual Services (LGMS) quarterly Risk Excellence Award for 2019/20. The award recognises outstanding efforts by Burdekin Shire Council in risk management through the 2019/20 Enterprise Risk Management Enhancement project which was a culmination of a suite of improvements across key risk management initiatives including Council's risk registers, risk management handbook, fraud and corruption control plan, business continuity plans and internal audit plan. The award included a trophy and prize money of \$20,000 that will be used for future risk management initiatives.

Administrative action complaints received 1 July 2019 – 30 June 2020	13
Administrative action complaints resolved 1 July 2019 – 30 June 2020	16
Administrative action complaints from previous financial years resolved within 2019/20 financial year	3



RIGHT TO INFORMATION AND PRIVACY

Council is committed to maintaining a culture that respects each individual's right to privacy. Council's *Privacy Policy* outlines this commitment and aims to ensure that information is collected, maintained and stored in compliance with regulatory requirements. During this financial year Council has processed all applications received under the *Right to Information Act 2009* within the required timeframes. Council has adopted a 'push' model and takes a proactive approach to the routine release of information. One of the ways that Council achieves this is via publication of information to our public website. Our *Publication Scheme* details what information is available freely.

INTEGRITY AND ACCOUNTABILITY

Section 23 of the *Public Sector Ethics Act 1994* (PSEA) requires each Annual Report to include an Implementation Statement giving details of the actions taken during the reporting period to comply with sections 15, 21 and 22 of the PSEA. The Implementation Statement for the 2019/20 reporting period is as follows:

Preparation of Codes of Conduct (s15): The Burdekin Shire Council *Code of Conduct for Workers* was approved by the CEO on 12 April 2019 following a comprehensive review and update process. The Code can be accessed by all workers via Council's Intranet site and Record Management System.

Education and Training (s21): All Council employees attended compulsory Code of Conduct training in the previous financial year.

Procedures and practices (s22): Council's administrative procedures and management practices have proper regard for the principles and values contained within the *Public Sector Ethics Act 1994* (PSEA) and the *Code of Conduct for Workers* has been modelled from the principles.

AUDIT COMMITTEE

The Audit Committee convened on five occasions throughout the financial year and addressed the following matters:

- Review of, and recommendation to Council of, the draft financial statements;
- Review of the External Audit of the 2019 Financial Statements, including discussions with the Queensland Audit Office and its contractors;
- Follow up on issues raised by the Queensland Audit Office in the 2019 Financial Audit;
- Review of draft Annual Report;
- Review of the Internal Audit activities;
- Consideration of the plan for Internal Audit activities going forward;
- Consideration of Council's Long-Term Financial Forecast;

- Consideration of Council's *Investment Policy*;
- Consideration of the Risk Management Framework;
- Consideration of disaster recovery and business continuity issues;
- Consideration of issues arising from the COVID-19 response;
- Consideration of risks associated with certain changes to Council's Information Technology operations;
- Consideration of the *Fraud and Corruption Control Plan*;
- Review of the Charter under which the committee operates;
- Review of the External Audit of the 2020 Financial Statements, including discussions with the relevant officers of the Queensland Audit Office and its contractors;
- Consideration of issues relating to the valuation of Council-owned infrastructure and other assets.

INTERNAL AUDIT

Internal audit is an independent and objective assurance activity guided by a philosophy of adding value to Council's activities and services. The internal audit function assists Council in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of Council's risk management, control and governance processes. Council utilised the services of an external contractor, O'Connor Marsden & Associates to fulfil the internal audit function throughout the financial year.

During the 2019/20 financial year the following internal audits were completed:

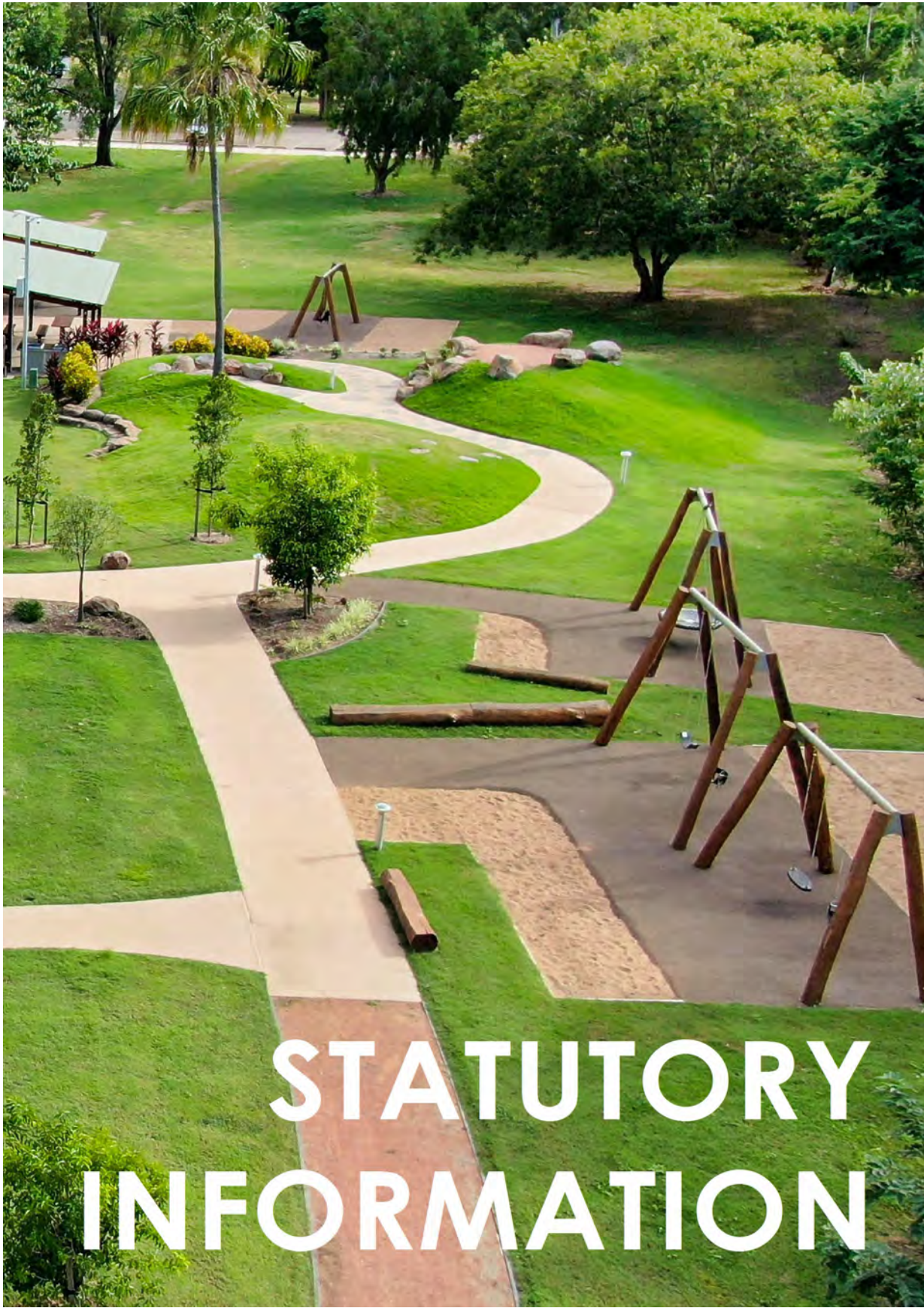
- Risk Management Framework Review;
- Information Technology General Controls;
- Development Application Process Review.

Reports from each of the audits were presented to Management and the Audit Committee outlining the findings, implications and recommendations from each audit conducted. Regular updates have been routinely reported to the Audit Committee throughout the year regarding progress toward implementing the agreed management action items from each previous audit. The internal audit contractor has continued to monitor and confirm improvement actions that have been implemented.

PUBLIC INTEREST DISCLOSURES

The *Public Interest Disclosure Act 2009* clearly details Council's responsibilities to effectively identify and deal with matters that may meet the definition of a Public Interest Disclosure (PID). Council's PID Program operates in conjunction with the Complaints Management System and Fraud and Corruption Control Plan and is overseen by the Governance Unit.





STATUTORY INFORMATION

This section of the report contains information which is prescribed by the *Local Government Act 2009* and *Local Government Regulation 2012* to be disclosed in Council's Annual Report for the period.

LOCAL GOVERNMENT ACT 2009

s41: Beneficial Enterprises

Council did not conduct any beneficial enterprises within the 2019/20 financial year.

s45: Significant Business Activities

(a) During the 2019/20 financial year Council operated the following Business Activities:

- Waste Collection
- Water
- Sewerage

(b) None of the above activities satisfied the statutory threshold for classification as a significant business activity.

(c) The competitive neutrality principle was not applied as Council does not have any significant business activities.

(d) Council did not commence any new business activities within this period i.e. all the listed business activities were also conducted in the preceding financial year.

s201: Remuneration paid to Senior Management Employees

The value of remuneration packages of senior management employees was: \$759,922.

Pay band	Number of Executive employees within band
\$150,001 - \$250,000	2
\$250,001 - \$350,000	1

LOCAL GOVERNMENT REGULATION 2012

s183: Financial Statements

(a) The general purpose financial statement is shown on pages 48 to 76.

(b) The current year financial sustainability statement is shown on page 80.

(c) The long-term financial sustainability statement is shown on page 84.

(d) The auditor-general's audit reports about the general purpose financial statement and current-year financial sustainability statement are shown on pages 77 to 79 and 81 to 83.

s184: Community Financial Report

The Community Financial Report for the period is shown on pages 14 to 17.

s185: Particular Resolutions

(a) A copy of resolutions made under Section 250 of the *Local Government Act 2009*.

On 9 July 2019, Council made the following resolution:

Recommendation

That the Council adopt the amended Councillor Expense Reimbursement Policy as per the attachment to the Chief Executive Officer's report.

Resolution

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

CARRIED

(b) On 11 June 2019, in accordance with Section 206(2) of the *Local Government Regulation 2012*, Council resolved to adopt a revised *Non-Current Asset Accounting Policy*. The Policy is effective from 1 July 2019. The policy details the classes of non-current physical assets and sets the 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. The below table, from the adopted *Non-Current Asset Accounting Policy*, details the thresholds for each asset type.

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 and fittings	\$5,000
All other assets (including intangible assets)	\$5,000

s186: Councillors

(a) Remuneration and superannuation payments to Councillors during 2019/20 financial year were:

Councillor	Mayor	Deputy Mayor	Councillor	Phone and Data	TOTAL	12% Superannuation
Bawden, Ted	-	-	\$41,924.39	\$463.33	\$42,387.72	\$5,030.96
Boccalatte, Kaylee	-	-	\$11,124.79	\$136.66	\$11,261.45	\$1,334.98
Bonanno, John	-	-	\$53,049.18	\$600.00	\$53,649.18	\$6,365.94
Detenon, Michael	-	-	\$11,124.79	\$136.66	\$11,261.45	\$1,334.98
Furnell, John	-	-	\$11,124.79	\$136.66	\$11,261.45	\$1,334.98
Goddard, Tony	-	-	\$41,924.39	\$463.33	\$42,387.72	\$5,030.96
Liessmann, Uli	-	-	\$41,924.39	\$463.33	\$42,387.72	\$5,030.96
McLaughlin, Lyn	\$106,100.02	-	-	-	\$106,100.02	\$12,731.94
Musumeci, Max	-	-	\$11,124.79	\$136.66	\$11,261.45	\$1,334.98
Perry, Sue	-	\$61,211.02	-	\$600.00	\$61,811.02	\$7,345.26
Woods, John	-	-	\$41,924.39	\$463.33	\$42,387.72	\$5,030.96
TOTAL	\$106,100.02	\$61,211.02	\$265,245.90	\$3,599.96	\$436,156.90	\$51,906.90

No Councillor receives a car allowance. The Mayor is provided with a vehicle for business and private use and the Councillors have access to a Council vehicle for business use only. The Mayor is also provided with a mobile telephone and therefore does not receive the monthly telephone data allowance.

b) the cost of expenses incurred by, and the facilities provided to Councillors in accordance with Burdekin Shire Council's *Councillor Expense Reimbursement Policy* in 2019/20 financial year was as follows:

Councillor	Functions	Food & Beverages	Travel & Accommodation	Conference Registration	Workshop	TOTAL
Bawden, Ted	-	-	-	-	-	\$0.00
Boccalatte, Kaylee	-	-	-	-	-	\$0.00
Bonanno, John	-	-	\$343.33	\$465.76	-	\$809.09
Detenon, Michael	-	-	-	-	-	\$0.00
Furnell, John	-	-	-	-	-	\$0.00
Goddard, Tony	\$215.00	\$138.09	\$736.89	\$1,400.00	-	\$2,489.98
Liessmann, Uli	-	\$179.05	\$1,095.13	\$454.56	-	\$1,728.74
McLaughlin, Lyn	\$521.82	\$126.00	\$1,150.91	\$1,165.76	-	\$2,964.49
Musumeci, Max	-	-	-	-	-	\$0.00
Perry, Sue	\$175.00	\$166.68	\$2,586.68	\$350.00	-	\$3,278.36
Woods, John	-	\$30.00	\$1,018.33	\$915.76	\$75.00	\$2,039.09
TOTAL	\$911.82	\$639.82	\$6,931.27	\$4,751.84	\$75.00	\$13,309.75

Catering is occasionally supplied for meetings, workshops and training which incurred a total expense of \$713.12 for the period. A total of \$245.91 was incurred for hospitality expenses during the period by the Mayor. Each Councillor is provided with either a laptop computer or tablet device to be used for Council work. The Mayor is provided with a mobile phone which can be used for Council business and minor private use. Each Councillor is provided with appropriate Personal Protective Equipment for use during Council inspections. Councillors have access to Council vehicles (including fuel provisions) for Council business such as travel to and from conferences and training.

c) meeting attendances for the year were as follows:

ELECTED MEMBERS' MEETING ATTENDANCE 1 JULY 2019 TO 13 APRIL 2020				
Councillor	Ordinary and Special Meetings held	Ordinary Meetings attended	Meetings absent on Council business	Leave of Absence
Bawden, Ted	15	15	0	0
Bonanno, John		14	1	0
Goddard, Tony		12	0	2
Liessmann, Uli		14	1	0
McLaughlin, Lyn		14	0	1
Perry, Sue		14	0	1
Woods, John		15	0	0
ELECTED MEMBERS' MEETING ATTENDANCE 14 APRIL 2020 TO 30 JUNE 2020				
Boccalatte, Kaylee	8	8	0	0
Bonanno, John		7	0	1
Detenon, Michael		8	0	0
Furnell, John		8	0	0
McLaughlin, Lyn		8	0	0
Musumeci, Max		8	0	0
Perry, Sue		8	0	0

(d) the total number of:

	Orders under s186	LGA Section	Number
(i)	orders made by the Chairperson dealing with unsuitable meeting conduct.	150I(2)	Nil
(ii)	orders made by the local government where the local government has decided that the Councillor has engaged in inappropriate conduct.	150AH(1)	Nil
(iii)	decisions, orders and recommendations made by the conduct tribunal in relation to misconduct by a Councillor.	150AR(1)	1

(e) each of the following during the financial year:

	Requirement	Details
(i)	the name of each Councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made;	Councillor Lyn McLaughlin
(ii)	a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors;	Misconduct - Failure to maintain register of interests in accordance with statutory obligations under section 171B(2) of the <i>Local Government Act</i> .
(iii)	a summary of the decision, order or recommendation made for each Councillor.	Pursuant to Section 150AR(1)(b)(v) of the Act, the Councillor Conduct Tribunal ordered Councillor McLaughlin to reimburse Council an amount of \$250 as a contribution to some of the costs arising from her misconduct.

(f) each of the following during the financial year:

	Details	LGA Section	Number
(i)	complaints referred to the assessor by the local government	150P(2)(a)	Nil
(ii)	matters notified to the Crime and Corruption Act as per Section 150P(3) of the Act	150P(3)	Nil
(iii)	notices given to the assessor about Councillor conduct as per Section 150R of the Act	150R(2)	Nil
(iv)	notices given to the assessor about action taken under section 150AG relating to three occasions of inappropriate conduct by a Councillor within a period of 1 year	150S(2)(a)	Nil
(v)	decisions made by the assessor to dismiss the complaint under section 150X, to refer suspected inappropriate conduct to the local government to deal with or to take no further action under section 150Y (for the period 1 July 2019 to 31 August 2019), and; decisions made by the assessor to dismiss the complaint under section 150X, to refer the suspected inappropriate conduct to the local government to deal with or take no further action under section 150Y (for the period 1 September 2019 to 30 June 2020)	150W(a), (b) and (d)	Nil
		150W(a), (b) and (e)	Nil
(vi)	referral notices given to the local government by the assessor accompanied by a recommendation mentioned in Section 150AC(3)(a) of the Act	150AC(3)(a)	Nil
(vii)	information given to the assessor indicating a Councillor may have engaged in misconduct as per section 150AF(4)(a) of the Act	150AF(4)(a)	Nil
(viii)	occasions the local government asked another entity to investigate, under Chapter 5A, Part 3, Division 5 of the Act for the local government, the suspected inappropriate conduct of a Councillor	Chapter 5A, Part 3, Division 5	Nil
(ix)	applications heard by the conduct tribunal about the alleged misconduct of a Councillor (for the period 1 July 2019 to 31 August 2019), and; applications heard by the conduct tribunal under chapter 5A, Part 3 of the Act about whether a Councillor engaged in misconduct or inappropriate conduct (for the period 1 September 2019 to 30 June 2020)	Chapter 5A, Part 3, Division 6	Nil
			Nil

s187: Administrative Action Complaints

A statement about Burdekin Shire Council's commitment to dealing fairly with administrative action complaints and a report regarding implementation of Council's Administrative Action Complaints Process including an assessment of our performance in this area is shown on page 37.

s188: Overseas Travel

No overseas travel was made in an official capacity during the period by any employee, Councillor or the Mayor.

s189: Expenditure on grants to community organisations

(a) The total summary of Cash Grants, Donations, Standing Donations and In-kind Support has been broken into nine categories:

Category	Amount
Arts and Culture	\$4,748.00
Recreation/Sport	\$8,019.49
Community Assistance	\$11,000.00
Community Development	\$38,550.00
Welfare	\$86,592.00
Tourism	\$1,000.00
Surf Lifesaving	\$12,641.48
Standing Donations	\$134,533.25
In-Kind	\$62,883.95
Total	\$359,968.17

(b) None of the Councillors at Burdekin Shire Council have discretionary funds.

s190: Other Matters

(a) The assessment of Council's implementation of the *Corporate Plan 2017-2022* and *Operational Plan 2019-2020* is included on pages 24 to 36.

(b) Pages 24 to 36 of this report provide a detailed assessment of Council's operations and performance for the year.

(c) Council did not operate any commercial business units.

(d) Council did not levy any special rates or charges for a service, facility or activity supplied by another local government.

(e) Council issued one invitation to one tenderer to change a tender due to a change of specifications under section 228(7) during the period.

(f) The following registers were kept by Council during the period:

- Register of Interest for Councillors and their Related Persons
- Register of Interests for Senior Executive Employees and their Related Persons
- Councillor Conduct Register
- Register of Gifts and Benefits

- Risk Register
- Register of Delegations
- Register of Loss of Council Assets
- Council Policy Register
- Register of Impounded Animals
- Animal Register (Cats and Dogs)
- Road Map and Register
- Burial Register
- Register of Backflow Prevention Devices
- Register of Pre-Qualified Suppliers
- Register of Local Laws
- Register of Fees and Charges
- Register of Development Applications
- Register of Decision Notices Regarding Development Applications

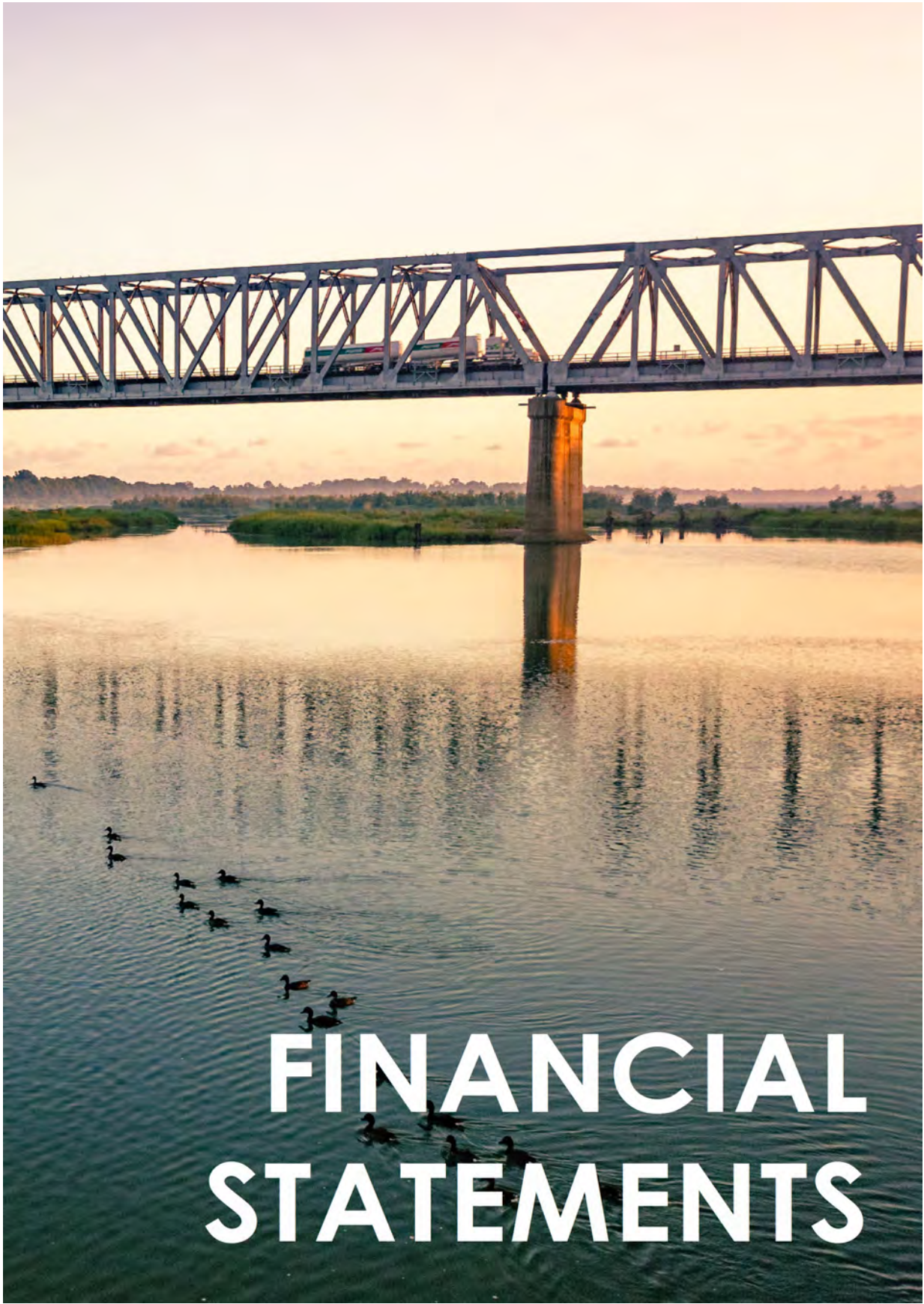
(g) Council granted concessions to pensioners in accordance with the Council resolution made at the Budget Meeting on 25 June 2019 as a pensioner rebate. The rebate was calculated as half the sum of the relevant General Rates up to a maximum rebate set at \$374. In total, Council received pensioner rebate applications for 890 properties and remitted \$321,793 in concessions.

(h) The report on the Internal Audit for the year is shown on Page 39.

(i) & (j) Council did not receive any investigation notices about competitive neutrality complaints and no competitive neutrality complaint reports were received or responses required during the period.









Burdekin Shire Council

Annual Financial Statements

**for the financial year ended
30 June 2020**

BURDEKIN SHIRE COUNCIL
Financial Statements
For the year ended 30 June 2020

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BURDEKIN SHIRE COUNCIL
Statement of Comprehensive Income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Recurrent			
Rates and levies	3 (a)	40,386,970	39,482,214
Fees and charges	3 (b)	2,537,481	2,372,758
Interest received		1,226,529	2,032,337
Sale of contract and recoverable works		2,472,236	2,225,220
Other recurrent income		589,124	425,880
Grants, subsidies and contributions	4 (a)	5,952,159	5,044,505
		<u>53,164,499</u>	<u>51,582,914</u>
Capital			
Grants, subsidies and contributions	4 (b)	5,851,619	7,169,786
Other capital income	5	1,732	32,152
		<u>5,853,351</u>	<u>7,201,938</u>
Total income	2 (b)	<u>59,017,850</u>	<u>58,784,852</u>
Expenses			
Recurrent			
Employee benefits	6	(21,256,466)	(20,780,823)
Materials and services	7	(16,949,690)	(15,769,033)
Finance costs	8	(412,063)	(636,137)
Depreciation	15 (e)	(12,076,446)	(11,318,990)
Amortisation		(68,328)	(213,661)
		<u>(50,763,013)</u>	<u>(48,718,644)</u>
Capital			
Other capital expenses	9	(3,318,743)	(3,442,888)
Total expenses	2 (b)	<u>(54,081,756)</u>	<u>(52,161,532)</u>
Net result		<u>4,936,094</u>	<u>6,623,320</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	21 (a)	2,809,251	17,177,029
Total other comprehensive income for the year		<u>2,809,251</u>	<u>17,177,029</u>
Total comprehensive income for the year		<u>7,745,345</u>	<u>23,800,349</u>

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

BURDEKIN SHIRE COUNCIL
Statement of Financial Position
As at 30 June 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	11	63,364,994	61,728,608
Receivables	13 (a)	1,955,570	2,820,908
Inventories		524,225	533,911
Contract assets	16 (a)	415,210	-
Other assets	14 (a)	1,683,350	1,014,426
Total current assets		67,943,349	66,097,853
Non-current assets			
Receivables	13 (b)	342,783	342,260
Property, plant and equipment	15 (e)	534,987,502	527,819,920
Intangible assets		441,396	224,586
Other assets	14 (b)	38,470	33,709
Total non-current assets		535,810,151	528,420,475
TOTAL ASSETS		603,753,500	594,518,328
Current liabilities			
Payables	17	5,654,325	3,982,165
Provisions	18 (a)	5,545,865	5,204,205
Borrowings	19	346,051	1,333,896
Contract liabilities	16 (b)	3,533,990	-
Other liabilities	20	2,714	451,070
Total current liabilities		15,082,945	10,971,336
Non-current liabilities			
Provisions	18 (b)	20,428,958	18,615,015
Borrowings	19	-	345,191
Total non-current liabilities		20,428,958	18,960,206
TOTAL LIABILITIES		35,511,903	29,931,542
NET COMMUNITY ASSETS		568,241,597	564,586,786
Community equity			
Asset revaluation surplus	21	315,584,389	312,775,138
Retained surplus (deficiency)		252,657,208	251,811,648
TOTAL COMMUNITY EQUITY		568,241,597	564,586,786

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

BURDEKIN SHIRE COUNCIL
Statement of Changes in Equity
For the year ended 30 June 2020

	Total	Retained surplus (deficit)	Asset revaluation surplus Note 21
	2020	2020	2020
	\$	\$	\$
Balance as at 1 July 2019	564,586,786	251,811,648	312,775,138
Adjustment on initial application of AASB 15 & AASB 1058	(4,093,811)	(4,093,811)	-
Correction to opening balance	3,277	3,277	-
Restated opening balance as at 1 July 2019	560,496,252	247,721,114	312,775,138
Net result	4,936,094	4,936,094	-
Other comprehensive income for the year			
Asset revaluation surplus	2,809,251	-	2,809,251
Total comprehensive income for the year	7,745,345	4,936,094	2,809,251
Balance as at 30 June 2020	568,241,597	252,657,208	315,584,389

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

	Total	Retained surplus (deficit)	Asset revaluation surplus Note 21
	2019	2019	2019
	\$	\$	\$
Balance as at 1 July 2018	540,464,863	244,866,754	295,598,109
Correction to opening balance	418,834	321,574	97,260
Restated opening balance as at 1 July 2018	540,883,697	245,188,328	295,695,369
Net result	6,623,320	6,623,320	-
Other comprehensive income for the year			
Asset revaluation surplus	17,079,769	-	17,079,769
Total comprehensive income for the year	23,703,089	6,623,320	17,079,769
Balance as at 30 June 2019	564,586,786	251,811,648	312,775,138

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

BURDEKIN SHIRE COUNCIL
Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts			
Receipts from customers		49,629,414	46,790,250
Operating grants, subsidies and contributions		5,822,314	5,044,505
Interest received		1,304,528	2,067,792
Payments			
Payments to suppliers and employees		(42,336,607)	(37,257,634)
Interest expense		(68,774)	(154,948)
Net cash inflow (outflow) from operating activities	26	<u>14,350,875</u>	<u>16,489,965</u>
Cash flows from investing activities			
Commonwealth government grants		620,261	431,546
State government subsidies and grants		5,163,144	6,735,069
State government subsidies and grants arising from contract assets and liabilities		1,205,648	-
Capital contributions		68,214	3,171
Payments for property, plant and equipment		(18,538,021)	(17,588,907)
Payments for intangible assets		(285,539)	(31,231)
Proceeds from sale of property, plant and equipment		362,763	54,797
Proceeds from sale of non-current assets held for sale		-	208,826
Net movement in loans to community organisations		22,077	(44,195)
Net cash inflow (outflow) from investing activities		<u>(11,381,453)</u>	<u>(10,230,924)</u>
Cash flows from financing activities			
Repayment of borrowings	19	(1,333,036)	(1,754,859)
Net cash inflow (outflow) from financing activities		<u>(1,333,036)</u>	<u>(1,754,859)</u>
Net increase (decrease) in cash and cash equivalents held		<u>1,636,386</u>	<u>4,504,182</u>
Cash and cash equivalents at beginning of the financial year		61,728,608	57,224,426
Cash and cash equivalents at end of the financial year	11	<u>63,364,994</u>	<u>61,728,608</u>

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

1 Significant accounting policies

(a) Basis of preparation

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards as applicable to not-for-profit entities.

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

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

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

Refer to the change in accounting policy note 28 for transition disclosures for AASB 15 *Revenue from Contracts with Customers* (AASB 15) and AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058).

(c) Standards issued by the AASB not yet effective

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

(d) Estimates and judgements

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

- Revenue - note 3
- Valuation and depreciation of property, plant and equipment - note 15
- Provisions - note 18
- Contingent liabilities - note 24
- Financial instruments and financial liabilities - note 29

(e) Rounding and comparatives

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

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

(f) Taxation

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

(g) Coronavirus (COVID-19) impact

COVID-19, which is a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had an unprecedented and uncertain impact on people and businesses.

Council's revenue was impacted by the waiver of some fees and charges by Council resolution, the closure of various facilities and cancellation of community events which was partially offset by a reduction in associated expenditure. To support the local community Council implemented weekly payment runs and deferred any debt collection activities.

Given the dynamic and evolving nature of COVID-19 and limited recent experience of the economic and financial impacts of a pandemic, Council will continue to monitor the impacts on our financial position and reflect any changes in future reporting periods.

As a consequence of COVID-19 and in preparing these financial statements, management re-evaluated whether there were any additional areas of judgement or estimation uncertainty beyond what has been disclosed above. No adjustments have been considered necessary at this time.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

2 Analysis of results by function

(a) Components of Council functions

The activities relating to the Council's components reported on in note 2 (b).

Administration

Deliver responsible governance, efficient service and administrative support for Council's operations and strategic initiatives. The services include recruitment, training and development, employee and public relations, information technology services, secretarial and minutes support, records management, quality assurance, Council properties management, revenue, purchasing, creditors, payroll, debtors, budgeting, statutory and financial reporting, debt management, taxation, and financial, asset and systems management.

Community and Cultural

Council's community and cultural services objective is to provide a broad range of cultural, recreation and sport facilities, welfare and area promotion. The services include libraries, theatre, memorial hall, art and cultural activities, recreation and sport facilities, area promotion, welfare, disaster management, tourism and economic development.

Development

Development services aim to ensure all new development outcomes meet regulatory obligations including relevant Acts, the Planning Scheme, building codes, council policies and local laws. Development services comprises of development administration, town planning, building services, plumbing and facilities management.

Environmental

The objectives for Council's environmental services are to protect the public health of the community and encourage environmental responsibility throughout the community. These services include public health administration, inspection, local law enforcement, animal control, vector control, pest management, land protection, aquatic weed removal, protection of the environment, caravan parks and swimming pools.

Engineering

Engineering services objective is to provide safe and efficient transport networks, stormwater drainage systems, flood mitigation and warnings systems and a modern fleet of construction equipment and light vehicles which meet the requirements of the community, external stakeholders and regulatory responsibilities. Services provided include the design, construction, management and maintenance of relevant infrastructure and the procurement and maintenance of Council's fleet. The department also manages Council's relationship with Transport and Main Roads including the Road Maintenance Performance Contract.

Waste

Waste management services aim to provide efficient and compliant waste infrastructure and services including waste receptacles, waste collection and disposal and waste management and education. Council operates or facilitates four transfer stations at Ayr, Home Hill, Giru and Clare and a landfill at Kirknie Road, Home Hill. Services also include the review, assessment and treatment of legacy landfills and investigation of illegal dumping.

Sewerage

Council provides sewerage services to the towns of Ayr, Brandon and Home Hill. The objectives of the service is to provide disposal and treatment of commercial, industrial and domestic sewage in a manner which safeguards public health and is consistent with Council's responsibilities and obligations under Queensland legislation. The services include the collection of sewage from customers within Council's adopted service areas via reticulation networks including pump stations, gravity and pressure sewers, and the treatment of the collected waste to a standard within environmental licence parameters determined by the regulator.

Water

Council is a registered water service provider under the provisions of the *Water Supply (Safety and Reliability) Act 2008*. Council provides potable water supply service to the towns of Ayr, Brandon, Home Hill and Giru and also to the rural residential settlement of Mt Kelly and the beachside settlement of Alva. The service objective is to provide an adequate supply of quality drinking water that complies with aesthetic and health parameters stipulated in the Australian Drinking Water Guidelines (2011). The services include the pumping, treatment and disinfection of raw water prior to the reticulated supply to customers via individual metered property connections.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

2 Analysis of results by function (continued)

(b) Income and expenses defined between recurring and capital, and assets are attributed to the following programs

For the year ended 30 June 2020

Functions	Recurrent revenue Grants	Other	Capital revenue Grants	Other	Total Income	Recurrent Expenses	Capital Expenses	Total Expenses	Operating surplus/(deficit) from recurrent operations	Net result for year	Assets
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	2,857,835	28,093,884	45,761	-	30,997,280	(7,179,252)	(533,448)	(7,712,698)	23,772,267	23,284,582	89,350,754
Community and Cultural	256,510	326,607	404,403	-	987,520	(4,984,881)	(212,948)	(5,197,829)	(4,401,764)	(4,210,309)	26,769,327
Development	318,850	442,961	-	-	761,811	(1,628,874)	-	(1,628,874)	(867,033)	(867,033)	-
Environmental	51,200	1,062,840	347,889	1,065	1,463,004	(6,524,304)	(80,473)	(6,604,777)	(5,410,264)	(5,141,773)	14,346,298
Engineering	2,136,622	2,736,271	3,842,977	61,875	8,780,745	(16,706,710)	(2,193,922)	(18,900,632)	(11,830,817)	(10,119,887)	398,044,536
Waste	100,000	4,881,190	38,042	1,732	5,021,954	(4,857,889)	(246,983)	(4,904,872)	323,291	117,082	10,278,393
Sewerage	-	4,592,968	47,413	-	4,640,382	(4,405,352)	(30,444)	(4,435,796)	187,617	204,586	37,327,184
Water	-	5,303,940	1,055,910	5,274	6,365,124	(4,675,751)	(20,527)	(4,696,278)	628,189	1,668,846	27,637,028
Total	5,721,027	47,443,472	5,783,405	69,946	59,017,850	(50,763,013)	(3,318,743)	(54,081,756)	2,401,486	4,936,094	603,753,500

For the year ended 30 June 2019

Functions	Recurrent revenue Grants	Other	Capital revenue Grants	Other	Total Income	Recurrent Expenses	Capital Expenses	Total Expenses	Operating surplus/(deficit) from recurrent operations	Net result for year	Assets
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	2,639,890	28,053,446	1,578,983	53,570	32,325,879	(7,342,708)	(454,056)	(7,796,764)	23,350,818	24,529,115	67,121,275
Community and Cultural	450,247	531,439	311,087	-	1,292,773	(5,058,397)	(86,287)	(5,144,684)	(4,076,711)	(3,851,911)	25,716,223
Development	90,190	371,952	-	-	462,142	(1,422,070)	-	(1,422,070)	(859,928)	(859,928)	-
Environmental	31,350	1,150,028	2,094,207	2,090	3,281,705	(6,049,243)	(230,077)	(6,279,320)	(4,867,835)	(2,997,615)	14,850,279
Engineering	1,589,531	2,304,197	2,786,649	(20,337)	6,660,040	(16,262,233)	(2,124,175)	(18,386,408)	(12,368,505)	(11,726,368)	394,722,896
Waste	20,757	4,619,122	108,089	-	4,745,968	(4,256,368)	(392,778)	(4,649,144)	383,513	96,824	9,550,001
Sewerage	-	4,813,825	285,600	-	5,099,425	(4,157,888)	(79,370)	(4,237,258)	855,937	862,167	37,320,953
Water	-	4,916,920	-	-	4,916,920	(4,169,739)	(76,145)	(4,245,884)	747,181	671,036	25,236,721
Total	4,821,985	46,760,929	7,166,615	35,323	58,784,852	(48,718,644)	(3,442,888)	(52,161,532)	2,864,270	6,623,320	594,516,328

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

3 Revenue

Council's main revenue streams are consistent with the financial statements for year ended 30 June 2019. The nature and effect of initially applying the new revenue standards AASB 15 and AASB 1058 are disclosed in note 28.

(a) Rates and levies

2020 accounting policy: Rates and annual charges are recognised as revenue when Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

2019 accounting policy: Rates are recognised as revenue at the start of the rating period or if paid earlier they are recognised as revenue when they are received.

	2020	2019
	\$	\$
General rates	27,577,278	27,309,046
Separate rates	6,645	6,600
Environmental levy	87,784	87,752
Water	4,947,309	4,417,629
Sewerage	4,038,382	4,007,931
Garbage charges	4,051,365	3,967,077
Rates and utility charge revenue	40,708,763	39,796,035
Less: Pensioner remissions	(321,793)	(313,821)
	<u>40,386,970</u>	<u>39,482,214</u>

(b) Fees and charges

2020 accounting policy: Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods/services being provided.

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

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

2019 accounting policy: Fees and charges are recognised when Council is unconditionally entitled to those funds. Generally this is upon lodgement of the relevant applications or documents or when the service is provided.

	2020	2019
	\$	\$
Building and development fees	427,866	366,213
Caravan parks	435,059	482,926
Animal management	142,781	151,561
Waste disposal	641,716	363,945
Trade waste	262,120	225,338
Cultural facilities	150,789	223,741
Cemetery fees	181,915	185,355
Other fees and charges	295,235	373,679
	<u>2,537,481</u>	<u>2,372,758</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

4 Grants, subsidies and contributions

2020 accounting policy:

Grant income under AASB 15

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

The performance obligations are varied based on the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Grant income under AASB 1058

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

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

Grants and contributions are to be classified as operating or capital depending on the purpose for which they were received and not on the purpose for which they were spent. General purpose grants and contributions are all classified as operating regardless of how they are spent.

Capital grants

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

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

2019 accounting policy: Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of funds.

Physical assets contributed to Council by developers in the form of roadworks, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on Council maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised at fair value as non-current assets. Those below the threshold are recorded as expenses.

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

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

4 Grants, subsidies and contributions (continued)

	2020 \$	2019 \$
(a) Recurrent		
General purpose grants	3,649,853	3,410,800
State government subsidies and grants	2,071,174	1,411,185
Contributions	231,132	222,520
	<u>5,952,159</u>	<u>5,044,505</u>

Council received pre-payment of the Financial Assistance Grant in May 2020 and June 2019.

	2020 \$
Grants recognised at a point in time	4,712,850
Contributions recognised at a point in time	231,132
Grants recognised over time	1,008,177
	<u>5,952,159</u>

	2020 \$	2019 \$
(b) Capital		
Commonwealth government grants	620,261	431,546
State government subsidies and grants	5,163,144	6,735,069
Contributions	68,214	3,171
	<u>5,851,619</u>	<u>7,169,786</u>

	2020 \$
Grants recognised at a point in time	229,019
Grants and contributions recognised over time	5,622,600
	<u>5,851,619</u>

(c) Conditions over grants and contributions

Grants and contributions which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date.

	2020 \$	2019 \$
Grants for infrastructure	-	2,661,137

Grants and contributions which were recognised as revenues during a previous reporting period and were expended during the current reporting period.

	2020 \$	2019 \$
Grants for infrastructure	-	1,870,500

5 Capital income

	2020 \$	2019 \$
Gain on disposal of non-current assets	-	32,152
Revision of the future restoration expenditure	1,732	-
	<u>1,732</u>	<u>32,152</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

6 Employee benefits	Note	2020 \$	2019 \$
Total staff wages and salaries		17,303,948	16,640,889
Councillors' remuneration		438,804	427,706
Annual, sick and long service leave entitlements		3,288,911	3,215,508
Superannuation	25	2,188,683	2,118,351
		23,220,346	22,402,454
Other employee related expenses		570,596	531,234
		23,790,942	22,933,688
Less capitalised employee expenses		(2,534,476)	(2,152,865)
		21,256,466	20,780,823

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

Total full time Equivalent Council employees at 30 June	2020	2019
Elected members	7	7
Administration staff	125	121
Depot and outdoors staff	128	125
	260	253

Key management personnel compensation

Employee benefits include transactions with key management personnel and their close family members. The key management personnel include the Mayor, six councillors, Chief Executive Officer and two Directors. The council election on 28 March 2020 did not change the composition of key management personnel. The Mayor and two councillors were re-elected and four new councillors were elected. Key management personnel employee benefits, including accrued leave entitlements are:

	2020 \$	2019 \$
Short-term employee benefits	1,239,078	1,183,116
Post-employment benefits	128,235	124,350
Long-term employee benefits	21,257	18,110
	1,388,570	1,325,576

Detailed remuneration disclosures are provided in the annual report

Employee benefits for close family members of key management personnel for the reporting period is \$193,738.

Council employs 253 staff of which only 2 are close family members of key management personnel. All close family members of key management personnel were employed through an arm's length process and are paid in accordance with the Award for the job they perform.

7 Materials and services	2020 \$	2019 \$
Audit of annual financial statements by the Auditor-General of Queensland	75,240	71,102
Waste levy payment	756,976	-
Waste levy refund*	(449,335)	-
Contract payments	2,254,854	2,142,241
Electricity	1,521,444	1,710,095
Materials	2,097,506	1,861,686
Plant hire external	2,182,790	2,313,591
Trade/contract services	1,456,084	1,410,961
Plant and equipment expenses	1,307,539	1,258,632
Communications and IT	1,218,981	976,329
Other material and services	4,527,611	4,024,396
	16,949,690	15,769,033

*The State Government rebated \$449,335 of the state waste levy to mitigate the direct impacts on households.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

8 Finance costs

	2020	2019
	\$	\$
Finance costs charged by the Queensland Treasury Corporation	68,774	154,948
Bank charges	72,596	69,811
Impairment of receivables and bad debts written-off	1,069	201
Restoration	269,644	411,177
	<u>412,083</u>	<u>636,137</u>

9 Capital expenses

	Note	2020	2019
		\$	\$
Loss on the sale of non-current assets		146,943	-
Loss on write-off of non-current assets	10	3,014,542	3,050,110
Discount rate adjustment to restoration provision		157,258	237,920
Revision of the future restoration expenditure		-	154,858
		<u>3,318,743</u>	<u>3,442,888</u>

10 Loss on write-off of non-current assets

	Note	2020	2019
		\$	\$
Land and Improvements		6,355	19,464
Buildings		787,576	155,670
Plant and Equipment		16,343	27,789
Transport		2,011,803	2,077,128
Water		20,527	76,145
Sewerage		30,444	79,370
Drainage		15,880	38,246
Other Assets		125,213	181,031
Computer Software		401	395,287
	9	<u>3,014,542</u>	<u>3,050,110</u>

11 Cash and cash equivalents

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

	2020	2019
	\$	\$
Cash at bank and on hand	3,249,081	3,168,382
Deposits at call	55,115,913	55,560,226
Term deposits	5,000,000	3,000,000
	<u>63,364,994</u>	<u>61,728,608</u>

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

	2020	2019
	\$	\$
Unspent government grants and subsidies	-	2,674,789
Unspent developer contributions	-	80,984
Waste levy refund received in advance	-	449,335
	<u>-</u>	<u>3,205,108</u>

For 30 June 2020 the external restrictions on cash are disclosed as Contract Liabilities as per Note 16 (b).

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

12 Trust funds

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from security deposits lodged to guarantee performance and deposits for hire of Council facilities. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

	2020	2019
	\$	\$
Trust funds held for outside parties		
Security deposits	40,439	61,524

13 Receivables

Receivables, loans and advances are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued. Loans and advances relate to loans made to various community organisations with varying terms however generally with a maximum of 10 years and are considered interest free. The credit risk on these loans is considered low and security is not normally obtained.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June.

As Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair rate receivables. Interest was charged on outstanding rates at a rate of 9% per annum in 2019/20 and 11% per annum in 2018/19. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

	2020	2019
	\$	\$
(a) Current		
Rateable revenue and utility charges	831,454	957,545
GST recoverable	381,497	564,201
Other debtors	678,690	1,212,980
Less loss allowance	(1,458)	(1,805)
Loans and advances to community organisations	65,387	87,987
	<u>1,955,570</u>	<u>2,820,908</u>
(b) Non-current		
Loans and advances to community organisations	<u>342,783</u>	<u>342,260</u>
14 Other assets		
	2020	2019
	\$	\$
(a) Current		
Water charges yet to be levied	1,300,418	816,382
Escrow	200,000	-
Prepayments	182,932	198,044
	<u>1,683,350</u>	<u>1,014,426</u>
(b) Non-current		
Prepayments	<u>38,470</u>	<u>33,709</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

15 Property, plant and equipment

(a) Recognition

Items of property, plant and equipment with a total value of less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Replacement of a major component of an asset, in order to maintain its service potential, is capitalised. However, routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the asset is treated as an expense.

A complex asset is a physical asset capable of disaggregation into significant components, which exhibit different useful lives, such as transport infrastructure where the components may include subgrade, pavement, seal, kerb and channelling, footpaths and roundabouts.

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

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

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value (as shown in the table 15 (e)) less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight, design fees, architect's fees and all other establishment costs. Direct labour and materials incurred in the acquisition or construction of assets are treated as capital expenditure.

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

(c) Depreciation

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

All assets except for land are depreciated over their useful life using the straight line method. Land is not depreciated as it has an unlimited useful life. Useful lives are reviewed regularly to ensure that the economic benefits embodied in the assets are consumed over the period of use by Council. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost, are used to estimate the useful lives of these assets at each reporting date.

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

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

Council only has residual values on the plant and equipment asset class and these are determined based on estimated recovery value at the end of an asset's useful life.

(d) Impairment

Property, plant and equipment is assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the asset's recoverable amount is determined. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

15 Property, plant and equipment (continued)
(e) Movements

Basis of measurement Fair value category	Land and Improvements		Buildings		Plant and Equipment		Transport		Water		Sewerage		Drainage		Other Assets		Works in progress		Total	
	Fair Value Level 2 & 3	Fair Value Level 2 & 3	Fair Value Level 2 & 3	Cost	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Cost	Cost	Total 2020	Total 2019
For the year ended 30 June 2020																				
Gross value as at 30 June 2020																				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	24,653,499	76,025,358	16,333,721	16,333,721	442,266,319	48,519,097	84,926,126	47,735,443	31,871,440	8,668,825	780,999,828									
Less accumulated depreciation																				
	(5,640,683)	(35,093,304)	(6,131,131)	(6,131,131)	(98,112,115)	(22,991,337)	(48,208,501)	(17,581,725)	(12,253,530)		(246,012,326)									
Closing written down value as at 30 June 2020																				
	19,012,816	40,932,054	10,202,590	10,202,590	344,154,204	25,527,760	36,717,625	30,153,718	19,617,910	8,668,825	534,987,502									
For the period ended 30 June 2019																				
Gross value as at 30 June 2019																				
	23,674,675	76,262,269	15,242,005	15,242,005	433,446,267	45,782,329	81,711,458	48,008,955	28,213,253	8,045,003	760,386,215									
Less accumulated depreciation																				
	(5,243,994)	(35,792,970)	(5,746,635)	(5,746,635)	(92,008,690)	(20,973,759)	(44,522,738)	(17,041,495)	(11,134,014)	-	(232,566,295)									
Closing written down value as at 30 June 2019																				
	18,430,681	40,469,299	9,495,371	9,495,371	341,437,577	24,808,570	37,088,720	30,967,460	17,079,239	8,045,003	527,819,920									
Movements for year ended 30 June 2020																				
Opening written down value as at 1 July 2019																				
	18,430,681	40,469,299	9,495,371	9,495,371	341,437,577	24,808,570	37,088,720	30,967,460	17,079,239	8,045,003	527,819,920									
Correction to opening balance																				
					3,277						3,277									
Additions at cost																				
	271,527	1,090,852	2,219,795	2,219,795	4,679,645	599,752	426,998	284,426	746,127	8,218,899	18,539,021									
Internal transfers from work in progress																				
	629,372	1,119,331	270,042	270,042	2,030,294	307,542	186,183	378,873	2,673,440	(7,595,077)										
Depreciation provided in year																				
	(253,422)	(1,604,315)	(1,279,460)	(1,279,460)	(5,461,346)	(650,916)	(1,329,314)	(621,560)	(876,113)		(12,076,446)									
Disposals																				
					(484,815)						(24,891)									
Write-offs																				
	(6,355)	(787,576)	(16,343)	(16,343)	(2,011,803)	(20,527)	(30,444)	(15,880)	(125,213)		(509,706)									
Revaluation adjustment to other comprehensive income (refer the ARS*)																				
	(59,987)	644,463			3,478,560	483,339	375,482	(839,601)	145,321		(70,471)									
Closing net value as at 30 June 2020																				
	19,012,816	40,932,054	10,202,590	10,202,590	344,154,204	25,527,760	36,717,625	30,153,718	19,617,910	8,668,825	534,987,502									

Range of estimated useful life in years	34 - 100	5 - 156	2 - 60	4 - 152	7 - 120	10 - 111	5 - 151	8 - 150												
Additions of renewal assets	254,209	785,365	1,464,668	4,035,709	552,105	394,989	133,668	151,328	3,705,125	11,457,166										
Additions of other assets	17,318	325,487	755,127	643,936	47,847	32,008	150,758	594,799	4,513,774	7,080,855										
Total additions in year	271,527	1,090,852	2,219,795	4,679,645	599,752	428,998	284,426	746,127	8,218,899	18,539,021										

* ARS denotes - Asset Revaluation Surplus

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

15 Property, plant and equipment (continued)

(f) Valuation

(i) Processes

Council approves the valuation policies and the valuation procedures are reviewed and approved by the Chief Executive Officer, Directors and other key stakeholders. The valuation procedures are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for buildings, land, bridges, other assets and specific water and sewerage assets at least once every 3-5 years. This process involves the valuer physically sighting these assets and making their own assessments of the condition of the assets at the date of inspection.

Council engineers, asset managers and asset officers undertake the internal valuation of infrastructure assets. The road component values (seal, pavement and subgrade) result from applying unit rates derived from Council's construction costs where there is sufficient representative samples, otherwise an index is applied based on similar construction type. All other infrastructure assets are valued using a first principles methodology incorporating current plant hire and wage rates, material and design costs and agreed installation rates. Condition of these infrastructure assets is assessed by either Council staff or a contractor physically sighting a sample of assets or by using aged based analysis. Process guidelines, maintenance history and regular inspection reports are also considered.

In the intervening years, with respect to the valuation of land, buildings, other assets, bridges and specific water and sewerage assets, a "desktop" valuation is undertaken. The desktop valuation involves management providing updated information to the valuer regarding additions, deletions, and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices to apply to each of these asset classes. Council staff assess the cost assumptions associated with all other infrastructure assets taking into consideration additions, deletions and changes to assumptions such as useful life, residual value and condition rating.

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

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

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

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between the levels during the year.

(ii) Techniques used to derive fair values

Land and Improvements (level 2 and 3)

Land fair values were comprehensively revalued by independent valuer, APV Valuers and Asset Management effective 31 May 2019. Fair value of land is measured at current market value, which is derived by reference to market based evidence including observable historical sales data for properties of similar nature and specification in the same localities. Where there is a lack of appropriate comparable sales evidence, the valuation is based on the closest comparable sales in terms of the characteristics of the parcel and sales evidence. Council's fair value measurement is either a level 2 or 3, depending on whether the land is subject to use and/or sale restrictions and whether there is an active market. As at 31 March 2020 APV Valuers and Asset Management undertook a desktop review.

Land and Improvements

- Non-specialised (level 2)
- Specialised (level 3)

2020	2019
\$	\$
11,969,814	11,717,901
7,043,002	6,712,780
<u>19,012,816</u>	<u>18,430,681</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

15 Property, plant and equipment (continued)

Buildings (level 2 and 3)

The fair value of buildings were comprehensively revalued by independent valuer, Jones Lang LaSalle Pty Ltd effective 31 March 2020. Where there is an active market for Council building assets, fair value has been derived from sales evidence, with value adjustments taking into consideration location, development potential, aspect, size and date of sale. Where Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement cost to construct a modern equivalent asset. Cost data has been sourced from recent Council projects and cost guides such as Rawlinsons and Cordells. Allowances for physical depreciation and obsolescence has been deducted from the new replacement cost to determine fair value.

	2020	2019
	\$	\$
Buildings		
- Non-specialised (level 2)	1,563,892	1,056,678
- Specialised (level 3)	39,368,162	39,412,621
	<u>40,932,054</u>	<u>40,469,299</u>

Infrastructure assets (level 3)

All Council infrastructure assets consisting of Transport, Drainage, Water, Sewerage and Other Assets are recorded at fair value using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

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

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

Transport infrastructure

Roads

Council categorises its road infrastructure into sealed and unsealed roads. All roads are segmented at intersections or other factors including surfacing type or change in width. All road segments are then componentised into subgrade, pavement, and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs and overhead allocations. Council assumes that pavements for all traffic areas are constructed to a depth of either 150mm or 250mm as recorded in the asset register. Council also assumes that all raw materials can be sourced from local suppliers.

Pavement Management Services undertook a full condition survey of Council's roads in March 2018, with some additional conditional surveying undertaken during September 2018. Council staff have undertaken a full review of unit rates and a desktop review of condition as at 30 April 2020. The review of unit rates has resulted in an increase to cost of 1.25%.

Bridges

A comprehensive revaluation of bridge assets was undertaken by independent valuers, AssetVal Pty Ltd, effective 31 December 2017. Each bridge was assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and size. AssetVal Pty Ltd construction estimates considered raw materials, plant, labour and oncosts. These were applied to the known measurements of the assets to calculate the current replacement cost. The raw cost of material, as well as plant and labour hire rates, were established either through suppliers, quoted prices, or cost guides (e.g. Australian Rawlinson's Construction Handbook). Oncosts were established using industry standards which were then tailored to suit Council.

The valuers advised a 1.1% increase in Bridge and Major Culvert construction costs effective 31 December 2019 which has been applied to the bridge assets.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

15 Property, plant and equipment (continued)

Drainage infrastructure

A full valuation of drainage infrastructure was undertaken internally by Council, effective 30 June 2015. Drainage assets are managed by component including segments of conduit, pits, manholes and channels. In the subsequent years unit rate reviews and desktop conditioning were undertaken. A full review of unit rates was undertaken internally by Council staff as at 31 March 2020 as well as a desktop review of condition. The review of unit rates has resulted in a decrease to cost of 1.84%.

Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Where drainage assets are located underground and physical inspection is not possible, the age, size and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date.

Water and sewerage infrastructure

A full revaluation of water and sewerage infrastructure fair value was determined by a combination of independent valuers, Jones Lang LaSalle Pty Ltd and internal valuations effective 31 March 2020. Jones Lang LaSalle Pty Ltd undertook a valuation of specific water assets (inc. boreholes, buildings, elevated storage, pumps, telemetry, aerator, chlorination equipment) and sewerage assets (inc. treatment plants, buildings, pump stations). Replacement costs have been determined using unit rates based on greenfield project costs and include all materials, labour and direct costs. These unit rates have been developed based on a variety of sources including in-house Council project costs, product suppliers, and published construction cost information, such as Rawlinson's and Cordell's. Allowances for physical depreciation and obsolescence were based on on-site condition and obsolescence assessments and were deducted from the new replacement cost to determine fair value. The remaining water and sewerage assets CRC were determined by management using a first principles methodology incorporating current plant hire and wage rates, material costs and agreed installation rates. The value of sewers was compared with current reline costs and the higher of the two values was adopted as the replacement unit rate.

The following change to cost - water 4.50% and sewerage 3.66% has been applied.

Other assets

Other assets were comprehensively revalued by independent valuer, APV Valuers and Asset Management effective 31 May 2019. Where Council's other assets are specialised in nature the valuation has been undertaken using the written down current replacement cost methodology. As at 31 March 2020 APV Valuers and Asset Management undertook a desktop review, resulting in an increase to cost of 1.64%.

Sensitivity of valuation to unobservable inputs

Council's assets that are valued using written down CRC utilise a number of inputs into the valuation methodology. These inputs require judgement and are therefore classed as unobservable. The use of different judgements could result in a different valuation.

16 Contract balances

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

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

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

(a) Contract assets

2020
\$
415,210

Contract assets arise when work has been performed by Council relating to a contract with customer (or capital grant paid in arrears) but no receivable has arisen since the invoice has not been raised, for example construction work where an invoicing milestone has not yet been met.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

16 Contract balances (continued)

	2020
(b) Contract liabilities	\$
Funds received upfront to construct and repair Council controlled assets	<u>3,533,990</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year	2020
	\$
Funds to construct and repair Council controlled assets	<u>2,378,456</u>

17 Payables

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

	2020	2019
Current	\$	\$
Creditors and accruals	3,381,209	3,982,165
Prepaid Rates	2,273,116	-
	<u>5,654,325</u>	<u>3,982,165</u>

Creditors and accruals are anticipated to be paid within one year except for contract retentions of \$28,293 which will be paid out within two years.

18 Provisions

Liabilities are recognised for employee benefits such as wages and salaries, annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

Long service leave

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

Restoration

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

The provision for refuse restoration is calculated as the present value of anticipated future costs associated with the closure and decontamination of these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These assumptions may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

18 Provisions (continued)

Restoration (continued)

The provision recognised for refuse sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that for the open site, Council will remediate the old trenches and waste mounds in 2030 with an estimated project cost of \$13,585,478. The remaining area is estimated to close in 2069 with a projected estimated cost of \$4,201,299. The remaining closed sites are estimated to be remediated between 2023 and 2025 with projected cost of \$5,576,837.

Where refuse sites are on state reserve land which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision thereafter are treated as an expense or income.

	Note:	2020 \$	2019 \$
(a) Current			
Annual leave		2,390,373	2,234,748
Long service leave		3,155,492	2,969,457
		<u>5,545,865</u>	<u>5,204,205</u>
(b) Non-current			
Long service leave		299,168	327,721
Restoration		20,129,790	18,287,294
		<u>20,428,958</u>	<u>18,615,015</u>
(c) Details of movements in restoration provision			
Balance at beginning of the year		18,287,294	16,081,345
Increase due to change in time	8	269,644	411,177
Increase (decrease) due to change in discount rate		1,547,625	1,470,955
Increase (decrease) in estimate of future cost and change in date of restoration		25,227	323,817
		<u>20,129,790</u>	<u>18,287,294</u>

This is the present value of the estimated future cost of restoring the refuse sites under the State Government environmental regulations at the end of their useful life.

19 Borrowings

Unsecured borrowings are provided by the Queensland Treasury Corporation.

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Principal and interest repayments are made quarterly in arrears. There have been no defaults or breaches of the loan agreement during this period. The expected final repayment date is 15 September 2020.

Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset.

Council was required as part of the condition of receiving capital grant funds of \$1,050,000 from the Department of Communities to mortgage as security a parcel of freehold land and improvements. It is not envisaged that Council will breach the contract.

Borrowings at balance date are

	2020 \$	2019 \$
Queensland Treasury Corporation		
Balance at beginning of the year	1,679,087	3,433,946
Principal repayments	(1,333,036)	(1,754,859)
Book value at end of the year	<u>346,051</u>	<u>1,679,087</u>
Classified as		
Current	346,051	1,333,896
Non-current	-	345,191
Carrying amount	<u>346,051</u>	<u>1,679,087</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

19 Borrowings (continued)

The loan market value at the reporting date was \$350,181. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

The following sets out the liquidity risk in relation to the above borrowings and represents the remaining contractual cash flows (principal and interest) at the end of the reporting period.

	2020 \$	2019 \$
0 to 1 year	350,453	1,401,812
1 to 2 years	-	350,453
	<u>350,453</u>	<u>1,752,265</u>

The contractual outflows are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated.

20 Other liabilities

The State government made an advance payment to Council in June 2019 to mitigate the impacts on households for 2019/20 of the State Waste Levy, which took effect from 1 July 2019. Council will be liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites from 1 July 2019. The State is required to make an annual payment to Council that essentially refunds Council for the portion of the Levy that relates to households. Council will fund the portion of the Levy that relates to commercial waste through charges to commercial users of disposal sites from 1 July 2019. As the receipt from the State in June 2019 is for a refund of Council's 2019/20 Levy expense, the full amount was recognised as a liability at 30 June 2019.

	2020 \$	2019 \$
Waste levy refund received in advance	-	449,335
Unearned revenue	2,714	1,735
	<u>2,714</u>	<u>451,070</u>

21 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus. Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

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

	Note	2020 \$	2019 \$
(a) Movements in the asset revaluation surplus			
Balance at beginning of the year		312,775,138	295,598,109
Correction to Opening Balance		-	97,260
Restated Opening Balance		312,775,138	295,695,369
Adjustments to the property, plant and equipment through revaluations	15 (e)	4,226,577	18,481,783
Adjustment to land and improvements arising from change in rehabilitation costs		(1,417,326)	(1,401,994)
Balance at end of the year		<u>315,584,389</u>	<u>312,775,138</u>
(b) Asset revaluation surplus analysis			
The closing balance is comprised of the following asset categories:			
Land and Improvements		2,852,201	4,328,514
Buildings		27,779,502	27,135,039
Transport		220,557,588	217,081,028
Water		12,365,013	11,881,674
Sewerage		27,410,175	27,034,693
Drainage		13,273,736	14,113,337
Other Assets		11,346,174	11,200,853
		<u>315,584,389</u>	<u>312,775,138</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

22 Commitments for expenditure

	2020	2019
	\$	\$
(a) Contractual commitments		
Contractual commitments at the reporting date but not recognised in the financial statements		
Service contracts over next 1 to 7 years	5,064,064	6,963,914
	<u>5,064,064</u>	<u>6,963,914</u>
(b) Capital commitments		
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities		
Buildings and software	12,187	735,509
Infrastructure	1,167,705	1,245,929
Payable not later than 1 year	1,179,892	1,981,438
	<u>1,179,892</u>	<u>1,981,438</u>

23 Events after balance date

There were no material financial adjusting events after balance date.

24 Contingent liabilities

Local Government Workcare

Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$311,612.

Local Government Mutual

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

As at 30 June 2019 the LGM financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Council's Chief Executive Officer is a board member of Local Government Workcare and Local Government Mutual. These two entities are considered related parties to Council.

Industrial Estate Development

During the financial year Council entered into contracts to acquire land to facilitate the expansion of the Ayr Industrial Estate to provide economic growth and employment in the Burdekin region. These contracts were settled during the financial year and contained various terms and conditions.

Under the various terms and conditions of the land contracts Council has contingent assets/liabilities which include escrow payments, call option, relocation costs and land swaps in the new development.

25 Superannuation

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

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB 119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

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

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

25 Superannuation (continued)

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

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

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

- Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.
- Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Note	2020 \$	2019 \$
Superannuation contributions made to the Regional Defined Benefits Fund		140,897	163,983
Other superannuation contributions for employees		2,047,766	1,954,368
	6	<u>2,188,663</u>	<u>2,118,351</u>

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

	Note	2020 \$	2019 \$
Net result		4,936,094	6,623,320
Non-cash items			
Impairment of receivables and bad debts written-off	8	1,069	201
Depreciation	15 (e)	12,076,446	11,318,990
Amortisation		68,328	213,661
Change in restoration provisions expensed to finance costs	8	269,644	411,177
		<u>12,415,487</u>	<u>11,944,029</u>
Investing and development activities			
Capital grants, subsidies and contributions	4 (b)	(5,851,619)	(7,169,786)
Capital income	5	(1,732)	(32,152)
Capital expenses	9	3,318,743	3,442,888
		<u>(2,534,608)</u>	<u>(3,759,050)</u>
Changes in operating assets and liabilities			
(Increase)/decrease in receivables		(2,665,899)	(1,433,045)
(Increase)/decrease in other assets		(1,490,067)	828,912
(Increase)/decrease in contract assets		(67,617)	-
(Increase)/decrease in inventories (excluding land)		9,686	219,619
Increase/(decrease) in payables		3,945,276	1,469,244
Increase/(decrease) in contract liabilities		(62,228)	-
Increase/(decrease) in provisions		313,107	146,816
Increase/(decrease) in other liabilities		(448,356)	450,120
		<u>(466,098)</u>	<u>1,681,666</u>
Net cash inflow from operating activities		<u>14,350,875</u>	<u>16,489,965</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

27 Transactions with related parties

(a) Subsidiaries

Council did not have any subsidiaries during the financial year.

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

Most of the entities and people that are related parties of Council live and operate within the Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include payment of rates, animal registration, use of council facilities e.g. library, theatre, swimming pools.

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

28 Changes in accounting policy

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

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

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

Revenue standards - AASB 15 and AASB 1058

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

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

The adoption of the new standards has changed Council's revenue recognition methodology. The main impact of the new standards are the classification of prepaid rates and the timing of recognition of capital grant revenue. In the 2019 financial year, prepaid rates were considered revenue when received, however from 1 July 2019 the new revenue standard recognises them as a financial liability and they have been included as a payable. The transitional adjustment has been made to Retained Surplus.

Opening contract balances on transition at 1 July 2019

	Council Balance as at 1 July 2019
	\$
Contract assets	<u>782,962</u>
Contract liabilities	<u>2,825,941</u>

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

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

Statement of financial position at 30 June 2020

	Carrying amount per Statement of Financial Position Dr / (Cr)	Adjustments Dr / (Cr)	Carrying amount if previous standards had been applied
	\$	\$	\$
Contract assets - Current	415,210	(415,210)	-
Contract liabilities - current	(3,533,990)	3,533,990	-
Prepaid Rates	(2,273,116)	2,273,116	-
Retained earnings	(252,657,208)	(5,391,896)	(258,049,104)
	<u>(258,049,104)</u>	<u>-</u>	<u>(258,049,104)</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

28 Changes in accounting policy (continued)

Statement of comprehensive income for the year ended 30 June 2020

	Balance per Statement of Comprehensive Income Dr / (Cr)	Adjustments Dr / (Cr)	Carrying amount if previous standards had been applied
	\$	\$	\$
Revenue - operating grants	5,721,028	(129,846)	5,591,182
Revenue - capital grants and contributions	5,851,619	1,205,647	7,057,266
	<u>11,572,647</u>	<u>1,075,801</u>	<u>12,648,448</u>

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

Statement of cash flows for the year ended 30 June 2020

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

29 Financial instruments

Financial assets and financial liabilities

Council has exposure to credit, liquidity and market risks arising from financial instruments.

Risk management framework

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies. Council's risk committee, audit committee and Council approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council. Council does not enter into derivatives.

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

Credit risk

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

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

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

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

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and deposits held with banks and other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Cash investments

Other investments are held with financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2020

29 Financial instruments (continued)

Receivables

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low.

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

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

Liquidity risk

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

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

The Council does not have any overdraft facilities at the reporting date.

Note 19 sets out the liquidity risk in relation to Council's borrowings.

Market risk

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

Interest rate risk

The Council is exposed to interest rate risk through investments with QTC and other financial institutions. Council has access to a mix of variable and fixed rate funding options through QTC and other financial institutions so that interest rate risk exposure can be minimised.

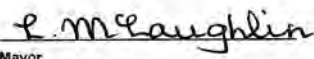
BURDEKIN SHIRE COUNCIL
FINANCIAL STATEMENTS
For the year ended 30 June 2020

MANAGEMENT CERTIFICATE
For the year ended 30 June 2020

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

In accordance with section 212(5) of the Regulation we certify that

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor

Cr. L.A. McLaughlin

Date: 16/09/2020



Chief Executive Officer

T.P. Brennan

Date: 16/9/20

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Burdekin Shire Council

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2020, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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



Sri Narasimhan
as delegate of the Auditor-General

21 September 2020

Queensland Audit Office
Brisbane

BURDEKIN SHIRE COUNCIL
Current-Year Financial Sustainability Statement
For the year ended 30 June 2020

Measures of financial sustainability

- (i) **Operating surplus ratio**
Operating surplus (Net result excluding capital items) divided by total operating revenue (excluding capital revenue).
- (ii) **Asset sustainability ratio**
Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.
- (iii) **Net financial liabilities ratio**
Total liabilities less current assets divided by total operating revenue (excluding capital items).

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

Ratio	Target	Actual
Operating surplus	Between 0% and 10%	4.52%
Asset sustainability	Greater than 90%	92.36%
Net financial liabilities	Not greater than 60%	-61.00%

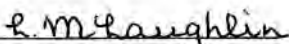
Note 1 - Basis of Preparation

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

Certificate of Accuracy
For the year ended 30 June 2020

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


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



Mayor

Cr. L.A. McLaughlin

Date: 16/09/2020



Chief Executive Officer

T.P. Brennan

Date: 16/9/20

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Burdekin Shire Council

Report on the current year financial sustainability statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

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



Sri Narasimhan
as delegate of the Auditor-General

21 September 2020

Queensland Audit Office
Brisbane

BURDEKIN SHIRE COUNCIL
Long-Term Financial Sustainability Statement (unaudited)
Prepared as at 30 June 2020

Measures of Financial Sustainability

- (i) **Operating surplus ratio**
Operating surplus (Net result excluding capital items) divided by total operating revenue (excluding capital revenue).
- (ii) **Asset sustainability ratio**
Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.
- (iii) **Net financial liabilities ratio**
Total liabilities less current assets divided by total operating revenue (excluding capital items).

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

		Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
Target		Between 0% and 10%	Greater than 90%	Not greater than 60%
Actuals at 30 June 2020		4.52%	92.36%	-61.00%
Projected for the years ended	30 June 2021	-0.60%	132.30%	-59.00%
	30 June 2022	0.50%	119.30%	-56.50%
	30 June 2023	1.00%	108.00%	-58.50%
	30 June 2024	1.10%	89.50%	-64.80%
	30 June 2025	1.50%	78.80%	-73.00%
	30 June 2026	1.20%	90.90%	-76.90%
	30 June 2027	1.50%	92.70%	-80.70%
	30 June 2028	1.50%	88.60%	-88.70%
	30 June 2029	1.80%	83.40%	-98.30%

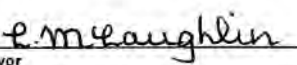
Financial Management Strategy

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

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2020

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

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


 Mayor

Cr. L.A. McLaughlin

Date: 16/09/2020


 Chief Executive Officer

T.P. Brennan

Date: 16/9/20

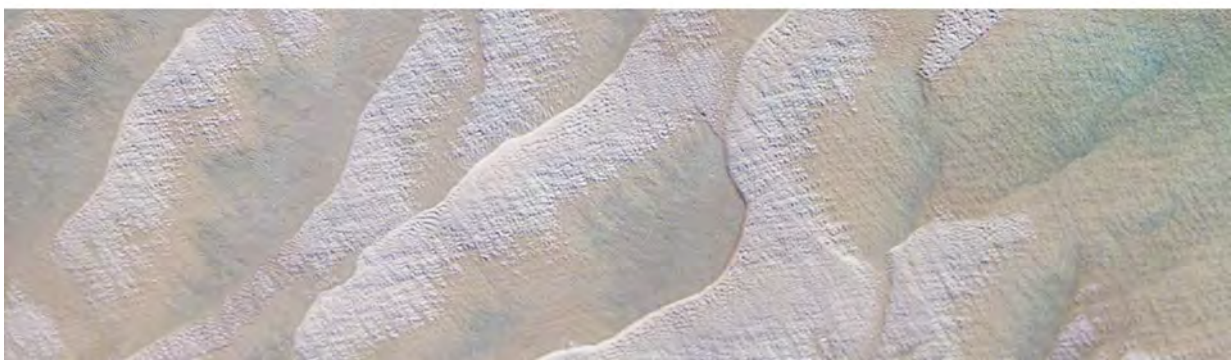


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6 INFRASTRUCTURE, PLANNING AND ENVIRONMENTAL SERVICES

6.1 ENVIRONMENTAL AND HEALTH SERVICES

6.1.1 Reef Guardian Council Action Plan 2017- 2024

Document Information

Referring Letter No:	N/A
File No:	343
Name of Applicant:	N/A
Location:	N/A
Author and Title:	Mr. Dan Mulcahy – Manager Environmental Health Services

Executive Summary

Council is committed to protecting the Great Barrier Reef through its partnership with the Great Barrier Reef Marine Park Authority (GBRMPA) Reef Guardian Council Program. It is a requirement of the program that Council develop a Reef Guardian Action Plan.

Recommendation

That Council adopt the Burdekin Shire Council Reef Guardian Council Action Plan 2017-2024.

Background Information

The Reef Guardian Council Program is a stewardship program that encourages and supports councils, schools and industries to become actively involved in protecting the Great Barrier Reef. The Program focuses on improving land management practices and water quality in the Great Barrier Reef catchment.

The Council has recently signed a Memorandum of Understanding (MOU) with the Great Barrier Reef Marine Park Authority (GBRMPA). The Authority has developed the Reef Guardian Council Program as a vehicle for encouraging development in the protection and management of the Great Barrier Reef Region through education, information sharing and active involvement.

Under the MOU, Council is required to comply with the Terms of Reference which include the identification and undertaking of annual actions that improve the health of the Great Barrier Reef.

The Action Plan records the diversity of Council actions and projects that contribute to reef health. The Action Plan is a tool for the Council to share its Reef management actions with the local community and other councils within the catchment area.

The current Action Plan is for four (4) years and describes selected current and future projects and activities Council will undertake to support its status as a Reef Guardian Council.

The actions fall under the following key threats:

-
- Climate Change
 - Coastal Development (including head water catchments)
 - Land-based run-off
 - Direct Use
 - Heritage Values (Historic and Traditional Owner)

The Action Plan can be reviewed and updated annually. An annual Highlights Report is also produced to show the continuous improvements occurring across a range of Council activities.

Council has previously been part of the Reef Guardian Council Program with the latest Action Plan being for the period 2017-2020.

Link to Corporate/Operational Plan

Burdekin Shire Council Corporation Plan 2017-2022

4.1.4 Work in partnership with organisations and the community to support projects to protect and enhance environmentally sensitive areas.

Consultation

Consideration of the proposed 2020-2024 Action Plan was undertaken at the Council Workshop held on 15 September 2020.

Legal Authority or Implications

N/A

Policy Implications

N/A

Financial and Resource Implications

Programs are part of Council's annual budget.

Report Prepared By:

Mr. Dan Mulcahy – Manager Environmental Health Services

Report Authorised By:

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

Attachments

1. Burdekin Shire Council Reef Guardian Council Action Plan 2020-2024.

Reef Guardian Council Actions 2020-2024

Key Threats	Actions	Comments
Climate Change	Increased renewable energy generation	Installation of 30 Kw and 100 Kw solar systems. Review and consider future installations.
	Climate change adaptation / resilience planning	Participation in "Our Coast - Our Lifestyle" project which seeks to mitigate the impact of coastal hazards while protecting the region's values and character. The project is due for completion in 2020. Preparation of a Dune Management Strategy and recommended priority works in 2020.
Coastal Development (including head water catchments)	No further loss of habitat connectivity	Undertaking of the Riparian Management Agreement program focussing on aquatic weed removal.
	Manage acid sulphate soils	Program for identification, testing, treating and monitoring of acid sulphate soils in Council works projects.
	Waste and recycling initiatives / education program	Participation in the Recycling Right Campaign - NQROC region; development of waste and recycling initiatives and education material; School visits.
	Adopt single-use plastic free policy for all council events and venues	Implementation of no plastic straws and plastic free catering where possible for council meetings, functions and events; promotion of Plastic Free July campaign.
Land-based run-off	Minimise the impact of discharge from council infrastructure	Progress of Macro-algae Bioremediation Demonstration Facility at the Ayr WWTP. Awaiting funding.

	Council capital and operational work programs do not increase sediment runoff, nutrient and pesticide runoff	Review of Environmental Factors for all council works to ensure sediment run-offs do not contaminate the water ways
	Support community marine debris clean-ups and source reduction workshops	Beach clean-up; support for Tangaroa Blue
Direct Use	Develop a Recreational Fishing Strategy	Funding application for a "Fishing in the Burdekin Guide". Creation of a Fishing Advisory Group.
	Support community and industry partnerships working to improve Reef health	Support NQDT, BBLMAC and reef groups, e.g. clean-ups
Heritage Values (Historic and Traditional Owner)	Identify, protect and manage: <ul style="list-style-type: none"> - cultural heritage sites - contemporary cultural heritage connections - social and cultural (place) values 	Preparation of a Local Heritage Register as part of the new Burdekin Planning Scheme. The register will ensure significant historical or cultural values of heritage places are not compromised, diminished or obscured by development on or near the place. Register to be prepared 2 years from scheme adoption which is planned for mid 2021.
	Support Traditional Owner social and economic outcomes through programs and partnerships	Facilitated lease of Gudjuda Cultural Centre building at Plantation Park and lease of Home Hill Showgrounds to Gudjuda reference Group for a social enterprise activity.

6.2 OPERATIONS

6.3 PLANNING AND DEVELOPMENT

6.3.1 TBSC/20/015 - Burdekin Theatre Refurbishment

File Reference	217
Report Author	Mr. Keith Lewty – Facilities Management Coordinator
Authoriser	Mr. Shane Great – Manager Planning and Development Mr. Nick Wellwood – Director Infrastructure, Planning and Environmental Services
Meeting Date	13 October 2020

Link to Corporate/Operational Plan

Burdekin Shire Council Corporate Plan 2017-2022:

1.1.1 Plan, build and maintain infrastructure that enhances community assets.

Executive Summary

Replacement and maintenance of the Burdekin Theatre roof has been identified as a major capital works project to be carried out during the 2020/2021 financial year. Section 224(3) of the *Local Government Regulation 2012* requires Council to invite written tenders for large-sized contractual arrangements that is expected to be worth, exclusive of GST, \$200,000 or more in a financial year. The Burdekin Theatre roof and cladding refurbishment works are expected to fall within this category. At the closing date for tenders on Monday, 14 September 2020, four (4) tenders were received via VendorPanel.

Recommendation

That Council confirms the action taken by the Chief Executive Officer (CEO) to accept the tender submitted by W & F Constructions Pty Ltd (Option 2 – 90 percent Roof Replacement) for \$433,289.09 (ex. GST) in accordance with their submission received.

Background

Tenders (TBSC/20/015) for the Burdekin Theatre – Refurbishment and Upgrade of Roof and Wall Cladding were called on Tuesday 18 August 2020. Tenders were advertised via the Townsville Bulletin, Council Website and VendorPanel. At closing time on Monday, 14 September 2020, four (4) tenders were received.

Details of the valuation of tenders are summarised below:

Company Name	Evaluated Scores	Ranking
W & F Constructions Pty Ltd	91	1
Jackson Semler Pty Ltd	80.55	2
Taylor Builders Pty Ltd	78.35	3
New Wave Housing & Construction	68.25	4

The VendorPanel valuation and assessment tool evaluated scores as shown above. It was used to assist Council Officers in the assessment and selection of a construction company that is capable of providing a professional and affordable service whilst ensuring workmanship is of a high standard and delivered in a very responsive time frame.

In addition to the VendorPanel tool, the following Council Procurement Policy 2020/2021 objectives were taken into consideration. These include:

- Promoting value for money with probity and accountability;
- Advancing Council's economic, social, and environmental policies;
- Providing reasonable opportunity for competitive local businesses that comply with relevant legislation to supply to Council; and
- Promoting compliance with relevant legislation.

During assessment of the tenders it was decided that 'Option 2 – 90 percent Roof Replacement, provided the most effective long-term Asset Management outcome for Council. This is because 90 percent of the existing roof sheeting will be replaced ensuring long term maintenance expenditure is minimised.

In summary, all tenders were assessed in accordance with the Burdekin Shire Council Procurement Policy 2020/2021 and overall ranking using the VendorPanel assessment tool. It is therefore recommended that Council confirms the appointment of W & F Constructions Pty Ltd (Option 2 – 90 percent Roof Replacement) as the successful tenderer.

Consultation

TBSC/20/015 – Burdekin Theatre – Refurbishment and Upgrade of Roof and Wall Cladding, was advertised in the Townsville Bulletin on Saturday, 15 August 2020 and online through VendorPanel between Thursday, 13 August 2020 and Monday, 14 September 2020.

Budget & Resource Implications

Expenditure in accordance with budget allocation.

Legal Authority & Implications

Sections 224(3), 226 and 228 of the *Local Government Regulation 2012*.

Policy Implications

Burdekin Shire Council Procurement Policy 2020/2021:

The objectives of this policy are to achieve advantageous procurement outcomes by:

- a) Promoting value for money with probity and accountability;
- b) Advancing Council's economic, social, and environmental policies;

-
- c) Providing reasonable opportunity for competitive local businesses that comply with relevant legislation to supply to Council; and
 - d) Promoting compliance with relevant legislation.

Council officers must have regard to the following sound contracting principles in all purchasing and disposal activities in accordance with Section 104(3) of the *Local Government Act 2009*:

- a) Value for money;
- b) Open and effective competition;
- c) The development of competitive local business and industry;
- d) Environmental protection; and
- e) Ethical behaviour and fair dealing.

Risk Implications (Strategic, Operational, Project Risks)

Minimal Organisational Risk due to the implementation of process's surrounding the appointment of successful tenderer using Vendor Panel and Procurement Policy compliance.

Asset Management Risk mitigated by the adoption of Option 2 to optimise Overall Asset Life.

Temporary access strip agreed to Queensland Police to minimise crane and construction costs.

Construction Risks to be effectively managed using Contractor's HS&E systems with reviews by Council.

Attachments

1. N/A

6.3.2 Development Application Material Change of Use for Extractive Industry - Sand Extraction from the Haughton River via Lot 18 on EP31 adjacent to Lot 23 on GS3 and Lot 2 on RP735694

File Reference	226 (MCU19/0011)
Report Author	Mr. Shane Great – Manager Planning and Development
Authoriser	Mr. Nick Wellwood – Director Infrastructure, Planning and Environmental Services
Meeting Date	13 October 2020

Link to Corporate/Operational Plan

Burdekin Shire Council Corporate Plan 2017-2022:

2.5.1 Review land supply and uses as required to meet community and business needs

2.4.4 Support development, diversification, sustainability and expansion of the economic base

Burdekin Shire Council Operational Plan 2020/2021:

PD2 Provide for the needs of the community by delivering appropriate land use outcomes including development approvals that are considered sustainable, achievable and cost effective.

PD5 Provide Development Assessment Services which ensure: land uses comply with the *Planning Act 2016*, Planning Scheme, Council Policies applicable standards and conditions of approval; assess development applications; and undertake land use compliance inspections.

Executive Summary

Council has received a Development Application from Extractive Industry Solutions on behalf of their client NQNRH Pty Ltd seeking a development permit for a Material Change of Use for Extractive Industry – Sand Extraction from the Haughton River, off Lyons Road, Giru (Lot 18 on EP31 and adjacent to Lot 23 on GS3 and Lot 2 on RP735694).

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, off Lyons Road, Giru (Lot 18 on EP31 and adjacent to Lot 23 on GS3 and Lot 2 on RP735694) subject to the following conditions:

General

- 1.1 The extraction use may operate only between the hours of 6.00am to 6.00pm Monday to Friday and 6.00am to 2.00pm Saturday. There must be no operation on Sundays or public holidays.

-
- 1.2 Extraction operations will not be allowed between the months of November and April unless otherwise approved by the Chief Executive Officer.
 - 1.3 The speed of all vehicles hauling material from the site is limited to a maximum of 40km/h on Lyons Street, Bird Street, Drysdale Street, Carey Street and Barbat Street.

Approved Plans

2. (a) The development and conduct of the approved use of the premises, the carrying out and maintenance of any works on the premises and construction and maintenance of any building on the premises must be generally in accordance with the applications supporting material including all drawings/documents identified in the Table below, except where modified by the conditions of this Development Permit and any approval issued there under.

Document	Prepared by	Date
Planning Report – Haughton River Sand Extraction	Extractive Industry Solutions	26 July 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. 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.

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.

Road Traffic Impact – Maintenance

- 10.1 The applicant must pay Council (on an annual basis) the amount of 31 cents/tonne for ongoing maintenance to affected Council maintained roads for the life of the extraction operations. Once evidence of extraction rates is received by Council via the required 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.
- 10.2 The design and construction of the proposed access track must meet the following requirements:
 - (a) The alignment and level of the track must maintain existing flood immunity for adjoining properties and must not alter the existing flow characteristics of overbank flow in the area.
 - (b) The levels of existing natural or constructed levees in the area must be maintained.
 - (c) The track is to be designed and constructed generally in accordance with the details set out in Section 1.2 of the Alluvium assessment report (August 2020) and must not increase the risk of scouring in the track and surrounding area.
 - (d) A longitudinal section of the track and engineering design details, showing existing natural surface levels, proposed finished surface levels and scour protection elements shall be provided to Council for approval by the Chief Executive Officer prior to the commencement of any works.

Limitation on Use

- 11.1 The Extractive Industry use is limited to a maximum extraction rate of 20,000 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 "Haughton River Sand Deposits Giru Drawing/Haul/Ap19006" Plan and in accordance with the specifications shown on the supporting material lodged. There must be no additional disturbance including extraction, construction of roads or access tracks or vegetation 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.

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- 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 Environment and Science and be strictly in accordance with the issued Allocation of quarry material.
- 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 Engineers 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.

Background

Burdekin Shire Council acting as the Assessment Manager has received a properly made Development Application seeking approval for a Material Change of Use for Extractive Industry – Sand Extraction from the Haughton River, off Lyons Road, Giru (Lot 18 on EP31 and adjacent to Lot 23 on GS3 and Lot 2 on RP735694). The application was lodged by Extractive Industry Solutions, on behalf of their client NQNRH Pty Ltd.

The land adjoining the Haughton River is zoned 'Rural' with the proposal triggering an 'Impact Assessable' Development Application. The Application has been assessed against the relevant provisions of Burdekin Shire Council's IPA Planning Scheme and was triggered as assessable development under Table 1 – Assessment Categories and relevant assessment criteria for Rural Zone – Making a Material Change of Use. The defined use is best described as an 'Extractive Industry'

“Extractive Industry” definition:- *“The use of land for the winning, by any means, of any rock, gravel, sand or soil from the earth.*

The term also includes:

- (a) the processing of such material whether or not such processing takes place of the same lot from which the material was won;*
- (b) the removal of any such material from the place from which it was won or processed; and*
- (c) land necessarily used for hauling materials from the site to a road.*

The term does not include operational work associated with a construction site.”

The applicant was also required to apply for approvals from the Department of Environment and Science for an Allocation of quarry material which was issued under the *Coastal Protection and*

Management Act 1995. This approval falls outside of the requirements of the *Planning Regulation 2017*.

The approval sets conditions on extraction areas depth and quantities and restricts the applicant to an extraction volume of no more than 20,000 cubic metres in a 12-month period.

Under the provisions of the *Planning Regulation 2017*, elements of the proposed development required referral to NQSARA with the following matters where required to be assessed by several state technical agencies:

- Removing quarry material from a watercourse or lake;
- Clearing native vegetation;
- Development impacting on State transport infrastructure; and
- Environmentally Relevant Activity (ERA) Dredging (16(1)(b)) that is not devolved to Local Government.

After this assessment, the applicant was issued with a referral agency response containing conditions set by each of the technical agencies in relation to their specific area of responsibility. This response will be attached to any decision notice issued by Council.

The Application

The Application seeks development approval to remove quarry material from the Haughton River. Specifically, the applicant proposes to dredge sand resources from the bed of the Haughton River identified as "Extraction Area" on the site plans submitted with the application.

The extraction operation will be undertaken dependent on river conditions which will be in the dry season between the months of April and the end of November to avoid the wet season. The environmental authority issued by the State provides that a maximum of 20,000m³ of sand per year can be removed from the site, this authority is valid for a period of five (5) years.

There is no processing of the sand on site, the material will be excavated and loaded directly into trucks. A majority of the haulage will occur using a 20m truck and quad dog combination with a 38-tonne payload. Based on the size of haulage vehicle the operational days of the year (between April and November) and the maximum extraction rate, the average daily truck movements will be approximately ten (10) trips (five (5) in empty and five (5) out loaded) per day. Daily extraction and processing quantities will ultimately be decided by the number of orders received.

The site will not operate on Sundays or public holidays and there is a heavy vehicle restriction on Carey Street in Giru between 7.30am to 8.30am and 3.00pm to 4.00pm to accommodate for school drop off and pick up.

The applicant submitted as supporting material for the application a planning report. This document includes details of the management and operation being proposed inclusive of, site operations, environmental responsibilities, site rehabilitation, impacts on surrounding amenity, vegetation management, incident management and emergency response as required by State entities. Any breaches occurring during extractive operations will be managed by these plans.

Site Description/Surrounding Land Uses

The site is located approximately 1km north of the Giru Township with access via Lyons road. The extraction site is on the lower flood plain of the Haughton River specifically located on the western side of the river. The proposed extraction area and access track has a development area of 4.417ha.

The surrounding area is predominantly utilised as sugar cane farms, horticulture, and grazing land with some rural residential dwellings.

Planning Scheme Assessment

Given the application was 'Impact Assessable' under the provisions of the scheme, consideration has been given to all relevant components of the scheme including the, Desired Environmental Outcomes (DEO's), Specific Outcomes and Acceptable Solutions in the relevant Zone, Use and Overlay Codes.

The applicant's consultant has provided supporting material by way of a planning report detailing how they believe the proposal will achieve compliance with the relevant components of the scheme and includes information addressing planning matters.

Given the nature of the proposal, general compliance with the relevant components of the scheme can be achieved and are summarised as follows:

Desired Environmental Outcomes

The proposal does not compromise the relevant DEO's of the scheme having regard to each in balance. In particular:

- *Economic Development* – The proposed extraction will not impede the use of Good Quality Agricultural Land and provides opportunities for local business to make use of a natural resource. The extraction limits applied by the State, Council conditions and mitigation measures outlined in the supporting material lodged with the application will protect and allow the responsible use of the resource into the future.
- *Biodiversity and Conservation Areas* – Management Strategies contained for air, noise, stormwater, ecological values, and water quality within the planning report ensure the ongoing wellbeing of the catchment and surrounding area. There will be little interference with the vegetated corridor along the Haughton floodplain as the extraction site will use private land to access the riverbed. With the proposal being in the Haughton River the planning report has set out operations that accommodate for the ecological and geomorphological processes by managing the site to prevent silting and providing buffer strips that will protect the banks of the river.

Zone, Use and Overlay Codes

The supporting material for the application states that the proposal is compatible with the relevant Overall Outcomes for the Rural Zone Code in that the proposed extraction will only operate on a seasonal basis and not impede existing agricultural industries or hamper the expansion of these industries. While utilising a natural resource the limits applied to extraction amounts and mitigation measures contained in the planning report will protect remnant native vegetation areas.

The relevant Specific Outcomes for the Rural Zone Code have been considered in the assessment of this application, noting that not all the specific outcomes within this code are applicable to this proposal.

The outcomes specific to this proposal are:

Site Suitability – The site has been assessed for slope, erosion and stability with the batters stepped to ensure the site remains stable. There are no structures associated with the development.

Land Use Suitability – The allocation notice from the State require all machinery and equipment associated with the extraction are stored off site. The sites access track will be maintained during operational periods with speed limits, signage and identified carparking areas used to control truck manoeuvres.

Vegetation Management – The development is in an area that has previously been used for extraction and the vegetation is partly destroyed by each flood event. The allocation notice defines the extraction area within the riverbed to protect the remnant vegetation and enhance any surrounding conservation values.

Air and Water Quality – Emissions at the site will be from the machinery used to carry out the extraction. No pollutants will be stored on site. During operational periods, a hydrocarbon spill kit will be kept in case of an accidental spill.

Sediment and Erosion Control – The development relies on the river system dropping sediment in the extraction zone after a flood event. There are no areas greater than 1.2m high that maintain a slope of 10 percent within the extraction site. The site will be extracted from downstream to upstream and from the stream to the western bank. The rehabilitated areas will drain to the water's edge at 1:100 slope and the pre-existing longitudinal slope.

Relevant Specific Outcomes for the Extractive Industry Code have also been considered in the assessment of this application.

The outcomes specific to this proposal are:

Site Layout and Management – The separation distance between the site and private dwellings are 750 meters to the north, 900 meters west and 1 kilometre south. Being located in the riverbed the extraction site is buffered by the banks of the river and the surrounding remnant vegetation. There will only be one loader and truck onsite at any time, the machinery will be removed from the riverbed each day and no fuels or chemicals will be stored on site.

Rehabilitation – This will be carried out in accordance with the plan lodged as part of the supporting material. This will occur after each dry season to allow sand to deposit in the extraction area during flooding of the Haughton River. The site can also be controlled by the Department of Environment and Science who request financial assurance from the developer if through their departmental guidelines can deem the environmental risk to the site be high.

It is considered that the application is not in substantial conflict with the relevant Specific Outcomes of the Rural Zone Code, Biodiversity and Conservation Code or the Extractive Industry Code that would warrant refusal or that could not be justified by reasonable planning grounds.

As stated above, mitigation and control measures for the proposed development have been submitted as supporting material in the application. If any compliance issues arise from the proposal not being able to meet a particular outcome, conditions have been included in the recommendation that will ensure specific outcomes are met protecting rural and residential uses in.

Comment on Submission

The Development Application required public notification due to the proposed use (i.e. Extractive Industry) triggering a Material Change of Use – Impact Assessable. At the closing date for submissions, three (3) properly made submission had been received.

The submission received raised concerns about possible negative impacts on the river system and safety concerns the proposed development could have on the general amenity of Giru due to increased traffic movements. These concerns have been acknowledged by both the applicant and the assessment manager and every effort has been made to minimise any potential negative impacts.

Issues identified in the submission are listed below including a response.

Haul Route:

Two (2) of the submission have raised concerns with the haul route and the affect on the amenity to Giru. Specifically, noise levels, speed limits of trucks, safety of pedestrians and damage to the streets.

Response:

The applicant has commented in their response to the submissions that the option of removing the sand from the eastern bank was considered, but after assessment of this location it was determined that the potential for environmental harm was far greater due to historical and existing river flows. Regarding the increase in traffic flow they have highlighted that at the maximum extraction rate of 20,000m³ this would equate to 54 days of haulage per year.

The supporting material in the application states that there is a restriction on heavy truck movements on Carey Street, Giru between 7.30am to 8.30am and 3.00pm to 4.00pm during weekdays due to students attending school.

Council Officers have conditioned that these restrictions be extended for an additional half an hour in the morning until 9.00am and also in the afternoon commencing at 2.30pm.

Conditions will also restrict haul vehicles to 40 kilometres per hour in Giru and a levy of 31cents/tonne for ongoing road maintenance to effected Council maintained roads.

Access to the River and Rehabilitation:

The Burdekin Shire Rivers Improvement Trust lodged a submission primarily concerned with the potential for bank damage from the access to the river being in the path of flood waters and the responsibilities of the site rehabilitation.

Response:

The applicant has responded to this concern stating that the access point to the river was chosen due to the historical sedimentation characteristics of the river, as the main channel is moving east the main deposits are on the western bank. The eastern bank of the river was considered as an access location, but the bank showed signs of instability which could lead to substantial damage to the adjacent farming land. The proposed access road is 4m wide and the finished level will be similar to natural ground level to allow any flood waters to flow over the road.

The restoration or rehabilitation of the disturbed area will be conducted as extraction in each area is completed.

The Allocation of quarry material and Environmental Authority for the Environmental Relative Activity (ERA16) issued by the Department of Environment and Science which are included as part of the Decision Notice, have extensive conditions for monitoring and reporting measures taken to prevent and minimise environmental harm.

After the response from the applicant to the concerns raised by the river trust, Council as Assessment Manager under Section 35 of the Development Assessment Rules requested further advice from the applicant. The request was for a Fluvial Geomorphology Report prepared by an appropriately qualified person, demonstrating that the proposed access track will not cause detrimental impact to the integrity or scouring of the existing bank and adjoining properties.

The applicant engaged Alluvium to carry out the assessment which was provided to Council in August 2020. As a result of the information provided and after discussions with Alluvium, Officers have included an additional condition (10.2) to the recommendation.

Conclusion

Council's Development Assessment Team members have assessed the application in accordance with the scheme and have included reasonable and relevant conditions as part of the recommended approval. Officers are confident that the proposal complies with adopted planning regulations, policy and identified State interests. It is recommended that Council approves the application subject to the abovementioned conditions.

Consultation

Given that the Development Application was triggered as 'Impact Assessable', public notification was required. The application was publicly notified between 27 March 2020 and 22 April 2020. At the end of this period, there were three (3) properly made submission received.

All relevant Council Departments have been consulted. In accordance with requirements of the *Planning Act 2016*, the application was referred to NQSARA, with the DTMR, DES and DNRME triggered as technical agencies. These comments and or development conditions will be included as part of any Decision Notice issued.

Budget & Resource Implications

Possible legal fees and allocation of staff resources associated with any Planning and Environment Court appeal by the applicant or a submitter.

Legal Authority & Implications

A potential risk is present for any Impact Assessable Development Application in that any decision made by the Assessment Manager may attract an appeal in the Planning and Environment Court.

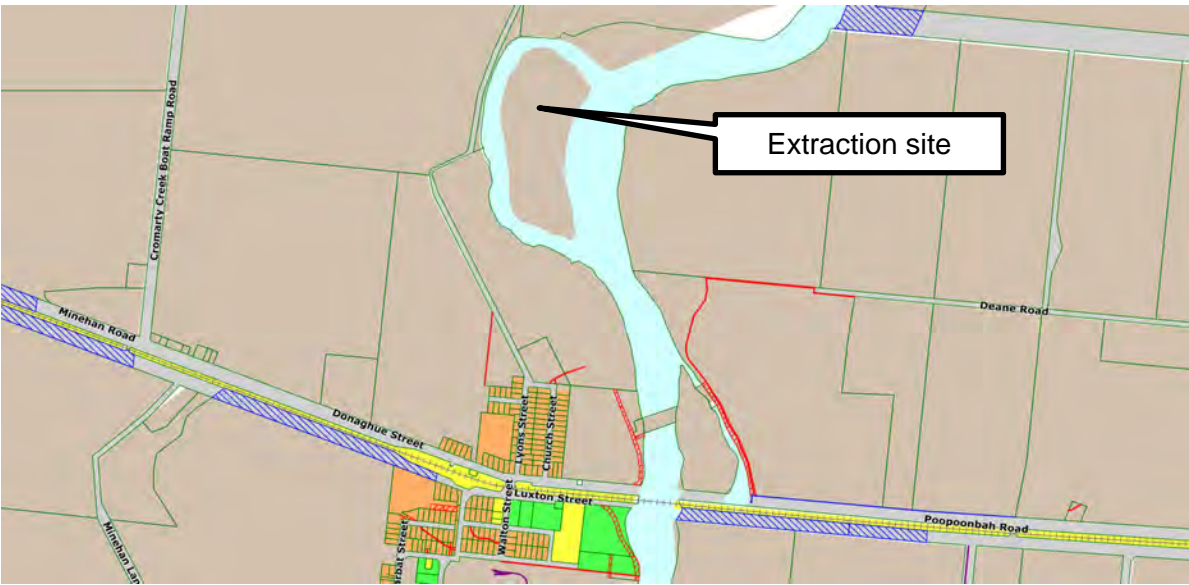
Policy Implications

N/A

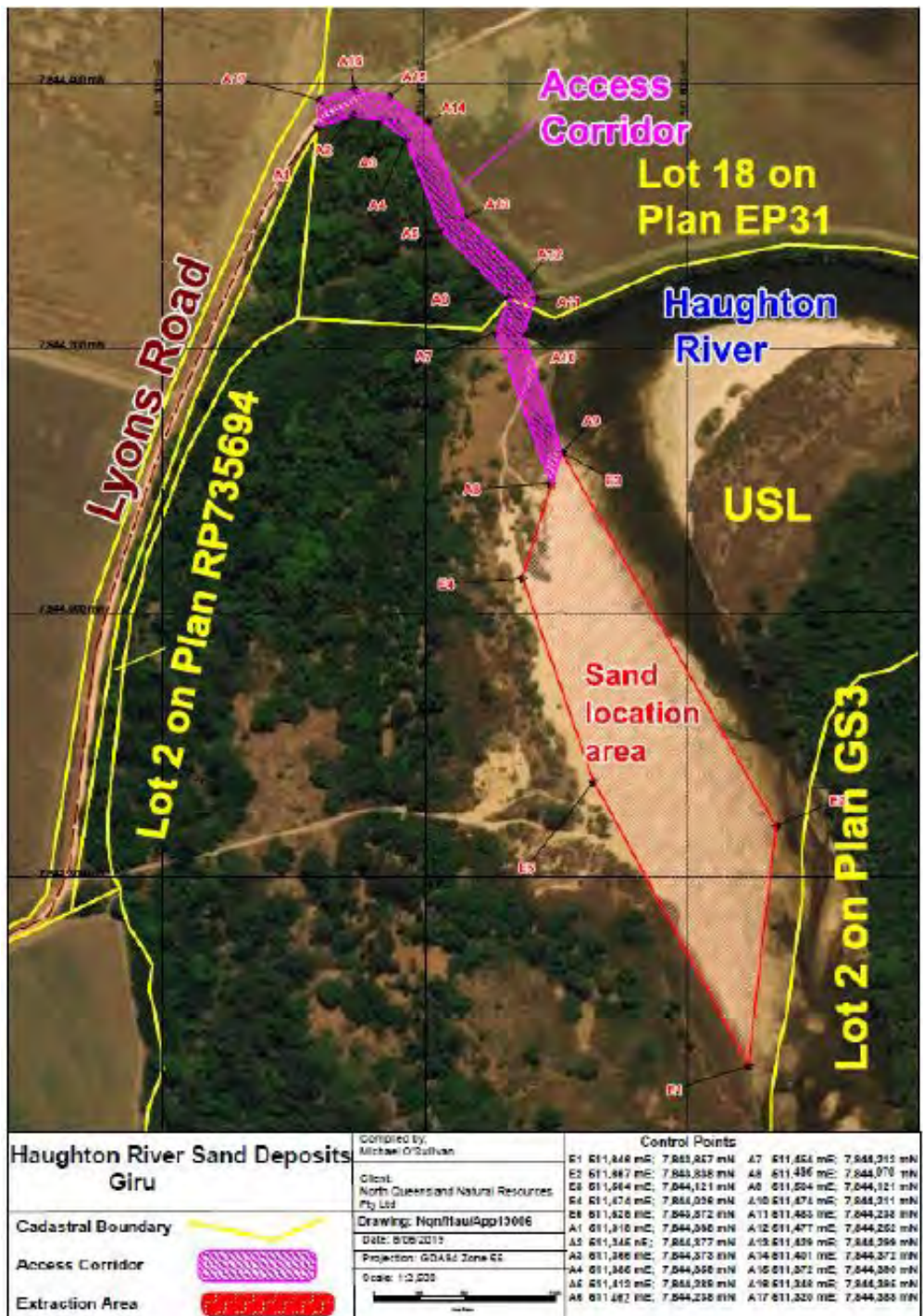
Risk Implications (Strategic, Operational, Project Risks)

Minimal organisational risk is apparent given that the recommendation has considered all relevant outcomes associated with Strategic, Operational and Project Risks.

Attachments



Extraction Site and Access Corridor:



Haul Route:



Sensitive Receptors (Dwellings):



6.4 TECHNICAL SERVICES

7 NOTICE OF MOTION

8 RECEIPT OF PETITIONS

9 CORRESPONDENCE FOR INFORMATION

Tabled Separately

10 GENERAL BUSINESS

11 CLOSED BUSINESS ITEMS

12 DELEGATIONS

