

REGIONAL COUNCIL

Lockyer Valley Regional Council

Annual Report 2018–2019

OVERVIEW OF THE LOCKYER VALLEY

Located just an hour's drive from Australia's third largest city, lies the seventh most fertile soil in the world. The Lockyer Valley boasts some of the richest and most productive agriculture land on earth, making it the perfect area for growing food.

Each year the Lockyer Valley produces more than \$365.7 million worth of vegetables bound for dinner tables right across the nation, highlighting the significant role the region plays in the overall domestic supply of food.

Affectionately known as 'The Salad Bowl', the Lockyer Valley covers around 2,200 square kilometres of land, with almost a quarter of this used for agricultural production. Logistically there is no farming centre better situated than the Lockyer Valley with the region adjoining or in easy access to every major highway in Australia.

Right on the doorstep of Brisbane, the Lockyer Valley is home to more than 41,000 people and is forecast to welcome an additional 16,000 people by 2031. The projected growth puts the region in a better position to obtain vital infrastructure such as a passenger rail service, regional hospital and increased funding for our community centres.

The Lockyer Valley isn't just a great destination for food, but also for tourism opportunities. Perfectly poised to attract the lucrative drive market out of South East Queensland, the Lockyer Valley is the perfect location for people looking to escape the rat race for the weekend.

In the Lockyer Valley, 14.9% of the households consist of couples with young children (under the age of 15), cementing the region as a great area to raise a family. Our region is serviced by twenty-six public and private schools, twenty-one early childhood education services, two hospitals and over forty-five community run organisations.

The Lockyer Valley is the region of choice for vibrant, rural living.

ACHIEVING THE OUTCOMES OF THE COMMUNITY PLAN 2017-2027

'Lockyer – Our Valley, Our Vision Community Plan 2017-2027' details the community's vision for the region to the year 2027. The Community Plan establishes outcomes for the Lockyer Valley community that guides the priority actions which are to be undertaken by a wide range of stakeholders including Council. The outcomes identified in the Community Plan along with its themes form the basis for the development of Council's Corporate Plan 2017-2022. This Annual Report, is the second to report on the progress Council has made in achieving the identified outcomes of the Corporate Plan 2017-2022 and the Community Plan 2017-2027.





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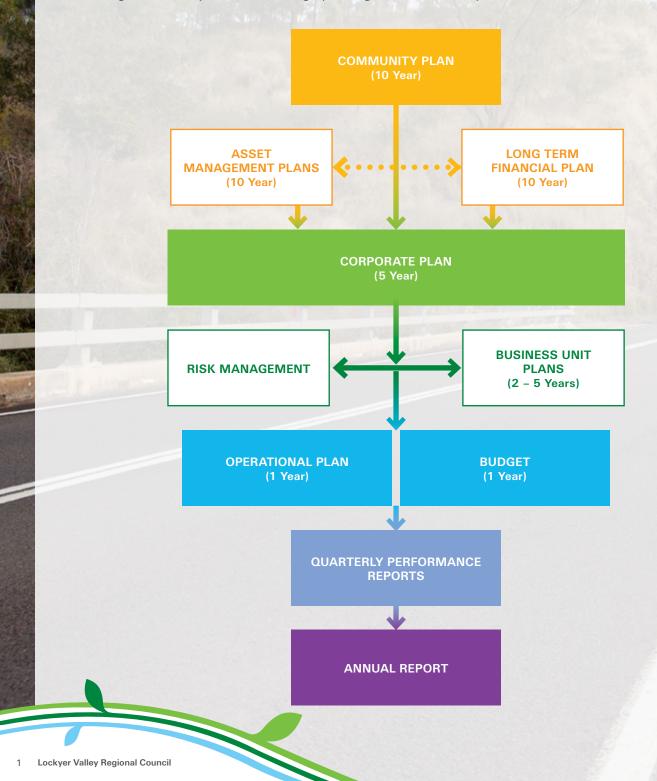
INTRODUCTION

This Annual Report, for the financial year 1 July 2018 to 30 June 2019, describes Lockyer Valley Regional Council's achievements in providing services to the communities it serves. It displays the progress in delivering the actions in the Corporate and Operational Plans, along with statutory reporting requirements, providing a culmination of regular reports to the community and stakeholders. Council's 2017-2022 Corporate Plan provided the focus and direction for Council over the twelve-month period to 30 June 2019.

The Annual Report provides the community with operational and financial information about Council's performance against the outcomes and service delivery commitments set out in the Corporate and Operational Plans which were developed in response to the Lockyer Valley Community Plan 2017-2027.

COUNCIL'S STRATEGIC PLANNING FRAMEWORK

The diagram below represents the strategic planning framework used by Council:





VISION, MISSION AND VALUES

VISION:

We will deliver sustainable services to enhance the liveability of our community while embracing our economic, cultural and natural diversity.

MISSION:

Lead, engage and empower.

OUR VALUES:

Values form the basis of our culture. They add meaning to work and they provide a basis for consistent planning and decision making across the organisation. The desired values and behaviours that every employee of Lockyer Valley Regional Council is expected to demonstrate in their daily activities, in the way they behave and in the way they make decisions are:



LEADERSHIP

We lead through excellence and partner with the community to achieve Council's vision and mission.



Accountability

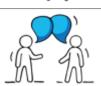
ACCOUNTABILITY

We accept ownership of our role and take responsibility for our actions. We are results focused, take pride in our successes and efforts and learn from our mistakes.



INTEGRITY

We strive to be valued and trusted by the Lockyer Valley community. We are respectful, open, transparent and honest in our dealings with the community. At all times we act in the best interests of the community.



Communication

COMMUNICATION

We embrace diversity and communicate openly and honestly. We listen actively, consider and value the views of others. Our communication is clear, concise and consistent.



Customer Focus

CUSTOMER FOCUS

We strive to engage and communicate with our internal and external customers to meet agreed outcomes. We identify and aim to meet the needs of all customers in a responsive and equitable manner.



TEAMWORK AND COLLABORATION

We value creative thinking and look for opportunities to collaborate and connect to deliver a better Lockyer Valley. We work together by recognising and sharing our talents, skills, experience and knowledge.

MESSAGE FROM THE MAYOR

STRONG FINANCIAL POSITION

It is again with enormous pride that I acknowledge the strong financial position we are in as a Council. We have continued to reign in debt and make loan repayments at an accelerated rate as we delivered a third consecutive operational surplus in 2018-19.

As an organisation we have continued to get our debts and finances in order and stopped spending on shiny new things and instead continued to focus on maintaining the assets we currently have.

As a result, we have made an additional payment of \$500,000 against our debt this financial year and by the end of the current term of Council in 2020, a total of \$12 million in debt is planned to be paid. We have \$23.1 million in the bank ensuring we are in a better financial position to be able to manage any unforeseen disaster, should one occur.

Our Ten Year Financial Plan has Council in a strong position, being able to continue paying down debt at an accelerated rate while continuing to deliver on genuine operating surpluses.

COLLABORATION

A contributing factor in Council being able to deliver on our promise of financial sustainability has been through our ongoing commitment to being open and transparent and having genuine and honest conversations regardless of how hard they may be.

As a Council, we continue to work with and not against our stakeholders to achieve mutually beneficial outcomes for our region.

We have attracted significant investment including a new state-of-the-art backpacker facility now completed with planning underway for stage two. New accommodation has been provided with both the expansion of existing services and the inclusion of a new motel.

New service stations have been built and we are continuing talks to attract investment with a new high school planned, the inclusion of a new regional hospital now listed on a ten-year master plan, and the announcement of the \$600 million stage two expansion of the South East Queensland Correctional Facility.

We fought for and received funding for a \$1.4 million business case in securing the region's long-term water supply as a measure to protect the long-term future of our national and in fact, global agricultural sector.

ACKNOWLEDGEMENT

While as an organisation we have certainly delivered some major achievements, they were only made possible through our close partnerships.

I would like to take this opportunity to thank my fellow Councillors for making the right decisions, and not just the easiest or most popular ones.

We continue to have open, honest and often robust conversations with internal and external stakeholders which is certainly playing a major role in driving the Lockyer Valley forward.

While I certainly acknowledge the good work shown by the CEO, Mr Ian Church, the Executive Leadership Team and all staff, I would like to publicly acknowledge the extraordinary efforts of our local primary producers as we battle worsening drought conditions.

It's been a tough 12 months and with below average rainfall expected well into next year, things are certainly tough across the board.

As elected members, we have made some very tough but necessary decisions over the past four-year term of this current Council and for that I would like to thank you. We have based those decisions on



what needed to be done for the betterment of the community and not based on election cycles, and for that I am immensely proud.

Councillor Tanya Milligan (Mayor) Community and Council Development

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

I am very proud of the commitment of Lockyer Valley Regional Council staff to our community. Every achievement highlighted in this Annual Report represents a contribution towards Council's vision for the region and the organisation.

OUR CUSTOMERS AND COMMUNITY

Several business improvements were implemented during the year, specifically focused on our customers and community. These included enhancing our ability to resolve requests at their first point of contact through our customer contact centre; reducing red tape through our planning and development group and improving our response times when dealing with local laws issues impacting community members.

Council continued its commitment to community consultation throughout the year by seeking the community's opinion on several important projects, including the Hatton Vale/Kensington Grove recreation facility; changes to the Waste Reduction and Recycling Plan; Gatton Showgrounds Master Plan and the Parks and Open Space Plan, amongst others. In addition, Council continued to recognise the importance of the community and sporting groups in our region by providing them with direct financial assistance in the amount of \$491,687, along with significant in-kind support.

ADVOCACY

Council actively lobbied and worked with other levels of Government on behalf of the Lockyer region during the year. The Lockyer and Somerset Water Collaborative, with its objective of augmenting the water supply to the Lockyer and Somerset regions for use by farmers and businesses, has been very successful.

In addition, Council has been actively involved in the Inland Rail project lobbying on behalf of the community for solutions to the adverse impacts that the project will create as it traverses the Lockyer Valley. As well, Council is looking for any opportunities for residents of the Valley that may arise from the project.

OUR STAFF

During the year we started a review of our organisation which will benefit our customers, Councillors and staff. Benefits will be achieved by ensuring that the right organisational structure is in place supported by a culture of innovation and customer focus and skilled leaders. The first phase of the review being a realigned organisation, is intended to be in place during the third quarter of next financial year.

Through our Connected Council Progress Group, we have developed behaviours expected of all staff to align with Council's corporate values. Living by our corporate values is an essential building block in the innovative and customer focused culture that we are creating as an organisation.

OUR COMMITMENT TO GOOD GOVERNANCE

Council has always been committed to a strong governance framework and ensuring that risks to the organisation are recognised and managed. With that in mind, Council staff identified key corporate risks to inform a Corporate Risk Register, Risk Management Framework and Policy. In addition, each Business Unit within Council developed a Business Plan to identify products and services provided and measure progress in providing same.

OUR FINANCIAL FUTURE

2018-19 saw a continued emphasis on laying the foundations for a strong long term financial future, with the achievement of a genuine operating surplus, positive financial sustainability ratios for the current year and next 10 years, and a significant reduction in overall debt. Council continued its focus on efficiently managing assets with the emphasis on renewing existing assets rather than building new. As an example of the focus on asset renewals, Council resealed 26kms of bitumen roads and refurbished over 18.4kms of gravel roads during the year.

I thank the Mayor, Tanya Milligan, and Councillors for the leadership and vision that you provided during 2018-19 to the Lockyer Valley Regional Council. With your support we moved further towards developing an organisation focused on providing outstanding service to our community. I also thank the committed

staff of Council who dedicated themselves to improving the liveability of this region for our residents, both present and future.

lan Church
Chief Executive Officer

LOCKYER VALLEY REGIONAL COUNCIL HIGHLIGHTS 2018-19

12,105

ATTENDEES OF 811 EVENTS HOSTED/HELD AT LOCKYER VALLEY LIBRARIES DURING 2018-19



141,270

PEOPLE VISITED THE LOCKYER VALLEY LIBRARIES DURING 2018-19



148,256

ITEMS WERE LOANED FROM LOCKYER VALLEY LIBRARIES DURING 2018-19 OF WHICH 18,669 WERE BORROWED DIGITALLY



8,048

DOGS WERE REGISTERED IN THE REGION IN 2018-19



43km

OF CREEK TREATED FOR WEEDS AS PART OF THE DROUGHT COMMUNITIES PROGRAM



17,162ha

IS THE NUMBER OF HECTARES OF THE LOCKYER VALLEY WITHIN THE LAND FOR WILDLIFE PROGRAM



^{\$}2.90m

OPERATING SURPLUS
ACHIEVED, AND THIRD
OPERATING SURPLUS IN
SUCCESSION FOR COUNCIL



14,500

PLANTS AND TREES HAVE BEEN PLANTED AS PART OF THE RIPARIAN REVEGETATION PROJECTS.



ESTIMATED CONSTRUCTION COSTS OF BUILDINGS CONSTRUCTED WITHIN THE REGION FOR THE 2018-19 FINANCIAL YEAR



\$71.8m

DOMESTIC

\$11.6m

326

LOTS APPROVED FOR SUBDIVISION IN 2018-19 IN THE REGION



77

LOTS WERE PLAN SEALED IN 2018-19



LVRC RECEIVED

283

PLANNING APPLICATIONS IN 2018-19 AND

262

APPLICATIONS WERE DECIDED IN 2018-19



PARKS AND STREET BINS WERE COLLECTED WEEKLY



15,171

KERBSIDE RESIDENTIAL
PROPERTIES SERVICED AND



302

KERBSIDE COMMERCIAL PROPERTIES SERVICED



LANDFILL WASTE DIVERTED
TO RECYCLING:

1,545 TONNES



OF WASTE CONCRETE WAS DIVERTED FROM LANDFILL, THE CONCRETE CRUSHING PROGRAM AGAIN PROVIDING VALUABLE RESOURCES FOR OPERATIONAL USE WITH 62.84 TONNE OF CONCRETE RUBBLE USED TO ESTABLISH WEED SEED WASH DOWN BAYS AT COUNCIL WASTE FACILITIES. WASH DOWN BAYS PROVIDING LONG-TERM MANAGEMENT FOR WEED SEED CONTROL WITH THE MOVEMENT OF HEAVY VEHICLES

35.2 TONNES



ELECTRONIC WASTE

155.8 TONNES



AGRICULTURE TRICKLE TAP

2,508



28,857

IS THE NUMBER OF CALLS RECEIVED IN CALL CENTRE DURING 2018-19



491

IS THE NUMBER OF CUSTOMER REQUESTS MADE ONLINE



13,078



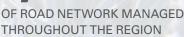
IS THE NUMBER OF CUSTOMER
REQUESTS RAISED DURING 2018-19

\$20.47m

DELIVERING CAPITAL WORKS
PROJECTS ON ROADS,
DRAINAGE AND BRIDGE
INFRASTRUCTURE, COUNCIL
BUILDINGS AND FACILITIES,
PLANT AND EQUIPMENT,
WASTE MANAGEMENT,
PARKS AND IT SYSTEMS



1,557 km





178ha

OF PARKS, GARDENS, RESERVES AND COUNCIL PROPERTIES WERE MOWED AND MAINTAINED IN 2018-19



OUR COUNCILLORS AND THEIR PORTFOLIOS

Lockyer Valley Regional Council, comprising the Mayor and six Councillors, is the elected body responsible for the good governance of Lockyer Valley Regional Council. The elected body has legal obligations requiring members to represent the current and future interests of Lockyer Valley residents. They are democratically elected and accountable to their communities for the decisions they make and the services they provide. Their role also includes other responsibilities such as providing high quality leadership to the community, participating in Council meetings, developing policy and making decisions that are in the interests of the whole community.

The Mayor and Councillors are bound by a Code of Conduct, which is their public commitment to open, accountable and ethical standards of behaviour. The community also plays an important role in contributing to good democratic governance by participating in Council elections, being actively involved in community engagement programs and providing feedback on current issues and the services provided.

Each Councillor was responsible for a portfolio which aligned with their interests and strengths.



Cr Jason Cook (Deputy Mayor) – Sport and Recreation, Community Facilities; Health and Waste Management; Animal Management



Cr Chris Wilson

- Business Systems
and Processes;
Corporate Plans
and Performance;
Finance; Information,
Communication
and Technology



Cr Janice Holstein

- Roads and Drainage;
Parks and Gardens;
Transport and Active
Transport; Asset
Management; Disaster
Management



Cr Rick Vela

– Environmental

Management; Weed/
Pest Management;

Waterways; Natural
Resource Management



Cr Kathy McLean

– Planning and Building
Services; Planning
Scheme; Townships
and Villages, Cultural
Heritage and
Streetscape; Regional
Planning



Cr Michael Hagan

– Arts and Culture;
Youth and Disability/
Multicultural; Public
Safety; Customer
Service; Community
Services



ORGANISATIONAL STRUCTURE

MAYOR EXECUTIVE SUPPORT COUNCIL SUPPORT CHIEF EXECUTIVE
OFFICER
Mr Ian Church

INFRASTRUCTURE WORKS & SERVICES

Responsible Officer: Mr Angelo Casagrande Acting Responsible Officer: Ms Seren McKenzie

- Asset Management
- Roads & Drainage
- Parks & Open Spaces
- Capital Works
- Technical Design & Survey
- Fleet, Plant & Depots
- Works Planning & Programming

EXECUTIVEOFFICE / CEO

Responsible Officer: Mr Ian Church

- Inter Government Relations
- Corporate Governance & Planning
- Corporate Communications
- Events Coordination
- Major Projects
- Regional Collaboration
- Legal Services
- Council Meetings Support
- Elected Members Support
- Visitor Information Centre
 & Queensland Transport
 Museum
- Tourism & Marketing
- Community Engagement & Development
- Youth & Multicultural
- Sport & Recreation
- Regional Development
- Staging Post & Functions
- Corporate Policy Development
- Internal Audit
- Risk Management

CORPORATE & COMMUNITY SERVICES

Responsible Officer:

- Information Technology
- Information Management
- GIS
- Finance, Rates & Payroll
- Procurement & Stores
- Customer Service and QGAP
- Childcare
- Environmental Health
- Local Laws & Animal Control
- Libraries, Arts and Cultural Services
- Waste Management
- Corporate Software
- Facilities Management
 & Maintenance
- Disaster Management

ORGANISATIONAL DEVELOPMENT & PLANNING SERVICES

Responsible Officer: Mr Dan McPherson

- Land Use Compliance
- Building & Plumbing
- Development Engineering & Assessment
- Strategic Land Use Planning
- Environment
- Pest Management
- Human Resource Services
- Work Health & Safety / Rehabilitation
- Learning & Development
- Workforce Planning
- Organisational Development
- Employee Relations

EXECUTIVE LEADERSHIP TEAM



Dan McPherson
Executive Manager
Organisational
Development and
Planning Services



David Lewis
Executive Manager
Corporate and
Community Services



Angelo Casagrande Executive Manager Infrastructure Works and Services



Seren McKenzie
Acting Executive
Manager Infrastructure
Works and Services

OUR EMPLOYEES

ORGANISATIONAL EFFECTIVENESS REVIEW

An internal project team was formed to undertake an Organisational Effectiveness Review across Council to understand how Council's services, functions and business units fit together; and to identify suggestions for improving the way that Council does business. This review is about being proactive and getting ahead of the challenges faced by a modern local government, such as financial downturns, changes to legislation, cost shifting from other levels of government, fraud and corruption risks and extreme weather events; whilst capitalising on upcoming opportunities. These opportunities can arise from those wishing to develop sustainably in our region, competitive grant funding schemes and new and innovative ways of doing our jobs.

VALUES-BASED BEHAVIOURS

To take Council's values to the next level and gain a shared understanding of what our values look like in action, a list of value-based behaviours were initially developed by the Connected Council Progress Group. Employees were then provided with an opportunity to participate in this project by nominating their top five behaviours under each value, with the top collective values-based behaviours to be launched across Council. The purpose of this project is to develop some common language around the behaviours that we want to see in one another, which is a foundation of the culture we are creating at Council.

CONNECTED COUNCIL PROGRESS GROUP

The Connected Council Progress Group has continued to work collaboratively across Council to share information; actively listen to employees; and feed their views back to the Progress Group. The Progress Group has actioned several initiatives to build trust, improve communication and put our vision, mission and values into action.

LEADERSHIP DEVELOPMENT PROGRAM

The Leadership Development Program has continued to improve leadership practices to all levels of leaders across Council. The purpose of this program is to boost leadership capability, enhance employee engagement and provide support to leaders and teams to better deliver positive outcomes and services to our community.

SAFETY AND WELLBEING

Council's Safety Management Plan drives the future direction of Work Health and Safety within Council providing fundamental actions to keep up to date with legislative change and preparedness to achieve injury free workplace in an environment with an increased focus on hard compliance. An essential element of Council's safety management system is the consultative structure through which we strive to embed health and safety as a priority throughout the workforce with the adoption, communication and promotion of Council's safety logo "Our Goal Zero Harm".

Council continues to maintain the recognition of responsibility for the contractors engaged by Council. As Council engages contractors from a wide range of industries, contractor safety management is key to ensuring high safety standards and expectations are being achieved.

Senior Council staff continue to demonstrate safety leadership through the completion of Monthly Action Plans. Management take time to systematically conduct regular safety inspections, identify potential hazards and propose corrective actions to ensure the safety of workers, volunteers, and visitors to Council facilities and worksites.

Much of Council's operational work involves work on roads. The Safety Team have partnered with the relevant business units to prepare for the rapidly changing requirements for workers conducting traffic control and working on or adjacent to roads. This preparedness ensures Council workers and contractors can conduct what is regarded as a particularly hazardous activity safely and in accordance with Councils safe systems of work.

Council's Wellbeing Committee plays a valuable role in the promotion of a healthy workplace for Council staff, promoting and coordinating various initiatives such as Lapping Round the Lake, fun runs such as the "Mother's Day Classic", the "Laidley Spring Festival Colour Run", flu vaccination programs and the continuing awareness of the importance of maintaining sound mental health and general wellbeing.







EMPLOYEES AT A GLANCE AS AT 30 JUNE 2019

As at 30 June 2019, Council employed a total of 351 staff. The following table identifies the breakdown of full time equivalent (FTE) positions by employment type as at 30 June 2019, excluding vacant positions:

EMPLOYMENT TYPE	HEADCOUNT	FTE NUMBER AT 30 JUNE
Permanent full-time	225	225.0000
Permanent part-time	31	21.0229
Temporary contract of service full-time	32	32.0000
Temporary contract of service part-time	3	1.5659
Contract of service (executive)	24	24.0000
Casual (based on hours worked)	36	12.5918
TOTAL	351	316.1806

EXECUTIVE LEADERSHIP TEAM

The total remuneration packages for senior executives including base salary, vehicle allowance and superannuation for 2018-19 was \$1,011,478.16.

REMUNERATION RANGE	NUMBER OF EXECUTIVE LEADERSHIP TEAM PAID	
\$200,000 - \$300,000	3	
\$300,000 - \$400,000	1	

COMMUNITY FINANCIAL REPORT

WHAT IS A COMMUNITY FINANCIAL REPORT?

The Community Financial Report is a simplified version of Council's official Financial Statements (pg 42).

As Financial Statements are often difficult for people other than accountants to understand, the Community Financial report simplifies the Statements so that everyone can get a better understanding of Council's financial position.

Each report in Council's Financial Statements provides information on a specific aspect of our performance and collectively provides a detailed profile on the financial performance and health of Council.

Council's Financial Statements consists of the following five key elements:

The **Statement of Comprehensive Income** measures how Council performed in relation to income and expenses during the financial year. This statement illustrates how money received from Council operations is spent.

The Statement of Financial Position measures what we own (our assets), what we owe (our liabilities) and our net worth (equity) at the end of the financial year.

The Statement of Changes in Equity measures the changes in our net wealth and shows the movements in our retained earnings, reserves and asset revaluation surplus.

The Statement of Cash Flows outlines how much cash was received and spent throughout the year and whether or not Council is spending more than it is receiving. The closing balance reflects how much cash Council had at year end.

The **Notes to the Financial Statements** provide a more detailed breakdown of the information contained in the individual statements.



SUMMARY OF KEY RESULTS

During the 2018-19 financial year, Lockyer Valley Regional Council continued to deliver its program of services to the community while consolidating its base for improved financial sustainability. Continuing the success of previous financial years, the results for the current year once again include the achievement of an operating surplus, completion of a significant capital works program, and an additional repayment on Council's debt.

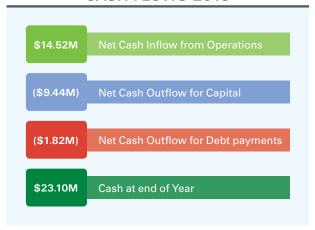
2019 OPERATING RESULT



2019 FINANCIAL POSITION



CASH FLOWS 2019



FINANCIAL SUSTAINABILITY RATIOS

Operating Surplus	Financial Liabilities	Asset Sustainability
4.74%	58.95%	113.67%
Target 0 - 10%	Target < 60%	Target > 90%

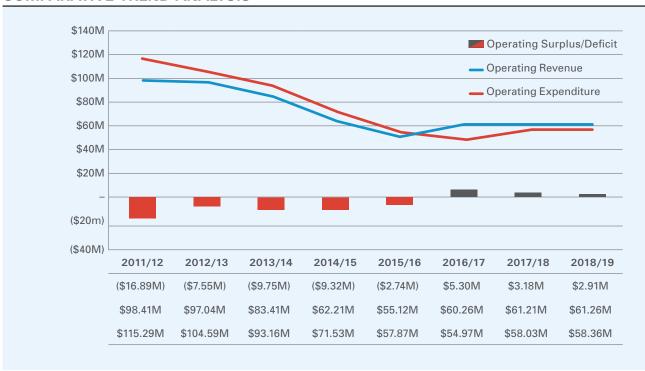
These results can be highlighted through the following:

- Achievement of an operating surplus for the third consecutive year.
- · Significant operational expenditures:
 - \$21.31 million on roads, drains, bridges, and associated transport infrastructure.
 - \$8.05 million on community facilities, libraries and parks.
 - \$7.02 million on health, waste and regulatory services.
- Completion of \$19.29 million in capital works including \$10.01 million on roads, drains and bridge infrastructure, \$3.31 million on plant and other equipment, \$4.68 million on parks and other facilities, with the remainder spent on disaster management, planning and flood studies, and information technology systems.
- An additional loan repayment of \$0.50 million to reduce Council's debt levels and save on long term interest costs.
- Maintenance of adequate cash balances to provide flexibility in the future.

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income measures how Council performed in relation to income and expenses during the financial year. This statement illustrates how money received from Council operations is spent.

COMPARATIVE TREND ANALYSIS

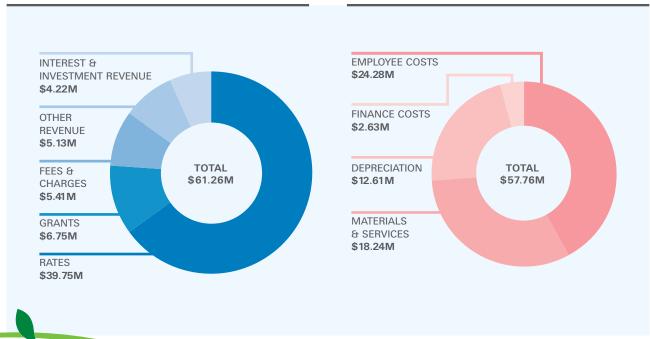


For the 2018-19 financial year, Council had budgeted for an operating surplus of \$2.24 million, and additional planning and development fees, grant revenues, and recoverable works has delivered a higher than expected surplus of \$2.90 million.

The achievement of the third operating surplus in a row indicates that the long-term sustainability of the organisation is on track to achieve Council's long term financial goals. It shows that the commitment made by Council to operate within its means, is being followed through, providing flexibility for its future operations and an improved ability to withstand unexpected financial shocks.

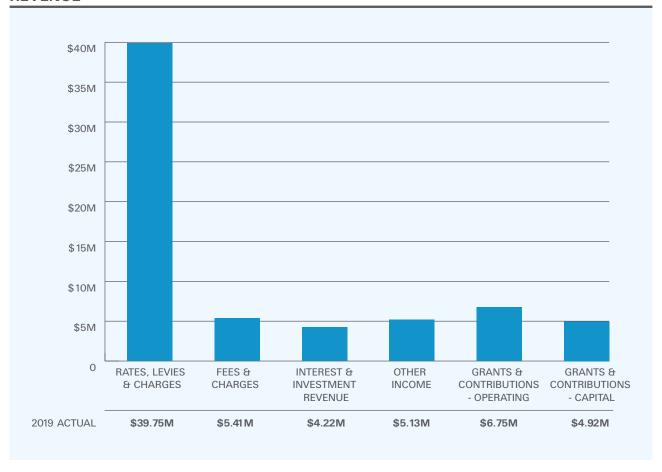
2019 OPERATING REVENUE

2019 OPERATING EXPENSES



REVENUE SOURCES - WHERE DOES THE MONEY COME FROM?

REVENUE



For the 2018-19 financial year, Council received \$61.21 million in operating revenue and \$4.92 million in capital revenue.

While revenue from rates and charges is the main source of income, fees and charges revenues exceed budgeted expectations with some large payments received towards the end of the financial year for development applications. Increased operating grants also contributed to the increase in revenue while the investment in Queensland Urban Utilities continues to provide strong returns with Council's share of profit

supplemented by interest on the shareholder loan and payments for income tax equivalents required under National Competition Policy.

Capital revenues include grants and subsidies from the State and Federal Governments for the construction of assets as well as the value of assets contributed to Council from developers in the form of road works, stormwater drainage, and park equipment. For 2018-19, the contributed assets totalled \$1.76 million.







EXPENDITURE- WHERE DOES THE MONEY GO?

Council incurs both operating and capital expenditure in the provision of services to our local community.

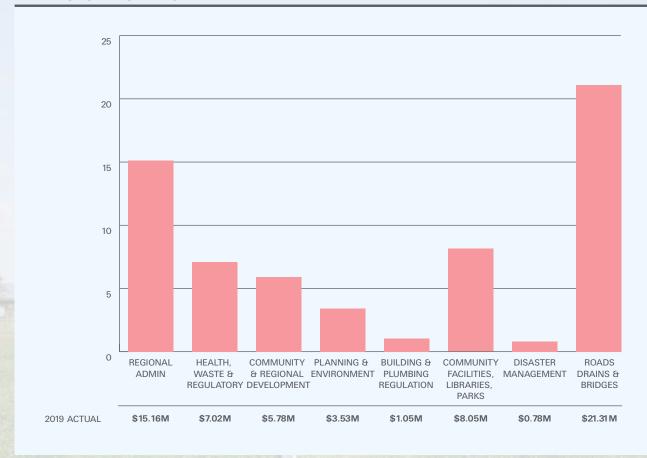
During the 2018-19 financial year, total operational expenditure increased by \$0.33 million or 0.57 per cent on the prior year. Employee costs increased because of adjustments to the mix of operating and capital works, as well as the annual enterprise bargaining increase. Materials and services increased due to the use of expert consultants in relation to the Toowoomba Second Range Crossing, waste planning, and flood mitigation studies, and increased maintenance on roads

and facilities. These increases were offset by a reduction in finance costs through the early repayment of loans and lower adjustments to the restoration provisions.

Depreciation continues to be a significant cost and is constantly under review through the asset revaluation process.

The largest category of Council's operational expenditure is on roads, drains, and bridges which accounts for 34 per cent of the total expenditure. A further 13 per cent is spent on maintaining community facilities, buildings, parks and libraries.

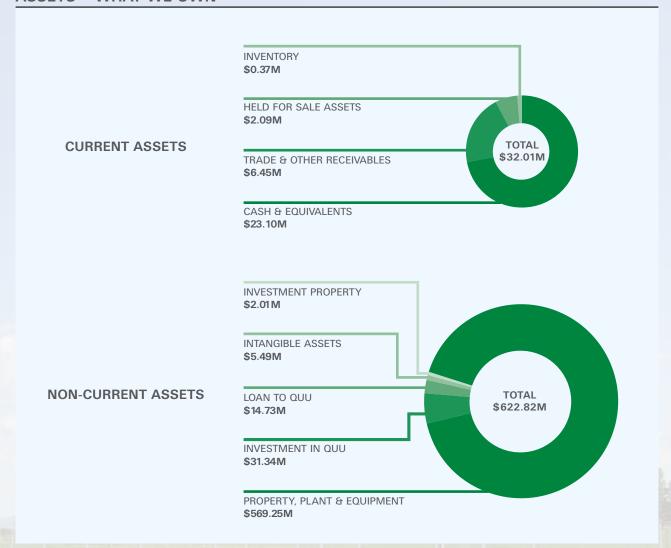
EXPENSES BY SERVICE



STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position measures what we own (our assets), what we owe (our debts) and our net worth at the end of the Financial Year.

ASSETS - WHAT WE OWN



Council's total cash and investments decreased by \$2.84 million with reduced operating and capital cash outflows offsetting the additional loan repayment made in June 2019. Council's cash balance at the end of 2019 was \$23.10 million (in 2018 the figure was \$25.94 million). Other current assets have increased through a higher level of rates debtors due to transfers of charges against the land and the timing of the contract recoverable works.

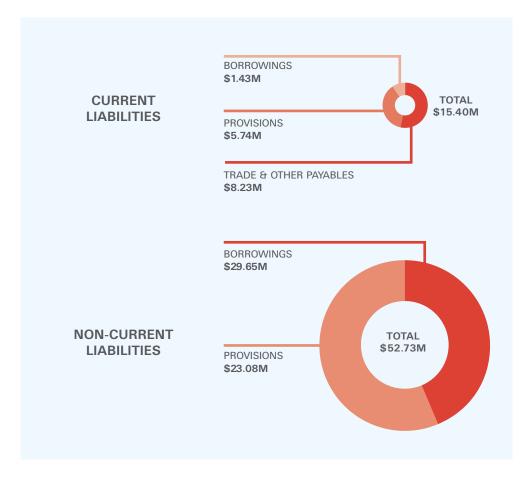
Non-current assets have decreased from 2018 as a result of the revaluation of Council's infrastructure assets which decreased in line with their condition assessments and normal wear and tear.

For the 2018-19 financial year, Council completed \$19.29 million in capital works with a further \$1.76 million in developer contributed assets. Works in progress at year end, totalled \$6.09 million. The level of completed works was around 86 per cent of the budgeted amount and was mostly renewal works in accordance with Council's Service Management Plans.

LIABILITIES - WHAT WE OWE

During the 2018-19 financial year, our liabilities increased by a net amount of \$1.18 million or 1.76 per cent mainly due to the adjustments to Council's provisions and the recognition of an additional payable for funds received in advance to offset the effects of the waste levy.

Council's largest liability continues to be the provisions for the rehabilitation of land fill and quarry sites across the region in accordance with environmental requirements. These provisions are generated to recognise the estimated future costs of restoring and maintaining Council's quarries and landfills throughout the region and are reviewed and adjusted annually.





OUR DEBT

Like most other local governments throughout Australia, Lockyer Valley Regional Council utilises loan borrowing to fund the construction of new infrastructure to service the needs of our growing community.

Council's Debt Policy is based on sound financial management practices with borrowings restricted as follows:

- Council will not utilise loan funds to finance operational activities
- Council will endeavour to fund all capital renewal works from operating cash flows and borrow only for new or upgrade projects.

During 2018-19, Council did not borrow any new funds, and made repayments of \$1.82 million which included a one-off additional payment of \$0.50 million.

At 30 June 2019 the amount of debt was 4.40 per cent of Council's total assets.

STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity measures the changes in our net wealth and shows the movements in our retained earnings, reserves and asset revaluation surplus.

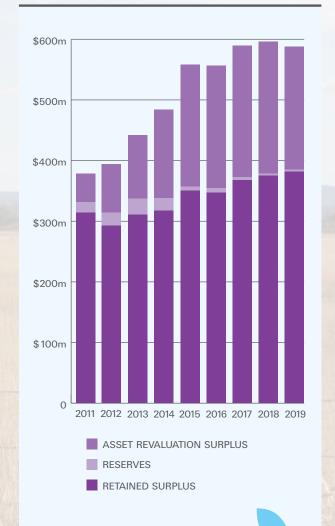
In the 2018-19 financial year, our net worth decreased by \$9.69 million or 1.62 per cent mostly due to decreases of \$13.12 million in our asset revaluation surplus, offset by the net result for the year of \$3.43 million. The decrease in the asset revaluation surplus is due to the revaluation of infrastructure assets identified in the above section on assets.

At the end of the year Council's equity balance is \$586.71 million.

COMPARATIVE DEBT LEVELS



COMPARATIVE EQUITY BALANCES



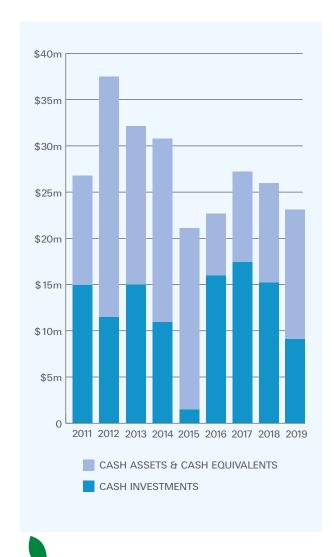
STATEMENT OF CASH FLOWS

This statement outlines how we received and spent cash throughout the year. The closing balance reflects how much cash Council had at year end.

Council generated a net amount of \$14.52 million from its operating activities which relates to payments received from customers, investment revenues including interest, and non-capital grants and contributions, less the payments to employees and suppliers, and interest on Council's loans.

In conjunction with the proceeds of the disposal of assets, capital grants, and other investment distributions, the cash generated from operating activities was used in the purchase of assets such as property, plant and equipment, and principal repayments (including an additional \$0.50 million) against Council's debt.

At 30 June 2019, Council's total cash balance was \$23.10 million which, taking in to account Council's cash investments, was a net decrease in cash of \$2.84 million during the 2018-19 financial year.





FINANCIAL SUSTAINABILITY RATIOS

Section 178 (1) of the *Local Government Regulation 2012*, requires Council to calculate and disclose financial sustainability indicators. The ratios and targets are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Racing and Multicultural Affairs.

Council's performance as at 30 June 2019 against these measures is shown in the following table.

RATIO	EXPLANATION	CALCULATION	TARGET	2019	TARGET MET	COMMENT
Operating surplus ratio	Measures the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.	Operating Surplus (Net result excluding all capital items) divided by total operating revenue (excluding capital items).	Between 0% and 10%	4.74%	✓	This ratio is within the target range as operating revenues have exceeded operating expenditures. Higher than expected planning and development fees, and government grants have contributed to the result.
Asset sustainability ratio	This ratio reflects the extent to which infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	>90%	113.67%	✓	This ratio is over the target amount due to a focus on renewal capital works and Council's commitment to the Asset Service Management Plans.
Net financial liabilities ratio	Measures the extent to which net financial liabilities of Council can be repaid from operating revenue.	Total liabilities less current assets divided by total operating revenue.	< 60%	58.95%	✓	This ratio has remained within the target range due to an increase in revenues from planning and development fees, and other income sources offsetting the change in relativities between current assets and total liabilities.

The long term financial forecast shows surpluses for the upcoming ten years as well as significant improvements in the net financial liabilities ratio. The forecast for the Asset Sustainability Ratio is derived from the adopted Service Management Plans for each asset class. While the forecast shows that there will be years when the ratio is lower than the target level, the average ratio over the life of the forecast meets the threshold set by the Department.

CONCLUSION

The results for the 2018-19 financial year show that Council has continued to deliver on its promise to achieve operating surpluses and further improve its financial position. The high level of completed capital works and a clear focus on renewing existing assets is further evidence of Council's determination to achieve a financially sustainable future.

DELIVERING THE OPERATIONAL PLAN 2018-19

LOCKYER COMMUNITY

Our healthy community welcomes the spirited diversity found within our region. Times of hardship highlight our resilience. Our high standards support our quality of life and vibrancy while providing a dynamic and safe place full of opportunity. We strive to build on who we are and all that our region has to offer by connecting business, the community and government.

CORPORATE PLAN 2017-2022 OUTCOMES 2018-19 PERFORMANCE 1.1 A Community with fair and reasonable access to services. · Provided child care facilities in the region. • Regularly distributed the Community Connect newsletter to inform the community on the variety human and social services available throughout the region. · Conducted a number capacity building workshops such as assistance in grant writing workshops. • Reviewed and adopted the Lockyer Valley Public Parks 1.2 Council optimises the use of its open spaces and facilities by improving access to and the quality of the facilities Strategy 2019 that will inform the future investment plan for individuals and groups for cultural, recreational and for the region's parks. community activities. • Enabled the library user's ability to utilise the self-service options available at the region's Libraries. · Conducted several events and activities for all ages at the region's Libraries. • Establishment of off-leash dog parks in Gatton and Laidley. 1.3 Enhanced wellbeing and safety of the community. · Completed the annual food establishment licencing and inspection program. · Adopted an amendment to sub-ordinate animal management local law to enable the establishment of dog off-leash parks in the region. • Selective inspection program undertaken to identify unregistered dogs within the region. • Commenced flood modelling work on various catchments in the region. • Councils flood warning systems tested, and any anomalies rectified to ensure reliability of system. • 353 plumbing applications and 191 building applications were completed during the year. 1.4 Council seek to understand community needs, resulting · Assistance provided to community and sporting groups in in partnerships that realise long-term benefits for the the region to secure federal and state government grants. community in a timely manner. • Two rounds of funding provided \$81,998.32 in grants for community groups. A record number of applications • Introduced a school leadership program in partnership

with Somerset Regional Council that enables the region's

youth to discuss relevant issues.







CORPORATE PLAN 2017-2022 OUTCOMES

1.5 Events and activities that bring together and support greater connectivity in the community.

1.6 The community's preparedness for disasters is improved through community education, training and strong partnerships between Council and other agencies.

- Successful delivery of the Multicultural Festival and NAIDOC week activities.
- Council adopted an event strategy that will inform future development and promotion events coordinated by Council for the community.
- Council conducted and assisted with 66 events in the Region including the Laidley Spring Festival, Lights on the Hill Convoy, Australia Day Festivities, Senior's Week Festivities and the Gatton Christmas Carnival.
- Participated in the annual assessment of the District Disaster Plan.
- Hosted disaster management business forum in Laidley and a school education session in the Lockyer Disaster Coordination Centre.
- Conducted flood scenario Exercise "ONNA" with the Coordination Centre Staff and the Local Disaster Management Group.
- Commenced the development of an annual disaster exercise plan that will identify disaster exercises that will be conducted with Council Staff, State Emergency Services and the community.

LOCKYER BUSINESS FARMING AND LIVELIHOOD

Lockyer Business: Our business community is a thriving and inclusive network where it is easy to do business. We create opportunities and encourage innovation that inspires business confidence and collaborative partnerships.

Lockyer Farming: As custodians we manage our water and land assets to ensure our farming future. We pride ourselves on our innovation and clean, green reputation. We work together to support our farmers of current and future generations.

Lockyer Livelihood: We are a community where lifelong learning opportunities exist. Our quality education facilities are highly regarded and provide diverse career pathways. We look to develop skills and generate job opportunities for all.

CORPORATE PLAN 2017-2022 OUTCOMES

- 2.1 Encourage opportunities for the Lockyer Valley to drive economic and community outcomes.
- \$1.4 million in funding received for the preparation of a strategic business case to secure water supply to the region.
- The Lockyer and Somerset Water Collaborative conducted monthly meetings to collaboratively advocate for water security for the Lockyer and Somerset Regions.
- Information and guidance provided on economic development in the region was provided to individuals, businesses and developers.
- 2.2 Maximise opportunities through engagement and partnership with stakeholders to achieve a strong resilient economy.
- Council developed a position paper to articulate Council's and the Community concerns in relation to impacts that may occur as a result of the Inland Rail Project and submitted it to Australian Rail Track Corporation, Federal Member for Wright and the State Member for Lockyer.
- Participated in monthly meetings of the Lockyer Valley Regions Technical Working Group with the Australian Rail Track Corporation to provide input into the Inland Rail Project.
- Matters of strategic significance to Council and the community were advocated for through submission of motions to the Australian Local Government Association, Local Government Association of Queensland and through other key advocacy channels including the Council of Mayors (South East Queensland).
- Council hosted and participated in forums, meetings and networking opportunities with the region's business and industry groups including Lockyer Growers Group, Lockyer Chamber of Industry and Commerce and Lockyer Valley Tourism.







CORPORATE PLAN 2017-2022 OUTCOMES

- 2.3 Promote and market the Lockyer Valley as a destination for commerce, tourism and lifestyle.
- The region was marketed through active displays at the Brisbane Exhibition and Regional Flavours events and through the SEQ Food Trails marketing channels.
- Conducted a series of cooking master classes in collaboration with Faith Lutheran College using regional produce.
- Engaged the services of Alistair McLeod as a food ambassador for the region in a series of events using regional produce, including an Evening Under the Stars and at the Brisbane Good Food and Wine Festival.
- 2.4 Attract and Support Education and Employment Opportunities for the Community.
- Regional Skills Investment Strategy was launched to improve training, education and employment opportunities throughout the region.
- Council co-facilitated nine Bringing Employers Students Together (BEST) meetings.
- Opportunities were provided for students to undertake work experience with Council through the GenR8 Program.
- 2.5 Foster a flexible, supportive and inclusive business environment.
- Provided information and advice to 91 business proponents throughout the financial year.
- Completed a review on the use and requirements of the Business Incubator and formed a sub-group to assist in improving the occupancy and use of the Business Incubator.
- Provided support for local businesses in the Town Proud Shop Local campaign and shop local Queensland Week promotion.

LOCKYER NATURE

Our natural assets are valued and protected to sustain our unique rural lifestyle.

CORPORATE PLAN 2017-2022 OUTCOMES 2018-19 PERFORMANCE 3.1 Lockyer Valley's natural assets are managed, • Council continued implementation of the Lockyer Creek Sediment Stabilisation and Tenthill Catchment Community maintained and protected. Resilience initiatives of the Lockyer Catchment Action Plan including conducting a tree planting day on the Lockyer Creek with 400 trees planted and establishing a taskforce for future resilience planning in the Tenthill Catchment. · Council significantly progressed in the development of the Natural Resource Management Plan including the preparation of a project plan, engagement strategy and the establishment of a Plan working group with an initial workshop held on the Plan. 3.2 Council's policies and plans support Continued development of the Lockyer Valley Planning environmentally sustainable development. Scheme that includes a range of provisions which seek to achieve environmentally sustainable development outcomes was submitted for a State Interest Review. 3.3 Community and private landholders' • 5.07% increase in identified habitat land has been included in the Land for Wildlife program. stewardship of natural assets increases. • Workshops, education program and information sessions conducted with land for wildlife landholders. • Provision of free native plants to the community. • Delivered the Community Environment Grants program. • Council successfully delivered the environment and pest programs throughout the region. 3.4 Locals and visitors experience our natural assets. • Committed to a joint initiative with Toowoomba Regional Council to develop a masterplan that identifies regional linkage trails for recreational purposes on the escarpment. 3.5 Council and the community actively reduce waste, · Waste and recycling services were delivered

- recycle and reuse more.
- throughout the region.
- · Waste education programs delivered.
- Waste Reduction and Recycling Plan re-developed and adopted by Council.
- 96% of the waste management capital works program was completed.
- 3.6 Council and the community actively reduce consumption of non-renewable resources.
- Delivered phase 2 of Council's solar initiative program.

LOCKYER PLANNED

We have unique, well connected communities. We have places and spaces that bring together people. Local services match the needs of the community. Our built infrastructure is designed and constructed to enable access for all.

CORPORATE PLAN 2017-2022 OUTCOMES

- 4.1 Growth and development in the region is sustainably managed through the adoption and implementation of the Lockyer Valley Planning Scheme.
- The Lockyer Valley Region Planning Scheme was submitted to the Minister for State Development, Manufacturing, Infrastructure and Planning for State Interest Review.
- 4.2 Provision of fit-for-purpose infrastructure which meets the current and future needs of the region.
- A management plan for the region's cemeteries was adopted by Council.
- Commenced the strategic planning of the Plainland transport network.
- 100% of the roads maintenance program and 94% roads capital works program were delivered within 10% of budget.
- 100% of Council's external funded roads projects were delivered.
- A forward capital works program has been developed for the region which includes consideration of projects in the Gatton North and Laidley areas.
- A road signage replacement program developed, and priority signs replaced.
- 4.3 A development assessment process that delivers quality development that is consistent with legislation, best practice and community expectations.
- All development applications received were assessed within statutory timeframes with an average of 17 days to complete the decision phase of the process.
- 4.4 Regional collaboration and targeted advocacy that drives external funding, for timely delivery of key infrastructure and enhanced community outcomes.
- Collaboration with key stakeholders of the Toowoomba Second Range crossing project to ensure quality associated local infrastructure outcomes were achieved.
- 4.5 An integrated approach to the planning of all communities that strengthens local identity and lifestyle.
- The Lockyer Valley Planning Scheme, including provision of locally specific policy content to address the identity of the Lockyer Valley's diverse communities and lifestyle aspirations was submitted for State Interest Review.







LOCKYER LEADERSHIP AND COUNCIL

Lockyer Leadership: Our leaders are visionary and seek coordinated outcomes for the benefit of the whole community.

Lockyer Council: A well-managed, transparent and accountable organisation that gives the community confidence, demonstrates financial sustainability, where customers are satisfied with our services and our employees are proud to work.

CORPORATE PLAN 2017-2022 OUTCOMES

- 5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.
- Monthly reporting was provided to Council on its financial position.
- An additional repayment of \$500,000 was made on Council's debt.
- The annual financial statements and external audit were completed in required timeframes and no significant deficiencies reported.
- Utilisation review of Council's heavy plant and fleet was conducted identifying items of plant no longer optimally utilised and suitable for disposal.
- Business review of operations at the Staging Post Café and Function Centre was conducted achieving a 11.8% increase in revenue and 7.2% reduction in expenses.
- 5.2 Excellence in customer service to our community.
- 83.96% of calls were answered within 25 seconds.
- 80.02% of enquires were answered at first point of contact (phone and face to face).
- Abandoned calls were 2.45% (target was <15%).
- 5.3 Actively engage with the community to inform council decision making processes.
- A variety of engagement activities were undertaken in the community by Council in relation to key Council projects such as the Hatton Vale Park: the Waste Reduction and Recycling Plan; Regional Parks Strategy and the Gatton Showground Masterplan.
- 5.4 Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values.
- Council identified its key corporate risks and adopted a key corporate risk register, risk management framework and policy.
- Each Business Unit within Council developed a business unit plan to assist in identifying the products and services it provides.
- Annual program of meetings including all council meetings, workshops and tours conducted.
- A review to rationalise the reporting to Council commenced with identified improvements implemented.
- Report writing training provided to report authors.
- 5.5 Promote a values-based culture that appreciates and empowers its workforce.
- Council's Connected Council working group developed and implemented actions to improve the organisation's culture including identifying behaviour statements that underpin the organisational values.
- Enterprise Bargaining Agreements were made with both office and field based staff.
- Appointment of a Joint Consultative Committee.
- Legislative training requirements completed.

CORPORATE PLAN 2017-2022 OUTCOMES

- 5.6 Provide leadership and contemporary management systems that drive a coordinated and connected organisation.
 - nt
- 5.7 Compliant with relevant legislation.

- A training needs analysis of members of the management team was conducted.
- The annual review of the Local Disaster Management Plan was conducted.
- Commenced reviewing Council's priority Local Laws and the repealing of current Local Laws that are no longer required.
- Compliance reporting completed on Work Health and Safety monthly action plans and conducted required hazard inspections.
- Development of an accurate reporting method for Work Health and Safety rectification action plans completed.
- Council's internal and external communication requirements were delivered including media releases, Valley Voice updates, advertising, website updates and staff newsletters.
- Council's legal and property services were delivered.
- 5.8 Deliver reliable internal support services.











STATUTORY INFORMATION

BENEFICIAL ENTERPRISES

Council did not have any partnership arrangements, or conduct any business with beneficial enterprises under section 41 of the *Local Government Act 2009* during the reporting period.

CONDUCT OF BUSINESS ACTIVITIES

Council did not conduct any business activities under section 43 of the *Local Government Act 2009* during the 2018-19 financial year.

COMPETITIVE NEUTRALITY COMPLAINTS

Council did not receive any competitive neutrality complaints during the 2018-19 financial year.

PARTICULAR RESOLUTIONS

RESOLUTIONS MADE DURING THE FINANCIAL YEAR UNDER SECTION 206(2):

In accordance with section 185 (b) of the Local Government Regulation 2012, there were no resolutions made by Council during the 2018-19 year under section 206(2) setting 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.

RESOLUTIONS MADE DURING THE FINANCIAL YEAR UNDER SECTION 250(1):

In accordance with section 185 (b) of the *Local* Government Regulation 2012 there were no resolutions made by Council during the 2018-19 under section 250.

COUNCILLORS

ATTENDANCE AT COUNCIL MEETINGS

As required under section 186(d) of the *Local Government Regulation 2012*, the table below details the number of local government meetings each Councillor attended during the financial year ending 30 June 2019.

NAME	ORDINARY MEETINGS (21 HELD)	SPECIAL MEETINGS (2 HELD)	TOTAL
Cr Tanya Milligan (Mayor)	19	2	21
Cr Jason Cook (Deputy Mayor)	21	2	23
Cr Chris Wilson	21	2	23
Cr Janice Holstein	20	2	22
Cr Kathy McLean	19	2	21
Cr Michael Hagan	21	2	23
Cr Rick Vela	21	2	23

COUNCILLOR REMUNERATION

Increases in remuneration for Councillors are automatically linked to respective increases to the remuneration levels of Queensland Members of the Legislative Assembly.

Mayor: \$127,843.79 Deputy Mayor: \$79,902.13 Councillor: \$67,916.26

NAME	REMUNERATION	ALLOWANCES	SUPERANNUATION	TOTAL
Cr Tanya Milligan (Mayor)	\$127,843.79	\$4,000.09	\$15,341.31	\$147,185.19
Cr Jason Cook (Deputy Mayor)	\$79,902.13	\$12,500.03	\$9,588.13	\$101,990.29
Cr Chris Wilson	\$67,916.26	\$12,500.03	\$8,149.89	\$88,566.18
Cr Janice Holstein	\$67,916.26	\$12,500.03	\$8,149.89	\$88,566.18
Cr Kathy McLean	\$67,916.26	\$12,500.03	\$8,149.89	\$88,566.18
Cr Michael Hagan	\$67,916.26	\$12,500.03	\$8,149.89	\$88,566.18
Cr Rick Vela	\$67,916.26	\$12,500.03	\$8,149.89	\$88,566.18

COUNCILLOR EXPENSES

NAME	PHONE & ICT COSTS	MOTOR VEHICLES	TRAINING, CONFERENCES & FUNCTIONS	TOTAL
Cr Tanya Milligan (Mayor)	\$1,695.61	\$9,504.02	\$12,109.98	\$23,309.61
Cr Jason Cook (Deputy Mayor)	\$878.05	-	\$1,229.55	\$2,107.60
Cr Chris Wilson	\$878.07	-	\$2554.07	\$3,432.14
Cr Janice Holstein	\$920.15	-	\$293.80	\$1,213.95
Cr Kathy McLean	\$878.89	-	\$1,096.70	\$1,975.59
Cr Michael Hagan	\$918.56	-	\$824.18	\$1,742.74
Cr Rick Vela	\$719.12	-	\$597.24	\$1,316.36

EXPENSES REIMBURSEMENT AND PROVISION OF FACILITIES FOR COUNCILLORS

In accordance with section 250 of the Local Government Regulation 2012, Council must have an Expenses Reimbursement Policy for Councillors. The objective of the Policy is to ensure the payment of legitimate and reasonable expenses incurred by Councillors for discharging their duties and responsibilities as Councillors; and to provide facilities to Councillors for those purposes. This is to ensure that Councillors are not financially disadvantaged because of carrying out their official duties.

The Policy is also aimed at reflecting the community's expectations about the extent of a Councillor's duties and responsibilities and its expectations about the resources and reimbursement provided to Councillors from public funds. This Policy does not deal with the provision of remuneration, nor does it cover non-business-related expenses or facilities incurred by other people, including a Councillor's partner. Council's Expenses Reimbursement & Provision of Facilities for Councillors Policy is available on Council's website and is supported by the Expenses Reimbursement and Provision of Facilities for Councillors Guideline.







ADMINISTRATIVE ACTION COMPLAINTS

Council is committed to dealing fairly with administrative action complaints by receiving, enabling, responding and reviewing customer complaints in a professional and cost-effective manner. By reviewing, reflecting and learning from the complaints, Council is able to improve services to the community.

The administrative action complaints that were received by Council in 2018-19 were either of a minor or negligible nature. Investigations were conducted, with a majority of the responses were provided within the identified timeframe.

One of the common causes for complaints submitted included a lack of awareness by the customer, of all in the information in relation to their matter. As a result, further advice was provided as part of the outcome into the investigation of their complaint to assist with providing a better understanding of Council's processes and practices, this also identified process and system improvements for the organisation.

ADMINISTRATIVE ACTION COMPLAINTS 2018-19 REPORTABLE ITEMS UNDER SECTION 187 OF THE LOCAL GOVERNMENT REGULATION 2012

REPORTABLE ITEM	NUMBER
Number of administrative action complaints received	13
Number of administrative action complaints upheld	0
Number of administrative action complaints partially resolved	2
Number of administrative action complaints not upheld	8
Number of complaints still in progress/unresolved	3
Number of administrative action complaints that were made in the previous financial year (2017-18)	13





RIGHT TO INFORMATION AND INFORMATION PRIVACY

The Right to Information Act 2009 and the Information Privacy Act 2009 provide the community with access to information balanced by appropriate protection for individuals' privacy. The public can apply for access to documents held by a council, subject to statutory exemptions, unless it is contrary to the public interest to provide that information. The legislation also allows individuals to apply for amendments to be made to documents concerning their personal affairs, where it is believed the information is incomplete, out of date, inaccurate or misleading.

Applications received under the Right to Information Act 2009 (RTI)	3
Applications received under the Information Privacy Act 2009 (IP)	0
Total applications received	3

No applications were withdrawn, and four decisions were issued to applicants, all within legislative timeframes. No application/s remained on hand as at 30 June 2019.

No applications were subject to an external review by Office of Information Commissioner.

RECORD OF COUNCILLOR CONDUCT AND PERFORMANCE COMPLAINTS

There were no reportable items applicable to the following sections of the *Local Government Act 2009* or associated Regulations, dealing with complaints made concerning the misconduct of a Councillor.

OVERSEAS TRAVEL

Section 188 of the *Local Government Regulation 2012* requires the disclosure of information relating to the overseas travel of both elected members and Council officers. The following table provides details on all overseas travel during the 2018-19 financial year:

ATTENDEE	DESTINATION	PURPOSE	COST
Councillor Tanya Milligan	Japan	Sister City delegation	\$1,882.42
lan Church, Chief Executive Officer	Japan	Sister City delegation	\$1,771.51

GRANTS TO COMMUNITY ORGANISATIONS

The following grants were made to community organisations under Council's Community Grants and Assistance Policy and Procedure.

ORGANISATION NAME	PURPOSE	AMOUNT
Gatton Camp Draft Association	Equipment for camp draft operations	\$2,000.00
Gatton Scout Group	Upgrade fire safety within building	\$1,000.00
Gatton Soccer Club	Aluminium seating	\$2,000.00
Ingoldsby Recreation Club	Install stainless steel kitchen	\$2,000.00
Laidley Kindergarten Association	Shade sail for playground	\$2,000.00
Lions Club of Withcott -Helidon	Internal fit out of community shed	\$1,000.00
Lockyer Information & Neighbourhood Centre	Community Sensory Garden	\$3,000.00
Lockyer Valley Cheerleader Association	Training equipment	\$2,500.00
Lockyer Valley Something to Sign About Choir	Equipment for performances	\$1,970.00
Lockyer Waters Halls Committee	Lockable storage	\$4,000.00
Our Lady of the Valley Catholic Parish Gatton Laidley	Centenary Garden design and seating	\$1,000.00
Returned & Services League of Australia (Queensland Branch) Laidley Sub-Branch Inc	Installation of utilities	\$3,000.00
Ropehill Community Sports Centre Incorporated	Information signage/directory	\$3,560.00
Southern Lockyer Junior Cricket Club	Equipment	\$3,923.00
St Mary's Playgroup, cl- Playgroup Queensland Limited	Playgroup improvement	\$3,454.55
Withcott Pony Club INC.	Safety upgrades	\$3,036.55
Withcott Primary P&C Association	Cycle safety for withcott students	\$555.27
Forest Hill Cricket Club	Synthetic wicket replacement	\$2,000.00
Gatton Jubilee Golf Club	Water connect to maintenance shed	\$2,000.00
Gatton Kindergarten Association	Upgrade tables and chairs	\$2,500.00
Gatton State School P&C	STEM makerspace equipment	\$2,300.00
Gatton Table Tennis Association	Notice board	\$2,500.00

ORGANISATION NAME	PURPOSE	AMOUNT
Gatton Tennis Association	Repairs to tennis courts	\$2,500.00
Helidon Cricket Association	Canteen upgrade	\$2,500.00
Laidley Bowls Club	First aid equipment	\$2,200.00
Laidley State High School P & C	Undercover lunch area	\$2,500.00
Lockyer Equestrian Group	Dressage championships promotion	\$1,650.00
Lockyer Race Club	Portable shade structures	\$2,000.00
Lockyer Valley Camera Club	Photography exhibition	\$2,300.00
Lockyer Veteran Cricket Association	Construction of boundary fence	\$2,500.00
Papua New Guinea Lockyer Valley Community	Office equipment	\$1,548.95
Peace Lutheran Church Gatton	Refurbishment of church hall	\$2,500.00
Peace Lutheran Outside School Hour Care	Sun safety	\$2,500.00
Stockyard Creek Community Hall	Play area and floor coverings	\$3,000.00
The Scout Association of Australia QLD Branch Inc - Glenore Grove	Upgrade equipment	\$3,000.00
TOTAL		\$81,998.32

Assistance was also provided for:

- Regional Ambassador Support and School Dux Bursary Program \$9,100.00
- School Chaplaincy Program \$10,000.00
- Public Halls Assistance Program \$22,100.00
- ANZAC Day Remembrance Program \$6,600.00
- Sporting Grounds Assistance Program \$152,006.00
- ullet 93 fee waivers for the use of Council's facilities were granted at a total cost of \$195,873.60







COUNCILLOR DISCRETIONARY FUNDS

The following donations were made from the Mayoral Donation Program.

ORGANISATION NAME	PURPOSE	AMOUNT
Ma Ma Creek Exhibition 2018	Kids rides	500.00
Faith Lutheran College	Year 5 science challenge	250.00
Community Reflection & Thanksgiving Service	Media costs for event (including social media)	282.19
Lockyer Valley Breast Cancer Support Group	Relay for Life afternoon tea	200.00
Watoto Children's Choir Community Event	Hire fees for Gatton Shire Hall	410.00
Carinity Baptist Community Services	Karinya Place - nursing homes donations	250.00
Tabeel Lutheran Home	Nursing homes donations	250.00
Gatton Kindergarten Association	Advertising for the 2018 Bike-a-thon	181.82
Laidley Lions Junior Rugby League	Sports clinic	500.00
Laidley and District State School	Term 2 Legends Medallions	177.73
Laidley and District State School	Term 4 Legends Medallions	177.70
Amaroo Aged Care Gatton	Nursing homes donations	250.00
Regis Aged Care	Nursing homes donations	250.00
Lockyer Antique Motor Association	2018 Tractor Trek	200.00
Lockyer Chamber of Commerce	Laidley Christmas Carnival banner	500.00
Mayoral Chaplaincy Dinner	Venue hire and chaplaincy gift	680.41
Anuha and Endeavour	Catering for morning tea for Disability Action Week	147.32
University of Queensland Gatton Campus	Products for the UQ Gatton back to college raffle	84.95
Forest Hill Festival Association	Face painting Forest Hill Christmas Festivities	200.00
Lockyer Valley Growers Group	Venue hire costs for the water meeting – landowners and irrigators	454.55
Gatton Swimming Club	Sponsorship of Gatton Swimming Club – Australia Day 800 Classic 2019	500.00
International Women's Day Breakfast	Venue hire and gift pack for guest speaker	659.95
Ropeley State School	ANZAC Day wreath	150.00
Peace Lutheran School P & F Association	Contribution to Christmas in the Country art & craft show	227.27

ORGANISATION NAME	PURPOSE	AMOUNT
Laidley Bowls Club	Men's Prestige Fours Bowls Carnival	250.00
Laidley and District State School	Term 1 Legends Medallions	200.90
Lockyer Uplands	Lockyer in the Wild Photography Comp – return of unused donation	-93.66
Laidley Bowls Club	Mayoral Donation for Ladies Carnival	250.00
Ma Ma Creek Exhibition 2019	Kids rides	500.00
Lockyer Valley Growers Inc	Mayoral Donation to support Horticultural Community BBQ's	909.09
Lions Club of Laidley	Purchase of Outdoor Furniture at the Lions Club of Laidley Shed in Lions Park Laidley	909.09
Emu Gully Adventure Education	Mateship fund	1,000.00
Lockyer Chamber of Commerce	Business Recognition Dinner 2019	1,000.00
Mt Sylvia State School P&C	2019 Up the Creek Festival	500.00
Gatton Quarter Horse & Performance Assoc.	State show	200.00
Lockyer Veteran's Cricket	United Kingdom match against QVC Country XI	1,000.00
Lockyer Uplands	Lockyer in the Wild Photography Comp 2019	300.00
SE QLD Special Children's Christmas Party	Advertising	272.73
Gatton Kindergarten Association	2019 Bike-a-thon	200.00
TOTAL		\$14,009.31







COMMERCIAL BUSINESS UNITS

Council did not maintain any Commercial Business Units during the 2018-19 financial year.

ACTION TAKEN INVOLVING SPECIAL ARRANGEMENTS

Council was not supplied with any services, facilities or activities by another local government under any agreements or joint activities and for which any special rates or charges were levied, during the financial year.

CHANGES TO TENDERS

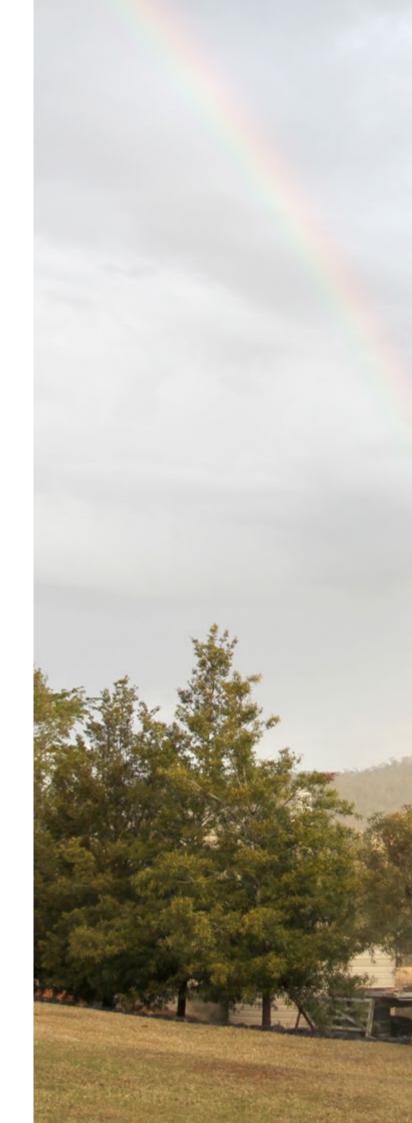
Council did not issue invitations to change any tenders under section 228(7) of the *Local Government Regulation* 2012 during 2018-19.

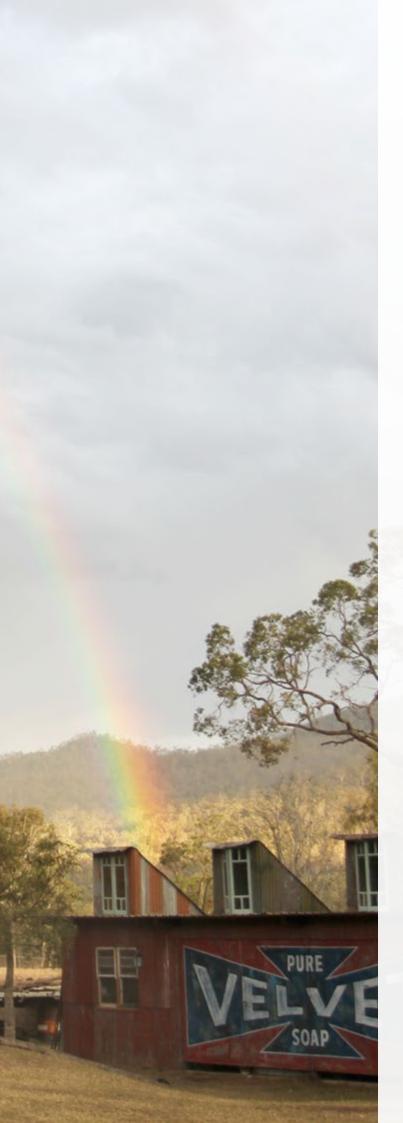
CONCESSIONS FOR RATES AND CHARGES GRANTED

Part 10 of the Local Government Regulation 2012 provides Council with the ability to grant concessions to property owners in certain circumstances.

For the 2018-19 financial year the following concessions were granted:

- PID 253510 & 159170 concession granted due to financial hardship to allow an extended time for payment including an interest free period of six months.
- Faith Lutheran College rebate of general rates of \$4,796.44 under Council's Community Grant Policy for Not-For-Profit Organisations.
- Toowoomba Motorcycle Club rebate of general rates of \$6,145.80 under Council's Community Grant Policy for Not-For-Profit Organisations.
- Council Pension Subsidy rebate of up to \$60 for eligible pensioners totalling \$172,435.50 for 3,149 properties.





REGISTERS MAINTAINED

Registers maintained by Council:

- Register of Councillor Interests
- Register of Related Parties
- Register of Delegations Council to Chief Executive Officer
- Register of Delegations Chief Executive Officer to Officer
- Register of Roads
- Register of General Charges and Regulatory Fees
- Register of Local Laws and Subordinate Local Laws
- Asset Register
- Fraud and Corruption Allegation Register
- Gift Register
- Loss Register
- Land Record
- Lobbyist Register
- Key Corporate Risk Register
- Policy Register
- Register of Infrastructure Charges.

INTERNAL AUDIT

Internal Audit activities for Council are performed by a qualified internal audit consultant on a wholly outsourced basis. For the 2018-19 financial year, BDO Pty Ltd provided this service for Council.

The Audit and Risk Management Committee endorsed the 2018-19 Internal Audit Plan at the 22 March 2018 meeting and Internal Audit Progress Reports were presented to the Audit and Risk Management Committee meetings in August 2018, December 2018, March 2019 and May 2019.

Internal audit projects for the financial year included:

- Infrastructure Charges Process Review.
- Tendered Contracts Review.
- Business unit key risk focus sessions were conducted for Waste Management, Plumbing and Building Services, Organisational Development, Financial Services and Work Health and Safety to identify what Council's key corporate risks were in these areas.

The Internal Audit Progress Report provided to the Audit and Risk Management Committee in May 2019 presented an overview of the work performed by the Internal Auditor from July 2018 - June 2019 in accordance with s.207(3), Local Government Regulation 2012.

2 FINANCIAL STATEMENTS

Lockyer Valley Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2019

Our Mission: Lead, engage, empower.



General Purpose Financial Statements for the year ended 30 June 2019

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Statement of Comprehensive Income for the year ended 30 June 2019

		2019	2018
	Notes	\$'000	\$'000
Income			
Revenue			
Recurrent Revenue			
Rates, Levies and Charges	3a	39,748	38,300
Fees and Charges	3b	5,410	6,436
Rental Income		317	324
Interest and Investment Revenue		1,684	1,776
Sales Revenue		1,749	1,934
Net Share of Interests in Associated Entities	25	2,539	2,331
Other Income	3c	3,067	2,752
Grants, Subsidies, Contributions and Donations	4a	6,748	7,356
Total Recurrent Revenue		61,262	61,209
Capital Revenue			
Grants, Subsidies, Contributions and Donations	4b	4,731	10,377
Total Revenue		65,993	71,586
Capital Income		190	1,349
Total Income		66,183	72,935
Expenses			
Recurrent Expenses			
Employee Benefits	5	25,349	24,276
Materials and Services	6	19,118	18,242
Finance Costs	7	1,718	2,625
Depreciation and Amortisation		12,172	12,883
Total Recurrent Expenses		58,357	58,026
Capital Expenses	8	4,389	3,897
Total Expenses	_	62,746	61,923
Net Recurrent Result		2,905	3,183
Net Result		3,437	11,012
TOCTOOME	:	0,401	11,012
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to the Net Result			
(Loss)/Gain on Revaluation of Property, Plant and Equipment	19	(13,127)	(5,789)
Total Other Comprehensive Income		(13,127)	(5,789)
Total Comprehensive Income		(9,690)	5,223
Total Comprehensive income	:	(3,030)	5,225

Statement of Financial Position as at 30 June 2019

	A1-4	2019	2018
	Notes	\$'000	\$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	9	14,003	10,743
Investments	9	9,100	15,200
Trade and Other Receivables	10	6,447	5,747
Inventories		377	372
Non-Current Assets classified as "Held for Sale"	11	2,091	2,485
Total Current Assets		32,018	34,547
Non-Current Assets			
Trade and Other Receivables	10	14,735	14,735
Associated Entities	25	31,340	30,273
Investment Property	12	2,010	1,850
Property, Plant and Equipment	13	569,246	576,734
Intangible Assets	15	5,493	5,212
Total Non-Current Assets		622,824	628,804
TOTAL ASSETS		654,842	663,351
LIABILITIES			
Current Liabilities			
Trade and Other Payables	16	8,227	6,716
Borrowings	17	1,435	1,390
Provisions	18	5,739	4,937
Total Current Liabilities		15,401	13,043
Non-Current Liabilities			
Borrowings	17	23,079	24,940
Provisions	18	29,655	28,971
Total Non-Current Liabilities		52,734	53,911
TOTAL LIABILITIES		68,135	66,954
Net Community Assets		586,707	596,397
COMMUNITY EQUITY			
	19	199,916	213,043
Asset Revaluation Surplus Retained Surplus	19	383,591	380,111
Reserves	20	3,200	3,243
Total Community Equity	21	586,707	596,397
Total Community Equity		300,707	550,357

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

		Asset Revaluation	Retained	Other	Tota
		Surplus	Surplus	Reserves	Equity
	Notes	\$'000	\$'000	\$'000	\$'000
2019					
Opening Balance (as per Last Year's Audited Accounts)		213,043	380,111	3,243	596,397
a. Net Operating Result for the Year		-	3,437	-	3,437
b. Other Comprehensive Income					
- Revaluations : Asset Revaluation Surplus	19	(13,127)	-	-	(13,127)
Other Comprehensive Income		(13,127)	-	-	(13,127)
Total Comprehensive Income		(13,127)	3,437	-	(9,690)
c. Transfers to Reserves	21	-	(3,841)	3,841	-
d. Transfers from Reserves	21		3,884	(3,884)	-
Equity Balance as at 30 June 2019		199,916	383,591	3,200	586,707
2018					
Opening Balance (as per Last Year's Audited Accounts)		218,832	367,461	4,881	591,174
a. Net Operating Result for the Year		-	11,012	-	11,012
b. Other Comprehensive Income					
- Revaluations : Asset Revaluation Surplus	19	(5,789)	-	-	(5,789)
Other Comprehensive Income		(5,789)	-	-	(5,789)
Total Comprehensive Income		(5,789)	11,012	-	5,223
c. Transfers to Reserves		-	(508)	508	-
d. Transfers from Reserves			2,146	(2,146)	-
Equity Balance as at 30 June 2018		213,043	380,111	3,243	596,397

Statement of Cash Flows for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Cash Flows from Operating Activities			
Receipts from Customers		47,032	46,972
Payments to Suppliers and Employees		(46,243)	(43,584)
		789	3,388
Receipts: Investment and Interest Revenue Received		1 025	1 607
Rental Income		1,835 317	1,697 356
Non Capital Grants and Contributions		7,008	7,742
Other		6,055	4,403
Payments:		0,000	1, 100
Borrowing Costs		(1,483)	(2,093)
•			
Net Cash - Operating Activities	27	14,521	15,493
Cash Flows from Investing Activities			
Receipts:			
Sale of Investment Securities		6,100	2,300
Proceeds on Disposal of Land Held for Resale		585	1,000
Proceeds on Disposal of Property, Plant and Equipment		420	1,166
Distributions Received from Joint Ventures and Associates		1,472	1,700
Grants, Subsidies, Contributions and Donations		2,966	4,155
Payments:			
Purchase of Property, Plant and Equipment		(19,784)	(17,359)
Payments for Intangible Assets		(1,204)	(1,333)
Net Cash - Investing Activities		(9,445)	(8,371)
Cash Flows from Financing Activities			
Payments:			
Repayment of Borrowings and Advances		(1,816)	(6,120)
Net Cash - Financing Activities		(1,816)	(6,120)
Net Increase/(Decrease) for the year		3,260	1,002
plus: Cash and Cash Equivalents - beginning	,	10,743	9,741
Cash and Cash Equivalents - closing	9	14,003	10,743
Additional Information:			
plus: Investments on hand - end of year	9	9,100	15,200
Total Cash, Cash Equivalents and Investments		23,103	25,943
	:		

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies

(1.a) Basis of preparation

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012.

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), the extent to these these inconsistencies are applied, financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of nonreciprocal grant revenue.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

(1.b) Date of Authorisation

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

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

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

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

- Non-Current Assets Classified as "Held for Sale" – Note 11
- Investment Property Note 12 and Note 14
- Valuation and depreciation of Property, Plant & Equipment - Note 13 and Note 14
- Provisions Note 18
- Contingent Liabilities Note 23
- Financial instruments Note 30.

(1.d) Rounding and Comparatives

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

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

(1.e) Taxation

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

The associated entity of the Council pays an income tax equivalent to the Council in accordance with the requirements of the *Local Government Act 2009*.

The Council does not pay payroll tax to the Queensland Government as its activities are below the threshold.

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

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



Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

This year Council has considered the application of AASB 9 Financial Instruments. AASB 9 replaces AASB 139 and relates to the recognition, classification and measurement of financial assets and financial liabilities.

Council has reviewed the standard and based on the assets and liabilities it holds the only impact is in respect of impairment of trade receivables. Council has analysed its bad debts and with consideration of materiality has not considered it necessary to create a provision using the expected credit loss method.

For the past six years the average write-off for Council's general debtors has been \$3,745.28 or 0.046% of the average overall charges.

Council will continue to analyse its trade receivables and provide for any doubtful debts where specific items are identified. Council will also continue to monitor bad debts and the impact of current and future economic conditions as required by the standard to monitor the adequacy of the provision for impairment of receivables.

As the credit risk is assessed as immaterial, the detailed disclosures within Note 30 regarding credit risk are not required.

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

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

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

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

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

requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Identifiable impacts at the date of this report are:

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

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

During the 2018-19 financial year Council received \$3.38 million in prepaid grants. If the standard had been applied in this reporting period, of the prepaid grants received there would have been a reduction in revenue of \$0.30 million and an increase in current liabilities of \$0.30 million.

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

During the 2018-19 financial year Council received \$0.05 million in prepaid leases, private works, and hire of facilities. If the standard had been applied in this reporting period there would have been a reduction in revenue of \$0.05 million and an increase in current liabilities of \$0.05 million.

Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that time these receipts will be recognised as a liability

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

(unearned revenue). There will be no impact upon the recognition of other fees and charges. During the 2018-19 financial year Council received \$2.05 million in prepaid rates. If the standard had been applied in this reporting period there would have been a reduction in revenue of \$2.05 million and an increase in current liabilities of \$2.05 million.

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

- Revenue decrease of \$2.40 million due to deferral of grant funding, pre-paid rates, and other sales related revenue (based on the facts available to Council at the date of assessment).
- There would be a reduction of \$2.40 million in the reported equity as the reduced revenue will require an increase in recognition of contract liabilities, and statutory receivables.
- Net result would be lower on initial application as a result of decreased revenue. A range of new disclosures will also be required by the new standards in respect of the council's revenue.

Transition method

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

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

AASB 16 Leases

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

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

Leases in which the Council is a lessee

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

Peppercorn Leases

Council is the leasee of a number of Deed of Grant in Trust leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council does not intend to elect to apply the fair value measurement requirements to these leases until such time as this requirement is mandated.

Based on Councils assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have no material impact on the financial statements.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report but have future commencement dates are not likely to have a material impact on the financial statements.



Notes to the Financial Statements

for the year ended 30 June 2019

Note 2(a). Council Functions - Component Descriptions

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

General Public Services

The objective of this function is to provide internal governance, organisational and administrative services. It includes legislative and executive programs to implement policy, coordinate activities and provide support to Elected Members. It also includes the administrative programs to support effective service delivery to all internal and external customers. All programs not classified elsewhere are aggregated under this function.

Public Order and Safety

The objective of this function is to provide programs and services that deal with nuisance, safety and public behaviour. It includes programs for the control of domestic animals, administration and enforcement of locals laws and disaster management, and support for local Rural Fire Service and State Emergency Services groups.

Economic Affairs

The objective of this function is to provide support for programs and services that generate economic activity within the Region. This includes support to the local economy, development and implementation of business and investment strategies, and local business promotion. This function also includes road transport and associated services to maintain and deliver infrastructure such as roads, bridges, drains and footpaths.

Environmental Protection

The objective of this function is to provide programs that deal with the natural environment and waste management. It includes activities such as pest and weed management and other environmental programs and the collection, disposal and/or recycling of commercial and domestic waste.

Housing and Community Amenities

The objective of this function is to provide activities that are concerned with support to community groups, community development initiatives, the provision of community facilities such as halls and other community buildings. This function also covers disaster recovery programs including the rebuilding of Council's flood affected infrastructure as well as town planning and approvals.

Recreation, Culture and Religion

The objective of this function is the provision of sporting, recreation and cultural facilities such as sports grounds, swimming pools, parks and gardens, libraries and art gallery.

Social Protection

The objective of this function is to conduct the operation of Council's childcare centres and youth development program.

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

Note 2(b). Analysis of Results by Function

Functions Recurring Grants Recurring Grants Capital Other Grants Total Grants Grants Total Grants Grants From Grants Grants Total Grants Total Grants Grants Total Grants T			Gross Program	ogram			Gross Program	rogram		Net Result		
Capacity Capital Income Recurring Recurring Expenses Recurring Recurring Expenses Recurring Perone Perone <td></td> <td></td> <td>Incor</td> <td>ne</td> <td></td> <td>Total</td> <td>Exper</td> <td>ıses</td> <td>Total</td> <td>from</td> <td>Net</td> <td>Total</td>			Incor	ne		Total	Exper	ıses	Total	from	Net	Total
Grants Other Grants Other Grants Other Grants Other \$'000		Recur	ring	Capi	tal	Income	000	Iction	Expenses	Recurring	Result	Assets
Services		Grants	Other	Grants	Other		Securing	Capital		Operations		
1,805 3,644 112 190 40,340 (23,356) 16 10 Order & Safety 1,805 2,210 1,978 1,978 (1,754) (1,75	2019	\$.000	\$,000	\$,000	\$.000	\$,000	\$.000	\$,000	\$,000	\$.000	\$,000	\$,000
Order & Safety 40 1,833 5 - 1,876 (1,754) - (1,834) (1,548)	General Public Services	3,554	36,484	112	190	40,340	(23,356)	1	(23,356)	16,682	16,984	212,319
mic Affairs mic Affairs 1,805 2,210 1,978 - 5,993 (10,791) (4,389) (15,180) (6 nmental Protection 447 8,142 208 - 6,770 (7,637) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,836) - (7,837) - (7,837) - (7,837) - (7,837) - (7,837) - (7,837) - (7,836) - - (7,836) - - (7,836) - - - (7,836) - - - - - - - - - - - - - -	Public Order & Safety	40	1,833	22	'	1,878	(1,754)	1	(1,754)	119	124	'
nmental Protection 447 8,142 208 - 8,797 (7,836) - (7,837) - - (7,837) - - (7,837) -	Economic Affairs	1,805		1,978	•	5,993	(10,791)	(4,389)	(15,180)	(6,776)	(9,187)	418,907
gg Community Amenities 4,453 2,317 - 6,770 (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,637) - (7,630) - - (7,630) - - - - - - - - - - - - - - - - -	Environmental Protection	447	8,142	208	•	8,797	(7,836)	•	(7,836)	753	961	15,506
Hototection Seligion	Housing & Community Amenities	1		2,317	•	6,770	(7,637)	1	(7,637)	(3,184)	(867)	'
Frotection 583 249 - 832 (1,083) - (1,083) - (1,083) - (1,083) - (1,083) - (1,083) - (1,083) - (1,083) - (1,083) - (1,083) - (1,083) - (1,083) - (1,083) - - (1,083) - <td>Recreation, Culture & Religion</td> <td>319</td> <td>1,143</td> <td>111</td> <td>'</td> <td>1,573</td> <td>(2,900)</td> <td>1</td> <td>(2,900)</td> <td>(4,438)</td> <td>(4,327)</td> <td>8,110</td>	Recreation, Culture & Religion	319	1,143	111	'	1,573	(2,900)	1	(2,900)	(4,438)	(4,327)	8,110
tions Fequencies Expenses Federal	Social Protection	583	249	•	'	832	(1,083)	•	(1,083)	(251)	(251)	•
Gross Program Total Expenses Grants Class Total Expenses Total	Total	6,748	54,514	4,731	190	66,183	(58,357)	(4,389)	(62,746)	2,905	3,437	654,842
Recurring Cants Capital Income Focurring Capital Frequency <			Gross Pr	ogram			Gross Pi	rogram		Net Result	Γ	
Grants Other \$\frac{4}{5}\$ Other Grants Other \$\frac{4}{5}\$ Other Capital \$\frac{4}{5}\$ Other Other \$\frac{4}{5}\$ Other \$\frac{4}{5}\$ Other \$\frac{4}{5}\$ Other \$\frac{4}{5}\$ Other \$\fr			Incol	ne		Total	Exper	ıses	Total	from	Net	Total
Grants Other \$'000 Grants \$'000 Other \$'000 \$'		Recur	ring	Capi	tal	Income	Recurring	Canital	Expenses	Recurring	Result	Assets
\$'000 \$'000 <th< td=""><td></td><td>Grants</td><td>Other</td><td>Grants</td><td>Other</td><td></td><td>6</td><td>Capital</td><td></td><td>Operations</td><td></td><td></td></th<>		Grants	Other	Grants	Other		6	Capital		Operations		
ervices 3,215 35,334 66 195 38,810 (13,774) (533) (14,307) afety 35 1,818 86 - 1,939 (1,887) - (1,887) 2,768 2,308 3,109 1,154 9,339 (18,828) (2,810) (21,638) (7,282) nunity Amenities 168 5,161 7,085 - 12,414 (9,128) (455) (9,583) ine & Religion 374 1,069 25 - 1,468 (6,143) (1) (6,144) 572 320 - 892 (1,082) - (1,082)	2018	\$.000	\$.000	\$.000	\$.000	\$,000	\$.000	\$,000	\$.000	\$.000	\$,000	\$.000
afety 35 1,818 86 - 1,939 (1,887) - (1,887) - (1,887) - (1,887) - (1,887) - (1,887) - (1,638) - (1,638) - (1,638) - - (1,638) -	General Public Services	3,215	35,334	99	195	38,810	(13,774)	(533)	(14,307)	24,775	24,503	208,573
2,768 2,308 3,109 1,154 9,339 (18,828) (2,810) (21,638) (otection 224 7,843 6 - 8,073 (7,184) (98) (7,282) nunity Amenities 168 5,161 7,085 - 12,414 (9,128) (455) (9,583) ire & Religion 374 1,069 25 - 1,468 (6,143) (1) (6,144) 572 320 - - 892 (1,082) - (1,082)	Public Order & Safety	35	1,818	98	•	1,939	(1,887)	1	(1,887)	(34)	52	'
Otection 224 7,843 6 - 8,073 (7,184) (98) (7,282) nunity Amenities 168 5,161 7,085 - 12,414 (9,128) (455) (9,583) irre & Religion 374 1,069 25 - 1,468 (6,143) (1) (6,144) 572 320 - 892 (1,082) - (1,082)	Economic Affairs	2,768		3,109	1,154	9,339	(18,828)	(2,810)	(21,638)	(13,752)	(12,299)	433,083
nunity Amenities 168 5,161 7,085 - 12,414 (9,128) (455) (9,583) Ire & Religion 374 1,069 25 - 892 (1,082) - 10,082 (1,082) - 10,082 (1,082)	Environmental Protection	224		9	1	8,073	(7,184)	(86)	(7,282)	883	791	14,177
ire & Religion 374 1,069 25 - 1,468 (6,143) (1) (6,144) 572 320 - - 892 (1,082) - (1,082)	Housing & Community Amenities	168		7,085	'	12,414	(9,128)	(422)	(6,583)	(3,799)	2,831	'
572 320 892 (1,082) - (1,082)	Recreation, Culture & Religion	374	1,069	25	'	1,468	(6,143)	(1)	(6,144)	(4,700)	(4,676)	7,518
	Social Protection	572	320	•	1	892	(1,082)	•	(1,082)	(190)	(190)	•
Total 7,356 53,853 10,377 1,349 72,935 (58,026) (3,897) (61,923) 3,183	Total	7,356	53,853	10,377	1,349	72,935	(58,026)	(3,897)	(61,923)	3,183	11,012	663,351

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Revenue Analysis

		2019	2018
	Notes	\$'000	\$'000
(a). Rates, Levies and Charges			
General Rates		31,975	30,877
Separate Rates		4,634	4,491
Special Charges		303	302
Waste Collection Charges	_	4,524	4,253
Total rates and utility charge revenue		41,436	39,923
Less: Discounts		(1,516)	(1,453)
Less: Pensioner remissions		(172)	(170)
TOTAL RATES, LEVIES AND CHARGES	-	39,748	38,300
(b). Fees and Charges			
Animal Control		541	527
Building and Development Fees		3,182	4,024
Refuse Tip and Recycling		594	717
Childcare		249	320
Finance and Charres		87 757	85
User Fees and Charges		757	763
TOTAL FEES AND CHARGES	=	5,410	6,436
(c). Other Income			
Other Income		541	316
Income Tax Equivalent Received		891	1,003
Sale of Sundry Small Value Items		211	203
Fuel and Diesel Rebate		157	136
Rates Legal Costs Recovered		206	174
Sales and Hire		1,061	920
TOTAL OTHER INCOME	-	3,067	2,752

Rates, levies, grants, rental income, interest, dividends, sales revenue and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Grants, Subsidies, Contributions and Donations

		2019	2018
	Notes	\$'000	\$'000
(a) Recurrent			
General Purpose Grants		4,684	4,298
State Government Subsidies and Grants		716	555
Commonwealth Government Subsidies and Grants		1,166	2,103
Contributions		182	400
TOTAL RECURRENT GRANTS, SUBSIDIES,			
CONTRIBUTIONS AND DONATIONS		6,748	7,356
(b) Capital			
Monetary Capital Revenue			
State Government Subsidies and Grants		2,610	3,543
Commonwealth Government Subsidies and Grants		356	476
Contributions		-	136
Non-Monetary Capital Revenue			
Developer Assets Contributed by Developers at Fair Value	13	1,765	6,222
TOTAL CAPITAL GRANTS, SUBSIDIES,	_		
CONTRIBUTIONS AND DONATIONS		4,731	10,377

Physical assets contributed to Council by developers in the form of road works, stormwater and park equipment, are recognised when the development becomes "on maintenance", and there is sufficient information in the form of plans and drawings to determine the approximate specifications and fair value of such assets.

Disposal of non-current assets, discount rate adjustments to restoration provisions and revaluations of investment property, and plant and equipment are recognised as either capital income or capital expenses depending on whether they result in accounting gains or losses.

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. All other revenue has been classified as recurrent.



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

Note 5. Employee Benefits

		2019	2018
	Notes	\$'000	\$'000
Wages and Salaries		18,163	18,541
Annual, Sick and Long Service Leave Entitlements		5,177	4,524
Superannuation	24	2,706	2,587
Councillor Remuneration		626	592
Other		1,202	1,151
		27,874	27,395
Less: Capitalised Employee Expenses		(2,525)	(3,119)
TOTAL EMPLOYEE BENEFITS	-	25,349	24,276
Additional information:			
Total Employees at year end:			
Administration Staff		195	184
Depot and Outdoors Staff	_	121	145
Total full time equivalent employees		316	329
Total Elected members	-	7	7

Note 6. Materials and Services

Advertising	346	380
Administration Supplies and Consumables	900	748
Audit of Annual Financial Statements by the Auditor-General of Queensland	92	90
Communications and IT	1,646	1,475
Consultancy Services	2,872	2,238
Contractors	6,926	6,458
Donations Paid	681	587
Fuel	1,009	928
Insurance	857	836
Investment Property Expenses	345	286
Power	1,029	1,076
Repairs and Maintenance	1,425	1,773
Subscriptions and Registrations	436	527
Travel	47	54
Other	507	786
TOTAL MATERIALS AND SERVICES	19,118	18,242

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Finance Costs

		2019	2018
	Notes	\$'000	\$'000
Finance costs - Queensland Treasury Corporation		1,331	1,969
Bank Charges		120	122
Impairment of Receivables and Bad Debts Written Off		3	2
Quarry Rehabilitation	18	20	-
Refuse Restoration	18	244	532
TOTAL FINANCE COSTS		1,718	2,625

All borrowing costs are expensed in the period in which they are incurred.

No borrowing costs are capitalised on qualifying assets.

Note 8. Capital Expenses

Loss on disposal of non-current assets			
Proceeds from the Disposal of Plant and Other Equipment		403	663
Less: Book Value of Plant and Other Equipment Disposed	13	(641)	(651)
		(238)	12
Proceeds from Disposal of Land and Buildings		17	503
Less: Book Value of Land and Buildings Disposed	13	(56)	(656)
		(39)	(153)
Proceeds from the Disposal of Road & Drainage Network		-	-
Less: Book Value of Road & Drainage Network Disposed	13	(4,265)	(2,822)
		(4,265)	(2,822)
Proceeds from the Disposal of Other Assets		-	-
Less: Book Value of Other Assets Disposed	13	(31)	(928)
		(31)	(928)
Proceeds from Land Held for Resale		585	1,000
Less: Book Value of Land Held for Resale Disposed	11	(401)	(1,006)
		184	(6)
TOTAL CAPITAL EXPENSES		(4,389)	(3,897)

The book value of assets disposed is shown as the gross value less accumulated depreciation.



Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Cash, Cash Equivalents and Investments

	2019	2018
Notes	\$'000	\$'000
Cash and Cash Equivalents		
Cash at Bank and on Hand	1,184	1,010
Cash Equivalent Assets ¹		
- Deposits at Call	12,819	9,733
Total Cash and Cash Equivalents	14,003	10,743
Investments - Current		
Term Deposits	9,100	15,200
Total Current Investments	9,100	15,200
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	23,103	25,943

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Restricted Cash, Cash Equivalents and Investments

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

Externally imposed Expenditure Restrictions at the reporting date relate to the following cash assets:

Unspent Government Grants and Subsidies	1,020	582
Waste Levy Refund Received in Advance	1,038	-
Total External Restrictions	2,058	582
Internally imposed Expenditure Restrictions at the reporting date:		
Future Capital Works	2,180	2,564
Future Recurrent Expenditure	-	97
Total Internal Restrictions	2,180	2,661
Total Unspent Restricted Cash, Cash Equivalents and Investments	4,238	3,243

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

Cash at bank is held with the National Australia Bank and Heritage Building Society in normal business cheque accounts. Cash at call is held with Queensland Treasury Corporation. Interest rates are determined on a daily basis. Short and long term deposits are held with various banking institutions with maturities ranging up to twelve months and interest rates from 2.20% to 2.85%.

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Trade and Other Receivables

	2019	2018
Notes	\$'000	\$'000
Current		
Rateable Revenue and Utility Charges	2,790	2,422
Other Debtors	1,703	1,356
GST Recoverable	497	343
Accrued Revenues		
- Interest on Investments (incl. Q.U.U.)	965	1,116
Prepayments	499	514
Total	6,454	5,751
less: Provision for Impairment	(7)	(4)
Other Debtors	(7)	(4)
Total Provision for Impairment - Receivables	(7)	(4)
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	6,447	5,747
Non-Current		
Loans and Advances to Associates	14,735	14,735
Total	14,735	14,735

Trade and other receivables are recognised at the amounts due at the time of sale or service delivery.

Interest is charged on outstanding rates at a rate of 11% per annum. Debtors invoiced during the 2019 financial year and which remain outstanding for greater than 30 days, bear interest at the rate of 11%.

Because 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 any rates receivables.

The collectability of other receivables is assessed periodically. The amount is calculated as a percentage of receivables with consideration of past history of actual defaults, and an assessment of the likelihood of future defaults.



Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Non-Current Assets Classified as "Held for Sale"

	2019	2018
Notes	\$'000	\$'000
Non-Current Assets "Held for Sale" Land	2,091	2,485
TOTAL NON-CURRENT ASSETS CLASSIFIED AS "HELD FOR SALE"	2,091	2,485

Council holds land at Philps Road, Grantham, and Smithfield Road, Gatton. Negotiations for the sale of this land is being undertaken.

Council sold two parcels of land at Philps Road, Grantham during the financial year.

Council sold land at Victoria Street, Forest Hill during the financial year.

Note 14 describes the valuation techniques that were used to determine the fair value of the land, which is categorised as a Level 2 valuation.

Reconciliation of Non-Current Assets "Held for Sale"

Assets "Held for Sale"

Opening Balance		2,485	3,052
less: Carrying Value of Assets Sold	8	(401)	(1,006)
Balance still unsold after 12 months:		2,084	2,046
plus Net Transfer in/(out):			
Assets "Held for Sale" from Property, Plant and Equipment	13	11	439
plus Revaluation adjustments			
Revaluation of Assets "Held for Sale"		30	-
Adjustment to cost	_	(34)	
Closing Balance of Non-Current Assets "Held for Sale"	_	2,091	2,485

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Investment Property

		2019	2018
	Notes	\$'000	\$'000
Fair value at Beginning of Financial Year		1,850	1,847
Revaluation Adj to the Statement of Comprehensive Income		160	3
	_		
TOTAL INVESTMENT PROPERTY		2,010	1,850

Investment Property comprises land at Tryhorn Street, Grantham. Lease contracts are in negotiations.

Investment Property does not include Community Housing.

The 30 June 2019 investment property and land was valued at fair value by: Kim Adams, Certified Practicing Valuer, Registration Number 2124 of Pickles Valuation Services. Pickles Valuation Services have extensive experience in valuing properties of this nature in surrounding areas. Fair Value was determined by reference to market based evidence including observable historical sales data in the relevant market for properties of a similar nature.

Gains or losses arising from changes in the fair value of investment property are recognised as income or expenses respectively for the period in which they arise. Investment property is not depreciated and is not tested for impairment.



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

Note 13. Property, Plant and Equipment

Note Fair	Buildings	Equipment	Drainage Network	Other Assets	Works In Progress	Artworks	Cemetery Equipment	Waste	Total
Balance - at Cost	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
	Fair Value	Cost	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	
	•	24,634	'	7,705	5,956	-	'	-	38,295
Opening Gross Balance - at Fair Value	83,253	1	518,980	1	1	246	10,874	15,033	673,743
Opening Gross Balance 45,357	83,253	24,634	518,980	7,705	5,956	246	10,874	15,033	712,038
- Additions*	1	1	1	•	19,297	'	1	•	19,297
Contributed Assets at Valuation	1	1	1,765	1	1	'	1	•	1,765
Disposals -	(196)	(2,952)	(6,862)	(38)	1	'	1	1	(10,048)
Revaluation Decrements to Equity (ARS)	•	1	(5,110)	1	'	'	1	'	(2,110)
Revaluation Increments to Equity (ARS) 3,228	3,983	1		1	1	1	1	•	7,211
Work in Progress Transfers	3,660	3,584	9,718	362	(19,151)	19	1,031	922	•
Transfers from/(to) Held for Sale category 11 (11)	'	1	•	1	1	1	1	1	(11)
Transfers from/(to) Intangible Assets	'	'	'	1	(10)	'	'	'	(10)
Adjustment Due to Changes in Provision for Rehabilitation	•	-	-	1	1	-	1	827	827
Total Gross Value of Property, Plant and Equipment - at Cost	•	25,266	•	8,029	6,092	•	1	•	39,387
Total Gross Value of Property, Plant and Equipment - at Fair Value 48,575	90,700	•	518,491	•	•	265	11,905	16,637	686,573
Total Gross Value of Property, Plant and Equipment	90,700	25,266	518,491	8,029	6,092	265	11,905	16,637	725,960
Opening Accumulated Depreciation	31,330	12,372	85,897	1,491	'	1	3,356	857	135,303
Depreciation Expense -	1,439	1,532	7,298	259	1	'	438	273	11,239
Disposals 8	(140)	(2,311)	(2,597)	(7)	1	1	1	1	(2,055)
Revaluation Decrements to Equity (ARR)	6,243	•	8,985	1	•	'	'	•	15,228
Total Accumulated Depreciation of Property, Plant and Equipment	38,871	11,593	99,583	1,743	-		3,794	1,130	156,714
Total Net Book Value of Property, Plant and Equipment 48,575	51,829	13,673	418,908	6,286	6,092	265	8,111	15,507	569,246
Other Information									
Residual Value Indefinite	0%-10%	15%-30%	%0	%0	-	Indefinite	%0	%0	
Range of Estimated Useful Life (years)	20-80	3-20	10-100	3-100	'	Indefinite	25	40	
*Asset Additions Comprise									
	1,466	3,613	8,465	132	-	Ī	929	313	14,645
Other Additions 1	1,286	213	1,891	246	1	19	672	324	4,652
Total Asset Additions 1	2,752	3,826	10,356	378	•	19	1,328	637	19,297

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

Note 13. Property, Plant and Equipment (continued)

	Land	Buildings	Equipment	Drainage Network	Other Assets	Works In Progress	Artworks	Cemetery Equipment	Waste	Total
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Measurement Basis Note	Fair Value	Fair Value	Cost	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	
Opening Gross Balance - at Cost	1	1	24,203	1	22,703	7,814	1	1	•	54,720
Opening Gross Balance - at Fair Value	42,294	93,391	•	512,565	1	1	247	9,735	•	658,232
Opening Gross Balance	42,294	93,391	24,203	512,565	22,703	7,814	247	9,735	•	712,952
Additions*	1	1	1	ı	'	17,665	1	1	'	17,665
Contributed Assets at Valuation	175	1	1	6,047	1	1	1	1	1	6,222
Disposals	(61)	(262)	(1,864)	(4,222)	(1,148)	1	(1)	'	(114)	(8,206)
Revaluation Decrements to Equity (ARR)	ı	(9,684)	1	(6,983)	ı	ı	1	1	1	(16,667)
Revaluation Increments to Equity (ARS)	721	1	1	1	1	1	1	1	'	721
Work in Progress Transfers	2,560	342	2,262	11,573	161	(18,083)	1	1,003	182	•
Transfers from/(to) Held for Sale category	(332)	ı	1	1	1	(101)	1	1	1	(439)
Transfers from/(to) Intangible Assets	ı	1	1	1	1	(1,333)	1	1	1	(1,333)
Adjustment Due to Changes in Provision for Rehabilitation	1	'	1	'	'	'	1	1	1,123	1,123
Transfers from/(to) Other Assets	1	1	33	1	(14,011)	1	1	136	13,842	•
Total Gross Value of Property, Plant and Equipment - at Cost	-	•	24,634	•	7,705	5,956	•	•	•	38,295
Total Gross Value of Property, Plant and Equipment - at Fair Value	45,357	83,253	•	518,980	•	•	246	10,874	15,033	673,743
Total Gross Value of Property, Plant and Equipment	45,357	83,253	24,634	518,980	7,705	5,956	246	10,874	15,033	712,038
Opening Accumulated Depreciation	-	33,953	11,882	85,206	2,820	•	-	2,915	-	136,776
Depreciation Expense	1	1,395	1,696	7,714	275	1	1	406	353	11,839
Disposals	ı	(202)	(1,212)	(1,401)	(323)	1	1	1	(15)	(3,153)
Revaluation Increments to Equity (ARS)	1	(3,816)	1	(5,622)	1	1	•	1	(720)	(10,158)
Transfers from/(to) Other Assets	1	1	9	1	(1,281)	'	1	32	1,239	1
Total Accumulated Depreciation of Property, Plant and Equipment	-	31,330	12,372	85,897	1,491	Ī		3,356	857	135,304
Total Net Book Value of Property, Plant and Equipment	45,357	51,923	12,262	433,083	6,214	5,956	246	7,518	14,176	576,734
Other Information										
Residual Value	Indefinite	%0	15%-30%	%0	%0	-	Indefinite	%0	%0	
Range of Estimated Useful Life (years)	Indefinite	20-80	3-20	10-100	3-100		Indefinite	25	40	
*Asset Additions Comprise										
Asset Renewals	1	,	1	1	1	11,547	1	1	1	11,547
Other Additions	1	1	1	1	1	6,118	1	1	1	6,118
Total Asset Additions	•	•	ī	•	Ī	17,665	Ī		Ī	17,665

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Property, Plant and Equipment (continued)

Valuations - defined by reference to:

Land

- Basis of valuation: Fair Value - Date of valuation: 30 June 2019

- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

Buildings

- Basis of valuation: Fair Value - Date of valuation: 30 June 2019

- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

Plant and Other Equipment

- Basis of valuation: Cost less accumulated depreciation

Road and Drainage Network

- Basis of valuation: Fair Value - Date of valuation: 30 June 2019

- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

Other Assets

- Basis of valuation: Cost less accumulated depreciation

Works In Progress

- Basis of valuation: Cost

Artworks

- Basis of valuation: Fair Value - Date of valuation: 30 June 2016

- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

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

Note 13. Property, Plant and Equipment (continued)

Valuations - defined by reference to: (continued)

Park and Cemetery Equipment

Basis of valuation: Fair ValueDate of valuation: 30 June 2017

- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

Waste

Basis of valuation: Fair ValueDate of valuation: 30 June 2018

- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000, are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Capital Work In Progress is the cost of property, plant and equipment being constructed by the Council which includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

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

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

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

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



Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Fair Value Measurements

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

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly,
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

idii values.					
		Fair Value	Measureme	ent using:	
		Level 1	Level 2	Level 3	Total
	Date	Quoted	Significant	Significant	
	of latest	prices in	observable	unobservable	
	valuation	active mkts	inputs	inputs	
2019		\$'000	\$'000	\$'000	\$'000
Assets Held for Sale					
- Land	30/06/19		2,091		2,091
Total Assets Held for Sale			2,091		2,091
Investment Properties					
- Land	30/06/19		2,010		2,010
Total Investment Properties		-	2,010	_	2,010
Property, Plant and Equipment					
- Land	30/06/19	-	42,463	6,112	48,575
- Buildings	30/06/19	-	-	51,829	51,829
- Road and Drainage Network	30/06/19	-	-	418,908	418,908
- Artworks	30/06/16	-	265	-	265
- Park and Cemetery Equipment	30/06/17	-	-	8,111	8,111
- Waste	30/06/18			15,507	15,507
Total Property, Plant and Equipment			42,728	500,467	543,195
2018					
Assets Held for Sale					
- Land	30/06/18	_	2,485	_	2,485
Total Assets Held for Sale			2,485		2,485
Investment Properties - Land	30/06/18	_	1,850	_	1,850
Total Investment Properties			1,850		1,850
•					,
Property, Plant and Equipment - Land	30/06/18	_	37,605	5,157	42,762
- Buildings	30/06/18	_	-	51,923	51,923
- Road and Drainage Network	30/06/18	_	_	433,083	433,083
- Artworks	30/06/16	_	246	-	246
- Park and Cemetery Equipment	30/06/17	_		7,518	7,518
- Waste	NA	-	-	14,176	14,176
Total Property, Plant and Equipment			37,851	511,857	549,708
					page 23

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

Note 14. Fair Value Measurements (continued)

(2) Transfers between Level 1 and Level 2 Fair Value Hierarchies

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

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

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

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Investment Properties

Council obtains independent valuations at least every three years for all investment properties. The last valuation was undertaken by Pickles Valuation Services, Registered Valuers, as at 30 June 2019.

Council's investment properties are all vacant land in areas with regular sales of comparable properties. Therefore they were valued using the direct comparison approach. Sales of properties with similar features have been analysed on a basis of a rate per square metre of land area and compared to the subject properties having regard to value influencing factors such as location, site area, zoning and relativity of market conditions at the time of sale. No allowance has been made for realisation expenses.

Land

Where there is an active and liquid market as evidenced by sales transactions of similar property types, a Market Approach by way of Direct Comparison or Income methods can be utilised, and are accepted valuation methodologies under AASB 13. If a Market Approach is adopted, the valuation is deemed to be a Level 2 input.

Direct Comparison method which is considered a Level 2 input on the Fair Value Hierarchy, involves the analysis of sales evidence and comparisons with the subject land taking into account matters such as area, location and other general site characteristics. The Direct Comparison approach has been utilised in the valuer's assessment for all LVRC Land Assets, however the fair value measurement has been either a Level 2 or 3, depending on their assumptions as to:

- Whether the land is subject to restrictions as to use and/or sale;
- Whether there is no active market.

If these assumptions apply to the land as per the better practice guidelines in Queensland Treasury NCAP 3, the Valuers have measured the expected Fair Value as a Level 3. However if an active market can be established and there are no unreasonable restrictions as to use and/or sale, the Valuers have deemed the measurement to be a Level 2. Land that is utilised for footpath or access restriction purposes, land that is a volumetric title, or due to its general characteristics land that has no observable active market, have been assessed as a Level 3.

The valuation techniques used to measure fair value maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of fair values.



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

Note 14. Fair Value Measurements (continued)

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

Buildings

Due to the predominantly specialised nature of Local Government Assets, building valuations are undertaken on a Cost Approach (Current Replacement Cost). The cost approach is deemed a Level 3 Input. Under this approach, the following process have been adopted.

Where there is no market, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.

A condition assessment is applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.

The majority of Buildings and Facilities have been inherited from two previous Shires in the amalgamation process. This has created some duplication of facilities and a surplus asset inventory particularly in regard to buildings. Lockyer Valley Regional Council created a Building and Facilities Service Management Plan in May 2017 and created a list of underutilised or non-utilised buildings in the Plan.

The utilisation of these buildings is low or being used for purposes other than the building design intention simply because they are available. The detailed disposal plan for each of these facilities has not yet been decided. Until such a decision is made the intention is not to replace any of these facilities at the end of their useful lives, and keep maintenance to a minimum. The non-replacement buildings have been valued on this basis and have been depreciated based on both physical deterioration and obsolescence as they have limited alternative uses.

In determining the level of accumulated depreciation for major assets, we have disaggregated into significant components which exhibit different patterns of consumption (useful lives). Residual value, which is the value at the time the asset is considered to be no longer available, is also factored in. The condition assessment is applied on a component basis.

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of residual value, useful life, and asset condition) were also required (level 3).

The Condition rating inputs can be defined in the following table.

Rating	Description	% of Life Remaining
1	As New	71-100
2	Good	51-70
3	Fair	11-50
4	Poor	4-10
5	Failed asset	0-3

The valuation techniques used in the determination of fair values maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of fair values.



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

Note 14. Fair Value Measurements (continued)

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

Infrastructure, Roads and Drainage, Parks, Waste and Cemeteries

Due to the predominately specialised nature of Local Government Assets, the infrastructure valuations have been undertaken on a Cost Approach (Current Replacement Cost), an accepted valuation methodology under AASB13 The Cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:

- Where there is no market, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees. This is considered a Level 2 input.
- A condition assessment is applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.
- In determining the level of accumulated depreciation for major assets, we have disaggregated into significant components which exhibit different patterns of consumption (useful lives). Residual value, which is the value at the time the asset is considered to be no longer available, is also factored in. The condition assessment is applied on a component basis.
- While the replacement cost of the assets could be supported by market supplied evidence (Level 2), the other unobservable inputs (such as estimates of useful life and asset condition) were also required (Level 3).

To calculate the appropriate amount of accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for a sample of above ground assets), the assets were allocated a condition assessment this was then scaled to LVRC 1-5 score, which is used to estimate remaining useful life.

Rating	Description	% of Life Remaining
1	As New	71-100
2	Good	51-70
3	Fair	11-50
4	Poor	4-10
5	Failed Asset	0-3

Where site inspections were not conducted (i.e. for passive assets outside the sample or underground), the remaining useful life was calculated on asset age and estimated useful life.

The valuation techniques used in the determination of fair values maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of fair values.



Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Fair Value Measurements (continued)

(4). Fair value measurements using significant unobservable inputs (Level 3)

The Valuation Process for Level 3 Fair Value Measurements

Roads & Road Structures

The Roads and Road Structures assets were classified as passive assets; passive assets were further componentised and consisted of Formation, Base and Sub-base Pavement, and Seal for Roads assets and Substructure, Superstructure, Retaining Works, Deck and others for Road Structures. Unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's Construction rates and quotations.

Roads are segmented based on the Department of Transport & Main Roads standards and these are classified as Formed, Unformed, and then further by sealed and unsealed types.

The Current Replacement Cost (CRC) was calculated by reference to asset length and width for Formation and Seal and depth for Pavements.

Location factors, soil type, weather conditions, raw material access and service level standards were assumed to be uniform across the Council area.

Urban Infrastructure

The Urban infrastructure assets were classified as passive assets; passive assets were further componentised and consisted of Assorted Stormwater Pits, Stormwater Gravity Pipework, Footpaths and Kerb and Channel. Unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's Construction rates and quotations.

The CRC was calculated by reference to asset length for Pipework and, length, width, number of connections and depth for Pits.

Location factors, soil type, weather conditions, raw material access and service level standards were assumed to be uniform across the Council area.

Percentage of Assets Inspected by the Valuer

- Infrastructure Assets including Road Network 5% to 20% (Bridges 100%)
- Land 40%
- Buildings 50%

Review of Valuations

All valuations were subjected to review by Council engineering, facilities and finance staff including:

- unit rates
- condition ratings
- useful lives
- depreciation
- written down values
- residual values

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Intangible Assets

		2019	2018
No	tes	\$'000	\$'000
Intangible Assets represent identifiable non-monetary assets without physical substantial	tance.		
Intangible Assets are as follows;			
Software			
Opening Gross Carrying Value		8,860	7,618
Additions (including in development assets)		1,080	1,333
Disposals		-	(91)
In Development		134	-
Closing Gross Carrying Value		10,074	8,860
Opening Accumulated Amortisation		(3,648)	(2,692)
Amortisation		(933)	(1,044)
Accumulated Amortisation charges written off			88
Closing Accumulated Amortisation		(4,581)	(3,648)
Net Carrying Value		5,493	5,212
TOTAL INTANGIBLE ASSETS - NET BOOK VALUE ¹		5,493	5,212

Software assets have a finite life estimated at between 3 and 10 years.

Straight line amortisation has been used with no residual value.

¹ The Net Book Value of Intangible Assets represent:

- Software

Intangible assets with a cost or other value exceeding \$10,000 are recognised in the financial statements. Items with a lesser value are expensed.

Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate.

Note 16. Trade and Other Payables

Current		
Creditors and Accruals	4,723	4,196
GST Payable	114	85
Waste Levy Received in Advance	1,038	50
State Fire Levy	91	168
Annual Leave	2,115	2,061
Other Employee Entitlements	146	156
TOTAL CURRENT TRADE AND OTHER PAYABLES	8,227	6,716



5,493

5,493

5,212

5,212

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

Note 16. Trade and Other Payables (continued)

Trade payables are recognised upon receipt of the goods or services ordered, and are measured at the agreed purchase/contract price. Amounts owing are unsecured, and generally settled on 30 day terms.

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense.

Annual leave and other employee entitlements are measured at 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 value of the current liability is calculated using current pay rates, employee on-costs, and discounted to present values.

Council has no obligation to pay sick leave on termination of employees. No liability is recognised for sick leave.

Superannuation is paid within three days of a pay period. No liability is recognised for superannuation.

Note 17. Borrowings

	Notes	2019 \$'000	2018 \$'000
Current		V	,
Loans - Queensland Treasury Corporation		1,435	1,390
TOTAL CURRENT BORROWINGS	,	1,435	1,390
Non-current			
Loans - Queensland Treasury Corporation		23,079	24,940
TOTAL NON-CURRENT BORROWINGS		23,079	24,940
Reconciliation of Loan Movements for the year Loans - Queensland Treasury Corporation			
Opening Balance at Beginning of Financial Year Principal Repayments Book value at end of financial year		26,330 (1,816) 24,514	32,450 (6,120) 26,330

The QTC loan market value at the reporting date was \$29,021,652. This represents the value of the debt if Council repaid it at that date. Additional principal payments have been made (2019: \$500,000, 2018: \$5,000,000) however the loan term remains unchanged. As such no provision for early repayment has been made in these accounts.

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Borrowings (continued)

Loan Disclosures

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

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost.

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. Expected final repayment dates vary from 15 March 2031 to 15 March 2036.

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

Principal and interest repayments are made quarterly in arrears.

In accordance with the *Local Government Regulation 2012*, 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.

Note 18. Provisions

		2019	2018
	Notes	\$'000	\$'000
Current			
Long Service Leave		5,264	4,826
Quarry Rehabilitation		12	12
Refuse Restoration		463	99
TOTAL CURRENT PROVISIONS		5,739	4,937
Non-Current			
Long Service Leave		231	274
Quarry Rehabilitation		640	620
Refuse Restoration		28,784	28,077
TOTAL NON-CURRENT PROVISIONS		29,655	28,971



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

Note 18. Provisions (continued)

Details of movements in Provisions:					
	Opening			Remeasure	Closing
	Balance		Decrease	-ment	Balance
	as at	Change in	due to	due to	as at
Class of Provision	01/07/2018	Provisions	Payments	Discounting	30/06/2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Long Service Leave	5,100	1,192	(797)	-	5,495
Quarry Rehabilitation	632	-	-	20	652
Refuse Restoration	28,176	827	-	244	29,247

33,908

2,019

Provisions are measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the payment.

Quarry rehabilitation

TOTAL

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

The projected cost is \$642,082 and this cost is expected to be incurred between 2014 and 2072.

Refuse restoration

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

The projected cost is \$27,929,772 and this will be incurred periodically from 2014 to 2076.

Long Service Leave

A liability for long service leave is measured as 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 value of the liability is calculated using current pay rates, future pay increases, employee on-costs, and the probability of the employee remaining in Council's employment which would result in the Council being required to meet the liability. 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.

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Provisions (continued)

Long Service Leave (continued)

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

Note 19. Asset Revaluation Surplus

	Notes	2019 \$'000	2018 \$'000
Movements in the asset revaluation surplus:			
Balance at beginning of financial year		213,043	218,832
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Land		3,228	721
Buildings		(2,260)	(5,868)
Road and Drainage Network		(14,095)	(1,362)
Waste			720
	13	(13,127)	(5,789)
Balance at end of financial year		199,916	213,043
Asset revaluation surplus analysis			
The closing balance of the Asset Revaluation Surplus comprises the following asset categories:			
Land		19,939	16,711
Buildings		1,745	4,005
Road and Drainage Network		177,386	191,481
Artworks		126	126
Waste		720	720
Balance at end of financial year		199,916	213,043

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. Increases and decreases on revaluation are offset within a class of assets. Any decreases on revaluation in excess of the asset revaluation surplus are treated as an expense. There are no adjustments to the asset revaluation surplus on the disposal of assets.



Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Retained Surplus

	Notes	2019 \$'000	2018 \$'000
Movements in the retained surplus:			
Retained Surplus at Beginning of Financial Year		380,111	367,461
Net Result Attributable to Council		3,437	11,012
Transfers (to)/from Capital Reserves for Future Capital Project Funding, or from Reserves Funds that have been Expended or Closed:	21		
Restricted Capital Works Reserve - Grants & Subsidies		(270)	(193)
Roads Infrastructure Reserve Roadworks Extractive Industry Reserve		384 -	2,074 72
Transfers (to)/from Recurrent Reserves for Future Project Funding, or			
from Reserves funds that have been Expended or Closed: Rates Levies Reserve	21	197	(197)
Prepaid Grants Reserve		(268)	(118)
Retained surplus at end of financial year		383,591	380,111

Note 21. Reserves

Council's Cash, Cash Equivalents and Investments are subject to a number of External and Internal Restrictions that limit the amount that is available for discretionary or future use.

In prior years, Council accounted for these Restrictions using a system of Reserves.

Restricted Capital Works Reserve - Grants & Subsidies

This corresponds to the amount of cash which has been received in respect of capital works where the required capital works have not yet been carried out.

Roads Infrastructure Reserve

This represents the future development of roads across the region from specific contributions.

Rates Levies Reserve

This represents the unspent funds from the Emergency Preparedness, Rural Fire and Waste Management Levies. These funds will provide disaster management, SES, rural fire, environmental and waste functions as needed. This reserve has now been fully expended.

Prepaid Grants Reserve

This corresponds to the amount of cash which has been received in respect of operational works where the required operations have not yet been carried out.

Reserves held for funding future capital exp:

Restricted Capital Works Reserve - Grants & Subsidies	591	321
Roads Infrastructure Reserve	2,180	2,564
	2,771	2,885

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

Note 21. Reserves (continued)

	Notes	_	019 000	2018 \$'000
Reserves held for funding future recurrent exp:				
Rates Levies Reserve			-	197
Prepaid Grants Reserve		4	129	161
		4	29	358
TOTAL RESERVES		3,2	00	3,243
Movements in reserves:				
	Opening Balance	Tfr to	Tfr from	Closing Balance
	as at	Retained	Retained	as at
	01/07/2018	Surplus	Surplus	30/06/2019
	\$'000	\$'000	\$'000	\$'000
Capital Reserves				
Restricted Capital Works Reserve - Grants & Subsidies	321	(463)	733	591
Roads Infrastructure Reserve	2,564	(2,564)	2,180	2,180
Total Capital Reserves	2,885	(3,027)	2,913	2,771
Recurrent Reserves				
Rates Levies Reserve	197	(502)	305	-
Prepaid Grants Reserve	161	(355)	623	429
Total Recurrent Reserves	358	(857)	928	429
TOTAL RESERVES	3,243	(3,884)	3,841	3,200



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

Note 22. Commitments for Expenditure

	Notes	2019 \$'000	2018 \$'000
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recogn as liabilities:	nised in the financial	statements	
Property, Plant and Equipment			
Facility, Buildings, Plant and Equipment Expenditure		1,603	1,063
Road Operations & Bridge Construction	_	577	1,501
Total Commitments	_	2,180	2,564
The second of th			
These expenditures are payable as follows:		0.400	0.564
Within the next year	-	2,180 2,180	2,564 2,564
Total Payable	-	2,100	2,304
Course for Fourtier of Conital Committee and			
Sources for Funding of Capital Commitments:		0.400	0.504
Restricted Reserves	_	2,180 2,180	2,564
Total Sources of Funding	-	2,180	2,564
(b) Contractual commitments			
Contractual commitments at end of financial year but not recognised i as follows:	n the financial state	ments are	
Garbage Collection Contract		5,862	8,434
Waste Site Supervision Contract		5,392	6,392
Computer Leasing Contract		380	613
IT Software Contracts		2,975	-
	_	14,609	15,439

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

Note 23. Contingent Liabilities

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

Local Government Mutual

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

As at 30 June 2018, the financial statements reported an accumulated surplus totalling \$75,834,341. It is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$589,681.

The latest audited financial statements for Local Government Workcare are as at 30 June 2018 and show accumulated member funds (equity) of \$49,693,198.

Legal Claims

The Council is a defendant, or may be called upon to defend claims that arise, as a result of operations of the Council and ownership of public assets.

Council is currently defending a legal claim before the courts where the claimed amount is not finally calculated, but is in excess of \$2.2 million. Since the proceeding was commenced, the Applicant has amended its claim on three occasions in response to strike-out applications by Council, and the amount claimed has significantly decreased from the original \$25 million sought by the Applicant. No substantive steps have been taken by the Applicant to pursue this proceeding, and only those steps which will keep the proceeding 'live' in accordance with the Court Rules have now been taken. Council is of the opinion that if this claim is progressed it can be successfully defended.



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

Note 23. Contingent Liabilities (continued)

Council is also aware of the following potential liability risks:

Seven Council assets have not been properly constructed by a particular contractor and now present risk to further liability to Council. Steps have been taken to resolve these issues with the contractor but this process has been frustrated. It is considered that Council is unlikely to recover any rectification costs from the contractor, which are expected to be in excess of \$4 million. Council will incur out of pocket costs to rectify the construction issues and may have liability to third parties in the event of any of these assets failing.

Information in respect of any individual claims has not been disclosed in accordance with AASB137 "Provisions, Contingent Liabilities and Contingent Assets" on the basis that Council considers such disclosures may seriously prejudice the outcome of the claim.

Note 24. Superannuation

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

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

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

Technically Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIAsuper trust deed.

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.

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

Note 24. Superannuation (continued)

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

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

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

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

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

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities. Council made less than 4% of the total contributions to the plan in the 2018-19 financial year.

	Notes	2019 \$'000	2018 \$'000
	Notes	\$ 000	\$ 000
Superannuation contributions made to the Regional Defined Benefits Fund		103	112
Other superannuation contributions for employees		2,603	2,475
Total superannuation contributions paid by Council for employees	5	2,706	2,587
			2020
			\$'000
		_	
Contributions council expects to make to the Regional Defined Benefits Fun	d for 2019-20		105



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

Note 25. Associated Entities

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other Councils, Bodies and other Outside Organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of Councils (i) interest and (ii) control and the type (form) of entity/operation, as follows:

Associated Entities

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself. Under Associated Entities, Council significantly influences the operations but does not control them.

Accounting Recognition:

Associated Entities are accounted for using the Equity Accounting Method and are disclosed as a one line entry in the Statement of Comprehensive Income and Statement of Financial Position

	Council's Share of Net Income		Council's Share of Net Assets	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Associated Entities	2,539_	2,331	31,340	30,273
Total	2,539	2,331	31,340	30,273

Associated Entities

Council has incorporated the following Associated Entities into its Financial Statements.

(a) Net Carrying Amounts - Council's Share

	Nature of	Measurement	2019	2018
Name of Entity	Relationship	Method	\$'000	\$'000
SEQ Regional Recreational Facilities Pty Ltd	Shareholder	Equity Accounting	66	65
Queensland Urban Utilities	Shareholder	Equity Accounting	31,060	29,917
Council of Mayors South East Queensland	Shareholder	Equity Accounting	214	291
Total Carrying Amounts - Associated Ent	tities		31,340	30,273

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

Note 25. Associated Entities (continued)

(b) Details

Name of Entity	Principal Activity	Business
SEQ Regional Recreational Facilities Pty Ltd	Recreational Facilities	Brisbane
Queensland Urban Utilities	Water and waste water management	Brisbane
Council of Mayors South East Queensland	Advocacy	Brisbane

(c) Relevant Interests and Fair Values	Quoted Fair Value		Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
Name of Entity	2019	2018	2019	2018	2019	2018	2019	2018
SEQ Regional Recreational Facilities Pty Ltd	N/A	N/A	4%	4%	4%	4%	13%	13%
Queensland Urban Utilities	N/A	N/A	1%	1%	1%	1%	20%	20%
Council of Mayors South East Queensland	N/A	N/A	9%	9%	9%	9%	9%	9%

(d) Summarised Financial Information for Associated Entities

Summarised Statement of Financial Position

Queensland Urban Utilities

Place of

	2019	2018
Current Assets	\$'000	\$'000
Cash and Cash Equivalents	5,593	131,400
Other Current Assets	234,670	199,600
Total Current Assets	240,263	331,000
Non-Current Assets	5,787,506	5,617,300
Current Liabilities		
Other Current Liabilities	323,086	301,500
Total Current Liabilities	323,086	301,500
Non-Current Liabilities	2,264,994	2,290,300
Net Assets	3,439,689	3,356,500
Reconciliation of the Carrying Amount		
Opening Net Assets (1 July)	29,917	29,476
Profit/(Loss) for the period	2,616	2,239
Distributions Received	(1,473)	(1,798)
Closing Net Assets	31,060	29,917

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

Note 25. Associated Entities (continued)

Summarised Statement of Comprehensive Income

Queensland U	Irban Utilities
2019	2018
\$'000	\$'000
1,377,659	1,344,989
(187,839)	(183,326)
(96,820)	(97,025)
(98,596)	(106,262)
(767,849)	(710,430)
226,555	247,946
168	

Other Comprehensive Income
Total Comprehensive Income

Dividends received by Council

Depreciation and Amortisation

Profit/(Loss) for Period

Income

Interest Expense
Income Tax Expense
Other Expenses

1,473 1,798

247,946

226,723

(e) Summarised Financial Information for Individually Immaterial Associated Entities

In addition to the Associated Entities disclosed individually above, Council has interests in two individually immaterial Associated Entities that are accounted for using the Equity Method.

Individually Immaterial Associates	2019	2018
	\$'000	\$'000
Aggregate carrying amount of individually immaterial Associates	280	356
Aggregate amounts of Council's share of individually immaterial Associates:		
Profit/(Loss) from Continuing Operations	(76)	92
Total Comprehensive Income - individually immaterial Associates	(76)	92

Notes to the Financial Statements

for the year ended 30 June 2019

Note 26. Trust Funds

		2019	2018 \$'000
	Notes	\$'000	
Trust funds held for outside parties			
Security Deposits		1,452	1,328
		1,452	1,328

The Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.

Note 27. Reconciliation of Net Result for the year to Net Cash from Operating Activities

Net result	3,437	11,012
Adjust for Non-cash items		
Depreciation and Amortisation	12,172	12,883
	12,172	12,883
Losses/(Gains) recognised on fair value re-measurements through the P&L		
Investment Properties	(190)	(3)
Unwinding of Discount Rates on Reinstatement Provisions	264	532
	74	529
Investing and development activities		
Net Losses/(Gains) on Disposal of Assets	4,389	3,897
Capital Grants	(2,966)	(4,155)
Share of Net (Profits)/Losses of Associates	(2,539)	(2,331)
Capital Contributions	(1,765)	(6,222)
	(2,881)	(8,811)
Changes in operating assets and liabilities:		
(Increase)/Decrease in Receivables	(703)	(769)
Increase/(Decrease) in Provision for Doubtful Debts	3	1
(Increase)/Decrease in Inventories	(5)	(26)
Increase/(Decrease) in Payables and Accruals	218	591
Increase/(Decrease) in Other Liabilities	984	18
Increase/(Decrease) in Employee Leave Entitlements	395	96
Increase/(Decrease) in Other Provisions	827	(31)
	1,719	(120)
Net cash from Operating Activities	14,521	15,493

Notes to the Financial Statements

for the year ended 30 June 2019

Note 28. Reconciliation of Liabilities arising from Finance Activities

	As at		Non-Cash	As at
	30-Jun-18	Cashflows	Changes	30-Jun-19
	\$'000	\$'000	\$'000	\$'000
Loans	26,330	(1,816)	-	24,514
	26,330	(1,816)	-	24,514
	As at		Non-Cash	As at
	30-Jun-17	Cashflows	Changes	30-Jun-18
	\$'000	\$'000	\$'000	\$'000
Loans	32,450	(6,120)	_	26,330
	32,450	(6,120)		26,330

Note 29. Events Occurring After Balance Sheet Date

Council is unaware of any material or significant events occurring after balance date that should be disclosed.

Note 30. Financial Instruments

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

This note provides information (both qualitative and quantitative) to assist statement users to evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

Financial Risk Management

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

Council's Audit and Risk Management Committee (ARMC) has oversight of policies for overall risk management.

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

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

Council does not enter into derivatives.

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

Note 30. Financial Instruments (continued)

Credit Risk Exposure

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

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

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

No collateral is held as security relating to the financial assets held by the Council.

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

Cash and Cash Equivalents

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

Other Financial Assets

Other investments are held with financial institutions, which are rated AA+ to BBB- based on rating agency Standard and Poors ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

Trade and Other Receivables

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

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

By the nature of the Councils operations, there is a geographical concentration of risk in the Council's area. Because the area is largely residential and agricultural, there is also a concentration in the residential and agricultural sectors.

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



Notes to the Financial Statements

for the year ended 30 June 2019

Note 30. Financial Instruments (continued)

Liquidity Risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the Queensland Treasury Corporation for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 17.

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

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

				Total Contractual	Carrying
	0 to 1 year	1 to 5 years	Over 5 years	Cash Flows	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Trade and Other Payables	5,966	-	-	5,966	5,966
Loans - QTC	2,595	10,378	19,919	32,892	24,514
	8,561	10,378	19,919	38,858	30,480
2018					
Trade and Other Payables	4,499	-	-	4,499	4,499
Loans - QTC	2,640	10,553	22,908	36,101	26,330
	7,139	10,553	22,908	40,600	30,829

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

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

Interest Rate Risk

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 30. Financial Instruments (continued)

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

	Net Carrying	Net Result		Eq	uity
	Amount \$'000	1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
2019					
QTC Cash Fund	12,819	128	(128)	128	(128)
Other Investments	9,100	91	(91)	91	(91)
Loans - QTC	(24,514)	(245)	245	(245)	245
Net	(2,595)	(26)	26	(26)	26
2018					
QTC Cash Fund	9,733	97	(97)	97	(97)
Other Investments	15,200	152	(152)	152	(152)
Loans - QTC	(26,330)	(263)	263	(263)	263
Net	(1,397)	(14)	14	(14)	14

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

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

Fair Value

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

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is discussed below/ disclosed in Note 17.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.



Notes to the Financial Statements

for the year ended 30 June 2019

Note 30. Financial Instruments (continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carryir	ng Value	Fair \	/alue
		2019	2018	2019	2018
	Notes	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and Cash Equivalents	9	14,003	10,743	14,003	10,743
Investments					
- "Held to Maturity"	9	9,100	15,200	9,100	15,200
Receivables	10	21,182	20,482	21,182	20,482
Total Financial Assets		44,285	46,425	44,285	46,425
Financial Liabilities					
Payables	16	8,227	6,716	8,227	6,716
Loans / Advances	17	24,514	26,330	29,022	29,078
Total Financial Liabilities		32,741	33,046	37,249	35,794

Comparatives have not been restated to reflect the new AASB 9 requirements.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 31. Transactions with Related Parties

(a) Associates

Transactions with Associates

	Amount of	Amount of
	transactions	transactions
	during year	during year
	2019	2018
	\$'000	\$'000
Queensland Urban Utilities		
- Water & Waste Water Charges	436	367
- Sponsorship Received	(6)	(6)
- Contribution to Water Collaborative	-	(33)
- Private Works for QUU	(19)	(30)
- Council Development Costs	54	186
- Infrastructure Charges	55	-
Council of Mayors South East Queensland		
- Annual Membership Levy	30	31
- SEQ Olympic Bid	-	16
- Resilient Rivers Contribution	33	_
- SEQ Regional Food and Agriculture Tourism Platform	5	6
- Resilient Rivers Initiatives	(180)	(132)
	408	405

All of the above transactions were in the normal course of business, and subject to standard terms and conditions.

(b) Other Related Parties

Transactions with Other Related Parties

	Amount of	Amount of
	transactions	transactions
	during year	during year
	2019	2018
	\$'000	\$'000
Purchase of Goods & Services from entities controlled by Key Management		
Personnel		
- Printing	43	45
- Merchandise	1	-
- Transport Services	-	10
Purchase of Goods & Services from entities controlled by related parties of Key		
Management Personnel		
- Sporting Complex	150	_
- Earthmoving Services	19	33
	213	88

All of the above transactions were in the normal course of business, and subject to standard terms and conditions.

Any contracts with related parties have followed normal procurement and tender processes.

Key management personnel have disclosed any personal interest in relation to decision making around these transactions, or absented themselves from the decision making process. Similar transactions have occurred in previous years, prior to the election or employment of Key Management Personnel.



Notes to the Financial Statements

for the year ended 30 June 2019

Note 31. Transactions with Related Parties (continued)

(c) Key Management Personnel

Transactions with Key Management Personnel

Key Management Personnel include the Councillors, Chief Executive Officer, Executive Managers, the Manager of Finance & Customer Services and the Manager of Planning. Other staff acting in those positions during the year have also been included for the period of time they were acting.

The compensation paid to Key Management Personnel comprises:

	2019	2018
	\$000	\$000
Short-Term Employee Benefits	2,085	2,363
Post-Employment Benefits	218	258
Long-Term Benefits	49	16
Total	2,352	2,637

(d) Outstanding Balances

Council holds no contract retentions (2018: Nil) on behalf of a related party.

Included in the balances disclosed at (a) is an amount of \$2,321 (2018: \$8,674) which was outstanding at year end. This is in accordance with Council's normal debt collection and creditor payment terms.

Included in the balances disclosed at (b) is an amount of \$297 (2018: \$59) which was outstanding at year end. This is in accordance with Council's normal creditor payment terms.

(e) Loans and Guarantees to/from Related Parties

Council holds no bank guarantees (2018: Nil) on behalf of a related party.

Council has provided a loan to QUU for \$14.7 million (2018: \$14.7 million). This is managed by Queensland Treasury Corporation. This loan is at commercial interest rates, and the capacity for QUU to repay this loan is assessed yearly. This loan is disclosed at Note 10.

(f) Commitments to/from Other Related Parties

There are no commitments at the end of the reporting period in relation to transactions with related parties.

(g) Transactions with Related Parties that have not been disclosed

Transactions on the same basis as ordinary citizens with the related parties have not been disclosed. These transactions include rates payment for properties owned within Council boundaries, dog registrations, and reimbursement of expenses for parking and conferences.

There are three related parties which are employees of Council but not Key Management Personnel. Their employment terms and conditions are in accordance with Council's Enterprise Bargaining Agreement and standard recruitment practices and therefore have not been disclosed.

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 32. Council Information and Contact Details

Principal Place of Business:

26 Railway Street Gatton QLD 4343

Contact Details

Mailing Address:

PO Box 82 Gatton QLD 4343

Telephone: 1300 005 872

Officers

CHIEF EXECUTIVE OFFICER

Ian Church

AUDITORS

Queensland Audit Office PO Box 15396 City East QLD 4002

Other Information

ABN: 52 673 165 312

Opening Hours:

8:30am - 4:30pm - Gatton 9:00am - 5:00pm - Laidley Monday to Friday

Internet: www.lockyervalley.qld.gov.au
Email: mailbox@lvrc.qld.gov.au

Elected Members

MAYOR

Tanya Milligan

COUNCILLORS

Jason Cook Chris Wilson Janice Holstein Rick Vela Kathy McLean Michael Hagan



General Purpose Financial Statements for the year ended 30 June 2019

Management Certificate for the year ended 30 June 2019

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

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

- (i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulations 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the General Purpose Financial Statements, as set out on pages 2 to 50, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

Tanya Milligan

MAYOR

1 1 SEP 2019

Ian Church

CHIEF EXECUTIVE OFFICER

1 1 SEP 2019



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Lockyer Valley Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Lockyer Valley Regional Council (the council).

In my opinion, the financial report:

- gives a true and fair view of the council's financial position as at 30 June 2019, and of its financial performance and cash flows for the year then ended
- complies with the Local Government Act 2009, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

Other information comprises the information included in Lockyer Valley Regional Council's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

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



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

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

Responsibilities of the council for the financial report

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

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

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.

In accordance with s.40 of the Auditor-General Act 2009, for the year ended 30 June 2019

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

16 September 2019

Melissa Read as delegate of the Auditor-General

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Queensland Audit Office Brisbane

Current Year Financial Sustainability Statement

for the year ended 30 June 2019

Actual	Target
2019	2019

Measures of Financial Sustainability

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

Performance Indicators

1. Operating Surplus Ratio

Net Result (excluding capital items) (1)

Total Operating Revenue (excluding capital items) (2)

4.74% 0 - 10%

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

2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals) (3)

Depreciation Expense

113.67% more than 90%

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

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets

Total Operating Revenue (excluding capital items) (2)

58.95%

less than 60%

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

Note 1 - Basis of Preparation

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

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Current Year Financial Sustainability Statement (continued)

for the year ended 30 June 2019

Measures of Financial Sustainability (continued)

- (1) Includes only Recurrent Revenue and Recurrent Expenditure disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions, Donations and Subsidies received for capital acquisitions, Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties, and any Capital Expenditure such as Write Off of Assets, movements in Provisions for Restoration and Rehabilitation and Revaluation Decrements that hit the Statement of Comprehensive Income.
- (2) Includes only Recurrent Revenue disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions Donations and Subsidies received for capital acquisitions. Also excludes any Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties.
- (3) Asset Renewals are defined as expenditures on existing assets to return the assets to their original service potential (or useful life) while satisfying current construction and required standards. Such expenditure is required periodically to reinstate existing assets and may reduce operating and maintenance costs.

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the Local Government Regulation 2012.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Community Recovery and Resilience.



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

Certificate of Accuracy for the year ended 30 June 2019

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

In accordance with Section 212(5) of the Regulation we certify that this Current-Year Financial Sustainability Statement has been accurately calculated.

Tanya Milligan

MAYOR

1 1 SEP 2019

Ian Church

CHIEF EXECUTIVE OFFICER

1 1 SEP 2019



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Lockyer Valley Regional Council

Report on the current year financial sustainability statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter - basis of accounting

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

Other Information

Other information comprises the information included in Lockyer Valley Regional Council's annual report for the year ended 30 June 2019, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and long-term financial sustainability statement.

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



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

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

Responsibilities of the council for the current year financial sustainability statement

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

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

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

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

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

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



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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.

16 September 2019

Melissa Read as delegate of the Auditor-General Queensland Audit Office Brisbane

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8.00%

Lockyer Valley Regional Council

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

	2029	
	2028	
	2027	
	2026	
ast	2025	
Forecast	2024	
	2023	
	2022	
	2021	
	2020	
Actual	2019	
Target	2019	

Measures of Financial Sustainability

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

Performance Indicators

	0-10% 474% 457% 479% 430% 4 10% 4 12%	0/1:-	
1. Operating Surplus Ratio	Net Result (excluding capital items) ⁽¹⁾	Total Operating Revenue (excluding capital items) (2)	

7.14%

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

2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals) (3) Depreciation Expense	%06 <	 113.67% 104.96% 101.20% 102.06% 105.32%	101.20%	102.06%	105.32%	%60'56	97.50% 96.25%	96.25%	97.03%	90.58%	0,
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the enc	-										

92.52%

of their useful lives.

3. Net Financial Liabilities Ratio

Current Assets < 60% 58.95% 60.56% Venue (excluding capital items) (2) < 60% 58.95% 60.56%	
G2 16% 5E	25.12.80
55 40% 48 40% 41 22% 42 57%	10.00
11 22%	1.22.70
10 570%	0/ 10:31
35 68% 26 01%	0,00.00
18 00%	0.00

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

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

Measures of Financial Sustainability (continued)

Lockyer Valley Regional Council Financial Management Strategy

The 2016 Queensland Treasury Corporation Credit (QTC) Review saw the Council rated as Weak with a Neutral Outlook. This rating is still related to the significant increase in nas returned to a pre-disaster level of operations, the budget forecasts are now reflecting a more stable level of operations. Council would like to see its QTC rating return to "moderate" over the short term, with a longer term rating goal of "sound" however discussions with QTC have indicated that there is no intention to conduct a further operating costs and capital expenditure as a result of the flooding events experienced between 2011 and 2013. As Council has completed the restoration works and eview at this time. Council's budgets, forecasts and rating strategies still aim to address the issues raised by QTC and deliver a financially stable future.

Council's adopted Long Term Financial Plan 2020 - 2029 provides a framework for securing its financial sustainability over the life of the forecast period. To achieve this, Council aims for:

- Operating surpluses for the forecast period.
- Smoother increases in rates from year to year to avoid any 'rate shock'.
- Reductions in debt balances on top of the scheduled payments.
- Review of operations and service levels to focus on core services.
- Improved transparency and consultation in developing future budgets.

t also sees operating surpluses for the life of the long term plan and a more sustainable level of capital works which is focussed on renewals. The current forecast has the levels of income and expenditure at what should be considered 'normal' operations.

Council has adopted Service Management Plans for its major asset classes. Improved asset data and a planned inspection regime will ensure that Council's understanding of the condition of its assets is better than it has ever been. This will in turn improve the outputs from the service management plans for each class of assets and ensure a more realistic forecast of the required levels of expenditure.

Notes

- 1) Includes only Recurrent Revenue and Recurrent Expenditure disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions, Donations and Subsidies received Capital Expenditure such as Write Off of Assets, movements in Provisions for Restoration and Rehabilitation and Revaluation Decrements that hit the Statement of Comprehensive for capital acquisitions, Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties, and any
- (2) Includes only Recurrent Revenue disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions Donations and Subsidies received for capital acquisitions. Also excludes any Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties.
- (3) Asset Renewals are defined as expenditures on existing assets to return the assets to their original service potential (or useful life) while satisfying current construction and required standards. Such expenditure is required periodically to reinstate existing assets and may reduce operating and maintenance costs.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Community Recovery and Resilience. These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the Local Government Regulation 2012.

Long-Term Financial Sustainability Statement

Certificate of Accuracy

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

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

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

Tanya Milligan

MAYOR

1 1 SEP Z019

Ian Church

CHIEF EXECUTIVE OFFICER

1 1 SEP 2019



For more information phone 1300 005 872, email mailbox@lvrc.qld.gov.au or visit www.lockyervalley.qld.gov.au