



SOUTHERN DOWNS REGIONAL COUNCIL SPECIAL MEETING OF COUNCIL

Dear Councillors

Your attendance is hereby requested at the Special Meeting of Council to be held in the Council Chambers, Southern Downs Regional Council, 64 Fitzroy Street, Warwick on **Wednesday, 13 November 2024** at **12:30PM**.

Notice is hereby given of the business to be transacted at the meeting.

A handwritten signature in black ink, appearing to read 'Steve Johnston', with several loops and flourishes.

Steve Johnston

CHIEF EXECUTIVE OFFICER

7 November 2024

ORDER OF BUSINESS:

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3.	DECLARATIONS OF CONFLICTS OF INTEREST	1
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- 1. ACKNOWLEDGEMENT OF COUNTRY**


- 2. ATTENDANCE AND APOLOGIES**

- 3. DECLARATIONS OF CONFLICTS OF INTEREST**

4. CUSTOMER AND ORGANISATIONAL SERVICES REPORTS

4.1 SDRC 2023-24 Annual Report

Document Information

 Southern Downs REGIONAL COUNCIL	Report To: Special Council Meeting	
	Reporting Officer:	Meeting Date: 13 November 2024
	Manager Corporate Services	ECM Function No/s:

Recommendation

THAT Council adopt the Southern Downs Regional Council 2023-24 Annual Report incorporating the audited Financial Statements for the year ended 30 June 2024.

REPORT

Report

Section 182 of the *Local Government Regulation 2012* stipulates that local governments must prepare and adopt an Annual Report within 1 month after the day the Auditor-General gives the Audit Report about the Local Government's financial statements for the financial year to the Local Government. The various requirements for the report contents are included within the report as per the *Local Government Regulation 2012* and the *Local Government Act 2009*.

In accordance with section 183 of the *Local Government Regulation 2012*, the report contains:

- The general-purpose financial statement for the financial year, audited by the Auditor-General; and
- The current-year financial sustainability statement for the financial year, audited by the Auditor-General; and
- The long-term financial sustainability statement for the financial year; and
- The Auditor-General's Audit Report about the general-purpose financial statement and the current-year financial sustainability statement.

The report also contains the Community Financial Report as required by section 184 of the *Local Government Regulation 2012* and the various other legislative and non-legislative information for Council for 2023-24.

The details within the report were provided by all areas of Council and was collated and edited internally.

FINANCIAL IMPLICATIONS

Council engaged a local graphic designer to undertake the design of the final document.

RISK AND OPPORTUNITY

Risk

Nil

Opportunity

Nil

COMMUNITY ENGAGEMENT

Internal Consultation

All departments contributed through the gathering of relevant information contained for the Annual Report.

External Consultation

Council's external auditor Crowe were engaged by the Queensland Audit Office (QAO) to audit Council's Financial Statements.

LEGAL / POLICY

Legislation / Local Law

Local Government Act 2009

Local Government Regulation 2012

Corporate Plan

Goal 4 Our Performance

Outcome: 4.4 Council has embedded risk management, good governance, transparency and accountability into what we do.

Objective: 4.4.2 Ensure our long-term financial sustainability is a pillar of our decision making.

 4.4.1 Provide assurance through effective governance, audit and risk management practices.

Policy / Strategy

Nil

Legal

There appears to be no legal issues associated with this report.

HUMAN RIGHTS

A Human Rights assessment has been undertaken.

ATTACHMENTS

1. Annual Report 2023-24 [↓](#)

Annual Report 2023 - 2024



ACKNOWLEDGEMENT OF COUNTRY

Southern Downs Regional Council acknowledges the original custodians of the land on which we live and gives respect to Elders past, present and emerging, and through them to all Aboriginal and Torres Strait Islander peoples with whom we foster effective, respectful and culturally-sensitive engagement.

ACCESSIBILITY

This publication is available in hard copy and electronic format. Audio and Braille upon request.

This publication can be found on Council's website and can be made available in languages other than English upon request.

Queste informazioni sono disponibili in altri formatie lingue su richiesta.

Maaari naming ibigay ang impormasyong ito sa ibang mga format ng wika kapag hiniling.

REQUESTING A PRINTED COPY

Download it at www.sdrc.qld.gov.au or request a printed copy by making contact with Council's Customer Service Centres.

Phone: 1300 My SDRC (1300 697 372).

Email: mail@sdrc.qld.gov.au

Warwick: 64 Fitzroy Street Warwick

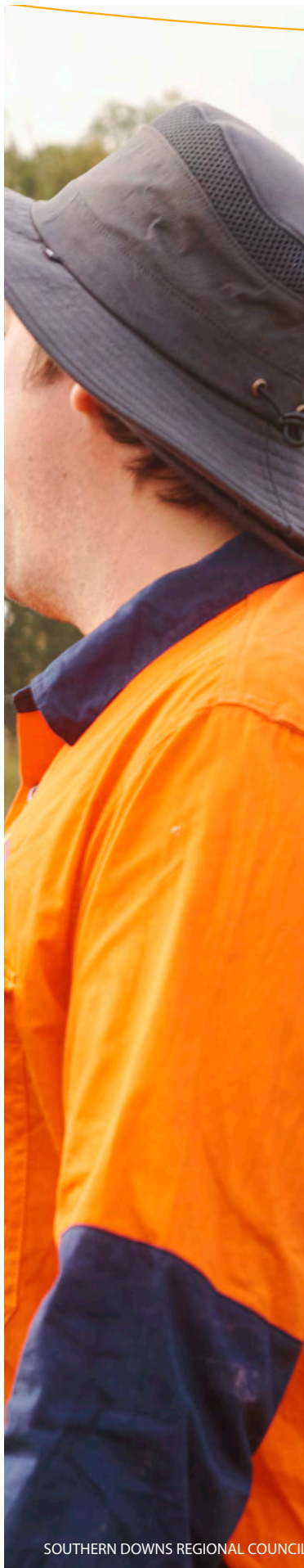
Stanthorpe: 61 Marsh Street Stanthorpe

Allora: 78 Herbert Street Allora

Cover image: Stanthorpe Post Office

Back cover: Mt Norman





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HOW TO NAVIGATE THIS REPORT

Section 1: **Presenting the Southern Downs** – profiles the region and Council's role within the community.

Section 2: **Southern Downs Councillors** – includes a message from the Mayor, shows our Councillors and responds to the statutory information required for Councillors' governance.

Section 3: **Our Organisation** – shows Council's organisational structure and responds to the statutory information required for corporate governance.

Section 4: **Our Performance** – summarises our achievements toward meeting the strategic objectives of the Corporate Plan and provides an assessment of Council's overall performance through highlighting key projects delivered for the community during the past twelve months.

Section 5: **Financial Reporting** – our audited and certified General Purpose Financial Statements that detail Council's financial position for the year ending 30 June 2024.

1 Presenting the Southern Downs

ABOUT THIS REPORT

Southern Downs Regional Council is proud to present its 2023-24 Annual Report on behalf of all Councillors and employees. This report fulfils our legislative obligations under the *Local Government Act 2012* and is an essential tool for keeping our stakeholders informed.

The Annual Report provides a comprehensive overview of our performance over the last financial year,

detailing how we have delivered on our plans and commitments. It is designed to inform our residents, ratepayers, businesses, employees, community groups and government partners about the progress we've made.

This year's report reflects on a period marked by significant recovery efforts, including ongoing repairs to roads and infrastructure following bushfires and floods. It celebrates our achievements

and highlights our financial, operational, and corporate activities, all measured against our Corporate Plan, which sets the strategic direction for our programs and initiatives.

Additionally, this report outlines our major accomplishments and strategic direction while providing detailed insights into our corporate governance, including our audited financial statements.



SOUTHERN DOWNS AT A GLANCE

Location
 South East Queensland

Estimated Resident Population
 37,444

Regional Area
 7,120 km²

Length of Road Network
 3,115 km (2020)

Council Capital Expenditure 2023-2024
 \$62.865 million

Council Operating Expenditure 2023-2024:
 \$97.006 million

Total Revenue
 \$136.081 million

Gross Regional Product
 Over \$2.35 billion

Total Local Businesses
 4,200

Source: abs.gov.au

The Southern Downs region, home to the rural centres of Warwick and Stanthorpe, is strategically located just 90 minutes from Brisbane in the thriving Southern Queensland corridor. This prime location offers unique opportunities for business growth, with ample space, a skilled and eager workforce, and a customer-focused regional council ready to support development.

The Southern Downs boasts an exceptional blend of natural beauty, from breathtaking landscapes to immersive wine experiences and a vibrant farm-to-table lifestyle. Our region is celebrated for its year-round calendar of events, each reflecting the charm of our four distinct seasons.

In addition to its natural and cultural assets, the Southern Downs is supported by excellent schools, outstanding sporting and recreational facilities, and comprehensive health services. These elements contribute to the rich tapestry of life in our region's villages, surrounding the major towns of Warwick and Stanthorpe.

At the heart of our community's success are our people, places, and prosperity. These elements, together with our Council's strategic vision, make the Southern Downs an exceptional place to live, work, play, and stay.



2 Our Councillors

MAYOR'S REPORT

Southern Downs is a region full of potential.

I am proud to lead a team that is dedicated to realising that potential, and in doing so building a vibrant and liveable region.

Our region has experienced significant challenges over the past few years, but it is the community spirit and resilience through adversity that sets us apart. Our strong sense of community and the support we give each other is what makes this region so special.

Great liveability and a vibrant economy are the strategic focus areas for our new Southern Downs Regional Council. We are developing strategic policies and goals to support this and by inspiring the community and our staff we hope to take the journey together to a brighter future for our region.

Rebuilding our Economic Development team this year is a key step in attracting business and investment opportunities to the region. As well as capitalising on our core sectors of agriculture, transport, tourism and the care economy, we will be seeking new opportunities in the circular economy.

Water security for Stanthorpe is our top advocacy priority and we will engage with the newly elected State Government in Queensland to deliver tangible progress in our term.

We will continue to advocate and liaise with housing providers, developers and our State and Federal Government counterparts to work towards long-term solutions regarding availability of housing in the region to better accommodate new families wishing to call Southern Downs home and attract a future workforce to the region.

Over the year ahead we will be looking at modernising our community engagement and giving strategic direction on matters that the community are passionate about, including our parks and community facilities.

As we build a new leadership team at Council, the messages are clear: we must use ratepayer dollars wisely to deliver the liveable region that the community wants and which will help us attract and retain the new generation of younger families.

I thank and congratulate all the staff who are a part of the Southern Downs Regional Council for their valued contribution and I remain positive looking to the year ahead as we build an exciting and sustainable future for our region.

Sincerely,
Melissa Hamilton
Southern Downs Mayor



OUR COUNCILLORS

The Southern Downs local government area is represented by eight Councillors and an elected Mayor who oversee the strategic direction of Council. Council elections are held every four years with the most recent being held in March 2024. This

election resulted in a change of Mayor and several Councillors. Therefore, during the 2023-24 financial year the Southern Downs Region was represented by 15 Councillors across two Council terms.



Cr Melissa Hamilton

Mayor
Vibrant communities portfolio
E: melissa.hamilton@sdrc.qld.gov.au
P: 0429 777 825



Cr Sheryl Windle

Deputy Mayor
Liveable communities portfolio
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P: 0437 003 829



Cr Ross Bartley

Connected communities portfolio
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P: 0429 637 729



Cr Carla Pidgeon

Productive communities portfolio
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P: 0498 461 279



Cr Sarah Deane

Healthy communities portfolio
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Cr Joel Richters

Secure communities portfolio
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Cr Morwenna Harslett

Inspired communities portfolio
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Cr Russell Wantling

Active communities portfolio
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Cr Cynthia McDonald

Resilient communities portfolio
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MAYOR AND COUNCILLORS' GOVERNANCE

REMUNERATION

In accordance with section 186(1)(a) of the *Local Government Regulation 2012*, the total remuneration paid to each Councillor and superannuation contributions paid on behalf of each Councillor during the financial year are as follows: year under Council's Reimbursement of Expenses and Provision of Facilities for Councillors Policy (PL-CS024).

PREVIOUS TERM OF COUNCIL

COUNCILLOR	REMUNERATION	SUPERANNUATION
Mayor Vic Pennisi	\$105,910.70	\$12,709.18
Cr Ross Bartley (Deputy Mayor)	\$67,406.67	\$8,088.80
Cr Andrew Gale	\$57,295.06	\$6,875.48
Cr Marco Giori	\$57,295.06	\$6,875.48
Cr Cameron Gow	\$57,295.06	\$6,875.48
Cr Cynthia McDonald	\$57,295.06	\$6,875.48
Cr Jo McNally	\$57,295.06	\$6,875.48
Cr Stephen Tancred	\$ 57,295.06	\$6,875.48
Cr Sheryl Windle	\$57,295.06	\$6,875.48

CURRENT TERM OF COUNCIL

COUNCILLOR	REMUNERATION	SUPERANNUATION
Mayor Melissa Hamilton	\$35,323.48	\$4,238.78
Cr Sheryl Windle (Deputy Mayor)	\$20,754.79	\$2,490.60
Cr Ross Bartley	\$17,843.36	\$2,141.32
Cr Sarah Deane	\$17,734.18	\$2,128.12
Cr Morwenna Harslett	\$17,734.18	\$2,128.12
Cr Cynthia McDonald	\$17,734.18	\$2,128.14
Cr Carla Pidgeon	\$17,734.18	\$0.00
Cr Joel Richters	\$17,734.18	\$2,128.12
Cr Russell Wantling	\$17,734.18	\$2,128.12

Reimbursement of expenses and provision of facilities

Section 186 (1)(b) of the *Local Government Regulation 2012*, the total expenses incurred by, and the facilities provided to each Councillor during the financial year under Council's Reimbursement of Expenses and Provision of Facilities for Councillors Policy (PL-CS024) are as follows:



PREVIOUS TERM OF COUNCIL

COUNCILLOR	REIMBURSEMENT OF EXPENSES*	PROVISION OF FACILITIES**
Mayor Vic Pennisi	\$2,610.36	\$1,655.42
Cr Ross Bartley (Deputy Mayor)	\$0.00	\$630.68
Cr Andrew Gale	\$2,344.95	\$945.68
Cr Marco Giori	\$0.00	\$957.95
Cr Cameron Gow	\$31.82	\$957.95
Cr Cynthia McDonald	\$0.00	\$630.68
Cr Jo McNally	\$31.82	\$957.95
Cr Stephen Tancred	\$0.00	\$630.68
Cr Sheryl Windle	\$0.00	\$630.68

Councillors have access to vehicles for Council business, quite often on a shared basis. These expenses are not individually captured or reported.

ATTENDANCE AT COUNCIL MEETINGS

In accordance with Section 186 (1)(c) of the *Local Government Regulation 2012*, the attendance of Councillors to Ordinary and Special Meetings is detailed on the right: From 1 July 2023 to 30 June 2024

COUNCILLORS' EXPENSES REIMBURSEMENT POLICY

Section 185 ~ (a) of the *Local Government Regulation 2012* requires Council to provide a copy of the resolutions made during the year under section 250(1) of the *Local Government Regulation 2012* which relates to the Councillors' Expenses Reimbursement Policy including any amendments to this policy. Council did not adopt any resolutions during the year under Section 250(i) of the *Local Government Regulation 2012*.

CURRENT TERM OF COUNCIL

COUNCILLOR	REIMBURSEMENT OF EXPENSES*	PROVISION OF FACILITIES**
Mayor Melissa Hamilton	\$647.86	\$1,340.20
Cr Sheryl Windle (Deputy Mayor)	\$434.23	\$1,431.11
Cr Ross Bartley	\$434.23	\$301.11
Cr Sarah Deane	\$434.23	\$1,431.11
Cr Morwenna Harslett	\$434.23	\$1,431.11
Cr Cynthia McDonald	\$434.23	\$301.11
Cr Carla Pidgeon	\$2,417.55	\$1,340.20
Cr Joel Richters	\$2,314.55	\$445.11
Cr Russell Wantling	\$434.23	\$2,726.06

A copy of Council's Reimbursement of Expenses and Provision of Facilities for Councillors Policy (PL-CS024) is available on Council's website.

*Expenses include, travel, conferences and professional development
**Facilities include, catering, telecommunications and computing. Noting that for the current term of Council, mobile phones are a one off charge compared to a four-year spread during the previous term.

PREVIOUS TERM OF COUNCILLORS

COUNCILLOR	ORDINARY MEETINGS	SPECIAL MEETINGS	COUNCIL INFO SESSIONS	OTHER - WORKSHOP/ TRAINING / CONNECTING WITH COUNCIL	TOTAL MEETINGS
V Pennisi	10	1	9	3	23
R Bartley	10	1	9	3	23
A Gale	10	1	9	3	23
M Giori	7	1	6	2	16
C Gow	10	1	8	2	21
C McDonald	9	0	7	2	18
J McNally	10	1	6	2	19
S Tancred	10	1	8	3	22
S Windle	10	1	8	2	21

CURRENT TERM OF COUNCILLORS

COUNCILLOR	ORDINARY MEETINGS	SPECIAL MEETINGS	COUNCIL INFO SESSIONS	OTHER - WORKSHOP/ TRAINING / CONNECTING WITH COUNCIL	TOTAL MEETINGS
M Hamilton	3	2	12	1	18
S Windle	3	2	10	1	16
R Bartley	3	2	11	1	17
S Deane	3	2	11	1	17
M Harslett	3	2	12	1	18
C McDonald	3	2	11	1	17
C Pidgeon	3	2	9	1	15
J Richters	3	2	10	1	16
R Wantling	3	2	12	1	18

PROVISION OF FACILITIES

ADMINISTRATIVE TOOLS AND ACCESS TO COUNCIL OFFICE AMENITIES

Council provides Councillors with access to executive support in both the Warwick and Stanthorpe administration centres, necessary for the conduct of official council business. This includes shared office space, shared access to office equipment (including photocopier, scanner and printer) and stationery. Councillors are provided with Council stationery for official purposes only.

Council provides and maintains a laptop computer or tablet, with internet access to enable access to relevant information, including databases and meeting agendas. Limited use of a Council owned laptop for private purposes is permitted, subject to any Council use having priority. Council may resolve for Councillors to be provided with any other administrative necessities to meet the business of Council.

TELECOMMUNICATION NEEDS

Councillors may choose to be provided with a mobile telephone. Where Council provides a mobile telephone or hand-held device, Council pays for all costs associated with the Council business use. Any personal calls made by the Councillor must be reimbursed to Council. Council accepts that reasonable personal use may occur. For example, if a Councillor is away calling home each day is considered reasonable personal use.

When a Councillor decides to use a personally owned mobile device instead of a Council provided one, they may elect to claim the cost of the plan up to \$100 per month. For example, if the Councillor has a \$150 monthly plan, Council will reimburse \$100 per month. If the Councillor has a \$70 monthly plan, Council will reimburse \$70. Proof of the monthly plan must be provided once during the duration of the plan or when the plan is amended.

MAINTENANCE OF COUNCIL OWNED EQUIPMENT

Council is responsible for the ongoing maintenance and reasonable wear and tear costs associated with Council owned equipment to ensure that it is operating for optimal professional use.

VEHICLE

Councillors have access to a suitable Council vehicle for official Council business. A Councillor wishing to use a Council vehicle for official Council business must submit a request to the Chief Executive Officer. A fully maintained Council owned vehicle shall be provided for unlimited use by the Mayor for Council business and private purposes in recognition of the duties required to be performed by the Mayor and the irregular hours required to attend Council business responsibilities. The standard of vehicle provided will be in accordance with Council's Motor Vehicle Tender Specification.

All fines incurred while travelling in either a Council or privately-owned vehicle on Council related business, will be the responsibility of the Councillor incurring the fine.

Use of a Councillor's private vehicle for official Council business will be reimbursed by Council in circumstances where a Council vehicle is unavailable.

Councillors making a claim for reimbursement of using their private vehicle for official Council business shall submit the appropriate form detailing the relevant travel based on log book details to the Chief Executive Officer.

INSURANCE COVER

Council includes Councillors under its annual Local Government Workcare (LGW) Worker's Compensation Policy as per section 107(4) *Local Government Act 2009*. Cover under this policy will provide substantially similar benefits to

those provided to employees, with the exception that elected members cannot bring a common law claim for damages against Council under the *Worker's Compensation and Rehabilitation Act 2003*. Cover will be provided at all times whilst a Councillor is engaged in official Council business.

Council has now included Councillors under its Local Government Mutual (LGM) Professional Indemnity Policy.

COUNCILLOR'S DISCRETIONARY FUND

In accordance with section 189(2) of the *Local Government Regulation 2012* no expenditure from a discretionary fund was allocated for the 2023-2024 financial year.

COUNCILLOR AND EMPLOYEE OVERSEAS TRAVEL

In accordance with section 188 of the *Local Government Regulation 2012*, no Councillor or employee undertook overseas travel in an official capacity during the 2023-2024 financial year.

COUNCILLOR MISCONDUCT, INAPPROPRIATE CONDUCT AND COMPLAINTS

Section 186 (1)(d), (e) and (f) of the *Local Government Regulation 2012* requires Council to provide the following information for the 2023-2024 financial year:

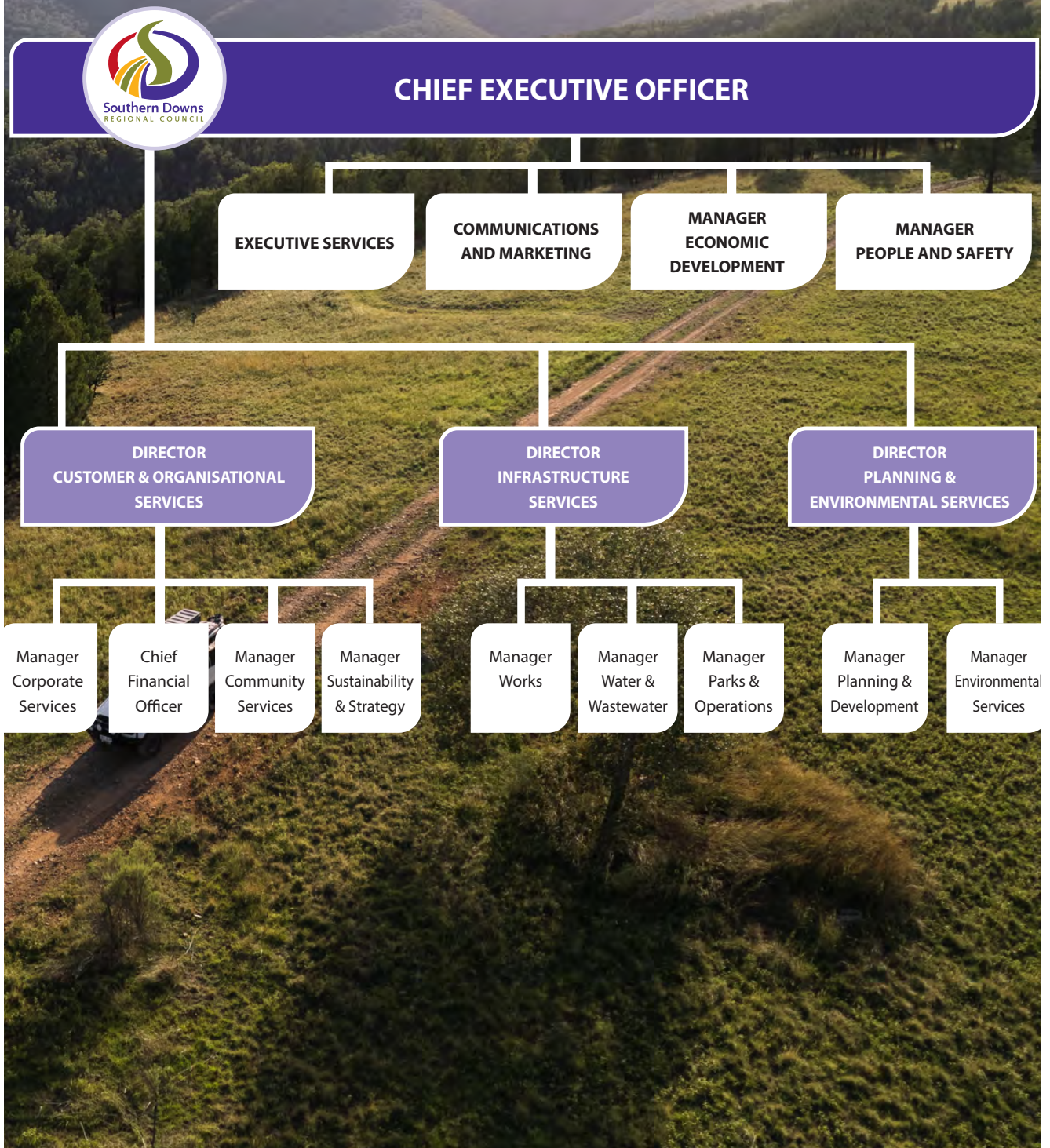


DESCRIPTION OF COUNCILLOR MISCONDUCT, INAPPROPRIATE CONDUCT AND COMPLAINTS	TOTAL
Total number of orders made under Section 150I(2) of the <i>Local Government Act 2009</i>	Nil
Total number of orders made under Section 150AH(1) of the <i>Local Government Act 2009</i>	Nil
Total number of decisions, orders and recommendations made under section 150AR(1) of the <i>Local Government Act 2009</i>	Nil
The name of each Councillor for whom a decision, order or recommendation was made under sections 150, 150I(2), 150AH(1) or 150AR(1) of the <i>Local Government Act 2009</i>	N/A
Total number of complaints referred to the assessor under section 150P(2)(a) of the <i>Local Government Act 2009</i> by local government entities for the local government	11
Matters mentioned in section 150P(3) of the <i>Local Government Act 2009</i> notified to the Crime and Corruption Commission by the local government, a Councillor of the local government or the Chief Executive Officer of the local government.	Nil
Notices given under section 150R(2) of the <i>Local Government Act 2009</i>	21
Notices given under section 150S(2)(a) of the <i>Local Government Act 2009</i>	Nil
Decisions made under section 150W(a) of the <i>Local Government Act 2009</i>	7
Decisions made under section 150W(b) of the <i>Local Government Act 2009</i>	1
Decisions made under section 150W(e) of the <i>Local Government Act 2009</i>	8
Occasions information was given under Section 150AFA(4)(a) of the <i>Local Government Act 2009</i>	1
Occasions when the local government asked another entity to Investigate under Chapter 5A Part 3 Division 5 of the <i>Local Government Act 2009</i> for the local government, the suspected inappropriate conduct of a Councillor	1
Applications heard by the conduct tribunal under Chapter 5A Part 3 Division 6 of the <i>Local Government Act 2009</i> about whether a Councillor engaged in misconduct or inappropriate conduct	Nil



3 Our Organisation

OUR CORPORATE STRUCTURE



OUR CORPORATE PLAN PROGRESS

In accordance with section 190(1) (a) of the *Local Government Regulation 2012*, the Chief Executive Officer must provide an assessment of the local government’s progress towards implementing its 5-year Corporate Plan and annual Operational Plan. Council’s Corporate and Operational plans are structured around a framework based on:

Four key strategic pillars:

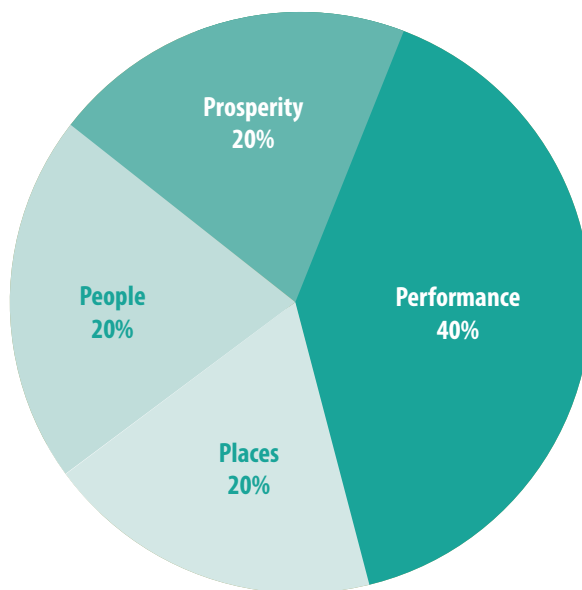
- Our People 20%
- Our Places 20%
- Our Prosperity 20%
- Our Performance 40%

Following an extensive consultation process, Council adopted a refreshed 2021-2026 Corporate Plan at the Ordinary Council Meeting held on 13 December 2023. This resulted in revised operational plans for the third and fourth quarters of 2023-2024 in comparison to the first and second quarter of the 2023-2024 financial year.

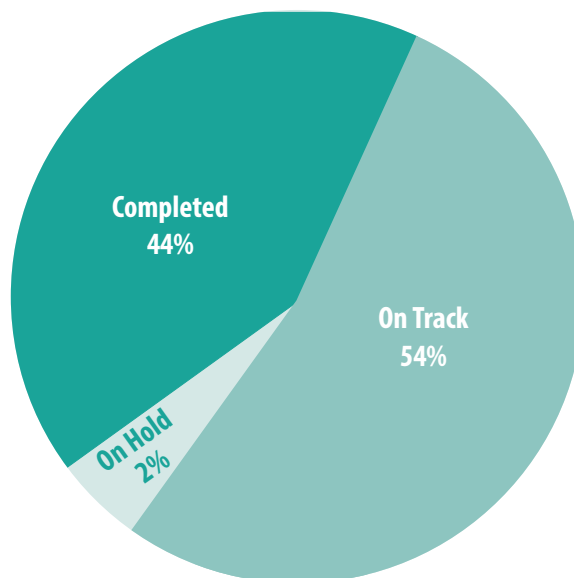
The Corporate Plan 2021-2026 articulates 15 key outcomes that Council uses to guide the delivery of 45 objectives and 28 performance indicators identified in the Operational Plan 2023-2024. The diagram beside highlights that as at 30 June 2024, Council had either completed or was on track to complete a significant majority of its planned operational activities and projects for the 2023-2024 financial year.

As at 30 June 2024, 44% of planned operational activities and projects were categorised as ‘completed’. Approximately 54% were categorised as ‘on track’ or ‘carried over to the next financial year’. Another 2% of activities were categorised as ‘on hold’ due to factors such as budgetary constraints, resource limitations, legislative amendments and changes in priorities or ownership of the activities.

These activities successfully combined to progress the key strategic objectives of Council’s 5-year Corporate Plan.



Operational Plan activities - status



CORPORATE GOVERNANCE

REGISTERS

In accordance with section 190(f) of the *Local Government Regulation 2012 (LGR)*, Council keeps the following registers:

- Register of Interests - Councillors & Chief Executive Officer (s.289-297 of *LGR 2012*)
- Register of Interests - Senior Executive Employees (s.289-297 of *LGR 2012*)
- Registers of Interests for Related Persons - Councillors (s.289-297 of *LGR 2012*)
- Registers of Interests for Related Persons - Chief Executive Officer & Senior Executive Employees (s.289-297 of *LGR 2012*)
- Register of Delegations - Council to Chief Executive Officer and Chief Executive Officer to Employee or Contractor (s.260 of *Local Government Act 2009 (LGA)*)
- Register of Local Laws (s.31 of *LGA 2009*)
- Register of Roads (s.74 of *LGA 2009*)
- Register of Assets (s.104 of *LGA 2009*)
- Register of Development Applications (schedule 22, part 2, s. 6 of *Planning Regulation 2017*)
- Infrastructure Charges Register (schedule 22, part 1, s. 1 (y) of *Planning Regulation 2017*)
- Register of Building Notices (s.251 of *Building Act 1975*)
- Register of Permits and Inspection Certificates of *Plumbing and Drainage Regulation 2019* (s.112 of *PDR 2019*)
- Register of Testable Backflow Prevention Devices (s.113 of *PDR 2019*)
- Register of Details of Onsite Sewerage and Grey Water use Facilities for which Council has given a Compliance Certificate (s.114 of *PDR 2019*)
- Register of Show Cause and Enforcement Notices (s.115 of *PDR 2019*)
- Register of Approvals for Statutory Body (s.74 of *Statutory Bodies Financial Arrangements Act 1982*)
- Register of Business Activities (s.56 of *LGR 2012*)
- Register of Cost Recovery Fees and Commercial Charges (s.98 of *LGA 2009*)
- Designation register for all designations made by the local government that are in effect (schedule 22, part 1, s.1 (1)(p) of the *Planning Regulation 2017 (PR 2017)*)
- Exemption certificate register (schedule 22, part 1, s.1 (1)(u) of the *PR 2017*)
- All development applications and change applications given to the referral agency under section 54 of the Act (schedule 22, part 3,s.9(1) of the *PR 2017*)
- Register of resolutions about land liable to flooding made under the *Building Act 1975* (schedule 22, part 1, s.1 (zh) of the *PR 2017*)

FINANCIAL SERVICES

Rural Fire Brigades Special Charge

This special charge is paid in full to the combined rural fire brigade to fund the ongoing provision and maintenance of firefighting equipment for the fire brigades that operate throughout the rural areas of the region.

Brought forward from 2022-2023	\$10.64
Total charge	\$280,011.55
Total paid to rural fire brigade	\$139,775.71
Total carried forward to 2024-2025	\$140,225.20

Concessions For Rates and Charges

In accordance with section 190(g) of the *Local Government Regulation 2012*, the following concessions were granted by Council in 2023-2024:

Concession Type	Costs 2023-2024	Quantity	Cost of Concession
Senior Citizen Clubs		4	\$2,992.75
Showground Related Organisations		7	\$30,301.00
Sports & Community Organisations		13	\$8,540.12
Community /Charitable Organisation		1	\$364.96
Warwick Polocrosse Club		1	\$4,283.76
Permit to Occupy concession		3	\$1,381.17
Water relief – Council infrastructure failure		27	\$13,005.47
Water relief – unapparent plumbing failure		13	\$2,634.40
Home Haemodialysis		1	\$343.20
Aged Care Facility Sewer Concession		3	\$110,953.50
Subdividers Additional Valuation Discount		104	\$33,789.87
Condamine River Sports Group Inc.		22	\$43,837.88
Amosfield Road Concession		5	\$2,678.32
Limitation of Increase		6	\$180.20
Water Tank Rebate v1		114	\$66,632.40
Grand Total		325	\$321,919.00

Joint Government Activities

In accordance with section 190 (d) (i) of the *Local Government Regulation 2012* the following items detail actions or expenditures for a service, facility or activity another local government supplied under an agreement for conducting a joint government activity and for which the local government levied special rates or charges during the year.

Nil activities for the 2023-24 financial year.

Changes to Tenders

In 2023-2024 Council issued invitations to change tenders under section 228(8) of the *Local Government Regulation 2012* for the following tenders:

- 24_078 Yangan Transfer Station
- 24_009 Stanthorpe Netball Clubhouse
- 24_045 Design an construction four toilet blocks and shelter
- 04_079 Dog off leash area

Significant Business Activities Information

In line with section 45 (a) & (b) of the *Local Government Act 2009*, Council must provide a list of all business activities conducted during the financial year and identify those that are significant business activities.

Council conducted three significant business activities during 2023-2024 as listed below:

- water
- sewerage
- waste

The competitive neutrality principle has been applied to these significant businesses with relevant adjustments made as a result.

Beneficial Enterprises

In accordance with section 41 of the *Local Government Act 2009*, Council did not conduct a beneficial enterprise during the 2023-2024 financial year.

Valuation of Non-Current Assets

In accordance with section 185(b) of the *Local Government Regulation 2012*, there were no resolutions made by Council during the 2023-2024 financial year under section

206(2) of the *Local Government Regulation 2012* to expense a non-current asset above the recognition threshold.

Commercial Business Units

In line with section 190 (c) of the *Local Government Regulation 2012*, Council must provide an annual operations report for each commercial business unit. Council did not operate any commercial business units during the 2023-2024 financial year.

Competitive Neutrality Complaints

In accordance with section 190(1) (i) and (j) of the *Local Government Regulation 2012*, there were no investigation notices for competitive neutrality complaints nor any required response to the Queensland Competition Authority during the 2023-2024 financial year.

INTERNAL AUDIT REPORT

The following information is provided in accordance with section 190(1) (h) *Local Government Regulation 2012*. This report is prepared as required by section 6 of the Audit and Risk Management Committee (ARMC) Charter (May 2021) and summarises the activities of the ARMC during the 2023-2024 financial year.

Background Information

Council's ARMC is established in accordance with section 105 of the *Local Government Act 2009* and sections 207 to 211 of the *Local Government Regulation 2012*. As an advisory committee to Council, the ARMC's scope and purpose, as outlined in section 2.1.5 of the Charter, includes the regular review of the following:

- The Internal Audit Plan for the internal audit for the current financial year;
- The Internal Audit Progress Report for the internal audit for the preceding financial year including the recommendations in the report and the actions to which the recommendations relate;
- A draft of the Local Government's Financial Statements for the preceding financial year before the statements

are certified and given to the Auditor-General under section 212;

- The Auditor-General's Audit Report and Auditor-General's Observation Report about the Local Government's Financial Statements for the preceding financial year;
- Regular review of Risk Management and Fraud and Corruption Control including endorsement of Council's Risk Management and Fraud Policies, monitoring of the review of Council's Risk Registers and monitoring that Risk Treatment Plans are implemented and reviewed;
- Monitoring of all outstanding internal and external audit recommendations;
- Review management's approach to maintaining an effective internal control framework (including policies, procedures and delegations), ensuring that it is sound and effective;
- Review the effectiveness of the system for monitoring Council's compliance with relevant laws, regulations and government policies.

The Charter also empowers the ARMC to make recommendations to Council about any matters that the ARMC considers need action or improvement.

The ARMC is comprised of two Councillors and four external independent members, with one of the latter as Chairperson.

The committee membership as at 30 June 2023 was as follows: Cr Jo McNally, Cr Stephen Tancred (3 meetings), Mrs Kerry Phillips (Chairperson), Mr Tony Trace (independent member), Ms Mel Jacobs (independent member) and Ms Kylie Smith (independent member by MOU arrangement with Tenterfield Shire Council), Ms Erika Bursford attended the meeting 13 December 2022 as a proxy for Ms Smith.

The committee membership as at 19 April 2024 was as follows: Cr Richters, Cr Wantling. This was further amended to reflect Mayor Hamilton and Cr Richters on 19 June 2024. Independent members, Mrs Kerry Phillips (Chairperson), Mr Tony Trace, Ms Mel Jacobs

and Ms Erika Bursford (independent member by MOU arrangement with Tenterfield Shire Council).

Representatives from the Queensland Audit Office, Council's External Auditor, Crowe Australasia Accountants and Council's Internal Auditor Pacifica Chartered Accountants Pty Ltd are also invited to attend the meetings. Key Council staff also attend to provide information on various matters as required.

Throughout the 2023-24 financial year, the ARMC has provided appropriate advice and recommendations on matters relevant to its Charter in order to assist Council in relation to the discharge of its financial and operational responsibilities.

Key Highlights

During 2023-24, the ARMC met on four occasions in addition to a special meeting in October 2023 to endorse Council's Financial Statements for 2022-23 for signature by the Mayor and CEO. The Chair also delivered an annual report on the activities of the ARMC for the 2022-23 financial year on 22 November 2023 following the annual financial statements sign off.

Key projects/issues for the 2023-24 financial year were as follows:

- The Queensland Audit Office certified the 2022-23 Financial Statements without qualification within the required timeframe. Crowe Australasia have been very engaging and have endeavoured to ensure that the Chair and the committee are well briefed regarding their planning, service delivery and emerging issues. Queensland Audit Office in addition have continued to provide invaluable resources to assist and support Council on their risk, asset management and financial reporting journeys.
- Briefings and the ongoing identification of emerging strategic and operational risks, including cyber-attack readiness, water security strategic risks.

In addition, the ARMC undertook continual monitoring of key management reports in relation to human resources, work, health and safety, budgeting and finance performance, asset management plans, ICT updates, governance and risk management and legal and regulatory matters.

- The CEO has generously provided insight to the ARMC regarding the status of the operational and strategic environment and in particular, has guided the development of detailed knowledge regarding both internal and external risk drivers.
- Reviewed a number of Council's key policies including;
 - Portable and Attractive Items Policy
 - Revenue Statement 2023-24
 - Debt Policy
 - Related Party Disclosure Policy
 - Asset Disposal Policy
 - Non-current Asset Accounting Policy
 - Competitive Neutrality Complaints Process Policy
 - Fraud and Corruption Control Policy

Internal Audit Plan

The internal audit plan governs the activity and focus of the internal audit function and is itself based on the risk profile of Council. Specific audits undertaken during the 2023-24 financial year were as follows:

- Fleet and Fuel Management Review (finalised February 2024) by outgoing internal auditors O'Connor Marsden & Associates);
- Customer Experience Management;
- Ethical Conduct Review;
- Visitor Information Centre Review;

Administrative Complaints

Council is committed to dealing fairly with administrative action complaints as demonstrated through its Complaints Management Policy (PL-CS029). This policy provides a clear administrative method of handling and resolving

complaints made by affected persons about different complaints including administrative action by Council officers. For example:

- a decision, or a failure to make a decision, including a failure to provide a written statement of reasons for a decision
- an act, or failure to do an act
- the formulation of a proposal or intention and/or
- the making of a recommendation.

Attached to Council's complaints management policy are procedures for staff to follow when dealing with administrative action complaints. These procedures have been implemented by Council's governance staff and adequately resolve complaints in accordance with the Policy.

In accordance with section 187(2) of the *Local Government Regulation 2012*, the following table is a summary of administrative action complaints received, resolved and ongoing during the 2023-24 financial year:

Administrative Action Complaints Received	Resolved	Not Resolved
7	7	0

Human Rights Complaints

The *Human Rights Act 2019* requires public entities (including Local Governments) to act and make decision compatible with human rights, as well as take into consideration human rights when making a decision.

In accordance with section 97 (2) of the *Human Rights Act 2019*, Council must provide details of any action taken during the reporting period to further the objects of this Act and provide the number of complaints received and the outcome of these complaints.

Council has commenced integrating the *Human Rights Act 2019* into all relevant policies held by Council and in complaint processes. In the 2023-2024 financial year, Council received no human rights complaints.

Grants to Community

The Community Services team continues to effectively manage the Grants to Community Funding and the Regional Arts Development Fund (RADF). The Grants officer also continues to assist community organisations with external grant applications and the provision of letters of support.

In accordance with section 189 of the *Local Government Regulation 2012* the following table is Council's expenditure through the Grants to Community program, to community not-for-profit organisations during 2023-2024 financial year.

APPLICANT ORGANISATION NAME	PROJECT TITLE	FUNDED AMOUNT
Amiens History Association Inc.	Provision of potable water at ALC	\$1,880.00
Artworks Granite Belt Inc.	Volunteer Support	\$2,000.00
Ballandean Hall and Sports Club	Benefit the community Projector Screen	\$2,000.00
Darling Downs Heavy Horse Association Inc.	Darling Downs Heavy Horse Festival	\$2,000.00
Glen Aplin Memorial Hall and Sports Club Inc.	Upgrade Smoke Alarms	\$1,077.62
Glengallan Homestead Trust Ltd	Glengallan Billboard Renewal Project	\$2,000.00
Goomburra Town Hall Committee	Sun Smart Goomburra Town Hall Volunteers	\$1,989.29
Granite Belt Support Services Inc.	Signage on our Fleet Vehicles	\$2,000.00
Granite Borders Landcare Committee Inc.	Stanthorpe Eco Expo 2023	\$1,994.39
Killarney & District Historical Society Inc.	Refurbish Bullocks	\$1,430.00
Killarney Community Mens Shed	Refurbish Shed	\$2,000.00
Killarney Cutting Club	Killarney Cutting Club Llewellyn GMSV Silverado Cutting Show	\$2,000.00
Pademelons Playtime	Gross Motorskill Play for Playgroup	\$1,551.00
QCWA Killarney Branch	100 year history of Killarney Branch QCWA publication	\$728.00
QLD HD & HR Holden Club	24th HD & HR Holden Nationals	\$2,000.00
Southern Downs Pickleball Association Inc.	Growing Pickleball on the Southern Downs	\$1,659.97
Southern Downs Sporting Clays Inc.	Groundskeeping and Cleaning Equipment for Southern Downs Sporting Clays	\$2,000.00
Stanthorpe Amateur Swimming & Lifesaving Club Incorporated	Smail Memorial Seat	\$2,000.00
Stanthorpe International Club	Vertical Blinds for Windows and Doors	\$2,000.00
Support Finder ... Just In Case	Just In Case ... Support Finder	\$1,996.50
Untamed Border Events	Untamed Border Run 2024	\$2,000.00
Warwick & District Archers Association Inc.	Road and fire breaks project	\$2,000.00
Warwick Bridge Club Inc.	Tyro Go Electronic Payment System	\$758.00
Warwick Clay Target Club Inc.	Annual two (2) day Clay Target Shoot	\$2,000.00
Warwick Croquet Club Inc.	Replacement Club Signage	\$1,330.00
Warwick Poultry Club Inc.	Fridge	\$1,852.36
Warwick Show and Rodeo Society	Hire of Queensland Ambulance Service	\$2,000.00
Warwick Turf Club	Furniture Upgrade	\$2,000.00
TOTAL COMMUNITY GRANTS FUNDING AWARDED IN 2023/2024		\$50,247.13

Regional Arts Development Fund (RADF)

APPLICANT ORGANISATION NAME	PROJECT TITLE	FUNDED AMOUNT
SCOTS PGC College P&F Association	Australian Juvenile Piping and Drumming Workshops	\$9,986.00
Bony Mountain Folk Festival Inc.	Bony Mountain Folk Festival	\$10,000.00
CelticFest Inc.	CelticFest Warwick - Celtic Music Program	\$16,450.00
Jumpers and Jazz in July Inc	Music, Dance and Physical Theatre Workshops and Performances	\$18,344.00
Deborah C Wheeler	Southern Downs Military History Website	\$18,099.00
Warwick Art Gallery	Exhibition Public Programs during Jumpers & Jazz in July	\$20,322.00
Stanthorpe Pottery Club	Workshop 1 Refine Your Making Skills: Workshop 2 Mould Making	\$3,876.00
Border District Eisteddfod	2024 Border District Eisteddfod	\$7,490.00
Greg Huglin	Youth Screen Production Industry Immersions and Red-Carpet Community Screening Event.	\$11,000.00
TOTAL RADF FUNDING AWARDED IN 2023/2024		\$115,567.00



4 Our Performance

EXECUTIVE SERVICES

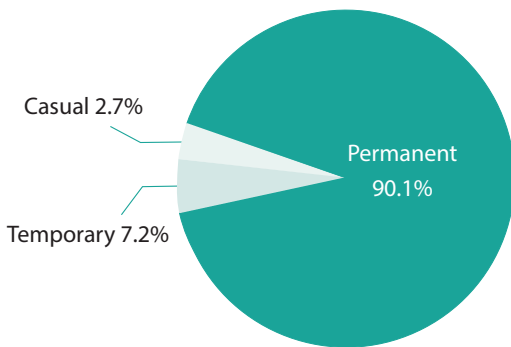
Our Workforce

As at 30 June 2024, Council had 401.81 established positions with a current occupancy rate of 88.09%. Council's established positions consists of permanent, temporary and casual employees. The majority of our employees are employed permanently, with 9.9% employed in a short term or casual capacity where operational requirements call for this type of employment.

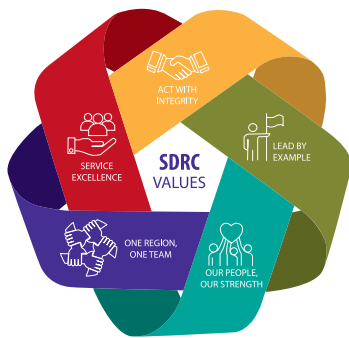
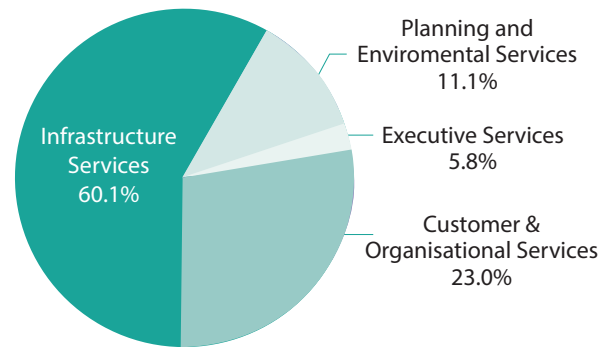
Council's annual rate of separation has decreased by 3% from the previous financial year with a separation rate of 18.1% as compared to the previous financial year with the annualised separation rate being 22.1%.

The percentage of established positions per Directorate is as follows:

Workforce Employment Type %



Directorate Breakdown %



The agreed values are:

- Act with Integrity
- Our People, Our Strength
- One Region, One Team
- Lead by Example
- Service Excellence

Council's first *Workforce Strategy 2024 - 2028* was developed and approved setting out our direction and commitment to our employees, both current and future. The strategy sets out Council's aspiration to create an engaged, responsive and resilient workforce that is agile and capable.

Identifying the need to retain our current workforce, two (2) leadership development programs commenced during the past twelve months, coaching and supporting our employees in understanding the Council's vision, values and long-term strategies. Thirty-nine (39) employees participated in the program. To

further improve our employees' abilities to deliver quality services that meet community needs and expectations, capability-building opportunities continue to be provided including formal training and development, employee-supported traineeships and apprenticeships, and higher-level accredited study under the Study Assistance scheme.

Council has continued to invest in apprentices and trainees, allowing for long-term benefits for the community in terms of economic growth, social well-being, and ensuring the community has ongoing access to well-trained professionals. From the previous financial year, thirty-five (35) trainees and apprentices continued their journey to complete their apprenticeship and traineeship, with twenty-five (25) additional new commencements during

With the job market remaining competitive, Council continually seeks to understand how to attract and retain a talented, motivated and engaged workforce.

Following extensive collaboration and involvement of employees, the newly established SDRC values and behaviours have been launched and continue to be implemented across the organisation.

this financial year. Twenty-four (24) apprentices and trainees completed their programs during this financial year.

An achievement and development planning process is in its first year of implementation, supporting the organisation to meet its strategic and operational objectives by providing employees with clarity on priorities and goals, ensuring the ongoing capability development of our employees, and providing the support needed to ensure employees are successful in their current role and ongoing career with Council.

An external provider was engaged to work with Council representatives to design an approach to an employee engagement survey which will identify key themes, trends, key strengths and areas for improvement.

Workforce Acquisition

Several challenges impact the attraction and retention of the Council's workforce, including changing personal expectations from a multigenerational workforce, technology, our ageing workforce, the physical and mental well-being of our workforce, and the Council's ability to source a younger workforce through defined local talent pipelines.

53.69% of Council's workforce are 50 years and above of which 17.09% is 60 years and above. The offset is that Council has 7.88% of its employees aged twenty-five (25) years and below.

For these reasons, challenges in attracting candidates have continued to impact the filling of vacancies across Council. The Council continues to further streamline recruitment and selection processes to ensure Council proceeds quickly to offer. An automated recruitment and selection system is now implemented to facilitate efficiencies in the recruitment and selection process and to reduce manual handling processes. Several initiatives aimed at improving Council's employer brand and candidate/client experience in recruitment will be delivered in conjunction with the automated system.

Diversity and Inclusion

Understanding the demographic makeup of Council's community and workforce helps to foster strategies that attract, retain and embed people into Council's work environment thereby creating an inclusive and diverse workforce. The groups in our community who are represented in the Council's workforce comprise 34.64% women and 63.36% men. 1.53% self-identified as First Nations People whilst 6.11% self-identified as being from other cultural backgrounds. 4.07% identified as having a disability.

Council continues to review and develop employee-related policies to be inclusive and representative of our employees and the community we serve. This year has seen the review of the Reclassification Policy, Reward and Recognition Policy, Higher Duties Policy, Drug and Alcohol Management Policy, Criminal Record and History Policy, and the Probation Review Policy. The first Human Resources Decision Matrix was developed and implemented ensuring equity and transparency in ethical decision making. The Smoking Policy and Anti-sexual Harassment Policy were developed and implemented.

Employee Wellbeing

Psychosocial safety is important for the mental and physical health of our employees, as well as the productivity, efficiency and success of Council, achieved through job commitment, job satisfaction, retention, and job enrichment.

Council partnered with Darling Downs Hospital and Health Service to support our employees in learning more about psychological burnout including the identification of signs of burnout and the proactive management thereof. A Psychosocial Risks in the Workplace program was delivered to our supervisors and managers creating an awareness of the identification of the risks and how to minimise or mitigate these.

The Acacia Employee Assistance Program is in its second year of partnering with Council to provide a free, confidential and well-being and counselling service to our employees and their immediate family members. The employee assistance program continues to be received well by employees with positive feedback on the level of support provided and ready access to the service which operates 7 days a week, 24 hours a day.

Code of Conduct

In accordance with the provisions of the *Public Sector Ethics Act 1994*, Council employees are bound by the standards of behaviour required from all employees as set out in Council's Code of Conduct Policy along with related policies and procedures. Code of Conduct training sessions have continued to be delivered to teams and during all corporate inductions. Corporate induction continues to receive positive feedback about the Code of Conduct training provided.

Enterprise Agreement

Under the Southern Downs Regional Council Certified Agreement 2023 – Stream A Employees eligible employees were entitled to a 4% increase from 1 July 2023.

Under the Southern Downs Regional Council Certified Agreement 2021-Operational Employee, employees were entitled to a 2.2% increase. However, operational employees received a 4% increase on 25 February 2024 to support employees with cost of living increases.

Senior Contract Employee Remuneration Packages

The following information relating to senior contract employee remuneration is required in accordance with section 201 of the *Local Government Act 2009*:

- Three (3) senior contract employees, with a total remuneration package in the range of \$200,000 to \$299,999
- 1 senior contract employee with a total remuneration package in the range of \$300,000 to \$399,994

Equal Opportunity in Employment

Council is committed to providing equal employment opportunities to its employees and prospective employees. Council recognises and encourages employees based on their skills, experience, qualifications and performance at all stages of their career.

Council continues to ensure gender pay equity by making sure that men and women working for the Council and doing the same or similar roles with the same level of skill, responsibility and experience are compensated equally.

Workplace Health, Safety and Wellbeing

A work health and safety audit was conducted in August 2023, resulting in actions being identified and a Safety Management System Reset plan is being developed and implemented. Council has begun the process of reviewing the current Safety Management System to continue to utilise processes that are working effectively and introduce new processes that will further eliminate or significantly reduce risks, increase efficiencies and remove frustration points.

The Safety Management System Reset will progress over two years, to ensure all Council employees and stakeholders have the opportunity to be consulted on proposed changes and have time to provide valuable feedback to any proposed changes.

The Safety Management System Reset will incorporate elements of psychological safety and well-being into the integrated system. This will include the identification of psychosocial hazards, risk assessment and the implementation of effective controls.

Council's objective is to empower employees to engage with this project, so that we can further enhance our safety culture, improve consultation, further develop risk management processes and enhance the work experience for all employees.

Executive Administrative Support

The executive department's administration team provide a wide range of support services across the organisation.

Primarily focused on support for the Mayor, Councillors and Chief Executive Officer, the team also assists the communications and marketing department.

Administrative support for the Mayor, Councillors and Chief Executive Officer includes scheduling of appointments and meetings; communicating with the offices of various federal and state Ministers and Departments, ratepayers, community organisations and internal staff; and coordinating monthly Statutory Council Meetings and Council Information Sessions. Administrative assistance is provided to our Marketing and Communications Department which includes information management, payment of accounts, media monitoring, tracking advertising and credit card payments, obtaining quotes for merchandise and ensuring expected timelines are met.

The aim of our Executive Administration team is to ensure the support and efficient day to day operations for the Mayor and Councillors, the Executive Department and the organisation.

Communications and Marketing

The Communications and Marketing function at Council plays a crucial role in enhancing community engagement, boosting regional visitation, and promoting clear communication between internal and external stakeholders. By using creative and proactive strategies, the team highlights regional achievements under the Southern Downs brand, aiming to increase recognition and trust in both the brand and Council.

The Communications and Marketing team actively collaborates with media, coordinating radio, newspaper and television interviews with the Mayor,

Councillors and executive. Throughout the 2023-2024 financial year, the team managed communications during natural disasters, issued numerous media releases, provided detailed responses to media enquiries and distributed the fortnightly *Your Southern Downs eNews* community newsletter.

Internally, the team offered expert marketing and communications support to all departments, ensuring the community stayed informed about Council programs, events, initiatives and day-to-day operations. The team also managed Council's social media accounts, provided graphic design services, and handled photography, videography and other essential marketing functions. Additionally, they represented Council's interests on several external project working groups.

In alignment with the regional marketing and branding goals outlined in the *2022-2026 SDRC Economic Development Strategy* and the *Southern Downs and Granite Belt Events Strategy*, the team delivered destination marketing under the Southern Downs & Granite Belt tourism brand. These efforts included enhancing the official visitor app by adding new trails and promoting its use at regional events.

The team also delivered a videography and photography series featuring employees and the benefits of working at Council, while continuing to produce *The Scoop*, the monthly staff newsletter.

Economic Development and Tourism

The 2022-2026 Southern Downs Economic Development Strategy continues to provide a framework for the Economic Development & Tourism Unit to utilise in their efforts to grow the regional economy, attract new investment and create local jobs.

The Strategy has a focus on the four main economic pillars of Agriculture & Food Processing, Tourism & Events, Industry & Innovation, and Population Attraction and Retention. The Economic Development Strategy Action Plan details how officers will achieve the objectives of the strategy through supporting our existing businesses to grow and thrive, pro-actively seek out and attract new investment, facilitate re-investment, develop the necessary infrastructure required to grow the region, embrace change and innovation and encourage region collaboration and cohesion.

The Southern Downs region is currently experiencing significant interest from external investors, especially in the area of food processing. Investment in excess of \$655 million is currently being facilitated in this sector.

The region was also successful in securing federal government grant funding for the development of the Country Universities

Centre – Southern Downs. This facility, when operational, will support people to complete university studies in the Southern Downs without having to move away. This should support the retention of many of these people, in employment in the region.

Tourism & Events continue to deliver strongly for the regional economy. The region attracts over 900,000 people through the drive market. People coming to the region for various reasons including, visiting friend and relatives, business reasons and sightseeing to check out the many beautiful natural assets of the region.

Events such as the Warwick Rodeo, Apple and Grape Harvest Festival, Jumpers and Jazz in July, Snowflakes in Stanthorpe, and Historic Leyburn Sprints attract thousands of visitors to the region. The Economic Development & Tourism Unit has administered over \$115,000 in major events funding across these five incredible events. Morgan Park Raceway continues to grow in significance as a major contributor to the regional economy with an extensive list of events being held at the facility. Several of its events are televised to over 30 countries.

Council has developed and maintained strong working partnerships with local

industry groups including; Warwick Chamber of Commerce; Stanthorpe and Granite Belt Chamber of Commerce; Granite Belt Wine and Tourism; Granite Belt Sustainable Action Group; Granite Belt Growers Association, Condamine Alliance; Granite Belt Alliance and Queensland Country Tourism.

Council has also developed working relationships with state and federal government agencies including; Department of State Development, Infrastructure, Local Government and Planning (DSDILGP); Department of Employment, Small Business and Training, Department of Agriculture, Forestry and Fisheries; and Austrade.

Council's pro-active Communications and Marketing team has delivered significant support to regional events through joint promotional activities with event organisers. The drive tourism market has also been a focus for destination marketing activities resulting in the large number of visitors who travel to the region annually to take in the scenery or experience some of the world class wines.

These are exciting times for the Southern Downs with record visitor numbers and significant investment being considered for the region.





PLANNING AND ENVIRONMENTAL SERVICES

PLANNING AND DEVELOPMENT

Making Southern Downs home

Our places serve the needs of our people, providing attractive environments to live, work, play and stay. As a local government we strive to ensure that the built and natural environments are strategically planned, effectively maintained and managed to support the lifestyle of the community.

In the past financial year, Council has continued to liaise with the State Government in relation to items raised during the formal state interest review. The next step for the new planning scheme is formal public consultation of the draft planning scheme. The development of the consultation phase is well underway, to enable prompt commencement.

The consultation phase will include a letter to every residence, mapping which enables quick identification of any changes, one-on-one meetings, targeted workshops, social and print media, and the continued use of our dedicated website.

Local Government Infrastructure Plan

A Local Government Infrastructure Plan (LGIP) forms part of the Planning Scheme. An LGIP identifies the trunk infrastructure required to service the urban development in the region, in response to the zoning and provisions in the Planning Scheme. An LGIP ensures coordinated, efficient and financially sustainable infrastructure delivery.

The LGIP provides the platform to levy infrastructure charges and impose conditions for trunk infrastructure on development approvals.

Trunk infrastructure is infrastructure that has a major distribution or collection function, serves a wide catchment and is publicly accessible.

There are five networks which make up an LGIP:

- Transport – roads, footpaths, public transport, car parking.
- Stormwater – quality and quantity.

- Parks and Land for community facilities – recreation and sporting facilities, and the land for libraries, meeting halls, neighbourhood centres, aquatic facilities.
- Water – supply sources, treatment plants, major pipes.
- Sewer – major collection pipes, pump stations, treatment plants.

The current LGIP was adopted by Council on 27 June 2018. An LGIP must be reviewed within five years of adoption. Council undertook this review at the Ordinary Council Meeting on 22 November 2023 and resolved to endorse the review and make a new LGIP.

Since November 2023, Council has been drafting a new LGIP and is ready to present this to Council.

The next step for the new LGIP is a compliance check, prior to submission to the Minister for State Interest Review.

Following the State Interest Review, the draft LGIP will undergo public consultation. Commencement of a new LGIP will align with the commencement of the new Planning Scheme.



Development Applications

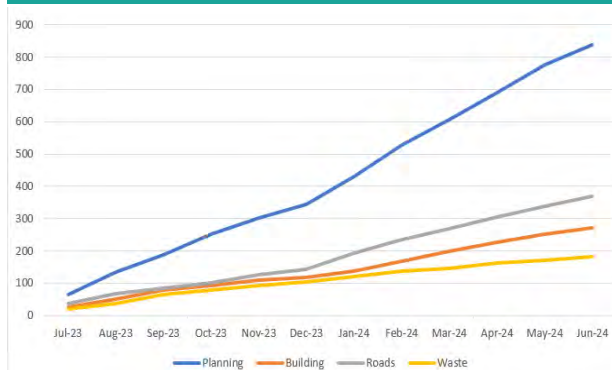
Development applications in the Southern Downs are still strong, and have increased from 2022-2023. There continues to be growth in urban to regional migration. In 2023-2024, Council assessed:

- 333 new plumbing and drainage applications for the financial year
- 197 new planning applications for the financial year
- 161 new building applications (excluding privately certified applications) for the financial year
- 22 new operational works applications for the financial year

Applications	2023/24	2022/23	2021/22	2020/21
Planning	197	173	235	146
Operational works	22	21	26	26
Building	161	273	325	262
Plumbing and drainage	333	360	389	360

The Planning Services and Built Environment teams within the Planning and Development Department responded to a large and increasing number of requests for assistance and advice over the past twelve months. The statistics for customer requests that were received and finalised are shown below in Figure 1.0, however these statistics are taken from Merit Requests, and do not include in person meetings with customers, direct emails or ECM tasks completed by either team.

Figure 1.0 Total Customer Enquiries received and closed July 2023 to June 2024



ENVIRONMENTAL SERVICES

Waste Services

The Waste team have continued with existing recycling and resource recovery programs, and have investigated additional opportunities. In 2023-2024:

- Paintback was introduced at the Warwick and Stanthorpe waste facilities, offering a recycling solution for unwanted paint;
- The shredding of mattresses was trialled for the first time- this saw approximately 50 tonnes of scrap metal recovered from over 3000 mattresses, with the remaining material able to be landfilled in a safer and more cost effective method.

Other materials continued to be separated for resource recovery, including concrete, green waste, scrap metal, small household batteries, tyres, DrumMuster containers and coomingled recyclables.

Across the region, 43,025 tonnes of material was disposed to landfill. This includes material used for operational purposes, such as clean earth for landfill covering.

Sort-it Sally continued to educate the community on waste minimisation and recycling. One composting and worm farming community workshop was held, as well as attendance at two community events. This included for the first time a community event for Clean Up Australia Day. In addition, 12 schools and 12 kindergartens were visited, with over 800 students provided information on how to 'Let's Sort it out Southern Downs!'

The Regulatory Services team continue to assist the community in responding to complaints on environmental nuisances, public health risks, planning and building compliance issues and food safety.



Over 500 complaints and enquiries were recorded in Council's customer request system in the 2023-2024 year.

In addition, the team are responsible for licensing and regulating many commercial premises across the region to ensure suitable health and environmental standards are maintained, and legislative compliance upheld. At the end of June 2024, the following are the number of regulated premises within the region managed by the Regulatory Services team:

- 355 food premises
- 202 rental accommodation premises
- 43 caravan parks
- 8 personal appearance services
- 83 footpath and roadside activities

Actions from Council's *Environmental Sustainability Strategy and Action Plan* have continued to be implemented, and were formally reviewed and reported on for the first time in 2023-2024. The full annual review and action plan can be found on Council's website.

Local Laws

The Local Laws team is responsible for managing two animal pounds in the region (Warwick and Stanthorpe), and responding to complaints on animal management issues. Over 1,500 customer complaints and enquiries were responded to during the 2023-2024 year by the Local Laws team. Council also conducted an Approved Inspection Program to monitor compliance with dog registration requirements. This program allowed officers to discuss responsible pet ownership with the community by ensuring dogs are registered.

The Local Laws team has several officers who are continually conducting weed management activities on roadsides- in 2023-2024, over 1,700 kilometres of Council's roads were treated.

The team has also continued to assist residents with managing pest animals on their properties, with quarterly coordinated ground baiting and an annual aerial baiting program. In addition, Council is responsible for maintaining 100 kilometres of wild dog spur fencing in Killarney and Stanthorpe.

INFRASTRUCTURE SERVICES

WORKS

Highlights

- Delivered February 2022 and May 2022 flood events, one of two councils in Queensland to have completed the flood recovery program.
- Undertook majority of the flood recovery works by day labour staff
- Completed and delivered Roads to Recovery (RTR) 5-year program and fully expended the funding.
- Completed Local Roads and Community Infrastructure Phase 3 program.
- Managed emergent works for the January 2024 flood event along with current works program.
- Realigned major funding programs such as Roads to Recovery (R2R), Transport Infrastructure Development Scheme (TIDS), Local Roads and Community Infrastructure (LRCI) Program to compliment the flood recovery program and maximise the effort and funding received.
- Commenced a sealed road drainage program as a vital capital asset renewal and preventative maintenance methodology to increase asset life.
- Participated in Supervisor Workshop and Cultural Heritage and Native title trainings to equip staff.

Black Spot Program

Council was successful in obtaining Australian Government funding and completed the following projects during the 2023-24 financial year:

- Palmerin St and Guy St Roundabout Intersection CBD upgrades

The following projects will be progressed during the 2023-24 financial year:

- Bracker Road/Tooth Street/Mardon Road, Rosenthal Heights intersection safety improvements;
- Glen Road/Willi Street, Warwick. intersection safety improvements;

Bridge Renewal Program

Council was successful in obtaining Australian Government funding to replace the floodway on Homestead Road, Rosenthal Heights with a two-span bridge. This project is now completed. Due to market conditions changing, Council was successful in achieving variation approval for increased forecast expenditure including reducing Councils co-contribution from 50/50 ratio to 80/20.

Walking Network Local Government Grant

Adoption of a walking network plan and proposed program of works for Warwick and Stanthorpe completed with grant funding from Active Transport, Department of Transport and Main Roads

Cycle Network Local Government Grants

Progressed the following design projects, which will be finalised during 2023-2024:

- Mount Stirling Road Shared Pathway – completed
- Rosehill Road Stage 1 Cycleway – in progress
- Quart Pot Creek Cycleway Lighting – in progress

Local Roads & Community Infrastructure Program

As part of the Australian Government's economic stimulus package, Council received funding for and delivered the following projects during 2023-2024:

1. Phase 3

a. Footpath replacements on

- o Albion Street
- o Percy Street
- o King Street
- o Sawmill Street
- o Wood Street
- o Wallangarra Road
- o Quart Pot Creek

2. Phase 4B

a. Flood Recover

- o Willowvale Road Stabilisation
- o Freestone Creek Road Stabilisation
- o Swanfels Road Stabilisation
- o Wheatvale Plains Road Stabilisation

Queensland Reconstruction Authority Flood Recovery Program and Sourcing Complimentary Funding

During the 2023-24 financial year, Council completed the outstanding February and May 2022 flood recovery. Southern Downs Regional Council is one of two councils in Queensland that have completed these works by 30 June 2024 including Betterment funding.

Council staff reviewed the Queensland Reconstruction Authority (QRA) funding received for the various events and assessed to maximum and compliment the works on the ground as not all submissions were approved.

The following table highlights the extensive work Council staff undertook to realign some of the externally funded programs to subsidise and complement the flood recovery works and provide better value and service to the community.

Key achievements during 23/24 include:

- Unsealed Roads Emu vale
- Unsealed Roads Killarney
- Unsealed Road South
- Swan Creek School Road
- Concrete CTB Road Invert Betterment Project
- Harris St /Johnston St Pavement Reconstruction
- Maryvale Sealed Roads
- Emu Vale Sealed Roads
- Killarney Sealed Roads
- Thulimba Sealed Roads
- Emu Swamp Sealed Roads
- Girraween Sealed Roads
- Warwick Sealed Roads
- Leyburn and Thaness Sealed Roads
- North Branch Sealed Roads
- Glengallan Sealed Roads
- Glen Lyons Sealed Roads
- Old Stanthorpe Road Pavement Drainage
- Allora Sealed Roads
- Spring Creek Road Landslip
- Minor Structure Works Across Council
- Connells Bridge Road
- Merivale St Culvert
- Wheatvale Plains Road Floodway
- Cosmo Lane Culvert
- O'Deas Road Pavement
- Pikedale Road Pavement
- Goldfield Road Culvert
- Talgai West Road Culvert
- Charleys Gully Road Floodways

Roads To Recovery

The 2023-24 financial year was the penultimate year of the rolling five year funding program. This program included the drought resilience funding. The program was fully allocated to projects and all funding was expended within the funding guideline timeframe.

The 2024-2029 program is \$13,880,649 compared to 2019-2024 of \$9,464,047.

TRANSPORT INFRASTRUCTURE DEVELOPMENT SCHEME (TIDS)

With \$1,161,000 matching funding from the Queensland Government's Department of Transport and Main Roads, Council completed the following projects as part of its TIDS program by complementing the flood recovery program:

- Jack Smith Gully Road Pavement Stabilisation and rehabilitation
- Lyndhurst Lane Pavement Stabilisation and rehabilitation
- Freestone Road Pavement Stabilisation and rehabilitation
- Old Stanthorpe Road Drainage Works
- Inverramsay Road Drainage Works
- Resealing

Council funded:

- Conducted complementary works to various flood recovery projects;
- Resealed various roads throughout the region to the value of \$469k;
- Expended \$652k on resheeting various gravel roads throughout the region;
- Improved draining on sealed roads
- Roona Road Culvert
- Verney Drive Turnaround replaced
- Commenced Mathew Street Detention basin extension
- Commenced Leyburn Stormwater Investigation



Kital Road Bridge Construction completed



Condamine River Road - Longs Crossing completed



Mills Crossing completed



Charleys Gully Road Invert completed



Connells Bridge Road



Second Crossing Construction completed



Merivale St Floodway completed



Cosmo Lane Culvert Replacement completed



Talgai west culvert construction completed



Washpool Road Resheeting



Roona Road Culvert construction



Talgai west culvert construction completed



Gillbard Road Culvert construction completed



Homestead Road Bridge construction completed



Spring Creek Landslip construction completed



Lyndhurst Lane Flood Recovery Stabilisation completed



Homestead Road Bridge construction completed



Lode Creek Floodway Completed



Fairbanks Lane Flood Recovery completed



CBD Crossings completed - Fitzroy / Guy St intersection



CBD Crossings completed - Fitzroy and Palmerin

WATER & WASTEWATER

Connolly Dam Spillway Upgrade

Connolly Dam is a referable dam under Queensland legislation. This means that it must meet all Australian National Committee on Large Dams (ANCOLD) dam safety guidelines. Studies are underway to update the risk assessment and as-low-as-reasonably-practicable (ALARP) assessment. This project includes extensive studies and investigations to clearly define risk assessment to ensure safety of downstream affected properties. These include geological and hydrological assessments and determining the flood capacity of the spillway. These studies will continue into the next financial year and the outcome should be clear by December 2025.



Recycled Water Supply Extension to Morgan Park

This project funded by the Queensland Government's Building our Regions Round 6 is to bolster the Morgan Park precinct's growth opportunities by extending access to recycled water and improving water sustainability. The project included the construction of 1.7km of 150mm recycled water main, installation of a floating cover for the existing reservoir, construction of a pump station, installation of a switchboard, a water filling station for water carting trucks, construction of an access road and hard stand and reconfiguration of the reservoir inlet and outlet. The 1.7km recycled main was constructed from Kenilworth Road to Morgan Park reservoir, connecting this precinct to the recycled water system. This will allow users to make use of a cheaper source of water and reduce the demand on raw and potable water supplies.

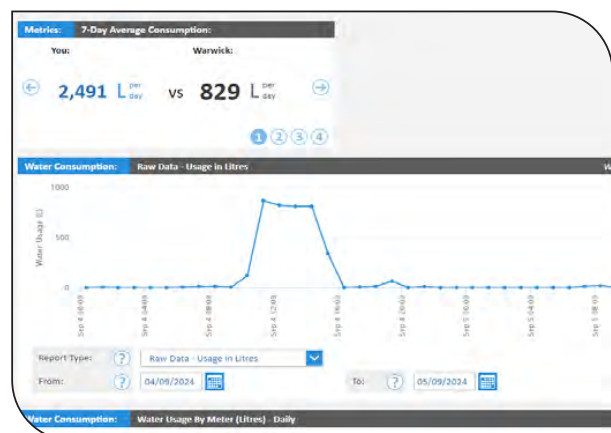
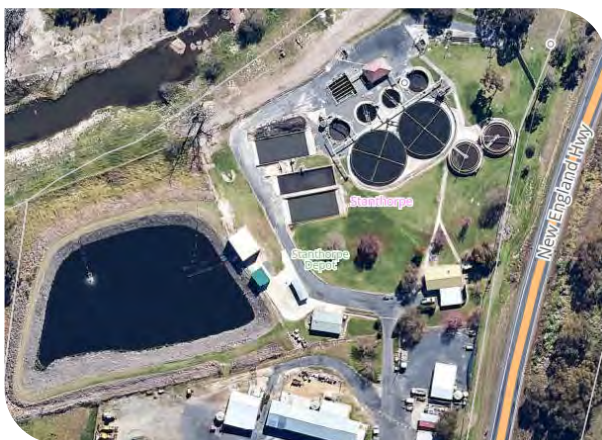


Smart Meter Installation

With Stanthorpe smart meter installation complete, a project was initiated to install smart meters in the rest of the region, starting in Warwick. For any meter older than five years, the meter was replaced with a new smart meter. For those meters less than five years old a receptor was attached to the meter to allow it to provide data, exactly the same as a smart meter. The project also included the installation of several repeater towers to ensure that the signal from all meters can be received. Half of Warwick was completed this year and the rest of Warwick and the other towns will be completed next financial year. An app called Aqualus is used to monitor the data and this provides alerts when a leak is suspected. Council officers working with customers have located numerous leaks, saving customers significant sums of money in some instances as well as conserving our precious supply. Customers are able to sign up to monitor their own usage and potential leaks through Aqualus.

Stanthorpe Wastewater Treatment Plant Upgrade

The Stanthorpe Wastewater Treatment Plant is more than 60 years old. The age of the assets, level of technology present and the fact that much of the plant is within the flood zone, has resulted in some breaches of the Environmental Authority during storm events. This has necessitated an upgrade to the treatment plant. A concept design was prepared in this financial year and the full design will be completed in the 2024-2025 financial year. A new plant is planned, adjacent to the existing plant within an area of the existing depot.



Lyndhurst Lane Bore

A new bore was drilled in Lyndhurst Lane in Warwick to provide an additional backup source during drought events. A pipeline was constructed from the bore up Lyndhurst Lane to the Leslie Dam delivery main in Warner Street. This required a highway crossing as well as one under the railway line. The water quality from this new bore is reasonably good and it can be used to supplement the supply from Leslie Dam, particularly during drought conditions.



PARKS AND OPERATIONS

Parks and Operations Department delivers a diverse range of outputs and outcomes for Council and the Southern Downs community. With a broad range of responsibilities, the Department provides maintenance and management services for the regional extensive estate of parks, provision of cemetery and interment services, management of Council's fleet of vehicles and machinery, maintenance of some Council buildings and facilities, and delivery of a range of capital infrastructure projects.

Throughout the financial year, a focus has been placed on consolidating and finalising a range of grant funded infrastructure projects commenced in previous years. This includes:

- Construction of a new toilet block and picnic shelter, with resurfaced car parking at Brock Park in Stanthorpe
- Construction of a new toilet block in McGregor Park in Stanthorpe

- Construction of a new toilet block and RV dump point at Jim Mitchell Park in Dalveen
- Construction of two toilet blocks and associated infrastructure at Boat Ramp Road, Lake Leslie
- Delivery of the High Street Stage 1a of the Stanthorpe Streetscape Master Plan
- Completion of the foundational stage of the Warwick Dog Off Leash Area (DOLA) in Victoria Park to replace the previous facility which was destroyed by floods in 2022
- Refurbishment of the Warwick Council Chambers, reflect its place as the seat of democracy in the Southern Downs

Operationally, the Parks and Gardens teams continue to work hard to maintain the aesthetic appeal of our urban and regional parks. Amongst many examples of their exemplary work is the outstanding presentation of the Warwick Cenotaph to welcome Her Excellency the Governor of Queensland to commemorate the centenary of the monument in December 2023. More broadly, the teams are shifting focus towards building skill and ability to increase maintenance of garden areas within Council's extensive park estate.

The delivery of interment services and maintenance of our regional estate of cemeteries falls to Council's Cemetery Services team. This team has also seen significant change with the retirement of long-term staff and transition to a largely new team. However, the team has continued to serve the community with dignity during an unprecedented year of service demand and site maintenance. The team has also prepared for the commencement of a comprehensive review and development of a master plan for cemetery services throughout the region. This will provide much needed clarity around a range of service offerings, workforce requirements and clarity around 'whole of life' costs of the range of services Council provides.

To reinforce Council's efforts in maintaining our ageing estate of buildings and structures, the Facilities team is making a progressive shift from a highly reactive tempo, to one which involves a more proactive and predictive approach to keeping facilities functioning at their optimum level. Having led a substantial body of work early in the financial year to improve the safety condition of Council facilities, the small team has progressed their work tasking and prioritisation, in the midst of continuing workforce challenges.

Underpinning the delivery of services in almost every department, Council's fleet capability has again delivered significant outcomes in trying times. With a focus on evolving the management model for fleet, further planning has been undertaken to deliver modern technological solutions to capturing more information to support fleet decision making. With this focus, the fleet capability will be able to support the executive and Councillors with better informed investment decisions into the future. This and other key issues have been identified through Council's fleet and fuel management internal audit as priority initiatives and, subject to funding and resourcing, will be implemented to improve efficiency and productivity.

Delivering cost-effective maintenance of our operational fleet remains a high priority for the Department, ensuring safety and productivity are maintained to the highest levels. This continues to be challenging in the face of demand for quality mechanical trades and the payment of attractive remuneration across other industries.

CUSTOMER & ORGANISATIONAL SERVICES

CORPORATE SERVICES

The Governance team continues to review Council policies, procedures and frameworks and continues with efforts to update delegations and authorisations. The Land Management team is reviewing current community and sporting leases so that those groups are provided with suitable tenure for their valuable activities. Council's Audit and Risk Management Committee continues to provide important advice and recommendations to Council on governance, risk, audit, compliance and financial management matters. Council's Operational Plan was adopted at the Ordinary Council Meeting on 12 July 2023. The Operational Plan contains the actions that will be implemented by Council over the 2023-2024 financial year to achieve the long-term goals identified in Council's 2021-2026 Corporate Plan and be consistent with the annual budget.

Customer Service

The structure of the Customer Service team is constantly in motion. The team has developed their resilience and agility, becoming multi-skilled and able to effectively undertake a wide variety of tasks and roles, ensuring minimal disruption to customers. The team has an exceptional reputation for their level of knowledge and ability to manage complex enquiries with confidence and a high level of customer service, in line with our value of Service Excellence.

The team was nominated and became a finalist in the 'Customer Service Team of the Year' award, as part of the National Local Government Customer Service Conference Awards at held at Port Macquarie NSW in



November 2023. It highlights what a small team can achieve in their everyday strive to deliver excellence.

Warwick Saleyards

The Warwick Saleyards Redevelopment project valued at \$7.5M took shape in 2023/2024 financial year. This redevelopment saw stage 1 of the upgrade completed in May 2024, with 120 new selling pens, a new state-of-the-art processing area, four (4) new ramps, lighting and shade upgrades all being delivered before the end of the financial year 23/24. This project provides a major boost for agents, vendors, vendors and Council through improved animal welfare, improved Work Place Health and Safety, and improved traffic management.

The redevelopment will continue throughout 2024/2025 with stage 2 construction taking place on the western side of the yards, delivering further holding pens, an additional two ramps and shade and water to the area. With the introduction of sheep eID in Jan 2025, further upgrades to the Sheep yards will take place prior to and after this date to

deliver more efficient outcomes for agents, vendors and buyers.

Livestock numbers at the yards remained solid in 23/24, with numbers up on 22/23. Cattle numbers recorded for 23/24 were 46942 up by 25% on the previous year. Similarly sheep numbers increased by almost 9% from 82570 in 22/23 to 89560 in 23/24.

COMMUNITY SERVICES

Grants to Community

The purpose of the Grants to Community is for Council to support local not-for-profit organisations to undertake projects or activities that will benefit the Southern Downs residents and community.

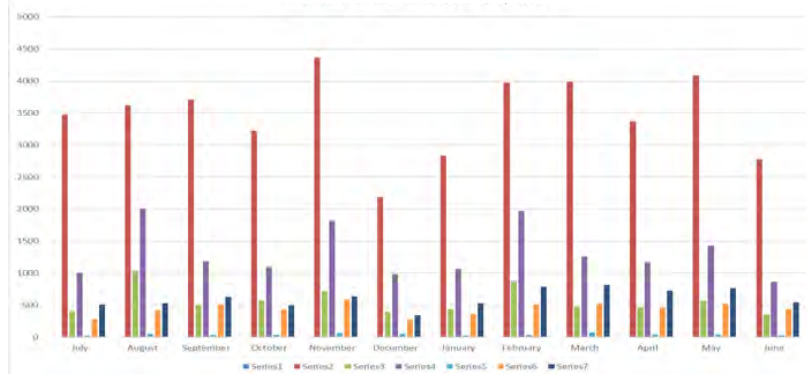
Under the Grants to Community Policy PL-CS075, the Community Grant Program was made available from 01 August 2023 to 30 June 2024 or when the budgeted funding allocation had been depleted in the 2023/2024 financial year.

Eligible applicants could apply for up to \$2,000.

There were twenty-eight (28) successful applicants who were funded \$50,247.

- Phones
- Counter - Stanthorpe
- Counter - Warwick
- Counter - Allora
- Customer Service Emails
- MERIT Requests via APP, Web & Phone
- Live Chat

Customer Service Statics 2023/ 2024



Pools and Campgrounds

Council has continued to invest in the upkeep of the Warwick Indoor Recreation and Aquatic Centre (WIRAC), Stanthorpe Fitness Centre and outdoor pools at Killarney and Allora, securing substantial external grants to ensure these facilities continue to meet the needs of the community.

Council remains committed to offering recreational camping facilities at Washpool Reserve and Connolly Dam, allowing both locals and visitors to enjoy the natural beauty of the Southern Downs. These sites, set alongside scenic water bodies, provide an ideal camping experience for the community.

Aerodromes

Council has been utilising funding from the Regional Airports Program Round Two to address issues identified by the Civil Aviation Safety Authority (CASA) at the Warwick and Stanthorpe aerodromes. CASA completed a safety audit at both aerodromes, and the findings have led to further works being facilitated. These works have secured funding and will increase the profile of both locations over the next financial year.

Council has also continued to train staff as Aerodrome Reporting Officers (ARO) to ensure adequate resources are available on the ground for maintaining both aerodromes in a safe operating condition.

Moreover, the Council has commenced developing a Master Plan for both locations to ensure their long-term sustainability well into the future.

Housing

The Community Housing Program continues to enhance the wellbeing of the residents by fostering a sense of community, social support and security. Council continues to deliver housing to eligible tenants in the region across locations at Allora, Dalveen, Killarney, Leyburn, Stanthorpe and Warwick.

Community Development

The Community Development team has been actively liaising and engaging with the community to foster relationships with culturally and socioeconomically diverse stakeholders through effective engagement. Internal and external collaboration has been essential in achieving positive outcomes for our community. Promoting social inclusion through meaningful community engagement in line with the *2021-2026 Corporate Plan* has contributed to projects, events and initiatives meeting the expectations and requirements for a vibrant future for the Southern Downs.

Youth Council

Year 10 students from across the region represented the local youth on the 2024 Southern Downs Youth Council.

Since its inception in 2018, the Southern Downs Youth Council Program has provided an opportunity for young people to develop a better understanding of the role and function of local government, community and local issues while building confidence and leadership skills.

During their term, Youth Council members had the opportunity to contribute to numerous community events including ANZAC Day, Australia Day, Citizenship Ceremonies, NAIDOC Week, Youth Week, Domestic and Family Violence Peace Walk and Carols in the Park.

Southern Downs schools represented on the 2024 Youth Council were Allora State School, Assumption College Warwick, Killarney State School, School of Total Education, SCOTS PGC College, St Joseph's School, Stanthorpe State High School, Warwick Christian College and Warwick State High School.

Mental Health

The community has shown resilience in the face of ongoing disasters in the region, which have highlighted the importance of mental health. Community Services have addressed this issue by acquiring and providing Mental Health First Aid (MHFA) training to interested community groups

across the region. Based on community feedback, the MHFA program has continued to be delivered through 2023-2024, with feedback indicating a strong desire for the program to continue.

Community and Civic Events

Council continues to deliver and support a portfolio of Council-led civic and community events each year. These activities build community pride, foster positive relationships between the community and Council, connect the community in celebration, and recognise individual and community contributions.

Community Development Officers facilitated Australia Day Awards Civic Ceremonies, Citizenship Ceremonies, Carols in the Park, ANZAC Day, Remembrance Day and Vietnam Veterans Day Commemorative Services, Volunteer Recognition Day, Youth and Mental Health Week events.

Arts and Culture

Council provides close to \$470,000 in total financial support to both the Stanthorpe and Warwick Art Galleries through a memorandum of understanding to manage the Council's art collections.

Council also delivered a circa. \$9m Stanthorpe Regional Art Gallery and Library Project, which has provided the community with improved facilities in which to appreciate the many artistic works available in the Southern Downs.

Southern Downs Libraries

The Southern Downs Libraries continue to play a key role in the community, being a place that people can freely access. The library service has continued to deliver a diverse catalogue of books to the community, whilst also providing outreach services, home delivery and targeted events.

The library service continues to adapt to the changing needs of the community, through the delivery of an enhanced library facility in Stanthorpe, with Council now turning its attention to facilities at both Allora and Warwick.

SNAPSHOT OF SOUTHERN DOWNS LIBRARIES' SERVICE 2023-2024:	
Membership	9,715
Visitors	51,639
Loans (physical & digital)	139,551
Library System	SPYDUS (Civica)
Annual Public Library Funding (State Library of Queensland)	\$177,188
First 5 Forever Funding (State Library of Queensland)	\$27,121
Total collection size (items- physical & digital)	78,721
Physical items added to collection	4,701
Physical items deleted from collection	14,298
Attendance at programs	2,441
Take home activity packs	1,413
Online interactions (page visits, searches etc.)	168,239
Web visitors (to library catalogue)	26,294

Disaster Management

When disaster strikes, a robust community engagement strategy ensures that the response is swift and coordinated. Council, in collaboration with community leaders and key stakeholders mobilise resources, disseminate critical information and provide support to affected communities.

The sense of trust and partnership built through prior engagement efforts is invaluable during these high-stress moments. With this in mind, Council has continued to strengthen its commitment to disaster management through community engagement initiatives.

Activities have included Emergency Service Days and Pop-ups, Evacuation Centre training, Mental Health First Aid, school visits and community participation in local exercises. These activities have underscored the invaluable role of community participation in disaster preparedness, response and recovery.

Sustainability and Strategy

The Sustainability and Strategy Department's role is to:

- lead and coordinate the activities and functions to establish, implement, maintain and improve Council's asset management systems, consistent with Council's Asset Management Policy and a whole of Council approach, lead and coordinate Council's GIS Geographical Information System (GIS) capabilities,
- lead and coordinate Council's Project Management Office (PMO).

In the past year of operation, the Sustainability and Strategy Department has completely transformed the approach to asset management in the Southern Downs Regional Council. Council's Asset Management practice has moved from meeting legislative requirements to a system that integrates into day-to-day activities. Asset Management as a key element in the Integrated Planning and Reporting Framework (IPRF) has been completely redefined to use a Master Planning approach. The Master Plan is publicly facing and defines the prime standards, levels of service and functions for Council assets. The Operational Asset Management Plan (OAMP) is the internal plan that defines the operational activity to deliver the Master Plan. The Strategic Asset Management Plan (SAMP), a legislated document, has been rewritten, and a road map for the delivery of Master Plans has been developed.

Council's Asset Management Policy has been completely rewritten to reflect the two goals of Sustainable Investment and the need to consider Whole of Life Cost or Total Expenditure (TOTEX). The TOTEX is a critical aspect of achieving sustainable investment requiring the organisation to consider the implications of operational expenditure and capital expenditure in all investment decisions.

The Sustainability and Strategy Department also has carriage of the Queensland Reconstruction Authority

(QRA) and Federal Government Funded Flood Studies and Flood Risk Mitigation Studies. The programs were combined into one large program to improve the linkage and connectivity of the studies and mitigation program.

The GIS was migrated to cloud hosting and a combined data set for both internal and external instances reducing the workloads and time delays between updates. The GIS team has provided extensive services to support the immediate operational needs (disaster management, surveys), medium- and long-term operational needs (Planning Scheme, Local Government Infrastructure Planning [LGIP]) and data capture post remediations (UAV Photography). The GIS team also supports safe remediation planning and flying the UAV to capture the size and location of Bunya Nuts in public parks. This ensures that all seeds are identified for removal to prevent them from falling and causing injury or damage.

The Department also has carriage of the PMO that is predominately focused on the adoption across the organization of the Project Management Framework (PMF). The PMF is a policy decision and the roles in the PMO were created as a direct response to the capital delivery risk identified through the SDRC Audit and Risk Committee. To maintain the usability of the PMF, the PMO also delivers high-risk, high-profile projects. This year, the PMO managed the Warwick Saleyards Redevelopment and stepped in to rescue the Stanthorpe Art Gallery and Library Expansion Project when the contractor advised it was going into voluntary administration within weeks of conclusion of the project.

The Department's focus for the coming year is the continued delivery of the fundamental change to the way Asset Management is handled within Council. This will be achieved by promoting the PMF, supporting the organisation with GIS services, and changing the processes and procedures for Asset Management.

5 Financial Reporting

COMMUNITY FINANCIAL REPORT

The Community Financial Report is a summary of Council's Financial Statements prepared in accordance with Section 179 of the *Local Government Regulation 2012*.

The Community Financial Report simplifies the financial statements, which often can be difficult for those without an accounting or financial background to understand. The Community Financial Report aims to provide information on Council's financial performance and position that is more meaningful and useful for the whole community.

1. COUNCIL'S END OF YEAR FINANCIAL STATEMENTS

What you will find in the Financial Statements

The Audited Financial Statements of Council set out the financial performance, financial position, cash flows and the net wealth of Council for the financial year ended 30 June 2024.

About the Management Certificate

The Mayor and the Chief Executive Officer must certify that the Financial Statements present a true and fair view of Council's financial results for the year. After the Mayor and Chief Executive Officer have certified the Financial Statements the

Council must adopt them to ensure Council management and elected representatives take ownership and responsibility for the Financial Statements.

About the Financial Statements

The Financial Statements are divided into four primary financial documents and one accompanying document.

1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year listing regular income, expenses and other comprehensive income which records items such as changes in the fair values of Council's assets and investments.

2. A Statement of Financial Position

The statement of financial position provides a snapshot of Council's financial position which includes assets and liabilities as of 30 June 2024.

3. A Statement of Changes in Equity

This statement provides the overall change in Council's net wealth (in dollars) for the 2023-24 financial year.

4. A Statement of Cash Flows

This statement shows the sources Council received cash from and on what goods, services and facilities Council paid for with cash.

Notes to the Financial Statements

The notes provide greater detail to the information provided in the four primary financial documents.

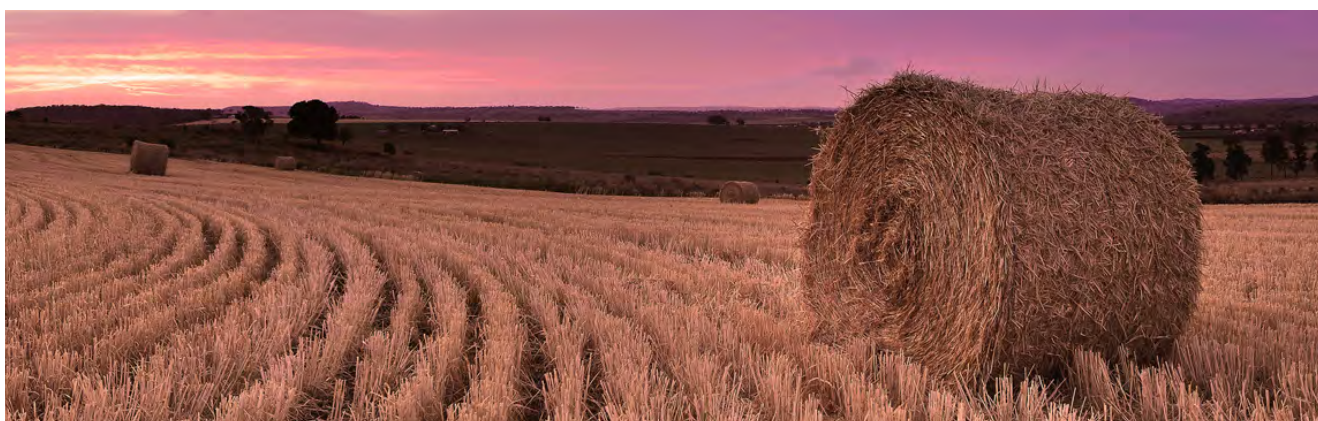
About the Auditor's Reports

The Queensland Audit Office (QAO) is required to audit the Council's Financial Statements. The QAO sometimes use contract firms that specialise in auditing local governments. Council's contracted external auditor was Crowe Australasia.

The Auditor provides an audit report which gives an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

Where to find a complete version of Council's 2023-24 Financial Statements

A complete version of Council's Financial Statements for the 2023-24 Financial Year can be found at our website www.sdrc.qld.gov.au or at Council's administrative offices.



2. OVERVIEW OF THIS YEAR'S FINANCIAL RESULT AND FINANCIAL POSITION

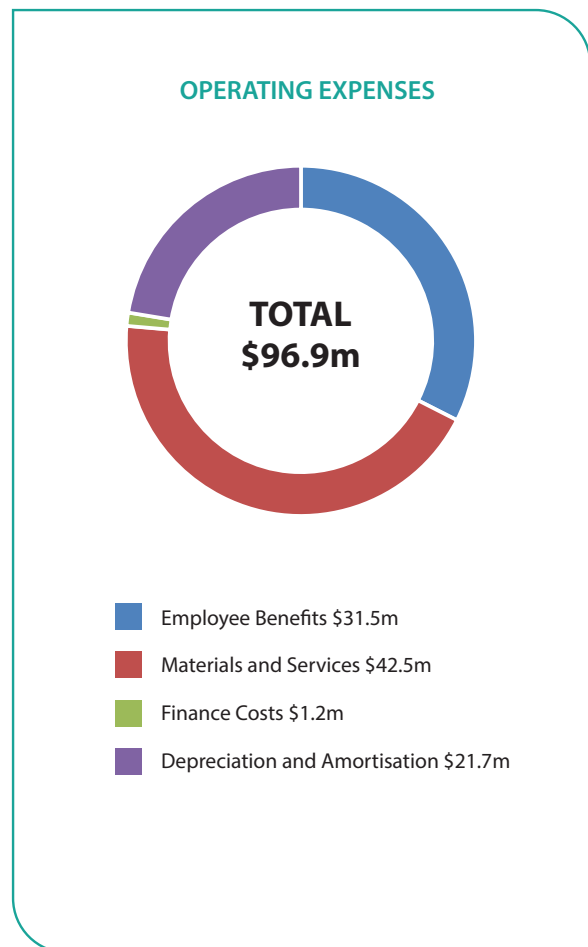
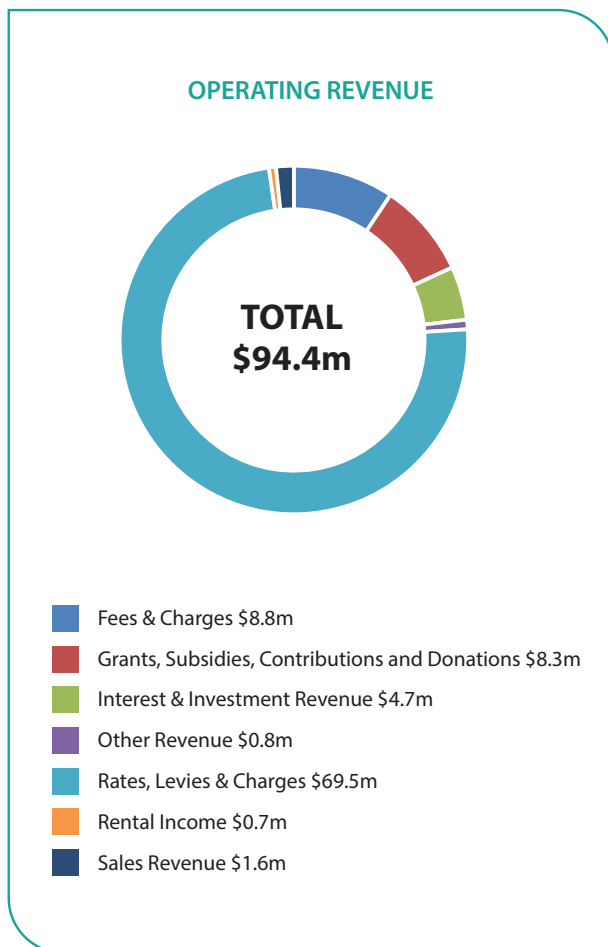
Statement of Comprehensive Income (Profit and Loss) for 2023-24

Council's net result for the 2023-24 financial year was a surplus of \$35.6m which is an increase from the 2022-23 financial year surplus of \$16.3m.

Major movements from 2022-23 to 2023-24 financial year include:

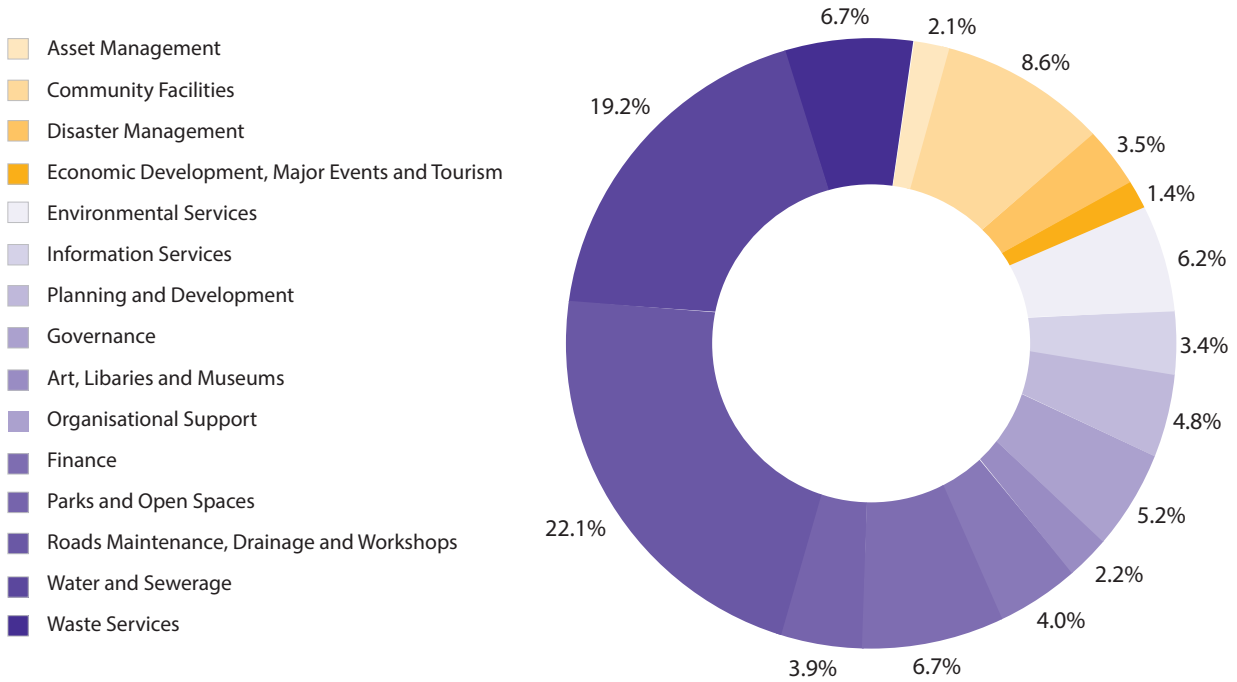
- Fees and Charges revenue increased by \$1.1m to \$8.8m
- Sales revenue reduced by \$1.4m to \$1.6m
- Operating grants, subsidies, contributions and donations have reduced by \$17m to \$8.3m
- Materials and services reduced by \$8.78m to \$42.6
- Capital Expenses have decreased by \$3.3m to \$3.4m
- Finance costs have reduced by \$241k to \$1.19m

COUNCIL'S RESULTS	ACTUAL 2024 \$'000	ACTUAL 2023 \$'000
Revenue (excl. income for capital purposes)	\$94,361	\$104,931
Expenses	\$97,006	\$100,656
Operating Result	(\$2,645)	\$4,688
Capital Income, Grants & Contributions*	\$41,720	\$18,703
Capital Expenses	\$3,433	\$6,707
Net Result	\$35,642	\$16,286
Gain (Loss) on revaluation and impairment of Property, Plant and Equipment	\$87,310	\$31,074
Total Comprehensive Result	\$122,952	\$47,360



WHERE DO MY RATES GO?

Council's largest source of income is generated from rates. The following pie chart depicts where each dollar of rates collected was spent proportionally by Council during the 2023-24 financial year. The majority proportion was spent on roads maintenance, drainage & workshops, water & sewerage and community facilities.

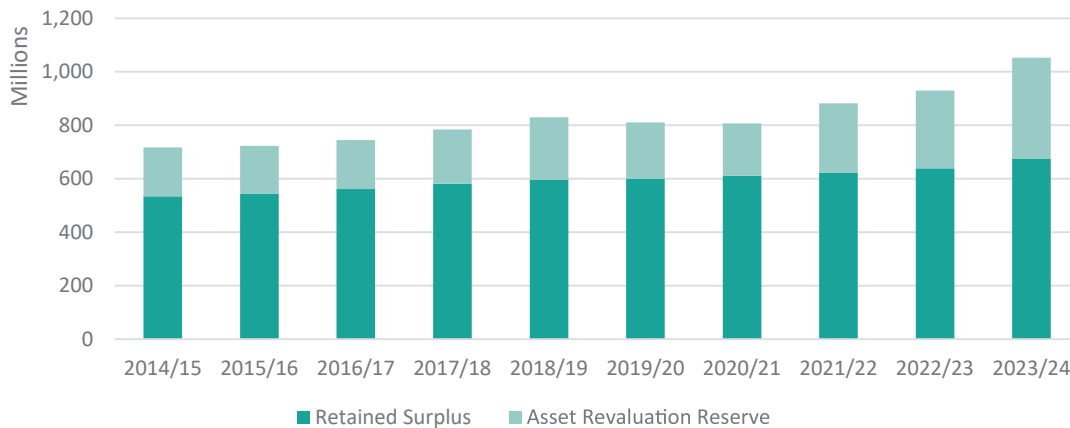


COMMUNITY EQUITY – COUNCIL'S NET WEALTH

The Statement of Changes in Equity provides the overall change in Council's net wealth (in dollars) by showing the movements in retained earnings and reserves.

At the end of the 2023-24 financial year Council's total community equity balance was \$1,052m.

Comparative Equity Balances

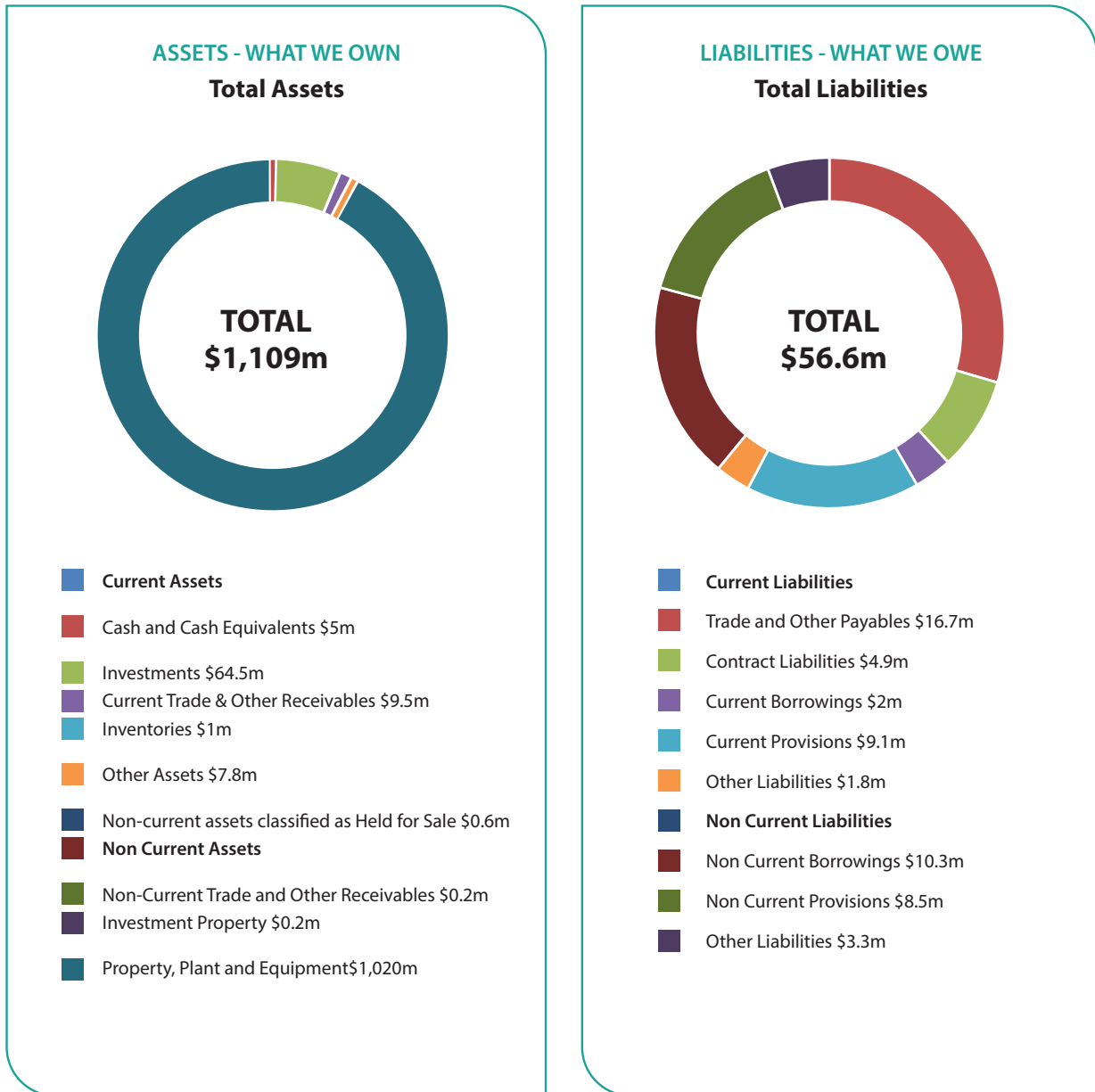


STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

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.

At the end of the 2023-24 financial year Council’s total assets were \$1,109m and Council’s total liabilities were \$56.6m.

From the 2022-23 financial year total assets increased by \$112.7m, and total liabilities reduced by \$10.2m.



STATEMENT OF CASH FLOWS

This statement shows the sources Council received cash from and on what goods, services and facilities Council spent cash on.

Council's excess cash received over cash spent during the 2023-24 financial year was \$10.4m.

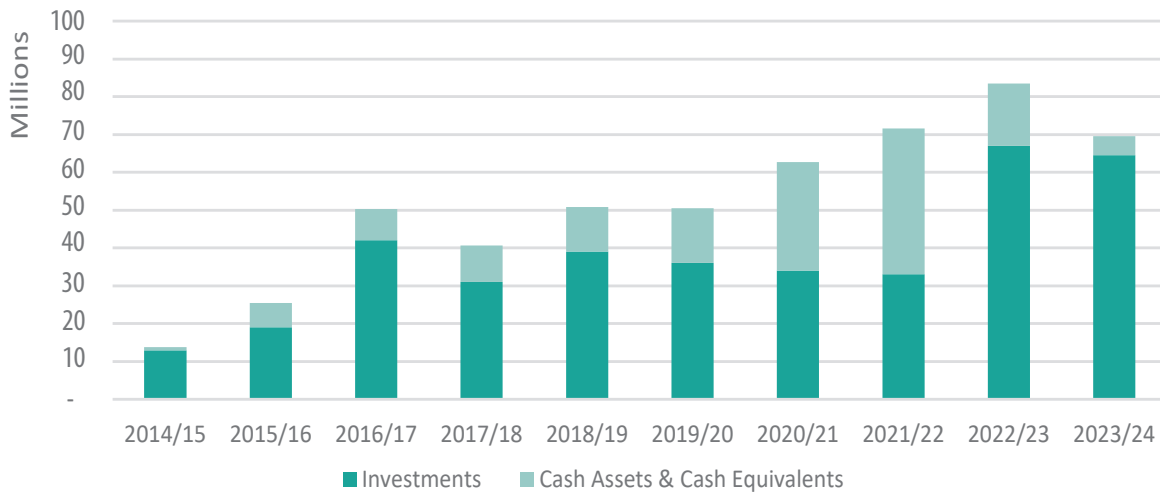
Cash inflows in the 2023-24 financial year from customers, investment and interest revenue and other operating activities was \$19.5m, a decrease of \$9.6 from the 2022-23 year.

Cash payments made during 2023-24 financial year for investing activities were \$28.9, a reduction of \$17.6m from the 2022-23 year.

Repayment of borrowings during 2023-24 financial year were \$1.9m, this is similar to the 2022-23 financial year when \$1.8m was paid.

As at 30 June 2024 Council's total cash and cash equivalents and investments totalled \$69.5m which is a reduction of \$13.9m from the previous year when it was \$83.5m.

Cash and Investments

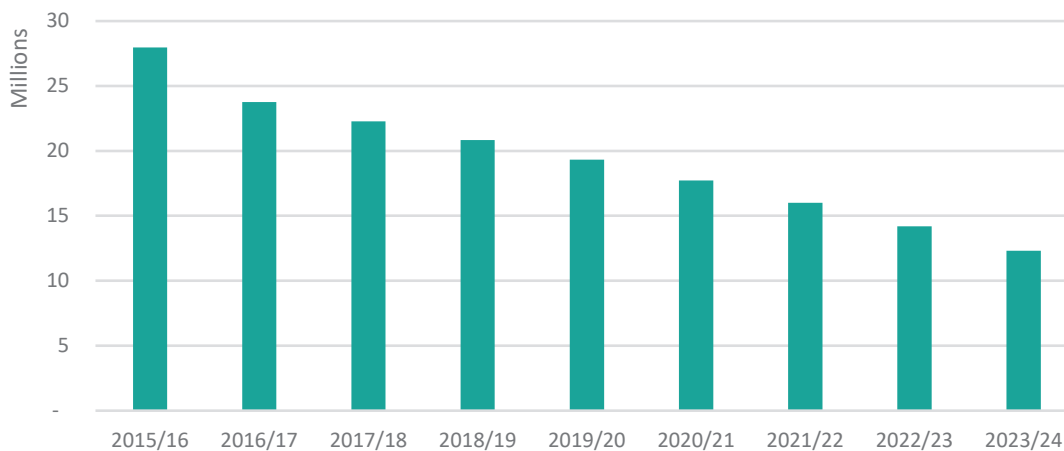


OUR DEBT

Council continues to remain committed to reducing debt levels.

During the 2023-24 financial year Council's debt repayments were \$1.88m, reducing the total debt balance to \$12.3m.

Comparative Levels of Debt



FINANCIAL SUSTAINABILITY RATIOS

Financial sustainability is a strategy and ratios are used as point-in-time measurements to assess the outcomes of the strategy.

Council's performance as at 30 June 2024 against three relevant measure of financial sustainability are included in the financial statements and shown below:

RATIO	EXPLANATION	CALCULATION	TARGET	2024 RESULT	TARGET MET
Unrestricted Cash Expense Coverage Ratio	Indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency.	Total cash and equivalents, plus current investments and working capital limit divided by total operating expenses	> 4 months	9.7 months	✓
Operating surplus ratio	An indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.	Operating result divided by total operating revenue	> 0%	(2.8)%	✗
Operating cash ratio	A measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.	Operating result plus depreciation and amortisation and finance costs divided by total operating revenue	> 0%	21%	✓
Asset Sustainability Ratio	Approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives	Capital expenditure on replacement of assets (renewals) divided by depreciation expense	> 80%	211%	✓
Asset Consumption Ratio	Approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community	Written down replacement cost of depreciable infrastructure assets divided by current replacement cost	> 60%	65%	✓
Leverage Ratio	An indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance.	Book value of debt divided by total operating revenue less total operating expenditure plus depreciation and amortisation	0-3 times	0.6 times	✓

Southern Downs Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Southern Downs Regional Council

General Purpose Financial Statements for the year ended 30 June 2024

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Southern Downs Regional Council

General Purpose Financial Statements

for the year ended 30 June 2024

Introduction

Each year, individual Local Governments across Queensland are required to present a set of audited Financial Statements to their Council and Community.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2024.

The format of the Financial Statements complies with both the accounting and reporting requirements of Australian Accounting Standards.

About the Management Certificate

The Financial Statements must be certified by both the Mayor and the Chief Executive Officer as 'presenting fairly' the Council's financial results for the year, and are required to be adopted by Council – ensuring both responsibility for and ownership of the Financial Statements.

About the Primary Financial Statements

The Financial Statements incorporate four "primary" financial statements:

1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income and expenses. The combined Other Comprehensive Income records items such as changes in the fair values of Council's property, plant and equipment and financial instruments.

2. A Statement of Financial Position

A 30 June snapshot of Council's Financial Position including its assets and liabilities.

3. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the four Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by the Queensland Audit Office.

The Auditor provides an audit report which gives an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting after the date of the Audit Report.

Southern Downs Regional Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	69,531	64,238
Fees and charges	3b	8,828	7,732
Sales revenue	3c	1,552	2,959
Grants, subsidies and contributions	3d	8,315	25,349
Total recurrent revenue		88,226	100,278
Capital revenue			
Grants, subsidies and contributions	3d	41,055	18,703
Total capital revenue		41,055	18,703
Other income			
Rental income		613	498
Interest received	4a	4,685	3,100
Other income	4b	837	1,055
Capital income	5	665	15
Total other income		6,800	4,668
Total income		136,081	123,649
Expenses			
Recurrent expenses			
Employee benefits	6	31,513	29,315
Materials and services	7	42,570	51,345
Finance costs		1,188	1,429
Depreciation and amortisation:			
Depreciation of property, plant and equipment	12	21,555	18,337
- Intangible assets	13	32	116
- Right of use assets		148	114
Total recurrent expenses		97,006	100,656
Other expenses			
Capital Expenses	8	3,433	6,707
Total other expenses		3,433	6,707
Total expenses		100,439	107,363
Net Result		35,642	16,286
Other comprehensive income			
Items which will not be reclassified subsequently to the operating result			
Increase/(decrease) in asset revaluation surplus	12	87,310	31,074
Total other comprehensive income for the year		87,310	31,074
Total comprehensive income for the year		122,952	47,360

The above statement should be read in conjunction with the accompanying notes and material accounting policies.

Southern Downs Regional Council

Financial Statements 2024

Statement of Financial Position as at 30 June 2024

\$ '000	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	9	5,055	16,492
Financial assets	9	64,500	67,000
Receivables	10	9,556	9,086
Inventories		988	834
Contract assets	14	7,544	6,290
Other financial assets		346	760
		<u>87,989</u>	<u>100,462</u>
Non-current assets held for sale	11	590	1,309
Total current assets		<u>88,579</u>	<u>101,771</u>
Non-current assets			
Receivables	10	154	24
Right of use assets		92	164
Investment property		205	406
Property, plant and equipment	12	1,019,848	893,808
Intangible assets	13	150	107
Total non-current assets		<u>1,020,449</u>	<u>894,509</u>
Total Assets		<u>1,109,028</u>	<u>996,280</u>
Liabilities			
Current liabilities			
Payables	15	16,736	15,299
Contract liabilities	14	4,877	13,267
Borrowings	16	1,979	1,912
Lease liabilities		95	116
Provisions	17	9,059	6,086
Other liabilities	18	1,740	1,691
Total current liabilities		<u>34,486</u>	<u>38,371</u>
Non-current liabilities			
Borrowings	16	10,336	12,287
Lease liabilities		2	59
Provisions	17	8,558	11,329
Other liabilities	18	3,227	4,767
Total non-current liabilities		<u>22,123</u>	<u>28,442</u>
Total Liabilities		<u>56,609</u>	<u>66,813</u>
Net community assets		<u>1,052,419</u>	<u>929,467</u>
Community equity			
Asset revaluation surplus	12	378,301	290,991
Retained surplus		674,118	638,476
Total community equity		<u>1,052,419</u>	<u>929,467</u>

The above statement should be read in conjunction with the accompanying notes and material accounting policies.

Southern Downs Regional Council

Statement of Changes in Equity for the year ended 30 June 2024

\$ '000	Notes	Asset revaluation surplus	Retained surplus	Total equity
Balance as at 1 July 2023		290,991	638,476	929,467
Balance as at 1 July		290,991	638,476	929,467
Net result		–	35,642	35,642
Other comprehensive income for the year				
- Increase in asset revaluation surplus	12	87,310	–	87,310
Other comprehensive income		87,310	–	87,310
Total comprehensive income for the year		87,310	35,642	122,952
Balance as at 30 June 2024		378,301	674,118	1,052,419
Balance as at 1 July 2022		259,917	622,190	882,107
Balance as at 1 July		259,917	622,190	882,107
Net result		–	16,286	16,286
Other comprehensive income for the year				
- Increase in asset revaluation surplus	12	31,074	–	31,074
Other comprehensive income		31,074	–	31,074
Total comprehensive income for the year		31,074	16,286	47,360
Balance as at 30 June 2023		290,991	638,476	929,467

The above statement should be read in conjunction with the accompanying notes and material accounting policies.

Southern Downs Regional Council

Financial Statements 2024

Statement of Cash Flows for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Cash flows from operating activities			
Payments to suppliers and employees		(69,846)	(82,856)
Receipts from customers		80,232	73,738
		<u>10,386</u>	<u>(9,118)</u>
Receipts			
Rental income		613	498
Interest received		4,685	3,100
Non capital grants and contributions		10,712	22,771
Other		7,070	10,867
Payments			
Borrowing costs		(1,178)	(1,439)
Other		(12,758)	(346)
Net cash inflow/(outflow) from operating activities	22	<u>19,530</u>	<u>26,333</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of financial assets		2,500	-
Proceeds from sale of property, plant and equipment		1,130	842
Grants, subsidies, contributions and donations		31,411	21,532
Payments			
Payments for financial assets		-	(34,000)
Payments for intangible assets		(75)	-
Payments for property, plant and equipment		(63,895)	(34,874)
Net cash inflow/(outflow) from investing activities		<u>(28,929)</u>	<u>(46,500)</u>
Cash flows from financing activities			
Payments			
Repayment of borrowings		(1,884)	(1,814)
Repayments made on leases (principal only)		(154)	(106)
Net cash flow inflow/(outflow) from financing activities		<u>(2,038)</u>	<u>(1,920)</u>
Net increase/(decrease) in cash and cash equivalents held		<u>(11,437)</u>	<u>(22,087)</u>
plus: cash and cash equivalents - beginning		16,492	38,579
Cash and cash equivalents at the end of the financial year	9	<u>5,055</u>	<u>16,492</u>
plus: Investments on hand – end of year	9	64,500	67,000
Total cash, cash equivalents and financial assets		<u>69,555</u>	<u>83,492</u>

The above statement should be read in conjunction with the accompanying notes and material accounting policies.

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Information about these financial statements

(a) Basis of preparation

The Southern Downs Regional Council is constituted under the *Queensland Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2023 to 30 June 2024. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit (NFP) entity for financial reporting purposes and these financial statements complies with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

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

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

Southern Downs Regional Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2023, none of the standards had an impact on the reported position, performance and cash flows.

The adoption of the revisions to AASB 101 Presentation of Financial Statements resulted in disclosure of material accounting policy information only rather than significant accounting policies. This means that accounting policy information is disclosed only if it relates to material transactions, other events or conditions and:

- a) Council has changed accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements.
- b) Council chose (or was mandated to use) the accounting policy from one or more options permitted by Australian Accounting Standards.
- c) The accounting policy was developed in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors in the absence of an Australian Accounting Standard that specifically applies.
- d) The accounting policy relate to an area for which a Council is required to make significant judgements or assumptions in applying an accounting policy, and the Council discloses those judgements or assumptions in the financial statements.
- e) The accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2024, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

Effective for NFP annual reporting periods beginning on or after 1 January 2024

- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

Effective for NFP annual reporting periods beginning on or after 1 January 2026 for public sector

- AASB 17 Insurance Contracts (amended by AASB 2020-5, AASB 2022-1, AASB 2022-8 and AASB 2022-9 Insurance Contracts in the Public Sector)

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Information about these financial statements (continued)

(d) Estimates and Judgements

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

- Revenue Recognition - Note 3
- Valuation and depreciation of Property, Plant & Equipment - Note 12
- Provisions - Note 17
- Contingent Liabilities - Note 20
- Financial instruments and financial risk management - Note 25

(e) Rounding and Comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless otherwise stated.

Comparative information is presented on the same basis as the prior year.

(f) Volunteer Services

Council uses volunteer services at the Warwick Library and the Visitor Information Centres in Warwick and Stanthorpe.

Council is not be able to reliably measure the fair value of these volunteer services and Council would not purchase them if not donated, so the value of them has not been included in these statements.

(g) Taxation

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

Southern Downs Regional Council

Notes to the Financial Statements for the year ended 30 June 2024

Note 2. Analysis of results by function

(a) Components of Council functions

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

Business services and finance

Council's business services and finance functions provides professional financial and other information and administrative services across all of Council. This function includes internal audit, budget support, financial accounting, marketing and communication and information technology services. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

Community services

The goal of community services is to ensure Southern Downs Regional Council is a healthy, vibrant, contemporary and connected community. Community Services provides well managed and maintained community facilities, and ensures the effective delivery of cultural, health, welfare, environmental and recreational services.

This function includes:

- libraries,
- entertainment venues
- environmental licences and approvals

Planning and development

This function facilitates the growth and prosperity within the Council area through well planned and quality development. The objective of planning and development is to ensure the Southern Downs Regional Council is well designed, efficient and facilitates growth yet also preserves the character and natural environment of the area. This function includes activities and services related to city, neighbourhood and regional planning, and management of development approval processes.

Transport infrastructure

The objective of the transport infrastructure program is to ensure the community is serviced by a high quality and effective road network. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network.

Waste management

The goal of this function is to protect and support our community and natural environment by sustainably managing refuse. The function provides refuse collection and disposal services, mosquito and other pest management programs.

Water infrastructure

The goal of this program is to support a healthy, safe community through sustainable water services. This function includes all activities relating to water including flood and waterways management.

Sewerage infrastructure

This function protects and supports the health of our community by sustainably managing sewerage infrastructure.

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Analysis of results by function (continued)

(b) Income, expenses and assets attributed to Council functions

Functions \$'000	Gross program income		Capital grants	Total income	Gross program expenses		Capital	Total expenses	Net result from recurring operations	Net result	Total assets
	Recurring grants	Recurring other			Recurring	Capital					
2024											
Business services and finance	1,322	41,125	60	42,507	(17,923)	(3,433)	(21,356)	24,524	21,151	240,812	
Community services	4,589	3,627	6,733	14,949	(19,448)	-	(19,448)	(11,232)	(4,499)	9,811	
Planning and development	77	1,485	-	1,562	(4,024)	-	(4,024)	(2,462)	(2,462)	462	
Transport infrastructure	828	1,410	24,171	26,409	(23,149)	-	(23,149)	(20,911)	3,260	539,817	
Waste management	1,489	11,312	683	13,484	(13,649)	-	(13,649)	(848)	(165)	4,893	
Water infrastructure	10	16,399	7,341	23,750	(12,160)	-	(12,160)	4,249	11,590	180,872	
Sewerage infrastructure	-	10,688	2,732	13,420	(6,653)	-	(6,653)	4,035	6,767	132,361	
Total	8,315	86,046	41,720	136,081	(97,006)	(3,433)	(100,439)	(2,645)	35,642	1,109,028	
2023											
Business services and finance	6,468	37,672	24	44,164	(18,551)	(6,176)	(24,727)	25,589	19,437	234,887	
Community services	13,937	3,414	1,561	18,912	(27,506)	-	(27,506)	(10,155)	(8,594)	9,589	
Planning and development	44	1,527	-	1,571	(3,491)	-	(3,491)	(1,920)	(1,920)	795	
Transport infrastructure	3,470	2,865	11,980	18,315	(20,028)	(531)	(20,559)	(13,693)	(2,244)	520,149	
Waste management	1,430	9,645	15	11,090	(13,383)	-	(13,383)	(2,308)	(2,293)	6,216	
Water infrastructure	-	14,262	3,718	17,980	(11,780)	-	(11,780)	2,482	6,200	129,334	
Sewerage infrastructure	-	10,197	1,420	11,617	(5,917)	-	(5,917)	4,280	5,700	95,310	
Total	25,349	79,582	18,718	123,649	(100,656)	(6,707)	(107,363)	4,275	16,286	996,280	

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Revenue

\$ '000	2024	2023
(a) Rates, levies and charges		
Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	38,014	36,057
Water	9,214	8,328
Water consumption	6,523	5,548
Sewerage	10,268	9,855
Garbage charges	7,867	6,713
Total rates and utility charge revenue	71,886	66,501
Less: discounts	(2,355)	(2,263)
Total rates, levies and charges	69,531	64,238

(b) Fees and charges

Revenue arising from fees and charges is recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

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

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

\$ '000	2024	2023
Development and application fees	1,835	1,919
Infringements	67	24
Licences and registrations	589	412
Library fees	12	12
Fitness centre fees	44	174
Waste disposal fees	3,289	2,477
Cemetery fees	810	1,040
Saleyard fees	1,113	824
Other fees and charges	1,069	850
Total fees and charges	8,828	7,732

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Revenue (continued)

(c) Sales revenue

Sale of goods revenue is recognised at the point in time when the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

The contract work carried out is not subject to retentions.

\$ '000	2024	2023
Rendering of services		
Contract and recoverable works	1,379	2,831
Child care centre	173	128
Total sales revenue	1,552	2,959

(d) Grants, subsidies, contributions and donations

In June 2023 Council received an amount of \$7.2 million equating to 96% of the 2023-24 Commonwealth Financial Assistance Grant allocation. As these grants are considered untied grants, they were recognised upon receipt in the 2022-23 financial year. In the 2023-24 financial year Council did not receive any such advanced grant funding and as such there is a decrease in Council's revenue.

Grant income under AASB 15

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

Performance obligations vary in each agreement but include completion of work and delivery of events and campaigns. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

Where control is transferred over time, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Where Council receive funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Donations and contributions

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

continued on next page

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Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Revenue (continued)

Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

Physical assets contributed to Council by developers in the form of roadworks, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

\$ '000	2024	2023
(i) Operating		
Recurrent grants are of a non-capital nature and relate to money received for operational purposes		
General purpose grants	820	9,069
State government subsidies and grants	7,010	15,635
Commonwealth government subsidies and grants	485	645
Total recurrent grants, subsidies, contributions and donations	8,315	25,349

(ii) Capital

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

State government subsidies and grants	28,109	11,968
Commonwealth government subsidies and grants	11,603	4,382
Contributions	1,343	2,353
Total capital grants, subsidies, contributions and donations	41,055	18,703

(iii) Timing of revenue recognition for grants, subsidies, contributions and donations

\$ '000	2024		2023	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	8,040	39,987	25,333	16,366
Contributions	1,343	–	2,353	–
	9,383	39,987	27,686	16,366

Southern Downs Regional Council

Notes to the Financial Statements for the year ended 30 June 2024

Note 4. Interest and other income

\$ '000	2024	2023
(a) Interest received		
Interest received from bank and term deposits	4,402	2,921
Interest received from other sources	14	3
Interest from overdue rates and utility charges	269	176
Total interest received	4,685	3,100
(b) Other income		
Other income includes reimbursements received, insurance claim revenue, aerodrome fuel and sale of scrap metal.		
Other income	837	1,055
Total other income	837	1,055

Note 5. Capital income

\$ '000	Notes	2024	2023
Provision for restoration of land			
Reduction in restoration provision	17	665	15
Total capital income		665	15

Southern Downs Regional Council

Notes to the Financial Statements for the year ended 30 June 2024

Note 6. Employee benefits

\$ '000	Notes	2024	2023
Wages and salaries		23,535	21,674
Councillors remuneration		850	818
Annual, sick and long service leave entitlements		5,889	5,397
Superannuation	21	3,239	3,006
		<u>33,513</u>	<u>30,895</u>
Other employee related expenses		1,719	1,628
		<u>35,232</u>	<u>32,523</u>
Less: capitalised employee expenses		(3,719)	(3,208)
Total Employee benefits		<u>31,513</u>	<u>29,315</u>

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

	2024 Number	2023 Number
Additional information:		
Total Council employees at the reporting date:		
Elected members	9	9
Administration staff	177	155
Depot and outdoors staff	177	177
Total full time equivalent employees	<u>363</u>	<u>341</u>

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. Materials and services

\$ '000	2024	2023
Advertising and marketing	219	190
Administration supplies and consumables	596	532
Audit of annual financial statements by the Auditor-General of Queensland	126	130
Communications and IT	681	675
Water Purchases	1,847	1,713
Contractors	19,000	23,693
Donations paid	995	880
Fuel	1,741	2,049
Hire expenses	416	907
Insurance	1,070	840
Library books	160	179
Materials	3,121	4,402
Equipment and tools	1,417	1,275
Power	1,352	1,380
Professional services	2,096	1,771
Repairs and maintenance	559	596
Rural fire brigade levy payment	140	416
Subscriptions and registrations	2,599	2,702
Contributions Paid	203	107
Waste Levy	3,107	2,910
Roads Materials	1,083	3,966
Other materials and services	42	32
Total materials and services	42,570	51,345

Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$126,380 (2023: \$159,500).

Note 8. Capital expenses

\$ '000	Notes	2024	2023
(a) Loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment		1,130	842
Less: carrying value of disposed property, plant and equipment	12	(4,519)	(7,018)
Loss on disposal of non-current assets		3,389	6,176
(b) Other capital expenses			
Loss on write-off of assets		11	-
Donated assets		33	531
Total other capital expenses		44	531
Total capital expenses		3,433	6,707

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Cash, cash equivalents and financial assets

\$ '000	2024	2023
Cash and cash equivalents		
Cash at bank and on hand	3,037	14,639
Deposits at call	2,018	1,853
Balance per Statement of Cashflows	5,055	16,492
Financial assets - current		
Term deposits	64,500	67,000
Total financial assets	64,500	67,000

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:

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

Waste levy refund received in advance	4,767	6,258
Unspent government grants and subsidies	4,877	5,810
Total externally imposed restrictions on cash assets	9,644	12,068

(ii) Internal allocations of cash at the reporting date:

Internal allocations of cash may be lifted by a Council with a resolution.

Future capital works	20,476	11,088
Total internally allocated cash	20,476	11,088
Total unspent restricted cash	30,120	23,156

Council is 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 investing in 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-", the likelihood of the counterparty not having capacity to meet its financial commitments is low.

Cash and deposits at call are held in the Commonwealth Bank in term deposits and business cheque accounts. The bank currently has a short term credit rating of A1+ and long term rating of AA-.

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Cash, cash equivalents and financial assets (continued)

\$ '000	2024	2023
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Trust Funds

In accordance with the *Local Government Act 2009 and Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). The Council only performs a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets. Trust funds are subject to annual audit by the Auditor-General of Queensland.

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities

Security deposits	–	40
	2,060	1,889
	2,060	1,929

Note 10. Receivables

Receivables, loans and advances are amounts owed to council at year end and are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

The impairment loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

\$ '000	2024	2023
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Current

Rates and charges	3,301	2,934
Other debtors	5,115	5,160
GST recoverable	1,214	1,093
Loans and advances to community organisations	18	7
Total	9,648	9,194

less: Loss Allowance

Other	(92)	(108)
Total provision for impairment - receivables	(92)	(108)

Total current receivables

9,556	9,086
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Non-current

Loans and advances to community organisations	154	24
Total non-current receivables	154	24

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Southern Downs Regional Council

Notes to the Financial Statements for the year ended 30 June 2024

Note 10. Receivables (continued)

Council applies normal business credit protection procedures prior to providing goods or services to minimise credit risk.

There is a geographical concentration of risk in Council's jurisdiction, and since the area is largely agricultural, there is also a concentration in that sector.

The council does not require collateral in respect of trade and other receivables.

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

Council has identified 5 distinctive groupings of its receivables: rates and charges, statutory charges, grants, lease receivables, other debtors and relevant judgements in relation to expected credit loss has been made for each group.

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

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

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

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

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

Loans

Loans relate to advances made to various sporting bodies. These loans arise from time to time and are subject to negotiated interest rates which are below market rates. The credit risk on these loans is considered low. The loans in place are at call.

Southern Downs Regional Council

Notes to the Financial Statements for the year ended 30 June 2024

Note 11. Non-current assets Held for Sale

Assets are classified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable within 12 months. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated.

Council has decided to sell land parcels that are no longer required to be held by Council. The fair value of the land was determined using the sales comparison approach. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre. The land is categorised as a level 2 valuation. Disposal costs were estimated based on commission rates charges by the real estate agents that have been engaged and legal costs quoted by council's solicitors.

\$ '000	2024	2023
Land	590	1,309

Southern Downs Regional Council

Notes to the Financial Statements for the year ended 30 June 2024

Note 12. Property, plant and equipment

\$ '000	Capital work in progress		Land and improvements		Buildings		Plant and equipment		Road, drainage and bridge network		Water		Sewerage		Other infrastructure assets		Artworks		Total
	Cost	Fair Value	Fair Value	Cost	Fair Value	Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Cost	Fair Value		
2024																			
Measurement basis																			
Opening gross balance	28,123	58,398	122,827	36,505	712,734	207,801	230,118	163,154	33,272	2,228	1,387,359								
Additions - new	10,144	-	-	2,656	30	-	-	-	-	-	12,830								
Additions - renewals	52,915	-	-	-	-	-	-	-	-	-	52,915								
Contributed assets	-	-	-	-	396	-	-	-	-	-	396								
Disposals	-	-	(39)	(2,938)	(3,096)	-	-	-	(3,411)	-	(9,484)								
Revaluation increments to equity (ARS)	-	4,118	6,961	-	-	-	51,283	42,984	-	-	105,346								
Transfers from Work in Progress	(79,024)	-	11,222	508	37,591	-	10,323	10,055	9,323	-	(2)								
Transfers from/(to) held for sale category	-	163	-	-	-	-	-	-	-	-	163								
Refuse restoration increase to asset	-	(305)	-	-	-	-	-	-	-	-	(305)								
Adjustments and other transfers	(1,353)	(89)	(20)	-	(66)	-	-	-	177	-	(1,353)								
Closing Gross value as at 30 June	10,805	62,285	140,951	36,731	747,587	291,724	216,193	2,228	39,361	2,228	1,547,865								
Opening accumulated depreciation and impairment	-	11,690	66,355	20,011	207,801	104,769	72,128	10,797	493,551	-	-								
Depreciation expense	-	124	2,215	2,309	10,262	3,298	2,574	773	21,555	-	-								
Depreciation on disposals	-	-	(13)	(2,074)	(1,274)	-	-	(4,779)	-	-	-								
Revaluation increments to equity (ARS)	-	-	2,848	-	-	5,414	9,774	-	-	-	18,036								
Adjustments and other transfers	-	(38)	(217)	(8)	(121)	-	-	38	(346)	-	-								
Accumulated depreciation as at 30 June	-	11,776	71,188	20,238	216,668	113,481	84,476	10,190	528,017	-	-								
Total net book value of property, plant and equipment	10,805	50,509	69,763	16,493	530,919	178,243	131,717	29,171	1,019,848	2,228	1,019,848								

Other information

Range of estimated useful life (years)

Land not depreciated improvements	7-40	10-200	18-200	10-150	20-40	Not depreciated
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Southern Downs Regional Council

Notes to the Financial Statements
for the year ended 30 June 2024

Note 12. Property, plant and equipment (continued)

\$ '000	Capital work in progress		Land and improvements		Buildings		Plant and equipment		Road, drainage and bridge network		Water		Sewerage		Other infrastructure assets		Artworks	Total		
	Cost	Fair Value	Fair Value	Cost	Fair Value	Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Cost	Fair Value	Cost	Fair Value					
2023																				
Measurement basis																				
Opening gross balance	34,388	51,571	121,708	34,085	624,763	227,027	160,606	31,162	1,287,558											
Additions - new	6,544	-	-	4,568	-	-	-	-	11,112											
Additions - renewals	22,928	-	-	-	1,675	-	-	-	24,603											
Disposals	-	-	(111)	(2,148)	(589)	(2,892)	(4,485)	-	(10,225)											
Revaluation increments to equity (ARS)	-	7,778	-	-	67,633	5,983	7,033	1,426	75,411											
Transfers from Work in Progress	(35,104)	-	1,230	-	19,432	-	-	-	-											
Transfers from/(to) held for sale category	-	(316)	-	-	-	-	-	-	(316)											
Refuse restoration increase to asset	-	(168)	-	-	-	-	-	-	(168)											
Adjustments and other transfers	(633)	(487)	-	-	(180)	-	-	-	(616)											
Closing Gross value as at 30 June	28,123	58,398	122,827	36,505	712,734	230,118	163,154	33,272	1,387,359											
Opening accumulated depreciation and impairment	-	11,540	64,221	19,322	156,391	103,155	70,402	9,978	435,009											
Depreciation expense	-	274	2,189	2,183	7,267	3,188	2,509	727	18,337											
Depreciation on disposals	-	-	(55)	(1,494)	(139)	(1,574)	(783)	3	(4,042)											
Revaluation increments to equity (ARS)	-	-	-	-	44,337	-	-	-	44,337											
Adjustments and other transfers	-	(124)	-	-	(65)	-	-	89	(90)											
Accumulated depreciation as at 30 June	-	11,690	66,355	20,011	207,801	104,769	72,128	10,797	493,551											
Total net book value of property, plant and equipment	28,123	46,708	56,472	16,494	504,933	125,349	91,026	22,475	893,808											

Other information

Range of estimated useful life (years)

Land not depreciated, improvements 7-40

10-200

18-200

10-150

20-40 Not depreciated

(*) \$2,709 million worth of assets were first recognised through the valuation process as at 30 June 2024 which have not been recognised as a prior year error. This refers to \$886 thousand in Water and \$1.82 million in Wastewater.

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Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 12. Property, plant and equipment (continued)

(a) Recognition

The asset capitalisation thresholds for Council are:

	\$
Land and improvements	No threshold
Buildings	\$10,000
Fleet, plant and equipment	\$5,000
Infrastructure	\$10,000
Artworks	\$1.00

Land under roads and reserve land under the Land Act 1994 or Land Title Act 1994 is controlled by Queensland State Government and not recognised in the Council financial statements.

(b) Measurement

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

(c) Depreciation

Land, work in progress, certain cultural and heritage assets with heritage listing, road formations and formation works associated with construction of dams, levee banks and reservoirs are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis. Management believes that straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Key judgements and estimates

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of infrastructure assets.

(d) Impairment

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

(e) Valuation

Valuation Processes

Key judgements and estimates

Some of the Council's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or liability, the Council uses market-observable data to the extent it is available and other inputs as necessary.

(i) Valuation

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer at least once every five years.

In the intervening years Council undertakes:

- a management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.

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Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 12. Property, plant and equipment (continued)

- a "desktop" valuation for land and improvements, buildings and plant asset classes which involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

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

Fair values are classified into three levels as follows:

Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability.

Level 3: Fair value based on unobservable inputs for the asset and liability.

There were no transfers between levels during the year.

Southern Downs Regional Council

Notes to the Financial Statements for the year ended 30 June 2024

Note 12. Property, plant and equipment (continued)

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

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Other interim revaluation adjustment
Investment Property (level 2)	Market value	30/06/24	JLL Value and Risk Advisory	Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach are price per square metre	Nil
Land (level 2 and level 3)	Market value	30/06/24	JLL Value and Risk Advisory	Current zoning rules Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square metre	Nil
Buildings (level 3)	Current Replacement Cost	30/06/24	JLL Value and Risk Advisory	Unit rates based on square metres using market evidence Other inputs are estimates of useful life, pattern of consumption and asset condition	Nil
Roads, Drainage and Bridge Networks (level 3)	Current Replacement Cost	30/06/23	Australis Asset Advisory Group, Registered Valuers	Existing supply contract rates for raw materials appropriate for the asset based on age, size, location and condition. Remaining life of assets including existing conditions	Nil
Water and Sewerage Assets (level 3)	Current Replacement Cost	30/06/24	JLL Value and Risk Advisory	Development, soil and depth factors taking into account current condition. Remaining life of asset including existing conditions.	Nil
Artworks (level 2)	Market Value	30/06/21	Miller Fine Art	Calculations of a short-life part and long-life part of the asset are summed together to reach Fair Value. The valuation of artwork is dependent on many nuances; the profile of the artist, the medium, the size of the work, the date/period of the work.	Nil

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 13. Intangible assets

\$ '000	2024	2023
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In December 2022 Council's existing on premises system software was transitioned to a cloud based Software as a Service (Saas) model. Following this process all intangible assets that related to the on-premises software were written off according to AASB 138 Intangible Assets - Software as a Service.

The software is amortised on a straight line basis over an estimated life of 4 years.

Intangible assets are as follows:

Software

Opening gross carrying value	3,011	4,612
Additions	75	36
Disposals	–	(1,637)
Closing carrying value	3,086	3,011
Opening accumulated amortisation and impairment	(2,904)	(3,902)
Amortisation charges	(32)	(116)
Accumulated amortisation charges written off	–	1,114
Closing accumulated amortisation and impairment	(2,936)	(2,904)
Net carrying value at end of financial year	150	107

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 14. Contract balances

\$ '000	2024	2023
(a) Contract assets		
Current		
Contract assets	7,544	6,290
Total current contract assets	7,544	6,290
Current contract assets	7,544	6,290
Total contract assets	7,544	6,290
(b) Contract liabilities		
Grants		
Funds received upfront to construct Council controlled assets	4,877	13,267
Total grants	4,877	13,267
Total current contract liabilities	4,877	13,267
Classified as:		
Current contract liabilities	4,877	13,267
Total contract liabilities	4,877	13,267
Funding received in advance relates to the following:		
<ul style="list-style-type: none"> • Black Summer Bushfire Recovery Grants Program • Roads to Recovery, Smart Reticulation and Network Monitoring Program • Building Our Region, Works for Queensland. Local Roads and Community Infrastructure Program • Blackspot, Bridge Renewal Program, Cycle Network Local Government Grants 		
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Deposits received in advance of services provided	30	3,012
Total revenue included in the contract liability	30	3,012

Note 15. Payables

\$ '000	2024	2023
Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.		
Current		
Creditors and accruals	5,161	5,328
Accrued expenses	7,235	5,926
Accrued wages and salaries	555	245
Prepaid rates	3,662	3,680
Employee entitlements	123	120
Total current payables	16,736	15,299

Southern Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 16. Borrowings

Interest is expensed as it is accrued, no interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2026 to 15 March 2034.

\$ '000	2024	2023
Current		
Loans - Queensland Treasury Corporation	1,979	1,912
Total current borrowings	1,979	1,912
Non-current		
Loans - Queensland Treasury Corporation	10,336	12,287
Total non-current borrowings	10,336	12,287

Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	14,199	16,013
Principal repayments	(1,884)	(1,814)
Book value at end of financial year	12,315	14,199

The QTC loan market value at the reporting date was \$12,496,759. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2024 or 2023 financial years.

Note 17. Provisions

Long service leave

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

Refuse dump restoration

A provision is made for the cost of restoring refuse dumps and quarries where it is probable the council will have an obligation to rehabilitate the site when the use of the facilities is complete.

The calculation of the provisions use assumption including 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. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

Refuse restoration provision represents the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites.

As refuse dumps are on state reserves which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.