

Agenda



ORDINARY MEETING OF COUNCIL

AGENDA

25 SEPTEMBER 2019

TABLE OF CONTENTS

Item	Subject	Page No.
1.	Meeting Opened	2
2.	Leave of Absence.....	3
2.1	Leave of Absence	3
3.	Condolences/Get Well Wishes.....	4
3.1	Condolences/Get Well Wishes	4
4.	Declaration of any Material personal interests/conflicts of interest by councillors and senior council officers.....	5
5.	Mayoral Minute	5
6.	Confirmation of Minutes	6
6.1	Confirmation of Ordinary Meeting Minutes 11 September 2019	6
7.	Business Arising from Minutes	7
8.	Committee Reports	7
9.	Deputations/Presentations	7
10.	Executive Office Reports.....	8
10.1	2019 Christmas Closure and Public Holiday Closure	8
10.2	Lockyer Valley Regional Council Annual Report 2018-19	11
11.	Organisational Development and Planning Services Reports	122
11.1	Community Environmental Grants	122
11.2	Application for Material Change of Use for a Dwelling at 10 Short Street Laidley.....	125
11.3	Preliminary Approval for Material Change of Use for Outdoor Entertainment (Water Park), Development Permit for Material Change of Use for (Phase 1) Undefined Use (Non Resident Workers' Accommodation for 120 persons) and (Phase 3) for Extension to Caravan Park (33 additional caravan sites)	149
12.	Corporate and Community Services Reports.....	161
12.1	Summary of Council Actual Financial Performance vs. Budget - 31 August 2019	161
12.2	Rate Remission - Community Grants Policy.....	181
13.	Infrastructure Works and Services Reports	184
14.	Items for information	185
14.1	Lockyer Valley Cultural Centre - Solar Benefits Realisation.....	185
14.2	2015 - 2019 Animal Related Customer Requests	188
14.3	Queensland Urban Utilities Monthly Report - August 2019.....	192
14.4	Submission to the Senate Committee on Jobs for the Future in Regional Areas	195
15.	Confidential Items	205
16.	Meeting Closed	205

1. MEETING OPENED

2. LEAVE OF ABSENCE**2.1 Leave of Absence**

Date: 20 September 2019
Author: Ian Church, Chief Executive Officer
Responsible Officer: Ian Church, Chief Executive Officer

Summary:**Officer's Recommendation:**

THAT Leave of Absence is granted to Mayor Tanya Milligan for Council's Ordinary Meeting held 25 September 2019 to attend the South East Queensland City Deals Roundtable meeting.

Attachments

There are no attachments for this report.

3. CONDOLENCES/GET WELL WISHES**3.1 Condolences/Get Well Wishes****Date:** 19 September 2019**Author:** Kerri MacMahon, Executive Coordinator, Mayor and Deputy Mayor**Responsible Officer:** Ian Church, Chief Executive Officer

Officer's Recommendation:

THAT letters of condolence be forwarded to the families of recently deceased persons from within, or associated with, the Lockyer Valley region.

Attachments

There are no attachments for this report.

4. DECLARATION OF ANY MATERIAL PERSONAL INTERESTS/CONFLICTS OF INTEREST BY COUNCILLORS AND SENIOR COUNCIL OFFICERS**4.1 Declaration of Material Personal Interest on any Item of Business**

Pursuant to section 175C of the *Local Government Act 2009*, a councillor or senior council officer who has a material personal interest in an issue to be considered at a meeting of a local government, or any of its committees must:

- (a) inform the meeting of the material personal interest in the matter, including the following particulars about the interest –
 - i. the name of the person or other entity who stands to gain a benefit, or suffer a loss, depending on the outcome of the consideration of the matter at the meeting
 - ii. how the person or other entity stands to gain the benefit or suffer the loss
 - iii. if the person or other entity who stands to gain the benefit or suffer the loss if the person or other entity is not the councillor or senior council officer—the nature of the relationship to the person or entity; and
- (b) leave the meeting room, including any area set aside for the public, and stay out of the meeting room while the matter is being discussed and voted on.

4.2 Declaration of Conflict of Interest on any Item of Business

Pursuant to section 175E of the *Local Government Act 2009*, a councillor or senior council officer who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government or any of its committees must inform the meeting about the personal interest in the matter, including the following particulars about the interests:

- a) the nature of the interests
- b) if the personal interests arise because of the relationship with, or receipt of a gift from, another person:
 - i. the name of the other person; and
 - ii. the nature of the relationship or value and date of receipt of the gift; and
 - iii. the nature of the other person's interests in the matter.
- c) how the councillor or senior council officer intends to handle the matter i.e. leave the meeting or proposes to stay in a meeting.

5. MAYORAL MINUTE

No Mayoral Minute at time of print run

6. CONFIRMATION OF MINUTES**6.1 Confirmation of Ordinary Meeting Minutes 11 September 2019**

Date: 19 September 2019
Author: Susan Boland, Governance and Strategy Officer
Responsible Officer: Ian Church, Chief Executive Officer

Officer's Recommendation:

THAT the Minutes of the Ordinary Meeting of Lockyer Valley Regional Council held on Wednesday 11 September 2019 be taken as read and confirmed.

Attachments

There are no attachments for this report.

7. BUSINESS ARISING FROM MINUTES

No Business Arising from Minutes at time of print run

8. COMMITTEE REPORTS

No Receival of Committee Reports as Minutes at time of print run

9. DEPUTATIONS/PRESENTATIONS

No Deputations/Presentations at time of print run

10. EXECUTIVE OFFICE REPORTS**10.1 2019 Christmas Closure and Public Holiday Closure**

Date: 03 September 2019
Author: Vickie Wieland, EA to Chief Executive Officer
Responsible Officer: Ian Church, Chief Executive Officer

Summary:

The purpose of this report is to seek Council's approval to cease normal business operations from 1:00pm on Tuesday, 24 December 2019 and to reopen on Thursday, 2 January 2020 for the annual Christmas closure. In addition, the report seeks approval to close the Staging Post Café and Visitor Information Centre on Monday, 7 October 2019 for the Queen's Birthday public holiday.

Officer's Recommendation:

THAT Council approve the closure of Council offices and operations including the Staging Post Café and Visitor Information Centre from 1.00 pm on Tuesday, 24 December 2019 until 1 January 2020 inclusive, with normal business hours resuming Thursday, 2 January 2020.

And further,

THAT Council approve the closure of the Staging Post Café and Visitor Information Centre on Monday, 7 October 2019 the Queen's Birthday public holiday.

Report**1. Introduction**

The purpose of this report is to seek Council's approval to cease normal business operations from 1:00pm on Tuesday, 24 December 2019 and to re-open on Thursday, 2 January 2020 for the annual Christmas closure, apart from skeleton crews and emergency on-call staff.

It is also requested that Council's Visitor Information Centre and Staging Post Café align with the Council closedown for the Christmas and New Year holiday period. The higher wage impact on the business and lower number of visitors and enquiries expected will have minimal impact on our service delivery for visitors while ensuring responsible financial management of wages and operating costs. For the above reasons, it is also proposed that the Visitor Information Centre and Staging Post Café close on Monday, 7 October 2019 for the Queen's Birthday public holiday.

2. Background

Historically, Council has endorsed the closure of Council offices and operations over the Christmas to New Year period, apart from skeleton crews and emergency on-call staff.

Traditionally Council's Visitor Information Centre and Staging Post Café have continued to operate on all days during the period, excluding Christmas Day and Boxing Day.

3. Report

Council Offices

It is proposed that Council cease operations at 1.00pm, Tuesday, 24 December 2019 through until Wednesday, 1 January 2020, inclusive, with normal business hours resuming Thursday, 2 January 2020. Staff will be required to utilise their leave provisions for the period in accordance with the below table:

Date		Leave Type
Tuesday	24 December 2019, (half day)	TOIL/RDO/AL/LWOP
Wednesday	25 December 2019	Public Holiday
Thursday	26 December 2019	Public Holiday
Friday	27 December 2019	TOIL/RDO/AL/LWOP
Monday	30 December 2019	TOIL/RDO/AL/LWOP
Tuesday	31 December 2019	TOIL/RDO/AL/LWOP
Wednesday	1 January 2020	Public Holiday

TOIL (Time Off in Lieu) RDO (Rostered Day Off) AL (Annual Leave) LWOP (Leave without Pay)

The annual closure is provided for in both the Lockyer Valley Regional Council Certified Agreement (Officers) 2018 and Lockyer Valley Regional Council Certified Agreement (Field) 2018. Both Agreements make provision for employees to accumulate sufficient leave to cover absences for the period between Christmas and New Year.

Managers will be briefed on the requirements of Council over the Christmas/New Year period concerning staffing requirements in the event of an emergency and will ensure that a selection of suitably trained staff will remain on call.

Staging Post Café and Visitor Information Centre

Due to the additional wages incurred by the Café through the extended Christmas/New Year period and the low sales and visitor numbers experienced in previous years in the Visitor Information Centre, it is recommended that the Staging Post Café and Visitor Information Centre closing during this period to reduce expenditure and the risk of food losses.

This proposal will allow for closure of the back of house kitchen at the Staging Post Café on Sunday, 22 December 2019 allowing for a complete clean and stock reduction to an absolute minimum in preparation for the holiday period. The Staging Post Café will operate with a Coffee & Cake menu on Monday, 23 and Tuesday, 24 December 2019, and on Thursday, 2 January 2020, with full kitchen operations resuming on Friday 3 January 2020.

In addition to the Christmas to New Year closure, it is recommended that the Staging Post Café and Visitor Information Centre is closed on Monday, 7 October 2010 for the Queen's Birthday public holiday due to low sales and visitor numbers experienced on public holidays.

4. Policy and Legal Implications

There are no new policy or legal implications arising from the contents of this report. The recommendation is provided for in both the Lockyer Valley Regional Council Certified Agreement (Officers) 2018 and Lockyer Valley Regional Council Certified Agreement (Field) 2018.

5. Financial and Resource Implications

Staff resources will be managed through the utilisation of skeleton crews and emergency on-call staff. Financial implications will be managed through existing budget.

6. Delegations/Authorisations

No further delegations are required to manage the issues raised in this report.

7. Communication and Engagement

Staff will be advised of the dates for the annual Christmas/New Year closure.

The closure will be communicated with the community through relevant print media, Council's website, social media pages and Council's visual message signage board. Council will also communicate the Visitor Centre closure to Tourism Queensland and the Queensland Information Centres Association (QICA).

8. Conclusion

In line with previous years, this report seeks Council's approval to cease normal business operations, for the annual Christmas closure from 1:00pm on Tuesday, 24 December 2019 and to reopen on Thursday, 2 January 2020. This closure is apart from skeleton crews and emergency on-call staff who will operate throughout this closure period, and inclusive of the Staging Post Café and Visitor Information Centre. In addition, it is recommended that the Staging Post Café and Visitor Information Centre is also closed on Monday, 7 October 2019 for the Queen's Birthday public holiday.

9. Action/s

1. Communicate with staff the dates for the annual Christmas/New Year closure.
2. Communicate with the community the dates for the annual Christmas/New Year closure and 7 October 2019.
3. Communicate with Tourism Queensland and the Queensland Information Centres Association (QICA), dates for the annual Christmas/New Year closure.

Attachments

There are no attachments for this report.

10.2 Lockyer Valley Regional Council Annual Report 2018-19

Date: 20 September 2019
Author: Madonna Brennan, Governance and Strategy Advisor
Responsible Officer: Ian Church, Chief Executive Officer

Summary:

The purpose of this report is to seek adoption of the Lockyer Valley Regional Council Annual Report 2018-19.

Officer's Recommendation:

THAT Council adopt the Lockyer Valley Regional Council Annual Report 2018-19 as attached to this report.

Report**1. Introduction**

The annual report is a comprehensive report on Council's activities throughout the 2018-19 financial year. The report is intended to give the community and other interested people information about the Council's activities and financial performance.

This Council report aligns to the Corporate Plan 2017-2022 by achieving outcome 5.7 '*Compliant with relevant legislation*'.

2. Background

In accordance with section 182(1) of the *Local Government Regulation 2012*, Council is required to prepare an annual report for each financial year. Sections 183 to 190 of the *Regulation 2012* outline the items to be included in the annual report.

Council is required to adopt its annual report within one month after the day the auditor-general gives the auditor-general's audit annual report about the local government's financial statements for the financial year to the local government. The local government must publish its annual report on its website within two weeks of adopting the annual report.

3. Report

The annual report provides information to the community and interested parties on Council's performance in 2018-19. The annual report provides an assessment of Council's progress towards implementing its 5-year corporate plan and annual operational plan as well as a community financial report, Council's audited financial statements and other statutory requirements.

The Lockyer Valley Regional Council Annual Report 2018-19 has been developed based on the information provided in the Operational Plan quarterly reports for 2018-19 and complies with the requirements of the legislation.

4. Policy and Legal Implications

Section 182 of the *Local Government Regulation 2012* states that a local government must prepare an annual report for each financial year. Section 181 – 190 of the *Local Government Regulation 2012* outlines the specific items to be included in the annual report. This Council report proposes adoption of an annual report that complies with these legislative requirements.

5. Financial and Resource Implications

The Annual Report 2018-19 as outlined in this report does not alter current budgetary requirements. The document was developed with the budget allocated.

6. Delegations/Authorisations

No further delegations are required to manage the issues raised in this report. The Chief Executive Officer will manage requirements in line with existing delegations.

7. Communication and Engagement

In the development of the Annual Report 2018-19, key staff were engaged to provide information to develop the report. On the adoption of the Annual Report it will be published on Council's website and distributed to all employees and a hard copy will be available in Council's Libraries.

8. Conclusion

The Lockyer Valley Regional Council Annual Report 2018-19 complies with the *Local Government Act 2009* and *Local Government Regulation 2012* and has been developed in consultation with the key stakeholders providing an accurate report on Council's performance in 2018-19.

9. Action/s

The adopted Lockyer Valley Regional Council Annual Report 2018-19 will be published on Council's website and distributed to all employees. A hard copy of the report will be made available in each of Council's Libraries.

Attachments

- 1 [!\[\]\(569ff5d1aa9137b5defb690d1175fea6_img.jpg\)](#) Draft LVRC Annual Report 2018-19 109 Pages



Lockyer Valley Regional Council
Annual Report 2018–2019



OVERVIEW OF THE LOCKYER VALLEY

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

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

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

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

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

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

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

ACHIEVING THE OUTCOMES OF THE COMMUNITY PLAN 2017-2027

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

This Annual Report, is the second to report on the progress Council has made in achieving the identified outcomes of the Corporate Plan 2017-2022 and the Community Plan 2017-2027.



CONTENTS

Introduction	1
Council's Strategic Planning Framework	1
Vision, Mission and Values	2
Message from the Mayor	3
Message from the Chief Executive Officer	4
Lockyer Valley Regional Council Highlights 2018-19	5
Our Councillors and their portfolios	7
Organisational Structure	8
Executive Leadership Team	8
Our Employees	9
Community Financial Report	11
Delivering the Operational Plan 2018-19	21
Lockyer Community	21
Lockyer Business Farming and Livelihood	23
Lockyer Nature	25
Lockyer Planned	26
Lockyer Leadership and Council	27
Statutory Information	30
Beneficial Enterprises	30
Conduct of Business Activities	30
Competitive Neutrality Complaints	30
Particular Resolutions	30
Councillors	31
Administrative Action Complaints	33
Right to Information and Information Privacy	34
Record of Councillor Conduct and Performance Complaints	34
Overseas Travel	34
Grants to Community Organisations	35
Councillor Discretionary Funds	37
Commercial Business Units	39
Action taken involving special arrangements	39
Changes to Tenders	39
Concessions for rates and charges granted	39
Registers Maintained	40
Internal Audit	40
Financial Statements	41



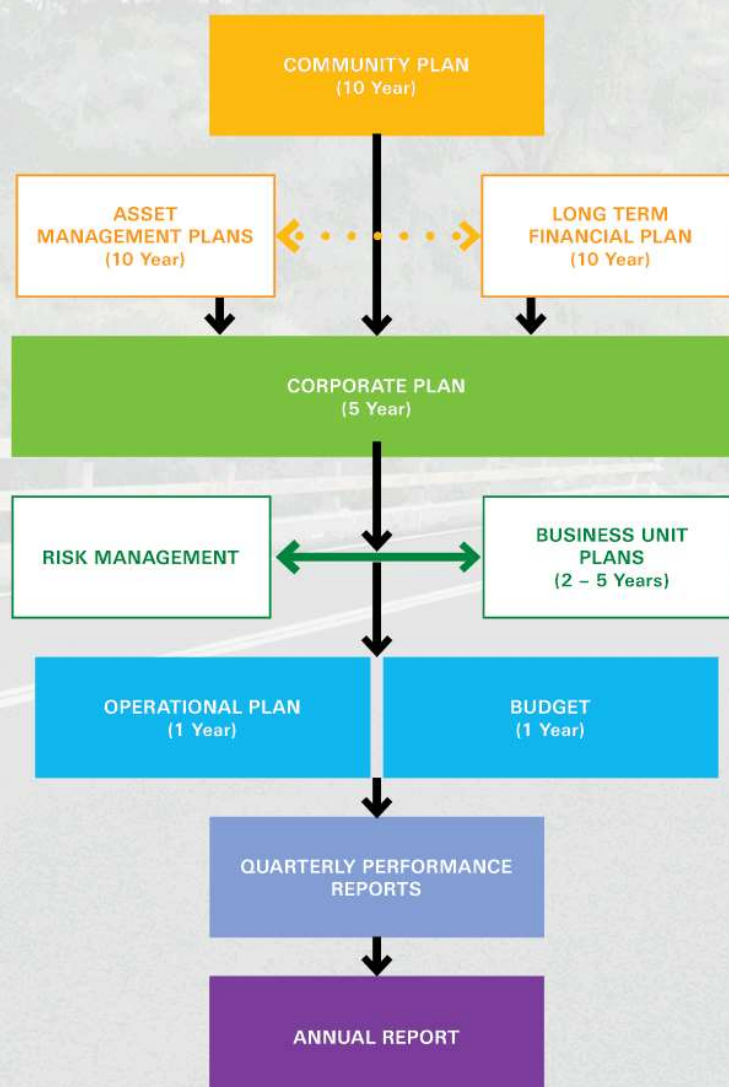
INTRODUCTION

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

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

COUNCIL'S STRATEGIC PLANNING FRAMEWORK

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





VISION, MISSION AND VALUES

VISION:

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

MISSION:

Lead, engage and empower.

OUR VALUES:

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



LEADERSHIP

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



ACCOUNTABILITY

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



INTEGRITY

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



COMMUNICATION

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



CUSTOMER FOCUS

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



TEAMWORK AND COLLABORATION

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



MESSAGE FROM THE MAYOR

STRONG FINANCIAL POSITION

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

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

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

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

COLLABORATION

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

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

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

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

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

ACKNOWLEDGEMENT

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

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

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

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

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

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

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



Councillor Tanya Milligan
(Mayor)
Community and Council
Development



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

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

OUR CUSTOMERS AND COMMUNITY

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

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

ADVOCACY

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

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

OUR STAFF

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

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

OUR COMMITMENT TO GOOD GOVERNANCE

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

OUR FINANCIAL FUTURE

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

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



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

Ian Church
Chief Executive Officer



LOCKYER VALLEY REGIONAL COUNCIL HIGHLIGHTS 2018-19

12,105

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



\$2.90m

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



141,270

PEOPLE VISITED THE
LOCKYER VALLEY
LIBRARIES DURING 2018-19



14,500

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



148,256

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



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



\$71.8m

DOMESTIC

\$11.6m

COMMERCIAL

8,048

DOGS WERE
REGISTERED IN THE
REGION IN 2018-19



326

LOTS APPROVED FOR
SUBDIVISION IN 2018-19
IN THE REGION



43km

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



77

LOTS WERE PLAN
SEALED IN 2018-19



17,162ha

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



LVRC RECEIVED

283

PLANNING APPLICATIONS
IN 2018-19 AND

262

APPLICATIONS WERE
DECIDED IN 2018-19



777

PARKS AND STREET BINS
WERE COLLECTED WEEKLY



15,171

KERBSIDE RESIDENTIAL
PROPERTIES SERVICED AND



302

KERBSIDE COMMERCIAL
PROPERTIES SERVICED



**LANDFILL WASTE DIVERTED
TO RECYCLING:**

**1,545
TONNES**



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

**35.2
TONNES**

ELECTRONIC WASTE



**155.8
TONNES**

AGRICULTURE TRICKLE TAP



2,508

TYRES



28,857

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



491

IS THE NUMBER OF
CUSTOMER REQUESTS
MADE ONLINE



13,078

IS THE NUMBER OF CUSTOMER
REQUESTS RAISED DURING 2018-19



\$20.47m

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



1,557km

OF ROAD NETWORK MANAGED
THROUGHOUT THE REGION



178ha

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



OUR COUNCILLORS AND THEIR PORTFOLIOS

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

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

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



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



Cr Chris Wilson
– Business Systems
and Processes;
Corporate Plans
and Performance;
Finance; Information,
Communication
and Technology



Cr Janice Holstein
– Roads and Drainage;
Parks and Gardens;
Transport and Active
Transport; Asset
Management; Disaster
Management



Cr Rick Vela
– Environmental
Management; Weed/
Pest Management;
Waterways; Natural
Resource Management



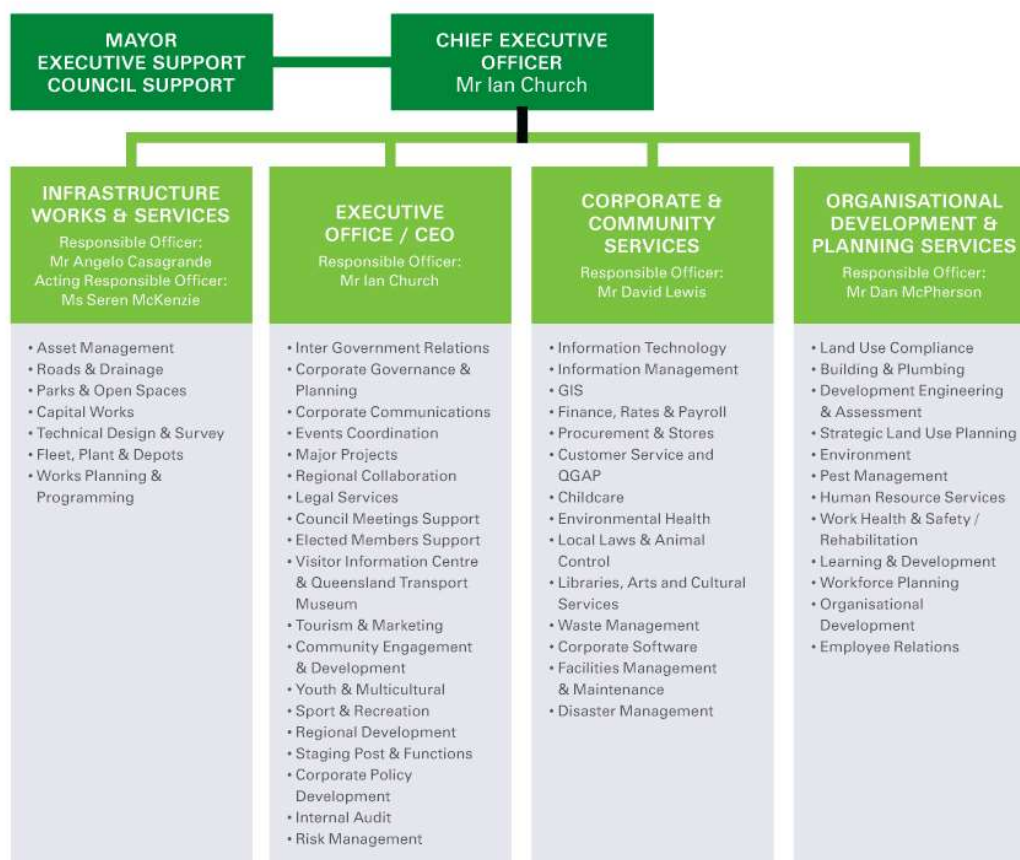
Cr Kathy McLean
– Planning and Building
Services; Planning
Scheme; Townships
and Villages, Cultural
Heritage and
Streetscape; Regional
Planning



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



ORGANISATIONAL STRUCTURE



EXECUTIVE LEADERSHIP TEAM



Dan McPherson
Executive Manager
Organisational
Development and
Planning Services



David Lewis
Executive Manager
Corporate and
Community Services



Angelo Casagrande
Executive Manager
Infrastructure Works
and Services



Seren McKenzie
Acting Executive
Manager Infrastructure
Works and Services



OUR EMPLOYEES

ORGANISATIONAL EFFECTIVENESS REVIEW

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

VALUES-BASED BEHAVIOURS

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

CONNECTED COUNCIL PROGRESS GROUP

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

LEADERSHIP DEVELOPMENT PROGRAM

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

SAFETY AND WELLBEING

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

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

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

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

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





EMPLOYEES AT A GLANCE AS AT 30 JUNE 2019

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

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



EXECUTIVE LEADERSHIP TEAM

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

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



COMMUNITY FINANCIAL REPORT

WHAT IS A COMMUNITY FINANCIAL REPORT?

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

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

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

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

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

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

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

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

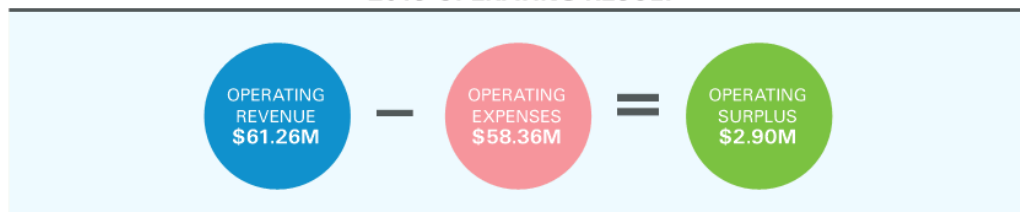
The **Notes to the Financial Statements** provide a more detailed breakdown of the information contained in the individual statements.



SUMMARY OF KEY RESULTS

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

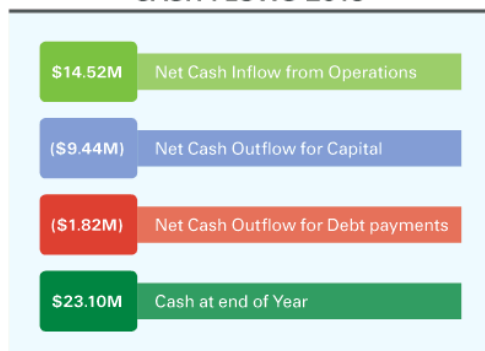
2019 OPERATING RESULT



2019 FINANCIAL POSITION



CASH FLOWS 2019



FINANCIAL SUSTAINABILITY RATIOS

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

These results can be highlighted through the following:

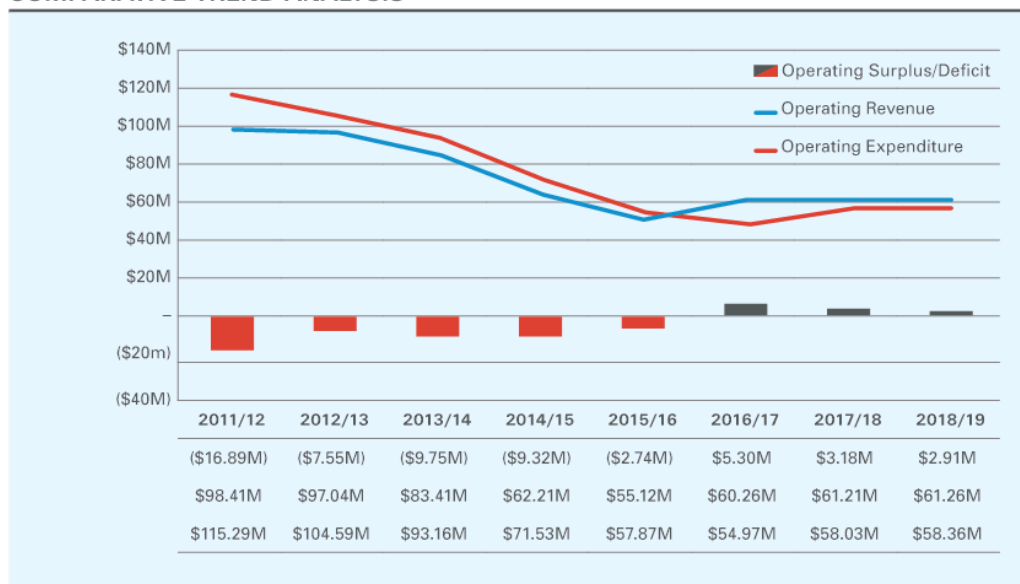
- Achievement of an operating surplus for the third consecutive year.
- Significant operational expenditures:
 - \$21.31 million on roads, drains, bridges, and associated transport infrastructure.
 - \$8.05 million on community facilities, libraries and parks.
 - \$7.02 million on health, waste and regulatory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



STATEMENT OF COMPREHENSIVE INCOME

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

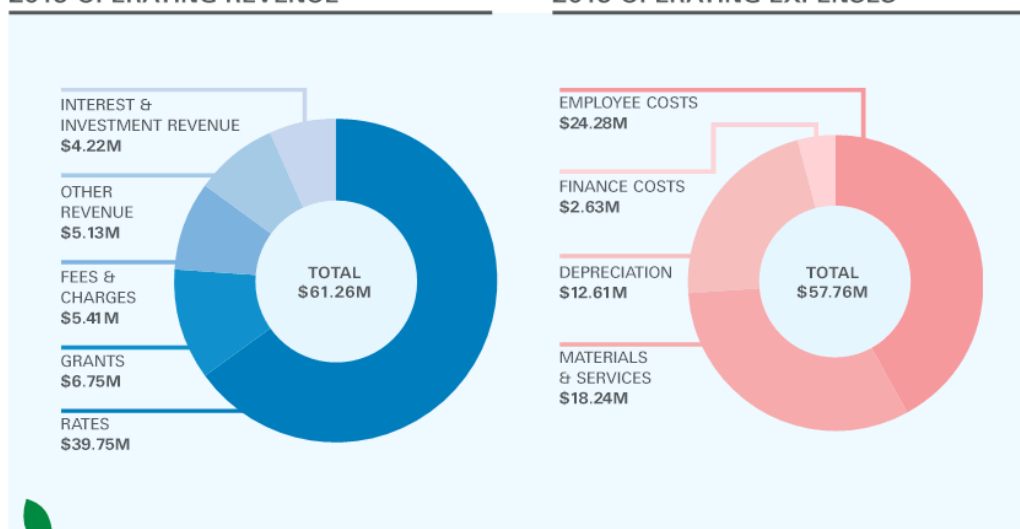
COMPARATIVE TREND ANALYSIS



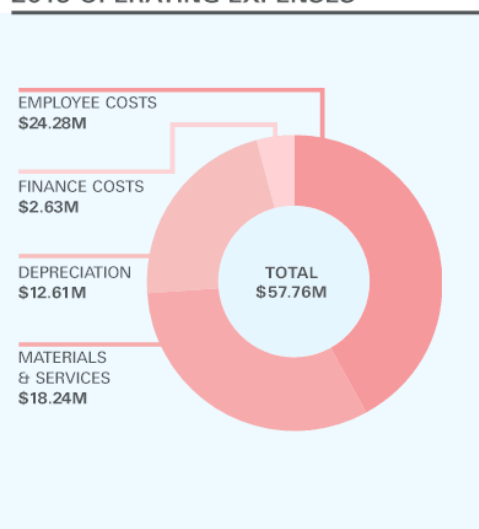
For the 2018-19 financial year, Council had budgeted for an operating surplus of \$2.24 million, and additional planning and development fees, grant revenues, and recoverable works has delivered a higher than expected surplus of \$2.90 million.

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

2019 OPERATING REVENUE

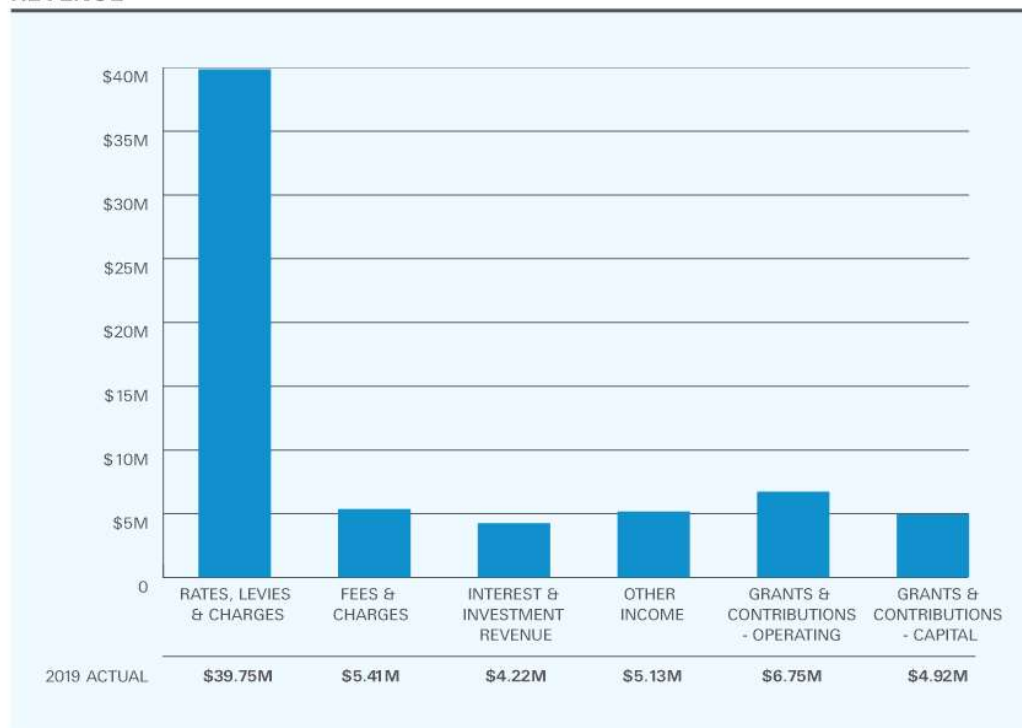


2019 OPERATING EXPENSES



REVENUE SOURCES – WHERE DOES THE MONEY COME FROM?

REVENUE



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

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

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

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



EXPENDITURE – WHERE DOES THE MONEY GO?

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

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

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

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

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

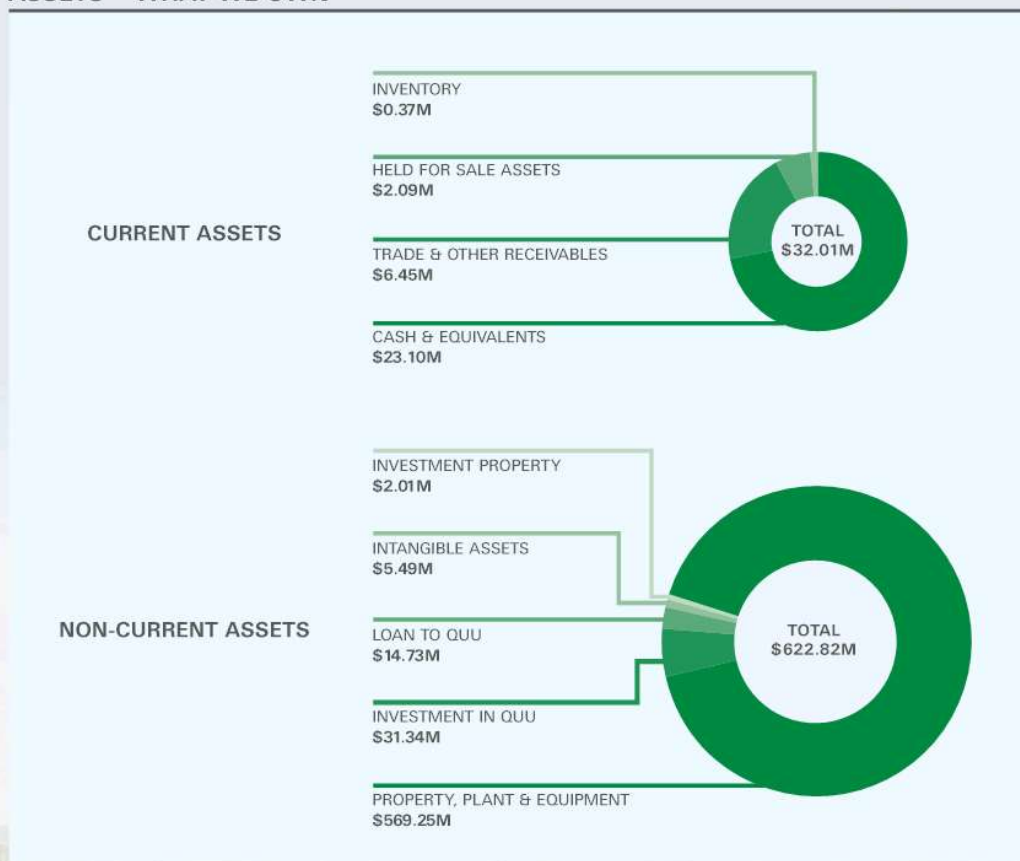
EXPENSES BY SERVICE



STATEMENT OF FINANCIAL POSITION

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

ASSETS – WHAT WE OWN



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

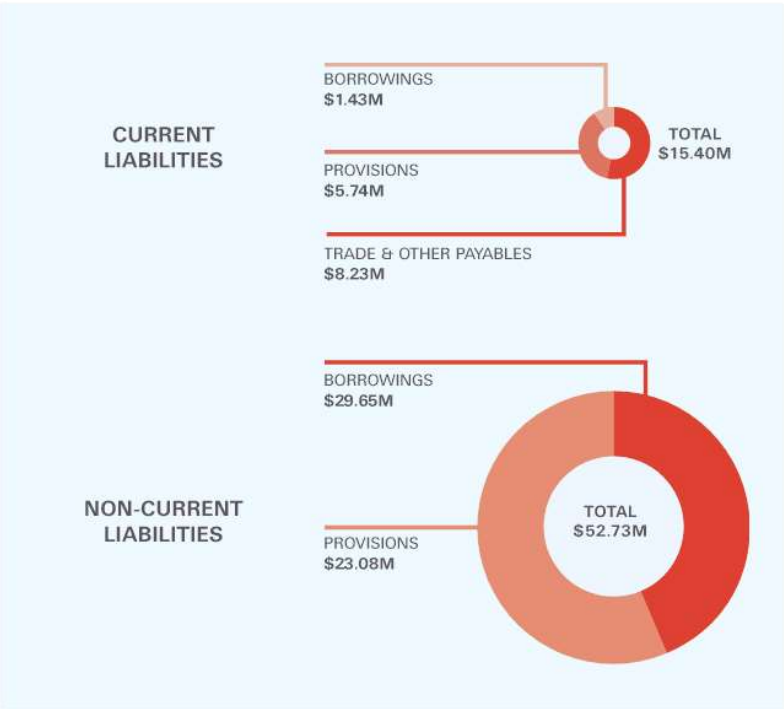
Non-current assets have decreased from 2018 as a result of the revaluation of Council's infrastructure assets which decreased in line with their condition assessments and normal wear and tear.

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

LIABILITIES – WHAT WE OWE

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

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



OUR DEBT

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

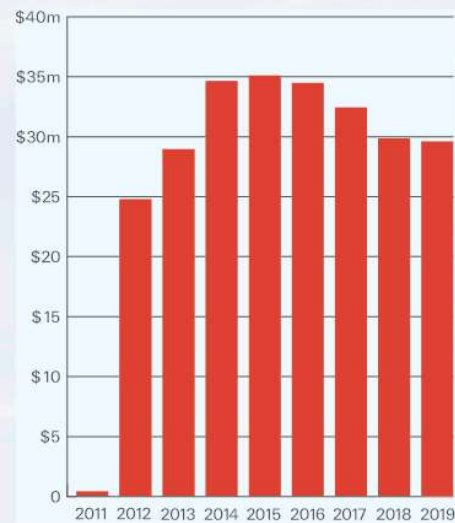
Council's Debt Policy is based on sound financial management practices with borrowings restricted as follows:

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

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

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

COMPARATIVE DEBT LEVELS



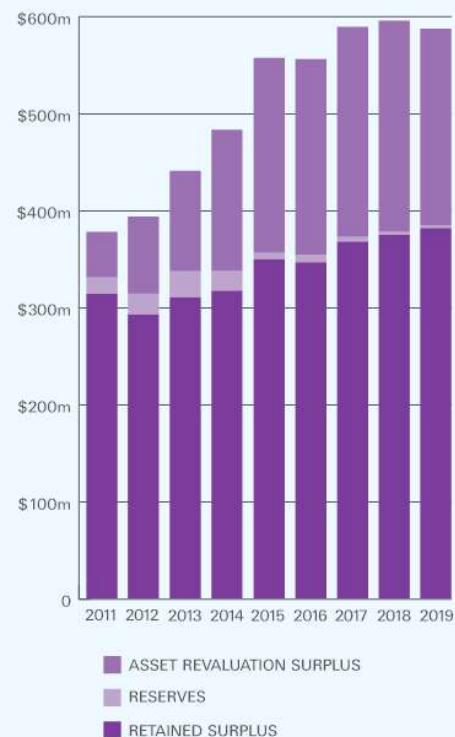
STATEMENT OF CHANGES IN EQUITY

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

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

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

COMPARATIVE EQUITY BALANCES



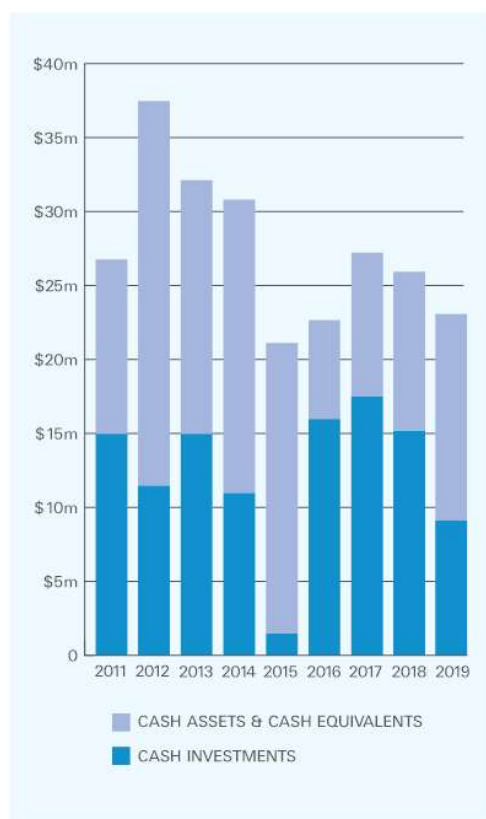
STATEMENT OF CASH FLOWS

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

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

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

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



FINANCIAL SUSTAINABILITY RATIOS

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

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

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

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

CONCLUSION

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

DELIVERING THE OPERATIONAL PLAN 2018-19

LOCKYER COMMUNITY

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

CORPORATE PLAN 2017-2022 OUTCOMES

2018-19 PERFORMANCE

1.1 A Community with fair and reasonable access to services.

- Provided child care facilities in the region.
- Regularly distributed the Community Connect newsletter to inform the community on the variety human and social services available throughout the region.
- Conducted a number capacity building workshops such as assistance in grant writing workshops.

1.2 Council optimises the use of its open spaces and facilities by improving access to and the quality of the facilities for individuals and groups for cultural, recreational and community activities.

- Reviewed and adopted the Lockyer Valley Public Parks Strategy 2019 that will inform the future investment plan for the region's parks.
- Enabled the library user's ability to utilise the self-service options available at the region's Libraries.
- Conducted several events and activities for all ages at the region's Libraries.
- Establishment of off-leash dog parks in Gatton and Laidley.

1.3 Enhanced wellbeing and safety of the community.

- Completed the annual food establishment licencing and inspection program.
- Adopted an amendment to sub-ordinate animal management local law to enable the establishment of dog off-leash parks in the region.
- Selective inspection program undertaken to identify unregistered dogs within the region.
- Commenced flood modelling work on various catchments in the region.
- Councils flood warning systems tested, and any anomalies rectified to ensure reliability of system.
- 353 plumbing applications and 191 building applications were completed during the year.

1.4 Council seek to understand community needs, resulting in partnerships that realise long-term benefits for the community in a timely manner.

- Assistance provided to community and sporting groups in the region to secure federal and state government grants.
- Two rounds of funding provided \$81,998.32 in grants for community groups. A record number of applications were received.
- Introduced a school leadership program in partnership with Somerset Regional Council that enables the region's youth to discuss relevant issues.



CORPORATE PLAN 2017-2022 OUTCOMES

2018-19 PERFORMANCE

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

- Successful delivery of the Multicultural Festival and NAIDOC week activities.
- Council adopted an event strategy that will inform future development and promotion events coordinated by Council for the community.
- Council conducted and assisted with 66 events in the Region including the Laidley Spring Festival, Lights on the Hill Convoy, Australia Day Festivities, Senior's Week Festivities and the Gatton Christmas Carnival.

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

- Participated in the annual assessment of the District Disaster Plan.
- Hosted disaster management business forum in Laidley and a school education session in the Lockyer Disaster Coordination Centre.
- Conducted flood scenario Exercise "ONNA" with the Coordination Centre Staff and the Local Disaster Management Group.
- Commenced the development of an annual disaster exercise plan that will identify disaster exercises that will be conducted with Council Staff, State Emergency Services and the community.

LOCKYER BUSINESS FARMING AND LIVELIHOOD

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

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

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

CORPORATE PLAN 2017-2022 OUTCOMES

2.1 Encourage opportunities for the Lockyer Valley to drive economic and community outcomes.

2.2 Maximise opportunities through engagement and partnership with stakeholders to achieve a strong resilient economy.

2018-19 PERFORMANCE

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



CORPORATE PLAN 2017-2022 OUTCOMES

2018-19 PERFORMANCE

2.3 Promote and market the Lockyer Valley as a destination for commerce, tourism and lifestyle.

- The region was marketed through active displays at the Brisbane Exhibition and Regional Flavours events and through the SEQ Food Trails marketing channels.
- Conducted a series of cooking master classes in collaboration with Faith Lutheran College using regional produce.
- Engaged the services of Alistair McLeod as a food ambassador for the region in a series of events using regional produce, including an Evening Under the Stars and at the Brisbane Good Food and Wine Festival.

2.4 Attract and Support Education and Employment Opportunities for the Community.

- Regional Skills Investment Strategy was launched to improve training, education and employment opportunities throughout the region.
- Council co-facilitated nine Bringing Employers Students Together (BEST) meetings.
- Opportunities were provided for students to undertake work experience with Council through the GenR8 Program.

2.5 Foster a flexible, supportive and inclusive business environment.

- Provided information and advice to 91 business proponents throughout the financial year.
- Completed a review on the use and requirements of the Business Incubator and formed a sub-group to assist in improving the occupancy and use of the Business Incubator.
- Provided support for local businesses in the Town Proud Shop Local campaign and shop local Queensland Week promotion.

LOCKYER NATURE

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

CORPORATE PLAN 2017-2022 OUTCOMES

2018-19 PERFORMANCE

3.1 Lockyer Valley's natural assets are managed, maintained and protected.

- Council continued implementation of the Lockyer Creek Sediment Stabilisation and Tenthill Catchment Community Resilience initiatives of the Lockyer Catchment Action Plan including conducting a tree planting day on the Lockyer Creek with 400 trees planted and establishing a taskforce for future resilience planning in the Tenthill Catchment.
- Council significantly progressed in the development of the Natural Resource Management Plan including the preparation of a project plan, engagement strategy and the establishment of a Plan working group with an initial workshop held on the Plan.

3.2 Council's policies and plans support environmentally sustainable development.

- Continued development of the Lockyer Valley Planning Scheme that includes a range of provisions which seek to achieve environmentally sustainable development outcomes was submitted for a State Interest Review.

3.3 Community and private landholders' stewardship of natural assets increases.

- 5.07% increase in identified habitat land has been included in the Land for Wildlife program.
- Workshops, education program and information sessions conducted with land for wildlife landholders.
- Provision of free native plants to the community.
- Delivered the Community Environment Grants program.
- Council successfully delivered the environment and pest programs throughout the region.

3.4 Locals and visitors experience our natural assets.

- Committed to a joint initiative with Toowoomba Regional Council to develop a masterplan that identifies regional linkage trails for recreational purposes on the escarpment.

3.5 Council and the community actively reduce waste, recycle and reuse more.

- Waste and recycling services were delivered throughout the region.
- Waste education programs delivered.
- Waste Reduction and Recycling Plan re-developed and adopted by Council.
- 96% of the waste management capital works program was completed.

3.6 Council and the community actively reduce consumption of non-renewable resources.

- Delivered phase 2 of Council's solar initiative program.

LOCKYER PLANNED

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

CORPORATE PLAN 2017-2022 OUTCOMES

4.1 Growth and development in the region is sustainably managed through the adoption and implementation of the Lockyer Valley Planning Scheme.

4.2 Provision of fit-for-purpose infrastructure which meets the current and future needs of the region.

4.3 A development assessment process that delivers quality development that is consistent with legislation, best practice and community expectations.

4.4 Regional collaboration and targeted advocacy that drives external funding, for timely delivery of key infrastructure and enhanced community outcomes.

4.5 An integrated approach to the planning of all communities that strengthens local identity and lifestyle.

2018-19 PERFORMANCE

- The Lockyer Valley Region Planning Scheme was submitted to the Minister for State Development, Manufacturing, Infrastructure and Planning for State Interest Review.
- A management plan for the region's cemeteries was adopted by Council.
- Commenced the strategic planning of the Plainland transport network.
- 100% of the roads maintenance program and 94% roads capital works program were delivered within 10% of budget.
- 100% of Council's external funded roads projects were delivered.
- A forward capital works program has been developed for the region which includes consideration of projects in the Gatton North and Laidley areas.
- A road signage replacement program developed, and priority signs replaced.
- All development applications received were assessed within statutory timeframes with an average of 17 days to complete the decision phase of the process.
- Collaboration with key stakeholders of the Toowoomba Second Range crossing project to ensure quality associated local infrastructure outcomes were achieved.
- The Lockyer Valley Planning Scheme, including provision of locally specific policy content to address the identity of the Lockyer Valley's diverse communities and lifestyle aspirations was submitted for State Interest Review.



LOCKYER LEADERSHIP AND COUNCIL

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

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

CORPORATE PLAN 2017-2022 OUTCOMES

2018-19 PERFORMANCE

5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.

- Monthly reporting was provided to Council on its financial position.
- An additional repayment of \$500,000 was made on Council's debt.
- The annual financial statements and external audit were completed in required timeframes and no significant deficiencies reported.
- Utilisation review of Council's heavy plant and fleet was conducted identifying items of plant no longer optimally utilised and suitable for disposal.
- Business review of operations at the Staging Post Café and Function Centre was conducted achieving a 11.8% increase in revenue and 7.2% reduction in expenses.

5.2 Excellence in customer service to our community.

- 83.96% of calls were answered within 25 seconds.
- 80.02% of enquires were answered at first point of contact (phone and face to face).
- Abandoned calls were 2.45% (target was <15%).

5.3 Actively engage with the community to inform council decision making processes.

- A variety of engagement activities were undertaken in the community by Council in relation to key Council projects such as the Hatton Vale Park; the Waste Reduction and Recycling Plan; Regional Parks Strategy and the Gatton Showground Masterplan.

5.4 Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values.

- Council identified its key corporate risks and adopted a key corporate risk register, risk management framework and policy.
- Each Business Unit within Council developed a business unit plan to assist in identifying the products and services it provides.
- Annual program of meetings including all council meetings, workshops and tours conducted.
- A review to rationalise the reporting to Council commenced with identified improvements implemented.
- Report writing training provided to report authors.

5.5 Promote a values-based culture that appreciates and empowers its workforce.

- Council's Connected Council working group developed and implemented actions to improve the organisation's culture including identifying behaviour statements that underpin the organisational values.
- Enterprise Bargaining Agreements were made with both office and field based staff.
- Appointment of a Joint Consultative Committee.
- Legislative training requirements completed.

CORPORATE PLAN 2017-2022 OUTCOMES

2018-19 PERFORMANCE

5.6 Provide leadership and contemporary management systems that drive a coordinated and connected organisation.

- A training needs analysis of members of the management team was conducted.

5.7 Compliant with relevant legislation.

- The annual review of the Local Disaster Management Plan was conducted.
- Commenced reviewing Council's priority Local Laws and the repealing of current Local Laws that are no longer required.
- Compliance reporting completed on Work Health and Safety monthly action plans and conducted required hazard inspections.
- Development of an accurate reporting method for Work Health and Safety rectification action plans completed.

5.8 Deliver reliable internal support services.

- Council's internal and external communication requirements were delivered including media releases, Valley Voice updates, advertising, website updates and staff newsletters.
- Council's legal and property services were delivered.







STATUTORY INFORMATION

BENEFICIAL ENTERPRISES

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

CONDUCT OF BUSINESS ACTIVITIES

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

COMPETITIVE NEUTRALITY COMPLAINTS

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

PARTICULAR RESOLUTIONS

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

In accordance with section 185 (b) of the *Local Government Regulation 2012*, there were no resolutions made by Council during the 2018-19 year under section 206(2) setting the amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.

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

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



COUNCILLORS

ATTENDANCE AT COUNCIL MEETINGS

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

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

COUNCILLOR REMUNERATION

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

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

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



COUNCILLOR EXPENSES

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

EXPENSES REIMBURSEMENT AND PROVISION OF FACILITIES FOR COUNCILLORS

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

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



ADMINISTRATIVE ACTION COMPLAINTS

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

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

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

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

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

RIGHT TO INFORMATION AND INFORMATION PRIVACY

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

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

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

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

RECORD OF COUNCILLOR CONDUCT AND PERFORMANCE COMPLAINTS

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

OVERSEAS TRAVEL

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

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

GRANTS TO COMMUNITY ORGANISATIONS

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

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



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

Assistance was also provided for:

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



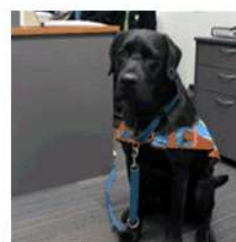
COUNCILLOR DISCRETIONARY FUNDS

The following donations were made from the Mayoral Donation Program.

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



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



COMMERCIAL BUSINESS UNITS

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

ACTION TAKEN INVOLVING SPECIAL ARRANGEMENTS

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

CHANGES TO TENDERS

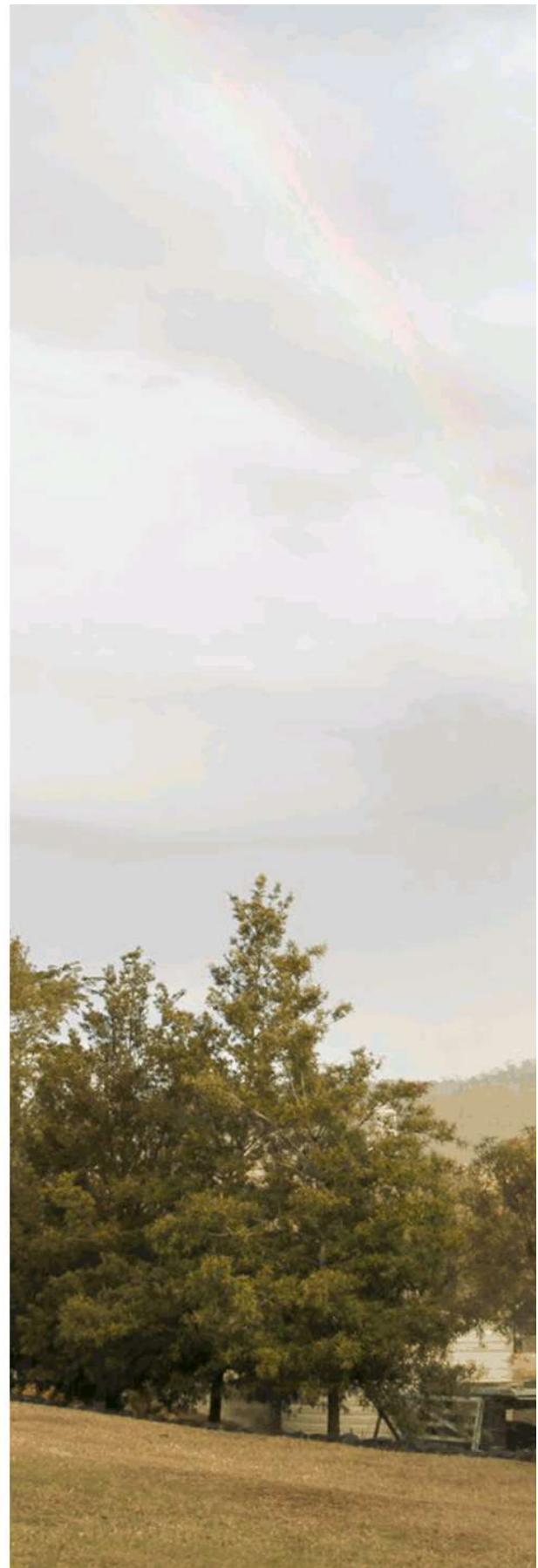
Council did not issue invitations to change any tenders under section 228(7) of the *Local Government Regulation 2012* during 2018-19.

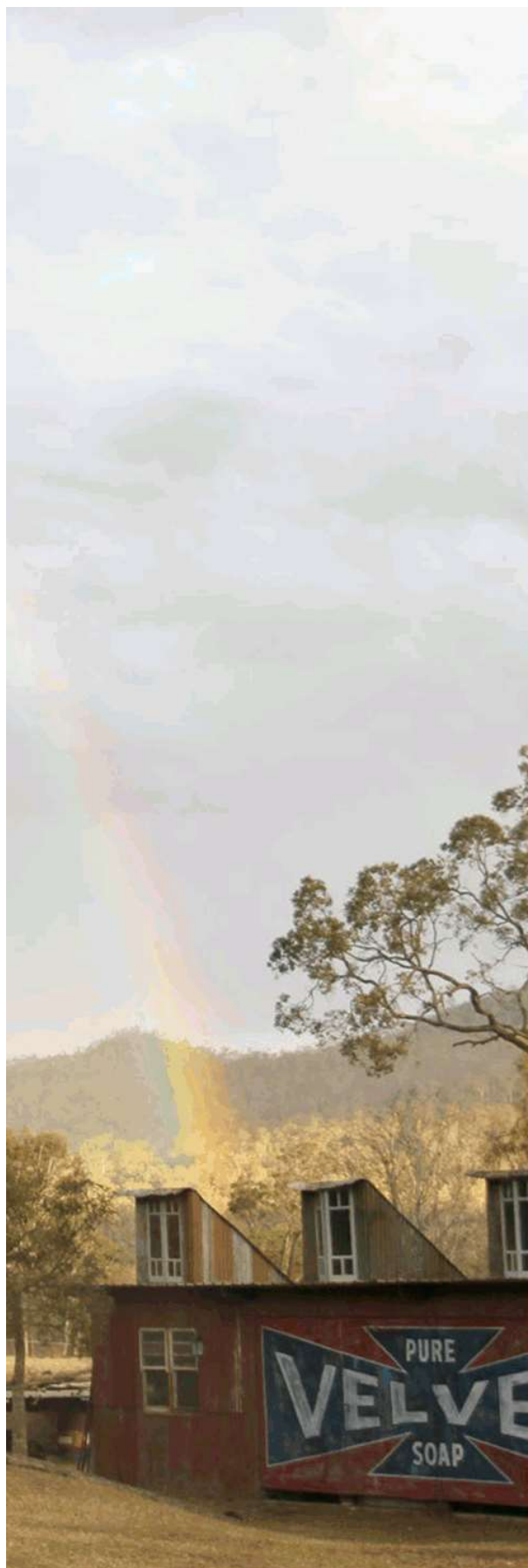
CONCESSIONS FOR RATES AND CHARGES GRANTED

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

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

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





REGISTERS MAINTAINED

Registers maintained by Council:

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

INTERNAL AUDIT

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

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

Internal audit projects for the financial year included:

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

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

2 FINANCIAL STATEMENTS

Lockyer Valley Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Our Mission:
Lead, engage, empower.



41 Lockyer Valley Regional Council



Lockyer Valley Regional Council

General Purpose Financial Statements for the year ended 30 June 2019

Table of Contents

Page

1. Primary Financial Statements:

Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5

2. Notes to the Financial Statements

1	Summary of Significant Accounting Policies	6
2(a)	Council Functions - Component Descriptions	9
2(b)	Council Functions - Analysis of Results by Function	10
3	Revenue Analysis	11
4	Grants, Subsidies, Contributions and Donations	12
5	Employee Benefits	13
6	Materials and Services	13
7	Finance Costs	14
8	Capital Expenses	14
9	Cash, Cash Equivalents and Investments	15
10	Trade and Other Receivables	16
11	Non-Current Assets Classified as "Held for Sale"	17
12	Investment Property	18
13	Property, Plant and Equipment	19
14	Fair Value Measurements	23
15	Intangible Assets	28
16	Trade and Other Payables	28
17	Borrowings	29
18	Provisions	30
19	Asset Revaluation Surplus	32
20	Retained Surplus	33
21	Reserves	33
22	Commitments for Expenditure	35
23	Contingent Liabilities	36
24	Superannuation	37
25	Associated Entities	39
26	Trust Funds	42
27	Reconciliation of Net Result for the year to Net Cash from Operating Activities	42
28	Reconciliation of Liabilities arising from Finance Activities	43
29	Events Occurring After Balance Sheet Date	43
30	Financial Instruments	43
31	Transactions with Related Parties	48
	Additional Disclosures	
32	Council Information and Contact Details	50

3. Management Certificate

4. Independent Auditor's Report

5. Current Year Financial Sustainability Statement

Certificate of Accuracy - Current Year Financial Sustainability Statement	56
Independent Auditor's Report - Current Year Financial Sustainability Statement	57

6. Long Term Financial Sustainability Statement

Certificate of Accuracy - Long Term Financial Sustainability Statement	61
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page 1



Lockyer Valley Regional Council

Statement of Comprehensive Income for the year ended 30 June 2019

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

page 2



Lockyer Valley Regional Council

Statement of Financial Position as at 30 June 2019

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

page 3



Financial Statements 2018-2019 44

Lockyer Valley Regional Council

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

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

page 4



Lockyer Valley Regional Council

Statement of Cash Flows for the year ended 30 June 2019

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

page 5



Financial Statements 2018-2019 46

Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies

(1.a) Basis of preparation

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

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

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

(1.b) Date of Authorisation

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

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

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

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

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

(1.d) Rounding and Comparatives

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

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

(1.e) Taxation

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

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

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

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

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

page 6



Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

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

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

Identifiable impacts at the date of this report are:

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

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

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

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

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

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

page 7



Financial Statements 2018-2019 48

Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

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

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

- Revenue decrease of \$2.40 million due to deferral of grant funding, pre-paid rates, and other sales related revenue (based on the facts available to Council at the date of assessment).

- There would be a reduction of \$2.40 million in the reported equity as the reduced revenue will require an increase in recognition of contract liabilities, and statutory receivables.

- Net result would be lower on initial application as a result of decreased revenue. A range of new disclosures will also be required by the new standards in respect of the council's revenue.

Transition method

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

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

AASB 16 Leases

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

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

Leases in which the Council is a lessee

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

Peppercorn Leases

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

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

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

page 8



Lockyer Valley Regional Council

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

Note 2(a). Council Functions - Component Descriptions

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

General Public Services

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

Public Order and Safety

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

Economic Affairs

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

Environmental Protection

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

Housing and Community Amenities

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

Recreation, Culture and Religion

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

Social Protection

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

page 9



Financial Statements 2018-2019 50

Lockyer Valley Regional Council

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

Note 2(b). Analysis of Results by Function

Functions	Gross Program Income						Total Income	Gross Program Expenses		Total Expenses	Net Result from Recurring Operations	Net Result	Total Assets
	Recurring			Capital									
	Grants	Other	Grants	Other	Grants	Other							
								\$'000	\$'000				
2019	3,554	36,484	112	190			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General Public Services	40	1,833	5	-				(23,356)	-	(23,356)	16,682	16,994	212,319
Public Order & Safety	1,805	2,210	1,978	-			5,993	(10,791)	(4,389)	(15,180)	(6,776)	(9,187)	418,907
Economic Affairs	447	8,142	208	-			8,797	(7,836)	-	(7,836)	753	961	15,506
Environmental Protection	-	4,453	2,317	-			6,770	(7,637)	-	(7,637)	(3,184)	(867)	-
Housing & Community Amenities	319	1,143	111	-			1,573	(5,900)	-	(5,900)	(4,438)	(4,327)	8,110
Recreation, Culture & Religion	583	249	-	-			832	(1,083)	-	(1,083)	(251)	(251)	-
Social Protection	6,748	54,514	4,731	190			66,183	(58,357)	(4,389)	(62,746)	2,905	3,437	654,842
Total													

Functions	Gross Program Income						Total Income	Gross Program Expenses		Total Expenses	Net Result from Recurring Operations	Net Result	Total Assets
	Recurring			Capital									
	Grants	Other	Grants	Other	Grants	Other							
								\$'000	\$'000				
2018	3,215	35,334	66	195			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General Public Services	35	1,818	86	-			38,810	(13,774)	(533)	(14,307)	24,775	24,503	208,573
Public Order & Safety	2,768	2,308	3,109	1,154			1,939	(1,887)	-	(1,887)	(34)	52	-
Economic Affairs	224	7,843	6	-			9,339	(18,828)	(2,810)	(21,638)	(13,752)	(12,299)	433,083
Environmental Protection	168	5,161	7,085	-			8,073	(7,184)	(98)	(7,282)	883	791	14,177
Housing & Community Amenities	374	1,069	25	-			12,414	(9,128)	(455)	(9,583)	(3,799)	2,831	-
Recreation, Culture & Religion	572	320	-	-			1,468	(6,143)	(1)	(6,144)	(4,700)	(4,676)	7,518
Social Protection	7,356	53,853	10,377	1,349			892	(1,082)	-	(1,082)	(190)	(190)	-
Total							72,935	(58,026)	(3,897)	(61,923)	3,183	11,012	663,351

page 10



Lockyer Valley Regional Council

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

Note 3. Revenue Analysis

	Notes	2019 \$'000	2018 \$'000
(a). Rates, Levies and Charges			
General Rates		31,975	30,877
Separate Rates		4,634	4,491
Special Charges		303	302
Waste Collection Charges		4,524	4,253
Total rates and utility charge revenue		41,436	39,923
Less: Discounts		(1,516)	(1,453)
Less: Pensioner remissions		(172)	(170)
TOTAL RATES, LEVIES AND CHARGES		39,748	38,300

(b). Fees and Charges

Animal Control	541	527
Building and Development Fees	3,182	4,024
Refuse Tip and Recycling	594	717
Childcare	249	320
Finance and Corporate Governance	87	85
User Fees and Charges	757	763
TOTAL FEES AND CHARGES	5,410	6,436

(c). Other Income

Other Income	541	316
Income Tax Equivalent Received	891	1,003
Sale of Sundry Small Value Items	211	203
Fuel and Diesel Rebate	157	136
Rates Legal Costs Recovered	206	174
Sales and Hire	1,061	920
TOTAL OTHER INCOME	3,067	2,752

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

page 11



Financial Statements 2018-2019 52

Lockyer Valley Regional Council

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

Note 4. Grants, Subsidies, Contributions and Donations

	Notes	2019 \$'000	2018 \$'000
(a) Recurrent			
General Purpose Grants		4,684	4,298
State Government Subsidies and Grants		716	555
Commonwealth Government Subsidies and Grants		1,166	2,103
Contributions		182	400
<u>TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>		<u>6,748</u>	<u>7,356</u>

(b) Capital

<i>Monetary Capital Revenue</i>			
State Government Subsidies and Grants		2,610	3,543
Commonwealth Government Subsidies and Grants		356	476
Contributions		-	136
<i>Non-Monetary Capital Revenue</i>			
Developer Assets Contributed by Developers at Fair Value	13	1,765	6,222
<u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>		<u>4,731</u>	<u>10,377</u>

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

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

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

page 12



Lockyer Valley Regional Council

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

Note 5. Employee Benefits

	Notes	2019 \$'000	2018 \$'000
Wages and Salaries		18,163	18,541
Annual, Sick and Long Service Leave Entitlements		5,177	4,524
Superannuation	24	2,706	2,587
Councillor Remuneration		626	592
Other		1,202	1,151
		<u>27,874</u>	<u>27,395</u>
Less: Capitalised Employee Expenses		(2,525)	(3,119)
TOTAL EMPLOYEE BENEFITS		<u>25,349</u>	<u>24,276</u>

Additional information:

Total Employees at year end:

Administration Staff	195	184
Depot and Outdoors Staff	121	145
Total full time equivalent employees	<u>316</u>	<u>329</u>
Total Elected members	<u>7</u>	<u>7</u>

Note 6. Materials and Services

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

page 13



Financial Statements 2018-2019 54

Lockyer Valley Regional Council

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

Note 7. Finance Costs

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

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

No borrowing costs are capitalised on qualifying assets.

Note 8. Capital Expenses

Loss on disposal of non-current assets

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

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

page 14



Lockyer Valley Regional Council

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

Note 9. Cash, Cash Equivalents and Investments

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

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

Restricted Cash, Cash Equivalents and Investments

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

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

Unspent Government Grants and Subsidies	1,020	582
Waste Levy Refund Received in Advance	1,038	-
Total External Restrictions	2,058	582

Internally imposed Expenditure Restrictions at the reporting date:

Future Capital Works	2,180	2,564
Future Recurrent Expenditure	-	97
Total Internal Restrictions	2,180	2,661
Total Unspent Restricted Cash, Cash Equivalents and Investments	4,238	3,243

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

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

page 15



Financial Statements 2018-2019 56

Lockyer Valley Regional Council

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

Note 10. Trade and Other Receivables

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

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

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

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rates receivables.

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

page 16



Lockyer Valley Regional Council

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

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

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

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

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

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

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

Reconciliation of Non-Current Assets "Held for Sale"

Assets "Held for Sale"

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

page 17



Financial Statements 2018-2019 58

Lockyer Valley Regional Council

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

Note 12. Investment Property

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

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

Investment Property does not include Community Housing.

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

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

page 18



Lockyer Valley Regional Council

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

Note 13. Property, Plant and Equipment

30 June 2019		Land		Buildings		Plant and Other Equipment		Road and Drainage Network		Other Assets		Works In Progress		Artworks		Park and Cemetery Equipment		Waste		Total	
		Fair Value		Fair Value		Cost		Fair Value		Cost		Cost		Fair Value		Fair Value		Fair Value		\$'000	
Measurement Basis		Note																			
Opening Gross Balance - at Cost				45,357		83,253		518,980		7,705		5,856		246		10,874		15,033		38,295	
Opening Gross Balance - at Fair Value				45,357		83,253		518,980		7,705		5,856		246		10,874		15,033		673,743	
Opening Gross Balance Additions*																				19,297	
Contributed Assets at Valuation		4						1,765												1,765	
Disposals		8				(196)		(6,862)		(38)										(10,048)	
Revaluation Decrements to Equity (ARS)		19						(5,110)												(5,110)	
Revaluation Increments to Equity (ARS)		19																		7,211	
Work in Progress Transfers		11		3,228		3,983				362		(19,151)		19		1,031		776			
Transfers from/to Held for Sale category		15		(11)								(10)								(11)	
Transfers from/to Intangible Assets																				(10)	
Adjustment Due to Changes in Provision for Rehabilitation		18																		827	
Total Gross Value of Property, Plant and Equipment - at Cost				48,575		90,700		518,491		8,029		6,092		265		11,905		16,637		686,573	
Total Gross Value of Property, Plant and Equipment - at Fair Value				48,575		90,700		518,491		8,029		6,092		265		11,905		16,637		725,960	
Opening Accumulated Depreciation						31,330		85,897		1,491						3,356		857		135,303	
Depreciation Expense						1,439		7,298		259						438		273		11,239	
Disposals		8				(140)		(2,597)		(7)										(5,055)	
Revaluation Decrements to Equity (ARR)		19				6,243		8,985												15,228	
Total Accumulated Depreciation of Property, Plant and Equipment						38,871		99,583		1,743						3,794		1,130		156,714	
Total Net Book Value of Property, Plant and Equipment				48,575		51,829		418,908		6,286		6,092		265		8,111		15,507		569,246	
Other Information																					
Residual Value				Indefinite		0%-10%		15%-30%		0%		0%		Indefinite		0%		0%			
Range of Estimated Useful Life (years)				Indefinite		20-80		3-20		3-100		3-100		Indefinite		25		40			
*Asset Additions Comprise																					
Asset Renewals				-		1,466		3,613		132		-		-		656		313		14,645	
Other Additions				1		1,296		213		246		-		19		672		324		4,652	
Total Asset Additions				1		2,762		3,826		378		-		19		1,328		637		19,297	

page 19



30 June 2018		Land	Buildings	Plant and Other Equipment	Road and Drainage Network	Other Assets	Works in Progress	Artworks	Park and Cemetery Equipment	Waste	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement Basis		Fair Value	Fair Value	Cost	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	
Note	Opening Gross Balance - at Cost	-	-	24,203	-	22,703	7,814	-	-	-	54,720
	Opening Gross Balance - at Fair Value	42,294	93,391	-	512,565	-	-	247	9,735	-	658,232
	Opening Gross Balance	42,294	93,391	24,203	512,565	22,703	7,814	247	9,735	-	712,952
	Additions*	-	-	-	-	-	17,665	-	-	-	17,665
	Contributed Assets at Valuation	175	-	-	6,047	-	-	-	-	-	6,222
	Disposals	(61)	(796)	(1,864)	(4,222)	(1,148)	-	(1)	-	(114)	(8,206)
	Revaluation Decrements to Equity (ARR)	-	(9,684)	-	(6,983)	-	-	-	-	-	(16,667)
	Revaluation Increments to Equity (ARS)	721	-	-	-	-	-	-	-	-	721
	Work in Progress Transfers	2,560	342	2,262	11,573	161	(18,083)	-	1,003	182	-
	Transfers from/(to) Held for Sale category	(332)	-	-	-	-	(107)	-	-	-	(439)
	Transfers from/(to) Intangible Assets	-	-	-	-	-	(1,333)	-	-	-	(1,333)
	Adjustment Due to Changes in Provision for Rehabilitation	-	-	-	-	-	-	-	-	1,123	1,123
	Transfers from/(to) Other Assets	-	-	33	-	(14,011)	-	-	136	13,842	-
	Total Gross Value of Property, Plant and Equipment - at Cost	-	-	24,634	-	7,705	5,956	-	-	-	38,295
	Total Gross Value of Property, Plant and Equipment - at Fair Value	45,357	83,253	-	518,980	-	-	246	10,874	15,033	673,743
Total Gross Value of Property, Plant and Equipment		45,357	83,253	24,634	518,980	7,705	5,956	246	10,874	15,033	712,038
8	Opening Accumulated Depreciation	-	33,953	11,882	85,206	2,820	-	-	2,915	-	136,776
	Depreciation Expense	-	1,395	1,696	7,714	275	-	-	406	353	11,839
	Disposals	-	(202)	(1,212)	(1,401)	(323)	-	-	-	(15)	(3,153)
	Revaluation Increments to Equity (ARS)	-	(3,816)	-	(5,622)	-	-	-	-	(720)	(10,158)
	Transfers from/(to) Other Assets	-	-	6	-	(1,281)	-	-	35	1,239	-
Total Accumulated Depreciation of Property, Plant and Equipment		-	31,330	12,372	85,897	1,491	-	-	3,356	857	135,304
Total Net Book Value of Property, Plant and Equipment		45,357	51,923	12,262	433,083	6,214	5,956	246	7,518	14,176	576,734
Other Information											
Residual Value		Indefinite	0%	15%-30%	0%	0%	-	Indefinite	0%	0%	
Range of Estimated Useful Life (years)		Indefinite	20-80	3-20	10-100	3-100	-	Indefinite	25	40	
*Asset Additions Comprise											
Asset Renewals		-	-	-	-	-	11,547	-	-	-	11,547
Other Additions		-	-	-	-	-	6,118	-	-	-	6,118
Total Asset Additions		-	-	-	-	-	17,665	-	-	-	17,665

Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Property, Plant and Equipment (continued)

Valuations - defined by reference to:

Land

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

Buildings

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

Plant and Other Equipment

- Basis of valuation: Cost less accumulated depreciation

Road and Drainage Network

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

Other Assets

- Basis of valuation: Cost less accumulated depreciation

Works In Progress

- Basis of valuation: Cost

Artworks

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2016
- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

page 21



Financial Statements 2018-2019 62

Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Property, Plant and Equipment (continued)

Valuations - defined by reference to: (continued)

Park and Cemetery Equipment

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2017
- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

Waste

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2018
- Valuer: Pickles Valuation Services - Kim Adams, AAPI, CPV 2124

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

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

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

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

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

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

page 22



Lockyer Valley Regional Council

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

Note 14. Fair Value Measurements

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

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

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

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

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

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

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

page 23



Lockyer Valley Regional Council

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

Note 14. Fair Value Measurements (continued)

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

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

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

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

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

Investment Properties

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

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

Land

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

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

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

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

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

page 24



Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Fair Value Measurements (continued)

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

Buildings

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

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

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

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

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

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

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

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

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

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

page 25



Financial Statements 2018-2019 66

Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Fair Value Measurements (continued)

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

Infrastructure, Roads and Drainage, Parks, Waste and Cemeteries

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

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

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

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

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

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

page 26



Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Fair Value Measurements (continued)

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

The Valuation Process for Level 3 Fair Value Measurements

Roads & Road Structures

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

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

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

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

Urban Infrastructure

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

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

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

Percentage of Assets Inspected by the Valuer

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

Review of Valuations

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

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

page 27



Financial Statements 2018-2019 68

Lockyer Valley Regional Council

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

Note 15. Intangible Assets

	2019	2018
Notes	\$'000	\$'000

Intangible Assets represent identifiable non-monetary assets without physical substance.

Intangible Assets are as follows;

Software		
Opening Gross Carrying Value	8,860	7,618
Additions (including in development assets)	1,080	1,333
Disposals	-	(91)
In Development	134	-
Closing Gross Carrying Value	10,074	8,860
Opening Accumulated Amortisation	(3,648)	(2,692)
Amortisation	(933)	(1,044)
Accumulated Amortisation charges written off	-	88
Closing Accumulated Amortisation	(4,581)	(3,648)
Net Carrying Value	5,493	5,212
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE ¹</u>	<u>5,493</u>	<u>5,212</u>

¹ The Net Book Value of Intangible Assets represent:

- Software	5,493	5,212
	5,493	5,212

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

Straight line amortisation has been used with no residual value.

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

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

Note 16. Trade and Other Payables

Current

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

page 28



Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Trade and Other Payables (continued)

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

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

Annual leave and other employee entitlements are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the current liability is calculated using current pay rates, employee on-costs, and discounted to present values.

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

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

Note 17. Borrowings

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

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

page 29



Financial Statements 2018-2019 70

Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Borrowings (continued)

Loan Disclosures

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

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

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 March 2031 to 15 March 2036.

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

Principal and interest repayments are made quarterly in arrears.

In accordance with the *Local Government Regulation 2012*, Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset.

Note 18. Provisions

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

page 30



Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Provisions (continued)

Details of movements in Provisions:

Class of Provision	Opening Balance as at 01/07/2018	Change in Provisions	Decrease due to Payments	Remeasure- ment due to Discounting	Closing Balance as at 30/06/2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Long Service Leave	5,100	1,192	(797)	-	5,495
Quarry Rehabilitation	632	-	-	20	652
Refuse Restoration	28,176	827	-	244	29,247
TOTAL	33,908	2,019	(797)	264	35,394

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

Quarry rehabilitation

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

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

Refuse restoration

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

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

Long Service Leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates, future pay increases, employee on-costs, and the probability of the employee remaining in Council's employment which would result in the Council being required to meet the liability. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

page 31



Financial Statements 2018-2019 72

Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Provisions (continued)

Long Service Leave (continued)

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

Note 19. Asset Revaluation Surplus

	Notes	2019 \$'000	2018 \$'000
Movements in the asset revaluation surplus:			
Balance at beginning of financial year		213,043	218,832
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Land		3,228	721
Buildings		(2,260)	(5,868)
Road and Drainage Network		(14,095)	(1,362)
Waste		-	720
	13	(13,127)	(5,789)
Balance at end of financial year		199,916	213,043

Asset revaluation surplus analysis

The closing balance of the Asset Revaluation Surplus comprises the following asset categories:

Land	19,939	16,711
Buildings	1,745	4,005
Road and Drainage Network	177,386	191,481
Artworks	126	126
Waste	720	720
Balance at end of financial year	199,916	213,043

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Increases and decreases on revaluation are offset within a class of assets. Any decreases on revaluation in excess of the asset revaluation surplus are treated as an expense. There are no adjustments to the asset revaluation surplus on the disposal of assets.

page 32



Lockyer Valley Regional Council

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

Note 20. Retained Surplus

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

Note 21. Reserves

Council's Cash, Cash Equivalents and Investments are subject to a number of External and Internal Restrictions that limit the amount that is available for discretionary or future use. In prior years, Council accounted for these Restrictions using a system of Reserves.

Restricted Capital Works Reserve - Grants & Subsidies

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

Roads Infrastructure Reserve

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

Rates Levies Reserve

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

Prepaid Grants Reserve

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

Reserves held for funding future capital exp:

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

page 33



Financial Statements 2018-2019 74

Lockyer Valley Regional Council

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

Note 21. Reserves (continued)

	2019	2018
Notes	\$'000	\$'000
Reserves held for funding future recurrent exp:		
Rates Levies Reserve	-	197
Prepaid Grants Reserve	429	161
	<u>429</u>	<u>358</u>
<u>TOTAL RESERVES</u>	<u>3,200</u>	<u>3,243</u>

Movements in reserves:

	Opening Balance as at 01/07/2018 \$'000	Tfr to Retained Surplus \$'000	Tfr from Retained Surplus \$'000	Closing Balance as at 30/06/2019 \$'000
Capital Reserves				
Restricted Capital Works Reserve - Grants & Subsidies	321	(463)	733	591
Roads Infrastructure Reserve	2,564	(2,564)	2,180	2,180
Total Capital Reserves	<u>2,885</u>	<u>(3,027)</u>	<u>2,913</u>	<u>2,771</u>
Recurrent Reserves				
Rates Levies Reserve	197	(502)	305	-
Prepaid Grants Reserve	161	(355)	623	429
Total Recurrent Reserves	<u>358</u>	<u>(857)</u>	<u>928</u>	<u>429</u>
<u>TOTAL RESERVES</u>	<u>3,243</u>	<u>(3,884)</u>	<u>3,841</u>	<u>3,200</u>

page 34



Lockyer Valley Regional Council

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

Note 22. Commitments for Expenditure

	2019	2018
Notes	\$'000	\$'000

(a) Capital Commitments (exclusive of GST)

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, Plant and Equipment

Facility, Buildings, Plant and Equipment Expenditure	1,603	1,063
Road Operations & Bridge Construction	577	1,501
Total Commitments	2,180	2,564

These expenditures are payable as follows:

Within the next year	2,180	2,564
Total Payable	2,180	2,564

Sources for Funding of Capital Commitments:

Restricted Reserves	2,180	2,564
Total Sources of Funding	2,180	2,564

(b) Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Garbage Collection Contract	5,862	8,434
Waste Site Supervision Contract	5,392	6,392
Computer Leasing Contract	380	613
IT Software Contracts	2,975	-
	14,609	15,439

page 35



Financial Statements 2018-2019 76

Lockyer Valley Regional Council

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

Note 23. Contingent Liabilities

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

Local Government Mutual

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

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

Local Government Workcare

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

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

Legal Claims

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

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

page 36



Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Contingent Liabilities (continued)

Council is also aware of the following potential liability risks:

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

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

Note 24. Superannuation

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

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

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

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

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

page 37



Financial Statements 2018-2019 78

Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Superannuation (continued)

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

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

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

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

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

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

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

page 38



Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Associated Entities

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

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

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

Associated Entities

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

Accounting Recognition:

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

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

Associated Entities

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

(a) Net Carrying Amounts - Council's Share

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

page 39



Financial Statements 2018-2019 80

Lockyer Valley Regional Council

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

Note 25. Associated Entities (continued)

(b) Details

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

(c) Relevant Interests and Fair Values

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

(d) Summarised Financial Information for Associated Entities

Summarised Statement of Financial Position

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

page 40



Lockyer Valley Regional Council

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

Note 25. Associated Entities (continued)

Summarised Statement of Comprehensive Income

Queensland Urban Utilities

	2019 \$'000	2018 \$'000
Income	1,377,659	1,344,989
Depreciation and Amortisation	(187,839)	(183,326)
Interest Expense	(96,820)	(97,025)
Income Tax Expense	(98,596)	(106,262)
Other Expenses	(767,849)	(710,430)
Profit/(Loss) for Period	226,555	247,946
Other Comprehensive Income	168	-
Total Comprehensive Income	226,723	247,946
Dividends received by Council	1,473	1,798

(e) Summarised Financial Information for Individually Immaterial Associated Entities

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

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

page 41



Financial Statements 2018-2019 82

Lockyer Valley Regional Council

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

Note 26. Trust Funds

	2019	2018
Notes	\$'000	\$'000

Trust funds held for outside parties

Security Deposits	1,452	1,328
	<u>1,452</u>	<u>1,328</u>

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

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

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

page 42



Lockyer Valley Regional Council

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

Note 28. Reconciliation of Liabilities arising from Finance Activities

	As at 30-Jun-18 \$'000	Cashflows \$'000	Non-Cash Changes \$'000	As at 30-Jun-19 \$'000
Loans	26,330	(1,816)	-	24,514
	<u>26,330</u>	<u>(1,816)</u>	<u>-</u>	<u>24,514</u>

	As at 30-Jun-17 \$'000	Cashflows \$'000	Non-Cash Changes \$'000	As at 30-Jun-18 \$'000
Loans	32,450	(6,120)	-	26,330
	<u>32,450</u>	<u>(6,120)</u>	<u>-</u>	<u>26,330</u>

Note 29. Events Occurring After Balance Sheet Date

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

Note 30. Financial Instruments

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

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

Financial Risk Management

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

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

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

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

Council does not enter into derivatives.

page 43



Financial Statements 2018-2019 84

Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 30. Financial Instruments (continued)

Credit Risk Exposure

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

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

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

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

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

Cash and Cash Equivalents

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

Other Financial Assets

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

Trade and Other Receivables

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

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

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

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

page 44



Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 30. Financial Instruments (continued)

Liquidity Risk

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

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

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

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

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

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

Market Risk

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

Interest Rate Risk

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

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

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

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

page 45



Financial Statements 2018-2019 86

Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 30. Financial Instruments (continued)

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

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

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

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

Fair Value

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

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

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

page 46



Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 30. Financial Instruments (continued)

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

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

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

page 47



Financial Statements 2018-2019 88

Lockyer Valley Regional Council

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

Note 31. Transactions with Related Parties

(a) Associates

Transactions with Associates

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

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

(b) Other Related Parties

Transactions with Other Related Parties

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

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

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

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

page 48



Lockyer Valley Regional Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 31. Transactions with Related Parties (continued)

(c) Key Management Personnel

Transactions with Key Management Personnel

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

The compensation paid to Key Management Personnel comprises:

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

(d) Outstanding Balances

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

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

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

(e) Loans and Guarantees to/from Related Parties

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

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

(f) Commitments to/from Other Related Parties

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

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

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

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

page 49



Financial Statements 2018-2019 90

Lockyer Valley Regional Council

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

Note 32. Council Information and Contact Details

Principal Place of Business:

26 Railway Street
Gatton QLD 4343

Contact Details

Mailing Address:

PO Box 82
Gatton QLD 4343

Telephone: 1300 005 872

Opening Hours:

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

Internet: www.lockyervalley.qld.gov.au

Email: mailbox@lvrc.qld.gov.au

Officers

CHIEF EXECUTIVE OFFICER

Ian Church

AUDITORS

Queensland Audit Office
PO Box 15396
City East QLD 4002

Other Information

ABN: 52 673 165 312

Elected Members

MAYOR

Tanya Milligan

COUNCILLORS

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

page 50





INDEPENDENT AUDITOR'S REPORT

To the Councillors of Lockyer Valley Regional Council

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Other information

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

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



Lockyer Valley Regional Council

General Purpose Financial Statements
for the year ended 30 June 2019Management Certificate
for the year ended 30 June 2019

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

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

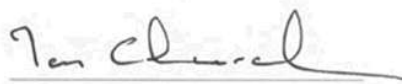
- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the General Purpose Financial Statements, as set out on pages 2 to 50, present a true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



Tanya Milligan

MAYOR

11 SEP 2019



Ian Church

CHIEF EXECUTIVE OFFICER

11 SEP 2019

page 51



Financial Statements 2018-2019 92



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

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

Responsibilities of the council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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





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

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

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

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

Melissa Read
as delegate of the Auditor-General

16 September 2019

Queensland Audit Office
Brisbane



Lockyer Valley Regional Council

Current Year Financial Sustainability Statement

for the year ended 30 June 2019

	Actual 2019	Target 2019
--	----------------	----------------

Measures of Financial Sustainability

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

Performance Indicators

1. Operating Surplus Ratio

Net Result (excluding capital items) ⁽¹⁾	4.74%	0 - 10%
Total Operating Revenue (excluding capital items) ⁽²⁾		

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

2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals) ⁽³⁾	113.67%	more than 90%
Depreciation Expense		

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

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets	58.95%	less than 60%
Total Operating Revenue (excluding capital items) ⁽²⁾		

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

Note 1 - Basis of Preparation

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

page 54



Financial Statements 2018-2019 96

Lockyer Valley Regional Council

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

Measures of Financial Sustainability (continued)

NOTES

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

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

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

page 55



Lockyer Valley Regional Council

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

Certificate of Accuracy
for the year ended 30 June 2019

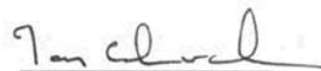
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

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



Tanya Milligan
MAYOR

11 SEP 2019



Ian Church
CHIEF EXECUTIVE OFFICER

11 SEP 2019

page 56



Financial Statements 2018-2019 98



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Lockyer Valley Regional Council

Report on the current year financial sustainability statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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





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

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

Responsibilities of the council for the current year financial sustainability statement

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

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

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

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

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

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





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

16 September 2019

Melissa Read
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



Lockyer Valley Regional Council

Long-Term Financial Sustainability Statement

prepared as at 30 June 2019

	Target 2019	Actual 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
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Measures of Financial Sustainability

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

Performance Indicators

1. Operating Surplus Ratio

Net Result (excluding capital items) ⁽¹⁾

Total Operating Revenue (excluding capital items) ⁽²⁾

0 - 10%	4.74%	4.57%	4.79%	4.29%	4.41%	4.12%	4.47%	5.16%	6.36%	5.71%	7.14%
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An indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

2. Asset Sustainability Ratio

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

Depreciation Expense

> 90%	113.67%	104.96%	101.20%	102.06%	105.32%	95.09%	97.50%	96.25%	97.03%	90.58%	92.52%
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An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets

Total Operating Revenue (excluding capital items) ⁽²⁾

< 60%	58.95%	60.56%	62.16%	55.40%	48.10%	41.22%	42.57%	35.68%	26.91%	18.00%	8.00%
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

page 59





Lockyer Valley Regional Council

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

Measures of Financial Sustainability (continued)

Lockyer Valley Regional Council Financial Management Strategy

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

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

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

The current forecast has the levels of income and expenditure at what should be considered 'normal' operations.

It also sees operating surpluses for the life of the long term plan and a more sustainable level of capital works which is focussed on renewals.

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

Notes

⁽¹⁾ Includes only Recurrent Revenue and Recurrent Expenditure disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions, Donations and Subsidies received for capital acquisitions. Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties, and any Capital Expenditure such as Write Off of Assets, movements in Provisions for Restoration and Rehabilitation and Revaluation Decrements that hit the Statement of Comprehensive Income.

⁽²⁾ Includes only Recurrent Revenue disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions Donations and Subsidies received for capital acquisitions. Also excludes any Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties.

⁽³⁾ Asset Renewals are defined as expenditures on existing assets to return the assets to their original service potential (or useful life) while satisfying current construction and required standards. Such expenditure is required periodically to reinstate existing assets and may reduce operating and maintenance costs.

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

Lockyer Valley Regional Council

Long-Term Financial Sustainability Statement

Certificate of Accuracy

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

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

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


Tanya Milligan
MAYOR
11 SEP 2019


Ian Church
CHIEF EXECUTIVE OFFICER
11 SEP 2019

page 61



Financial Statements 2018-2019 104



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

Lockyer Valley Regional Council, PO Box 82, Gatton QLD 4343
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11. ORGANISATIONAL DEVELOPMENT AND PLANNING SERVICES REPORTS**11.1 Community Environmental Grants**

Date: 10 September 2019
Author: Martin Bennett, Environmental Officer
Responsible Officer: Ian Church, Chief Executive Officer

Summary:

Applications for the Council's Community Environmental Grants program were called for on 1 August 2019 and closed on 30 August 2019. In total two applications were received, requesting a total of \$7,635.33.

THAT Council approve funding to the following applicants for 2019-20 under Category 9 - Community Environment Grant:

- Lockyer Uplands Catchments Inc. - Threatened species monitoring projects (\$4,199.83)
- Lockyer Uplands Catchments Inc. - Conserving native grasses and grassy habitats in the Lockyer Valley (\$3,435.50).

Report**1. Introduction**

For the 2019-20 financial year, Council allocated \$15,000 for Community Environment Grants. Council received two applications seeking a total of \$7,635.33 in funding. This report outlines the evaluation process undertaken by Council and makes a recommendation for distributing the available funding to eligible organisations.

2. Background

The Community Grants and Assistance Policy and Procedure were approved by Council on 13 December 2017. This policy assists in the management and the distribution of public funds to ensure a fair and equitable process is created which is consistent across the organisation in accordance with legislation and policies. Category 9 – Community Environment Grant is available once a year with a budget of \$15,000 in the 2019-20 financial year to community organisations who undertake projects which benefit the wider environment and educational values to the community.

3. Report

As per the Community Grants and Assistance Policy and Procedure, Council is required to approve the allocation of funding under Category 9 - Community Environment Grant.

In 2019-20 two applications for funding were received. These applications were assessed by Councillor Vela, the Senior Environment Planner, and the Environment Officer against the assessment criteria, funding requirements and the community group's own capacity to finance their project.

Of the two applications received, both applications are recommended to receive all their requested funding.

The applications recommended to received funding are:

Organisation	Project Description	Total Project Value	Amount Requested	Amount approved
Lockyer Uplands Catchments Inc. (LUCI)	Threatened species monitoring projects. This project will engage UQ Gatton Wildlife Science students in LUCI's current threatened species monitoring projects. LUCI's 5-year Glossy black cockatoo and Koala Scat surveys to enhance our understanding of the biology and the extent of distribution of these two-threatened species.	\$20,237.85	\$4,199.83	\$4,199.83
Lockyer Uplands Catchments Inc. (LUCI)	Conserving native Grasses and Grassy habitats in the Lockyer Valley. Grasses and grassy habitats provide food and aid in the prevention of erosion, shelter and nesting sites. This project seeks to improve knowledge and awareness of the value of native grasses. A consultant will provide two workshops to the community on grasses and grassy habitats, specimen preparation and identification, and produce a field identification booklet.	\$6,535.50	\$3,435.50	\$3,435.50

4. Policy and Legal Implications

The applications received under 2019-20 of the Community Environmental Grants Program have been assessed in accordance with the Community Grants and Assistance Policy and Procedure.

According to the Guidelines for local government administration of community grants (October 2009), "It should be noted that while there is no right of appeal against a decision to approve or refuse to grant, decisions in relation to grants are still subject to the Judicial Review Act".

All appeals are otherwise treated in accordance with Council's Complaints Management Process.

To ensure total transparency in the assessment process, the Guidelines for local government administration of community grants (October 2009), stress the importance that there be a separation of responsibilities so that the person making the decision is different from the person assessing the applications.

5. Financial and Resource Implications

Category 9 - Community Environment Grant has an allocation of \$15,000 in the 2019-20 budget.

The recommendations for provision of financial assistance are \$7,635.33. This is within budget for the Community Environment Grants.

6. Delegations/Authorisations

There are no delegation implications associated with this report. The Chief Executive Officer will manage any future requirements in line with existing delegations.

7. Communication and Engagement

The Community Environment Grant announcement was published in the Gatton Star, the Lockyer Valley Regional Council's website and Council's Facebook page.

All applicants (successful or not), will be advised in writing of the outcome of their application. All successful applicants are required to submit an acquittal within two months of completion of their project. Failing to submit an acquittal will prevent them from being successful with future applications to Council.

8. Conclusion

For the Community Environment Grants Program 2019-20, two applications were received and evaluated against the criteria. It is recommended that both applications receive the funding requested in their applications.

9. Action/s

Notify all applicants of the outcome of their application.

Attachments

There are no attachments for this report.

11.2 Application for Material Change of Use for a Dwelling at 10 Short Street Laidley

Date: 19 September 2019
Author: Miriam Sharp, Planning Officer
Responsible Officer: Ian Church, Chief Executive Officer

Summary:

The purpose of this report is to consider an application (MC2019/0056) for a Development Permit for a Material Change of Use for a Dwelling on Lot 7 L1731 at 10 Short Street, Laidley.

The application has been assessed in accordance with the requirements of the *Planning Act 2016* and it is recommended that the proposal be approved in accordance with the Officer's Recommendation.

Officer's Recommendation:

THAT the application (MC2019/0056) for a Development Permit for a Material Change of Use for a Dwelling on Lot 7 L1731 at 10 Short Street, Laidley be approved subject to the following conditions:

APPROVED PLANS

The following plans are the Approved Plans for the development:

Approved Plans

Plan No.	Rev.	Plan Name	Date
PRO 640 Sheet number A02	B	<i>Location Plan</i> , prepared by Evoke Architects	02/08/2019
PRO 640 Sheet number A03	B	<i>Site Plan</i> , prepared by Evoke Architects	02/08/2019
PRO 640 Sheet number A04	B	<i>Proposed Lower Floor</i> , prepared by Evoke Architects	02/08/2019
PRO 640 Sheet number A05	B	<i>Proposed Upper Floor</i> , prepared by Evoke Architects	02/08/2019
PRO 640 Sheet number A07	B	<i>Proposed Elevations 1</i> , prepared by Evoke Architects	02/08/2019
PRO 640 Sheet number A08	B	<i>Proposed Elevations 2</i> , prepared by Evoke Architects	02/08/2019

The following plans require amendment prior to becoming Approved Plans for the development:

Nil

REFERENCED DOCUMENTS

The following documents are referenced in the assessment manager conditions:

Referenced Documents

Document No.	Rev.	Document Name	Date
CBD2019/0226	-	Form 19 Response for Requested Development Information for Land Situated at 10 Short Street, Laidley QLD 4341 and Described as Lot 7 L1731, prepared by Lockyer Valley Regional Council	15 July 2019

VARIATION APPROVAL

Not Applicable

FURTHER DEVELOPMENT PERMITS REQUIRED

- Development Permit for Building Work

CURRENCY PERIOD OF APPROVAL

The currency period for this development approval is six (6) years starting the day that this development approval takes effect (refer to Section 85 “Lapsing of approval at end of currency period” of the *Planning Act 2016*).

RECOMMENDATION

APPROVE WITH CONDITIONS Application No. MC2019/0056 for a Development Permit for a Material Change of Use for a Dwelling situated at 10 Short Street LAIDLEY QLD 4341 as identified in the attached details recommended for the Decision Notice.

ASSESSMENT MANAGER CONDITIONS

NO.	CONDITION	TIMING
1.	Undertake the development generally in accordance with the approved plans. These plans will form part of the approval, unless otherwise amended by conditions of this approval.	Prior to commencement of use and to be maintained thereafter.
2.	Maintain the development in accordance with the approved drawing(s) and/or document, and any relevant Council or other approval required by conditions.	At all times.
3.	The use must not commence until all conditions of this approval have been complied with.	At all times.
Alterations and/or Relocations		
4.	Any alteration or relocation in connection with or arising from the development to any service, installation, plant, equipment or other item belonging to or under the control of the telecommunications authority, electricity authority or Council or other person engaged in the provision of public utility services is to be carried out with the development and at no cost to Council.	At all times.
5.	Replace existing Council infrastructure (including but not limited to any street trees and footpaths) to a standard which is consistent with Council’s standards should this infrastructure be damaged as part of construction works.	At all times.
Minimum Habitable Floor Level		

6.	The minimum habitable floor level for the building is to be RL 107.5m AHD in accordance with the Form 19 Response CBD2019/0226 dated 15 July 2019.	At all times.
7.	A licensed surveyor's certificate must be provided to Council to demonstrate the finished floor level of the dwelling house complies with Condition 6 above.	Prior to the issue of a classification certificate.
8.	The building application must include engineering analysis and statement by a registered professional engineer of Queensland (RPEQ) demonstrating compliance with P1 to P3 of <i>Queensland Development Code MP3.5 Construction of Buildings in Flood Hazard Areas</i> .	Prior to construction.

ADVISORY NOTES

- (i) All works associated with this approval may not start until all subsequent approvals have been obtained, and its conditions complied with.
- (ii) Any additions or modifications to the approved use (not covered in this approval) may be subject to further application for development approval.
- (iii) Biosecurity Queensland should be notified on 13 25 23 of proposed development(s) occurring in the Fire Ant Restricted Area before earthworks commence. It should be noted that works involving movements of soil associated with earthworks may be subject to movement controls and failure to obtain necessary approvals from Biosecurity Queensland is an offence.

It is a legal obligation to report any sighting or suspicion of fire ants within twenty-four (24) hours to Biosecurity Queensland on 13 25 23.

The Fire Ant Restricted Area as well as general information can be viewed on the DAF website www.daf.qld.gov.au/fireants.

Advice for Queensland Urban Utilities

On 1 July 2014, Queensland Urban Utilities became the assessment manager for the water and wastewater aspects of development applications. An application will need to be made directly to Queensland Urban Utilities for water supply connections for the proposed development.

Report

1. Introduction

The applicant seeks a Development Permit for a Material Change of Use for a Dwelling at 10 Short Street, Laidley. The subject land is zoned Urban Residential under the *Laidley Shire Council Planning Scheme 2003* and is affected by the *Temporary Local Planning Instrument 01/2019 (TLPI)*.

2. Background

The subject site was previously improved by a Dwelling House. The dwelling burnt down in early 2019 and the applicant is proposing to rebuild the dwelling.

3. Report

Subject Land

SITE AND LOCALITY DESCRIPTION	
Land Area:	4,026.5m ²
Existing Use of Land:	Dwelling House
Road Frontage:	Approx. 80.7m to Short Street
Topography:	Generally level
Surrounding Land Uses:	Residential

Existing Development

A dwelling was approved for the subject land in March 2010 (DA00302A) in accordance with the following plans:

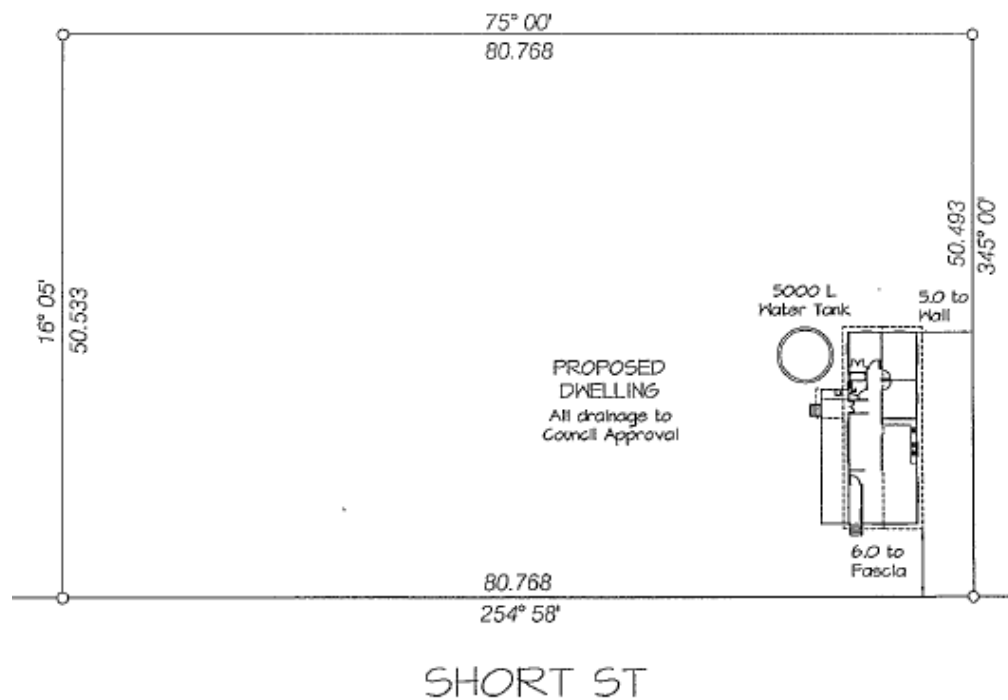


Figure 1 Site Plan Original Dwelling

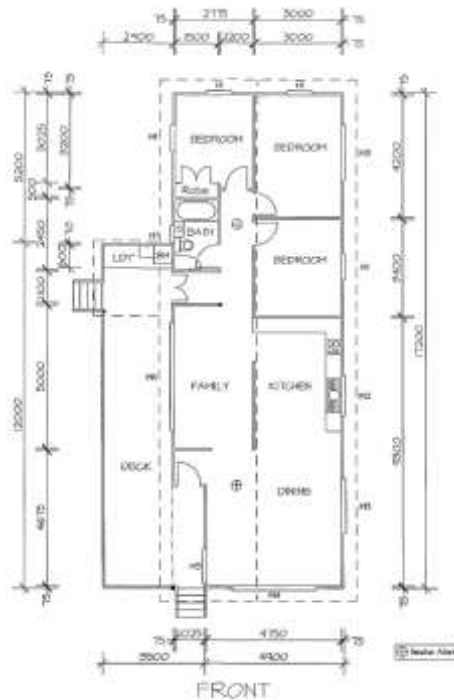


Figure 2 Floor Plan Original Dwelling

The dwelling was constructed, and final building approval given in July 2012. In February 2019 the dwelling burnt down. It was rendered unfit for occupation and required complete removal.

Proposed Development

The proposal is to rebuild a dwelling, generally in the same location, and again with three bedrooms. However, the new dwelling is slightly larger and in a somewhat different configuration to the original (refer proposal plans below). Therefore, a planning application is required.

The following table describes the key development parameters for the proposal:

MATERIAL CHANGE OF USE	DEVELOPMENT PARAMETERS	
	Previously Approved	Proposed
Gross Floor Area	Approx. 127m ²	Approx. 157m ²
Building Height/ Storeys	Approx. 6.8m	Approx. 7.4m
Setbacks	Front: 6.0m Rear: 26.0m Western side: 5.0m	Front: 7.8m Rear: 23.8m Western side: 4.8m
Parking	2 spaces	2 spaces (includes 1 covered space)
Finished Floor Level	107.3m ADH	108.7m ADH

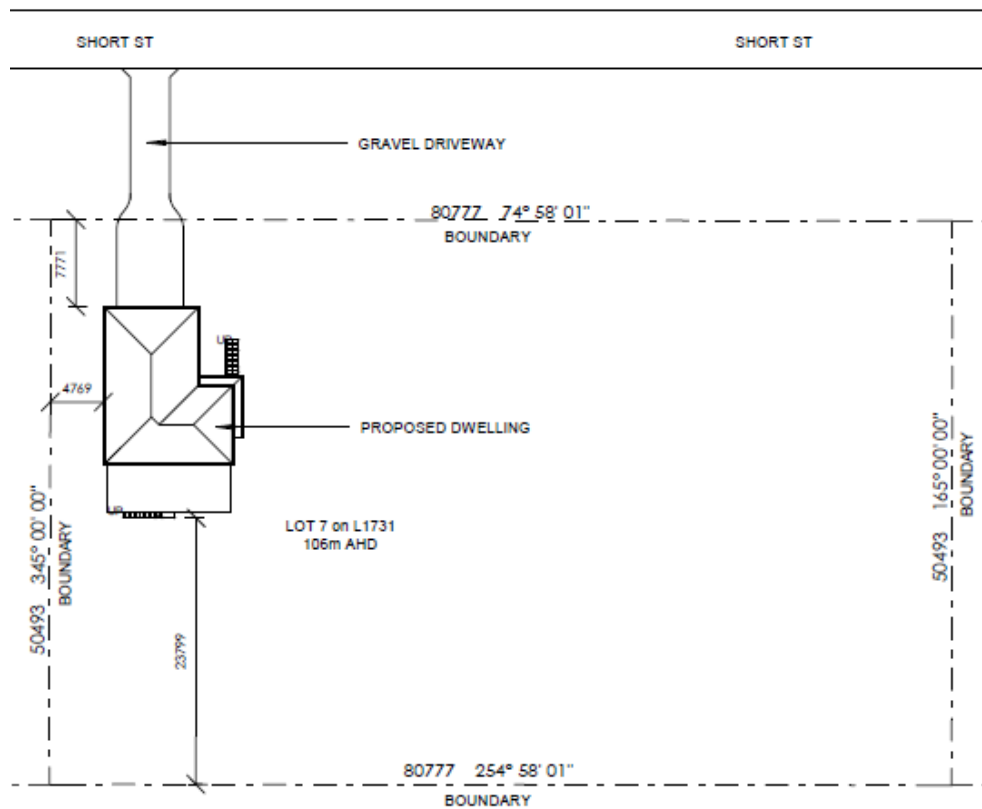


Figure 3 Site Plan Proposed Dwelling

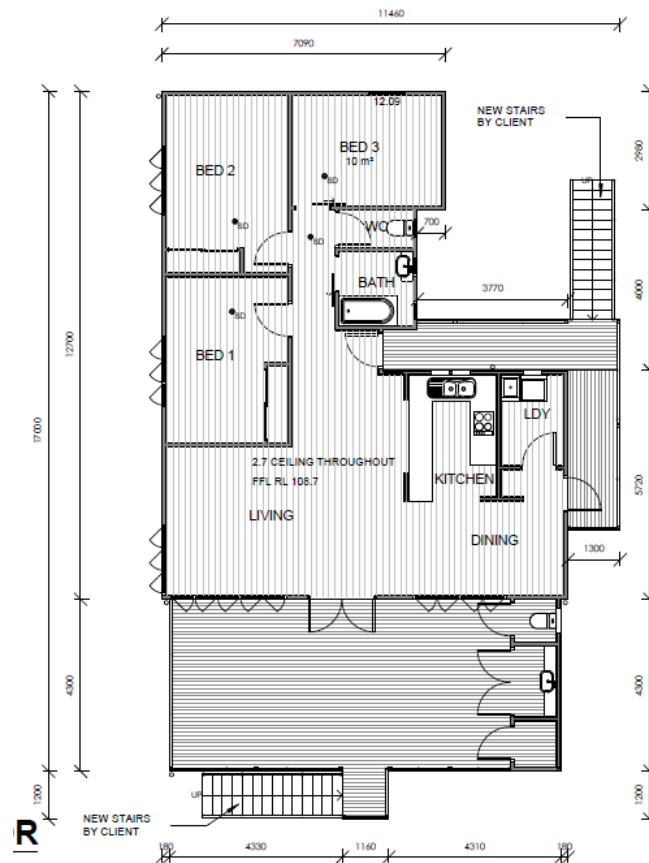


Figure 4 Floor Plan Proposed Dwelling

Assessment

Framework for Assessment

Categorising Instruments for Statutory Assessment

For the *Planning Act 2016*, the following Categorising Instruments may contain Assessment Benchmarks applicable to development applications:

- the *Planning Regulation 2017*
- the Planning Scheme for the local government area
- any Temporary Local Planning Instrument
- any Variation Approval

Of these, the planning instruments relevant to this application are discussed in this report.

Assessment Benchmarks Pertaining to the *Planning Regulation 2017*

The following Assessment Benchmarks from the *Planning Regulation 2017* are applicable to this application:

PLANNING REGULATION 2017 DETAILS	
Assessment Benchmarks:	Nil
State Planning Policy:	<ul style="list-style-type: none"> • Natural hazards risk and resilience – <i>Flood Hazard Area – level 1 – Qld Floodplain and Local Government Flood Mapping Area</i> • Water quality – <i>Water resource catchments</i>
SEQ Regional Plan Designation:	Urban Footprint

State Planning Policy

State Interest – Water quality

The site is mapped within a water resource catchment. However, the proposed development does not trigger assessment against the State Planning Policy for Water Quality.

State Interest – Natural hazards risk and resilience

The State Planning Policy Assessment Benchmark Mapping includes the site within a Flood Hazard Area. The proposal triggers assessment against Council's *Temporary Local Planning Instrument – Flood Regulation 01/2019*, which is discussed below.

Assessment Benchmarks Pertaining to the Planning Scheme

The applicable planning scheme for the application is *Laidley Shire Planning Scheme 2003*. The following sections relate to the provisions of the Planning Scheme.

Planning Scheme:	<i>Laidley Shire Planning Scheme 2003</i>
Zone:	Urban Residential Zone
Consistent/Inconsistent Use:	Consistent
Assessment Benchmarks:	<i>Temporary Local Planning Instrument – Flood Regulation 01/2019</i>

Assessment Benchmarks – Planning Scheme Codes

- Building Dimensions Code
- Residential Uses Code
- *Temporary Local Planning Instrument – Flood Regulation 01/2019* (TLPI01/2019)

The application has been assessed against each of the applicable codes and found to be compliant with, or can be conditioned to comply with, each. The pertinent issues arising out of assessment against the codes are discussed below:

Development Codes

The Residential Uses Code requires that where development is on a lot that is subject to floods, that habitable rooms have acceptable levels of flood immunity (that is the minimum habitable floor level for habitable rooms is 300mm above the Q100 flood line). The known flood level for the property is 107.2m AHD. The dwelling is proposed to be located at 108.7m AHD, which is more than 300mm above the known flood height.

Assessment Benchmarks Pertaining to a Temporary Local Planning Instrument

The property is located within a Defined Flood Event area (High Hazard) as identified on the TLPI mapping. The Flood Inundation Overlay Code states that the adverse effects of flooding on development in the High and Medium Hazard Areas are avoided, and that development to the greatest extent possible avoids areas within a Defined Flood Event. In a High Hazard area development is to demonstrate that the risks to life and property associated with the development (including isolation from inundation and risk to road access) are mitigated to an acceptable community level.

For the subject land, the following information is available in relation to flood heights and risk:

- (a) The lot is affected by regional creek flooding. It was flooded in the 2011 and 2013 events. The lot can be affected by regional creek flooding on a frequent basis.
- (b) The lot can be affected by local flooding on a frequent basis. It was flooded by local flooding in 2012.
- (c) The lot may be subject to overland sheet flow from the road and the slope to the west.
- (d) The defined flood level (DFL) on the lot is RL 107.2m AHD.

Given the potential flood heights, it is considered that the risk of loss of road access and long-term isolation, should a flood occur, is high. Further, the velocity of flooding waters during a DFE flood event are up to approximately 0.5m/s in the location of the proposed dwelling.

To mitigate the risk from inundation, the proposed dwelling is to be located at 108.7m AHD, which is well above the known flood level for the site and higher than the previously existing dwelling (which was located at 107.3m AHD). This should ensure the dwelling is going to be flood free from regional and local flooding up to and including the Q100 level.

In terms of isolation and loss of road access at the time of a flood, it is considered that the risk is not increased as a result of the proposed dwelling given that a dwelling of similar size and construction already existed in this location. Isolation and loss of road access were experienced by the owners of the previously existing dwelling and all inhabitants of the local area. This is something that can likely be anticipated, and residents can choose to leave prior to this occurring.

Although all factors combined, the risk to life and property is considerable, it is considered that this is not as a direct result of the proposed dwelling. A dwelling previously existed on the site and due to unforeseen circumstances, it requires rebuilding. As the proposal is overall very similar to the old situation (same location, marginally larger, further above the DFE level), the risk to life and property is not considered to have changed significantly. In this instance, it is considered that the risks associated with a flood event over the property are mitigated to an acceptable community level.

Consultation

Referral Agencies

The application did not require referral to any Referral Agencies in accordance with the *Planning Act 2016* and the *Planning Regulation 2017*.

Internal Referrals

The application was referred to Council's Building and Plumbing Sections. Building section requires that building approval is obtained prior to commencement of works for the dwelling. Plumbing section requires a plumbing application to connect the dwelling to the reticulated network.

The application was also referred to Council's Development Engineering Section. The proposed development was assessed against the TLPI. The dwelling can be located above the known DFL for the site and conditions were provided accordingly.

Council

A briefing session with Council was held on 28 August 2019. Council was generally supportive of the proposed development.

Adopted Infrastructure Charges Resolution

No infrastructure charges are applicable to the proposed development.

4. Policy and Legal Implications

The legal implications arising from the recommendation provided in this report are that the applicant may choose to appeal the decision in the Planning and Environment Court.

5. Financial and Resource Implications

There could be a financial implication should the decision be contested in the Planning and Environment Court.

6. Delegations/Authorisations

There are no implications for delegations or authorisations arising from the recommendation provided in this report.

7. Communication and Engagement

The decision of Council will be formally communicated to the applicant in accordance with the requirements of the *Planning Act 2016*.


8. Conclusion

The proposed development is recommended for approval subject to conditions.

9. Action/s

Advise the applicant of Council's decision.

Attachments

1  Proposal Plan 14 Pages

A detailed architectural sketch of a multi-story building, likely a residential or institutional structure. The building features a prominent corrugated metal facade on the lower levels. A large, external staircase with a solid railing is visible on the left side, leading to an upper level. The building has several windows, some of which are small and rectangular, while others are larger and more complex. The roofline is irregular, with a large, sloping section on the right side. The sketch is rendered in a technical style with fine lines and cross-hatching for shading.

10 SHORT ST, LAIDLEY.

HOUSE RELOCATION TO

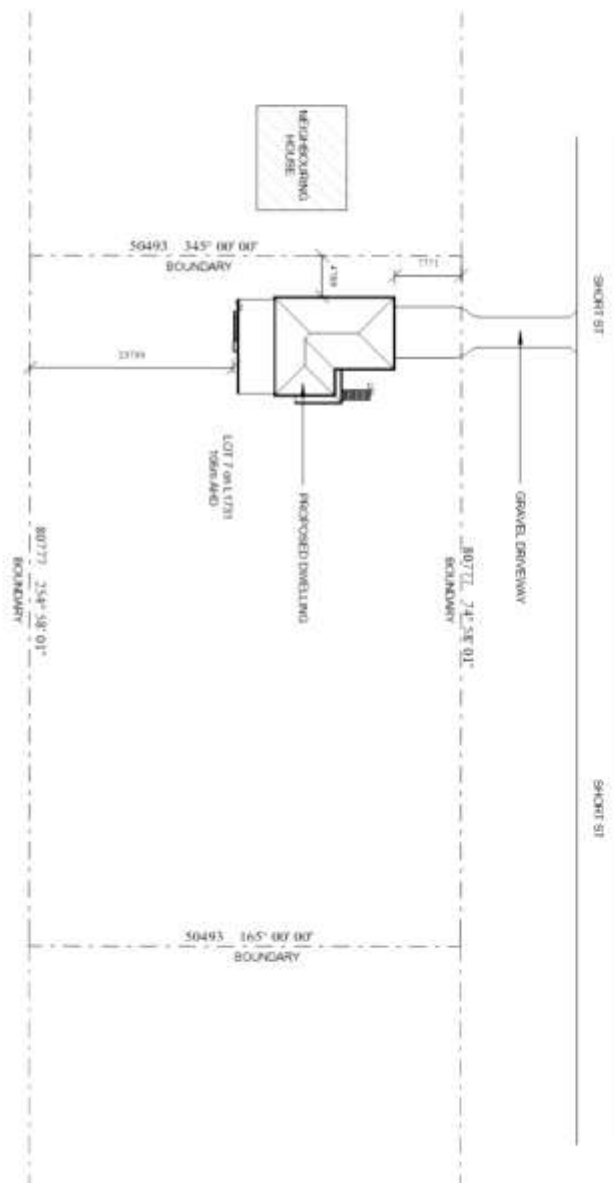
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02-08-2019	HEAT TREATMENT	B

PRO SHEET NUMBER A - 02

REV A

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SHEET NAME: LOCATION PLAN



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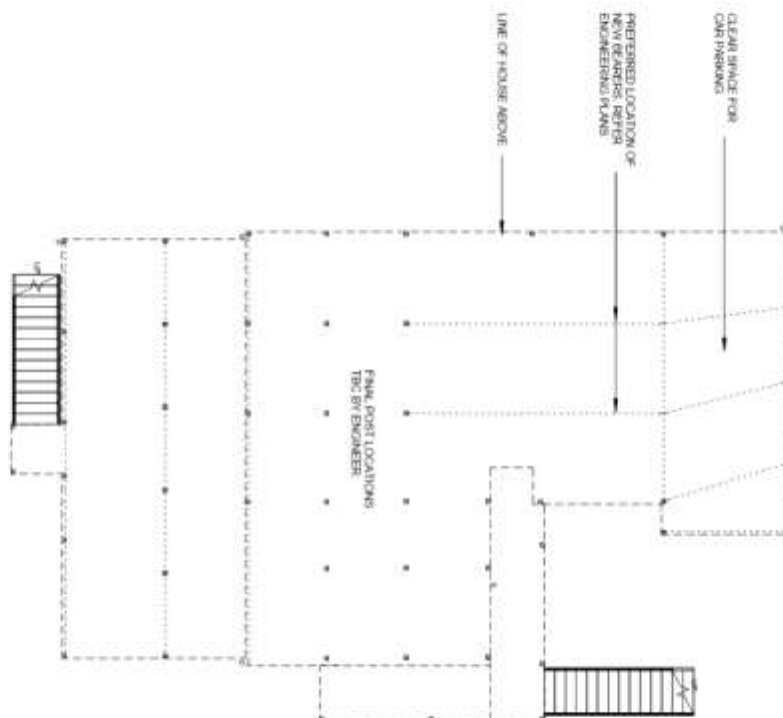
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1



PROPOSED LOWER FLOOR

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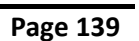
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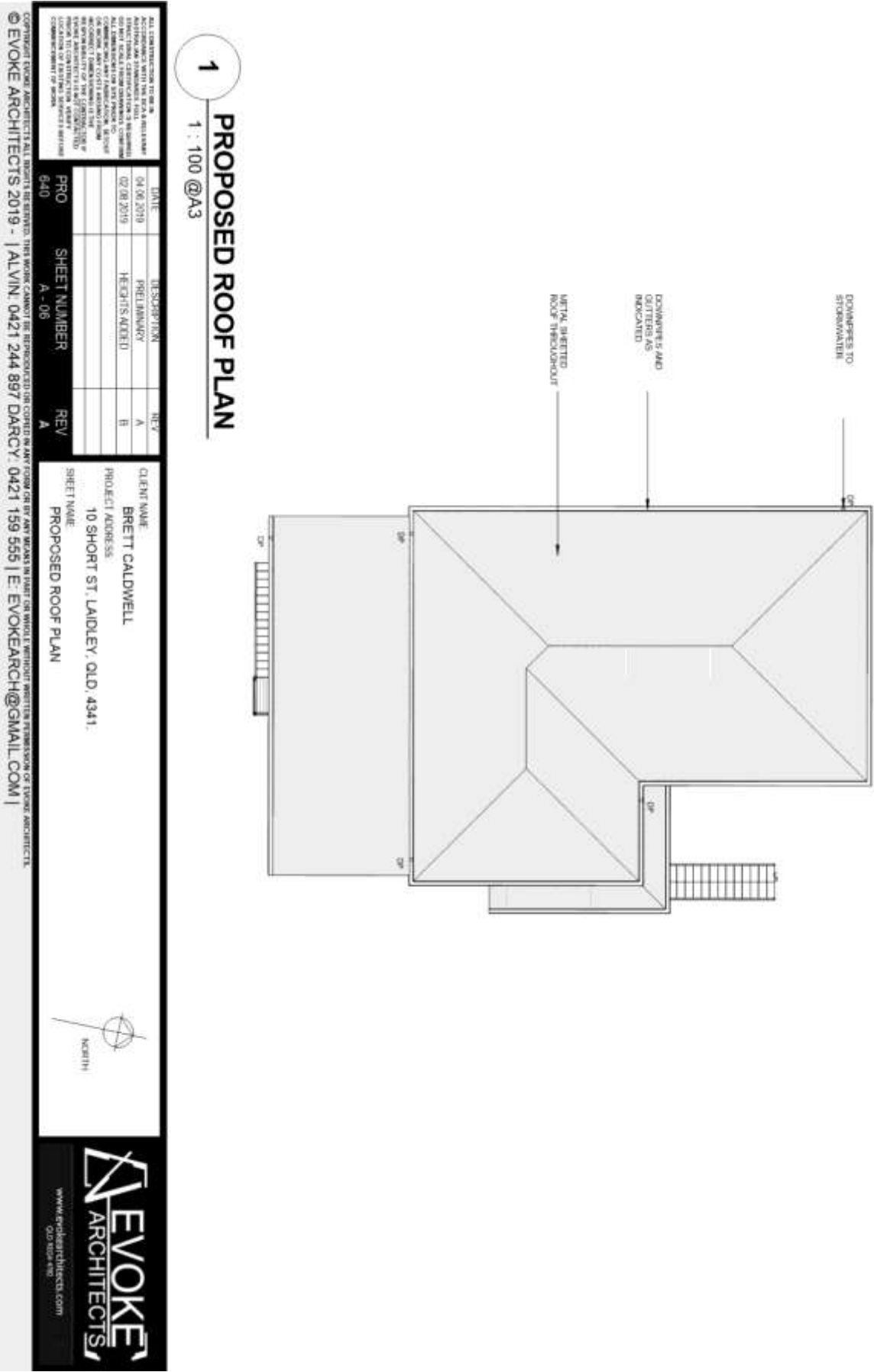
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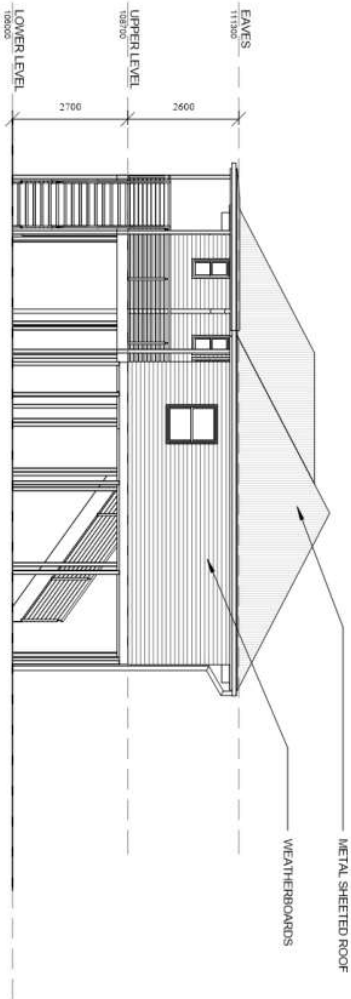
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PROPOSED LOWER FLOOR PLAN



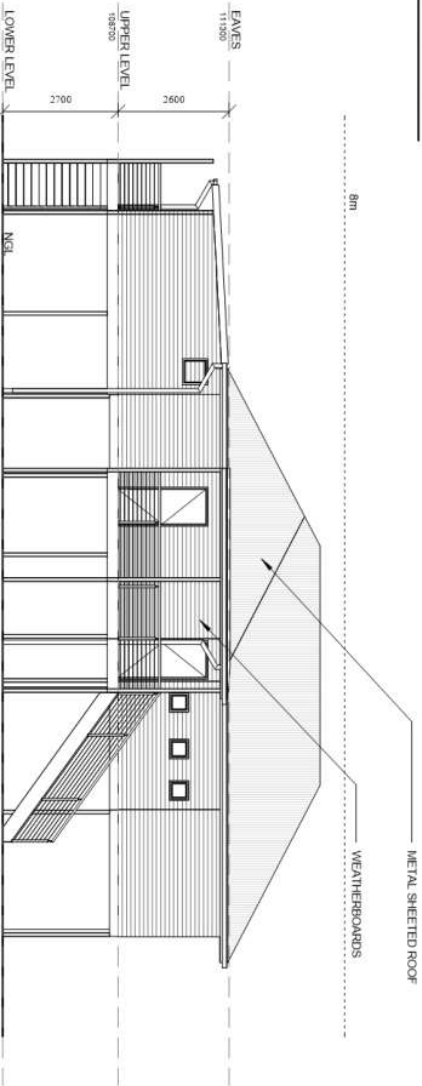
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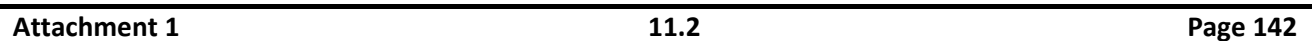
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02 EAST ELEVATION
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PRO 640

SHEET NUMBER A - 09

REV A

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Attachment 1

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Page 143

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PRO: 640
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REV: A

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1

EXISTING ROOF PLAN

1 : 100 @A3

1

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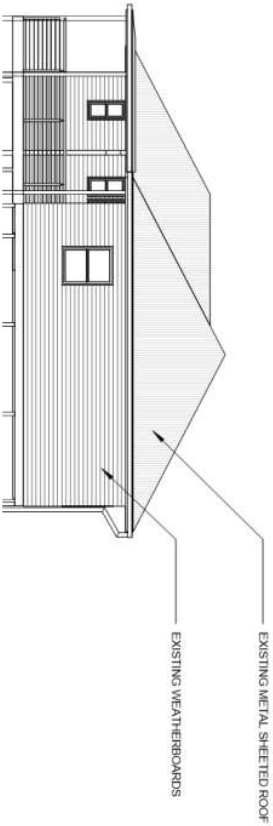
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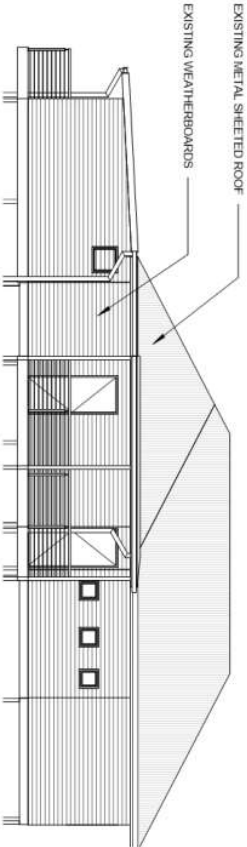
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11.2

Page 145



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EXISTING NORTH ELEVATION
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EXISTING EAST ELEVATION
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REV: A

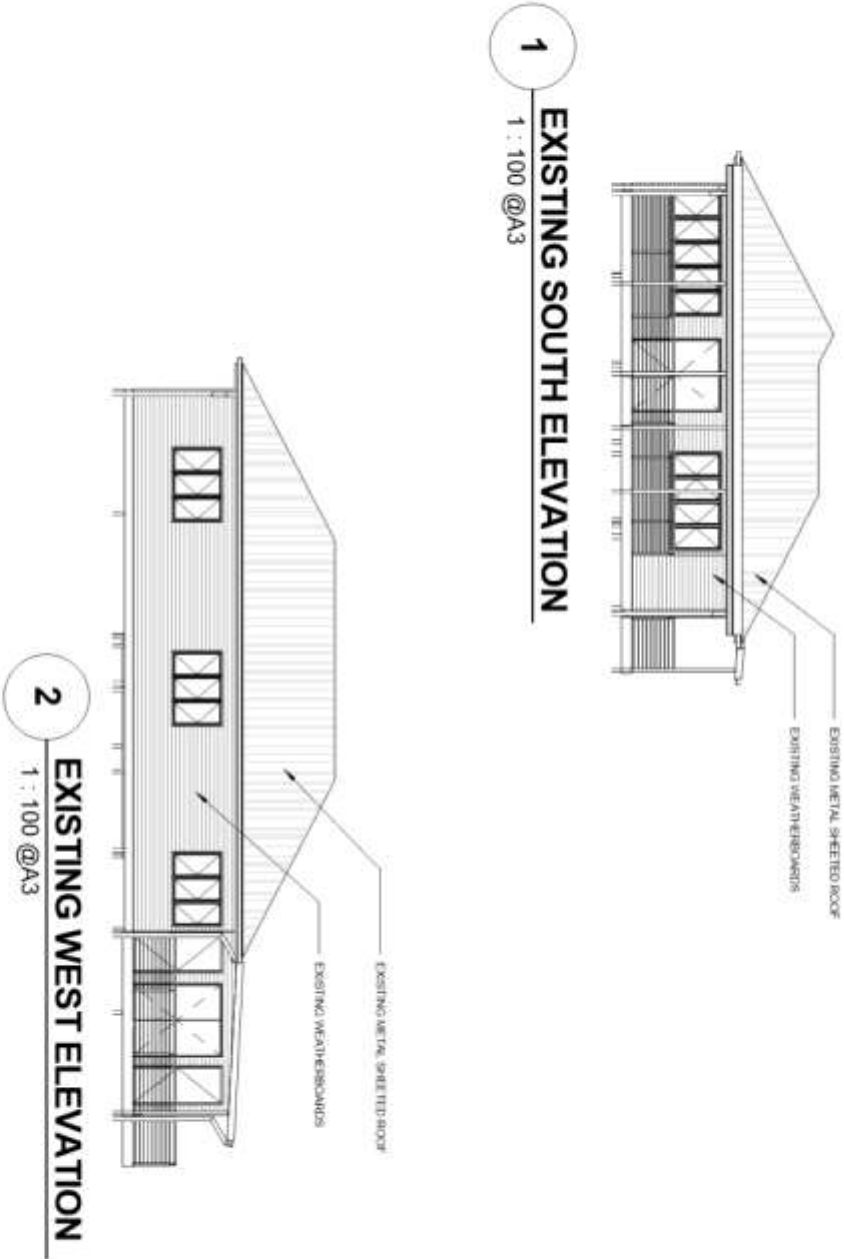
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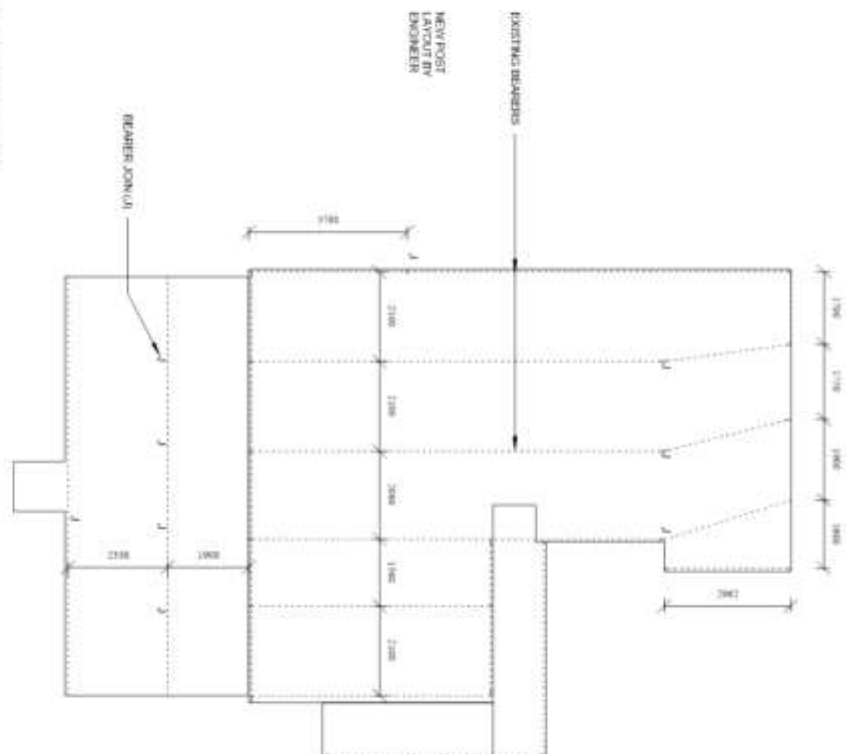
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11.3 Preliminary Approval for Material Change of Use for Outdoor Entertainment (Water Park), Development Permit for Material Change of Use for (Phase 1) Undefined Use (Non Resident Workers' Accommodation for 120 persons) and (Phase 3) for Extension to Caravan Park (33 additional caravan sites)

Date: 19 September 2019
Author: Miriam Sharp, Planning Officer
Responsible Officer: Ian Church, Chief Executive Officer

Summary:

The purpose of this report is to consider a request for a Negotiated Decision for Preliminary Approval for Material Change of Use for Outdoor Entertainment (Water Park), Development Permit for Material Change of Use for (Phase 1) Undefined Use (Non Resident Workers' Accommodation for 120 persons) and (Phase 3) for Extension to Caravan Park (33 additional caravan sites) on Lot 185 CC3023 at 291 Eastern Drive, Gatton (MC2018/0031).

The application has been assessed in accordance with the requirements of the *Planning Act 2016* and it is recommended that the request be approved in part in accordance with the Officer's Recommendation.

Officer's Recommendation:

THAT the request for a Negotiated Decision for a Preliminary Approval for Material Change of Use for Outdoor Entertainment (Water Park), Development Permit for Material Change of Use for (Phase 1) Undefined Use (Non Resident Workers' Accommodation for 120 persons) and (Phase 3) for Extension to Caravan Park (33 additional caravan sites) on Lot 185 CC3023 at 291 Eastern Drive, Gatton (MC2018/0031) be approved in part as follows:

It is recommended that condition 25 be amended as follows:

25.	Design and construct the internal driveway extending from Eastern Drive to the proposed development in accordance with condition 24 of this approval and the following: a) a shared pedestrian/vehicle zone, including signage and/or line marking to raise awareness; b) where two (2) way circulation is proposed, a minimum 5.5m constructed width; c) where one (1) way circulation is proposed, a minimum 3m constructed width; d) the design vehicle equivalent standard axles (ESAs) must be no less than 1 x 105; e) imperviously sealed with either 25mm asphalt or primer and two (2) coat bitumen seal, or concrete; f) include drainage as necessary (refer to condition 35) to ensure that all sealed surfaces are free draining without intensified discharge that could result in erosion, scour or instability; g) with longitudinal grade of 16% or less. This includes the access driveway from Eastern Drive to the proposed	Prior to Council issuing a development permit for operational works for each relevant phase.
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car parking areas at the north of the site, and excludes all other circulation roadways serving the existing caravan park.
--

It is recommended that condition 35 remains as is.

It is recommended that condition 40 is deleted and replaced with the following conditions:

STORMWATER		
40a	An Operational Works application must be submitted to and be approved by Council for the internal and external stormwater infrastructure. Engineering Certification by the RPEQ that the design complies with the conditions of this approval as well as relevant engineering standards and best practice.	Prior to the commencement of any works on the subject land.
40b	All stormwater infrastructure necessary to convey runoff from roof and developed surface areas, and any runoff onto the development from adjacent and upstream areas, must be provided in accordance with an Operational Works approval.	Prior to commencement of construction of each relevant phase, and to be maintained thereafter.
40c	All stormwater infrastructure necessary to treat runoff in accordance with the State Planning Policy water quality objectives must be provided in accordance with an Operational Works approval.	Prior to commencement of construction of each relevant phase, and to be maintained thereafter.
40d	Ponding and redirection of stormwater must not occur as a result of development.	Prior to commencement of use of each relevant phase, and to be maintained thereafter.
40e	Discharge stormwater from the development at the lawful point of discharge generally in accordance with the Stormwater Management Plan, reference number J-10798 version 7.0, prepared by CWD Group Pty Ltd and dated 28 August 2019.	At all times.
40f	All works associated with this development must be undertaken without resulting in stormwater damage or actionable nuisance to surrounding and/or downstream properties or infrastructure.	Prior to commencement of use of each relevant phase.

It is recommended that condition 50 remains as is.

It is recommended that the Referenced Documents are updated as follows:

Referenced Documents

Document/Plan No.	Rev.	Plan Name	Date
J-10798 7.0	7.0	291 Eastern Drive, Gatton Stormwater Management Plan, prepared by Civil & Water Design Pty Ltd	28/08/2019
10798-2	2	291 Eastern Drive, Gatton Engineering Report, prepared by Civil & Water Design Pty Ltd	22/06/2018
Amendments	o Refer to conditions 24 and 25 of the Material Change of Use approval.		

Report

1. Introduction

The applicant has requested a Negotiated Decision Notice for the Preliminary Approval for Material Change of Use for Outdoor Entertainment (Water Park), Development Permit for Material Change of Use for (Phase 1) Undefined Use (Non-Resident Workers' Accommodation for 120 persons) and (Phase 3) for Extension to Caravan Park (33 additional caravan sites) on Lot 185 CC3023 at 291 Eastern Drive, Gatton (MC2018/0031). The approval was given by Council and therefore the request for a negotiated decision is presented to Council as well.

2. Background

A Preliminary Approval for Material Change of Use for Outdoor Entertainment (Water Park), Development Permit for Material Change of Use for (Phase 1) Undefined Use (Non-Resident Workers' Accommodation for 120 persons) and (Phase 3) for Extension to Caravan Park (33 additional caravan sites) on Lot 185 CC3023 at 291 Eastern Drive, Gatton was approved by Council on 14 November 2018. The applicant made representations on 18 December 2018 to the development approval conditions. The representations are detailed below but primarily relate to sealing of car parking and manoeuvring areas and stormwater drainage.

3. Report

Assessment

An assessment in relation to each of the submitted representations is provided below.

Condition 25

25.	Design and construct the internal driveway extending from Eastern Drive to the proposed development in accordance with condition 24 of this approval and the following: a) a shared pedestrian/vehicle zone, including signage and/or line marking to raise awareness; b) where two (2) way circulation is proposed, a minimum 5.5m constructed width; c) where one (1) way circulation is proposed, a minimum 3m constructed width; d) the design vehicle equivalent standard axles (ESAs) must be no less than 1 x 105; e) imperviously sealed with either 25mm asphalt or primer and two (2) coat bitumen seal; f) include drainage as necessary (refer to condition 35) to ensure	Prior to Council issuing a development permit for operational works for each relevant phase.
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	<p>that all sealed surfaces are free draining without intensified discharge that could result in erosion, scour or instability:</p> <p>g) with longitudinal grade of 16% or less.</p> <p>This includes the access driveway from Eastern Drive to the proposed car parking areas at the north of the site, and excludes all other circulation roadways serving the existing caravan park.</p>	
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Applicant's Representation

"Part (e) of this condition requires the internal driveway to be imperviously sealed with either 25mm asphalt or primer and two (2) coat bitumen seal. After reviewing this requirement with the project engineer, we request that the condition be amended to read:

e) imperviously sealed with either 25mm asphalt, primer and two (2) coat bitumen seal, or approved equivalent;

The proposed change will allow sufficient scope for alternate sealed treatments to be evaluated and incorporated into the operational works design, without specifically limiting the solution to either asphalt or 2 coat bitumen."

Assessment of Representation

Agree in Part

Council is willing to consider alternative surface treatment for the internal driveway. However, given the proposed type of use and resulting traffic generation, Council's engineers consider that the only other suitable alternative for a sealed driveway surface is concrete. This proposed treatment will not significantly alter the existing approval and impervious area will remain the same. Therefore, point (e) of the condition can be amended to include concrete.

Condition 35

35.	<p>Unless otherwise approved during operational works, design and construct a minimum Level III allotment drainage system for the proposed development.</p> <p>The discharge of this allotment drainage must be to a lawful point of discharge and undertaken in a manner that would prevent damage to third party property or infrastructure, unless otherwise approved.</p>	<p>Prior to the issuing of a development permit for operational works of each relevant phase.</p>
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Applicant's Representation

"This condition requires the drainage of the allotment to a lawful point of discharge; however the permit does not specify what Council has identified as the lawful point of discharge in this instance. In order to ensure that the stormwater drainage design being prepared for operational works approval complies with Council's requirements, we therefore request that Council identify the lawful point of discharge for the site."

Assessment of Representation

Disagree

It is the developer's responsibility to determine what the lawful point of discharge is. It is expected that this is undertaken as part of the Stormwater Management Plan (required by condition 40). The condition is to remain as is.

Condition 40

40.	<p>Engage a suitably experienced Registered Professional Engineer Queensland (RPEQ) to prepare and submit for assessment manager approval a Stormwater Management Plan (SMP) for the proposed development in lieu of the submitted report titled 291 Eastern Drive, Gatton Stormwater Management Plan by Civil & Water Design Pty Ltd and dated 22 June 2018 (Document No. J-10798 2.0). The SMP must address as a minimum the following:</p> <ul style="list-style-type: none"> a) the conditions of this approval; b) identify the lawful point of discharge as detailed in section 3.9.1 of the Queensland Urban Drainage Manual 2017 (QUDM 2017); c) identify any land under separate private ownership between the development site and the lawful point of discharge; d) detail the proposed strategy to ensure that the pre-development site's discharge characteristics is not altered in a manner that may impact/damage a third party's property or infrastructure; e) post development assessment must include the increase in impervious areas as the result of the proposed development; f) include preliminary hydraulic design of any proposed stormwater detention basins; and g) identify the 1% AEP through the subject site; h) impact mapping for flows, depth, velocity and hazard (at a minimum) for all rain events; i) include summary table/s for pre- and post- development flows, depth, velocity and hazard for all rain events up to and including the lawful point of discharge to demonstrate "no worsening"; j) include details of all pre- and post- development modelling parameters; k) provide a strategy that facilitates the independent development proposed Phase 1 and Phase 3 of the development; l) address any inconsistency in reported 1% AEP levels and Council's Defined Flood Level (from the local 1% AEP event). <p>Where a detention basin is required, the revised assessment must include preliminary hydraulic sizing of the proposed detention basin. Where the basin batters are steeper than 1:6, a Risk Assessment must be undertaken and submitted (refer chapter 12 of QUDM 2017).</p>	Prior to the lodgement of a development permit for operational works of each relevant phase.
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Applicant's Representation

"This condition requires the submission of a revised stormwater management plan in lieu of the report already submitted to Council dated 22 June 2018. The condition requires the amended stormwater management plan to address a range of items, however the items listed are generic in nature only and

do not specify the specific issues that Council has identified as being of concern with the report already submitted.

We therefore request that this condition be amended to identify the specific matters that need to be addressed in the amended stormwater management plan, rather than listing a number of possible items that may have already been addressed satisfactorily."

Assessment of Representation

Agree in part

A number of discussions were had with the applicant regarding this condition. The applicant agreed to provide an updated Stormwater Management Plan for Council to assess prior to a decision being made on this request for a Negotiated Decision. This would give them the opportunity to establish the lawful point of discharge and address the potential for impacts on the railway corridor and the requirement from the Department of Transport and Main Roads (DTMR) to ensure no worsening of the stormwater impacts on their infrastructure. Council has reviewed the SMP and agrees that the SMP is satisfactory. DTMR has also agreed that it has been sufficiently demonstrated that the development does not worsen the stormwater impacts to the railway corridor. Therefore, Council agrees that the above condition can be deleted in favour of the following conditions:

STORMWATER		
40a	An Operational Works application must be submitted to and be approved by Council for the internal and external stormwater infrastructure. Engineering Certification by the RPEQ that the design complies with the conditions of this approval as well as relevant engineering standards and best practice.	Prior to the commencement of any works on the subject land.
40b	All stormwater infrastructure necessary to convey runoff from roof and developed surface areas, and any runoff onto the development from adjacent and upstream areas, must be provided in accordance with an Operational Works approval.	Prior to commencement of construction of each relevant phase, and to be maintained thereafter.
40c	All stormwater infrastructure necessary to treat runoff in accordance with the State Planning Policy water quality objectives must be provided in accordance with an Operational Works approval.	Prior to commencement of construction of each relevant phase, and to be maintained thereafter.
40d	Ponding and redirection of stormwater must not occur as a result of development.	Prior to commencement of use of each relevant phase, and to be maintained thereafter.
40e	Discharge stormwater from the development at the lawful point of	At all times.

	discharge generally in accordance with the Stormwater Management Plan, reference number J-10798 version 7.0, prepared by CWD Group Pty Ltd and dated 28 August 2019.	
40f	All works associated with this development must be undertaken without resulting in stormwater damage or actionable nuisance to surrounding and/or downstream properties or infrastructure.	Prior to commencement of use of each relevant phase.

Further, the additional correspondence from DTRM stating that their condition in relation to no worsening on the railway corridor has been fulfilled, is to be attached to the decision notice for the negotiated decision.

As the SMP has been updated, the referenced documents section is to be updated as follows:

Referenced Documents

Document/Plan No.	Rev.	Plan Name	Date
J-10798 2.0 7.0	2 7.0	291 Eastern Drive, Gatton Stormwater Management Plan, prepared by Civil & Water Design Pty Ltd	22/06/2018 28/08/2019
Amendments	1. Refer to conditions 24, 25, 38, 39, 40 of the Material Change of Use approval.		
10798-2	2	291 Eastern Drive, Gatton Engineering Report, prepared by Civil & Water Design Pty Ltd	22/06/2018
Amendments	o Refer to conditions 24, and 25, 38, 39 and 40 of the Material Change of Use approval.		

Condition 50

50.	Submit to Council a Certificate of Supervision from a suitably experienced Registered Professional Engineer Queensland (RPEQ) stating that the As Constructed development works have been constructed under their supervision, in accordance with the conditions of approval and in accordance with the approved engineering design and specifications. An example of an acceptable Certificate of Supervision can be provided by Council upon request.	Prior to the commencement of use of each relevant phase.
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Applicant's Representation

"This condition requires a Certificate of Supervision to be submitted to Council from a RPEQ stating that all works have been constructed under their supervision. Under normal circumstances, the requirement for supervision means that the RPEQ needs to be on site as a superintendent while all works are occurring, rather than having a normal construction manager."

We therefore request that the condition be amended to require "RPEQ certification of construction to ensure it is undertaken in accordance with approved plans, council standards and other relevant standards". This will ensure that appropriate certification is still provided by the RPEQ to confirm that all works have been completed in compliance with the operational works permit."

Assessment of Representation

Council's understanding of the abovementioned condition does not require presence of RPEQ on-site as a superintendent supervising construction. However, the RPEQ will act as a supervising engineer and should be able to certify the work which will ensure that the proposed work has been constructed, in accordance with the conditions of approval and in accordance with the approved engineering design and specifications. Therefore, the condition is recommended to remain unchanged.

Recommendation

It is recommended that condition 25 be amended as follows:

25.	<p>Design and construct the internal driveway extending from Eastern Drive to the proposed development in accordance with condition 24 of this approval and the following:</p> <ul style="list-style-type: none"> a) a shared pedestrian/vehicle zone, including signage and/or line marking to raise awareness; b) where two (2) way circulation is proposed, a minimum 5.5m constructed width; c) where one (1) way circulation is proposed, a minimum 3m constructed width; d) the design vehicle equivalent standard axles (ESAs) must be no less than 1 x 105; e) imperviously sealed with either 25mm asphalt or primer and two (2) coat bitumen seal, or concrete; f) include drainage as necessary (refer to condition 35) to ensure that all sealed surfaces are free draining without intensified discharge that could result in erosion, scour or instability; g) with longitudinal grade of 16% or less. <p>This includes the access driveway from Eastern Drive to the proposed car parking areas at the north of the site and excludes all other circulation roadways serving the existing caravan park.</p>	Prior to Council issuing a development permit for operational works for each relevant phase.
-----	--	--

It is recommended that condition 35 remains as is.

It is recommended that condition 40 is deleted and replaced with the following conditions:

STORMWATER		
40a	<p>An Operational Works application must be submitted to and be approved by Council for the internal and external stormwater infrastructure.</p> <p>Engineering Certification by the RPEQ that the design complies with the conditions of this approval as well as relevant engineering standards and best practice.</p>	Prior to the commencement of any works on the subject land.
40b	All stormwater infrastructure necessary to convey runoff from roof and developed surface areas, and any runoff onto the development from adjacent and upstream areas, must be provided in accordance with an Operational Works approval.	Prior to commencement of construction of each relevant phase, and to be

		maintained thereafter.
40c	All stormwater infrastructure necessary to treat runoff in accordance with the State Planning Policy water quality objectives must be provided in accordance with an Operational Works approval.	Prior to commencement of construction of each relevant phase, and to be maintained thereafter.
40d	Ponding and redirection of stormwater must not occur as a result of development.	Prior to commencement of use of each relevant phase, and to be maintained thereafter.
40e	Discharge stormwater from the development at the lawful point of discharge generally in accordance with the Stormwater Management Plan, reference number J-10798 version 7.0, prepared by CWD Group Pty Ltd and dated 28 August 2019.	At all times.
40f	All works associated with this development must be undertaken without resulting in stormwater damage or actionable nuisance to surrounding and/or downstream properties or infrastructure.	Prior to commencement of use of each relevant phase.

It is recommended that condition 50 remains as is.

It is recommended that the Referenced Document section is updated as follows:

Document/Plan No.	Rev.	Plan Name	Date
J-10798 7.0	7.0	291 Eastern Drive, Gatton Stormwater Management Plan, prepared by Civil & Water Design Pty Ltd	28/08/2019
10798-2	2	291 Eastern Drive, Gatton Engineering Report, prepared by Civil & Water Design Pty Ltd	22/06/2018
Amendments	o Refer to conditions 24 and 25 of the Material Change of Use approval.		

4. Policy and Legal Implications

Following a decision made by Council on the application, the applicant may appeal against Council's decision. If the applicant decides to appeal the decision by Council, legal representation may be required.

5. Financial and Resource Implications

Following a decision made by Council on the application, the applicant may appeal against Council's decision. If the applicant decides to appeal the decision, Council may need to engage external technical experts (e.g. stormwater/flooding, traffic).

6. Delegations/Authorisations

There are no implications for delegations or authorisations arising from the recommendation provided in this report.

7. Communication and Engagement

The decision of Council will be formally communicated to the applicant in accordance with the requirements of the *Planning Act 2016*.

8. Conclusion

The request for a negotiated decision is recommended for approval.

9. Action/s

Advise the applicant of Council's decision.

Attachments

- 1 [!\[\]\(039cd6b2e7148ba5690aa619b922c426_img.jpg\)](#) Response from DTMR regarding stormwater condition Gatton Caravan Park 2 Pages



Department of
**State Development,
Manufacturing,
Infrastructure and Planning**

DSDMIP reference: WR19/27026
Original SARA reference: 1804-5486 SRA

29 August 2019

ML Gatton Operations
C/- I.B. Town Planning
PO Box 501
KALLANGUR QLD 4503
ian@ibtownplanning.com

Attn: Mr Ian Buchanan

Dear Mr Buchanan

Confirmation that conditions have not been fulfilled

291 Eastern Drive, Gatton

The Department of State Development, Manufacturing, Infrastructure and Planning (the department) received your request for confirmation that a condition has been fulfilled on 9 May 2019.

Site details

Street address:	291 Eastern Drive, Gatton QLD
Real property description:	Lot 185 on CC3023
Local government area:	Lockyer Valley Regional Council

Application details

Proposed development:	Material change of use – Undefined Use (Non-resident Worker's Accommodation for 120 persons), Changes to Internal Layout and Extension to Caravan Park (32 additional caravan sites) and Outdoor Entertainment (Water Park), in three stages.
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Local government reference: MC2018/0031

Referral triggers

The original development application was referred to the department under the following provisions of the *Planning Act 2016*:

Referral trigger: Schedule 10, Part 9, Division 4, Subdivision 1, Table 1, Item 1 – Impacts to State transport infrastructure

Schedule 10, Part 9, Division 4, Subdivision 2 Table 4, Item 1 – Material change of use in proximity to State transport corridor.

Based on the evidence provided, the department is not satisfied that all conditions requiring fulfilment prior to plan sealing have been complied with, as follows:

Conditions to be completed prior to plan sealing			
Condition		Evidence provided	Conclusion
1	Excavation and other works involving ground disturbance impacting the railway corridor.	No evidence provided	Condition remains applicable until evidence is provided,
3	Noise attenuation measures.	No evidence provided.	Condition remains applicable until evidence is provided.
5	Stormwater and flood management.	Letter titled response to request for information – 291 Eastern Drive, Gatton, prepared by CWD Group, dated 28 August 2019.	Condition complied – no worsening of stormwater impacts to the railway corridor has been effectively demonstrated.

If you require any further information, please contact Tyler Josephson, Planning Officer, on (07) 3432 2423 or via email IpswichSARA@dsdmip.qld.gov.au who will be pleased to assist.

Yours sincerely



Luke Lankowski
Manager, Planning – Wide Bay Burnett

12. CORPORATE AND COMMUNITY SERVICES REPORTS**12.1 Summary of Council Actual Financial Performance vs. Budget - 31 August 2019****Date:** 13 September 2019**Author:** Tony Brett, Manager Finance and Customer Service**Responsible Officer:** David Lewis, Executive Manager Corporate & Community Services

Summary:

In accordance with Section 204 of the *Local Government Regulation 2012*, a financial report summarising the progress of Council's actual performance against budgeted performance is to be presented to Council. This report provides a summary of Council's financial performance against budget for the financial year to 31 August 2019.

Officer's Recommendation:

THAT Council receive and note the Summary of Council Actual Financial Performance versus Budget to 31 August 2019.

Report**1. Introduction**

In accordance with section 204 of the *Local Government Regulation 2012*, a financial report summarising the progress of Council's actual performance against budgeted performance is to be provided to Council.

2. Background

Monthly reporting of Council's financial performance is a legislative requirement and reinforces sound financial management practices throughout the organisation.

3. Report

The following report provides a summary of Council's financial performance against budget to 31 August 2019.

Operating Revenue - Year to date target \$23.38 million Actual \$23.2 million or 99.23%

At 31 August 2019, overall operating revenue for the year to date is on target. Council issued the first levy of the 2019-20 rates in August, with a due date of 9 September 2019. The variance shown for expected rates revenue is a result of the timing of expected growth in the region and adjustments to rates assessments.

Other variances are most likely related to the timing of the cash flows and are not of a concern at this time of year.

Operating Expenditure - Year to date target \$10.45 million Actual \$10.43 million or 99.83%

At 31 August 2019, overall operating expenditure for the year to date is on target.

As with prior years, the capital works program has a significant labour component. The operating budget assumes that the capital budget will be completed as planned. There has been more operational works performed to date, with a greater emphasis on capital works to come. The split between operational and capital works will be monitored, and an adjustment may be required later in the year.

Goods and Services are slightly under budget, with the variances most likely related to timing differences in the phasing of budgeted expenditure.

Capital Revenue – Year to date target \$0.36 million Actual \$0.93 million or 259.94%

While capital grants and subsidies revenue is overbudget for the year to date, the timing of capital grants and subsidies remains largely dependent upon the completion of the annual capital works program and the grant application approval process.

Capital Expenditure – Annual Target \$17.40 million Actual \$2.64 million or 15.18%

At 31 August 2019, Council has expended \$2.64 million on its capital works program with a further \$1.78 million in committed costs for works currently in progress.

The main expenditures are \$1.73 million within Infrastructure, Works and Services and \$0.68 million within Corporate and Community Services. A significant portion of the capital expenditure to 31 August relates to projects in progress at the end of June 2019 as well as renewal works on roads and bridges.

In September, a report will be presented to Council of the anticipated carry-forward balances for capital work in progress at 30 June. These will then be presented as part of the September Quarter Budget Review for formal adoption and will increase the capital budget for the year.

Statement of Financial Position

The Statement of Financial Position provides information on the breakdown of Council's assets and liabilities at a point in time. At 31 August, Council had \$40.94 million in current assets compared to \$13.6 million in current liabilities with a ratio of 3.01:1. This means that for every dollar of current liability, there is \$3.01 in assets to cover it.

The opening balances for the year will change as the 2018-19 audit is finalised at the end of September.

Statement of Cash Flows

The Statement of Cash Flows provides information on the amount of cash coming in and going out. As at 31 August, there has been a net cash outflow of \$1.37 million with a net cash outflow of \$0.93 million being spent on capital works.

The Statement of Cash Flows is important as it shows the real movement in Council's cash balances, as opposed to the accounting movements shown in the Statement of Income and Expenditure. To

maintain adequate working capital, it is estimated that Council needs around \$11.00 million cash at any one time, at 31 August, Council's cash balance was \$21.73 million.

4. Policy and Legal Implications

Policy and legal implications will be addressed in future on matters that arise before Council.

5. Financial and Resource Implications

Monitoring of budgets and actuals will remain important if Council is to achieve the financial results adopted as part of the 2019-20 Budget, with any variations or anomalies to be investigated and action taken as appropriate.

It is anticipated that 2018-19 carry-over works together with the results of a formal budget review based upon actual financial results at the end of the September quarter will be presented to Council in October 2019. This combined result will reset Council's anticipated 30 June 2020 result and Council's long term financial forecast.

6. Delegations/Authorisations

No further delegations are required to manage the issues raised in this report. The Executive Manager Corporate and Community Services will manage the requirements in line with existing delegations.

7. Communication and Engagement

The matters arising from this report that require further communication will be addressed through existing communication channels.

8. Conclusion

At 31 August, both operating revenue and expenditure are on target. Variations are a result of timing differences and at this stage of the financial year are not of concern.

The amounts shown in the report relating to the Statement of Financial Position are subject to change as end of year processes are finalised and the 2018-19 audit completed.

9. Action/s

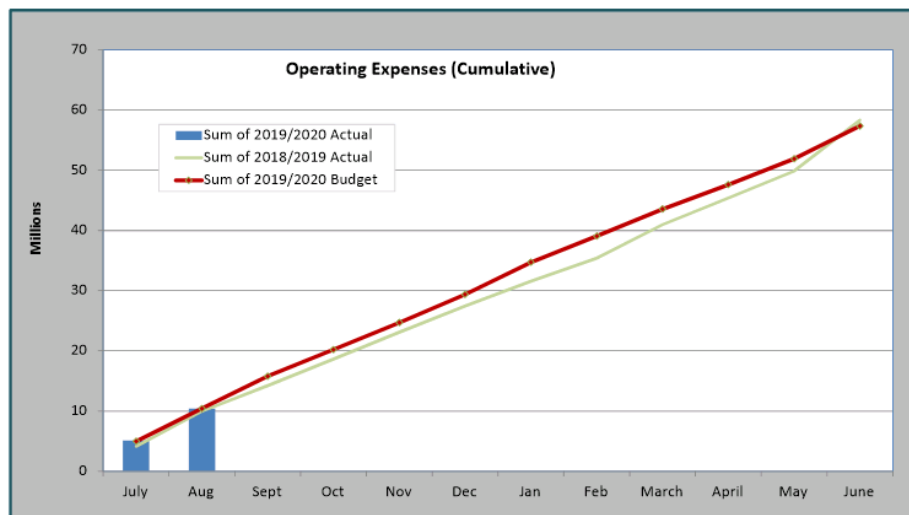
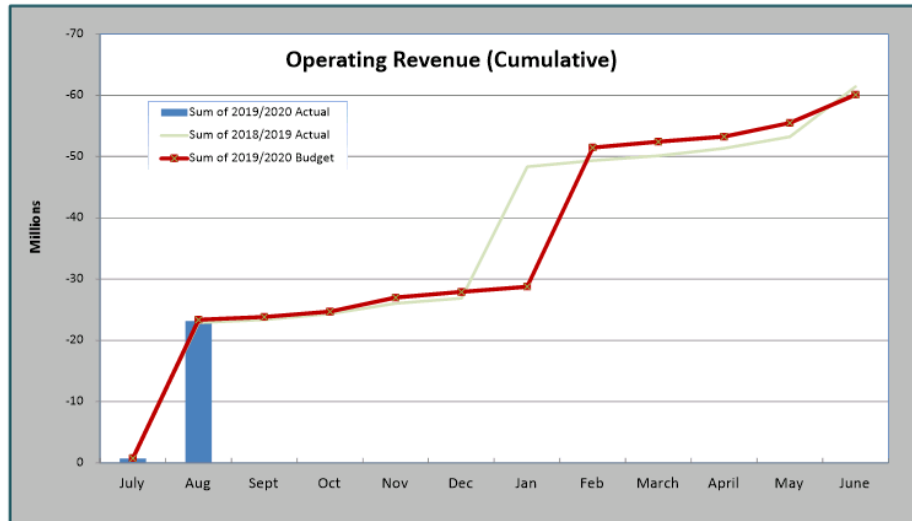
Nil.

Attachments

1 [!\[\]\(1f56542a42e2413e44a2b2023033aa2e_img.jpg\)](#) Monthly Financial Performance 17 Pages

LOCKYER VALLEY REGIONAL COUNCIL

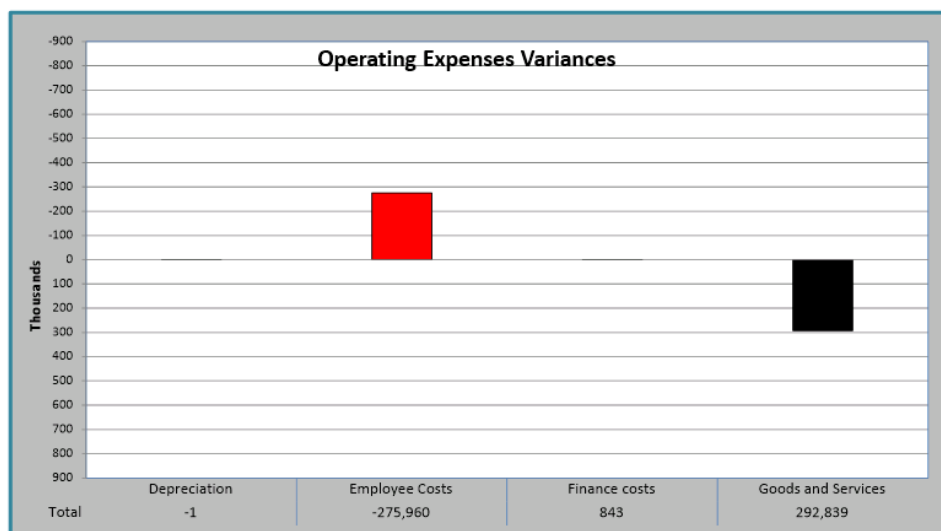
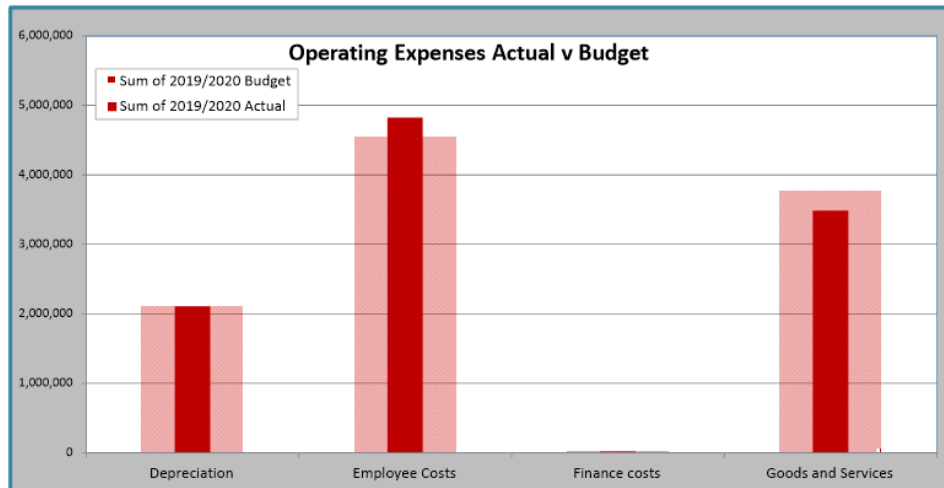
Total Council Operating Revenue and Expenses
For the Period Ended 31st August, 2019



LOCKYER VALLEY REGIONAL COUNCIL

Operating Expenses

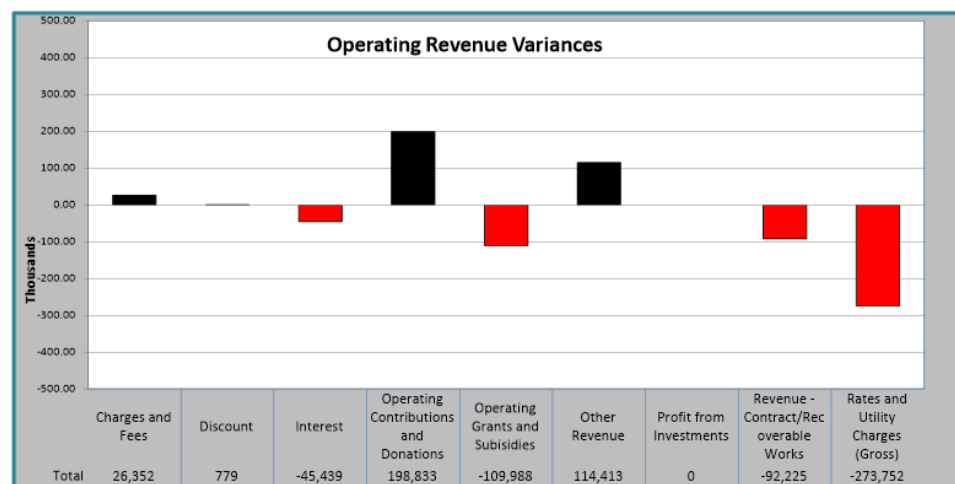
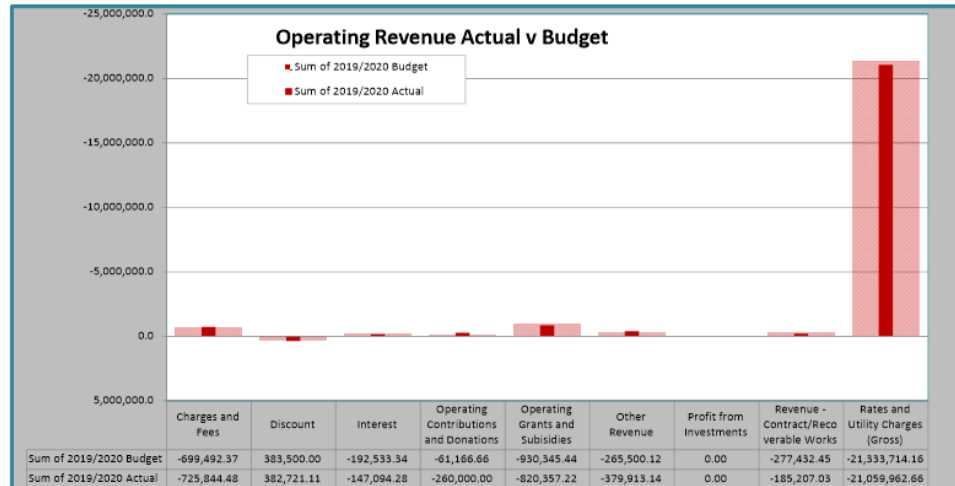
For the Period Ended 31st August, 2019



LOCKYER VALLEY REGIONAL COUNCIL

Operating Revenue

For the Period Ended 31st August, 2019



Lockyer Valley Regional Council (Whole Council)
Statement of Comprehensive Income
For Period Ending August 2019

	Budget	Actuals YTD	Budget YTD	Variance Amount YTD	Variance % YTD
Operating Revenue:					
Rates and Utility Charges (Gross)	42,664,095	21,059,963	21,333,714	273,752	1.28
Discount	(1,727,000)	(382,721)	(383,500)	(779)	0.20
Charges and Fees	4,097,212	725,844	699,492	(26,352)	(3.77)
Interest	1,512,200	147,094	192,533	45,439	23.60
Operating Grants and Subsidies	6,526,678	820,357	930,345	109,988	11.82
Operating Contributions and Donations	413,700	260,000	61,167	(198,833)	(325.07)
Revenue - Contract/Recoverable Works	2,034,594	185,207	277,432	92,225	33.24
Other Revenue	2,238,000	379,913	265,500	(114,413)	(43.09)
Profit from Investments	2,350,000	-	-	-	0.00
Total Operating Revenue	60,109,479	23,195,658	23,376,685	181,027	0.77
Operating Expenses:					
Employee Costs	25,395,435	4,823,642	4,547,682	(275,960)	(6.07)
Goods and Services	18,048,376	3,485,860	3,778,700	292,839	7.75
Finance costs	1,294,488	18,074	18,917	843	4.45
Depreciation	12,635,840	2,105,974	2,105,973	(1)	(0.00)
Total Operating Expenses	57,374,139	10,433,551	10,451,272	17,721	0.17
Operating Surplus/(Deficit)	2,735,340	12,762,107	12,925,413	163,306	1.26
Capital Revenue:					
Capital Grants, Subsidies and Contributions	2,135,796	925,288	355,966	(569,322)	(159.94)
Capital Expenses	(90,000)	-	-	-	0.00
Total Capital Revenue	2,045,796	925,288	355,966	(569,322)	(159.94)
Operating Surplus/(Deficit) After Capital Items	4,781,136	13,687,395	13,281,379	(406,017)	(3.06)

Lockyer Valley Regional Council (Executive Office)
Statement of Comprehensive Income
For Period Ending August 2019

	Budget	Actuals YTD	Budget YTD	Variance Amount YTD	Variance % YTD
<u>Operating Revenue:</u>					
Charges and Fees	-	615	-	(615)	0.00
Operating Grants and Subsidies	-	10,000	-	(10,000)	0.00
Operating Contributions and Donations	-	130,000	-	(130,000)	0.00
Revenue - Contract/Recoverable Works	1,244,594	155,128	207,432	52,305	25.22
Other Revenue	443,200	139,961	104,033	(35,927)	(34.53)
Total Operating Revenue	1,687,794	435,704	311,466	(124,238)	(39.89)
<u>Operating Expenses:</u>					
Employee Costs	4,886,900	1,006,370	924,242	(82,128)	(8.89)
Goods and Services	3,957,033	1,145,950	1,226,671	80,722	6.58
Finance costs	3,500	863	583	(280)	(47.97)
Depreciation	15,680	2,614	2,613	(1)	(0.03)
Total Operating Expenses	8,863,113	2,155,797	2,154,110	(1,687)	(0.08)
Operating Surplus/(Deficit)	(7,175,319)	(1,720,093)	(1,842,644)	(122,551)	6.65
<u>Capital Revenue:</u>					
	-	-	-	-	0.00
Total Capital Revenue	-	-	-	-	0.00
Operating Surplus/(Deficit) After Capital Items	(7,175,319)	(1,720,093)	(1,842,644)	(122,551)	6.65

Lockyer Valley Regional Council (Organisational Development and Planning)
Statement of Comprehensive Income
For Period Ending August 2019

	Budget	Actuals YTD	Budget YTD	Variance Amount YTD	Variance % YTD
<u>Operating Revenue:</u>					
Rates and Utility Charges (Gross)	305,000	152,501	152,500	(1)	(0.00)
Charges and Fees	1,903,000	397,640	317,167	(80,473)	(25.37)
Interest	-	130	-	(130)	0.00
Operating Grants and Subsidies	80,000	-	-	-	0.00
Operating Contributions and Donations	367,000	130,000	61,167	(68,833)	(112.53)
Other Revenue	-	1,609	-	(1,609)	0.00
Total Operating Revenue	2,655,000	681,879	530,833	(151,046)	(28.45)
<u>Operating Expenses:</u>					
Employee Costs	4,948,217	889,628	932,856	43,227	4.63
Goods and Services	1,884,818	190,630	176,196	(14,435)	(8.19)
Finance costs	-	145	-	(145)	0.00
Total Operating Expenses	6,833,035	1,080,404	1,109,051	28,648	2.58
Operating Surplus/(Deficit)	(4,178,035)	(398,525)	(578,218)	(179,693)	31.08
<u>Capital Revenue:</u>					
Capital Grants, Subsidies and Contributions	403,000	357,500	67,167	(290,333)	(432.26)
Total Capital Revenue	403,000	357,500	67,167	(290,333)	(432.26)
Operating Surplus/(Deficit) After Capital Items	(3,775,035)	(41,025)	(511,051)	(470,027)	91.97

Lockyer Valley Regional Council (Corporate and Community Services)
Statement of Comprehensive Income
For Period Ending August 2019

	Budget	Actuals YTD	Budget YTD	Variance Amount YTD	Variance % YTD
<u>Operating Revenue:</u>					
Rates and Utility Charges (Gross)	41,508,017	20,481,462	20,755,675	274,213	1.32
Discount	(1,727,000)	(382,721)	(383,500)	(779)	0.20
Charges and Fees	2,154,712	321,702	375,742	54,041	14.38
Interest	1,512,200	146,965	192,533	45,569	23.67
Operating Grants and Subsidies	4,169,300	602,365	596,833	(5,531)	(0.93)
Operating Contributions and Donations	46,700	-	-	-	0.00
Revenue - Contract/Recoverable Works	-	29	-	(29)	0.00
Other Revenue	1,574,800	171,547	124,800	(46,747)	(37.46)
Profit from Investments	2,350,000	-	-	-	0.00
Total Operating Revenue	51,588,729	21,341,348	21,662,084	320,737	1.48
<u>Operating Expenses:</u>					
Employee Costs	8,826,191	1,391,931	1,337,665	(54,267)	(4.06)
Goods and Services	10,416,748	1,659,433	1,759,788	100,355	5.70
Finance costs	919,988	17,066	18,333	1,267	6.91
Depreciation	11,450,160	1,908,360	1,908,360	-	0.00
Total Operating Expenses	31,613,087	4,976,790	5,024,146	47,356	0.94
Operating Surplus/(Deficit)	19,975,642	16,364,558	16,637,938	273,380	1.64
<u>Capital Revenue:</u>					
Capital Grants, Subsidies and Contributions	445,850	36,393	74,308	37,916	51.02
Total Capital Revenue	445,850	36,393	74,308	37,916	51.02
Operating Surplus/(Deficit) After Capital Items	20,421,492	16,400,951	16,712,247	311,296	1.86

Lockyer Valley Regional Council (Infrastructure, Works and Services)
Statement of Comprehensive Income
For Period Ending August 2019

	Budget	Actuals YTD	Budget YTD	Variance Amount YTD	Variance % YTD
<u>Operating Revenue:</u>					
Rates and Utility Charges (Gross)	851,078	426,000	425,539	(461)	(0.11)
Charges and Fees	39,500	5,887	6,583	696	10.57
Operating Grants and Subsidies	2,277,378	207,993	333,512	125,520	37.64
Revenue - Contract/Recoverable Works	790,000	30,050	70,000	39,950	57.07
Other Revenue	220,000	66,797	36,667	(30,130)	(82.17)
Total Operating Revenue	4,177,956	736,727	872,301	135,574	15.54
<u>Operating Expenses:</u>					
Employee Costs	6,734,127	1,535,712	1,352,920	(182,793)	(13.51)
Goods and Services	1,789,777	489,848	616,045	126,197	20.49
Finance costs	371,000	-	-	-	0.00
Depreciation	1,170,000	195,000	195,000	-	0.00
Total Operating Expenses	10,064,904	2,220,560	2,163,965	(56,596)	(2.62)
Operating Surplus/(Deficit)	(5,886,948)	(1,483,833)	(1,291,664)	192,170	(14.88)
<u>Capital Revenue:</u>					
Capital Grants, Subsidies and Contributions	1,286,946	531,396	214,491	(316,905)	(147.75)
Capital Expenses	(90,000)	-	-	-	0.00
Total Capital Revenue	1,196,946	531,396	214,491	(316,905)	(147.75)
Operating Surplus/(Deficit) After Capital Items	(4,690,002)	(952,438)	(1,077,173)	(124,735)	11.58

LOCKYER VALLEY REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
As at 31 August, 2019

	2019-2020 Full Year Budget	2019-2020 YTD Actual
<u>Current Assets</u>		
Cash assets and cash equivalents	18,640,000	13,128,470
Cash investments	-	8,600,000
Trade and other receivables	3,580,000	16,758,671
Inventories	2,470,000	366,743
Non-current assets classified as held for sale	-	2,091,000
Total Current Assets	24,690,000	40,944,884
<u>Non Current Assets</u>		
Trade and other receivables	14,740,000	14,745,256
Equity investments	33,350,000	32,030,495
Investment properties	1,850,000	2,010,000
Property, plant and equipment	570,780,000	569,580,728
Intangible assets	5,960,000	5,359,371
Total Non Current Assets	626,670,000	623,725,850
TOTAL ASSETS	651,360,000	664,670,734
<u>Current Liabilities</u>		
Trade and other payables	3,940,000	6,426,442
Provisions	5,470,000	5,738,621
Borrowings	1,560,000	1,434,526
Total Current Liabilities	10,980,000	13,599,588
<u>Non Current Liabilities</u>		
Provisions	28,720,000	29,655,001
Borrowings	21,400,000	23,079,170
Total Non Current Liabilities	50,110,000	52,734,171
TOTAL LIABILITIES	61,090,000	66,333,760
NET COMMUNITY ASSETS	590,270,000	598,336,974
<u>Community Equity</u>		
Retained surplus (deficiency)	385,919,017	381,254,101
Asset revaluation surplus	199,570,000	199,946,090
Reserves	-	3,449,388
Current Surplus/(Deficit)	4,780,983	13,687,395
TOTAL COMMUNITY EQUITY	590,270,000	598,336,974

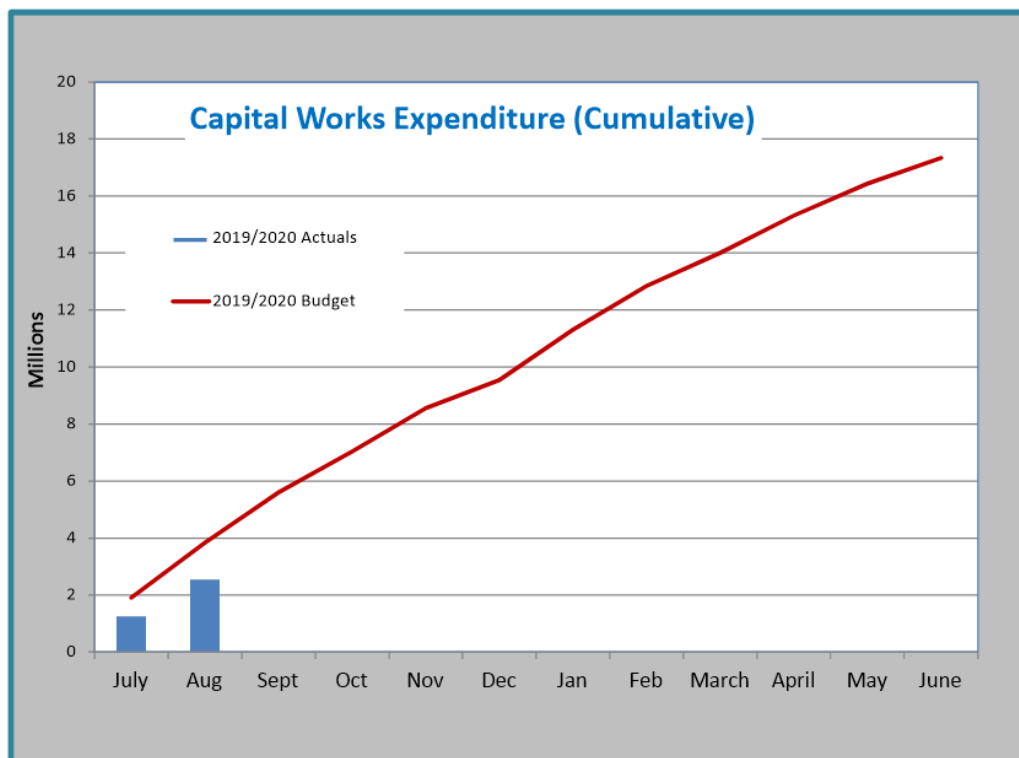
LOCKYER VALLEY REGIONAL COUNCIL
Statement of Cash Flows
For the period ended 31 August, 2019

	2019-2020 Full Year Budget	2019-2020 YTD Actuals
<u>Cash flows from operating activities:</u>		
<u>Receipts</u>		
Receipts from customers	55,760,000	12,034,468
Interest received	1,510,000	147,094
<u>Payments</u>		
Payments to suppliers and employees	(43,310,000)	(12,172,495)
Interest expense	(1,160,000)	-
Net cash inflow (outflow) from operating activities	12,800,000	9,067
<u>Cash flows from investing activities:</u>		
Capital grants, subsidies and contributions	2,110,000	925,288
Payments for property, plant and equipment	(17,400,000)	(2,642,125)
Net transfer (to) from cash investments	840,000	-
Proceeds from sale of property plant and equipment	930,000	333,465
Net cash inflow (outflow) from investing activities	(13,530,000)	(1,383,372)
<u>Cash flows from financing activities:</u>		
Repayment of borrowings	(1,480,000)	-
Proceeds from borrowings	-	-
Net cash inflow (outflow) from financing activities	(1,480,000)	-
Net increase (decrease) in cash and cash equivalents held	(2,210,000)	(1,374,305)
Cash and cash equivalents at beginning of the financial year	20,840,000	23,102,775
Cash and cash equivalents at end of the financial year	18,640,000	21,728,470

LOCKYER VALLEY REGIONAL COUNCIL

CAPITAL WORKS BY GROUP

Row Labels	Values		
	2019-20 Budget	2019-20 Actuals	Sum of PercentSpent
Corporate & Community Services	3,628,650	684,680	18.87%
Executive Office	0	7,306	0.00%
Infrastructure Works & Services	13,117,000	1,730,172	13.19%
Organisational Development & Planning	655,000	219,968	33.58%
Grand Total	17,400,650	2,642,125	15.18%



LOCKYER VALLEY REGIONAL COUNCIL
CAPITAL WORK SUMMARY
August, 2019

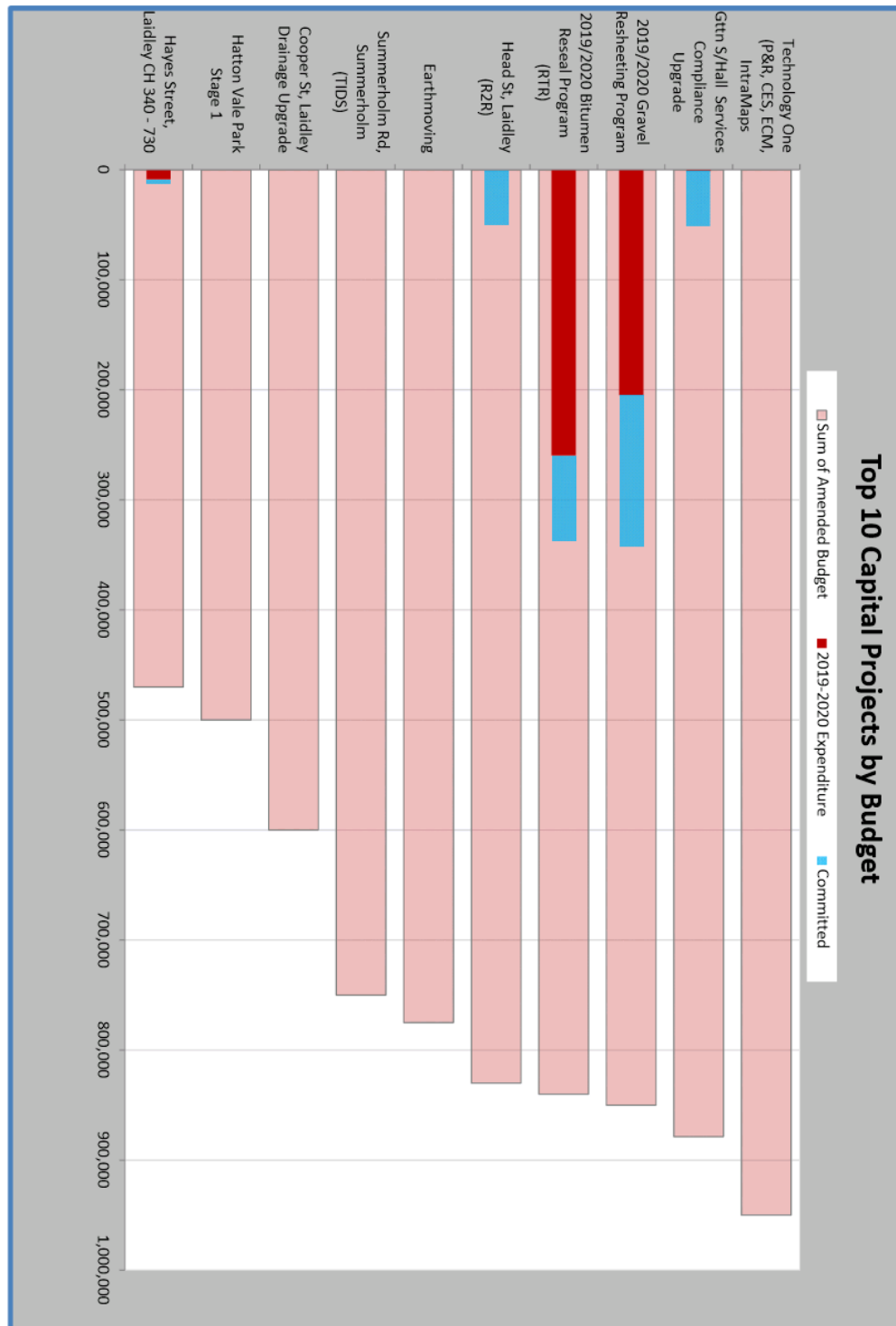
	2019-2020 Adopted Budget	2019-2020 Expenditure	Committed	2019-2020 Expenditure (including Committed)	Remaining Budget (including Committed)
Corporate & Community Services					
Disaster Management	0	0	17,710	17,710	-17,710
Facilities	1,608,400	165,140	121,173	286,312	1,322,088
Information Management	100,000	13,759	0	13,759	86,241
Information Technology	1,280,500	205,003	237,777	442,781	837,719
SES	13,750	4,223	0	4,223	9,527
Transfer Stations	626,000	296,555	68,862	365,417	260,583
Corporate & Community Services Total	3,628,650	684,680	445,522	1,130,202	2,498,448
Executive Office					
Regional Development Management	0	0	9,123	9,123	-9,123
Tourism Initiatives	0	6,506	2,969	9,475	-9,475
Legal Services	0	800	0	800	-800
Executive Office Total	0	7,306	12,092	19,398	-19,398
Infrastructure Works & Services					
Capital Program Delivery	11,112,500	1,388,829	783,812	2,172,640	8,939,860
Depot	236,000	54,334	12,673	67,007	168,993
Fleet	1,074,000	91,411	9,856	101,268	972,732
Parks & Open Spaces	520,000	25,976	21,384	47,360	472,640
Cemetery	143,000	163,749	31,558	195,307	-52,307
NDRRA Program - Infrastructure Recovery	0	5,873	0	5,873	-5,873
Asset Management	31,500	0	0	0	31,500
Infrastructure Works & Services Total	13,117,000	1,730,172	859,283	2,589,455	10,527,545
Organisational Development & Planning					
Planning Scheme	655,000	37,280	268,103	305,383	349,617
Sport Recreation and Community Grants	0	182,688	191,438	374,126	-374,126
Organisational Development & Planning Total	655,000	219,968	459,542	679,509	-24,509
Grand Total	17,400,650	2,642,125	1,776,438	4,418,564	12,982,086

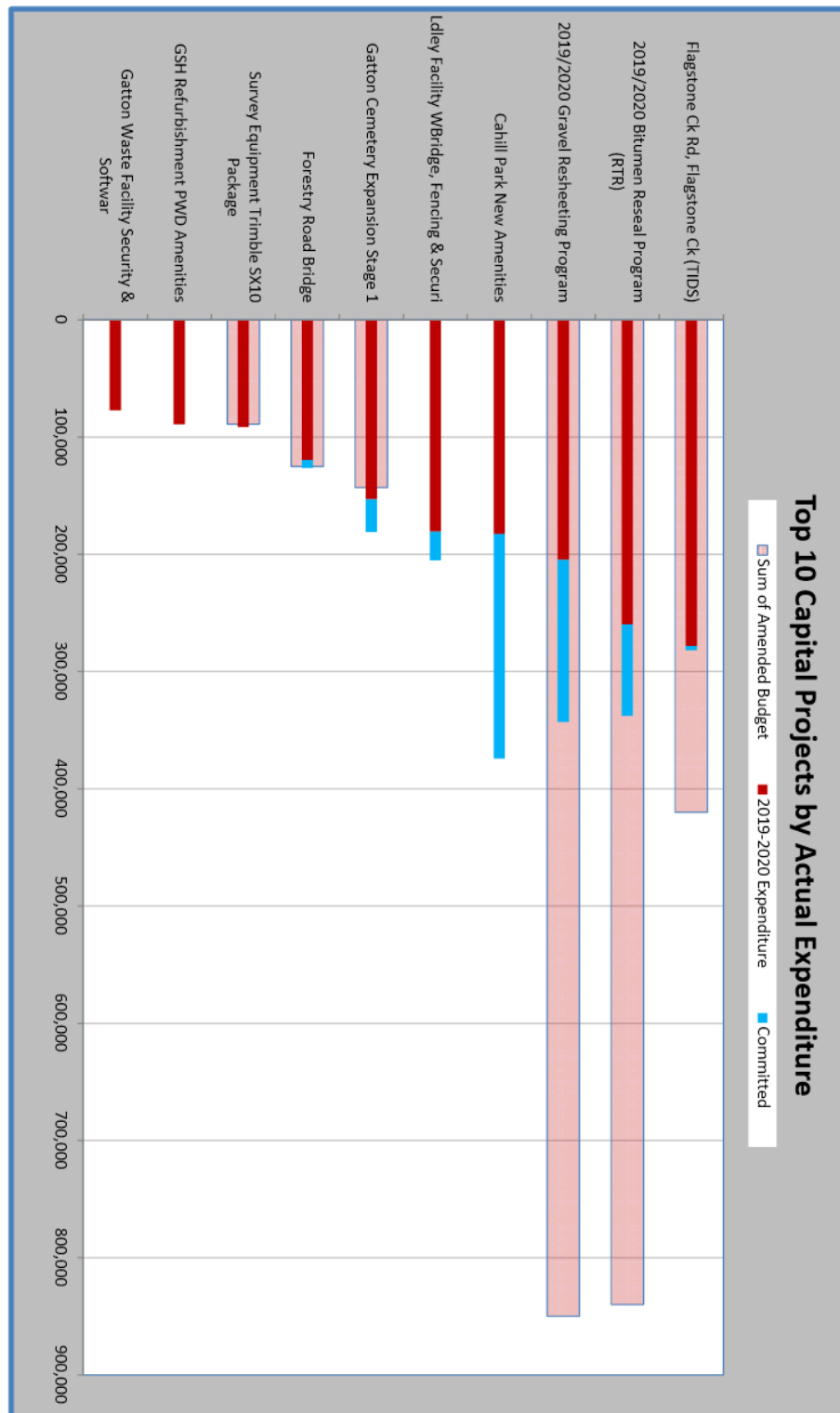
LOCKYER VALLEY REGIONAL COUNCIL
CAPITAL WORKS DETAIL
August, 2019

Row Labels	2019-2020 Budget	2019-2020 Expenditure	Committed	2019-2020 Expenditure (including Committed)	Remaining Budget (including Committed)	
Corporate & Community Services						
Disaster Management						
Flood Mapping and Modelling L'yer Catchm	0	0	16,000	16,000	-16,000	\$15,500 in for carryover
Wattside Flood Intelligence	0	0	1,710	1,710	-1,710	\$2,000 in for carryover
Disaster Management Total	0	0	17,710	17,710	-17,710	
Facilities						
Cahill Park Lighting - Netball Courts	0	1,146	0	1,146	-1,146	\$40,000 contribution in with carryovers
Cahill Park Machinery Shed Design	10,000	0	0	0	10,000	
Corrective Electrical Upgrades	34,700	1,550	0	1,550	33,151	
Cyclical Painting Program	75,000	2,089	0	2,089	72,911	
Das Neumann Haus Stair Alterations	50,000	619	0	619	49,381	
Energy Efficiency Program	70,000	775	0	775	69,225	
Gatton Cemetery Outdoor Chapel	0	35,335	0	35,335	-35,335	\$27,800 in for carryovers
Gatton Depot Workshop Building Alterations	0	536	0	536	-536	no carryover
Gatton Shire Hall Masterplan Works	0	1,519	0	1,519	-1,519	no carryover
Gatton Shire Hall Roof Restoration	45,000	0	0	0	45,000	
Gatton Showgrounds Energy Reduction	0	20	0	20	-20	\$39,000 in for carryover
Gatton Showgrounds Masterplan Document	0	0	1	1	-1	no carryover
Gatton Showgrounds Separate Metering	0	1,146	2,650	3,796	-3,796	no carryover
Gatton Squash Courts Refurbishment	0	1,547	17,185	18,732	-18,732	
GSH Refurbishment PWD Amenities	0	89,086	0	89,086	-89,086	\$70,889 in for carryover
Gttn S/Hall Services Compliance Upgrade	878,700	1,140	49,960	51,106	827,594	
Laidley Admin Building Refurbishment	0	0	217	217	-217	no carryover
Laidley Saleyards Drainage	55,000	2,941	0	2,941	52,059	
LCC Refurbish Ramp and Balustrading	55,000	2,887	0	2,887	52,113	
LCC Refurb Drought Comm Programme Fund	0	2,364	0	2,364	-2,364	no carryover
LRR Lighting Rectification	0	6,815	36,252	43,067	-43,067	Sept budget review Insurance Claim
LVAC Pumps and Filtration	30,000	0	0	0	30,000	
LVCC Air Conditioning Redesign	50,000	1,189	0	1,189	48,811	
LVEC Structural Remediation & Other Work	100,000	2,858	10,308	13,176	86,824	
Nielsen's Place Shade Structure	55,000	2,092	0	2,092	52,908	
Relocation Cncl Self Contained Toilets	50,000	7,490	4,600	12,090	37,910	
Withcott Sports Ctre Kitchen Reconfigure	50,000	0	0	0	50,000	
Facilities Total	1,808,400	165,140	121,173	286,312	1,322,088	
Information Management						
Records Relocation and Sentencing	100,000	13,759	0	13,759	86,241	
Information Management Total	100,000	13,759	0	13,759	86,241	
Information Technology						
Aerial Photography	30,000	0	0	0	30,000	
Cyber Security	150,000	64,017	0	64,017	85,983	
Flood Information Advice Portal	0	4,836	0	4,836	-4,836	\$180,000 in for carryovers
GIS Enhancement	0	0	20,945	20,945	-20,945	no carryover will be funded from PJ101953
LVCC Audio Visual	0	0	57,299	57,299	-57,299	\$60,000 in for carryovers
Network Perimeter Security (Firewalls)	50,500	0	0	0	50,500	
Switches Renewal	0	74,731	0	74,731	-74,731	\$74,000 in for carryovers
Technology One (P&R, CES, ECM, IntraMaps)	950,000	0	0	0	950,000	
Technology One Cloud Implementation	0	28,905	0	28,905	-28,905	budget will come from PJ101953
Technology One One Council Project	0	139	120,634	120,673	-120,673	budget will come from PJ101953
Upgrade MS Office	100,000	8,256	39,000	47,256	52,744	
Upgrade Technology One P&R System to CIA	0	555	0	555	-555	budget will come from PJ101953
Wireless Access Points	0	23,564	0	23,564	-23,564	\$25,000 in for carryovers
Information Technology Total	1,280,500	205,003	237,777	442,781	837,719	
SES						
Forest Hill SES Replacement Generator	8,750	0	0	0	8,750	
SES Mobile Phones Replacement	5,000	4,223	0	4,223	777	
SES Total	13,750	4,223	0	4,223	9,527	
Transfer Stations						
Construct liner against Cell 1	330,000	0	0	0	330,000	
Gatton Landfill - Cell 5 (Design)	45,000	0	0	0	45,000	
Gatton Waste Facility Security & Software	0	77,200	0	77,200	-77,200	\$78,800 in for carryovers
Gatton Weighbridge Platform/Ramp	0	1,190	0	1,190	-1,190	no carryovers
Laidley Landfill Capping Works	0	0	6,177	6,177	-6,177	\$7,000 in for carryovers
Laidley Weighbridge Road Expansion	70,000	1,547	0	1,547	68,453	
Lidley Facility W/Bridge, Fencing & Securi	0	180,944	24,675	205,219	-205,219	\$284,000 in for carryovers
Lidley Telemetry Final Sedimentation Dam	34,000	0	28,370	28,370	5,630	
M/ Plan Gatton Long Haul Waste Facility	55,000	0	0	0	55,000	
Pest (weeds & fireants) washdown provisi	0	19,112	0	19,112	-19,112	\$19,103 in for carryovers
Rehab Plan Otto Road Facility	50,000	0	0	0	50,000	
Traffic Management Plan	0	0	9,740	9,740	-9,740	\$12,000 in for carryovers
Waste management Signage Review	0	1,225	0	1,225	-1,225	\$1,225 in for carryovers
Windblown Litter Screen Fences	42,000	15,638	0	15,638	26,362	
Transfer Stations Total	628,000	296,555	68,862	365,417	262,583	
Corporate & Community Services Total	3,628,650	684,580	445,522	1,130,202	2,498,448	
Executive Office						
Regional Development Management						
GWIZ	0	0	9,123	9,123	-9,123	no carryover
Regional Development Management Total	0	0	9,123	9,123	-9,123	
Tourism Initiatives						
Event Promotion Stands and Props	0	6,506	2,969	9,475	-9,475	\$26,988 in for carryovers
Tourism Initiatives Total	0	6,506	2,969	9,475	-9,475	
Legal Services						
Property Management & Disposal Strategy	0	800	0	800	-800	\$75,000 in fro carryovers
Legal Services Total	0	800	0	800	-800	
Executive Office Total	0	7,306	12,092	19,398	-19,398	
Infrastructure Works & Services						
Capital Program Delivery						
2018/2019 Bitumen Reseal Program	0	-32	0	-32	32	no carryover
2019/2020 - Culvert Renewal Program	270,000	7,042	80,622	88,164	181,836	
2019/2020 - Minor Bridge Remedial Work	100,000	0	0	0	100,000	
2019/2020 - Pram Ramp Program	30,000	5,905	0	5,905	24,095	
2019/2020 - Urban Drainage Inlet Works	40,000	170	0	170	39,830	
2019/2020 Bitumen Reseal Program (RTR)	840,000	259,750	78,065	337,815	502,185	
2019/2020 Black Spot Mince Works Com	150,000	0	0	0	150,000	
2019/2020 Footpath Renewal Program	40,000	0	0	0	40,000	
2019/2020 Gravel Resheeting Program	850,000	204,787	138,156	342,924	507,076	
2019/2020 Kerb Replacement Program	0	0	12,295	12,295	-12,295	budget to come from culvert renewal program as per email

Row Labels	Amounts		Committed	2019-2020 Expenditure (including Committed)	Remaining Budget (including Committed)	
	2019-2020 Budget	2019-2020 Expenditure				
Allan Street, Gatton Footpaths	0	30,144	1,848	31,992	-31,992	\$30,000 in for carryovers
Amos Rd, Withcott	270,000	0	0	0	270,000	
Belfords Bridge, Gatton	250,000	0	0	0	250,000	
Belmore St, Withcott	400,000	46	0	46	399,954	
Blanchview Rd, S Ridge (BS)	17,000	1,346	991	2,337	14,663	
Blanchview Road/Nutalls Road, Blanchview	50,000	44,812	31,877	76,789	-26,789	
Blanchview Road/O'Neils Road, Withcott	75,000	1,887	0	1,887	73,113	
Blenheim Hall, Blenheim	25,000	1,009	0	1,009	23,991	
Brightview Rd & Village Rd, L Rose (BS)	128,000	1,745	0	1,745	126,255	
Brightview Rd/Gehrike Rd, G Grove (BS)	116,500	0	0	0	116,500	
Cooper St, Laidley Drainage Upgrade	600,000	0	0	0	600,000	
Crescent St, Gatton Carpark	60,000	0	0	0	60,000	
Culvert Renewals - Various	0	45,941	0	45,941	-45,941	\$65,500 in for carryovers
Cycle Network Gatton	250,000	0	0	0	250,000	
Cycle Network Gatton (Carry Over)	200,000	0	0	0	200,000	
Dolleys Rd, Withcott - Stage 1	150,000	0	0	0	150,000	
Dolleys Rd, Withcott - Stage 2	200,000	0	0	0	200,000	
Dolleys Road Upgrade	0	3,297	0	3,297	-3,297	\$72,000 in for carryovers
Drainage Works Tew Ct and Rogers Drive	0	23,834	695	24,529	-24,529	\$24,600 in for carryovers
Edward Street Laidley CH 0 - 270	450,000	10,741	5,207	15,947	434,053	
Flagstone Ck Rd, Flagstone Ck (TIDS)	420,000	278,190	3,598	281,788	138,211	
Forestry Road Bridge	125,000	119,513	8,748	128,258	-1,258	
Gatton Long Distance Coach Project	40,000	0	0	0	40,000	
Gehrike Hill Road, Summerholm CH 100 - 10	0	63,333	0	63,333	-63,333	\$63,500 in for carryovers
Gehrike Road/Rons Road, Glenore Grove	80,000	14,062	127,200	141,262	-61,262	\$62,000 in for carryovers
Gravel Resheeting Program 2018/2019(R2R)	0	5,416	0	5,416	-5,416	no carryover
Hatton Vale School Parking Improvements	80,000	0	0	0	80,000	
Hayes Street, Laidley CH 340 - 730	470,000	8,833	4,203	13,036	456,964	
Head St, Laidley (R2R)	830,000	0	50,892	50,892	779,108	
Head Street Laidley CH 0 - 450	0	16,578	8,683	23,142	-23,142	\$25,000 in for carryovers
Jones Road Bridge Withcott (BS)	58,000	0	0	0	58,000	
Laidley Flood Mitigation	0	0	10,594	10,594	-10,594	\$13,500 in for carryovers
Lake Clarendon Way	280,000	2,032	50,250	52,282	227,718	
LED Street Lighting Laidley (LGGSP)	250,000	0	0	0	250,000	
Lorikeet Rd/Wagtail Rd, R Downs (BS)	90,000	75,042	45,453	120,495	-30,495	
Murphys Creek Road footpath (TIDS)	340,000	0	0	0	340,000	
Nemeyer Rd, H Vale - S Contribution	50,000	0	0	0	50,000	
Nemeyer Road, Hatton Vale	150,000	0	0	0	150,000	
Norfolk Rd, Summerholm (BS)	62,500	619	0	619	61,881	
Old Toowoomba Road, Flaid Hills	0	-9	0	-9	9	no carryover
Pavement Reconstruction Otto Road	0	0	230	230	-230	no carryover
Placid Rise Retention Basin	375,000	0	7,788	7,788	367,212	
Postmans Ridge Rd, Helidon Spa	423,000	3,939	11,506	15,445	407,555	
Princess Street Road Pavement Gatton	0	1	0	1	-1	no carryover
Project Design - Predesign	90,000	5,480	0	5,480	84,520	
Railway crossings safety improvements	30,000	125	0	125	29,875	
Railway St Gatton LED Lighting Project	153,000	698	82,394	83,092	69,908	
Railway St/Summer St, Laidley (BS)	66,000	2,844	10,172	13,016	52,984	
Road Closure Signs	20,000	15,561	955	16,517	3,483	
Robinsons Road, Laidley	80,000	59,032	2,895	61,928	18,072	
Rockmount Road/Walkers Road, Rockmount	0	151	0	151	-151	no carryover
Signs and Lines Projects	40,000	7,062	462	7,524	32,476	
Stevens Road Upgrade & Bitumen Seal	0	1,800	0	1,800	-1,800	\$2,100 in for carryovers
Stormwater Improvements Gatton	70,000	7,724	5,181	12,905	57,116	
Summerholm Intersection	0	50,444	1,407	51,850	-51,850	\$56,000 in for carryovers
Summerholm Rd, Summerholm (TIDS)	750,000	0	0	0	750,000	
Tenthill Ck Rd, Gatton (BS)	21,000	5,263	682	5,945	15,055	
Thallon Road Kensington Grove CH 2700 -	0	0	232	232	-232	no carryovers
Twidales Rd, Helidon Spa	85,000	0	0	0	85,000	
Vehicle Activated Signs Bases Various	20,000	61	1,878	1,937	18,063	
Walnut Dr/Ashwood Ct, Brightview (BS)	7,000	2,261	0	2,261	4,739	
William St Footpaths Gatton	0	0	2,797	2,797	-2,797	\$2,797 in for carryovers
Zischke Road, R Downs (BS)	17,500	0	0	0	17,500	
Capital Program Delivery Total	11,112,500	1,388,829	783,812	2,172,640	8,939,860	
Depot						
Gatton Depot Fuel storage	136,000	0	0	0	136,000	
Pavement Rehabilitation Gatton Depot	100,000	54,334	12,673	67,007	32,993	
Depot Total	236,000	54,334	12,673	67,007	168,993	
Fleet						
Earthmoving	775,000	0	0	0	775,000	
Minor Fleet	12,000	0	9,856	9,856	2,144	
Survey Equipment Trimble SX10 Package	89,000	91,411	0	91,411	-2,411	
Trailers	13,000	0	0	0	13,000	
Trucks	185,000	0	0	0	185,000	
Fleet Total	1,074,000	91,411	9,856	101,268	972,732	
Parks & Open Spaces						
Centenary Park Lighting	0	666	0	666	-666	no carryovers
Fairy Lights Gatton	20,000	0	9,788	9,788	10,212	
Hatton Vale Park Concept and Design	0	7,856	8,814	16,471	-16,471	\$28,095 in for carryovers
Hatton Vale Park Stage 1	500,000	0	0	0	500,000	
Laidley Sate Park Upgrade	0	2,095	0	2,095	-2,095	in for Sept budget amendment
Lake Apex Desilting Investigation Gatton	0	10,866	0	10,866	-10,866	\$19,800 in for carryovers
Springbrook Park Sprinkler System	0	4,692	2,400	7,092	-7,092	\$10,000 in for carryovers
Zabel Road Lockrose Dip Site Rehabilitat	0	0	383	383	-383	\$14,383 in for carryovers
Parks & Open Spaces Total	520,000	25,976	21,384	47,360	472,640	
Cemetery						
Gatton Cemetery Expansion Stage 1	143,000	153,151	27,795	180,946	-37,946	
Gatton Cemetery Expansion Works	0	7,597	3,783	11,381	-11,381	in for carryover
Laidley Columbarium	0	3,001	0	3,001	-3,001	in for carryover
Cemetery Total	143,000	163,749	31,578	195,307	-52,307	
NDRRA Program - Infrastructure Recovery						
NDRRA Program Management 2017 FloodEvent	0	5,873	0	5,873	-5,873	in for carryover
NDRRA Program - Infrastructure Recovery Total	0	5,873	0	5,873	-5,873	
Asset Management						
Civil Estimating Package	31,500	0	0	0	31,500	
Asset Management Total	31,500	0	0	0	31,500	
Infrastructure Works & Services Total	13,117,000	1,730,172	859,283	2,589,455	10,527,545	
Organisational Development & Planning						
Planning Scheme						
Community Profiles	30,000	0	0	0	30,000	
Cooper St Mitigation	0	0	7,728	7,728	-7,728	\$37,138 in for carryovers
Engineering (not inc in expert report)	60,000	0	0	0	60,000	
Evacuation Planning	75,000	0	0	0	75,000	
Flood Damage Assessment Rural & Infrast	35,000	0	0	0	35,000	
Flood Investigations	0	3,040	138	3,178	-3,178	\$11,888 for carryovers

Row Labels	Amounts		Committed	2019-2020 Expenditure (including Committed)	Remaining Budget (including Committed)	
	2019-2020 Budget	2019-2020 Expenditure				
Flood Modelling DM & Planning LTPS	0	0	16,970	16,970	-16,970	\$16,970 in for carryovers
Flood Modelling DM & Planning Thornton	0	0	152,360	152,360	-152,360	\$152,360 in for carryovers
Floor Level Survey	60,000	0	0	0	60,000	
Grthm DM Integrate with Lockyer Project	25,000	0	0	0	25,000	
Lakley Reg Update Model & Mitigation	60,000	0	0	0	60,000	
Landuse Planning	50,000	0	0	0	50,000	
LGIP Prepare Infrastructure Plan	0	0	10,952	10,952	-10,952	\$36,535 in for carryovers
Local Flood Plain Management Plan	25,000	0	0	0	25,000	
Master Planning Future Urban Gattin	0	0	700	700	-700	\$45,000 in for carryovers
NDRP Lockyer Creek hydrology project (2	0	0	38,755	38,755	-38,755	\$92,039 in for carryovers
NDRP Project Flood Modelling DM&Planning	110,000	11,161	0	11,161	98,839	
O'Neil's Road Withcott	0	10,068	0	10,068	-10,068	no carryovers
Plainland Catchment Study	50,000	0	0	0	50,000	
Planning Scheme Revision LVRC	0	7,010	36,692	43,672	-43,672	\$61,330 in for carryovers
Scheme Feedback/BRFS Phase 4 Local Risk	0	6,000	3,840	9,840	-9,840	
Tenthill DM Study	25,000	0	0	0	25,000	
Withcott North Flood Impact Study	50,000	0	0	0	50,000	
Planning Scheme Total	655,000	37,280	268,103	305,383	349,617	
Sport Recreation and Community Grants						
Cahill Park New Amenities	0	182,688	191,438	374,126	-374,126	\$424,000 in for carryovers
Sport Recreation and Community Grants Total	0	182,688	191,438	374,126	-374,126	
Organisational Development & Planning Total	655,000	219,968	459,542	679,509	-24,509	
Grand Total	17,400,650	2,642,125	1,776,438	4,416,564	12,982,086	





12.2 Rate Remission - Community Grants Policy

Date: 17 September 2019
Author: Tony Brett, Manager Finance and Customer Service
Responsible Officer: David Lewis, Executive Manager Corporate & Community Services

Summary:

Council's 2019-20 Revenue Policy states that Council will consider applications for concessions on rates and charges from Not-For-Profit organisations.

Council also resolved under Section 120 of the *Local Government Regulation 2012* to invite and consider applications for rating concessions from non-profit community, cultural and sporting organisations within the region.

The Committee for the Lockyer Valley Riding for the Disabled has applied for remission under Council's 2019-20 Revenue Policy and 2019-20 Revenue Statement.

Officer's Recommendation:

THAT Council resolve to grant a remission of 100% of the 2019-20 General Rate for the Lockyer Valley Riding for the Disabled at Gherke Road, Regency Downs [Property ID 278160].

Report**1. Introduction**

When Council adopted its 2019-20 Budget, it included in its Revenue Statement that Council would consider applications for concessions on rates and charges from non-profit community, sporting and culture groups.

2. Background

The *Local Government Act 2009* and *Local Government Regulation 2012* make provision for the granting of concessions with regard to rates or charges to a ratepayer or class of ratepayers, subject to certain criteria. It has been Council's practice to invite applications and to assess those received against the criteria.

3. Report

Council's Community Grants Policy states that Council may consider an application for remission of rates under the *Local Government Act 2009* in the following circumstances:

- The organisation is a non-profit community-based organisation;
- The applicant organisation must be the owner or lessee of the land and must be able to demonstrate that they are required to pay the rates levied;

- The land or any part of the land must not be rented or leased to a third party on a commercial basis;
- A Liquor Licence (allowing trading on more than 3 days per week) must not be held by the organisation or any affiliate relating to the property subject to the application; and
- Where general rates do not apply to a property by virtue of a condition contained in a lease of a reserve from Council no further relief will be available.

The Lockyer Valley Riding for the Disabled has submitted an application requesting an exemption of rates and charges for the financial year 2019-20. As the rates are levied under a lease from the State, only general rates of \$1,208.00 are charged.

Being a non-profit community organisation and meeting the other requirements under the policy, the Lockyer Valley Riding for the Disabled qualifies for remission of the \$1,208.00 in general rates levied on its property at Gherke Road, Regency Downs.

4. Policy and Legal Implications

Section 120 of the *Local Government Regulation 2012* gives Council the power to grant a ratepayer a concession for rates or charges for land subject to certain criteria. The concession granted may be a rebate of all or part of the rates; however, Council's policy only allows for remission of general rates and therefore other levies and charges will still apply.

The applicant has met the eligibility requirements set out in Council's adopted Community Grants Policy.

5. Financial and Resource Implications

Council currently has sufficient budgeted funds available to provide rating concessions in line with its 2019-20 Revenue Policy and 2019-20 Revenue Statement. By allowing this concession, revenue of \$1,208.00 for the financial year ended 30 June 2020 will be foregone.

6. Delegations/Authorisations

No additional or amended delegations are required to give action to Council's resolution.

7. Communication and Engagement

Property owners granted concessions are contacted in writing once approved by Council, and in this instance, the amount approved will be credited to the appropriate rate record.

Council should also note that a summary of concessions granted must be published in Council's Annual Report.

8. Conclusion

Councils Revenue Policy states that Council may consider applications for concessions on rates and charges from Not-For-Profit organisations. Council has also resolved to invite and consider applications for rating concession from non-profit community, cultural and sporting organisations within the region.

Being a non-profit community organisation and meeting the other requirements within Council's policy, the Lockyer Valley Riding for the Disabled is deemed to qualify for remission under Council's Revenue Policy.

9. Action/s

1. Advise Lockyer Valley Riding for the Disabled of Council's decision.
2. Issue an amended assessment for the adjusted amount of rates.

Attachments

13. INFRASTRUCTURE WORKS AND SERVICES REPORTS

No Infrastructure Works & Services Reports at time of print run

14. ITEMS FOR INFORMATION**14.1 Lockyer Valley Cultural Centre - Solar Benefits Realisation**

Date: 16 September 2019
Author: Christopher Goddard, Senior Project Officer
Responsible Officer: David Lewis, Executive Manager Corporate & Community Services

Summary:

The purpose of this report is to provide Council with information on the benefits realisation of the 100kW solar Photovoltaic (PV) generation system installed at the Lockyer Valley Cultural Centre.

This document is for Council's information only.

Report**1. Introduction**

During the 2016-17 financial year, Council initiated an energy efficiency program to deliver energy reduction projects to its built facilities including sports field lighting and street lighting to reduce the environmental impact and operating costs of these items.

Council engaged Peak Services in 2017 to investigate, analyse and prepare a report detailing energy reduction opportunities on identified facilities using high energy consumption, that included the installation of sub-metering to capture data at a user level.

The data was subsequently used to determine total site performance (including the energy use breakdown for air conditioning, lights and power) to determine peak periods of use and how improvements to system operations and installations could be implemented to reduce consumption and electricity costs.

2. Background

Council subsequently engaged Peak Services to undertake a concept design study, including structural and electrical suitability assessments for solar generation at three targeted sites, namely the:

- LVRC Administration Office
- LVRC Cultural Centre
- LVRC Sports and Aquatic Centre.

Peak Services subsequently analysed the hourly consumption of the Council assets and modelled solar Photovoltaic (PV) generation to develop a Cost-Benefit Analysis (CBA) for all sites.

The Lockyer Valley Cultural Centre was selected as the preferred site for the solar Photovoltaic (PV) generation system, due to its prominent position, its load profile capacity to utilise a 100kW solar system and the announcement of grant funding for the Sports and Aquatic Centre energy reduction project.

3. Report

Peak Services assessed the CBA of a 100kW solar plant over a period of 20 years with the annual savings calculated in the CBA being from the amount of 'off-set consumption' using ERM Power Peak and Off-Peak tariffs.

Peak Services' *underlying assumptions*, used for the cost-benefit analysis (2017 report) were as follows:

Electricity consumption in 2016	824,960 kWh
Solar Plant 'generate electricity 1 st year'	176,591 kWh (<i>off-set consumption</i>)
Electricity consumption savings 1 st year (estimated)	\$20,379
Operating and maintenance costs (estimated)	\$4,310

Before Solar Installation:

Information analysed from ERM Power electricity bills for the twelve (12) months prior to installation and commissioning of the 100kW solar Photovoltaic (PV) generation system in July 2018 follows.

Electricity consumption in 2017-18	879,393 kWh
Electricity costs 2017-18	\$155,225

After Solar Installation:

Information analysed from the ERM electricity bills for twelve (12) months (2018-19) after the installation of the 100kW solar Photovoltaic (PV) generation system follows.

Electricity consumption in 2018-19	694,926 kWh
Electricity costs 2018-19	\$122,717

The final capitalised cost of the 100kW solar Photovoltaic (PV) generation system including design and evaluation of all sites (GST exclusive) was \$224,534.

The information analysed from the ERM Power electricity bills indicate the following solar benefits realisation for the first year of operations of the Lockyer Valley Cultural Centre 100kW solar Photovoltaic (PV) generation system:

1. Reduced electricity consumption	184,467 kWh
2. Reduced electricity costs	\$32,507 (savings)
3. Operating and Maintenance costs	\$1,000 (estimated)

The above operating and maintenance costs have not been captured in full, with inconsequential costs allocated from Council's Electrical Maintenance Lead attending to solar inverter power outages.

To date, the realisation of benefits from the 100kW solar Photovoltaic (PV) generation system installed at the Lockyer Valley Cultural Centre has exceeded the assumptions given in the initial concept design study.

Council officers are now continuing to improve on the operational energy efficiencies within the Lockyer Valley Cultural Centre with further investigations to be undertaken in the 2019-20 financial year to improve the operating performance of the mechanical ventilation system, that is air-flow/loss and heat reduction measures.

Given the benefits realisation for the first year of operations of the Lockyer Valley Cultural Centre 100kW solar Photovoltaic (PV) generation system, Council should consider projects to further reduce the energy usage and associated costs of its Council's facilities, sports fields and street lighting programs in future budget deliberations.

Attachments

There are no attachments for this report.

14.2 2015 - 2019 Animal Related Customer Requests

Date: 17 September 2019
Author: Peter Driemel, Manager Health, Waste and Regulatory Services
Responsible Officer: David Lewis, Executive Manager Corporate & Community Services

Summary:

Since 2014, Council's local laws officers have been tasked with achieving a significant reduction in outstanding animal related customer requests while improving compliance and therefore community standards.

When coupled with adequate resourcing, improved service standards, continued community education and proactive interactions for "responsible pet ownership" and timely annual dog registration surveys, it is anticipated that the results achieved to date will continue proportionality in relation to the population growth of the Lockyer community.

However, it should be noted that the type of customer requests now being investigated by local laws officers has diversified since 2014 to cover a range of Council local laws; it is anticipated that this trend will continue with the introduction of new and amended local laws not to mention the devolution of State Laws (e.g. Asbestos under the *Public Health Act 2011* and Illegal dumping under the *Waste Reduction and Recycling Act 2011*).

Recognising the elimination of one (1) environmental health officer from Council's establishment in the 2019-20 Budget, Council's local laws officers are now being upskilled to address customer related requests that emanate from the *Environmental Protection Act 1994* (dust, odour, light) and the *Public Health Act 2011* (mosquitoes, vermin, hoarding & squalor).

This document is for Council's information only.

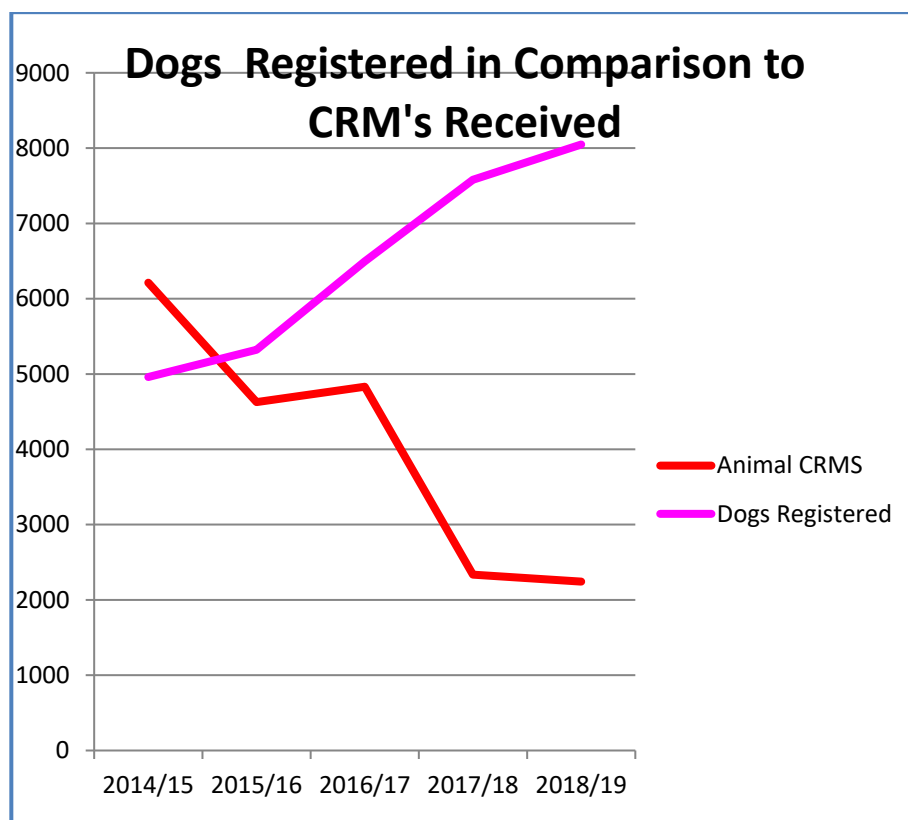
Report**1. Introduction**

Since 2014, Council's Local Laws Officers have been tasked with achieving a significant reduction in outstanding animal related customer requests while improving compliance and therefore community standards.

2. Background

In early April 2015 a report was prepared for Council due to concerns over the number of outstanding customer requests relating to local laws issues. Within the report was a snapshot of animal related customer requests for the period January to March 2015. During this period a total of 1,368 such requests were received by Council with the total number animal related customer requests for the 2014-15 financial year being 6,213 with 4,960 dogs registered with Council in the same period.

At the end of the 2018-19 financial year, 2,243 animal related customer requests had been received by Council with 8,048 dogs registered. That is since 2014-15, there has been a 64% reduction in animal related customer requests against a 62% increase in dog registrations.



3. Report

Several factors have been considered and when combined provide reasoning for the reduction in the numbers of animal related complaints being received by Council despite the large number of dogs being kept within the Lockyer Valley Regional Council area. Commentary on some of the identified factors contributing to this result follows.

a) *Dog Registration Surveys:*

Council commenced its first Dog Registration Survey in 2015-16 with these annual surveys continuing until 2018-19. These surveys partially fulfilled Council's statutory obligations for effective animal management in the region but also resulted in:

- the identification of properties where excess numbers of dogs were being kept without approval
- the identification of properties where fencing / enclosures was not adequate to contain dogs to the properties
- the establishment of a "Council presence" in areas where previously it was not common.

b) *Structured service areas for LLO:*

As identified in the 2015 report the introduction of designated geographical areas has also contributed to a reduction of outstanding customer requests. Monitoring of results show there has been a reduction in travel times between locations as well as a more equitable distribution of customer requests to team members.

c) *Staff resourcing:*

It was also recognised that due to the population increases an additional resource would be required to address the significant number of outstanding animal related requests. The increase in resourcing in the local laws area by one (1) full time equivalent employee has proven to be both key and pivotal in ensuring the ability for Council to address customer requests in a timely manner.

d) *Changes to Enforcement Processes:*

In the past, the emphasis upon officers was to address only the specified complaint without taking proactive measures due to the significant number of outstanding customer requests to be resolved.

A review of processes has resulted in more effective strategies to achieve a higher level of response from animal owners within shorter timeframes in addressing warning notices issues.

The service standards review has also brought about a contraction in the timeframes for officers to respond to customer requests. With quicker response times in place, it is suggested the officers are attending to requests earlier than before which prevents secondary and repeat requests being made to Council.

Officers are now undertaking investigations with the compliance goal of preventing the current issue from reoccurring and the reoccurrence of similar and related issues in the future e.g. unregistered dogs, excess dogs, inadequate fencing.

e) *Education & Communication:*

Members of the local laws team have also undertaken "Responsible Pet Ownership" (and dog bite prevention) presentations within schools and similar agencies for approximately 10 years as part of the overall Australian Veterinary Association PetPEP Program. The message of responsible pet ownership and its accompanying requirements (pet fencing, preventing noise nuisances, picking up dog waste etc.) has the capacity to reach into the homes within our communities and in some cases now the children who were educated in the early days are in turn becoming the animal owners of today.

Officers are also proactively engaging with animal owners by providing an increased level of information on how they as "responsible animal owners" can achieve compliance and also gain more rewarding relationships with their companion animals and the wider community.

Local laws officers also take part in Councils displays at the Gatton and Laidley Shows to promote "Responsible Animal Ownership".

In March 2018, the Local Laws Coordinator was invited to attend a community meeting of the Lockyer Valley Kennel Club to discuss the obligations for dog registrations, kennel and excess animal permits in our region. Prior to that meeting, many attendees were seemingly unaware of their responsibilities and in the past a number had received a visit by Council officers due to a dog issue being raised by a community member. The community meeting was a success as the information was delivered in a friendly face to face environment, several myths about Council and its position on animal matters were dispelled and an influx of applications for excess animal permits and registrations resulted.

f) *Inter-Agency Collaboration:*

The local laws team work collaboratively with non-Council agencies such as the RSPCA, Queensland Police (both local based officers and members of the Stock and Rural Crime Investigation Squad), Queensland Bio-Security and other local governments. This interaction assists in identifying existing issues at properties within our region (e.g. excess animals, low standard fencing or enclosures, the incoming of aggressive dogs from other regions under investigation for dog attacks). This inter-agency collaboration helps to prevent the keeping of animals from causing concerns within the community.

Additionally, Council officers actively attend and participate in the South East Queensland Regional Animal Management Group on a quarterly basis which has attracted interest from officers from across the State.

g) *Intra-Agency Collaboration:*

Strong and effective cooperation between the local laws team and other teams within Council tends to flow through to members of the public. Simple actions such as the regular updating of Councils knowledge base, the release of information relative to the keeping of animals to the public via various media (i.e. Facebook, website, print media) and work with other Council teams helps to strengthen the message of responsible animal ownership.

h) *Dog Off Leash Parks:*

The installation of dog off leash parks, firstly in Laidley and now in Gatton have provided avenues for dog owners to “legally” exercise their pets off leash. It is suggested that such parks result in less complaints of dogs being walked in public spaces “off lead,” less noise nuisance complaints due to dogs being exercised more frequently by their owners and possibly less aggressive dog complaints as dogs are becoming more socialised around people and other dogs.

Recognising the reduction in animal related customer requests, the types of customer requests being investigated by local laws officers have been diversified to cover a range of Council local laws and is expected to further diversify with the introduction of new and amended local laws not to mention the devolution of State Laws (e.g. Asbestos under the *Public Health Act 2011* and Illegal dumping under the *Waste Reduction and Recycling Act 2011*).

Recognising the elimination of one (1) environmental health officer from Council’s establishment in the 2019-20 Budget, Council’s local laws officers are now being upskilled to address customer related requests that emanate from the *Environmental Protection Act 1994* (dust, odour, light) and the *Public Health Act 2011* (mosquitoes, vermin, hoarding & squalor).

Attachments

There are no attachments for this report.

14.3 Queensland Urban Utilities Monthly Report - August 2019

Date: 17 September 2019
Author: Vickie Wieland, EA to Chief Executive Officer
Responsible Officer: Ian Church, Chief Executive Officer

Summary:

Council has received an update from Queensland Urban Utilities (QUU) Board which provided highlights from their Board Meeting for the month of August 2019.

This document is for Council's information only.

Report**1. Introduction**

Lockyer Valley Regional Council maintains an ongoing working relationship with QUU on both operational and strategic aspects of water and sewerage provision. This report is an update on matters of significance with respect to QUU for Council's information.

2. Background

Queensland Urban Utilities is:

- A statutory body, created on 1 July 2010 as a result of Queensland Government changes to the way water is managed in South East Queensland.
- Owned by the Brisbane and Ipswich City Councils, and Lockyer Valley, Scenic Rim and Somerset Regional Councils and governed by an independent Board.
- Tasked to deliver drinking water, recycled water and sewerage services to the cities and townships within the boundaries of these five local government areas.
- Responsible for delivering water to customers, collecting, transporting and treating sewage, as well as charging and billing for water and waste water services for customers in the Brisbane, Ipswich, Lockyer Valley, Scenic Rim and Somerset local authority areas.

3. Report**FOUNDATIONAL SUCCESS**2018/19 Financial Statements

The Board considered and approved QUU's 2018/19 Financial Statements. These statements, which had been considered and endorsed by the Audit and Risk Committee, received an unmodified audit opinion from the Queensland Audit Office.

The approved Financial Statements will be included in the *2018/19 Annual Report*, which will be tabled in the Legislative Assembly and issued to shareholders thereafter.

Annual Report

The Board considered and provided feedback on QUU's *2018/19 Annual Report*.

This report sets out the achievements and challenges between 1 July 2018 and 30 June 2019 and summarises QUU's performance against the program of work set out in the *2023 Corporate Plan*.

The report will be approved by the Board in early September prior to tabling in mid-September.

Innovation and Research and Development (IR&D) update

The Board received a briefing on the IR&D activity across QUU from February 2019 to July 2019.

QUU's IR&D Program not only supports a workplace culture of pursuing better ways of working but also encourages partnering opportunities that allow QUU to leverage skills, knowledge and funds. Further, it allows for the development of new products and services that support the current and future needs of customers and communities.

The Board noted that QUU currently has over 138 projects in the IR&D portfolio, which, combined, are delivering significant environmental, economic and customer benefits. The Board also noted that, during the period in question, the majority of the IR&D investment was for research and development technology/pilots targeting sensing and data analytics to enable more predictive analytics, as well as collaborative partnership projects, such as the CRC-P, *Transforming Wastewater Lagoons*. The residual investment was for the Innovation Program, Vocational Education Program and Innovation Precinct.

Program Management Approach

The Board received an update from management on the implementation of our Program Management Approach (PMA) operating model. This approach is transforming how we plan, procure, design and deliver capital works.

This refreshed and improved process will have a major impact on our business, recognising that QUU anticipate a \$1.5B forward infrastructure investment program over the next five years.

Since the PMA's inception in 2018, QUU has realised a number of benefits, including \$28M in pre-market savings through optimised engineering solutions, a 50% increase in projects in the 'pipeline' ready for deployment and reprioritisation of \$110M of projects from the five-year capital forward plan.

Enterprise Asset Management System update

The Board noted that solid progress continues to be made on the implementation of a new Enterprise Asset Management System. A key milestone was achieved in July when the build phase was completed, and system integration training commenced. This will allow management to receive assurance that the asset management, scheduling, field mobility and financial systems are ready for go-live.

Water for the Lockyer business case

The Board received a presentation by Jacobs on the development of the strategic business case for providing reliable and sustainable water to the Lockyer Valley. Jacobs are leading the development of the business case under the guidance of a steering committee, which includes representation from government representatives, stakeholders and QUU.

The business case considers options for supply and also references the associated economic development and growth benefits the region will enjoy.

Trust in the water sector

QUU has been working with the Water Services Association of Australia (WSAA) and other key water service providers to better understand what drives trust in utilities.

This month, the Board received a presentation from management and the research agency Quantum Market Research on the outcomes of this research. It underscored the importance of QUU's Customer Strategy in building trust and delivering effective customer outcomes. It also set out what drives trust in water providers and presented profiles of customers who trust or do not trust their water provider. Finally, it summarised the key messages water providers should consider communicating to their customers to build trust.

Public Relations and Media Strategy update

The Board received an update on QUU's Public Relations and Media Strategy, specifically around the proactive initiatives designed to enhance QUU's brand.

For example, QUU have increased their website and social media messaging around water efficiency, given the prolonged period of dry weather. A number of new campaigns, including 'Bathroom Beats', which encourages shorter showers, and another that focuses on sustainable gardening practices have been launched.

The team continues to be recognised with a number of awards, including two National PRIA Golden Target Awards and three State PRIA Golden Target Awards.

Overseas travel

The Board approved for the Chief Executive Officer and two senior leaders to travel to the United States of America to attend the annual Waterstart Conference in September.

Waterstart is an international collaborative focused on technology and development in the water industry. It connects water and wastewater providers with technology companies around the world to bring about innovative solutions to industry challenges and opportunities.

Attendance at this conference will provide a unique opportunity for QUU representatives to witness emerging technologies and digital solutions that are yet to be piloted, as well as solutions that have already been tested by other Waterstart members and have potential to be applied at QUU.

QUU representatives will also be presenting on the three pilots they have deployed into their network under the Waterstart program.

Waterstart is partly contributing to QUU's costs to attend this conference.

The Board agreed that the QUU representatives, whilst in the United States, would visit three leading water authorities that are mature in their innovation programs, particularly with regards to the implementation of Annamox and nitrate shunt technology, both of which QUU is deploying.

Attachments

14.4 Submission to the Senate Committee on Jobs for the Future in Regional Areas

Date: 17 September 2019
Author: Stephen Hart, Coordinator Council Business
Responsible Officer: Ian Church, Chief Executive Officer

Summary:

This report is to provide information on a Submission made by the Chief Executive Officer to the Senate Select Committee on Jobs for the Future in Regional Areas.

This document is for Council's information only.

Report**1. Introduction**

The Chief Executive Officer received correspondence in August 2019 from *the Senate Select Committee on Jobs for the Future in Regional Areas* advising of the Committee's establishment and purpose. This correspondence invited written submissions addressing relevant issues with respect to the Terms of Reference. Submissions were required by 6 September 2019 with the Committee to report by 4 December 2019.

2. Background

The Terms of Reference provide for the Committee to report on:

- a. New industries and employment opportunities that can be created in the regions.
- b. The number of existing jobs in regional areas in clean energy technology and ecological services and their future significance.
- c. Lessons learned from structural adjustments in the automotive, manufacturing and forestry industries and energy privatisation and their impact on labour markets and local economies.
- d. The importance of long-term planning to support the diversification of supply chain industries and local economies.
- e. Measures to guide the transition into new industries and employment, including:
 - i. Community infrastructure to attract investment and job creation;
 - ii. The need for a public authority to manage the transition;
 - iii. Meaningful community consultation to guide the transition;
 - iv. The role of vocational education providers, including TAFE, in enabling reskilling and retraining.
- f. The use of renewable resources in Northern Australia to build a clean energy export industry to export into Asia;
- g. Any related matters.

3. Report

A Submission was made to the Committee on 6 September 2019 which provided context for the Lockyer Valley and focussed on:

- New opportunities that could be provided through a Regional City Deal and potentially Inland Rail (although serious concerns of the community were reiterated);
- Input on the Gatton Solar Research Facility;
- The importance of long term strategic planning;
- Community Infrastructure and the need for water security and infrastructure;
- The role vocational education providers may play;
- Regional development and unemployment concerns.

A full copy of the Submission is attached for Council's information.

Attachments

1 [↓](#) Submission - Future in Regional Areas 8 Pages



Lockyer Valley Regional Council

Submission to the Senate Committee on Jobs for the Future in Regional Areas

5 September 2019

Introduction

This Submission has been made by the Lockyer Valley Regional Council (Council) to the Senate Select Committee (the Committee) to:

- emphasise the concern Council holds over regional unemployment
- give examples from our regional context, and to
- seek policy coordination between Federal and State agencies to more effectively address regional unemployment.

Council also made a Submission in April 2018 to the *Senate Economics References Committee Inquiry into Regional Inequality* and I would refer your Committee to that Submission which highlights regional inequalities and specifically refers to employment concerns in the regions. That Submission also demonstrated that regional underemployment can be experienced in regions that are not remote and are in fact relatively close to capital cities.

The focus of the current Senate Inquiry is on new industries and employment opportunities that can be created in the regions. This Submission will provide some brief information on the Lockyer Valley to provide context and will then respond to the Headings/Questions posed in the Terms of Reference.

Lockyer Valley Region

For the Committee's benefit and by way of context, the Lockyer Valley is a modestly sized local government area in South East Queensland. The region is a key agricultural area for the State and Nation growing produce for domestic and international markets. The region also has significant manufacturing, construction and transport industries. Some relevant statistics include:

- A population of just over 40,000 people - growing by approximately 2.2% per year
- An expected population by 2036 approaching 60 000 people
- A workforce with strong ties to agriculture, manufacturing, construction and transport
- Unemployment since Dec 2015 approximately 1-2% higher than the State average of 6%
- 18.7% of families have children under 15 and no parent employed (State 13.8%)
- Significantly lower median family income than the State and National averages
- Tertiary education to a Bachelor level is 9.5% compared to the State average of 18.3%
- Significant health issues exist with all social determinants of health and all health indicators worse than State averages.

These statistics demonstrate concerning levels of underemployment and disadvantage. This may be exacerbated by the cost of housing pushing disadvantaged residents away from capital cities to the regional urban fringes.



Lockyer Valley Regional Council

a. New industries and employment opportunities that can be created in the regions.

There is a demonstrated need for increased full-time employment opportunities in the Lockyer Valley area as indicated by the persistent unemployment and underemployment rate. New employment opportunities do not necessarily require new industries to be developed. In the Lockyer Valley, existing industries are focusing on innovative ideas to keep up with digital operations and customer supply and demand. Horticulture is currently the main industry in the Lockyer Valley and that industry is looking to innovation to remain competitive.

Recent work undertaken by the Council of Mayors South East Queensland (in the Economic Foundations Paper <https://seqmayors.qld.gov.au/publications>) has identified the opportunity for value added agribusiness within the region. This will build on the competitive advantages that exist in the Lockyer Valley region in terms of quality soils and agricultural expertise. In the longer term additional water security for the Lockyer Valley would provide both additional export markets and higher quality and more enhanced product ranges.

There is a real opportunity for regional Australia to value add to existing horticultural and agricultural industries. Governments can encourage this vertical integration of product offerings through targeted grants and through the construction of key infrastructure in specific areas. Regional export hubs, once established and nurtured, can take advantage of existing competitive advantages to grow employment and export opportunities.

There are existing part time and casual employment opportunities within the Lockyer Valley's horticulture labour industry. However, given the demanding nature of the work, its casual nature, and the relatively poor pay rates, available opportunities are not being considered by residents. These positions are being filled by overseas workers who are willing to carry out work of this nature. While the industry welcomes these workers, who are critical to production, the region does need to expand and diversify the employment opportunities.

In seeking more diversified employment opportunities, it is anticipated that the construction industry employment opportunities will start to increase with some major project developments scheduled for 2020 and beyond. This includes the second phase construction of the Southern Queensland Correctional Precinct near Gatton and the Inland Rail Project. The opportunities will only be realised if these projects utilise genuinely local employment.

This is a key issue for the region. The national benefits of the Inland Rail project have been demonstrated in the business case. However, the benefits of this freight railway to the Lockyer Valley region have proved elusive to date. The negative impacts have been clearly expressed by the community including:

- Severance - (by a freight line from a tunnel entering the Valley from Toowoomba to a tunnel leaving the Valley east of Laidley (1.8 km - 3.6 km trains)
- Amenity (Noise, visual, vibration 24/7 operations)
- Increased flooding risks
- Health and safety (new level crossings)
- Loss of good quality agricultural land and
- Compulsory acquisition and reduced property valuations.

Council's position on this project has been clear.

<https://www.lockyervalley.qld.gov.au/our-services/community/Documents/Inland%20Rail/LVRC%20Position%20Paper%20on%20Inland%20Rail%20-%20Final.pdf>



Lockyer Valley Regional Council

Council continues to engage with ARTC seeking to reduce impacts, but the nature of this project means ARTC are limited in what that entity can address within the project scope. The role comes back to government to mitigate impacts and compensate the communities that will suffer from these long-term impacts - particularly where redress is outside of project scope.

There may be short to mid-term employment opportunities for local residents arising from the Inland Rail construction provided local employment is genuinely 'local'. Some major projects take a global perspective and consider 'local' as being Australia/New Zealand. For the Lockyer Valley 'local' must mean Lockyer Valley residents.

ARTC report that for existing projects under construction in the Parkes to Narromine section, local employment statistics have been good. This is clearly a benefit for that region. However, such statistics may be more readily achieved when a labour market is geographically remote, less competitive and somewhat captive. The risk for the Lockyer Valley is that we are surrounded by potential employees in Ipswich, Toowoomba and Brisbane and genuine 'local' employment opportunities may be lost.

Further, in our context ARTC will have less direct control as the project is to be delivered under a Public Private Partnership (PPP) where commercial drivers may lessen the motivation to achieve local employment statistics. Clearly there will be a need for this metric to be measured within a genuine "local catchment".

Also, it is clear that training and education need to be undertaken now to ensure opportunities are captured when the project commences (see section e (iv) below).

To ensure longer term benefits it is also considered supplementary business/industry needs to be developed to integrate with the corridor. Lockyer Valley Regional Council will be seeking funding under the Inland Rail Interface Improvement Program to investigate such options.

As indicated in the COMSEQ report (discussed above) there is potential to build on agriculture and agribusiness to create a Regional Economic Cluster based around the University of Queensland Gatton Campus. This Campus has a worldwide reputation and the Lockyer Valley is similarly renowned for its productive soils, environmentally sustainable production and agricultural expertise. Future water security and catalytic projects in this field represent a significant regional employment opportunity.

b. The number of existing jobs in regional areas in clean energy technology and ecological services and their future significance.

UQ Gatton includes the Gatton Solar Research Facility. This is the largest photovoltaic (PV) research facility in the southern hemisphere. Its 3.275MW generation system is comprised of 36,000 individual PV modules and it supplies a significant proportion of the Campus's energy needs. UQ is researching a number of solar advances as well as considering better ways to integrate solar with the existing electricity grid.

To date the Lockyer Valley has yet to see significant commercial development in clean energy technology. Although experience in other areas has demonstrated that the construction phase of the development creates employment opportunities in the region but there are limited employment opportunities for operational phases.



Lockyer Valley Regional Council

There has been commercial interest shown in the region for bioenergy (where anaerobic digesters capture biogas from the breakdown of organic waste which can be used to produce electricity). It is considered that there is real opportunity in the region for such an enterprise. Initial support may be required to enable viability. This is another area where strategic government investment could establish a new long term and more sustainable energy source.

c. Lessons learned from structural adjustments in the automotive, manufacturing and forestry industries and energy privatisation and their impact on labour markets and local economies.

Other regions will be better placed to inform the Committee on this question.

d. The importance of long-term planning to support the diversification of supply chain industries and local economies.

A key aspect of long term planning is the need for infrastructure in advance of development. Governments can play a role in ensuring that infrastructure is not cost prohibitive for the first proponent(s). New development can face significant infrastructure costs (electricity, gas, water sewerage, IT connectivity etc) which can be insurmountable barriers to entry.

If the vanguard is required to pay for such costs up front, the projects are unlikely to proceed. This is not a new issue. Governments can assist through the provision of this infrastructure up front, by carrying the risk, and ultimately seeking returns through future users and future revenue streams.

The SEQ City Deal is an opportunity for longer term planning supported by three levels of government. The model provides that over the longer term there will be an uplift in jobs, gross regional product, government revenue and taxes to provide long term returns to this government investment.

e. Measures to guide the transition into new industries and employment, including:

i. Community infrastructure to attract investment and job creation;

There are clear benefits for regions in the development of good quality community infrastructure projects. This is predicated on the requirement that the projects must be value for money and follow proper economic evaluation. For example, Council is currently pursuing a detailed business case for additional water security for the Lockyer Valley. This study will have significant economic rigour and follows the completion of a strategic business case.

Such a project 'ticks all the boxes' in terms of promoting new jobs, creating new industries, introducing community benefit and the addition of export markets. Yet there will be limited impacts on communities and limited negative externalities.

However, this is not always the case with big community infrastructure projects and care must be taken to ensure that such infrastructure is of real community benefit. A case in point is the Inland Rail Project. While the project has followed on from an extensive business case, it is clear that this project does not enjoy the Lockyer Valley community's support.

As indicated above there are national benefits from the Inland rail project. However, clearly a 40m wide freight line (suitable for coal trains and 1.8km long, double-stacked, container trains) will have enormous severance impacts. It will divide communities and introduce serious flood threats.



Lockyer Valley Regional Council

Safety concerns around level and occupational crossings are self-evident when considering a train of those dimensions travelling at 115 km/h. Given 24/7 rail operations, community concern is palpable around noise, light, dust, smell, vibration and visual amenity. This also raises broad social, community health and wellbeing concerns.

Regional economic impacts identified include: loss of productive land (including good quality agricultural land) direct costs associated with severance such as increased transportation costs, reduction in property values, direct business impacts and loss of Gross Regional Product.

Most infrastructure projects such as roads or passenger rail do have community impacts - but the projects are generally welcomed by communities as they bring community benefits such as improved access or enhanced economic activity. For Inland Rail there will be negligible benefits and significant costs to regions such as ours. While the Inland Rail business case identifies national benefits, some individual communities will suffer the costs without any meaningful benefit.

The project is predicated on a business case that identified national benefits. Like any significant infrastructure, the economics is based on a concept of net benefits – ie that the benefits will outweigh the costs. In economic terms (theoretically) the winners from the project would be able to compensate the losers. There is a net benefit to society. Though it should be noted that this is economic theory rather than practice - losers are not actually compensated and communities such as ours suffer real loss.

The Inland Rail project is a freight transport project on a scale not previously witnessed in Australia. This project is a one-off that will have enormous short and long-term impacts. On that basis it is distinguished from 'normal' infrastructure projects. It is considered that special funding needs to be identified for communities on the alignment that will have significant and identifiable net economic losses. This will enable a component of the national benefits forthcoming from the project to be distributed to those affected communities.

In contrast, an example of a project that has broad community support is the expansion of the Southern Queensland Correctional Facility. There are real community benefits and employment both during construction and in future operations. This is a good project as evidence indicates that employees will live and work locally.

ii. The need for a public authority to manage the transition;

There is a role for a public authority to manage this transition. However, there is no need for a new entity to be established. Existing federal and state government entities are well placed to coordinate this transition. Regional Development Australia (RDA) Ipswich and West Moreton has good interactions with Council and RDAs would be well placed to manage such processes in coordination with the State.

iii. Meaningful community consultation to guide the transition;

As indicated above community consultation is integral to any transition to new industries and employment.



Lockyer Valley Regional Council

iv. The role of vocational education providers, including TAFE, in enabling reskilling and retraining

The Lockyer Valley Regional Council has partnered with the Queensland Department of Small Business, Employment and Training under the Regional Skills Investment Strategy (RSIS) initiative. This is to support the regional community and identify current and emerging jobs in key industries and ensure there is a supply of skilled local people to meet demand.

Through the RSIS project it is clear the region does value all forms of training. An outstanding question is whether quality training is being delivered and if training is delivered to suit industry needs. It has also been identified that upskilling staff to obtain a full qualification is not necessarily a priority when it comes to training. Employers are looking to train their staff with only the skills and knowledge needed, which often relates to skills sets or short courses.

However, due to difficult economic times (drought and rising energy prices) training staff has slipped down the priority list for many businesses. The Annual VET Investment Plan provides funding options to assist with the cost of training which is not provided by business. Those businesses are more focused on considering the remaining out of pocket cost of training and staff time spent away from the business.

In times of drought, governments may look to focus on alternative training pathways for people working in the agricultural sector. Substituting or funding machinery operator tickets or truck licences to regional people may provide an additional income stream to help relieve the financial pressure of a drought-stricken property.

Council is aware of an example of such a program through the NSW government and Gilgandra Shire Council. It is understood that this provides support for farmers to upskill and/or obtain recognition for existing skills to enable additional employment on future infrastructure projects.

f. The use of renewable resources in Northern Australia to build a clean energy export industry to export into Asia;

Other regions will be better placed to inform the Committee on this question.

g. Any related matters.

Regional Development

The Committee will no doubt be aware of the Productivity Commission Study Report entitled *Transitioning Regional Economies*. The Productivity Commission findings and recommendations in this report are relevant to the Inquiry.

A number of findings and recommendations are pertinent:

- Finding 3.1 Many regions with low rates of employment growth have a large agricultural base.
- Finding 3.6 Efficiencies and technological innovation are generating higher levels of agricultural production using less labour. This is driving a long-term trend of lower employment in agricultural regions. There is also a pattern of consolidation from smaller towns to larger regional centres which affects the social fabric of these communities.



Lockyer Valley Regional Council

- Finding 5.1 Significant benefits would arise from expediting regulatory reforms in land use planning and development, environmental, agriculture related regulation and occupational licensing.
- Finding 5.2 (In part and relating to regional program funding) Failure to set out clear objectives, build capacity and adequately plan for new spending risks regional communities missing out on opportunities and taxpayers' funds being squandered.
- Finding 5.3 Strong and effective local leadership is critical in developing and implementing regional development plans. There is a case for State governments to build capacity in leadership in regional institutions and community groups to ensure the groups can attract skilled leaders.
- Finding 5.4 (in part) Although all tiers of government have a shared interest in regional development, central responsibility for regional development best resides with State and Territory governments, supported by local governments.
- Recommendation 5.2 (in part) Current discretionary funding allocated by the Australian Government specifically to regional development (such as funding for regional grant programs, City Deals and the Northern Australia Infrastructure Facility) should be subject to independent, rigorous and transparent evaluation.
- Finding 5.5 (in part) As a regional development strategy, decentralisation is unlikely to make a long-term, systematic difference to regional growth and resilience.
- Finding 5.6 (in part) Past assistance to industries and regions has often been costly, ineffective, counterproductive, wasteful, poorly targeted and inequitable.

These findings and recommendations appear to have a common thread. There is no easy solution to regional economic support and sustainable communities, particularly for regions dependent on agriculture. But, clearly, spending on programs needs to be carefully evaluated, equitable and targeted and carried out in consultation with the level of government closest to the communities.

One area worthy of further consideration and research is the need for complementary industry development - for new vertically integrated or complementary businesses that can rely on existing supply chains and expertise to build on existing advantages. The Lockyer Valley is nurturing new agribusiness and food manufacturing ventures. The region would welcome government support through targeted grants, key infrastructure and additional water security to ensure these businesses flourish and meet their potential.

Regional Unemployment

As indicated above, the Productivity Commission identifies poor targeting across government programs ostensibly for regional development. One clear example of such a program is the Works For Queensland Program (W4Q). The W4Q Program was established to provide economic stimulus and to create employment in rural and regional Queensland - a laudable ambition.

In the 2017/19 W4Q program of \$200M, eligible Councils received a minimum amount of \$1M, five Councils received more than \$10M with an average for eligible local governments of more



Lockyer Valley Regional Council

than \$3M. The 2019/21 W4Q program is an additional \$200M ranging from \$1.1M up to \$24.5M for individual Councils.

Given the objectives of the program it would be considered logical and equitable that such a program target areas of high unemployment in rural and regional areas. However, eligibility was not on the basis of unemployment or the regional nature of the regions but was simply made eligible to all local governments outside South East Queensland.

This resulted in modestly sized regional local governments, of an unmistakably rural nature, being deemed ineligible. Local governments such as Lockyer Valley, Somerset and Scenic Rim Regional Councils were ruled out despite having a combined unemployment rate higher than the State average and higher in turn than the average unemployment rate of similarly sized local governments currently receiving the funding under the W4Q program.

The 2017 LGAQ conference noted this inequity and called on the State Government to redefine eligibility criteria. This is so that the program could and should continue- but with refined criteria so that this flawed and inequitable program does not contribute to further regional inequality.

This reinforces the finding of the Productivity Commission of the need for better targeted regional development programs and the need for proper engagement with local government.

Regional lifestyle and employment

People living and working in regional Australia is a benefit to the nation and has been a factor in our successful agricultural and related industries. Living in these smaller communities can also be a lifestyle choice to take advantage of rural family living in a more sustainable environ without the congestion etc of city living.

Meaningful employment is an essential part of that lifestyle. However, limited diversity in employment and the lack of a clear career path can inhibit staff retention. Digital connectivity may form part of a solution for the future of work in regional Australia. The provision of that connectivity may enable people to live and work in regional communities and will support expanding industries to continue to provide a mainstay for the nation's economic growth.

15. CONFIDENTIAL ITEMS

No Confidential Items at time of print run

16. MEETING CLOSED