

# **Wujal Wujal Aboriginal Shire Council**

## **Ordinary Council | Meeting Agenda**

Date: Tuesday 11 July 2023  
Time: 9.00am  
Venue: Council Chambers, 1 Hartwig Street, Wujal Wujal

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## **1. Opening of Meeting**

### **1.1 Welcome | Opening of Meeting**

Declaration of opening of meeting by Mayor Bradley Creek

### **1.2 Acknowledgement of Traditional Owners**

## **2. Attendance, Leave of Absence and Apologies**

### **2.1 Attendance**

Councillors:

Councillor Bradley Creek, Mayor

Councillor Regan Kulka, Deputy Mayor

Councillor Robert Bloomfield

Councillor Vanessa Tayley

#### **WWASC Staff Representatives**

Chief Executive Officer, Kiley Hanslow

Manger of Works and Building Services, Perry Gould

Manger of Finance. Micah Nkiwane (attending on behalf of Joanne Gowans)

Executive Assistant, Tania Edwards

#### **Presenters**

No presentation

### **2.2 Leave of Absence | Apologies**

Councillor Vincent Tayley

### **2.3 Visitors | Presenters**

## **3. Condolences | Congratulations**

## **4. Mayoral Motion**

*This is business which the Mayor wishes to have considered at that meeting without notice.*

## 5. Confirmation of minutes of the Previous Meeting

Minutes of the Ordinary Council Meeting held 13 June 2023

Resolution: Confirmation of Minutes of Ordinary Council meeting held on Tuesday 13 June 2023.

Resolution:	That the minutes of the Ordinary Council Meeting held on Tuesday 13 June be accepted as a true and correct record of that meeting.	
Moved:		Lost/Carried
Seconded:		
Resolution No		

## 6. Declarations of Interest in the matters on the Agenda

- Declaration of Prescribed Conflict of Interest of any Item of Business
- Declaration of Declarable Conflict of Interest of any Item of Business
- Councillors to review existing Registers of Interest and Related Parties Disclosures

## 7. Business Arising or Outstanding Matters from Previous Meeting



## 8. Reports

### 8.1 Mayor's Report June 2023

The Mayor represented the interests of the Wujal Wujal Aboriginal Shire Council at the following meetings between 3 June 2023 and 7 July 2023:

Date	Meeting & Commentary
Tues 6 June	Round Table: Peace Lutheran College, discussion regarding partnership opportunities
Thurs 8 - Friday 9 June	Indigenous Leaders Forum, Cairns
Tues 13 June	Ordinary Council Meeting
Wed 14 June	Wujal Wujal Community Meeting
Tues 20 June	Wujal Wujal Technical Working Group Meeting
Wed 21 June	Wujal Wujal Justice Group Celebrations
Thurs 22 June	Government Champions visit: The Honourable Leanne Enoch
	Dabu Jajikal Cyclone Preparedness Project
	NAIDOC week – Planning session
Friday 23 June	IPRA Visit
Mond 26 June	Empowerment Model: discussions with Pama Futures
Thurs 29 June	TORCH – Reform planning session
Mon 3 July - Friday 7 July	NAIDOC Week celebrations
Tues 4 July - Wed 5 July	TCICA

### Correspondence

Letter to the Mayor regarding Financial Sustainability and Risk Framework from Nikki Boyd, Assistant Minister for Local Government

- Letter included here
- Attachments to the letter are in the supplementary pages provided with this agenda



**Nikki Boyd MP**  
**Assistant Minister for Local Government**

Our ref: MBN23/524

30 June 2023

Councillor Bradley Creek  
Mayor  
Wujal Wujal Aboriginal Shire Council mayor.creek@wujal.qld.gov.au

1 William Street  
Brisbane Queensland 4000  
PO Box 15009  
City East Queensland 4002  
**Telephone** + 61 3719 7100  
**Email** [am.localgovernment@ministerial.qld.gov.au](mailto:am.localgovernment@ministerial.qld.gov.au)  
**Website** [www.statedevelopment.qld.gov.au](http://www.statedevelopment.qld.gov.au)

ABN 65 959 415 158

Dear Councillor Creek

I am writing to provide an update about the establishment of a new Local Government Sustainability Framework (LGSF) for Queensland councils.

As you are aware, the new LGSF will establish a holistic approach to monitoring council sustainability that considers five key areas – operating environment, finances, asset management, governance, and compliance.

The new LGSF will formally commence on 1 July 2023 with the establishment of the ***Financial Management (Sustainability) Guideline*** (Statutory Guideline), which will prescribe nine ratios to monitor council financial and asset management performance.

I am pleased to advise that the process amending the Local Government Regulation 2012 and the City of Brisbane Regulation 2012 to refer to the new Statutory Guideline is now complete. A copy of the Statutory Guideline is available on the Department of State Development, Infrastructure, Local Government and Planning's (the department) website. Also available on the website is a range of supporting information about the LGSF, including frequently asked questions.

Additionally, to support the new Statutory Guideline, the Queensland Audit Office (QAO) recommended that the department develop and own a risk framework that helps the department, councils and other stakeholders understand the sustainability risk of councils. I am pleased to advise that the department has completed the development of the risk framework.

The department's approach to developing the risk framework is founded on the following key principles:

- Sustainability is more than financial - financial sustainability risks need to be considered holistically in combination with other key elements of council sustainability.
- Sustainability is a long-term objective - achieving sustainability takes time and concerted effort and there will be times when councils may experience sustainability pressures that affect short-term results.
- Not all sustainability risks are created equal – some of the measures are of higher importance from a risk perspective relative to others and councils which do not meet the targets for these measures have a higher level of financial sustainability risk.

- It is important to compare councils on a 'like with like' basis – Queensland's local government sector is diverse, and councils have differing financial and non-financial circumstances and challenges.
- Incentivise positive behaviors and avoid perverse outcomes - the department is seeking to establish a sustainability reporting framework which encourages council leaders to understand the drivers of long-term sustainability and pursue positive outcomes.

A copy of the risk framework is also available on the department's website.

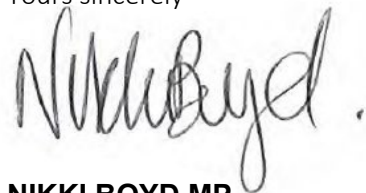
It is important to note that the financial measures are just one part of the new LGSF with the framework taking a holistic approach, covering the financial and non-financial elements influencing sustainability.

There will be no public reporting on the non-financial elements of the framework, including governance and compliance. This is business as usual for councils. However, considering all these elements holistically will help us to better understand and respond to council sustainability challenges.

Please note that Mr. Mike Kaiser, Director-General of the department, has written to your council's Chief Executive Officer advising them of the finalised guideline for the new financial measures of the framework and new risk framework.

I have asked Mr Stephen Robbins, Executive Director (Finance, Performance and Programs), in Local Government Division of the department to assist you with any further queries. You may wish to contact Mr Robbins on telephone 0436 840 013 or by email at [stephen.robbs@dsdilgp.qld.gov.au](mailto:stephen.robbs@dsdilgp.qld.gov.au).

Yours sincerely



**NIKKI BOYD MP**  
**Assistant Minister for Local Government**

Enc (4)

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[Resolution: Acceptance of the Mayors Report as included in the agenda](#)

<b>Resolution:</b>	That Council receive the Mayor's report for the month June 2023 as presented, and note the meetings attended by the Mayor.	
Moved:		Lost/Carried
Seconded:		
Resolution No		

## 8.2 Chief Executive Officer Report

### 8.2.1 Meetings

The Chief Executive Officer represented the interests of the Wujal Wujal Aboriginal Shire Council at the following meetings between 3 June 2023 and 7 July 2023:

Date	Meeting & Commentary
Tues 6 June	Round Table: Peace Lutheran College <ul style="list-style-type: none"> <li>Discussion partnership opportunities</li> </ul>
Wed 7 June	Containers for Change – Pop up Site
Thurs 8 June	Responsive Maintenance Service Improvement Project – pre-engagement catchup <ul style="list-style-type: none"> <li>Closing out on aged jobs</li> </ul>
	Keogh Bay Group CDP Cook Region visit: discussing paid work trials <ul style="list-style-type: none"> <li>Discussion on the results of the Paid Work Trial, lessons learned, best way to success, what the program will look like moving forward</li> </ul>
	Douglas Shire LDMG – 2022/2023 Wet Season planning <ul style="list-style-type: none"> <li>Get Ready and pre-Wet Season checks</li> </ul>
	Café Lease: met with potential lessors to discuss lease potential <ul style="list-style-type: none"> <li>There was still more work to be done on the lease</li> <li>Inspected the café</li> <li>Lease to be improved further by Preston Law</li> </ul>
Tues 13 June	Ordinary Council Meeting
Wed 14 June	Wujal Wujal Community Meeting: <ul style="list-style-type: none"> <li>A range of organisations attended, including: Housing, Animal and Environmental Management, CDCC, Apunipima, Police, Justice Group, Clinic, Office of Free Trading, QBuild.</li> </ul>
Thurs 15	Marano Fuels: <ul style="list-style-type: none"> <li>Met with Angelo and Steve from Marano Fuel to discuss the fuel station.</li> <li>Opportunity for Marano to help with refreshing the bowser pump covers and generally revitalising the store</li> <li>Discussed construction of a toilet to the left of the fuel station, similar to other fuel stations.</li> <li>Discussed repaint of the fuel station. Maranos sent photographs of what other fuel stations look like.</li> </ul>
Tues 20 June	Wujal Wujal Technical Working Group Meeting <ul style="list-style-type: none"> <li>Reviewed actions from previous TWG.</li> <li>Discussed Capital Works Program (Interim and Forward Capital Works)</li> <li>ATSI Public Health joined the meeting and we discussed the need for the waiting room to be extended on the clinic, to ensure people were not waiting outside in the weather</li> <li>Discussed aged responsive maintenance works for QBuild</li> <li>Discussed the 2023-24 Housing works program (mostly sheds)</li> <li>RILIPO provided large maps of the Wujal Wujal Aboriginal Shire area</li> <li>Discussed the DWQMP and Interagency working group to progress the updates to the plan</li> <li>Discussed the surveys to occur soon on Ludden's Land for future residential use</li> </ul>

	<ul style="list-style-type: none"> <li>Discussed the 9 lot subdivision area and the 5 lot subdivision area – need to discuss with WTMA regarding the removal of the few trees blocking the use of the land for the back three blocks</li> <li></li> </ul>
Wed 21 June	<p>Wujal Wujal Justice Group Celebrations</p> <ul style="list-style-type: none"> <li>20<sup>th</sup> anniversary of the Justice Group – speeches and celebrating the Justice Group’s contributions and dedication over the past 20 years.</li> </ul>
Thurs 22 June	<p>Government Champions visit: The Honourable Leanne Enoch, Director-General Jamie Merrick, Executive Director Alena Tracey and Pia. Discussed:</p> <ul style="list-style-type: none"> <li>Housing – funding to complete the Plug-In Project and funding for alternative temporary housing solutions and future housing requirements</li> <li>Boundary extension – links to the Liquor Commission on progressing the exclusion of the freehold lots from the AMP</li> <li>Community Connectivity (after the outage from 18-27 April 2023)</li> <li>The Qld State Government taking ownership of the bridge</li> <li>Minister Di Farmer’s attendance in Wujal Wujal and funding to support the development of a small business hub to assist small business owners with their administration requirements</li> <li>Establishment of a flood camera at Emmagen Creek with an IOT connection</li> <li>Funding for footpaths to increase community health and safety</li> <li>The need for a local Housing officer to be permanently on-site to better service the needs of the Wujal Wujal community</li> <li>Provision of an update on the QTC loan</li> <li>Funding for healthy snacks for the children who attend the sport and recreation program</li> </ul> <p>Dabu Jajikal Cyclone Preparedness Project. Met with Tegan Koster and Tomika Daylight. Discussed:</p> <ul style="list-style-type: none"> <li>Dabu Jajikal’s Get Ready preparations</li> <li>Cool Cultural burns around Weary Bay</li> <li>Revegetation around Weary Bay</li> <li>The Dolphin Project with research around the Snubfin and Humpback dolphin species</li> </ul> <p>NAIDOC week – Planning session</p> <ul style="list-style-type: none"> <li>Planning with Events Management Officer Jesse Farber</li> <li>Finetuning what each organisation will contribute and dates/times of contributions</li> </ul>
Friday 23 June	<p>IPRA Visit:</p> <ul style="list-style-type: none"> <li>Discussions on the rights of patients to be responsible for their own health (mental and physical).</li> <li>liaising between patients, family, carers, support people and clinical teams.</li> <li>IPRAs help patients, their families, carers and other support people to know more about their rights under the Act. Understanding these Rights can help patients to be more involved in decision making about their treatment and care.</li> <li>help the patient, and the patient’s nominated support persons, family, carers and other support persons to communicate to health practitioners the patient’s views, wishes and preferences about the patient’s treatment and care</li> </ul>

Tues 27 June	<p>Cook JV Finance</p> <ul style="list-style-type: none"> <li>Review of JV Finance and allocation of the \$200,000 distribution:               <ul style="list-style-type: none"> <li>\$133,334 Profit Distribution ex CDP JV (GST Free)</li> <li>\$66,666 legacy Distribution ex CDP JV (GST Free)</li> </ul> </li> </ul>
Thurs 29 June	<p>WWASC LGAQ Election Information and Workforce Strategy planning session:</p> <p><b><u>Election Information:</u></b></p> <ul style="list-style-type: none"> <li>Caretaker period commences early February 2024. This means:               <ul style="list-style-type: none"> <li>No distribution of election material</li> <li>Cannot spend more than 1% of revenue during caretaker period</li> <li>Cannot make major policy decisions</li> <li>Elected member updates are distributed during this period</li> <li>Cannot adopt, appeal or make changes to Local Laws or planning</li> <li>Elected Members need to notify ECQ to run again so they will receive updates</li> <li>Those running need to undertake the “So you want to be a Councillor” training</li> <li>Need to subscribe to the countdown newsletter on ECQ</li> <li>Councillors must not use credit cards</li> <li>Councillors must use a dedicated bank account so transactions can be reviewed</li> <li>Donation caps will be provided by ECQ</li> <li>Council to track campaign expenditure</li> <li>There must be a disclosure within 30 days of what was received and how this was spent</li> <li>Code of Conduct requirements remain in place</li> <li>Councillors must not use Council staff, resource or social media for election purposes.</li> <li>Acceptable Request Guidelines must be adhered to</li> <li>Kim from LGAQ will provide a presentation to Council on these requirements at the Ordinary Council Meeting on 15 August 2023.</li> </ul> </li> </ul> <p><b><u>Workforce Strategy (CEO presented):</u></b></p> <ul style="list-style-type: none"> <li>WWASC needs to run as a business to be successful.</li> <li>Financial decisions need to ensure the long-term financial sustainability of Council.</li> <li>Critical positions have been identified for the Depot.</li> <li>Critical positions will be identified for each of the other Departments.</li> <li>LGAQ provided information on services available through Peak Services, including legal, training, recruitment and grants</li> </ul>
Mon 3 July – Frid 87 July	<p>NAIDOC Week celebrations</p> <ul style="list-style-type: none"> <li>NAIDOC Week festivities and events over the week.</li> <li>All organisations within Wujal Wujal took part in these events</li> <li>Coloured Stone band attended and performed in concert on Thursday 6 July 2023</li> <li>A wonderful week was enjoyed by the Wujal Wujal community</li> </ul>

### 8.2.2 Follow Ups

- Nil for this meeting

### 8.2.3 Other Information

#### Bureau of Meteorology

The Bureau are contacting councils to offer a presentation (20min) to councillors about the climate projections we are forecasting with an outlook of about 10-30 years. They can also provide information on sea level inundation data.

**Question:** Would council like to invite the Bureau to present to them, and is so, what information would be valuable to council.

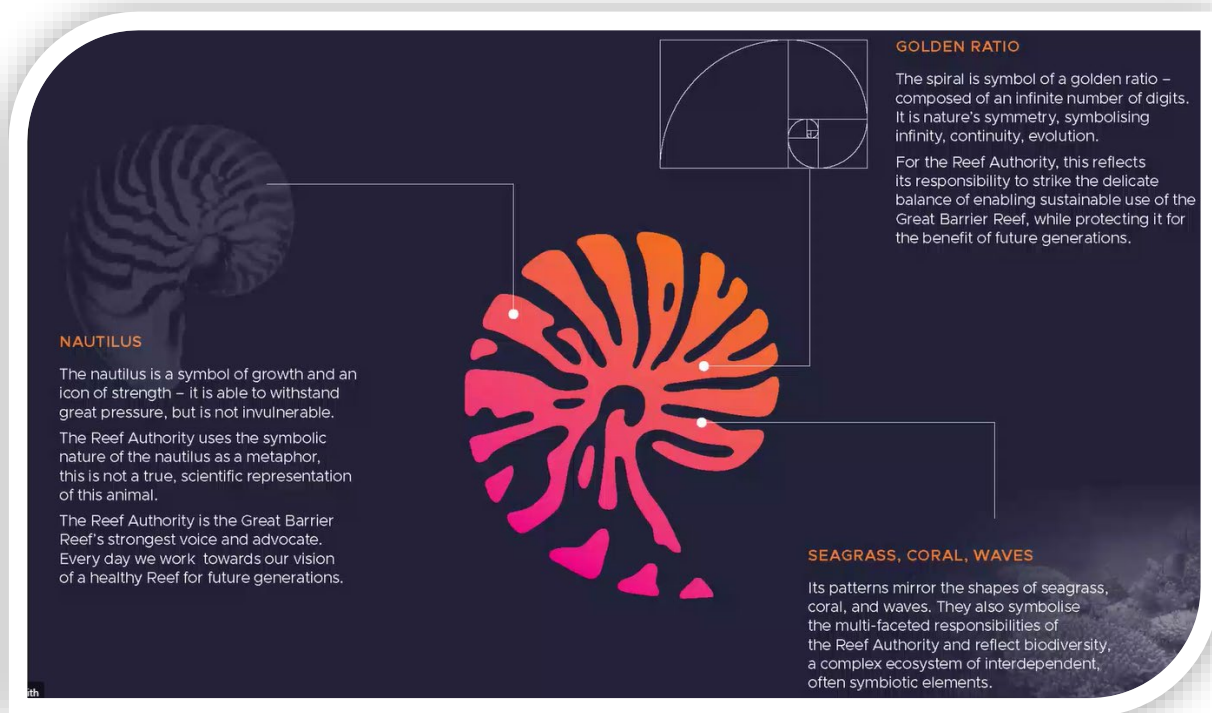
**Resolution:** Council invite the Bureau of Meteorology to present their 10-30year forecast to council.

<b>Resolution:</b>	Council invite the Bureau of Meteorology to present their 10-30year forecast to council.	
Moved:		<b>Lost / Carried</b>
Seconded:		
Resolution No		

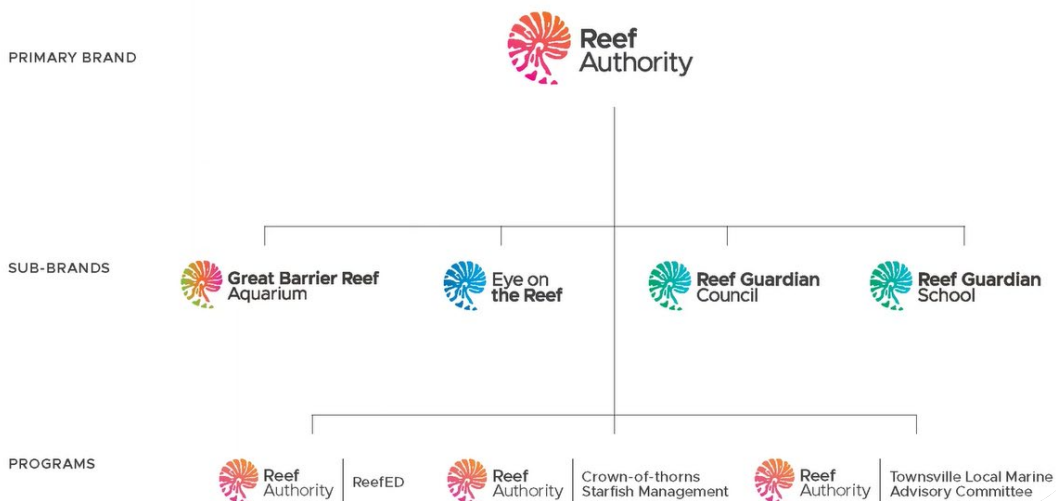
#### LMAC Meeting 27 June 2023: Dolphin Project

- Dolphin Project to commence, from Bloomfield River – commencing in 2023 from the Bloomfield River up to Cooktown.
- Linking with two TOs from Dabu Jajikal to survey their area and feed into each area's Sea Country report.
- Getting baseline population estimate of the two dolphin species – the Snubfin Dolphin and the Humpback Dolphin - <https://capeyorkweekly.com.au/cape-york-communities-team-up-with-marine-biologists-for-dolphin-study/3787/>
- School holiday program – Reef Protectors – GBRMPA has commenced this program and will look at providing the program to the wider area next year, which will include Wujal Wujal.
- Campaign "Love the Reef" – create an emotional attachment to the reef to encourage behavioural change to protect the reef.

## 8.2.4 Reef Authority new brand – the Nautilus shell



## Brand hierarchy





## 8.2.5 Dolphin Project

Cape York Communities are teaming up with marine biologists to study dolphins



species.

In a scientific first, researchers from Southern Cross University and Flinders University are collaborating with Indigenous communities about their sea country to conduct an extensive study of threatened inshore dolphins in the wild – the Australian humpback dolphin and the snubfin dolphin.

The aim is to better understand the dolphins' distribution and numbers, as well as to assess threats they're facing to better inform conservation efforts, filling a key data gap for iconic species on the Reef.

Data will also be collected on any whale and dolphin species found during the survey.

The study area between Cairns and the tip of Cape York is regarded as some of the most pristine and unexplored sections of the Reef due to low population and coastal development.

The Great Barrier Reef Dolphin Project is a collaboration between the Great Barrier Reef Foundation, Southern Cross University and Flinders University and is funded by the partnership between the federal government's Reef Trust and the Great Barrier Reef Foundation.



A supplied graphic showing the study area for GBR Dolphin project.

"In this remote and unexplored region, we need to understand the number, distribution and threats to inshore dolphins from the coast to the outer reef," said project lead Dr Daniele Cagnazzi, from Southern Cross University.

"Traditional Owner and Indigenous ranger groups will be key to this new study of their sea countries, as they provide consent for the study and access to their distinct sea country regions."

Traditional Owners also have opportunities to get involved in all aspects of the project, starting from the survey design alongside the research team.

Australia's Great Barrier Reef is visited by more than 30 species of cetaceans. Yet very little is known about two in particular that are regarded as highly charismatic: the Australian humpback dolphin and the snubfin dolphin.

"Both species are vulnerable because they live in small numbers, have a low reproduction rate and are dependent on the quality of coastal habitat," said Dr Cagnazzi.

Co-lead research partner Associate Professor Guido Parra, from Flinders University's Cetacean Ecology Behaviour and Evolution Lab, said the fieldwork would involve extensive consultation, engagement and use of technology including AI and drones.



The snubfin dolphin is a highly animated species.

"This is an unprecedented opportunity for scientists and traditional owners to work together and fill in important gaps of knowledge concerning inshore dolphins in sea countries and the Great Barrier Reef," Dr Parra said.

"The public more generally can also play a big role in these complex environmental projects. People are invited to be our 'eyes on the Reef' and report sightings of dolphins to the Great Barrier Reef Dolphin Project."

In addition to looking for and recording key animal and environmental indicators, the researchers will seek to uncover new insights and measures that take into account the diverse social, economic and cultural values the Reef brings to people and communities.

Great Barrier Reef Foundation managing director Anna Marsden said the Great Barrier Reef was an irreplaceable ecosystem, home to thousands of species of marine life.

"We are proud to support this project to gain critical knowledge about these iconic species. The condition and behaviour of individual marine species can tell us a lot about the health of the Reef," Ms Marden said.

"We will expand our knowledge of the early warning signs of ecological change so that Reef managers and researchers can proactively manage and support these three key species of inshore dolphins."



Marine biologists want to know more about the humpback dolphin.

<b>Resolution:</b>	That Council accept the Chief Executive's Report for the month of June	
Moved:		Lost / Carried
Seconded:		
Resolution No		

## 8.3 Corporate and Corporate Services Division Report (C&CS)

### 8.3.1 Financial Dashboard

Due to the end of year rollover taking place at present, we are not able to provide a report at this meeting, we will however provide a comprehensive report for the financial year to the next Council meeting.

### 8.3.2 Corporate and Commercial Services Monthly Report Points

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<b>Report to:</b>	CEO, Mayor and Councillors
<b>Subject:</b>	Corporate and Commercial Monthly Report May 2023
<b>Reporting Period:</b>	June 2023
<b>Reporting Officer:</b>	Manager Corporate and Commercial, Micah Nkiwane
<b>Status:</b>	Information

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The month of June was both challenging and rewarding as we continue our conversation around improving the value chain and team building within Council. Items of interest for the council are as per the following:

#### BAS invoicing

- June was not good for us as key players were sick from the flu and a key player was on leave.
- Both invoicing for BAS Responsive and planned maintenance was not at the required level of aggression.
- Within this context the total value of invoices raised for the month of May for QBuild was only \$87,711.81. while we invoiced \$288,156.43 for planned maintenance, we raised a credit note of \$340,675.57 in respect of 10 Kleim Street after learning from QBuild that a purchase order was cancelled through an email in favour of an outside contractor.
- BAS responsive invoices were only \$5,178.54.
- The reorganisation of the value chain and associated activities will continue into the financial year.
- There is still a lot of work which needs to be done to plug revenue leakages.
- Purchase orders for planned maintenance will continue to be sufficiently prosecuted jointly between operations and finance to reduce the gap between purchasing and invoicing.
- We will also be introducing a value addition calculator for planned maintenance to ensure the correct pricing of QBuild jobs.
- Total debtors' invoices raised amounted to \$321,086.79 while receipts from debtors amounted to \$513,838.53.

#### Carbon credits

- We are yet to finalise the visit of the Chief Executive Officer of the Aboriginal Carbon foundation, Rowan Kiley, who has indicated his willingness to come to Wujal Wujal to attend and address Council meeting.

#### Crocodile egg harvesting

- This matter has not been sufficiently pursued in the month of June as there were competing priorities. We will however engage critical stakeholders in the new financial year.

#### Smart buildings and energy generation

- We are continuing our conversation with Siemens around this very important potential future project. We are also working with Peak Services to contextualise the grant funding application. I have been talking to an Architect in Cairns who will work with Siemens and Erica Cloate from Peaks to calibrate the scoping of the project. A Microsoft Teams meeting is envisaged between us, Siemens. The Architect as well as Peak Services.

### Fuel tax credits

- We expect to continue working with BDO Australia after finalising year end, budgets and audits in the current financial year.

### Ecotourism/Wujal Guest Accommodation

- Further discussions regarding the booking system prior to finalisation is occurring.
- The CEO is working on a solution regarding the mould.

### Café, Fuel Station and supermarket

- The lease agreement for the Café has been finalised and we will be engaging stakeholders for finalisation of operations.
- We also need a comprehensive audit of the state of machinery and equipment prior to lease commencement.
- We will start conversations around the future of the Supermarket this month.
- We are looking for smart partnerships with potential operators where Council gets a fair return on its investment.
- The owners of Marano fuel visited and we had very fruitful discussions around the future of the fuel station.

### Other opportunities

- We will continue profiling the nature and structure of contractors working with council to correctly identify opportunities for the local community.

### Leases

- Jabalbina Rangers and OHub leases have been finalised with lawyers at this time.

### ICT

- Our new phone system has been installed and is now operational.
- Further our new Firewall will be installed, to assist with Cybersecurity.
- We will be reviewing our printing arrangements as it is not necessary to own printers.

### Insurance

- Followed up on outstanding insurance work such as the van and admin building
- The Admin building floorplan has been submitted to our insurers.
- There is outstanding paperwork on the current insurance claim for motor vehicles and the damage to the Depot.

### Audit

- Dates for the final audit have been finalised.
- We have finalised the internal audit arrangement with Pacifica and are waiting for a letter of engagement.

### Budget 2023/24

- Work and the conversation on next year's budget is continuing with relevant stakeholders to encourage ownership of the process and outcome.
- Budgeting is premised on job costing and we will be engaging stakeholders on budgetary control and the correct allocation of transactions in the current financial year through a strategy session with managers once the budget is finalised.

Record Management

- Disposal of records has been arranged.
- Wendy has been meeting with Record Managers and gaining further information on how to best manage our records going forward.
- Work is underway for training in electronic requisitions to reduce both paperwork and compliance costs in order to free managerial time towards value creating activities.

Electronic time sheets

- We continue to have conversations with potential partners to eliminate paper timesheets and introduce a seamless payroll system. We have two quotes and are awaiting a third.

We are working as team to build the future community we want and to be the change we want to be

Resolution: Acceptance of the Corporate and Commercial Report for the month June 2023

Resolution:	That Council receive the Corporate and Commercial Report for the month June 2023.	
Moved:		Lost/Carried
Seconded:		
Resolution No		

## 8.4 Works and Building Services Monthly Report - June 2023

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<b>Report to:</b>	CEO, Mayor and Councillors
<b>Subject:</b>	Operations Information Report
<b>Reporting Period:</b>	June 2023
<b>Reporting Officer:</b>	Manager Operations, Perry Gould
<b>Status:</b>	Information

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*This report outlines the works undertaken during the month of June 2023 including Civil, Building, Water, Sewer, Parks and Gardens, Animal Management, Environmental Health, Accommodation, Sports and Recreation and Disaster Management*

### 8.4.1 Summary

Presently the Operations team are concentrating on essential services, invoicing of Q-build refurbishments and completion of Funded projects.

### Staff Movements

Project Manager Laurie Raleigh has returned to duties 05/07/2023, Slasher operator Bernard Smith has resigned.

### Strategic Planning

Ongoing meetings with CEO Kiley Hanslow and Finance Manager Micah Nkiwane have highlighted areas for improvement and strategic planning required to better undertake business within Council to achieve required results.

### Projects Overview

- Meetings with Vanessa Brindell and Wayde Jablonski Department of Communities, Housing and Digital Economy regarding completion of Plug-Ins.
- It was agreed Council would engage a Quantity Surveyor for the assessment of existing building materials stored at Council depot.
- Council will then seek expression of interest through the tender process to acquire accurate financial figures to apply for further funding for the completion of project.
- Meetings with Water and Health authorities to secure funding for proposed potable water supply upgrades including pump replacement, filtration and SCADA upgrades has progressed with Council to engage engineering company Gardén to submit quotation for the design and specifications for the funding application.

### 8.4.2 Disaster Management, SES Rural, Fire

- Five consecutive days of SES training to be undertaken July 2023 for existing and new recruits, unfortunately no interest shown to date from community members.
- Date for cold burns for fuel reduction still to be confirmed. Late rains and Jabalbina commitments have delayed the planning meeting.

### 8.4.3 Civil:

- Assessment of Wastewater Treatment Plant access road was performed by Erscon Engineering, awaiting report.
- China Camp Road inspection by engineers, awaiting report.
- Required works and design for completion of WWTP disposal area project to be discussed with engineering firm Gardén.



#### 8.4.4 Building: Status Summary Q-BUILD

Total value of invoices Q-Build for June 2023 = **\$143,975.80**

### DEBTOR ANALYSIS

Financial Year Ending 2023

MONTH		INVOICE TOTAL	RECEIPT TOTAL
JULY	131	110,919.88	56,961.54
AUGUST	120	103,372.06	163,125.02
SEPTEMBER	60	186,849.92	24,269.26
OCTOBER	45	53,036.79	218,487.10
NOVEMBER	160	171,959.68	145,608.08
DECEMBER	37	69,677.97	78,654.13
JANUARY	21	20,961.41	24,059.31
FEBRUARY	86	209,935.44	189,295.53
MARCH	86	132,972.32	0.00
APRIL	73	261,712.42	167,158.95
MAY	89	753,562.33	343,107.59
JUNE	8	87,711.81	143,975.33
		<b>2,162,672.0</b>	<b>1,554,701.8</b>

Report restricted to Debtors between BASDHPW; QBUILD and BASDHPW; QBUILD

OPENING BALANCE:	12,103.01
PLUS INVOICES:	2,162,672.03
PLUS INTEREST:	0.00
LESS CREDIT NOTES:	340,675.57
LESS RECEIPTS:	1,554,701.84
PLUS REFUNDS:	0.00
PLUS TRANSFERS:	0.00
LESS WRITE OFFS:	0.00
<b>CURRENT BALANCE:</b>	<b>279,397.63</b>

#### 8.4.5 Guest Accommodation

- Property Buildings are at 95% complete.
- Furnishings are at 98%.
- Screens to bathrooms windows not installed.

#### 8.4.6 Eco Tourism Village

- Perry to obtain product Information for the removal of mould on Eco Tents and products available to deter future growth.
- Boundary fence to be completed, defects need to be completed.

#### 8.4.7 Essentials Services - Water

- Council have encountered electrical faults with the Central Processing Unit (CPU) on the Scada Network system resulting in the loss of communications, Emperor Electrical resolved the issue and continue to monitor.
- Testing of potable water supply and WWTP continues to ensure compliance.
- Water and sewerage staff are doing a great job, staff have been completing their required tasks every day.
- The water test results are stable at present.
- Staff are monitoring the Sewerage Treatment Plant compressors for the air venturi blowers at present, checking oil and belts.

#### 8.4.8 Animal Management

##### Treatments

- Desexing the remaining unneutered female dogs need to be a priority.
- Zenarra and Nikki will be administering Nexgard to all the dog for flea, tick and worm. Nikki Gong and Zenarra also completed an incident report, regarding the dog scare on HACC staff whilst entering a house, they have liaised with the owners and staff at HACC and they believe they have come to an amicable agreement.

##### Miscellaneous:

- Routine services conducted: collection of de-sexing forms, checking up on injured dogs, patrols through community, impounding and rehoming dogs, administering monthly flea, tick and worming medications.

##### Training

- Zenarra is presently training to obtain her pest spraying certificate.
- Gregory Pascoe, Jayden Denman, Zenarra Ashworth and Micheal Leslie have completed the first block in Certificate 3 Water Operations

#### 8.4.9 Environmental Health

- Water samples delivered to airport for transport to Cairns Council for testing.
- Nikki Gong and Zenarra Ashworth have also completed a food inspection at Wujal Wujal Convenience store.
- Bin audits have been conducted throughout the community.
- Picked up bulk waste off the community streets.
- Assisted mosquito control contractors with traps.
- Fortnightly food inspections at Wujal Wujal convenience store continue.

8.4.10 Parks and Gardens

- Slashing of open spaces continues throughout the community with wet weather having some impact on scheduling.
- Mowing continues for all Council assets, entry to Wujal Falls has been cleared for easy access to walking track.
- Awaiting delivery of new ride on mowers

8.4.11 Sport and Recreation Hall

- Hall operating hours are 2.30pm until 6pm Monday to Thursday with attendance between 15 to 30 per day which is very pleasing.
- Perry to investigate installation of hot water service for kitchen and completion of other funded projects at the hall.

Resolution: Works and Building Services Monthly Report for the month May 2023

Resolution:	That the Council accept the Works and Building Services Report for month May 2023 as presented.	
Moved:		Lost/Carried
Seconded:		
Resolution No		

## 8.5 Aged Care Services Monthly Report - June 2023

---

Report to:	CEO, Mayor and Councillors
Subject:	Aged Care Services
Reporting Period:	June 2023
Reporting Officer:	Gina Manai
Status:	Information

---

### 8.5.1 Funding and Spend

Spend	Value
Far Nth Office Choice	0.00
Emperor electrical	0.00
Alister Gibson	1350.00
Ayton General Store	3425.01
Cooktown Food and Ice	3701.43
All About Mobility	695.00
Direct of Australia	1072.5
Brad Gould	900.00
CareLynx	4771.07
Total	\$15915.01

### 8.5.2 Issues with Programs etc

- Visit from team at the Community Grants Hub in Brisbane (CHSP funding program)

### 8.5.3 Client/Correspondence

- Continued monthly Care Plan reviews working well.
- Review of HCP client budgets, some to be adjusted to accommodate the changes in pricing in Dept of Health.
- Clients supported to complete NILS applications – working well
- Physio and OT support to clients is working well with recommendations of mobility aids sourced.
- 1x client referred for an HCP due to increased frailty
- Incident with a dog attack on a staff member whilst delivering meals, incident report completed and forwarded onto relevant supervisors. Animal management yet to advise of the outcomes implemented to ensure safety for the animal and staff

### 8.5.4 Reporting

- DEX Jan - June report submitted
- QCSS acquittals resubmitted
- HCP April approved
- 1 new client referred through MAC and accepted to waitlist until she is ready, looking at light domestic and lawn support

### 8.5.5 Staffing

- Interview to commence for admin officer – 2 weeks advertising completed.

Resolution: Aged Care Services Monthly Report for the month June 2023

<b>Resolution:</b>	That Council receive the Aged Care Services Monthly Report for the month June 2023.	
Moved:		<b>Lost/Carried</b>
Seconded:		
Resolution No		

## 8.6 Bana Yirriji Gallery and Art Centre Monthly Report June 2023

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Report to:	CEO, Mayor and Councillors
Subject:	Bana Yirriji Gallery and Art Centre
Reporting Period:	June 2023
Reporting Officer:	Manager of Bana Yirriji Art Centre, Vikki Burrows
Status:	Information

---

### 8.6.1 Highlights

- Garments for the fashion have been completed and are ready for the show.
- Minister Leeanne Enoch visited the art centre and purchased some art.
- Doreen Collins is now working for Council under My Pathway paid work trial as a Trainee Admin Arts Worker for 13 weeks, 15 hours per week.
- 5 artists received \$1200 each for 10 of their images to be used in the SAM training database.

**Included in report: Sales for the month of June 23.**

### 8.6.2 Barriers and Issues:

- Several minor property maintenance issues have been raised with the Operations Manager.
- Slow start to the tourist season, very quiet June compared to the last 2 years.

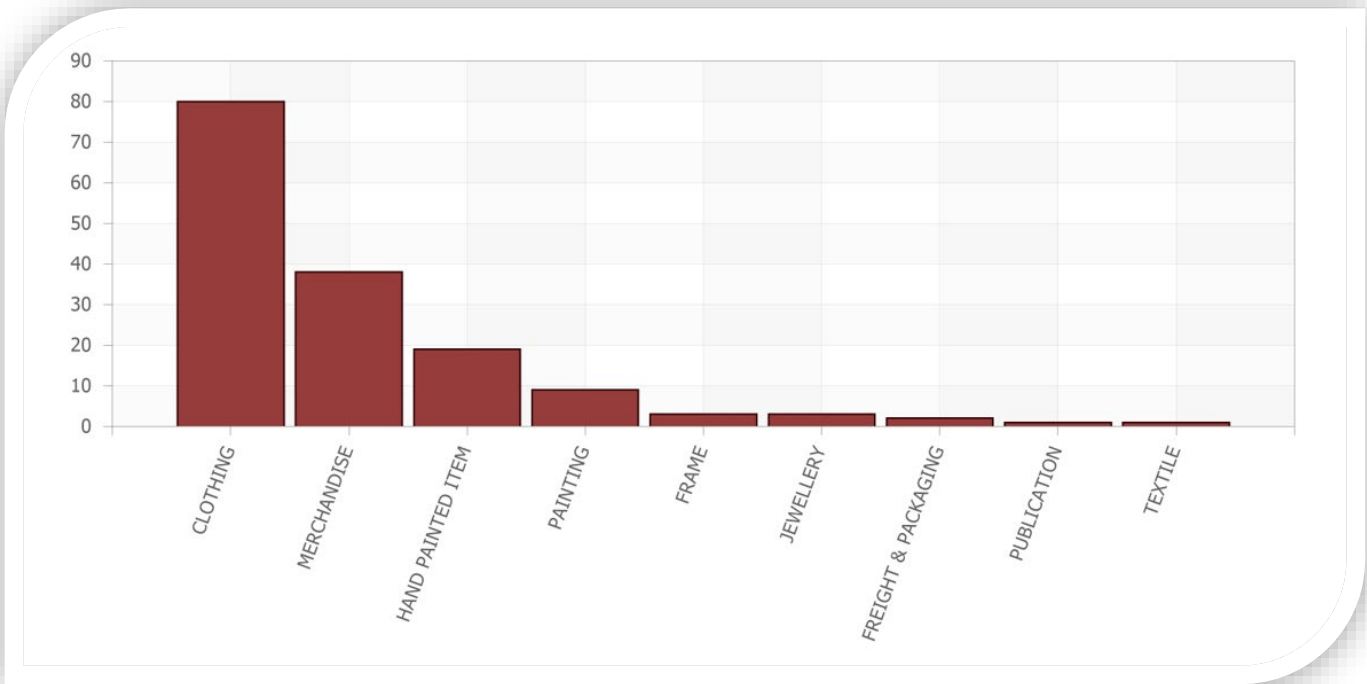
### 8.6.3 Funding/Agreements/Financials:

- Arts QLD paid Council a \$10,000 one off funding for 22-23.
- IVAIS Start of Financial Year Form was due on the 30 June 2023, this has been submitted.

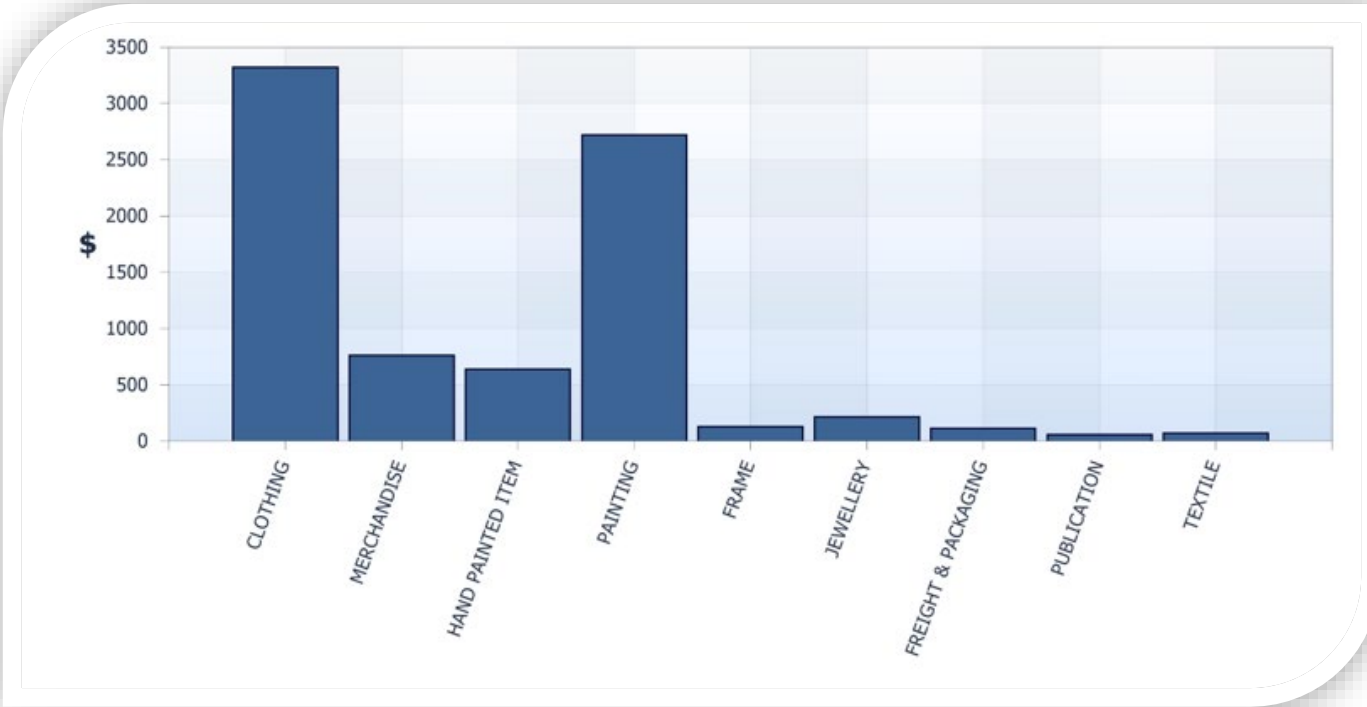
#### Sales by Category (volume and value): Bana Yirriji Art Centre

**Sales from 01/06/2023 to 30/06/2023**

Product	Items Sold	Value of Sales
CLOTHING	80	\$3,319.99
MERCHANDISE	38	\$760.00
HAND PAINTED ITEM	19	\$640.00
PAINTING	9	\$2,720.00
FRAME	3	\$130.00
JEWELLERY	3	\$215.00
FREIGHT & PACKAGING	2	\$115.00
PUBLICATION	1	\$60.00
TEXTILE	1	\$70.00
<b>Total Items Sold:</b>	<b>156</b>	<b>\$8,029.99</b>



Sales by Category - Bana Yirriji Art Centre



Resolution: Bana Yirriji Gallery and Art Centre Report for the month June 2023

Resolution:	That Council receive the Art Centre Report for the month June 2023.	
Moved:		Lost/Carried
Seconded:		
Resolution No		

# 9. Policy Review

## 9.1.1 Local Thriving Communities Advisory Committee

Report to:	Mayor and Councillors
Subject:	Local Thriving Communities Advisory Committee
Report Date	29 June 2023
Status:	Discussion and Decision

### 9.1.1 Purpose of this report

Council to consider the following:

- 1. The appointment of an advisory committee.
- 2. The Draft Terms of Reference.
- 3. Requirements for minute taking and reporting to Council.
- 4. Process for nomination and appointment of Committee members.
- 5. Engagement levels of government/non-government service stakeholders with the committee.
- 6. Funding for secretariat support.

### 9.1.2 Summary | Background

The Wujal Wujal Local Thriving Community Network Engagement Plan (phase 1) sets out Council’s objectives in relation to the planning, design, and implementation of the Queensland government Local Thriving Communities (LTC) reform agenda.

The Engagement Plan aims to provide Council with clear, relevant directions for community engagement initiatives and activities, including the designation and allocation of appropriate resources with the objective of attaining consent/endorsement of the WWASC LTC local decision-making body model.

The plan, underpinned by WWASC values, will assist in delivering the vision and mission of the WWASC.

**Vision:**

Build a sustainable, culturally vibrant and connected community

**Mission:**

Grow indigenous and local opportunities; enhance, preserve, and protect our unique physical environment and unique cultural heritage; prolong and enrich the lives of our people; promote unity and lead multi-generational change.

### 9.1.3 Objectives

- To be in position to endorse a WWASC LTC Advisory Committee.
- To develop and implement the Community Engagement Plan as phase two of the process.
- To increase understanding of the Local Thriving Community Reform.
- To understand existing LTC models employed by other councils.



#### 9.1.4 Methodology

- Conceptual discussion with WWASC Chief Executive Officer, Mayor, Deputy, and Councillors.
- Identify and learn from existing models successfully implemented by other remote councils
- Desktop analysis/review of the models to identify key learnings.
- Collaborate with Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (DSDSATSIP) representatives on implementation of the chosen model.

#### 9.1.5 Engagement Framework

##### **Local government principles: Local Government Act 2009 (Section 4)**

- a) Transparent and effective processes, and decision-making in the public interest; and
- b) Sustainable development and management of assets and infrastructure, and delivery of effective services, and
- c) Democratic representation, social inclusion, and meaningful community engagement; and
- d) Good governance of, and by, local government; and
- e) Ethical and legal behaviour of Councillors, local government employees and Councillor advisors.

##### **United Nations Declarations of Indigenous Rights (UNDRIP)**

UNDRIP consists of 46 articles that describe specific rights and actions that governments must take to protect these rights. All the articles are very important and are linked to each other and form a frame for governments to ensure that the rights of Indigenous peoples are protected.

##### **Key themes include:**

- a) The right to self-determination: The right of Indigenous peoples to self-determination is fundamental to UNDRIP.
- b) The right to cultural identity: Indigenous peoples are equal to all other peoples, but they also have the right to be different, for example in the way they dress, the food they eat and in the language they speak.
- c) The right to free, prior, and informed consent: Free, prior, and informed consent means that Indigenous peoples have the right to be consulted and make decisions on any matter that may affect their rights freely, without pressure, having all the information and before anything happens.
- d) Protection from discrimination: The right to be free from discrimination means that governments must ensure that Indigenous peoples and individuals are treated the same way as other people, regardless of sex, disability, or religion.

#### 9.1.6 Local Thriving Communities (LTC) Principles

LTC is underpinned by the principles of self-determination, participation, equality, and culture.

The WWASC Community Engagement Policy dated 2021 is due for review.

In 2018 Murrimatters were engaged to develop a Community Engagement Plan, designed to cover the period 2018-2021, this resulting draft plan does not appear to have been finalised or ratified by Council.

Council may wish to consider reviewing this plan to guide current and future community engagement processes.

#### 9.1.7 Local Thriving Community Reform Agenda

1. The LTC reform is a response to the Queensland Productivity Commission's inquiry into service delivery in remote and discrete Indigenous Communities by the Queensland Government.
2. LTC reform focuses on working collaboratively with Queensland's nineteen (19) remote and discrete First Nations communities (17 First Nations Councils) to establish greater decision-making authority in service delivery and economic development.
3. LTC does not replace existing decision-making structures.
4. A Joint Coordinating Committee (JCC) oversees the LTC reform and meets four to six times per year to provide guidance on design and implementation.
5. Proposed LTC Reform outcome will be locally based decision-making bodies (LDMB) that will engage and work with the Queensland Government to:
  - a) make decisions about their own future.
  - b) build on their strengths as a community.
  - c) invest in the things that will make communities stronger, that will make a difference to people's lives.
  - d) create thriving communities.

#### 9.1.8 Local Context | Key Considerations

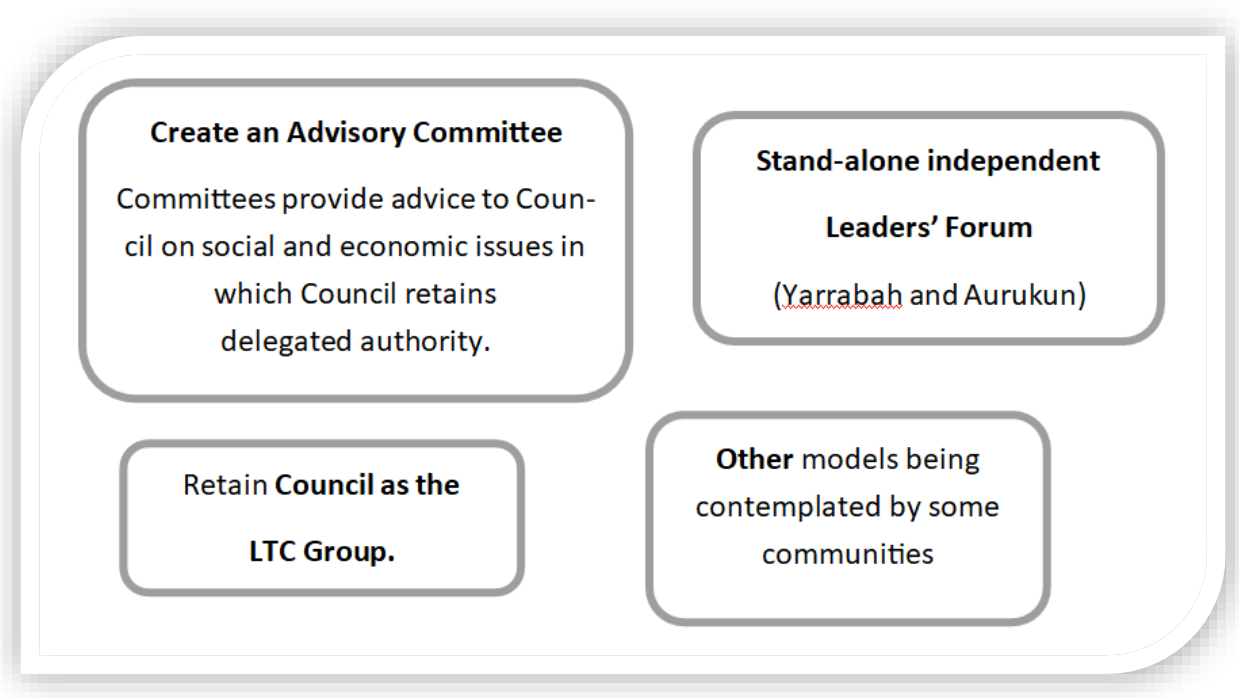
- Governance model for decision making.
- Diversity of first-nation groups in the Wujal Wujal community.
- Existing entities / groups having their own priorities.
- Council retaining service responsibility and role as a local government body/policy enabler.
- State and commonwealth retain responsibility of services – unless devolved via Agreements.
- State and Commonwealth providing sufficient funding to deliver their services appropriately.
- Duplication of efforts (third party agreements) and scarcity of resources (COVID 19 – high demand – low supply and increase competition).
- Ability to work across departmental/institutional boundaries that are constitutionally connected, yet administratively separated.
- Increase accountability for institutions that have poor return-on-financial investments including poor return-on-community expectations of service delivery standards.

#### 9.1.9 Local Opportunities

1. Reinvigorate relationships with community and across tiers of government and non-government entities including sectors.
2. Lead and facilitate community ownership, decision-making, endorsement, accountability, and responsibility.
3. Improve and lead policy-program-service reforms.
4. Facilitate, lead and advocate the high socio-economic expectations and outcomes for the Wujal Wujal community.
5. Strategically enable cross-jurisdiction and integrated service deliveries to better target resources and investment for maximum returns.

### 3.1.10 Local Thriving Communities – Leadership Models

#### Models



The decision to participate in Local Thriving Communities is at the discretion of each community.

#### The following update on each community was provided by DSDSATSIP:

- Five communities (Aurukun, Hope Vale, Mapoon, Napranum and Wujal Wujal) have established Local Decision-Making Bodies (LDMBs), and several others are engaging with community members to progress local decision-making models.
- Doomadgee's Goonawoona Jungai is progressing its model for the delivery of the Closing the Gap Place Based Partnership and several other communities are progressing local decision-making models including a partnership between Council and Council of Elders in Kowanyama, the Woorabinda Leadership Group and the Yarrabah Leaders Forum.
- Kowanyama Aboriginal Shire Council endorsed a model for an Interim LDMB at a meeting held on 23 August 2022 and advised of the structure and Terms of Reference on 26 October 2022. The group is finalising membership and is expected to hold its first meeting shortly.
- The department continues to support Palm Island Aboriginal Shire Council (PIASC) as it progresses an LDMB. Advice about membership, Terms of Reference and governance model will be provided shortly. JCC and community engagement held 20-21/09/22 with good representation from DDG's and other members. Progress commitments made during recent engagement on next steps for LDMB.

#### 9.1.11 WWASC Local Thriving Communities Model | WWASC Concept Key Outcomes

- The WWASC LTC Advisory Committee will provide advice direct to the council on key social and economic issues impacting the WWASC local government area.
- Council to retain delegated authority.
- There will be one (1) WWASC LTC Advisory Committee:
  - First nations community members living in Wujal Wujal will make up the core group of Committee members.
  - Selection criterion will be developed for interested members to respond via an expression of interest process (application). Council will assess and appoint accordingly.
  - DSDSATSIP to be approached to provide secretariat support to the LTC group. This is additional to the current allocated LTC funding to Council.
  - Government stakeholders will be by invitation based on subject matter. All efforts should be made that representative have delegated decision making authority and/or provide quality advice.

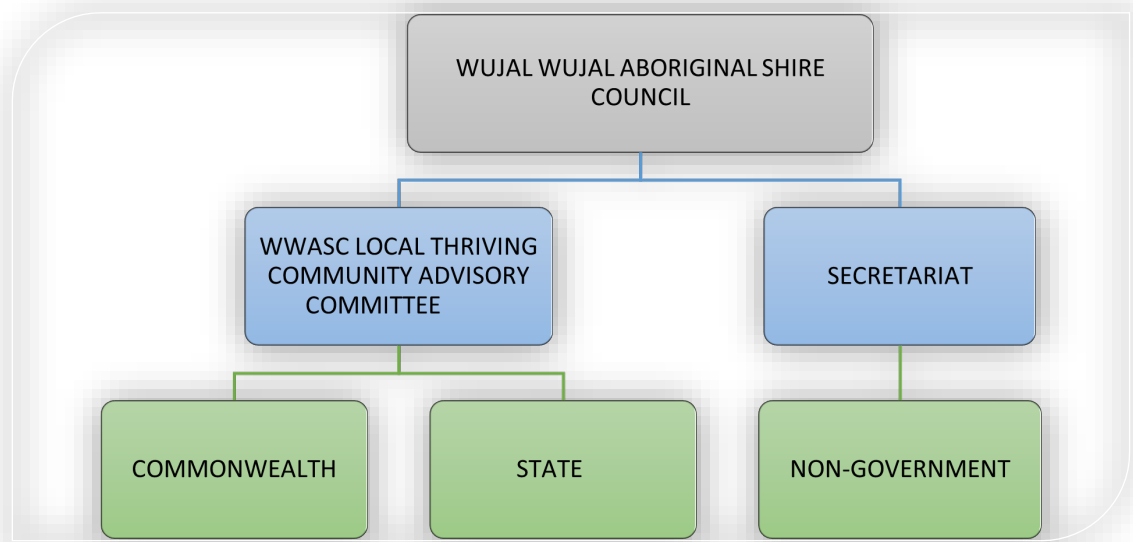


Figure 1: WWASC LTC Governance Model

- Governance framework to enable flow of information from stakeholders but not core decision makers.
- Ensure decision makers from Government to influence change within government to ensure action on priorities – ensuring there are adequate linkages between government and council for endorsement.
- Ensuring accountability and reporting from government and non-government agencies back to the LTC group.
- Ensuring Commonwealth are on board as well to look at both State and Commonwealth funding for transparency and accountability – building up business case for the demand.

**Recommendation:** Based on WWASC determination to have a LTC body in place:

- Report to Council to consider and resolve on establishing a WWASC LTC Advisory Committee. This committee to provide advice directly to the WWASC on pertinent issues impacting the LGA. (See Appendix 1 – Draft Council Report and Resolution).
- Provide endorsed LTC model to DSDSATSIP.
- DSDSATSIP consider and release Phase 2 funding.
- Develop selection criteria and invite expression of interest from local first-nations community members including youth to become members of the LTC Advisory Committee. Council to review EOI's and determine membership.

- Forum to remain pending comprehensive Wujal Wujal community consultation (phase 2) on the draft Wujal Wujal LTC Model derived by the WWASC in collaboration with the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (DSDSATSIP).
- WWASC LTC Advisory Committee will be required to review and endorse the Draft Terms of Reference (See Appendix 2 – Draft Terms of Reference).
- Seek support from the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships to provide secretariat support for the Committee.
- Council to develop Community Plan and Community Engagement Policy (non- existence in current policy framework).
- Engage specialist support to work with the Committee and implement Network Engagement Action Plan.

#### Proposed Resolution:

##### That Council -

1. Receive and note the report,
2. Approve the formation of the Wujal Wujal Local Thriving Communities pursuant to Section 264 of the Local Government Regulation 2012
3. Endorse the draft Terms of Reference for the Advisory Committee as attached to the Chief Executive Officer's report
4. That Council exempts the Wujal Wujal LTC Advisory Committee from taking minutes of its proceedings (Pursuant to Section 245G of the Local Government Regulations 2012 Advisory committees exempted from taking minutes)
5. That Council require the Wujal Wujal LTC Advisory Committee report on its deliberations and its advice or recommendations to Council through formal written report. Reports will be presented to the next Council meeting following the committee meeting, these reports will be for informational purposes or for consideration of recommendations.
6. Support the development of selection criterion for interested members to respond via an expression of interest process (application). Council will assess and appoint accordingly.
7. That Council advise the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (DSDSATSIP) of the formation of the Wujal Wujal LTC Advisory Committee.
8. That Council Support WWASC approaching DSDSATSIP for sufficient funding to provide secretariat support to the LTC group. This is additional to the current allocated LTC funding to Council.
9. Support the recommendation that government stakeholder engagement in the Wujal Wujal LTC Advisory Committee will be by invitation only, on specific topic related matters.

#### Resolution:

Resolution:		
Moved:		Lost/Carried
Seconded:		
Resolution No		

### **TERMS OF REFERENCE: Local Thriving Communities Advisory Committee**

The following document sets out the formal terms of reference for the Wujal Wujal LTC Advisory Committee.

#### **Head of Power**

Advisory Committee appointed by Council under Section 264 of the *Local Government Regulation 2012*.

#### **General Purpose**

The Committee shall provide advice to Council to guide its decisions relating to the implementation of the Queensland Government's Thriving Local Communities Initiative.

#### **Membership**

The Committee shall be made up of

- the Mayor
- a Councillor
- 3 Community members appointed by Council

The Committee will be chaired by the Mayor.

The Committee shall appoint a Deputy Chair from one of the Committee members.

#### **Quorum**

There must be at least four (4) members of the Committee present at each meeting to form a quorum, including at least two (2) community members. Where a quorum is not obtained within 30 minutes of the appointed starting time of the meeting, the Chair shall postpone the meeting to a later date.

#### **Appointment of Other External Members**

Recruitment and appointment of community members will be managed by the CEO and endorsed by Council.

#### **Meeting Frequency**

Meetings of the Committee shall be bi-monthly.

Additional meetings may be called as deemed appropriate provided the overall number of meetings does not exceed eight (8) in a financial year.

#### **Notice of Meetings**

At least once a year, Council will publish a notice of the days and times when Committee meetings will be held, on Council's website. Notice will also be provided in a conspicuous place at Council's public office.

### **Integration of Meetings with Council's Budget and Planning Operations**

The CEO, in consultation with the Mayor, will determine meeting dates for the financial year ahead.

In determining meeting dates the CEO will ensure consideration is given to integrating meetings with Council's statutory and non-statutory planning timeframes including annual budget and operational plan processes, etc.

### **Meeting Location**

Meetings will be held in Council Chambers wherever possible though meetings can be moved to a suitable alternative venue, preferably at a Council's facility, provided approval of the Chair is received and appropriate notice (at least two days) is provided to all members.

### **Standing Orders**

For all matters not covered by these Terms of Reference, Council's Standing Orders will apply, and all Committee members will be required to abide by the Standing Orders.

### **Meeting Reports**

The CEO shall provide a secretariat (the Local Thriving Communities Officer) for the Committee.

The secretariat shall prepare an agenda and provide a copy of the agenda to all Committee members not later than two (2) business days before each meeting.

The secretariat shall also prepare a report of each meeting with the report to be provided to all Committee members not later than five (5) business days after the conclusion of each meeting. All Meeting Reports will be presented to the following Council meeting for consideration. DSDSATSIP will provide additional secretariat support.

### **Committee Recommendations**

Recommendations at each meeting will be open with questions decided by a consensus of the members present. Non-member Councillors may attend meetings and provide input, as regulated by the Chair.

It should be noted Councillors and the full Council will consider and vote upon any recommendations of the committee at a full Council meeting. (*The committee has no delegated authority*).

### **Attendance at Meetings by Employees or Other Parties and Requests for Employee Assistance**

From time-to-time senior management employees or other employees with specific expertise might be asked to attend Committee Meetings to present information, answer questions, provide advice etc. Where employees are required to attend meetings, requests will be directed through the CEO.

Employees will provide full, frank, and meaningful advice on all issues within their capacity. Other external parties (contractors, consultants etc.) may also be invited to meetings to provide input at discretion of the Chair.

Where information is required from employees outside of Committee Meetings, such requests will be directed through the CEO and employees will make every effort to respond in a reasonable timeframe.

### **Referral of Committee Recommendations**

Reports of each meeting will be referred to the next available General Meeting of Council for consideration of recommendations. Council may endorse, amend, or reject the recommendations as it deems appropriate by resolution. Council may refer recommendations back to the Advisory Committee for further consideration.

### **Reviews of Terms of Reference**

These terms of reference will be reviewed periodically by the Committee as deemed necessary. They must be reviewed at least once every twelve (12) months. Minor changes to the Terms of Reference that do not alter the intent of the Committee or its structure etc. can be approved by the Committee provided the changes are referred to all Council for noting. Changes to the intent of the Committee or its structure etc. must be ratified by Council resolution.

It is noted that the role of the Committee will be further defined as the State Government clarifies its LTC's initiatives.

### **Delegated Authority**

In accordance with the constraints of the *Local Government Act 2009*, Council cannot delegate authority to the Committee.

### **Public Access to Meetings**

All formal meetings will be open to the public, consistent with legislative requirements and normal practice at Council's General Meeting. By exception, and in accordance with the *Local Government Act 2009*, confidential matters may be considered in closed session without the public present and informative and/or deliberative workshops may be conducted, if necessary, without public access.

### **Remuneration**

Unless determined otherwise by the State Government, remuneration is applicable for community members in the form of sitting fees for each Local Thriving Communities Committee meeting. Councillors and Council Staff (excluding Council Staff who are appointed to the Advisory Committee as community members) will receive no additional remuneration for this committee.

### **Conflict of Interest**

Councillor members of the Committee are required to discharge any prescribed or declarable conflict of interest in the same fashion as required under the *Local Government Act 2009*. If a Community Committee member has a prescribed or declarable conflict of interest, they shall declare this to the Chair or the Mayor as soon as they become aware of the situation and the report of the meeting shall record the interest.



## APPENDIX 2 | Network Engagement Action Plan (Phase 2)

<b>Start up</b>	<b>Status</b>
Define the objectives and scope of the community engagement	
Compile all background and previous engagement information/ report	
Compile a detailed list of all internal and external stakeholders	
Create a detailed list of what level of engagement will be conducted with each stakeholder; and how (the methods) they will be engaged	
Develop a list of tasks (who, what, when and status)	
<b>Communications</b>	
Draft all communication documents (media releases, fact sheets, etc)	
Review all communication documents with management	
Proofread all documents before approval/ signing off	
Coordinate the print and upload documents to Network group and council website	
Organise the distribution of documents information	
Review and update contact information of stakeholders	
<b>Community Engagement</b>	
Organise community interactions	
Set-up internal communication channels to maintain flow of information	
Coordinate documents, activities for community engagement with timeframes	
Book meeting venues, equipment, catering etc...	
Contact key stakeholders begin and maintain dialogue	
Workshop selected engagement techniques (if required)	
Prepare for collation of feedback from Network group	
Evaluate the engagement tasks and make any necessary improvements	
<b>Data Recording &amp; Analysis</b>	
Collate and analyse feedback	
Respond to enquiries from network group and record any new information	
Evaluate the recording tasks and make any necessary improvements	
<b>Network Feedback and Council Report</b>	
Draft Feedback Report for review and response from management team	
Draft Council Report for review as per Council procedure	
Gain sign-off on final reports	
Submit Council Report for resolution	
Develop an implementation Plan for the Council Resolution (ongoing operations of the LTC model)	
Distribute feedback report to all interest parties and stakeholders	
Evaluate the feedback and reporting tasks and make any necessary improvements	
<b>Process Evaluation</b>	
Effectiveness of the community engagement process assessed	
Document key areas of improvement for each set of tasks and feedback any recommendation for improvement of future engagement	

## 9.2 Community Engagement Policy

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Report to:	Mayor and Councillors
Report Date	29 June 2023
Status:	Discussion and Decision

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### Summary

The Community Engagement Policy dated 2021 is now due for review.

The Policy is included here for your consideration and if acceptable, adoption.

Refer to following pages.

# Community Engagement Policy – Adopted 2021, Review 2023

## Document Control

Version History:	Adopted 17 June 2021	Resolution Ref	
Review	11 July 2021		
Next review due	2025		

## ORIGIN/AUTHORITY

*Local Government Act 2009*

*Local Government (Finance, Plans and Reporting) Regulation 2010*

## PURPOSE

Genuine and effective community engagement has benefits for Council and citizens. Engagement allows Council to tap wider sources of information, perspectives and potential solutions. This in turn results in assistance and guidance in terms of decision-making and consequently better outcomes for the community.

Community engagement does not replace the decision-making functions of Council. Rather these processes are designed to ensure that Council has access to a broad range of information about community needs, opinions and options prior to decisions being made. It also increases the likelihood that Council decisions are understood and supported by the community.

The Wujal Wujal Aboriginal Shire Council understands community engagement to contain the following basic elements:

- **Information:** To provide key stakeholders and members of the community with objective and balanced information on policies, plans and strategies.
- **Consultation:** To obtain feedback from the community and key stakeholders to enable a broader understanding by Councillors and Council staff of the local needs concerns and priorities prior to decision-making.
- **Participation:** To enhance community ownership of decisions and resultant outcomes and commitment to the decisions made, through involvement in discussions of issues and options.

## AIM

Section 130 of the Local Government (Finance, Plans and Reporting) Regulation 2010 requires a local government prepare and adopt a policy describing how the local government engages with the community about –

- (a) Preparing, reviewing and changing its long-term community plan; and
- (b) Any other matters mentioned in the policy relevant to establishing or reviewing the performance of its systems of financial management.

Wujal Wujal Aboriginal Shire Council is committed to strengthening and coordinating its community engagement activities, in order to improve its decision making processes for corporate planning, services and major projects. The intention of this policy is to broadly define Councils approach to the engagement of our community.

## **POLICY STATEMENT**

Wujal Wujal Aboriginal Shire Council is committed to undertaking robust and comprehensive engagement with its community to facilitate a dialogue between the Council and its community on key decisions and projects and in particular the strategic planning and community planning processes.

Council will also work with the community to identify the most appropriate and effective engagement methods in order to continually improve the relationships between all parties and ensure that the strategic plan and community plan reflect the majority community views.

## **OBJECTIVES**

1. To provide a framework that encourages a relationship with the whole operation of Council. It should be read in conjunction with the Community Engagement Guidelines.
2. To encourage community engagement practices that draw on the skills and wisdom of citizens in order to add value to decision-making processes. It should be emphasised however that the ultimate responsibility for decision-making rests with Council.
3. To ensure the community engagement is clearly linked to the goals and objectives of the Corporate Plan.
4. To ensure that Council activities within the community are inclusive of all members of the community.
5. To foster collaboration and cooperation between Council and the community, including other spheres of government in the planning and implementation of programs and services for the Wujal Wujal area.
6. To increase community understanding of Council through improved relationships and communication.

## DEFINITION

For the purposes of this policy, community engagement can be defined as “any planned process that involves the public in decision-making and uses public input to make better decisions”.

## POLICY PRINCIPLES

1. That Council will provide genuine opportunities for informed community engagement in decision-making in a framework of local democracy.
2. That community engagement forms an integral part of the development, implementation and evaluation of policies, programs and services.
3. That Council will adopt open, accountable processes through which individuals and groups can exchange views and influence policy or decision-making.
4. That there is transparency and accountability in the process which is open, two-way and ongoing.
5. That opportunity will be provided to community members around discussions about council initiatives which are likely to impact upon them.
6. That the day to day operations and administration of the Council shall reflect the philosophical objectives of this policy.

This policy confirms the commitment of Wujal Wujal Aboriginal Shire Council to ensuring that community engagement forms an integral component of informed decision-making and as such aims to ensure that as many people as possible who are affected by decisions of Council have the opportunity to be consulted about their needs and concerns prior to decisions being made.

The Community Engagement Policy addresses the principles outlined in Council’s Corporate Plan 2018 – 2023

This policy has been prepared after consideration of the following (as amended) pieces of legislation and plans:

- Local Government Act 2009
- Queensland Sustainable Planning Act 2009
- Local Government (Finance, Plans and Reporting) Regulation 2009
- Queensland Integrated Planning Act 1997

## REVIEW AND MONITORING

Council will formally review this community engagement policy after 2 years of operation.

In order to ensure that the actions detailed within this policy are undertaken and information is co-ordinated Council will charge the Executive Management Team with monitoring and reporting on the implementation of this policy.

Kiley Hanslow  
Chief executive Officer

## APPENDIX A: COMMUNITY ENGAGEMENT SURVEY FORM

To be developed

### **9.3 Councillor Code of Conduct Policy, Complaints Register and our requirement to publicly list this information**

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<b>Report to:</b>	Mayor and Councillors
<b>Report Date</b>	29 June 2023
<b>Status:</b>	Discussion and Decision

---

#### **9.3.1 Summary**

All Councils, Councillors and Council Officers are required by to comply with local government legislation regarding Code of Conduct and the formal documentation of complaints against Councillors.

This report refreshes your knowledge of your legislative compliance as Elected Members and seeks your approval to improve WWASC compliance with this legislation.

This will be done by

1. Reviewing the Code of Conduct for Councillors, due for review this year
2. Discussing the legislative compliance requirements for Council and Councillors regarding complaints against Councillors and then
3. Review and adopt the Complaints Against Councillors Policy (dated 2019), and
4. Proposes that WWSAC follows the example of Aurukun Shire Council by listing a formal 'complaints' register' publicly on the WWASC website.

#### **9.3.2 Councillor Code of Conduct**

The Policy governing the Code of Conduct for Councillors was last reviewed in 2021 and is now due for review.

The Code of Conduct for Councillors is included here for your consideration and adoption.

The policy is included here for review and adoption has not changed in any substantive way from the policy adopted in 2021.

## **Code of Conduct - Councillors Policy – Adopted 2021, Review 2023**

### **PURPOSE**

The Code of Conduct sets out the principles and standards of behaviour expected of Councillors and Mayors when carrying out their roles, responsibilities and obligations as elected representatives for their communities. By adhering to the behaviours set out below, Councillors will increase public confidence in Local Government and Council decisions.

### **BACKGROUND**

Under section 150D of the Local Government Act 2009 (the Act), the Minister for Local Government must make a Code of Conduct stating the standards of behaviour for Councillors in the performance of their responsibilities as Councillors. In addition to this, the Code of Conduct may contain anything the Minister considers necessary for, or incidental to, the standards of behaviour.

Before assuming public office, Councillors must understand and commit to complying with the Local Government principles and obligations of Councillors in accordance with section 169 of the Act, as well as the standards of behaviour set out in this Code of Conduct. All Councillors are required to make a declaration of office under section 169 of the Act. As part of that declaration, Councillors must declare that they will abide by this Code of Conduct.

### **THE LOCAL GOVERNMENT PRINCIPLES AND VALUES**

The Act is founded on five Local Government principles which Councillors must comply with while performing their roles as elected representatives. These principles are listed below:

- 1.1** Transparent and effective processes, and decision-making in the public interest
- 1.2** Sustainable development and management of assets and infrastructure, and delivery of effective services
- 1.3** Democratic representation, social inclusion and meaningful community engagement
- 1.4** Good governance of, and by, Local Government
- 1.5** Ethical and legal behaviour of Councillors and Local Government employees.

This Code of Conduct provides a set of values that describe the types of conduct Councillors should demonstrate under each principle. These values are listed below:

- In making decisions in the public interest, Councillors will:
  - make decisions in open council meetings
  - properly inform relevant personnel of all relevant information
  - make decisions in accordance with law and policy
  - commit to exercising proper diligence, care and attention.

- To ensure the effective and economical delivery of services, Councillors will:
  - manage Council resources effectively, efficiently and economically
  - foster a culture of excellence in service delivery.
- In representing and meaningfully engaging with the community, Councillors will:
  - show respect to all persons
  - clearly and accurately explain Council's decisions
  - accept and value differences of opinion.
- In exercising good governance, Councillors are committed to:
  - the development of open and transparent processes and procedures
  - keeping clear, concise and accessible records of decisions.
- To meet the community's expectations for high level leadership, Councillors will:
  - be committed to the highest ethical standards
  - uphold the system of Local Government and relevant laws applicable.

This Code of Conduct also sets out standards of behaviour aimed at helping Councillors understand how the principles and values are put into practice while performing their official duties as elected representatives.

Each standard of behaviour is not intended to cover every possible scenario. However, they provide general guidance about the manner in which Councillors are expected to conduct themselves.

It is important to note that the principles, values and standards set out in the Code of Conduct are of equal importance.

## **STANDARDS OF BEHAVIOUR**

This Code of Conduct sets out the standards of behaviour applying to all Councillors (excluding Councillors who are governed under the City of Brisbane Act 2010) in Queensland. The behavioural standards relate to, and are consistent with, the Local Government principles and their associated values.

The standards of behaviour are summarised as the three R's, being:

### **1.6 RESPONSIBILITIES**

### **1.7 RESPECT**

### **1.8 REPUTATION**

Each standard of behaviour includes, but is not limited to, several examples to guide Councillors in complying with the Code of Conduct when carrying out their role as elected officials. Councillors are to understand and comply with the following standards of behaviour as set out in the Code of Conduct listed below.



#### **4.1 Carry out RESPONSIBILITIES conscientiously and in the best interests of the Council and the community.**

For example, Councillors will, at a minimum:

- 4.1.1 Attend and participate meaningfully in all Council meetings, briefings, relevant workshops and training opportunities to assist Councillors in fulfilling their roles other than in exceptional circumstances and/or where prior leave is given
- 4.1.2 Respect and comply with all policies, procedures and resolutions of Council
- 4.1.3 Use only official Council electronic communication accounts (e.g. email accounts) when conducting Council business
- 4.1.4 Report any suspected wrongdoing to the appropriate entity in a timely manner
- 4.1.5 Ensure that their behaviour or capacity to perform their responsibilities as a Councillor is not impaired by the use of substances that may put them or others at risk while performing their duties (for example, alcohol, illegal drugs or prescribed/non-prescribed and/or restricted substances)
- 4.1.6 Cooperate with any investigation being undertaken by the Local Government or other entity.

#### **4.2 Treat people in a reasonable, just, RESPECTFUL and non-discriminatory way.**

For example, Councillors will, at a minimum:

- 4.2.1 Show respect for fellow Councillors, Council employees and members of the public
- 4.2.2 Not bully, harass, intimidate or act in a way that the public would reasonably perceive a Councillor's behaviour to be derogatory towards other Councillors, Council employees and members of the public
- 4.2.3 Be respectful of other people's rights, views and opinions.

#### **4.3 Ensure conduct does not reflect adversely on the REPUTATION of Council**

- 4.3.1 When expressing an opinion dissenting with the majority decision of Council, respect the democratic process by acknowledging that the Council decision represents the majority view of the Council
- 4.3.2 When making public comment, clearly state whether they are speaking on behalf of Council or expressing their personal views
- 4.3.3 Avoid making unnecessary or irrelevant comments or accusations about Councillors or Council employees in order to undermine them or their position
- 4.3.4 Ensure behaviour and presentation is appropriate to maintain the dignity of the office of the Councillor

## 2. CONSEQUENCES OF FAILING TO COMPLY WITH THE CODE OF CONDUCT

Failure to comply with the standards of behaviour in this Code of Conduct, or other conduct prescribed in this Code of Conduct may give rise to a complaint against a Councillor's conduct and subsequent disciplinary action under the Act.

A complaint about the conduct of a Councillor must be submitted to the Independent Assessor who will assess the complaint and determine the category of the allegation. In order of most to least serious, the categories of complaint are **corrupt conduct, misconduct, inappropriate conduct** and then **unsuitable meeting conduct**.

### 2.1 Unsuitable meeting conduct

Under section 150H of the Act, any conduct by a Councillor that is contrary to the standards of behaviour in the Code of Conduct that occurs within a meeting of Council (including standing committee meetings), is dealt with as **unsuitable meeting conduct**.

Unsuitable meeting conduct by a Councillor is dealt with by the Chairperson of the meeting. It is important that the Chairperson deal with matters of unsuitable meeting conduct locally, and as efficiently and effectively as possible so that Council can continue with their business of making effective decisions in the public interest.

*Note: Chairpersons of meetings are carrying out a statutory responsibility under the Act to manage and lead the meeting. As such, where a Chairperson behaves inappropriately in a meeting this involves a serious breach of the trust placed in them as the Chairperson of the meeting and may be dealt with as misconduct (see below).*

### 2.2 Inappropriate conduct

Under section 150K of the Act, any conduct by a Councillor that is contrary to the standards of behaviour in the Code of Conduct or a policy, procedure or resolution of a Council, and is not unsuitable meeting conduct, misconduct or corrupt conduct (i.e. occurs outside of a meeting of Council) is dealt with as **inappropriate conduct**.

The conduct of a Councillor is also inappropriate conduct if the conduct contravenes an order by the Chairperson of a meeting of Council for the Councillor to leave the meeting, or is conduct at Council meetings that leads to orders for the Councillor's unsuitable meeting conduct being made on three occasions within a period of one year.

The Independent Assessor is responsible for assessing allegations of suspected inappropriate conduct. If the Independent Assessor chooses to refer the matter to the Council to deal with, the Council must deal with the matter as quickly and effectively as possible.

### 2.3 Misconduct

Councillors are required to comply with all laws that apply to Local Government. This includes refraining from engaging in **misconduct**.

The Independent Assessor is responsible for assessing and investigating instances of suspected misconduct. The Independent Assessor may then refer the matter to the Councillor Conduct Tribunal to be heard and determined.

The conduct of a Councillor is misconduct if the conduct:

- adversely affects, directly or indirectly, the honest and impartial performance of the Councillor's functions or exercise of powers, or
- is, or involves:
  - a breach of trust placed in the Councillor
  - misuse of information or material acquired by the Councillor, whether the misuse is for the benefit of the Councillor or for the benefit or to the detriment of another person
  - a Councillor giving a direction to any Council employee (other than the Mayor giving direction to the Chief Executive Officer and senior executive employees)
  - a release of confidential information outside of the Council
  - failure by a Councillor to report a suspected material personal interest, conflict of interest or perceived conflict of interest of another Councillor, or
- is a failure by the Councillor to comply with:
  - an order made by the Council or Tribunal
  - any acceptable request guidelines of the Council made under section 170A of the Act
  - the reimbursement of expenses policy of the Council.

The conduct of a Councillor is also misconduct if the conduct leads to the Councillor being disciplined for inappropriate conduct on three occasions within a period of one year, or is conduct that is identified in an order of Council that will be dealt with as misconduct if the Councillor engages in the conduct again.

## **2.4 Corrupt conduct**

Corrupt conduct is defined by, and dealt with, under the Crime and Corruption Act 2001 and must be referred to the Crime and Corruption Commission. For a Councillor, corrupt conduct involves behaviour that:

- adversely affects or could adversely affect the performance of the Councillors responsibilities, and
- involves the performance of the Councillors responsibilities in a way that:
  - is not honest or impartial, or
  - involves a breach of the trust placed in the Councillor, or
  - involves the misuse of information acquired by the Councillor, and
  - is engaged in for the purpose of providing a benefit or a detriment to a person, and
  - if proven would be a criminal offence.

## **3. MORE INFORMATION**

The Department of State Development, Infrastructure Local Government, and Planning website provides further information and resources for Councillors.

The Department also provides and facilitates training for Councillors and Council employees to assist them to develop the knowledge, skills and understanding necessary to undertake their roles and responsibilities effectively and in the best interests of their communities.

Kiley Hanslow  
Chief Executive Officer

DATE OF ADOPTION:	25 July 2019		
TIME PERIOD OF REVIEW:	2 Years		
REVIEW DATE:		RESOLUTION REF	
DATE OF NEXT REVIEW:	June 2025		

Resolution: Councillor Code of Conduct Policy

<b>Resolution:</b>	That the Council adopt the Code of Conduct for Councillors Policy presented in this agenda.	
Moved:		<b>Lost/Carried</b>
Seconded:		
Resolution No		

### **9.3.3 Complaints about a Councillor**

Wujal Wujal has dedicated specific policy documentation governing the process of making a complaint against each of the following:

- a staff member,
- the Chief Executive Officer, and
- Councillors

Each of these policy documentation are now due for review, however we will in this agenda review only the policy specific to making complaints about a Councillor.

The Complaints Management Policy – Councillors was last adopted on 25.07.2019 and is now overdue for review.

That policy is now included here for your consideration and has not changed in any substantive matter from the document adopted in 2019.

## **Policy Statement**

This is Wujal Wujal Aboriginal Shire Councils Complaints Management Policy - Councillors (CMP) for resolving complaints about Councillor conduct as required under Chapter 5A of the *Local Government Act 2009*. Council is committed to ensuring that any complaints about Councillor actions, decisions or the conduct of Councillors are dealt with in a responsive, confidential, fair and efficient manner.

## **Commencement**

The CMP policy was adopted by Council resolution on 25 July 2019 and applies from 25 July 2019.

## **Objective**

Council acknowledges that the community has a right to expect appropriate standards of behaviour from Councillors including:

- Transparent and effective processes and decision making in the public interest;
- Sustainable development and management of assets and infrastructure and delivery of effective services;
- Democratic representation, social inclusion and meaningful community engagement;
- Good governance of and by local government
- Ethical and lawful behaviour by Councillors;
- Integrity and impartiality
- Promoting the public good
- Commitment to the system of government
- Accountability and transparency
- Suitable meeting conduct
- Compliance with policies, procedures and resolutions of Council.

Complaints about the conduct of Councillors are to be managed confidentially, fairly, quickly and professionally in accordance with this CMP and Chapter 5A of the *Local Government Act 2009*.

## **Scope**

This CMP applies to all complaints received by Council, the Chief Executive Officer (CEO) or other Council officers about Councillor conduct.

All complaints received by Council written or verbal, will be dealt with in the strictest confidence.

## **Receiving Complaints**

### **Making a complaint**

People can make a complaint:

- by telephone or in person
- by email or online, via Council's website
- in writing, addressed to the CEO, Mayor, a Councillor or Office of the Independent Assessor or other Council officer
- anonymously

### **Helping people make a complaint**

- Council officers or elected members receiving the complaints are required to assist people making a complaint where requested and tell them what information is required so the complaint may be addressed.
- Council officers or elected members are required to arrange help if a person needs an interpreter or has special needs.

## **Acknowledging complaints**

- Council is required to let people know in writing within 2 days of receipt of the complaint, that the complaint has been received by Council.
- Council is required to advise that the complaint has been referred to the Office of the Independent Assessor in accordance with section 150P of the *Local Government Act 2009*.

## **Assessing Complaints**

All complaints received by the Council about the conduct of a Councillor must be referred in the first instance to the Office of the Independent Assessor for assessment in accordance with section 150P of the *Local Government Act 2009*.

Where the Office of the Independent Assessor refers a complaint to Council about suspected inappropriate conduct of a Councillor, any investigation by Council into a complaint about inappropriate conduct of a Councillor will be dealt with in accordance with the Wujal Wujal Aboriginal Shire Council Investigation Policy.

## **Recording complaints on the Councillor Conduct Register**

All substantiated complaints and decisions will be recorded in a Councillor Conduct Register in accordance with sections 150DX and 150DY of the *Local Government Act 2009*.

**The Councillor Conduct Register will be available for public inspection** and will include:

- A summary of the decision and the reasons for the decision made by the Office of the Independent Assessor or Council with respect to the complaint;
- The name of the Councillor about whom the decision was made
- The date of the decision.

The name of the person making the complaint or any information that could reasonably identify the person making the complaint, is confidential and will not be included on the Councillor Conduct Register.

Where a complaint is not substantiated or is dismissed by the Office of the Independent Assessor or Council in accordance with section 150DZ of the *Local Government Act 2009*, the name of the Councillor or any information that would identify the Councillor, will not be included on the Councillor Conduct Register with respect to that complaint unless the Councillor consents to their name being included.



Council will hold and retain an internal confidential record of complaints within Council including:

- allocation of a reference number to identify the complaint
- the name and contact details of the person making the complaint
- date the complaint was received (and how)
- what the complaint is about
- any further information obtained by or provided to Council to forward to the Office of the Independent Assessor
- date when the complaint was referred to the Office of the Independent Assessor
- actions taken by Council if the complaint is referred back by the Office of the Independent Assessor for investigation
- the decision and the reasons for the decision of the Office of the Independent Assessor or Council where appropriate
- disciplinary action if any, taken the Office of the Independent Assessor or Council against the Councillor
- final response communicated to complainant
- date the decision is included in the Councillor Conduct Register
- date the complaint finalised.

All information about the complaint must be dealt with in accordance with section 200 of the *Local Government Act 2009* and a person must not release information that the person knows or should reasonably know is information that is confidential to the Council and that the Council wishes to keep confidential.

## **Annual Report**

Council will be provided with an annual report by the CEO which will:

- identify and analyse the number of complaints received, complaint trends, significant issues and the decisions made by the Office of the Independent Assessor or Council to determine if the CMP is operating effectively and efficiently;
- include any recommendations for improvement to the CMP; and
- monitor how the Council will implement accepted recommendations.

## **External Reporting**

Council's annual report will contain the following information about the CMP:

- a statement about how the CMP is working, including an assessment of Council's performance in resolving complaints under the CMP
- the number of all complaints made, resolved and unresolved during the financial year
- number of complaints unresolved from the previous financial year.

## **Adoption and Review**

This Policy on adoption by resolution of Council supersedes any previous CMP and will remain in force unless otherwise amended or revoked by resolution of Council.

This Policy will be reviewed every 2 years or as directed by Council.

## Related Council Policies

- Councillor Code of Conduct
- Investigation Policy
- Social Media Policy

## Relevant Legislation

- *Local Government Act 2009 (QLD)*
- *Crime and Corruption Act 2001 (Qld)*
- *Public Sector Ethics Act 1994 (Qld)*
- *Public Interest Disclosure Act 2010 (Qld)*



**Kiley Hanslow**  
**Chief Executive Officer**

DATE OF ADOPTION:	25 July 2019		
TIME PERIOD OF REVIEW:	2 Years		
DATE REVIEWED	11 July 2023	RESOLUTION REF	
NEXT REVIEW DUE	2023		

Resolution: Complaints Management Policy - Councillors

<b>Resolution:</b>	That the Council adopt the Complaints Management Policy – Councillors as presented in this agenda.	
Moved:		<b>Lost/Carried</b>
Seconded:		
Resolution No		

### 9.3.4 Complaints Register

As noted in the *Complaints Management Policy – Councillors*, all complaints against Councillors are required to be listed in formally in a complaints register.

The screenshot here captures the pertinent information:

#### Recording complaints on the Councillor Conduct Register

All substantiated complaints and decisions will be recorded in a Councillor Conduct Register in accordance with sections 150DX and 150DY of the *Local Government Act 2009*.

The Councillor Conduct Register will be available for public inspection and will include:

- A summary of the decision and the reasons for the decision made by the Office of the Independent Assessor or Council with respect to the complaint.
- The name of the Councillor about whom the decision was made
- The date of the decision.

The name of the person making the complaint or any information that could reasonably identify the person making the complaint, is confidential and will not be included on the Councillor Conduct Register.

Where a complaint is not substantiated or is dismissed by the Office of the Independent Assessor or Council in accordance with section 150DZ of the *Local Government Act 2009*, the name of the Councillor or any information that would identify the Councillor, will not be included on the Councillor Conduct Register with respect to that complaint unless the Councillor consents to their name being included.

### 9.3.5 WWASC Non-Compliance

No formal register was able to be located in the file register, we assume therefore that Wujal Wujal has not previously complied with this requirement of the legislation.

WUJAL WUJAL ABORIGINAL SHIRE COUNCIL						
COUNCILLOR CONDUCT REGISTER						
Section of the Local Government Act 2009	Date of complaint	Summary of complaint	Decision – Reasons and Action Taken	Date of decision	Councillor name	Summary of the decision OR Statement why decision was dismissed
	May 2020	Inappropriate Conduct – public communication (Facebook)	Researching documentation pertaining to outcome	To be advised	Councillor Bradley Creek	To be advised

Earlier this year, this compliance oversight was pointed out to WWASC, and a formal *Councillor Conduct Register* was created.

A historical deep dive has yet to be conducted to populate the register, however there is a recent complaint against a Councillor that has been formally added to the register

A screenshot of this information has been included here for your reference.

### Register Of Complaints Against Councillors

Council is required to keep a register of complaints made against councillors and the outcome of these complaints. There are some exceptions to recording complaints regarding public interest disclosures in the register.

The Councillor Conduct Register is available for public inspection by downloading the pdf [here](#).



Councillor Conduct Register (PDF)

As you can see from the lack of information recorded, Council staff have yet to locate all the relevant documentation in order to accurately report on this item. This will be done in the near future, in order to ensure the record is accurate and complete.

### Register available to the public.

As you will have noted in the legislation referred to above the Councillor Conduct Register is required to be available to the public.

### Councillor Conduct Register

Chapter 5a Part 6 Division 1 Local Government Act 2009  
October 2019 - 2020



OIA Reference Number	Date of Complaint	Summary of Complaint	Summary of Decision and Reason for Decision	Date of Decision	Orders Made	Decision Maker
C/19/00821	1/10/2019	It is alleged a councillor participated in activity that may have been in breach of the community Alcohol Management Plan	The OIA dismissed the complaint pursuant to section 150X(b)(iii) of the Act the complaint lacked substance or credibility.  The complaint was made anonymously and the OIA could not clarify or verify details relating to the alleged conduct.	9/10/2019	Nil	Office of the Independent Assessor (OIA)

Arurukun Shire Council provides us with a relevant example of a best practice, the screenshot below shows that their councillor Conduct Register is available publicly on their website.

The screenshot below shows an item listed publicly in this register.

[Proposal: WWASC to make its Councillor Conduct Register publicly available on our website.](#)

Council proposes that WWASC to make its Councillor Conduct Register publicly available on our website.

**Resolution:** That the WWASC Councillor Conduct Register be listed publicly available on the WWASC website.

<b>Resolution:</b>	That the WWASC Councillor Conduct Register be listed publicly available on the WWASC website.	
Moved:		Lost/Carried
Seconded:		
Resolution No		

## 10. Closed Matters

No closed items for the meeting 13 June 2023


## 11. General Business | Late Items

### 11.1 July-December Elected Member Training

The following training is available to elected members. Please contact the CEO office to learn more about specific items of interest.

All training is virtual.

*\*All courses are also available for inhouse delivery at your council. Customisation is available and durations may change accordingly.*

ELECTED MEMBER SHORT COURSES	2023 DATES JULY-DEC	DURATION	TIME	PRICE INC GST
<a href="#">Councillor Roles and Responsibilities</a>	17 July	1 day	9.30am-3.30pm	\$560
<a href="#">Financial Reports and Budgets</a>	11 July 03 October	1 day	9.00am-3.30pm	\$560
<a href="#">Protocols for Council Meetings</a>		1 day	9.30am-3.30pm	\$560
<a href="#">Social Media for Elected Members</a>	Tuesday 18 September	3 hours	9.00am-12.30pm	\$450
<a href="#">Rates and Charges</a>	Tuesday 15 August Tuesday 21 November	1 day	9.00am-3.30pm	\$560
<a href="#">Legal and Ethical Responsibilities</a>		3 hours	9.30am-12.30pm	\$450
<a href="#">Strategic Planning</a>	Tuesday 11 July	1 day	9.00am-3.30pm	\$560
<a href="#">Chairing Council Meetings</a>		1 day	9.30am-3.30pm	\$560
<a href="#">Governing Councils</a>		1 day	9.30am-3.30pm	\$560
<a href="#">Effective Decision Making</a>		1 day	9.30am-3.30pm	\$560
<a href="#">Land Use Planning</a>		1 day	9.00am-3.30pm	\$880
<a href="#">Owning Your Online Presence</a>	Thursday 10 August	2 hours	12.30pm-2.30pm	\$450
<a href="#">Understanding Depreciation Expenses</a>	Tuesday 05 September	3 hours	9.00am-12pm	\$450
<a href="#">Conflict of Interest for Elected Members</a>		3 hours	9.30am-12.30pm	\$450
<a href="#">Power of Public Speaking and Storytelling</a>	Wednesday 16 August	2 hours	10.30am-12.30pm	\$560
<a href="#">Media Relations and Speech Writing</a>	Thursday 7 September	3 hours	10.00am-1.00pm	\$560

The following courses may be of interest:

### Councillor Roles and Responsibilities – 1 day

SYNOPSIS	SHORT COURSE TOPICS	CONTINUED
<p>This workshop, for Elected Members, discusses the processes and solutions required to meet the specific needs of your communities.</p> <p>We also look at legislative requirements, conflicts of interest and discuss the many responsibilities within your role.</p>	<ul style="list-style-type: none"> <li>Your role as an elected member and your responsibilities within that role</li> <li>Function and scope of elected members</li> <li>Protocols to ensure legislative requirements are observed</li> <li>Meeting procedures</li> <li>Good decision making</li> <li>Conflicts of interest</li> <li>Leadership</li> <li>Council decisions</li> <li>Public communication for all</li> <li>Declarable conflicts of interest</li> </ul>	<ul style="list-style-type: none"> <li>Delegations</li> <li>Conduct and performance of Councillors</li> <li>Councillor Advisors and Administrative Support Staff for Councillors (commenced 12 October 2020)</li> </ul>

## GOVERNING COUNCILS – 1 day workshop

SYNOPSIS	TOPICS	LEARNING OUTCOMES
<p>The fundamental role of councillors is to serve and represent the interests of their community (the local government area) as a whole, rather than those of any section or interest group.</p> <p>This workshop looks at the responsibilities of councillors in representing the overall public interest when making decisions to benefit their communities.</p>	<p><b>Perform at a high level as a Councillor</b></p> <ul style="list-style-type: none"> <li>Local Government Act 2009</li> <li>Councillor responsibilities</li> <li>Unsuitable conduct</li> <li>Inappropriate conduct</li> <li>Misconduct</li> <li>Corrupt conduct</li> </ul> <p><b>Provide leadership to council and community groups</b></p> <p><b>Provide a positive image of council</b></p> <p><b>Initiate and support development programs</b></p>	<ul style="list-style-type: none"> <li>develop, engage and lead community groups within a local government context</li> <li>understand differing personal characteristics and their effect on leadership of teams</li> <li>engage in appropriate research and consultation</li> <li>contribute to the development and implementation of strategies within local government groups</li> <li>respect and represent diversity in ethnic background, culture, customs, language and communication styles.</li> </ul>

## EFFECTIVE DECISION MAKING – 1 day workshop

AUDIENCE	TOPICS	TOPICS CONT.
<p>This workshop is suitable for both newly elected and returning members and provides an overview of the roles and responsibilities of Elected Members, the local government environment and council operating procedures.</p> <p>It recognises the personal and community influences upon councillors who need to perform their role in a due diligence environment.</p>	<p><b>Governing and Democracy</b></p> <ul style="list-style-type: none"> <li>Acting as a governing body</li> <li>Governance processes</li> <li>People to make the system work</li> </ul> <p><b>The Council – A team of equals</b></p> <ul style="list-style-type: none"> <li>The extended team</li> <li>The greater team</li> <li>The administration</li> <li>Democratic systems</li> </ul> <p><b>Decision making processes and role</b></p> <ul style="list-style-type: none"> <li>Formal council meeting</li> <li>Agenda briefings</li> <li>Concept forums</li> <li>Debate</li> <li>Strategic decisions</li> </ul>	<ul style="list-style-type: none"> <li>Governing body- rule making decisions</li> </ul> <p><b>Participate in Solutions to Issues</b></p> <ul style="list-style-type: none"> <li>Making decisions</li> <li>Influencing factors</li> <li>Community input</li> <li>Councillors as decision makers</li> <li>Councillors as community representatives</li> <li>Lobbying by applicants and objectors</li> <li>Being part of the solution</li> </ul> <p><b>After the decision is made</b></p> <ul style="list-style-type: none"> <li>CEO to implement the decisions</li> <li>Status reports</li> <li>Free to disagree</li> </ul>

### 12. Presentation to Council

No presentation to Council this meeting

### 13. Next Ordinary Council Meeting Date

The next Ordinary Council Meeting is set for Tuesday 15 August 2023.

### 14. Meeting Closure



Nikki Boyd MP  
Assistant Minister for Local Government

Our ref: MBN23/524

30 June 2023

Councillor Bradley Creek  
Mayor  
Wujal Wujal Aboriginal Shire Council  
mayor.creek@wujal.qld.gov.au

1 William Street  
Brisbane Queensland 4000  
PO Box 15009  
City East Queensland 4002  
**Telephone** + 61 3719 7100  
**Email** [am.localgovernment@ministerial.qld.gov.au](mailto:am.localgovernment@ministerial.qld.gov.au)  
**Website** [www.statedevelopment.qld.gov.au](http://www.statedevelopment.qld.gov.au)

ABN 65 959 415 158

Dear Councillor Creek

I am writing to provide an update about the establishment of a new Local Government Sustainability Framework (LGSF) for Queensland councils.

As you are aware, the new LGSF will establish a holistic approach to monitoring council sustainability that considers five key areas – operating environment, finances, asset management, governance, and compliance.

The new LGSF will formally commence on 1 July 2023 with the establishment of the *Financial Management (Sustainability) Guideline* (Statutory Guideline), which will prescribe nine ratios to monitor council financial and asset management performance.

I am pleased to advise that the process amending the Local Government Regulation 2012 and the City of Brisbane Regulation 2012 to refer to the new Statutory Guideline is now complete. A copy of the Statutory Guideline is available on the Department of State Development, Infrastructure, Local Government and Planning's (the department) website. Also available on the website is a range of supporting information about the LGSF, including frequently asked questions.

Additionally, to support the new Statutory Guideline, the Queensland Audit Office (QAO) recommended that the department develop and own a risk framework that helps the department, councils and other stakeholders understand the sustainability risk of councils. I am pleased to advise that the department has completed the development of the risk framework.

The department's approach to developing the risk framework is founded on the following key principles:

- Sustainability is more than financial - financial sustainability risks need to be considered holistically in combination with other key elements of council sustainability.
- Sustainability is a long-term objective - achieving sustainability takes time and concerted effort and there will be times when councils may experience sustainability pressures that affect short-term results.
- Not all sustainability risks are created equal – some of the measures are of higher importance from a risk perspective relative to others and councils which do not meet the targets for these measures have a higher level of financial sustainability risk.



- It is important to compare councils on a 'like with like' basis – Queensland's local government sector is diverse, and councils have differing financial and non-financial circumstances and challenges.
- Incentivise positive behaviors and avoid perverse outcomes - the department is seeking to establish a sustainability reporting framework which encourages council leaders to understand the drivers of long-term sustainability and pursue positive outcomes.

A copy of the risk framework is also available on the department's website.

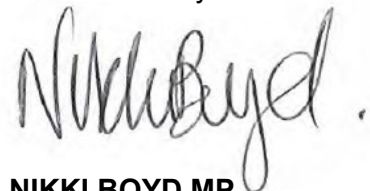
It is important to note that the financial measures are just one part of the new LGSF with the framework taking a holistic approach, covering the financial and non-financial elements influencing sustainability.

There will be no public reporting on the non-financial elements of the framework, including governance and compliance. This is business as usual for councils. However, considering all these elements holistically will help us to better understand and respond to council sustainability challenges.

Please note that Mr. Mike Kaiser, Director-General of the department, has written to your council's Chief Executive Officer advising them of the finalised guideline for the new financial measures of the framework and new risk framework.

I have asked Mr Stephen Robbins, Executive Director (Finance, Performance and Programs), in Local Government Division of the department to assist you with any further queries. You may wish to contact Mr Robbins on telephone 0436 840 013 or by email at [stephen.robbs@dsdilgp.qld.gov.au](mailto:stephen.robbs@dsdilgp.qld.gov.au).

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Nikki Boyd', with a stylized flourish at the end.

**NIKKI BOYD MP**  
**Assistant Minister for Local Government**

Enc (4)



# **Sustainability Framework**

## For Queensland Local Governments



Connect with us @GrowingQld



The Department of State Development, Infrastructure, Local Government and Planning connects industries, businesses, communities and government (at all levels) to leverage regions' strengths to generate sustainable and enduring economic growth that supports well-planned, inclusive and resilient communities.

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Any references to legislation are not an interpretation of the law. They are to be used as a guide only. The information in this publication is general and does not take into account individual circumstances or situations. Where appropriate, independent legal advice should be sought.

Copies of this publication are available on our website at [www.statedevelopment.qld.gov.au](http://www.statedevelopment.qld.gov.au) and further copies are available upon request.

## Contact us

☎ +61 7 3328 4811 or 13 QGOV (13 74 68)

@ [info@dsmip.qld.gov.au](mailto:info@dsmip.qld.gov.au)

🌐 [www.statedevelopment.qld.gov.au](http://www.statedevelopment.qld.gov.au)

✉ PO Box 15009, City East, Queensland 4002

🏠 1 William Street, Brisbane 4000

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# Introduction

## Overview

Queensland's local government's role in supporting the safety, liveability, and prosperity of their local communities is critical.

Each of the 77 councils face unique financial, service delivery and community need circumstances. Ensuring local government sustainability is a challenge for all councils and the Queensland Government.

The COVID-19 pandemic has presented challenges to local governments on a scale not seen before and has exacerbated the sustainability challenges faced by the sector.

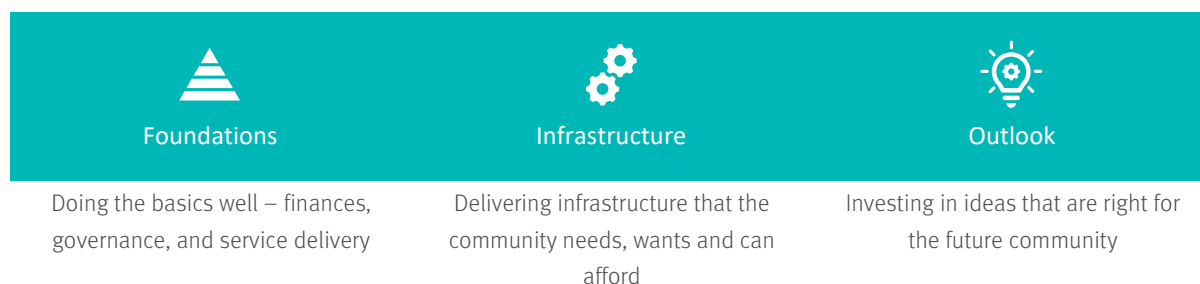
Sector diversity means that no single solution or approach addresses sustainability challenges. To better reflect and respond to this complexity, the Department has developed a new Sustainability Framework that recognises the varied factors influencing council success over time.

This Framework outlines an integrated view of the drivers impacting council sustainability and illustrates how the Department will attend to these issues in collaboration with councils, agencies, and sector stakeholders.

## Principles

Implementation of the new Sustainability Framework will provide councils and the Department greater insight into the sector's challenges and support the development of more tailored solutions to councils.

This also supports the Department's vision of business-ready councils and liveable communities – today and into the future –enabling growth and prosperity by focusing on three principles:



Over time, the Framework will be embedded into the Department's operations, driving a more considered and holistic view of the sector and its needs. The Framework will continue to evolve based on feedback from councils and key stakeholders.

## Structure of this Document

This document is divided into two parts:

**Part A** provides an overview of the Queensland local government sector as it relates to sustainability, including an overview of key statistics and historical reforms, relevant regulatory frameworks and documents, and the role of the Department and stakeholders.

**Part B** addresses local government sustainability, including the Department's definition of sustainability, the core elements contributing to council sustainability, and how the Department deploys the tools at its disposal to support the sector to achieve success.

**Note:** Under the *Local Government Act 2009* and *City of Brisbane Act 2010*, the Department is required to establish a set of relevant measures of financial sustainability for the purposes of council annual financial planning and reporting.

The guideline containing these measures has been developed based on the principles established in this Sustainability Framework and is published separately as the *Financial Management (Sustainability) Guideline*. Please refer to the Department's website for more information.

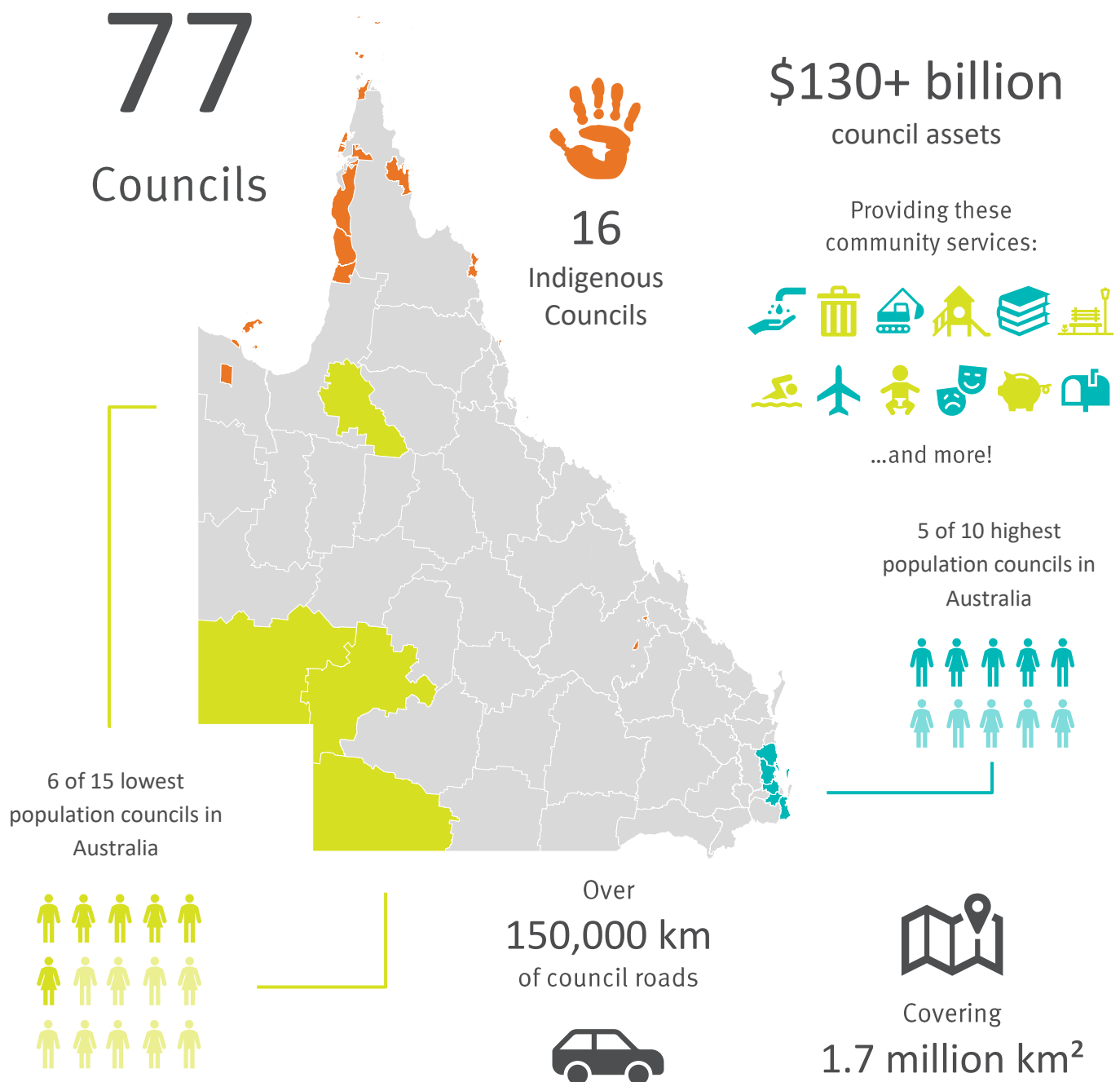
## Part A: Background

### The Queensland Context

#### Local Government Sector Profile

Queensland has one of the most diverse local government sectors in Australia, covering a large geographic area and comprising a multitude of regions, cultures, social factors, and economic drivers. Our councils provide vital economic and social services which facilitate and grow our communities.

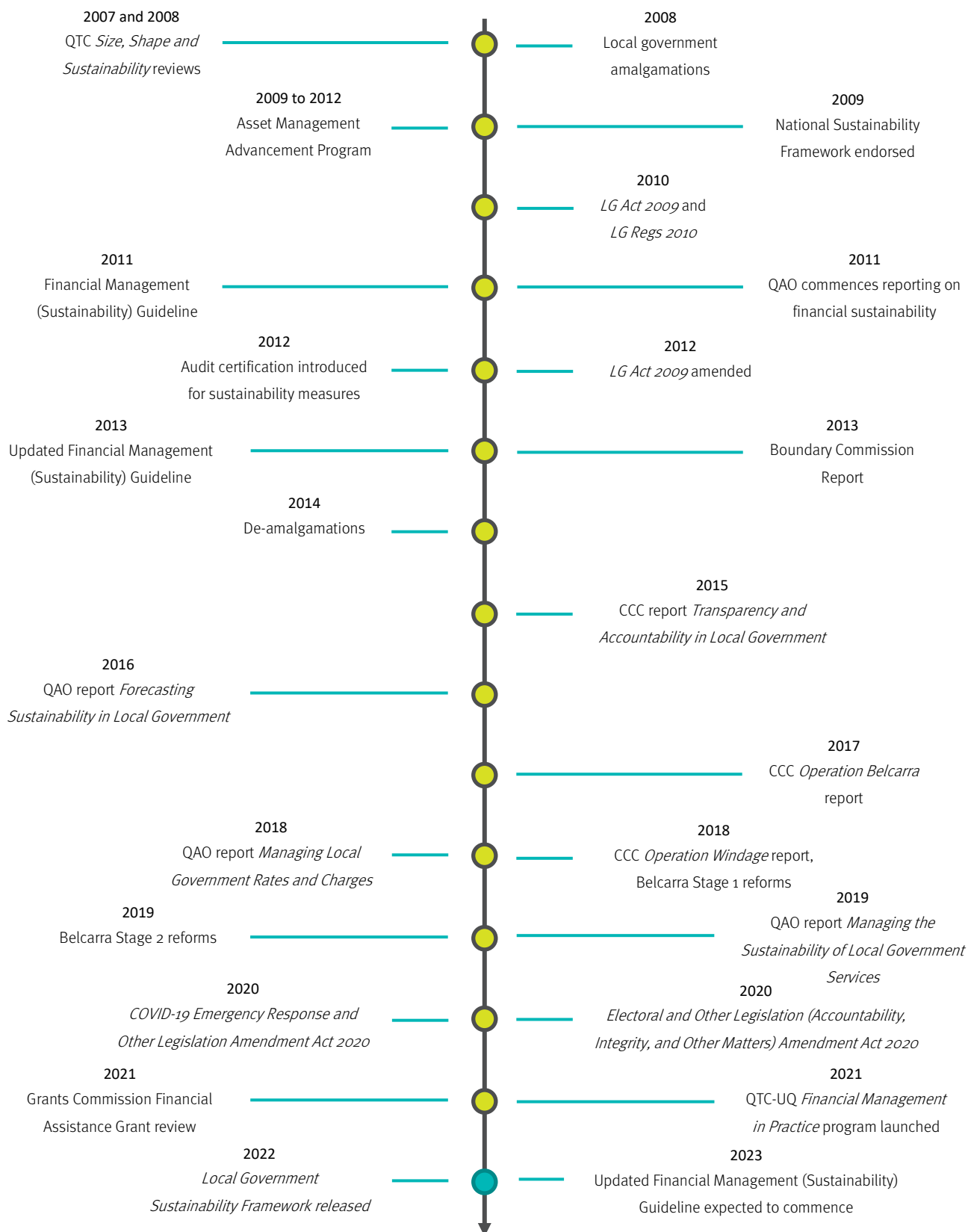
The infographic below shows just some of the key facts about Queensland's councils.





## History of Local Government Reform in Queensland

Queensland has undertaken various reforms over time to support and strengthen local government governance and sustainability. Some of these initiatives are outlined in the following timeline.





All states and territories endorsed a nationally consistent local government financial sustainability framework in 2007 and 2009. The framework provided:

- » criteria for assessing financial sustainability of local councils
- » a toolkit to develop asset planning and management; and
- » better practice financial planning and reporting guides.

Since then, Queensland has worked to incorporate and refine the elements of these frameworks into the State's regulatory environment in a way which recognises the needs and diversity of our local government sector and supports councils to improve the liveability and prosperity of their communities.

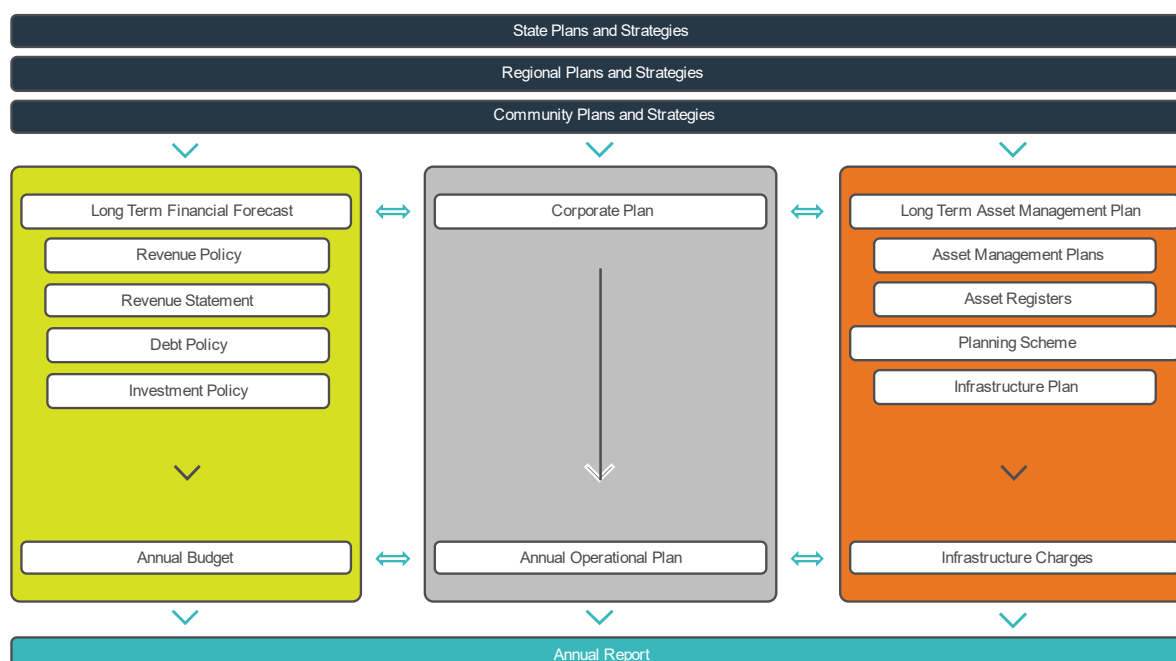
At the same time, the State has responded to major reports on council governance and financial sustainability published by the QAO, CCC, and other stakeholders through regulatory changes, capability, and other support programs, as well as undertaking structural reforms where necessary.

The State will continue to monitor and respond to the needs of councils into the future, and this Local Government Sustainability Framework will form the foundation for further policy and tailored support for the sector.

## Local Government Sustainability and Reporting Framework

Queensland's councils operate within an integrated sustainability planning and reporting framework, with several linked strategic documents forming the basis for successful and sustainable management of a local government in the long term.

A summary of the legislative sustainability and reporting framework is below.



## Key Sustainability and Reporting Documents

Each of these strategic and operational documents plays a critical role in a council's short- and long-term sustainability, as summarised below.

**Community Plans and Strategies** – provide the council's overarching direction and inform long-term planning on behalf of the community.

**Long-Term Financial Forecast** – a 10+ year forecast and supporting information, which outlines long-term financial direction and links to the council's other long-term plans.

**Financial Policies** – these provide the principals under which councils addresses financial matters (e.g. Rating, borrowings)

**Annual Budget** – this represents the first year of the long-term forecast, outlines council's projected revenue and spending plans, and integrated to other annual documents.

**Corporate Plan** – a 5+ year plan outlining council's strategic direction, objectives and performance indicators and links to the council's other long-term plans.

**Operational Plan** – this outlines council's business plan for the year and how it will further the strategic corporate plan, and links to other annual documents.

**Long-Term Asset Management Plan** – a 10+ year strategic plan, supported by individual asset management plans and asset registers, which outlines a council's approach to sustainably managing its assets and infrastructure, and links the council's other long-term plans.

**Planning Scheme** – a strategic plan, possibly including an infrastructure plan, which outlines a council's approach to its long-term community development, is reviewed every 10 years, and links the council's Long-Term Asset Management Plan.

**Infrastructure Charges** – these are levied on developers to support a council's local infrastructure plan and are consistent with council's other annual documents.

**Annual Report** – prepared each financial year, this document contains a council's audited financial statements and reports on progress against its corporate and operational plans. It also includes a report on internal audit results, a summary of discretionary councillor spending, and other matters pertaining to council governance.

## Queensland's Legislative Framework

The *Local Government Act 2009* and *City of Brisbane Act 2010* set out the accountability framework for local governments in Queensland. These Acts and their associated Regulations combined with other State and Commonwealth legislation establish council obligations and cover for example governance, financial accountability, environmental management, urban planning, and community consultation.

### Local Government Principles

The two principal Acts are 'principles based' legislation and are founded on five local government principles. All principles are of equal importance.

These principles are:



All councillors must comply with the local government principles when making decisions for their communities. Councillors must ensure they effectively represent the overall public interest when making decisions for the benefit of the whole community.

Being broad in nature, the local government principles allow councils to develop processes and procedures well-adapted to their own unique and diverse circumstances.

### Sustainability and Reporting

As noted above, councils are required to prepare and maintain a set of key strategic and operational documents to support their ongoing governance and sustainability. These requirements are set out in the *Local Government Act 2009*, *City of Brisbane Act 2010*, *Local Government Regulation 2012*, and *City of Brisbane Regulation 2012* and summarised in **Appendix A**.

**Note:** This summary is presented for informational purposes only and does not replace the need for council officers and elected officials of local governments to be familiar with the Acts and Regulations.

## The Department's Role

### Overview

The Department supports the sector in many ways, working with councils and stakeholders to facilitate sustainable, capable, and accountable local governments that in turn enable communities to thrive.



To achieve this, the Department uses the six primary levers at its disposal to influence the broader local government regulatory environment and support council elected officials and officers directly through various programs within those levers, as summarised below.

### Departmental Levers



#### Policy

The Government, through the Department, sets the primary legislative framework for the sector through the local government Acts and Regulations and coordinates with other policy-making agencies to ensure alignment between these and other legislative regulation.

Policy is informed by submissions from the sector and key stakeholders, Government objectives, and monitoring and analysis undertaken by the Department. The aim is to create policy supporting the ongoing good governance and sustainability of councils for the benefit of their communities.



#### Monitoring

To support its administration of the relevant local government Acts and Regulations, the Department undertakes ongoing monitoring to gather intelligence about legislative compliance, funding and capability support needs, policy and advocacy opportunities, and the overall health of the sector.

Monitoring is undertaken through various short- and long-term channels, including councils and stakeholder engagement, data collection and analysis, representation at various sector bodies and events, community submissions, and media reports.



### Funding

The Department develops and administers State and Commonwealth funding programs to support councils in delivering services and infrastructure to their communities. These programs include operational and capital grant programs, as well as local government borrowing and other financial facilities.

Funding programs are designed to address gaps between a council's financial capacity and desired council and community outcomes and support the achievement of Government objectives. Programs can be general or specific in nature, depending on relevant policy goals.



### Capability

The Department also supports councils to meet their statutory responsibilities, with the goal of empowering council elected officials and officers to perform at the level sought by their communities and required by legislation.

Capability building programs take many forms, including online or face to face direct training or training facilitated by the Department, the establishment and facilitation of peer learning networks, and advisory services provided by Departmental officers or subject matter experts engaged by the Department.



### Performance Response

The Department administers the local government Acts and Regulations to provide for the good governance of all councils. Where the Minister or Department consider a significant risk to the good governance a council exists, they have power to intervene as responsibility for council success ultimately rests with the State

Interventions are broad, ranging from non-regulatory support options such as ongoing monitoring, training, and advice, through to formal statutory interventions up to and including the dissolution of a council. The Department's preference is to empower local governments to improve their own self-governance where possible, and formally intervene only in urgent and significantly compelling cases.



### Advocacy

As part of its role of facilitating sustainable, capable, and accountable local governments that enable thriving local communities, the Department engages with stakeholders across and outside government at all levels to represent the interests of the Queensland local government sector.

The Department is a representative on relevant State and Commonwealth bodies and works to build and enhance relationships with key stakeholders outside government. Through these relationships, the Department influences policy and program development, shares knowledge and best practice, advocates for funding, and communicates the successes and challenges of Queensland's councils.

A chart summarising the Department's sustainability principles, elements and levers is in **Appendix B**.

## Other Key Stakeholders

The Department works closely with a range of stakeholders to enhance and support the success of councils, leveraging their perspectives and expertise to deliver positive outcomes for Queenslanders.

### Communities

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Local government is the closest level of government to the community, and its representatives are drawn from its ranks. In addition to working closely with councils themselves, the Department also consults with the community itself about changes to policies and programs that affect local government.

### Councils

---

Councils play a central role in community governance as a local decision-making and service delivery agent. Councillors are elected to represent their constituents and oversee the good rule and government of their local area.

The Department is responsible for administering and supporting the Queensland local government sector, and works closely the councils to empower them to deliver positive outcomes for their communities. As mentioned above, this is achieved through the six key levers of policy, monitoring, funding, capability, governance, and advocacy. The Department maintains a regional network of officers across the state to support its work and provide an on-the ground contact point for council officers and elected officials.

### Queensland Audit Office

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The QAO, led by the Auditor-General, is tasked with auditing local government annual financial statements and publishing their opinions about the reliability of these statements through councils' annual reports. These opinions, along with an assessment of the overall financial sustainability of the sector, are summarised and published by the QAO each year.

Additionally, the QAO also undertakes performance audits to examine the efficiency, effectiveness and legislative compliance of councils and identify opportunities for them to improve performance and service delivery.

### Queensland Treasury Corporation

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As the Queensland Government's central financing authority, Queensland Treasury Corporation (QTC) manages the State's borrowing program in the global financial markets and provides financial services to all government entities in Queensland. QTC works closely with the Department to provide financial resources and services to councils, and deliver sustainable and cost-effective borrowings for the local government sector.

QTC also undertakes credit reviews of councils holding or seeking borrowings, and provides recommendations to the Department about the ongoing creditworthiness of Queensland's councils.

## Office of the Independent Assessor

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The OIA, let by the Independent Assessor, undertakes the initial assessment of all complaints about councillor conduct in Queensland. It investigates misconduct complaints against local government mayors and councillors and, where appropriate, prosecutes those complaints in the Councillor Conduct Tribunal.

The Independent Assessor reports directly to the Minister for Local Government and ensures the councillor complaint process remains transparent and accountable.

## Electoral Commission of Queensland

---

The ECQ, led by the Electoral Commissioner, is the independent statutory authority that is responsible for the conduct of local government elections in Queensland. It also reviews local government electoral boundaries, and regulates and promotes compliance with electoral funding and disclosure requirements.

The Department works with the ECQ to establish and administer the local government electoral system through the *Local Government Electoral Act 2011* and supports the Commission by offering training sessions to intending councillors prior to nominating for election.

## Other State Government Agencies

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Other State Government departments and statutory authorities provide support to councils through various policies and programs, and administer other Acts and Regulations that affect the local government regulatory framework.

The Department coordinates with these agencies to represent the interests of the sector, ensure alignment between legislation and policies, and provide specialist expertise on Queensland local government to support the delivery of programs for the benefit of our communities.

## Local Government Association of Queensland

---

The LGAQ is the peak body for local government in Queensland. It is a not-for-profit association set up solely to advise, support, and represent councils, enabling them to improve their operations and strengthen relationships with their communities.

The Department consults closely with the LGAQ on matters affecting Queensland councils, and works together with them to strengthen the ability and performance of local government to better serve their community through the Partners in Government Agreement.

## Other Relevant Peak Bodies

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The Department also engages with other peak bodies in the local government sector to seek input on policies and programs, and support the delivery of government initiatives and objectives. These bodies include Local Government Managers Australia (Queensland), Local Government Finance Professionals, and the Institute of Public Works Engineers Australasia.



## Part B: Sustainability

### Definition

There are many definitions of local government sustainability that have been developed over time by various jurisdictions and stakeholders. The Department's definition of sustainability is suitable to the Queensland context, recognises the various drivers of council success, and guides future support to the sector.

### Principles

#### Local Government Act Definition

The *Local Government Act 2009* provides the following definition of financial sustainability:

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*A local government is **financially sustainable** if the local government is able to maintain its financial capital and infrastructure capital over the long-term.*

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For both financial capital and infrastructure capital, the emphasis is on maintaining the service capacity of the council in the long-term. There is a direct link between the prudent and strategic management of community infrastructure and financial assets, and the ongoing financial viability of a local government.

Although an individual councillor or council officer may only serve their council for a limited time, they should take the short- and long-term impacts of their choices into consideration of every decision they make. The Department provides an oversight role for councils, but ultimately it is up to individual local governments to make decisions in the best interests of their community now and into the future.

#### A Holistic Approach

Although the above definition provides a basis for the responsible management of community funds and assets, it does not include other factors which influence council success and sustainability.

Non-financial elements such as governance and integrity can significantly impact a local government's ability to represent and deliver for their community in a way that maintains public confidence.

At the same time, there are factors largely beyond a council's control which can have a material effect on its short- and long-term sustainability, such as natural disasters. These influences can only be managed, not controlled, so as to minimise risks to the community and council's ongoing service delivery.

The Department recognises the important influence of non-financial factors on council success and for this reason has incorporated these key drivers into this Framework. It ensures an integrated and more holistic approach to monitoring, measuring, and managing council sustainability.



## Service Delivery

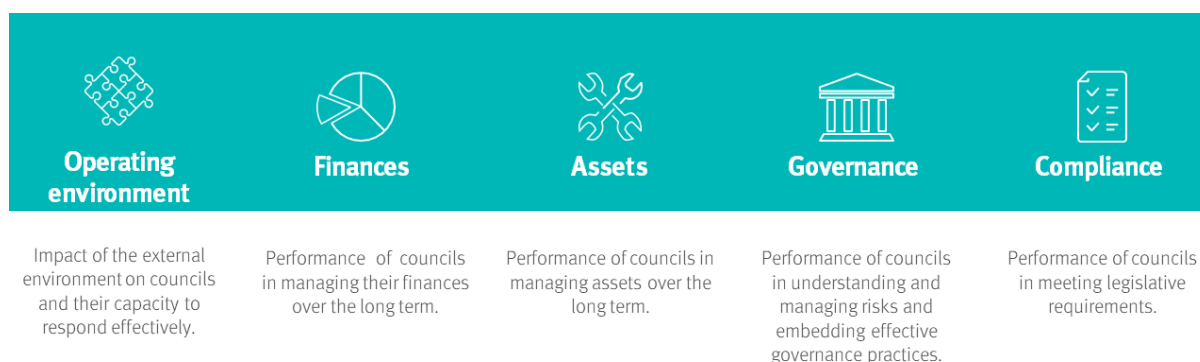
Councils provide a multitude of services to their communities, using a variety of operating methods and delivery approaches, operating in a range of different local environments. The efficiency and effectiveness of these services is directly impacted by how well a council manages the fundamental elements of its own sustainability, which is why it is not included as a specific element below.

Due to the breadth of services provided by the sector and the many different operating models employed by councils to deliver them, the Framework does not set service level standards for local governments.

Individual councils can and should establish efficiency and effectiveness performance indicators for the services they deliver, taking into account local factors and constraints as well as council's specific organisational and delivery model.

## Elements of Sustainability

Using the principles explained above, the Department has distilled the financial and non-financial factors influencing local government sustainability into five key elements - Operating Environment, Finances, Assets, Governance, and Compliance, as outlined further below.



## Operating Environment

Impact of the external environment on councils and their capacity to respond effectively.

### Outcomes

- » Councils are aware of their operating environments and respond appropriately
- » Local communities are supported socially and economically by their councils
- » Councils are resilient and equipped to respond to natural disasters

A council's operating environment represents those factors primarily outside its control but still affecting its ability to operate. This includes factors like remoteness, demographics and socio-economic characteristics, industry composition, as well as an area's exposure to natural disaster events. While councils cannot control these factors, their ability to respond to and/or influence them can affect their long-term sustainability.

The outcomes sought for this element reflect the everyday reality for councils in Queensland, where communities adapt to local circumstances and manage risks as best as they can. An understanding of these external factors can assist councils to develop risk mitigation and management strategies, and seek innovative solutions to support their local communities.

## Finances

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### Performance of councils in managing their finances over the long-term.

#### Outcomes

- » Service levels are maintained at appropriate levels over time
- » Services are delivered efficiently and effectively
- » Councils operate within their means
- » Appropriate levels of debt are maintained relative to council's servicing capacity

Councils that cannot afford to deliver the necessary levels of service to their communities over the longer term are not sustainable. For all councils, regardless of size, this requires operating within their means and managing resources efficiently and effectively to minimise the need for external financial support, to the extent possible.

The outcomes sought for this element reflect the legislative expectation that councils manage their finances prudently and avoid making decisions which negatively impact financial sustainability especially in the longer term. Council elected officials and officers should ensure they understand the long-term effects of financial decisions in addition to short-term impacts.

## Assets

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### Performance of councils in managing assets over the long term.

#### Outcomes

- » Assets are well managed and maintained
- » Capital expenditure is adequately funded when it falls due
- » Projects are appropriately prioritised and costed
- » Councils are planning for future community needs

Service delivery is closely aligned with how well a council manages its assets, including critical water and waste infrastructure, road networks, community amenities, and airports. Poor asset management impacts the quality and reliability of community services, increased costs to councils and ratepayers and compromises long-term sustainability.

The outcomes sought for this element reflect the need for councils to plan and make decisions for the long-term. A thorough understanding of community asset conditions, whole-of-life maintenance and renewal costs, and achievable service levels and capital expenditure given financial and other constraints is required by council officials to better inform their decision-making and conversations with their local communities.

## Governance

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### Performance of councils in understanding and managing risks and embedding effective governance practices.

#### Outcomes

- » Decisions are made responsibly and in accordance with legislative governance framework
- » Core business risks are identified and managed
- » Suitably qualified staff are employed and retained
- » Community is satisfied with council performance

Councillors and council staff are expected to make decisions in the best interests of the community and manage risks to ensure council success. Effective governance and decision-making reduce the potential for adverse impacts on community service delivery and confidence from failures of planning, integrity, and transparency. Councils with effective governance practices are better placed to make informed decisions that consider the long-term risks and long-term affordability.

The outcomes sought for this element reflect the Local Government Principles and the requirement for council decision-makers to exercise the highest standards when fulfilling responsibilities. Elected officials and officers must familiarise themselves with their obligations, and nurture a council culture which values integrity, accountability, transparency, appropriate risk management, and a focus on the community interest.

## Compliance

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### Performance of councils in meeting legislative requirements.

#### Outcomes

- » Financial accountability and corporate planning documents are prepared on time and to a high standard
- » Council complies with all State and Commonwealth statutory requirements
- » Documents are publicly available as required by regulation
- » Grant funded projects are delivered on time and within budget

It is imperative that councils are effective managers of their regulatory obligations. Councils without the organisational behaviours and systems in place to consistently meet their regulatory requirements in a timely and effective manner attract financial and other statutory penalties, which can compromise their ongoing sustainability.

The outcomes sought for this element reflect the statutory requirements for councils to comply with regulatory frameworks applicable to them. Elected officials and officers must familiarise themselves with the relevant Acts and Regulations, and put in place systems to ensure proactive compliance and management of risks.

## Measurement

Local government sustainability is a broad concept, with many elements influencing council outcomes in different ways depending on local circumstances.

No measurement system will be able to provide complete assurance of a specific council's sustainability, particularly in a rapidly changing environment, however an analysis of key indicators over time provide evidence of whether or not desired outcomes are being achieved.

Indicators can be either quantitative or qualitative. Quantitative measures are more objective in nature and are easier to measure, while qualitative measures are less easily defined but provide necessary context which may not be captured by numbers.

### Principles

Based on the 2007 National Framework *Criteria for Assessing Financial Sustainability*, the Department has established a set of principles for the development of sustainability indicators.

Relevance	»	Indicators chosen should measure factors which define sustainability.
Reliability	»	indicators should be based on information that is readily available and reliable.
Measurability	»	Indicators should be based on information that is quantifiable and as objective as possible.

### Differentiation

Queensland has one of the most diverse local government sectors in Australia, covering a large geographic area. Across the state, individual councils face a unique set of financial, service delivery and community need circumstances and are impacted by a wide range of social and economic factors.

The Department acknowledges the diversity across the sector and recognises there is little benefit gained from comparing disparate councils given their vastly different operating environments. As a result, the Department has allocated each of Queensland's 77 councils to a small number of groups to allow for like-for-like comparisons between councils with similar characteristics for sustainability reporting purposes.

Grouping councils allows fit-for-purpose measures and/or benchmarks for each council group, increasing the relevance of the information communicated to stakeholders and enabling the department to identify and provide more targeted support where required. This approach does not supersede existing classifications of councils for other statutory and program purposes.

Various alternative approaches for grouping councils were considered and analysed for correlation across key performance metrics with support from the sector and stakeholders, with the final methodology resulting in eight "Tiers" of councils based on a combination of population figures and remoteness classifications by the Australian Bureau of Statistics.

These two factors were found to have the greatest influence on council sustainability as they are key drivers of the types of services provided, as well as a council's ability to fund the delivery of these services to their community. For example, remote councils with small populations often provide services as the provider of last resort such as aged care and childcare.

Grouping councils according to population and remoteness is also considered the most stable and reliable method compared with other potential approaches due to the limited variation in these two factors over time for the vast majority of councils.

### Council Narrative

Without context, most performance measures will have little meaning, reducing their effectiveness and council accountability in addition to creating confusion for stakeholders.

Commentary provided by the council allows elected officials and senior management the opportunity to offer necessary clarity about a local government's performance, the drivers of the published results, and whether or not the council remains on track toward achieving its goals.

Comparison against other councils over time is one way to identify relative performance across a range of published measures, which can offer context to elected officials and other stakeholders about a council's efficiency and effectiveness compared with its peers.

### Elements

This section outlines examples of qualitative and quantitative measures which can be used to provide insights into varying aspects of a council's sustainability. The categories and indicators listed here are not exhaustive and councils and the Department may choose to analyse other measures of success in forming a view on council performance depending on the issue under consideration.

### Operating Environment

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Indicators for this element strive to capture those drivers which are outside a council's control, but which have the potential to affect local government sustainability over the short- and/or longer-term. They can also help councils understand the impact of various decisions on their local communities.

- » **Demographic** – population, birth rates, age structure, household size and composition
- » **Environmental** – climate, rainfall, pollution, disaster frequency and preparedness, water quality
- » **Economic** – unemployment, capital investment, median income, industry concentration
- » **Social** – home ownership, crime, literacy, education levels, cultural identity, disadvantage

### Finances

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Indicators for this element illustrate various aspects of a local government's financial performance and are usually lagging (after the fact) in nature. Council management and elected officials should use these measures to assess the financial impacts of proposed actions on their council's ongoing sustainability.

- » **Financial Capacity** – population growth, council-controlled revenue, grants reliance

- » **Operating Performance** – operating surplus, operating cash, revenue/expenditure growth
- » **Liquidity** – working capital, unrestricted cash expense cover
- » **Debt Servicing** – leverage, net financial liabilities, debt service coverage

## Assets

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Indicators for this element assess a council performance across various aspects of asset management, from initial project planning to delivery and ongoing maintenance. They can assist councils with understanding their asset base and making better investment decisions for their communities.

- » **Planning** – lifecycle costs, net present benefit/cost, asset management plan quality/links
- » **Investment** – renewal ratio, sustainability ratio, infrastructure backlog, service levels
- » **Consumption** – consumption ratio, occupancy/usage rate, maintenance/renewal rates
- » **Performance** – failure rates, overall equipment effectiveness, customer satisfaction

## Governance

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Indicators for this element provide insights into aspects of a council's risk management and leadership frameworks and can often be leading indicators of future sustainability challenges. Council leadership should monitor these areas to ensure the ongoing good governance of their community over time.

- » **Leadership** – meeting attendance, community satisfaction, contested executive and senior management decisions, policy suite
- » **Workforce** – employee/executive turnover, vacancy periods, employee satisfaction
- » **Audit** – committee meetings, internal audit planning, identified control risks, aged risks
- » **Complaints and Media** – conduct complaints, negative media, conduct register publication

## Compliance

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Indicators for this element assess a council's ability to meet its prescribed statutory requirements and avoid potential risks and penalties for non-compliance. They can assist with monitoring deadlines, improving transparency and accountability, and retaining the confidence of their communities.

- » **Information** – notice periods, website publication timeliness, community engagement, policy suite
- » **Meetings** – transparency, impartiality, decision legality, procedure adherence, public disclosures
- » **Funding** – reporting timeliness/quality, funding variations, projects on time/budget
- » **Declarations** – registers of interests, conflicts of interest

## Other Measures

Councils often include other performance indicators in their internal and/or external reporting framework to meet other regulatory requirements or highlight areas of particular importance for their communities.

Where these measures are included, councils should strive to ensure the meaning and results are clear to stakeholders and align with the council's short- and longer-term objectives.

**Note:** Under the *Local Government Act 2009* and *City of Brisbane Act 2010*, the Department is required to establish a set of relevant measures of financial sustainability for the purposes of council annual financial planning and reporting.

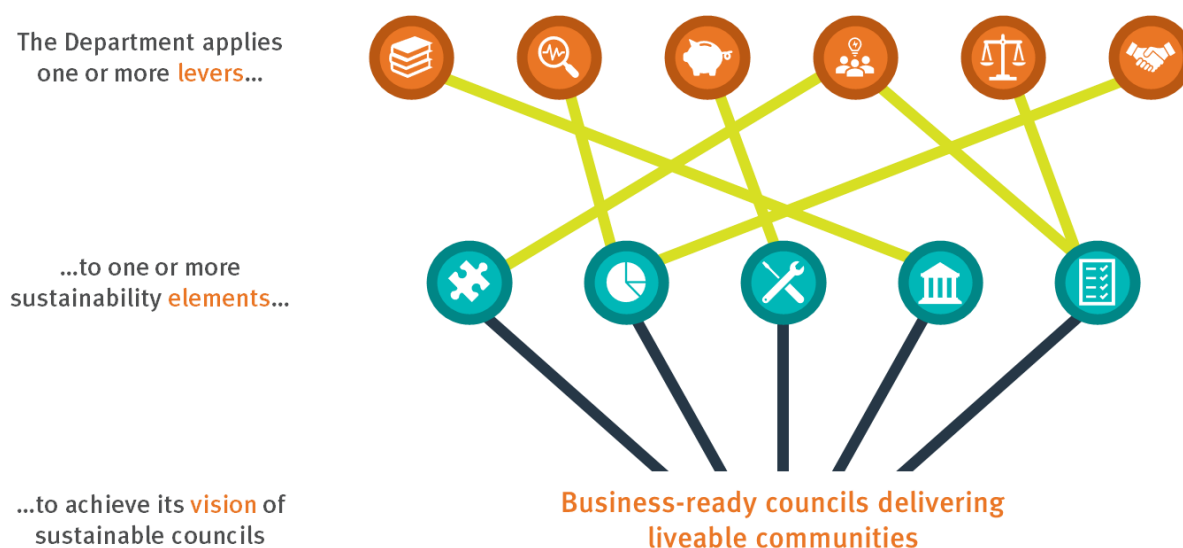
The guideline containing these measures has been developed based on the principles established in the Sustainability Framework and is published separately as the *Financial Management (Sustainability) Guideline*. Please refer to the Department's website for more information.

## Application

### Overview

Council sustainability is a complex issue. Although a council may succeed in one or more elements of sustainability, it may struggle in others. Further, sustainability is not a “set-and-forget” issue where challenges can be “fixed” once and for all, with many issues councils face requiring constant monitoring and maintenance to ensure ongoing success and stability.

This Framework forms the basis for how the Department will engage with the sector and its stakeholders to support council sustainability, as illustrated in the diagram below:



A more detailed chart summarising the relationship between the various local government sustainability principles, elements, and levers outlined in this Framework can be found in **Appendix B**.

The Department will work with councils and other sector stakeholders to monitor council sustainability, and use the intelligence gathered from these and other sources to inform policy, funding, capability, and other responses to support individual councils, groups of councils, and the sector at large, delivered through the Department or in combination with other stakeholders.

See the **Examples** section overleaf for hypothetical applications of the Framework to potential local government sustainability issues.

Over time, the Department will seek to embed the principles and language underpinning the Framework into all facets of the State’s engagement with the sector, providing a common language for monitoring, measuring, and responding to council sustainability challenges.



## Examples

The following examples illustrate how the Framework can be used by councils and the Department to identify and address short- and longer-term sustainability issues facing the sector in a structured, considered, and collaborative way.

### Example 1: Financial Distress

The Department notes from a regular service meeting with Council A (**Monitoring**) that the council is experiencing cashflow problems and is forecasting difficulties fulfilling its future expenditure obligations if the current trend continues (**Finances**). Further investigation reveals a history of cost overruns and poor project oversight (**Assets, Governance**).

Working closely with Council A's elected leaders and CEO, the Department quickly establishes a temporary working capital facility for the council to ease the immediate pressure on its finances (**Funding**). The Department also appoints an advisor (**Performance Response**) to support and train the council's leadership to establish appropriate controls over project planning and delivery and identify and minimise future sustainability risks (**Capability**).

The Department continues to monitor the situation over the coming months to ensure Council A's challenges are resolved and that service delivery to the community can continue without interruption, eventually winding down the working capital facility and advisor appointment on the council's achievement of performance milestones agreed with the council's leadership as they are fulfilled.

### Example 2: Asset Management

A regional group of councils have reached out to the Department to discuss common challenges they are experiencing in fulfilling their regulatory asset management functions (**Assets, Compliance**), including the regular condition assessment of community assets, future demand and maintenance forecasting, and preparation and updating of asset management plans (**Governance**).

The Department convenes a meeting with the councils and relevant stakeholders with expertise in this area (**Advocacy**) to discuss the issues, identify best practices, and develop a plan to build the council's asset management capacity – including grant funding for a regional uplift project (**Funding**), and the development of templates and training for council officers and elected officials (**Capability**).

Following the project, the Department continues to work closely with the councils to monitor and support the implementation of the agreed program (**Monitoring**) and works with the sector and relevant stakeholders to update existing policy guidelines to provide better clarity to councils about regulatory obligations for asset management functions (**Policy**).

## Glossary

Reference	Meaning
CCC	Crime and Corruption Commission
Commonwealth	Australian Government
Department	The Department of State Development, Infrastructure, Local Government and Planning
ECQ	Electoral Commission of Queensland
LG Act	<i>Local Government Act 2009</i> and <i>City of Brisbane Act 2010</i> (for Brisbane City Council)
LG Regulation	Local Government Regulation 2012 and City of Brisbane Regulation 2012 (for Brisbane City Council)
LGAQ	Local Government Association of Queensland
Minister	Minister for Local Government
OIA	Office of the Independent Assessor
QAO	Queensland Audit Office
QTC	Queensland Treasury Corporation
State	Queensland Government
UQ	University of Queensland

## Additional Resources

This page provides links to additional resources and stakeholders to support users of the Local Government Sustainability Framework.

### Legislation

- » [Local Government Act 2009](#)
  - [Local Government Regulation 2012](#)
- » [Local Government Electoral Act 2011](#)
  - [Local Government Electoral Regulation 2023](#)
- » [City of Brisbane Act 2010](#)
  - [City of Brisbane Regulation 2012](#)
- » [Statutory Bodies Financial Arrangements Act 1982](#)
  - [Statutory Bodies Financial Arrangements Regulation 2019](#)
- » [Planning Act 2016](#)
  - [Planning Regulation 2017](#)

### Stakeholder Websites

#### Queensland Government

- » [Department of State Development, Infrastructure, Local Government and Planning](#)
- » [Queensland Audit Office](#)
- » [Queensland Treasury Corporation](#)
- » [Office of the Independent Assessor](#)
- » [Electoral Commission of Queensland](#)

#### Peak Bodies

- » [Local Government Association of Queensland](#)
- » [Local Government Managers Association \(Queensland\)](#)
- » [Local Government Financial Professionals](#)
- » [Institute of Public Works Engineers Australasia](#)

### Key Documents

- » *Financial Management (Sustainability) Guideline*

## Appendix A – Sustainability and Reporting Requirements Summary

The key sustainability requirements contained in the *Local Government Act 2009* (LGA09), *City of Brisbane Act 2010* (COBA), *Local Government Regulation 2012* (LGR12) and the *City of Brisbane Regulation 2012* (COBR) have been summarised below, under the following categories:

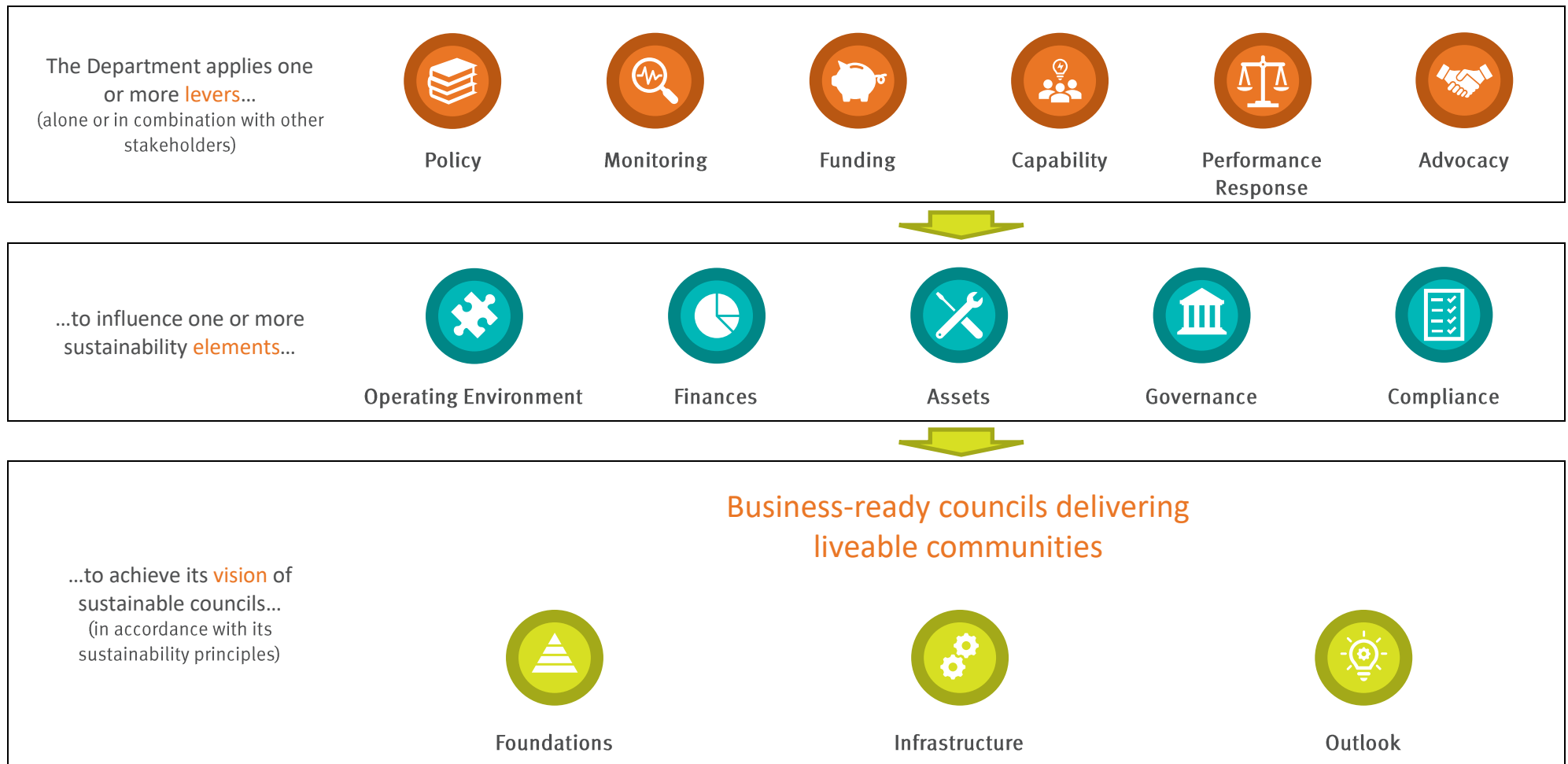
- » Financial Sustainability
- » Financial Management System
- » Financial Forecasts
- » Asset Management Plans
- » Budget Requirements
- » Internal Audit
- » Audit Committees
- » Audit Requirements
- » Annual Report Requirements
- » Community Financial Report Requirements
- » Statutory Interventions

This summarised information is presented for informational purposes only and is not intended to replace the need for officers of local governments to be familiar with the Acts and Regulations.

Category	Legislative Reference	Summary
Financial Sustainability	s104(2) LGA09 s103(2) COBA	Definition of ‘financially sustainable local government’
	s169(6) LGR12 s160(6) COBR	The nine measures of financial sustainability
Financial Management System	s104(1) LGA09 s103(1) COBA	Local governments must have a financial management system in place.
	s104(5) LGA09 s103(5) COBA	Required financial management system components
	s104(6) & (7) LGA09	Requirement for regular review and update of financial policies
Financial Forecasts	s171(1) LGR12 s163(1) COBR	Definition of ‘long-term financial forecast’
	s171(2) LGR12 s163(2) COBR	Requirement for annual review and update of long-term financial forecast
Asset Management Plans	s167 LGR12 s159 COBR	Requirement for long-term AMP to cover a period of at least 10 years
	s168 LGR12	Long-term AMP contents
Budget Requirements	s169 LGR12 s160 COBR	Budget requirements
	s169(2)(a) LGR12 s160(2)(a) COBR	Must include long-term financial forecast in budget process
Internal Audit	s105(1) LGA09	Councils must establish an efficient and effective internal audit function
	s270 LGR12	Internal audit provisions

Category	Legislative Reference	Summary
	s199 COBR	
<b>Audit Committees</b>	s105(2) LGA09	Each large local government must establish an audit committee
	s105(4) LGA09	Duties of audit committees
	s210 LGR12 s200 COBR	Audit committee composition
	s211 LGR12 s201 COBR	Audit committee meetings
<b>Audit Requirements</b>	s212(1) LGR12 s202(1) COBR	Provide current year financial sustainability statement to Auditor-General for auditing
	s212(2) LGR12 s202(2) COBR	Provide long-term financial sustainability statement to Auditor-General for information
	s212(5)(b) LGR12 s202(5)(b) COBR	Mayor and CEO to include (as part of the Management Certificate) their opinion as to whether current year and long-term financial sustainability statements have been accurately calculated
	s178(2) and (3) LGR12 s170(2) and (3) COBR	Long-term financial sustainability statement requirements
<b>Annual Report Requirements</b>	s176 LGR12 s175 COBR	Must prepare current year and long-term financial sustainability statements each financial year
	s178(1) and (3) LGR12 s170(1) and (3) COBR	Current year financial sustainability statement requirements
	s183(b) & (c) LGR12 s175(b) & (c) COBR	Must include current year and long-term financial sustainability statements in Annual Reports
<b>Community Financial Report Requirements</b>	s179(2)(c) and (3) LGR12 s171(2)(c) and (3) COBR	Include measures of sustainability in Community Financial Report
<b>Statutory Interventions</b>	s115 of LGA09	Provision for monitoring and evaluation of a council of councillor by the Department
	s117 of LGA09	Provision for appointment of an advisor to a council by the Department
	s118 of LGA09	Provision for appointment of a financial controlled to a council by the Department
	s121 of LGA09	Provision for the removal of an unsound decision of a council by the Minister
	s122 of LGA09	Provision for the removal of a councillor by the Minister
	s123 of LGA09	Provisions for suspension or dissolution of a council, and appointment of an administrator, by the Minister

## Appendix B – Sustainability Framework Principles, Elements, and Levers





Department of State Development,  
Infrastructure, Local Government and Planning  
PO Box 15009 City East Qld 4002 Australia  
Tel 13 QGOV (13 74 68)  
[info@dsdilgp.qld.gov.au](mailto:info@dsdilgp.qld.gov.au)  
[www.statedevelopment.qld.gov.au](http://www.statedevelopment.qld.gov.au)



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Department of State Development, Infrastructure, Local Government and Planning

# Risk Framework – Financial Sustainability

## Overview

The Department of State Development, Infrastructure, Local Government and Planning (the Department) has released the *Financial Management (Sustainability) Guideline* (the *Guideline*), which applies to all Queensland local governments from 1 July 2023.

This *Risk Framework – Financial Sustainability* supports the *Guideline* by outlining the principles underlying how the Department will monitor council financial sustainability, as presented in the measures reported by councils, the relative risk tolerance for each measure in the *Guideline*, and how measures can be interpreted in conjunction with each other.

Under the Local Government Regulation 2012 and City of Brisbane Regulation 2012, the Queensland Audit Office (QAO) is responsible for auditing council financial statements including the current year financial sustainability statement. The QAO's audit report on the sustainability ratios confirms the arithmetical accuracy of these ratios in accordance with the *Guideline*.

## Principles

The Department's approach to assessing financial sustainability risk is informed by the measures outlined in the *Guideline* and reported by councils according to the following underlying principles:

### Sustainability is more than financial ratios

Financial sustainability risks need to be considered holistically in combination with other key elements of council sustainability such as asset management, governance, compliance, and the broader operating environment as outlined in the Department's published *Sustainability Framework for Queensland Local Governments*.

Similarly, individual measures only tell a small part of the sustainability story and should be interpreted and assessed in conjunction with other relevant metrics to create a better understanding of council performance and sustainability. A poor result in one measure may be offset by success in another, or may alternatively confirm risks identified by other metrics.

### Sustainability is a long-term objective

Achieving sustainability takes time and concerted effort, and the Department recognises that there will be times when councils may experience sustainability pressures (such as natural disasters) which may affect short-term results but are able to be managed by a local government over the longer term. Assessments of financial sustainability risk should be considered in this context.

Some measures in the *Guideline* (such as the Unrestricted Cash Expense Cover Ratio) are shorter-term in nature and are recognised through application of their associated benchmarks to the single-year result. Assessments of financial sustainability risk by the Department will take the time-based importance of each measure into account.

### Not all risks are created equal

The *Guideline* requires the calculation and reporting of up to nine financial sustainability measures by councils. Of these, the two financial capacity measures (Council-Controlled Revenue and Population Growth) are considered



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contextual ratios and support understanding by stakeholders of key operating pressures which may be affecting councils' performance.

The Asset Renewal Funding Ratio is also considered a contextual measure due to its forecast-based and therefore un-auditable nature. For councils in Tier 6 to Tier 8, the Operating Surplus Ratio is also contextual in recognition of their low level of self-generated revenue and high reliance on external funding, which reduces the relative importance of this metric for those councils compared to other measures in the *Guideline*.

Of the remaining measures in the *Guideline* (which apply to all Tiers), the Department considers some to be of higher importance from a risk perspective relative to others, as outlined in the **Risk Tolerances** section below, due to the potentially larger adverse consequences of a council falling below its assigned benchmark for that measure in the shorter term. The Department will consider councils which do not meet the benchmarks for these measures as having a higher level of financial sustainability risk compared to other ratios.

### Compare like with like

The Department's *Guideline* groups councils into Tiers for sustainability reporting purposes in recognition that councils have differing financial and non-financial circumstances and challenges. These differing circumstances and challenges mean financial sustainability risk may look different for different Tiers.

When assessing financial sustainability risk for councils, the Department will refer to the relevant Tier's targets as well as other comparative information to assist it in determining the potential level of exposure and possible responses.

### Incentivise positive behaviours and avoid perverse outcomes

In updating the *Guideline*, the Department is seeking to establish a sustainability reporting framework which encourages council leaders to understand the drivers of long-term sustainability and pursue positive outcomes rather than "manage to the measure".

The Department's approach to assessing council financial sustainability risk recognises that sustainability is a constantly evolving concept that cannot be reduced to a single number or rating, but rather is informed by a range of factors which extend beyond what is contained in the *Guideline*.

As part of its ongoing role administering the Queensland local government sector, the Department uses all information at its disposal to identify potential sustainability risks across a range of areas and work with individual councils to address them.

## Risk Tolerances

As outlined above, the Department considers that the measures outlined in the *Guideline* pose differing levels of financial sustainability risk to councils should their associated targets not be met. The table below outlines the relative risk tolerance for each measure (not including contextual measures).

Type	Measure	Target Risk Tolerance		Commentary
		Tier 1 – 4	Tier 5 - 8	
Financial Capacity	Council-Controlled Revenue	Contextual	Contextual	N/A

	Population Growth	Contextual	Contextual	N/A
Operating Performance	Operating Surplus Ratio	Lower	Higher	<p>Tier 1 – 4: A lower risk reflects the expectation that these councils should be consistently generating operating surpluses given their larger population bases.</p> <p>Tier 5 – 8: A higher risk tolerance recognises the impacts of third-party capital funding which may offset a council's operating deficits.</p>
	Operating Cash Ratio	Lower	Lower	All councils: A lower risk tolerance recognises the importance of a council being able to fund its core operations. Councils with negative operating cash ratios over time are at a higher risk of future liquidity issues.
Liquidity	Unrestricted Cash Expense Cover Ratio	Lower	Lower	All councils: A lower risk tolerance recognises the importance of a council being able to meet its financial obligations as and when they fall due. Councils with unrestricted cash expense cover ratios approaching zero are at a significantly greater risk of solvency concerns in the short term.
Asset Management	Asset Sustainability Ratio	Higher	Moderate	<p>Tier 1 – 4 councils: A higher risk tolerance recognises the impact capital expenditure on new assets can have on this measure in larger councils (vs expenditure on asset renewals).</p> <p>Tier 5 – 8 councils: A moderate risk tolerance recognises that these councils should be prioritising capital expenditure that focuses on the renewal and replacement of existing assets over time.</p>
	Asset Consumption Ratio	Moderate	Moderate	All councils: A moderate risk tolerance recognises the expectation that a council will

				adequately manage and maintain its asset base over time while also acknowledging different community needs and service levels.
	Asset Renewal Funding Ratio	Contextual	Contextual	N/A
Debt Servicing	Leverage Ratio	Lower	Lower	All councils: A lower risk tolerance for all councils recognises the importance of a council being able to meet its debt servicing obligations as and when they fall due. Councils which struggle to repay their debts affect the State's creditworthiness and are at a high risk of solvency issues.

## Interpretation

### Interpreting measures in combination

Individual financial sustainability measures in the Guideline provide information about an element of council sustainability but may not tell the full story when considered in isolation. Examples of measures which can be considered together to provide a more comprehensive interpretation include:

1. **Operating Surplus Ratio and Operating Cash Ratio** – where a council reports a low or negative operating result, this may pose less of a sustainability risk where the council's operating cash ratio remains positive as it indicates that the council is still able to fund its core business operations. This is especially the case for smaller councils (Tier 5 and below).
2. **Operating Cash Ratio and Unrestricted Cash Cover Ratio** – where a council reports a negative operating cash in combination with a low unrestricted cash cover ratio, this indicates a high risk of liquidity and solvency concerns as the council may have challenges meeting its financial commitments in the short to medium term.
3. **Asset Sustainability Ratio and Asset Consumption Ratio** – where a council reports a lower asset consumption ratio over time, this may represent less of a sustainability risk where the council's asset sustainability ratio is within or above the required target as it indicates that council is meeting its asset renewal needs over time.
4. **Unrestricted Cash Expense Cover Ratio and Leverage Ratio** – where a council reports a low unrestricted cash expense cover ratio at the same time as a leverage ratio which is high and/or above the target, this is an indicator of a limited ability to fund additional capital expenditure through either working capital or borrowings, resulting in increased sustainability and service delivery risks.

5. **Leverage Ratio and Asset Sustainability Ratio** – where a council reports a high or above-target leverage ratio in conjunction with a lower asset sustainability ratio, this is an indicator of reduced capacity to fund ability capital expenditure through borrowings and may present higher sustainability risks to the council. These indicators are especially important for growing councils which may need to rely on external funding to support their increasing infrastructure needs.

## Interpreting measures within different Tiers

Interpreting the sustainability measures varies from tier to tier, having regard for the differing operational circumstances and sustainability drivers that impact Queensland councils.

Risk tables with relative targets and weightings to support assessments for each Tier can be found in **Appendix A**.

Tiers	Interpreting within Tiers
Tier 1 & 2	<p>Councils with large population bases should be expected to generate consistent operating surpluses (increasing the significance of this ratio).</p> <p>For growing councils, the leverage ratio also takes on additional significance due to their greater infrastructure investment funding needs, while the relative importance of the asset sustainability ratio declines due to the higher proportion of capital expenditure on new assets (which reduces the ratio result).</p>
Tier 3 & 4	<p>Like Tiers 1 and 2, these councils have relative higher levels of council-controlled revenue and should be able to generate consistent operating surpluses.</p> <p>For growing councils, the significance of the asset sustainability ratio result also reduces due to the influx of new assets.</p>
Tiers 5, 6 & 7	<p>These councils are generally smaller and more remote, and have a greater reliance on external funding due to their limited revenue-raising ability.</p> <p>The operating cash ratio increases in importance due to the need for these councils to ensure ongoing funding of their core business, while the unrestricted cash cover also has greater significance as these councils need to ensure an adequate cash buffer regardless of the peaks and troughs of external funding cycles.</p>
Tier 8	<p>Indigenous councils have no ability to levy rates and are therefore highly dependent on external funding to maintain their operations.</p> <p>Like the previous Tiers, the operating cash ratio increases in importance due to the need for these councils to ensure ongoing funding of their core business.</p> <p>The unrestricted cash cover also has greater significance as these councils need to ensure an adequate cash buffer regardless of the peaks and troughs of external funding cycles.</p>

## Departmental Response

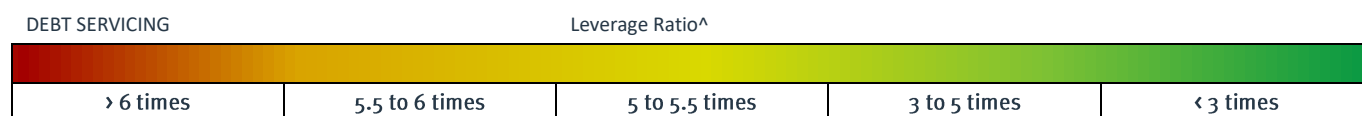
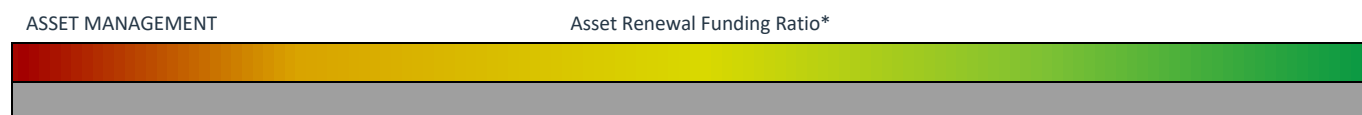
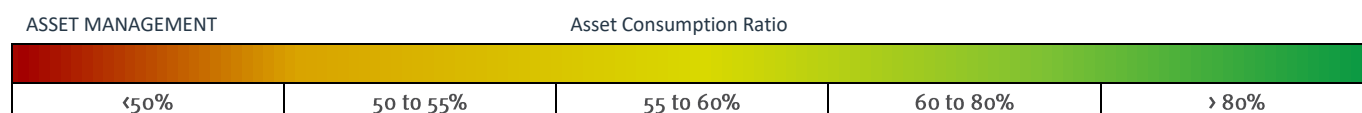
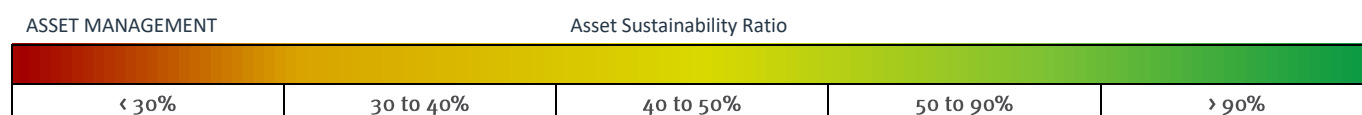
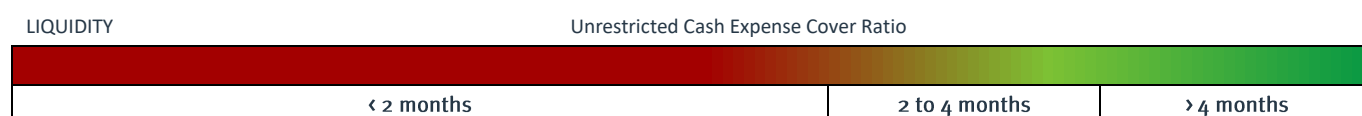
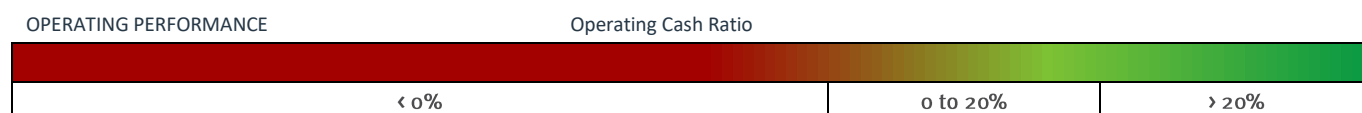
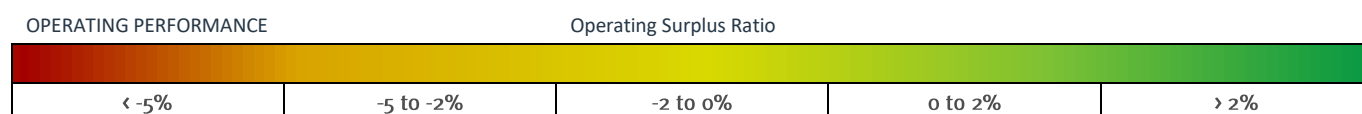
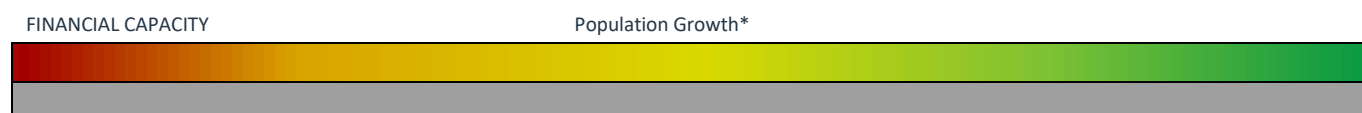
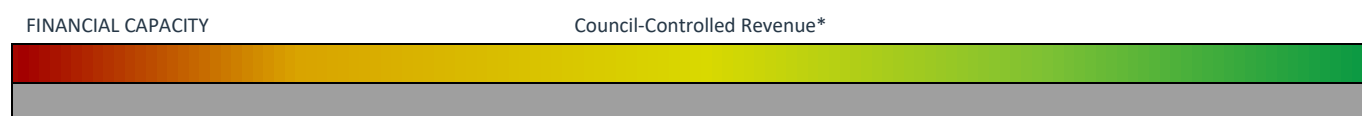
### Triggers for further action

The individual risk assessment tables contained in **Appendix A** outline the spectrum of possible results for each financial measure contained in the Guideline, including what the department considers to be an indicator of High or Very High risk.

If a council reports any measure with a result of High or Very High risk, this will form the basis for further investigation by the department and the development of responses and tailored support to emerging challenges if needed.

## Appendix A – Risk Assessment Tables

### Tier 1



\* Contextual – not assessed

^only assessed if council has debt

## Tier 2

FINANCIAL CAPACITY		Council-Controlled Revenue*		
<div><div></div></div>				
<div></div>				
FINANCIAL CAPACITY		Population Growth*		
<div><div></div></div>				
<div></div>				
OPERATING PERFORMANCE		Operating Surplus Ratio		
<div><div></div></div>				
< -5%	-5 to -2%	-2 to 0%	0 to 2%	> 2%
OPERATING PERFORMANCE		Operating Cash Ratio		
<div><div></div></div>				
< 0%		0 to 15%		> 15%
LIQUIDITY		Unrestricted Cash Expense Cover Ratio		
<div><div></div></div>				
< 2 months		2 to 4 months		> 4 months
ASSET MANAGEMENT		Asset Sustainability Ratio		
<div><div></div></div>				
< 40%	40 to 50%	50 to 60%	60 to 90%	> 90%
ASSET MANAGEMENT		Asset Consumption Ratio		
<div><div></div></div>				
< 50%	50 to 55%	55 to 60%	60 to 80%	> 80%
ASSET MANAGEMENT		Asset Renewal Funding Ratio*		
<div><div></div></div>				
<div></div>				
DEBT SERVICING		Leverage Ratio^		
<div><div></div></div>				
> 5 times	4.5 to 5 times	4 to 4.5 times	2 to 4 times	< 2 times

\* Contextual – not assessed

^only assessed if council has debt

## Tier 3

FINANCIAL CAPACITY		Council-Controlled Revenue*		
<div></div>				
<div></div>				
FINANCIAL CAPACITY		Population Growth*		
<div></div>				
<div></div>				
OPERATING PERFORMANCE		Operating Surplus Ratio		
<div></div>				
< -5%	-5 to -2%	-2 to 0%	0 to 2%	> 2%
OPERATING PERFORMANCE		Operating Cash Ratio		
<div></div>				
< 0%		0 to 10%		> 10%
LIQUIDITY		Unrestricted Cash Expense Cover Ratio		
<div></div>				
< 2 months	N/A	2.5 months	3 to 6 months	> 6 months
ASSET MANAGEMENT		Asset Sustainability Ratio		
<div></div>				
< 60%	60 to 70%	70 to 80%	80 to 90%	> 90%
ASSET MANAGEMENT		Asset Consumption Ratio		
<div></div>				
< 50%	50 to 55%	55 to 60%	60 to 80%	> 80%
ASSET MANAGEMENT		Asset Renewal Funding Ratio*		
<div></div>				
<div></div>				
DEBT SERVICING		Leverage Ratio^		
<div></div>				
> 4 times	3.5 to 4 times	3 to 3.5 times	2 to 3 times	< 2 times

\* Contextual – not assessed

^only assessed if council has debt

## Tier 4

FINANCIAL CAPACITY		Council-Controlled Revenue*		
<div><div></div></div>				
<div></div>				
FINANCIAL CAPACITY		Population Growth*		
<div><div></div></div>				
<div></div>				
OPERATING PERFORMANCE		Operating Surplus Ratio		
<div><div></div></div>				
< -5%	-5 to -2%	-2 to 0%	0 to 2%	> 2%
OPERATING PERFORMANCE		Operating Cash Ratio		
<div><div></div></div>				
< 0%		0 to 10%		> 10%
LIQUIDITY		Unrestricted Cash Expense Cover Ratio		
<div><div></div></div>				
< 3 months	3 to 3.5 months	3.5 to 4 months	4 to 6 months	> 6 months
ASSET MANAGEMENT		Asset Sustainability Ratio		
<div><div></div></div>				
< 60%	60 to 70%	70 to 80%	80 to 90%	> 90%
ASSET MANAGEMENT		Asset Consumption Ratio		
<div><div></div></div>				
< 50%	50 to 55%	55 to 60%	60 to 80%	> 80%
ASSET MANAGEMENT		Asset Renewal Funding Ratio*		
<div><div></div></div>				
<div></div>				
DEBT SERVICING		Leverage Ratio^		
<div><div></div></div>				
> 4 times	3.5 to 4 times	3 to 3.5 times	2 to 3 times	< 2 times

\* Contextual – not assessed

^only assessed if council has debt



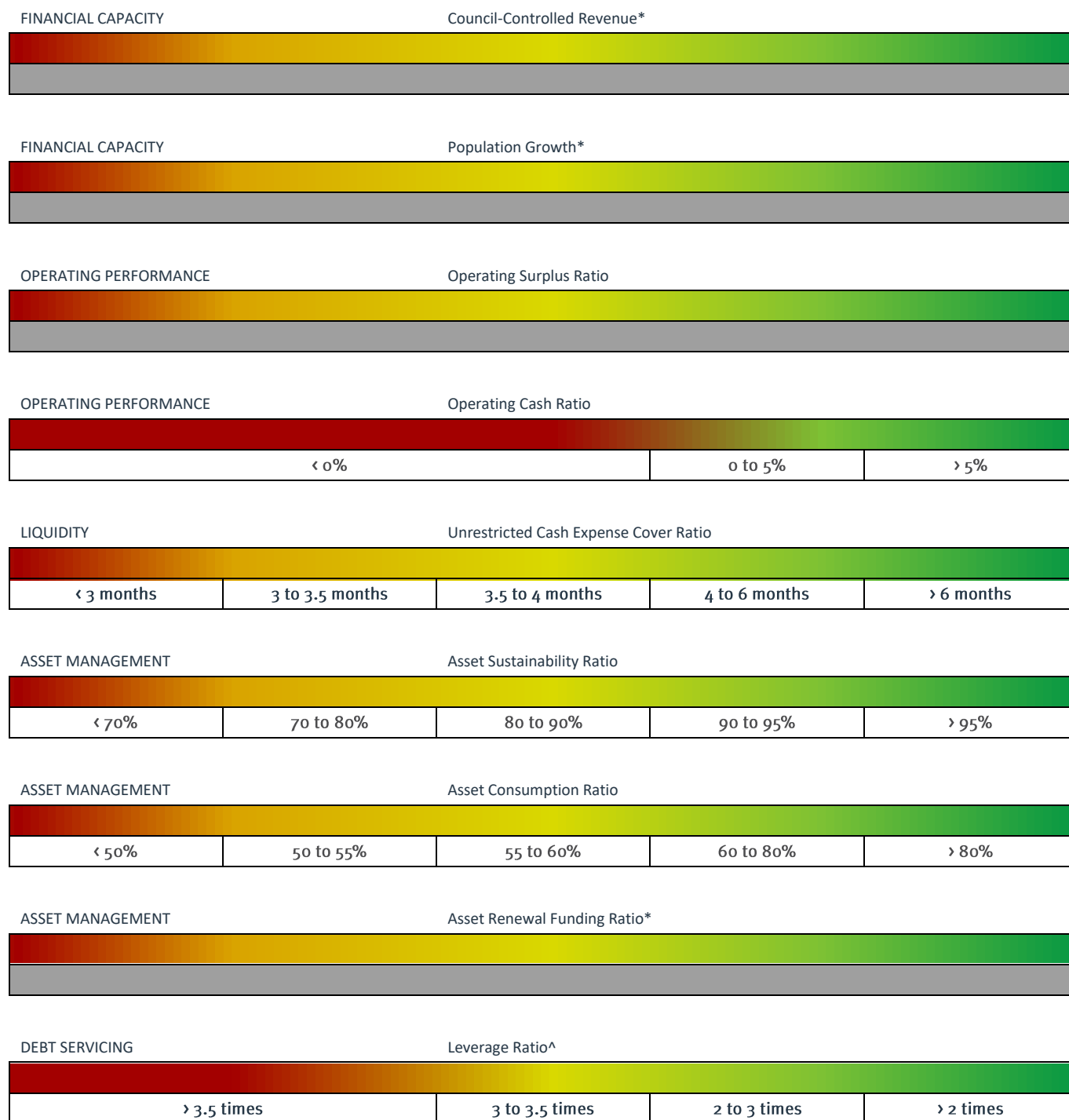
## Tier 5

FINANCIAL CAPACITY		Council-Controlled Revenue*		
<div><div></div></div>				
<div></div>				
FINANCIAL CAPACITY		Population Growth*		
<div><div></div></div>				
<div></div>				
OPERATING PERFORMANCE		Operating Surplus Ratio		
<div><div></div></div>				
< -10%	-10 to -5%	-5 to -2%	-2 to 0%	> 0%
OPERATING PERFORMANCE		Operating Cash Ratio		
<div><div></div></div>				
< 0%		0 to 10%		> 10%
LIQUIDITY		Unrestricted Cash Expense Cover Ratio		
<div><div></div></div>				
< 3 months	3 to 3.5 months	3.5 to 4 months	4 to 6 months	> 6 months
ASSET MANAGEMENT		Asset Sustainability Ratio		
<div><div></div></div>				
< 70%	70 to 80%	80 to 90%	90 to 95%	> 95%
ASSET MANAGEMENT		Asset Consumption Ratio		
<div><div></div></div>				
< 50%	50 to 55%	55 to 60%	60 to 80%	> 80%
ASSET MANAGEMENT		Asset Renewal Funding Ratio*		
<div><div></div></div>				
<div></div>				
DEBT SERVICING		Leverage Ratio^		
<div><div></div></div>				
> 3.5 times		3 to 3.5 times	2 to 3 times	> 2 times

\* Contextual – not assessed

^only assessed if council has debt

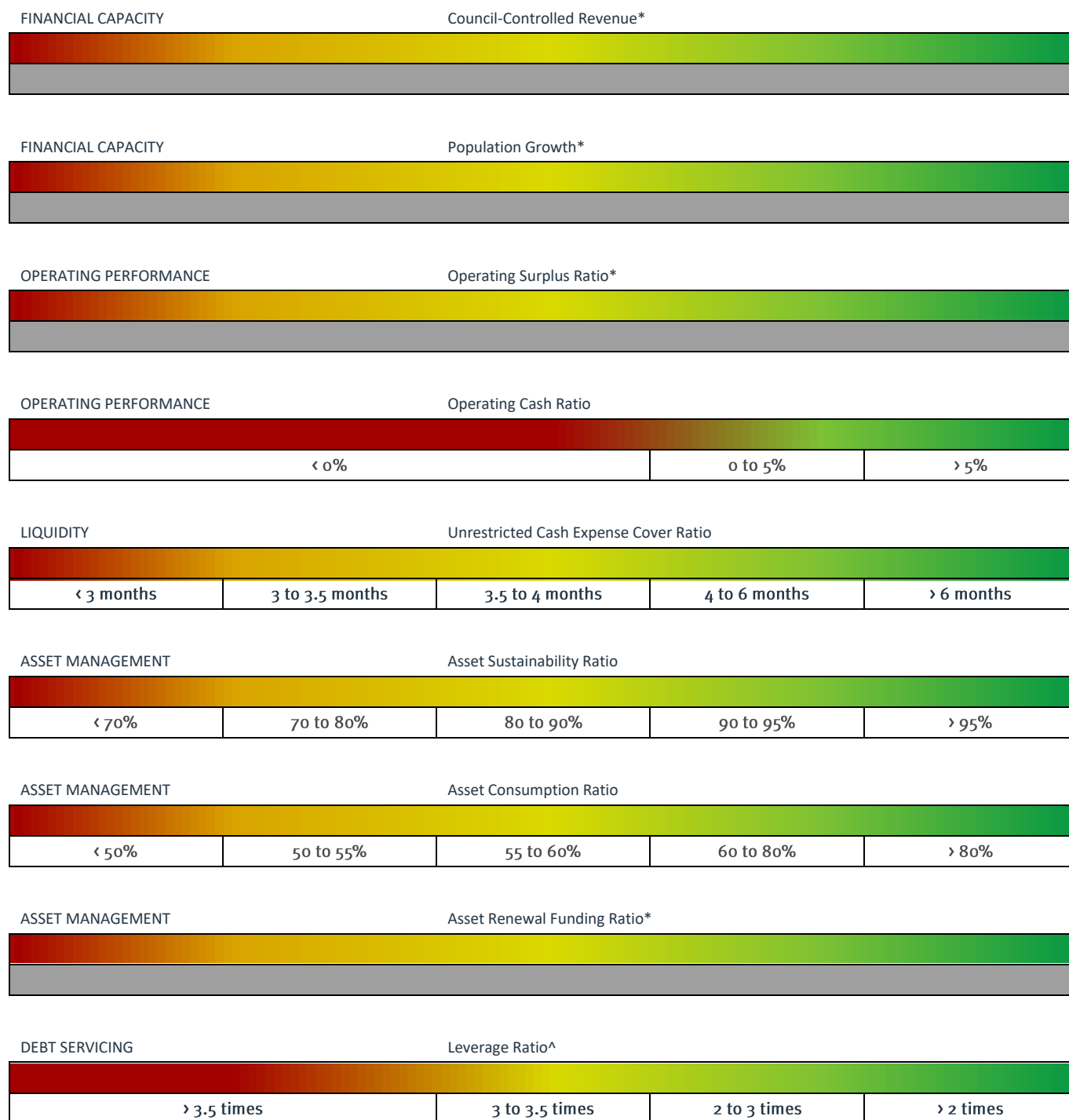
## Tier 6



\* Contextual – not assessed

^only assessed if council has debt

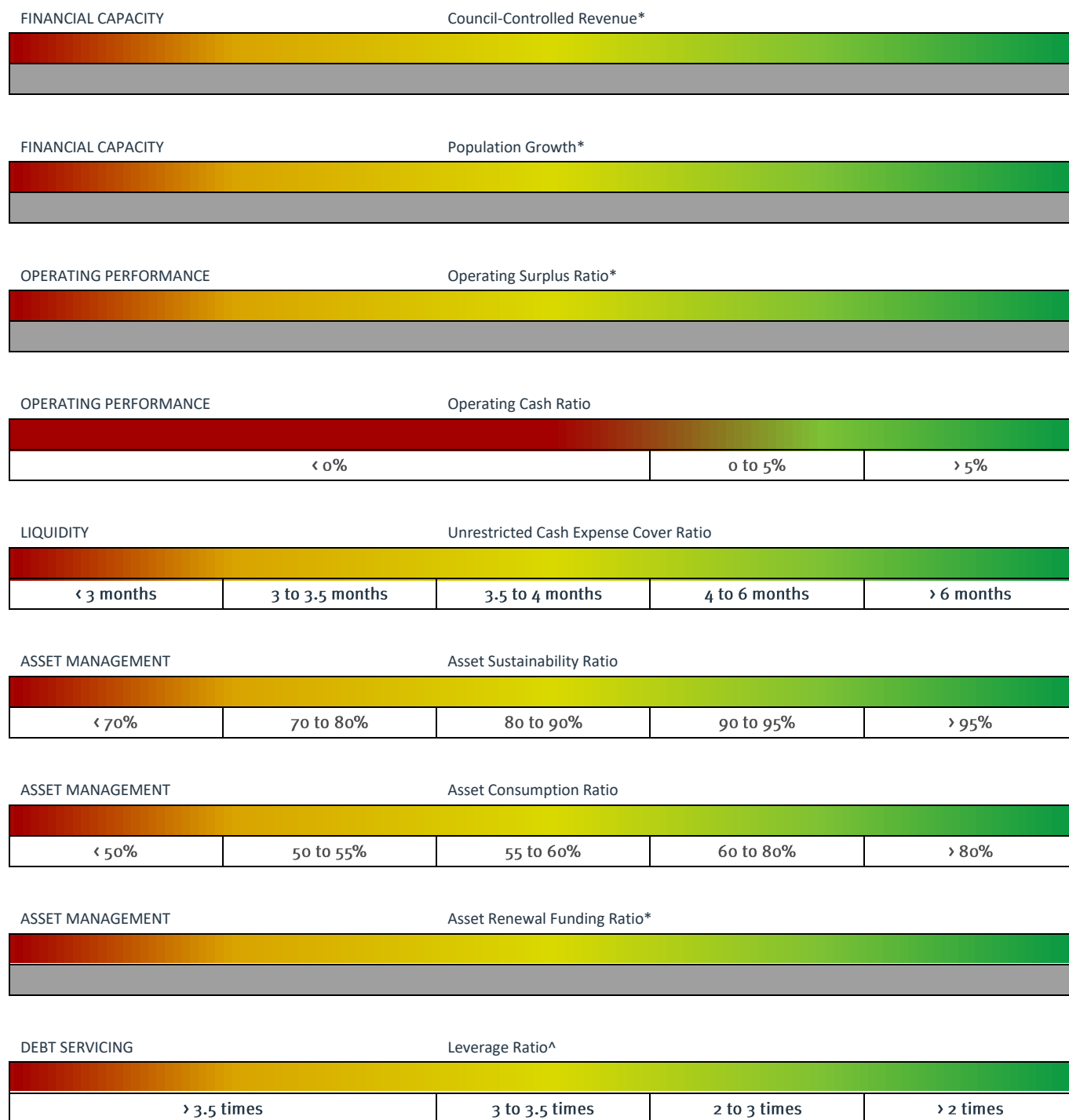
## Tier 7



\* Contextual – not assessed

^only assessed if council has debt

## Tier 8



\* Contextual – not assessed

^only assessed if council has debt

# Financial Management (Sustainability) Guideline

## Guideline 2023 version 1

The Department of State Development, Infrastructure, Local Government and Planning connects industries, businesses, communities, and government (at all levels) to leverage regions' strengths to generate sustainable and enduring economic growth that supports well-planned, inclusive and resilient communities.

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## Contact us

☎ +61 7 3328 4811 or 13 QGOV (13 74 68)

@ [info@dsdilgp.qld.gov.au](mailto:info@dsdilgp.qld.gov.au)

🌐 [www.statedevelopment.qld.gov.au](http://www.statedevelopment.qld.gov.au)

✉ PO Box 15009, City East, Queensland 4002

🏠 1 William Street, Brisbane 4000

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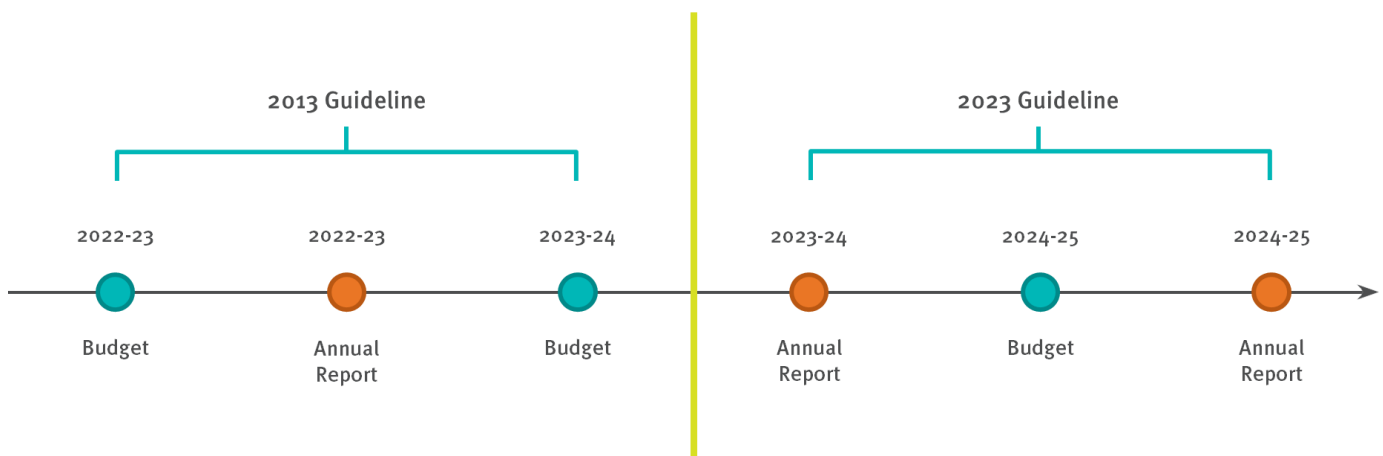
## The Guideline

This Financial Management (Sustainability) Guideline (the Guideline) has been developed following consultation with local governments and other stakeholders on the *Local Government Sustainability Framework discussion paper*.

The Guideline supersedes the Financial Management (Sustainability) Guideline 2013 and is to be used in the calculation of the relevant financial sustainability measures specified in the Local Government Regulation 2012 and the City of Brisbane Regulation 2012.

Local governments are required to calculate and publish the relevant financial sustainability measures on both a council and consolidated basis (where applicable).

This Guideline takes effect from the 2023-24 annual statutory financial reporting period and the 2024-25 financial year budget process as illustrated below and will continue until superseded.



## Updates from 2013 Guideline

As it has been ten years since the previous Guideline was released, the Department has undertaken a significant review of its sustainability monitoring and reporting framework, including consultation with key stakeholders and the local government sector. The Department has considered this feedback in conjunction with analysis undertaken by key stakeholders in the development of the new Guideline.

Key changes in the 2023 Guideline include:

- » Grouping of similar councils for sustainability monitoring and reporting purposes to better reflect the varied drivers and circumstances of the sector.
- » Removal of the Net Financial Liabilities Ratio due to consistent feedback about its limited usefulness to stakeholders, especially for councils with no debt.
- » Expanding the number of relevant financial sustainability measures from three to nine to include additional measures of financial capacity, operating performance, liquidity, asset management, and debt servicing capacity. Three ratios will be for contextual purposes only.
- » Revision of targets for each measure based on each council's allocated grouping, including a small number of contextual measures with no targets that are not required to be audited each year.

This Guideline has been developed in consultation with councils and key stakeholders.



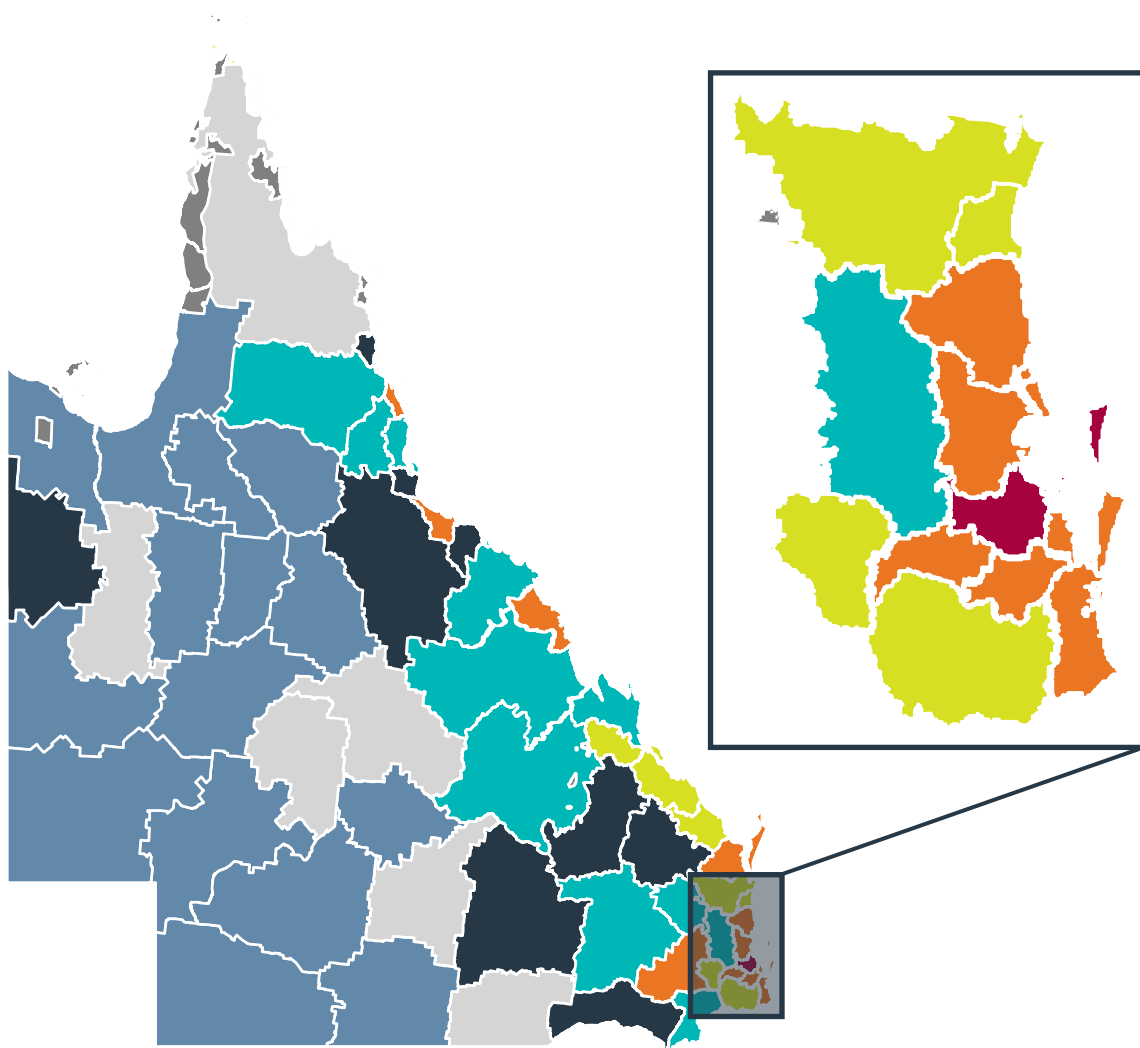
## Sustainability Groupings

Queensland has one of the most diverse local government sectors in Australia, covering a large geographic area. Across the State, individual councils face a unique set of financial, service delivery and community need circumstances and are impacted by a wide range of social and economic drivers.

In recognition of this diversity, the Department has allocated each council to a category for sustainability reporting and monitoring purposes. These categories are based on the remoteness of the local government area as reported by the Australian Bureau of Statistics, and population, with a separate category for Indigenous councils in recognition of their unique legislative and financial circumstances. Grouping councils allows for the establishment of fit-for-purpose targets for each monitoring measure.

The Department recognises that council populations fluctuate from year to year and change over time which may result in a movement across Tiers. For this reason, the allocation of councils to Tiers will be reviewed as part of updates to the Guideline every three years, with councils remaining in their assigned tier between Guideline updates. The Department will advise councils and publish on its website any changes to Tiers at that time of the next Guideline update in 2026.

The summary of sustainability reporting groups is set out in **Table 1**, and a more detailed list of which local governments are contained within each Tier is in **Appendix A**.



**Table 1:** Sustainability reporting groupings of councils

Tier	Remoteness Area Factor <sup>1</sup>	Population Band <sup>2</sup>	No. of Councils	
1	Major Cities	1,000,000+	1	
2	Major Cities Inner Regional Outer Regional	100,000-999,999	11	
3	Major Cities Inner Regional	40,000-99,999	7	
4	Inner Regional Outer Regional	20,000-39,999	11	
5	Outer Regional Remote	10,000-19,999	9	
6	Remote Very Remote	2,000-9,999	7	
7	Very Remote	0-1,999	15	
8	Indigenous	<10,000	16	

<sup>1</sup> Remoteness Area Factor classified as more than 50% of the LGA's population residing in that area.

<sup>2</sup> Population figures as per the Australian Bureau of Statistics most recent estimates.

## Sustainability Measures

The following are the financial sustainability measures for the Queensland local government sector, to be calculated and published by every council as part of their annual statutory financial reporting process. Depending on the individual council's circumstances, they will be required to report a minimum of eight and maximum of nine ratios.

#	Type	Measure	Rationale
1	Financial Capacity	Council Controlled Revenue Ratio <sup>^</sup>	Capacity to generate revenue internally
2	Financial Capacity	Population Growth Ratio <sup>*^</sup>	Population growth/decline pressures on council
3	Operating Performance	Operating Surplus Ratio	Holistic overview of council operating performance
4	Operating Performance	Operating Cash Ratio	Cash operating performance (less depreciation and other non-cash items)
5	Liquidity	Unrestricted Cash Expense Cover Ratio	Unconstrained liquidity available to council
6	Asset Management	Asset Sustainability Ratio	Capital renewals program performance
7	Asset Management	Asset Consumption Ratio	Extent to which assets are being consumed
8	Asset Management	Asset Renewal Funding Ratio <sup>**^</sup>	Asset replacement program performance
9	Debt Servicing Capacity	Leverage Ratio	Ability to repay existing debt

*\*Data source - ABS category number 3235.0 (Population by Age and Sex, Regions of Australia) This ratio is calculated for the previous financial year i.e., FY2022-23 will report FY21-22 population growth. The Department will advise the councils of the figures to use for this ratio.*

*\*\*The transition periods for the Asset Renewal Ratio for council groupings can be found in the Asset Renewal Funding Ratio section.*

*^ The Council-Controlled Revenue Ratio, Population Growth Ratio, and Asset Renewal Funding Ratio are contextual measures, which are published but not audited.*

To normalise the impacts of one-off events, all ratios with the **exception** of the unrestricted cash expense cover ratio and the asset renewal funding ratio are reported on a rolling five-year average basis, as well as a single-year result. This will provide more context about the long-term trend of these ratios.

The Queensland Audit Office (QAO) will audit measures **3, 4, 5, 6, 7, and 9** (for those councils which report it, explained below), regardless of their grouping. These measures highlight the core council financial sustainability areas of operating performance, liquidity, asset management and debt servicing capacity.

Councils with Queensland Treasury Corporation (QTC) debt or other loans as at the reporting date are required to report on measure **9** (the Leverage Ratio), which is also audited by the QAO as noted above.

- Councils that repay the entirety of their debt balances within the current reporting period are also not required to report this measure for that financial year however will still need to calculate and publish the five-year average.
- Councils which have held no QTC debt or other loans during the preceding five financial years are not required to report this measure.

Measures **1, 2, and 8** are contextual measures to be reported by all councils regardless of their grouping and will be used for contextual purposes only. These measures will provide further information about a council's financial capacity and asset management, however, are not required to be audited.







The Asset Renewal Funding Ratio (ARFR) will be implemented over a phased transition period to recognise the differing circumstances and capacities of councils with their asset management. Tier 1 and 2 councils will be expected to report the ARFR from the 2023-24 financial year, while Tier 3 to 8 councils will gradually transition to reporting this measure over time (see ARFR section below outlines transition timeframes).

During the transition period, the department will work with councils to improve their asset management capability to enable them to report on this ratio in time.







**Appendices B and C** contains suggested reporting formats for councils to use when publishing their current- and long-term financial sustainability statements. Councils may also report any additional measures they feel provide additional information to stakeholders about their financial sustainability.

More information about each individual measure, including its calculation, interpretation, and target bands for each respective sustainability grouping, can be found on the following pages.







# 1. Council Controlled Revenue Ratio

<b>Type</b> 	Financial Capacity
<b>Overview</b> 	Council-controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.
<b>Interpretation</b> 	<p>A higher council-controlled revenue ratio indicates a stronger ability to generate operating revenue without relying on external sources. Councils with a high ratio generally have a healthy rate base and are better able to respond to unexpected financial obligations such as natural disaster recovery.</p> <p>A lower council-controlled revenue ratio indicates that a council has limited capacity to influence its operating revenue and that it is more reliant on external (and usually less reliable) sources of income such as operational grant funding, sales and recoverable works contracts, and rental income.</p>
<b>Calculation</b> 	$\frac{\text{Net Rates, Levies and Charges add Fees and Charges}}{\text{Total Operating Revenue}}$ <p>See <b>Definitions</b> below for more information about the inputs for this measure.</p>
<b>Targets</b> 	As council-controlled revenue is a contextual measure, there are no targets specified for this ratio.
<b>Reporting</b> 	<p>This measure is required to be calculated and published by all councils.</p> <p>This measure is to be reported as both a <b>single-year result</b> and a <b>five-year average result</b>.</p> <p>To support the user's interpretation of the council's result for this measure councils are required to provide a narrative identifying key drivers and contributing factors (that may or may not be beyond a council's control).</p> <p>See <b>Appendices B and C</b> for example reporting formats.</p>







## 2. Population Growth Ratio

<b>Type</b> 	Financial Capacity
<b>Overview</b> 	Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future.
<b>Interpretation</b> 	<p>A growing council population indicates a greater capacity to generate its own source revenue through rates as well as statutory charges. Population growth also puts additional pressure on councils to invest in new community infrastructure to support service needs.</p> <p>Conversely, a council with a shrinking population base will have increasingly limited opportunities to generate operating revenue through its rateable property base, and over time will need to adjust its capital and operating spending decisions to reflect the reducing utilisation of its infrastructure and community assets.</p>
<b>Calculation</b> 	$\frac{\text{Prior year estimated population}}{\text{Previous year estimated population}} - 1$ <p>The Department will publish population figures for councils to determine this ratio. See <b>Definitions</b> below for more information about the inputs for this measure.</p>
<b>Targets</b> 	As population growth is a contextual measure, there are no targets specified for this measure.
<b>Reporting</b> 	<p>This measure is required to be calculated and published by all councils.</p> <p>This measure is to be reported as both a <b>single-year result</b> and a <b>five-year average result</b>.</p> <p>To support the user's interpretation of the council's result for this measure councils are required to provide a narrative identifying key drivers and contributing factors (that may or may not be beyond a council's control).</p> <p>See <b>Appendices B and C</b> for example reporting formats.</p>

### 3. Operating Surplus Ratio





<div>Type</div> <div></div>	Operating Performance																				
<div>Overview</div> <div></div>	<p>The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.</p>																				
<div>Interpretation</div> <div></div>	<p>An operating surplus ratio above 0% is an indication that council is managing its finances within its existing funding envelope and generating surplus funds for capital funding or other purposes.</p> <p>An operating surplus ratio below 0% is an indication that a council’s operating expenses exceed its revenue. An operating deficit in any one year is not a cause for concern if, over the long term, a council achieves a balanced operating result or small surplus. Operating deficits over the long term affect a council’s ability to internally fund its capital requirements and other initiatives as and when they fall due, potentially requiring external funding support.</p>																				
<div>Calculation</div> <div></div>	<div><div>Operating Result</div><div>Total Operating Revenue</div></div> <p>See <b>Definitions</b> below for more information about the inputs for this measure.</p>																				
<div>Targets</div> <div></div>	<p>The target bands for this measure for each local government group apply only to the <b>five-year average result</b>, and are as follows:</p> <table><tr><th>Group</th><th>Target Band</th><th>Group</th><th>Target Band</th></tr><tr><td>Tier 1</td><td>Greater than 0%</td><td>Tier 5</td><td>Greater than -2%</td></tr><tr><td>Tier 2</td><td>Greater than 0%</td><td>Tier 6</td><td>Contextual</td></tr><tr><td>Tier 3</td><td>Greater than 0%</td><td>Tier 7</td><td>Contextual</td></tr><tr><td>Tier 4</td><td>Greater than 0%</td><td>Tier 8</td><td>Contextual</td></tr></table>	Group	Target Band	Group	Target Band	Tier 1	Greater than 0%	Tier 5	Greater than -2%	Tier 2	Greater than 0%	Tier 6	Contextual	Tier 3	Greater than 0%	Tier 7	Contextual	Tier 4	Greater than 0%	Tier 8	Contextual
Group	Target Band	Group	Target Band																		
Tier 1	Greater than 0%	Tier 5	Greater than -2%																		
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Tier 4	Greater than 0%	Tier 8	Contextual																		
<div>Reporting</div> <div></div>	<p>This measure is required to be calculated and published by all councils.</p> <p>This measure is to be reported as both a <b>single-year result</b> and a <b>five-year average result</b>.</p> <p>To support the user’s interpretation of the council’s result for this measure, councils are required to provide a narrative identifying key drivers and contributing factors (that may or may not be beyond a council’s control).</p> <p>See <b>Appendices B and C</b> for example reporting formats.</p>																				

## 4. Operating Cash Ratio







<div>Type</div> <div></div>	Operating Performance																				
<div>Overview</div> <div></div>	The operating cash ratio is a measure of a council’s ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.																				
<div>Interpretation</div> <div></div>	<p>A positive operating cash ratio indicates that a council is generating surplus cash from its core operations, which suggests that council has the ability to self-fund its capital expenditure requirements.</p> <p>A negative operating cash ratio is a significant indicator of financial sustainability challenges and potential future liquidity issues as, all other things being equal, a negative result means that a council’s cash position is declining and revenues are not offsetting the cost of core operational requirements.</p>																				
<div>Calculation</div> <div></div>	<div><div>Operating Result <b>add</b> Depreciation and Amortisation <b>add</b> Finance Costs</div><div></div><div>Total Operating Revenue</div></div> <p>See <b>Definitions</b> below for more information about the inputs for this measure.</p>																				
<div>Targets</div> <div></div>	<p>The target bands for this measure for each local government group apply only to the <b>five-year average result</b>, and are as follows:</p> <table><tr><th>Group</th><th>Target Band</th><th>Group</th><th>Target Band</th></tr><tr><td>Tier 1</td><td>Greater than 0%</td><td>Tier 5</td><td>Greater than 0%</td></tr><tr><td>Tier 2</td><td>Greater than 0%</td><td>Tier 6</td><td>Greater than 0%</td></tr><tr><td>Tier 3</td><td>Greater than 0%</td><td>Tier 7</td><td>Greater than 0%</td></tr><tr><td>Tier 4</td><td>Greater than 0%</td><td>Tier 8</td><td>Greater than 0%</td></tr></table>	Group	Target Band	Group	Target Band	Tier 1	Greater than 0%	Tier 5	Greater than 0%	Tier 2	Greater than 0%	Tier 6	Greater than 0%	Tier 3	Greater than 0%	Tier 7	Greater than 0%	Tier 4	Greater than 0%	Tier 8	Greater than 0%
Group	Target Band	Group	Target Band																		
Tier 1	Greater than 0%	Tier 5	Greater than 0%																		
Tier 2	Greater than 0%	Tier 6	Greater than 0%																		
Tier 3	Greater than 0%	Tier 7	Greater than 0%																		
Tier 4	Greater than 0%	Tier 8	Greater than 0%																		
<div>Reporting</div> <div></div>	<p>This measure is required to be calculated and published by all councils.</p> <p>This measure is to be reported as both a <b>single-year result</b> and a <b>five-year average result</b>.</p> <p>To support the user’s interpretation of the council’s result for this measure councils are required to provide a narrative identifying key drivers and contributing factors (that may or may not be beyond a council’s control).</p> <p>See <b>Appendices B and C</b> for example reporting formats.</p>																				



## 5. Unrestricted Cash Expense Cover Ratio

<div>Type</div> <div></div>	Liquidity
<div>Overview</div> <div></div>	<p>The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses.</p>
<div>Interpretation</div> <div></div>	<p>A higher unrestricted cash expense cover ratio indicates that a council has sufficient free cash available to contribute to the cost of future planned and unplanned expenditures such as infrastructure investment or disaster recovery. An excessively high ratio may be indicative of cash hoarding, poor cash management, or large upcoming capital investment requirements.</p> <p>A low ratio suggests limited unconstrained liquidity available to council to use for capital investment or in an emergency. For councils with efficient cash management practices and strong borrowing capacity, this is not a concern. Where a council also has a negative operating cash ratio, a very low or negative unrestricted cash expense cover ratio is an indicator of potential solvency concerns.</p>
<div>Calculation</div> <div></div>	<div><div>(Total Cash and Equivalents <b>add</b> Current Investments <b>add</b> Available Ongoing QTC Working Capital Facility Limit <b>less</b> Externally Restricted Cash)</div><div><div></div><div><div></div><div></div></div></div><div><div>(Total Operating Expenditure <b>less</b> Depreciation and Amortisation <b>less</b> Finance Costs)</div><div><div></div><div><div></div><div></div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div><div></div></div></div><div><div></div><div><div></div>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## 6. Asset Sustainability Ratio

<div>Type</div> <div></div>	Asset Management																				
<div>Overview</div> <div></div>	The asset sustainability ratio approximates the extent to which the infrastructure assets (see <b>Definitions</b> ) managed by a council are being replaced as they reach the end of their useful lives.																				
<div>Interpretation</div> <div></div>	<p>An asset sustainability ratio close to 100% suggests that a council is spending enough on the renewal of its assets to compensate for the deterioration in its asset base as loosely proxied by its reported depreciation, with outcomes too far below this level being potentially indicative of underspending against capital replacement requirements.</p> <p>However, as this measure uses depreciation in lieu of more rigorous asset planning data, it does not account for councils with large investments in new capital assets such as those with strongly growing population bases. In these instances, a lower asset sustainability ratio is not of concern provided a council is meeting the capital needs of its current and future community.</p>																				
<div>Calculation</div> <div></div>	<div>Capital Expenditure on Replacement of Infrastructure Assets (Renewals)</div> <div><hr/></div> <div>Depreciation Expenditure on Infrastructure Assets</div> <p>See <b>Definitions</b> below for more information about the inputs for this measure.</p>																				
<div>Targets</div> <div></div>	<p>The target bands for this measure for each local government group apply only to the <b>five-year average result</b>, and are as follows:</p> <table><tr><th>Group</th><th>Target Band</th><th>Group</th><th>Target Band</th></tr><tr><td>Tier 1</td><td>Greater than 50%</td><td>Tier 5</td><td>Greater than 90%</td></tr><tr><td>Tier 2</td><td>Greater than 60%</td><td>Tier 6</td><td>Greater than 90%</td></tr><tr><td>Tier 3</td><td>Greater than 80%</td><td>Tier 7</td><td>Greater than 90%</td></tr><tr><td>Tier 4</td><td>Greater than 80%</td><td>Tier 8</td><td>Greater than 90%</td></tr></table>	Group	Target Band	Group	Target Band	Tier 1	Greater than 50%	Tier 5	Greater than 90%	Tier 2	Greater than 60%	Tier 6	Greater than 90%	Tier 3	Greater than 80%	Tier 7	Greater than 90%	Tier 4	Greater than 80%	Tier 8	Greater than 90%
Group	Target Band	Group	Target Band																		
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Tier 2	Greater than 60%	Tier 6	Greater than 90%																		
Tier 3	Greater than 80%	Tier 7	Greater than 90%																		
Tier 4	Greater than 80%	Tier 8	Greater than 90%																		
<div>Reporting</div> <div></div>	<p>This measure is required to be calculated and published by all councils.</p> <p>This measure is to be reported as both a <b>single-year result</b> and a <b>five-year average result</b>.</p> <p>To support the user’s interpretation of the council’s result for this measure councils are required to provide a narrative identifying key drivers and contributing factors (that may or may not be beyond a council’s control).</p> <p>See <b>Appendices B and C</b> for example reporting formats.</p>																				







## 7. Asset Consumption Ratio

Type	Asset Management																				
Overview	The asset consumption ratio approximates the extent to which council’s infrastructure assets (see <b>Definitions</b> ) have been consumed compared to what it would cost to build a new asset with the same benefit to the community.																				
Interpretation	<p>The minimum target of 60% indicates that a council’s assets are being broadly consumed in line with their estimated useful lives.</p> <p>Councils with lower than target ratio will need to invest more in those assets (in terms of replacement or maintenance) to ensure they are maintained at a standard that will meet the needs of their communities. On the other hand, if the ratio is much higher than the target ratio, councils may need to revisit their asset management plans to assess their current service levels or whether their estimates of the assets’ useful lives are appropriate.</p>																				
Calculation	<div><div>Written Down Replacement</div><div>Cost of Depreciable Infrastructure Assets</div><div></div><div>Current Replacement</div><div>Cost of Depreciable Infrastructure Assets</div></div> <p>See <b>Definitions</b> below for more information about the inputs for this measure.</p>																				
Targets	<p>The target bands for this measure for each local government group apply only to the <b>five-year average result</b>, and are as follows:</p> <table><thead><tr><th>Group</th><th>Target Band</th><th>Group</th><th>Target Band</th></tr></thead><tbody><tr><td>Tier 1</td><td>Greater than 60%</td><td>Tier 5</td><td>Greater than 60%</td></tr><tr><td>Tier 2</td><td>Greater than 60%</td><td>Tier 6</td><td>Greater than 60%</td></tr><tr><td>Tier 3</td><td>Greater than 60%</td><td>Tier 7</td><td>Greater than 60%</td></tr><tr><td>Tier 4</td><td>Greater than 60%</td><td>Tier 8</td><td>Greater than 60%</td></tr></tbody></table>	Group	Target Band	Group	Target Band	Tier 1	Greater than 60%	Tier 5	Greater than 60%	Tier 2	Greater than 60%	Tier 6	Greater than 60%	Tier 3	Greater than 60%	Tier 7	Greater than 60%	Tier 4	Greater than 60%	Tier 8	Greater than 60%
Group	Target Band	Group	Target Band																		
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Tier 3	Greater than 60%	Tier 7	Greater than 60%																		
Tier 4	Greater than 60%	Tier 8	Greater than 60%																		
Reporting	<p>This measure is required to be calculated and published by all councils.</p> <p>This measure is to be reported as both a <b>single-year result</b> and a <b>five-year average result</b>.</p> <p>To support the user’s interpretation of the council’s result for this measure councils are required to provide a narrative identifying key drivers and contributing factors (that may or may not be beyond a council’s control).</p> <p>See <b>Appendices B and C</b> for example reporting formats.</p>																				

## 8. Asset Renewal Funding Ratio

<div>Type</div> <div></div>	Asset Management																				
<div>Overview</div> <div></div>	The asset renewal funding ratio measures the ability of a council to fund its projected infrastructure asset renewal/replacements in the future.																				
<div>Interpretation</div> <div></div>	<p>Ideally, the asset renewal funding ratio should be as close to 100% as possible, as this indicates that a council is appropriately funding and delivering the entirety of its required capital program as outlined by its asset management plans.</p> <p>A ratio that is too far in excess of 100% indicates capital spending above and beyond what is proposed by a council’s asset management plans. A ratio that is too far below 100% may indicate an underfunded capital program and therefore a potentially increasing infrastructure backlog and asset failures. Either scenario suggests a mismatch between a council’s capital requirements and forecast capital program, whether due to poor planning and/or limited resources or skills to deliver the assets required by the community.</p>																				
<div>Calculation</div> <div></div>	<div><div>Total of <b>Planned</b> Capital Expenditure on Infrastructure Asset Renewals over 10 years</div><div>Total of <b>Required</b> Capital Expenditure on Infrastructure Asset Renewals over 10 years</div></div> <p>See <b>Definitions</b> below for more information about the inputs for this measure.</p>																				
<div>Targets</div> <div></div>	As the asset renewal ratio is a contextual measure, there are no targets specified for this ratio.																				
<div>Reporting</div> <div></div>	<p>This measure is required to be calculated and published by all councils on a <b>single-year basis</b>. The transition period for this measure for each local government group are as follows:</p> <table><tr><th>Group</th><th>Transition Timeframe</th><th>Group</th><th>Transition Timeframe</th></tr><tr><td>Tier 1</td><td>Commencing 2023-24</td><td>Tier 5</td><td>Commencing 2026-27</td></tr><tr><td>Tier 2</td><td>Commencing 2023-24</td><td>Tier 6</td><td>Commencing 2026-27</td></tr><tr><td>Tier 3</td><td>Commencing 2024-25</td><td>Tier 7</td><td>Commencing 2027-28</td></tr><tr><td>Tier 4</td><td>Commencing 2025-26</td><td>Tier 8</td><td>Commencing 2027-28</td></tr></table> <p>To support the user’s interpretation of the council’s result for this measure councils are required to provide a narrative identifying key drivers and contributing factors (that may or may not be beyond a council’s control).</p> <p>See <b>Appendices B and C</b> for example reporting formats.</p>	Group	Transition Timeframe	Group	Transition Timeframe	Tier 1	Commencing 2023-24	Tier 5	Commencing 2026-27	Tier 2	Commencing 2023-24	Tier 6	Commencing 2026-27	Tier 3	Commencing 2024-25	Tier 7	Commencing 2027-28	Tier 4	Commencing 2025-26	Tier 8	Commencing 2027-28
Group	Transition Timeframe	Group	Transition Timeframe																		
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Tier 3	Commencing 2024-25	Tier 7	Commencing 2027-28																		
Tier 4	Commencing 2025-26	Tier 8	Commencing 2027-28																		

## 9. Leverage Ratio

<div>Type</div> <div></div>	Debt Servicing Capacity																				
<div>Overview</div> <div></div>	<p>The leverage ratio is an indicator of a council’s ability to repay its existing debt. It measures the relative size of the council’s debt to its operating performance.</p>																				
<div>Interpretation</div> <div></div>	<p>A higher leverage ratio indicates an increasingly limited capacity to support additional borrowings due to already high debt levels and/or decreasing operational performance, while a lower ratio indicates the opposite.</p> <p><b>Note:</b> Council borrowings are assessed and approved through a separate process coordinated jointly by the Department and QTC, which takes multiple factors and metrics into consideration.</p> <p>A lower leverage ratio is not itself a guarantee that further debt will be approved for a council, while councils with higher leverage ratios are not necessarily precluded from having additional borrowings approved due to other mitigating circumstances.</p>																				
<div>Calculation</div> <div></div>	<div>Book Value of Debt</div> <div><div></div><div>Total Operating Revenue less Total Operating Expenditure add Depreciation and Amortisation</div></div> <p>See <b>Definitions</b> below for more information about the inputs for this measure.</p>																				
<div>Targets</div> <div></div>	<p>The target bands for this measure for each local government group apply to the <b>five-year average result</b>, and are as follows:</p> <table><tr><th>Group</th><th>Target Band</th><th>Group</th><th>Target Band</th></tr><tr><td>Tier 1</td><td>0 – 5 times</td><td>Tier 5</td><td>0 – 3 times</td></tr><tr><td>Tier 2</td><td>0 – 4 times</td><td>Tier 6</td><td>0 – 3 times</td></tr><tr><td>Tier 3</td><td>0 – 3 times</td><td>Tier 7</td><td>0 – 3 times</td></tr><tr><td>Tier 4</td><td>0 – 3 times</td><td>Tier 8</td><td>0 – 3 times</td></tr></table>	Group	Target Band	Group	Target Band	Tier 1	0 – 5 times	Tier 5	0 – 3 times	Tier 2	0 – 4 times	Tier 6	0 – 3 times	Tier 3	0 – 3 times	Tier 7	0 – 3 times	Tier 4	0 – 3 times	Tier 8	0 – 3 times
Group	Target Band	Group	Target Band																		
Tier 1	0 – 5 times	Tier 5	0 – 3 times																		
Tier 2	0 – 4 times	Tier 6	0 – 3 times																		
Tier 3	0 – 3 times	Tier 7	0 – 3 times																		
Tier 4	0 – 3 times	Tier 8	0 – 3 times																		
<div>Reporting</div> <div></div>	<p>This measure is required to be calculated and published by all councils with debt as of <b>30 June</b> of the reporting year. It is not required for councils that have no debt at that date. Councils that repay the entirety of their debt within the reporting period are also not required to report this measure for the financial year however will still need to calculate and publish the five-year average result. Councils which have held no QTC debt or other loans during the preceding five financial years are not required to report this measure.</p> <p>This measure is to be reported as both a <b>single-year result</b> and a <b>five-year average result</b>.</p>																				

To support the user's interpretation of the council's result for this measure councils are required to provide a narrative identifying key drivers and contributing factors (that may or may not be beyond a council's control).

See **Appendices B and C** for example reporting formats.

## Definitions

All inputs for each measure should be taken directly from the council's audited general purpose financial statements and associated notes. A summary of measure inputs and their associated definitions can be found in the table below:

Term	Definition
Available Ongoing QTC Working Capital Facility Limit	The unused balance of an approved ongoing QTC Working Capital Facility (WCF) as at the reporting date. For example, if the total limit of WCF is \$10 million and the council has drawn down \$2 million, the available limit is \$8 million.
Book Value of Debt	The book value of the council's debt (QTC or other loans) as at the reporting date (i.e., 30 June).
Capital Expenditure on Replacement of Infrastructure Assets (Renewals)	Expenditure on an existing infrastructure asset to return the service potential or the life of the asset up to that it had originally.
Current Investments	An investment that has a maturity of 12 months or less (such as term deposits or other interest-earning investment/deposits), or an investment that council intends to convert into cash within 12 months from the time the investment was made.
Current Replacement Cost	The amount of money required to replace an existing asset with an equally valued or similar asset at the current market price.
Depreciation and Amortisation	The systematic allocation of the depreciable amount (gross value less estimated residual value) of an asset over its useful life. Depreciation should be calculated in accordance with the Australian Accounting Standards on infrastructure assets.
Externally Restricted Cash	A local government's cash that is subject to restrictions or conditions by a third party which govern the use of these funds for general purposes. This does not include internal reserves of a council which can be accessed by a council resolution.
Fees and Charges	All statutory fees and charges levied by a local government including charges for services provided by local governments, such as building application, development, town planning and property connection fees, licences, permits and parking fees, infringements, refuse fees, and other adhoc fees and charges.
Finance Costs	Finance costs only includes interest charged on a local government's existing QTC's debt balances and any other council loans. Any other items included in this line item of your financial statements should be excluded.
Infrastructure Assets	Those significant, long-life assets that provide ratepayers with access to social and economic facilities and services. Examples include water and sewerage treatment plants, roads, bridges, drainage, buildings, airports, and other community assets (does not include right of use assets).
Net Rates, Levies and Charges	Rates, levies and annual charges levied by a local government less discounts and concessions.
Operating Result	Total operating revenue less total operating expenditure.

Planned Capital Expenditure on Infrastructure Asset Renewals	The total of all capital expenditures on infrastructure renewals in the forecast period included in the 10-year financial model.
Previous Year Estimated Population	The estimated population for the year previous to Prior Years Estimated Population (see below) for a local government area.
Prior Year Estimated Population	The prior year's estimated population (relative to the reporting date) for a local government area i.e., for FY2022-23 this will be the FY2021-22 population figure.
Required Capital Expenditure on Infrastructure Asset Renewals	The total of all required capital expenditures on infrastructure renewals in the forecast period as indicated in the asset management plans or asset forecasts.
Total Cash and Equivalents	A local government's cash and cash equivalents which are short-term or are at call in nature. Council should refer to Australian Accounting Standards 107 for guidance on what should be included in cash and cash equivalents.
Total Operating Expenditure	All council expenses minus capital items such as: <ul style="list-style-type: none"> <li>» losses on disposal of assets, and</li> <li>» impairment losses</li> <li>» depreciation on right of use assets</li> <li>» interest on finance leases associated with right of use assets</li> <li>» other capital expenditure items as identified by the council</li> </ul>
Total Operating Revenue	All council income minus capital items such as: <ul style="list-style-type: none"> <li>» capital grants, subsidies, contributions, and donations</li> <li>» gains on disposal of assets</li> <li>» other capital revenue items as identified by the council</li> </ul>
Written Down Replacement Cost	An asset's current replacement cost less accumulated depreciation.



## Appendix A: Sustainability Groupings of Councils

### Tier 1

Brisbane City Council

### Tier 2

Cairns Regional Council

Ipswich City Council

Moreton Bay Regional Council

Toowoomba Regional Council

Fraser Coast Regional Council

Logan City Council

Redland City Council

Townsville City Council

Gold Coast City Council

Mackay Regional Council

Sunshine Coast Regional Council

### Tier 3

Bundaberg Regional Council

Gympie Regional Council

Noosa Shire Council

Scenic Rim Regional Council

Gladstone Regional Council

Lockyer Valley Regional Council

Rockhampton Regional Council

### Tier 4

Cassowary Coast Regional Council

Livingstone Shire Council

South Burnett Regional Council

Western Downs Regional Council

Central Highlands Regional Council

Mareeba Shire Council

Southern Downs Regional Council

Whitsunday Regional Council

Isaac Regional Council

Somerset Regional Council

Tablelands Regional Council

### Tier 5

Banana Shire Council

Douglas Shire Council

Hinchinbrook Shire Council

Mount Isa City Council

Burdekin Shire Council

Goondiwindi Regional Council

Maranoa Regional Council

North Burnett Regional Council

Charters Towers Regional Council

### Tier 6

Balonne Shire Council	Cloncurry Shire Council	Longreach Regional Council	Torres Shire Council
Barcaldine Regional Council	Cook Shire Council	Murweh Shire Council	

### Tier 7

Barcoo Shire Council	Burke Shire Council	Etheridge Shire Council	Quilpie Shire Council
Blackall-Tambo Regional Council	Carpentaria Shire Council	Flinders Shire Council	Richmond Shire Council
Boulia Shire Council	Croydon Shire Council	McKinlay Shire Council	Winton Shire Council
Bulloo Shire Council	Diamantina Shire Council	Paroo Shire Council	

### Tier 8

Aurukun Shire Council	Kowanyama Aboriginal Shire Council	Napranum Aboriginal Shire Council	Torres Strait Island Regional Council
Cherbourg Aboriginal Shire Council	Lockhart River Aboriginal Shire Council	Northern Peninsula Area Regional Council	Woorabinda Aboriginal Shire Council
Doomadgee Aboriginal Shire Council	Mapoon Aboriginal Shire Council	Palm Island Aboriginal Shire Council	Wujal Wujal Aboriginal Shire Council
Hope Vale Aboriginal Shire Council	Mornington Shire Council	Pormpuraaw Aboriginal Shire Council	Yarrabah Aboriginal Shire Council

## Appendix B: Example Current-Year Sustainability Statement Format

Type	Measure	Target (Tier X)	Actual Current Year	5-Year Average	Actual Current Year	5-Year Average	Council Narrative
			Council		Consolidated		
Financial Capacity	Council-Controlled Revenue*	N/A	XX.X%	XX.X%	XX.X%	XX.X%	
	Population Growth*	N/A	X.X%	X.X%	X.X%	X.X%	
Operating Performance	Operating Surplus Ratio	Greater than X% (or N/A)	XX.X%	XX.X%	XX.X%	XX.X%	
	Operating Cash Ratio	Greater than X%	XX.X%	XX.X%	XX.X%	XX.X%	
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than X months	X.X months	N/A	X.X months	N/A	
Asset Management	Asset Sustainability Ratio	Greater than XX%	XX.X%	XX.X%	XX.X%	XX.X%	
	Asset Consumption Ratio	Greater than XX%	XX.X%	XX.X%	XX.X%	XX.X%	
	Asset Renewal Funding Ratio*	N/A	XX.X%	N/A	XX.X%	N/A	
Debt Servicing Capacity	Leverage Ratio**	o to X times (or N/A)	X.X times	X.X times	X.X times	X.X times	

\* The **Council-Controlled Revenue**, **Population Growth**, and **Asset Renewal Funding Ratio** measures are reported for contextual purposes only and are not audited by the QAO.

\*\* The **Leverage Ratio** is not required to be reported if a council has not held any QTC or other debt within the last five financial years.

## Appendix C: Example Long-Term Sustainability Statement Format

Council (and Consolidated if applicable)

Type	Measure	Target (Tier X)	Actuals as at 30 June 20XX	30 June 20XX	30 June 20XX	30 June 20XX	30 June 20XX	30 June 20XX	30 June 20XX	30 June 20XX	30 June 20XX	30 June 20XX
Financial Capacity	Council-Controlled Revenue*	N/A	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%
	Population Growth*	N/A	X.X%	X.X%	X.X%	X.X%	X.X%	X.X%	X.X%	X.X%	X.X%	X.X%
Operating Performance	Operating Surplus Ratio	Greater than X% (or N/A)	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%
	Operating Cash Ratio	Greater than X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%
Liquidity	Unrestricted Cash Expense Cover Ratio	N/A	N/A for long-term sustainability statement									
Asset Management	Asset Sustainability Ratio	Greater than XX%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%
	Asset Consumption Ratio	Greater than XX%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%	XX.X%
	Asset Renewal Funding Ratio*	N/A	N/A for long-term sustainability statement									
Debt Servicing Capacity	Leverage Ratio**	o to X times (or N/A)	X.X times	X.X times	X.X times	X.X times	X.X times	X.X times	X.X times	X.X times	X.X times	X.X times

\* The Council-Controlled Revenue, Population Growth, and Asset Renewal Funding Ratio measures are reported for contextual purposes only and are not audited by the QAO.

\*\* The Leverage Ratio is not required to be reported if a council has not held any QTC or other debt within the last five financial years.

Department of State Development,  
Infrastructure, Local Government and Planning  
PO Box 15009 City East Qld 4002 Australia  
Tel 13 QGOV (13 74 68)  
[info@dsdilgp.qld.gov.au](mailto:info@dsdilgp.qld.gov.au)  
[www.statedevelopment.qld.gov.au](http://www.statedevelopment.qld.gov.au)  
Connect with us @GrowingQld



# Frequently Asked Questions

## LG Sustainability Framework

### General Questions:

#### Q1: What is the Sustainability Framework?

A: The Sustainability Framework is the department's new approach to working with Queensland councils on sustainability challenges.

It will provide a more holistic approach to monitoring council sustainability, and it covers both financial and non-financial indicators.

The Sustainability Framework comprises of:

- an overarching non-statutory guidance document that outlines the Department's view of what it means to be sustainable through the lens of 5 elements (i.e., Operating Environment, Finances, Asset Management, Governance and Compliance) broken down into key indicators.
- a statutory guideline (the *Financial Management (Sustainability) Guideline*), establishing the financial and asset management performance measures and targets. These support annual statutory financial reporting in council financial statements.
- a risk framework to support the statutory guideline required for auditing councils financial performance.

#### Q2: How will the 5 elements of council sustainability and their non-financial (qualitative) indicators and financial measures (quantitative) be managed by the Department?

A: Council sustainability will be managed by the Department in the following ways:

- The **Non-financial indicators** – The Sustainability Framework guidance document outlines the key non-financial indicators (qualitative indicators) the Department currently observes when considering council sustainability. These indicators will not be reportable by councils to the Department under the Sustainability Framework. This is business as usual for councils.
- The **Financial measures** - The financial measures (quantitative measures) highlight the core council financial sustainability areas (i.e., Operating Performance, Liquidity, Asset Management and Debt Service Capacity) are detailed in the *Financial Management (Sustainability) Guideline 2023* and are required to be reported in councils' annual financial statements with the Queensland Audit Office (QAO) auditing the calculations of these measures as part of council's annual statutory financial reporting processes.

#### Q3: What non-financial (qualitative) indicators of a council's sustainability will the Department observe?

A: The non-financial indicators comprise matters the Department currently observes as they relate to the obligations of councils under legislation which is administered by the Department.



The indicators listed in the Sustainability Framework are non-exhaustive and the Department will consider the following non-financial indicators when monitoring council sustainability:

Indicators	Measure
Council meeting management	<ul style="list-style-type: none"> <li>» Monthly council meetings are occurring</li> <li>» Meeting agendas (including attachments) and minutes recording outcomes are published on council's website within 10 days</li> <li>» Declaration of interest process for council members is managed and recorded appropriately</li> <li>» Closed council meetings held in accordance with legislation</li> </ul>
Workforce Management	<ul style="list-style-type: none"> <li>» Stability of CEO and Executive Staff tenures.</li> </ul>
Complaints management/Media attention	<ul style="list-style-type: none"> <li>» Number and nature of the Office of the Independent Assessor (OIA) and Official Councillor Conduct complaints received/upheld</li> <li>» The absence of negative media regarding council activities or Councillor conduct</li> </ul>
Key documents	<ul style="list-style-type: none"> <li>» Key financial documents are produced and/or meet the legislative timeframes or extended deadlines granted by Department.</li> <li>» Key asset management documents are produced and/or meet the legislative timeframes or extended deadlines granted by Department.</li> <li>» Key governance documents are produced and/or meet the legislative timeframes or extended deadlines granted by Department.</li> <li>» Key operating environment documents are produced and/or meet the legislative timeframes or extended deadlines granted by Department.</li> </ul>
Audit Functions	<ul style="list-style-type: none"> <li>» Councils have an internal audit function</li> <li>» Councils required to have an audit committee (Category 3 and above) do have an active committee meeting at least twice a year</li> <li>» Number of significant audit deficiencies raised by the QAO following council's annual audit process</li> <li>» Significant audit deficiencies are remedied each year</li> </ul>
Grant funding delivery (DSDILGP)	<ul style="list-style-type: none"> <li>» Progress reports are consistently completed within required timeframes</li> <li>» Number of grant project variations approved or not approved per financial year: all variation types</li> </ul>

	» Adequate project and grant management governance systems and control environment
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#### Q4: When considering the non-financial (qualitative) indicators of a council's sustainability, will the Department provide councils with a rating?

A: No, the Department will not be publicly reporting council sustainability risk against the non-financial indicators of the Framework.

However, these indicators have an important role to play in:

- contextualising the financial measures established through the *Financial Management (Sustainability) Guideline* and,
- informing the department about development of responses and tailored support to emerging sustainability challenges.

This information is already observed by the Department because of our role in administering the *Local Government Act 2009* and the *City of Brisbane Act 2010*. The Department will continue to gather information about the non-financial indicators of councils (as outlined in Q3 above) in a number of ways, including through our continued engagement between councils and departmental advisors, data collection, surveys, and reviews of council websites.

As the implementation and use of the new Sustainability Framework progresses, the Department will consider, in consultation with councils, how best to provide insights about this information back to councils.

#### Q5: When assessing the financial measures of a council's sustainability how will councils be rated?

A: To support the new Statutory Guideline, the QAO has recommended that the Department develop and own a Risk Framework for financial sustainability that helps the department, councils and other stakeholders understand the sustainability risk of councils.

The department's approach to developing the risk framework is founded on the following key principles:

- Sustainability is more than financial - financial sustainability risks need to be considered holistically in combination with other key elements of council sustainability.
- Sustainability is a long-term objective - achieving sustainability takes time and concerted effort and there will be times when councils may experience sustainability pressures that affect short-term results.
- Not all sustainability risks are created equal – some of the measures are of higher importance from a risk perspective relative to others and councils which do not meet the targets for these measures have a higher level of financial sustainability risk.
- It is important to compare councils on a 'like with like' basis – Queensland's local government sector is diverse, and councils have differing financial and non-financial circumstances and challenges.
- Incentivise positive behaviours and avoid perverse outcomes - the department is seeking to establish a sustainability reporting framework which encourages council leaders to understand the drivers of long-term sustainability and pursue positive outcomes.

For more information about the risk framework please visit the Department's website.



## Q6: How will the Sustainability Framework inform the department's capability and capacity building programs for councils?

A: The Framework will allow for a more holistic and proactive monitoring of councils' sustainability challenges that will help inform the Department to develop tailored and targeted capacity and capability training programs. The intelligence gathered on both the indicators and measures (non-financial and financial) will help inform capability and capacity programs for councils as well as the other levers for the Department (i.e., governance or financial training, funding programs or tools and resources etc).

## Q7: When will councils need to start calculating the financial sustainability measures?

A: The *Financial Management (Sustainability) Guideline* will come into effect on 1 July 2023.

Following implementation, councils are required to calculate the financial sustainability measures as part of the annual statutory financial reporting process for the 2023-24 financial year and the 2024-25 budget process.

Councils can choose to adopt/use the new financial measures outlined in the new Guideline for their 2023-24 budget process (in addition to the current 3 financial sustainability measures) however this is not required but may be helpful for councillors to become familiar with the new measures.

## Q8: Will the Tier a council belongs to in the sustainability guideline change from year to year?

A: No. Once the *Financial Management (Sustainability) Guideline* is formally approved, councils are expected to remain in those tiers for the next three financial years (to 2025-26).

However, the Department recognises that council populations can fluctuate from year to year and change over time and may result in a movement across Tiers. For this reason, the allocation of councils to Tiers will be reviewed as part of updates to the Guideline every three years.

### About the approach to grouping councils in Tiers

In recognition of the diversity across the sector, the Department has allocated each council to a Tier for sustainability reporting and monitoring purposes. Tiers are based on the remoteness of the local government area and population (as reported by the Australian Bureau of Statistics), with a separate category for Indigenous councils in recognition of their unique legislative and financial circumstances. These Tiers will determine the targets of the financial sustainability measures for councils within each group.

The *Financial Management (Sustainability) Guideline* will provide details of the Tiers that councils will belong to for the Framework reporting period (i.e., 2023-2026).

The next *Financial Management (Sustainability) Guideline* review will be completed in 2026.

## Q9: Will QTC's Long-Term Financial Forecast Tool (FFT) be updated to reflect the additional financial ratios?

A: Yes. The Department is currently working with Queensland Treasury Corporation (QTC) to ensure the QTC model is ready for the commencement of the *Financial Management (Sustainability) Guideline*.

The QTC FFT contains a number of ratios that are used for QTC's credit assessment purposes and borrowing application assessments process. The FFT will contain a separate page containing the department's sustainability calculations and ratios based on the council Tiers (similar to the Natural Disaster Relief and Recovery Arrangements inputs).

An input sheet will be included in the FFT and councils that currently use QTC's model will have the ability to input data needed for the calculations of the sustainability ratios. Some of the inputs (e.g., current replacement costs) required for the calculations will need to be determined by councils outside the QTC model.

Councils will be able to provide their current model to QTC and QTC will be able to migrate councils' data to the new version of the model which will contain the sustainability ratios.

### **Q10: Are councils required to calculate the ratios on both a standalone and consolidated basis (i.e., with controlled entities)?**

A: Yes. The Department requires ratios to be calculated on a standalone and consolidated basis.

### **Q11: Why are councils required to calculate ratios as a single-year and 5-year average?**

A: External events such as natural disasters can have material impacts on a council's operating performance year to year. To normalise the impacts of these one-off events, all ratios with the exception of the Unrestricted Cash Expense Cover Ratio and Asset Renewal Funding Ratio, will be required to report on a historical rolling five-year average basis, as well as single-year results.

**Appendix B** of the Guideline provides an example of the Current-Year Sustainability Statement format.

### **Q12: Why does the Long-Term Sustainability Statement require councils to calculate ratios as a single-year result only?**

A: It is difficult for councils to predict one-off events that may occur in the future; therefore, council is only required to forecast single-year results for the Long-Term Sustainability Statement.

**Appendix C** of the Guideline provides an example of the Long-Term Sustainability Statement format.

## Technical Questions – Financial Management (Sustainability) Guideline

### Q1: How does the *Guideline* define ‘Council Controlled Revenue’?

A: Council controlled revenue is an indicator of a council’s financial flexibility, the ability to influence operating income and capacity to respond to unexpected financial shocks.

Council controlled revenue typically refers to revenue that a council has direct control over, such as net rates, levies, and charges and fees and charges.

Items such as sales contracts and recoverable works, rental income, and operating grants and subsidies are not considered as council-controlled revenue as councils’ have limited influence over these revenue sources.

The Guideline defines council-controlled revenue as:

- » **Net Rates, Levies and Charges:** rates, levies, and annual charges levied by a local government less discounts and concessions.
- » **Fees and Charges:** charges for services provided by local governments, such as building application, development, town planning and property connection fees, licences, permits and parking fees, infringements, refuse fees, and other ad hoc fees and charges.

This ratio is a contextual measure only with no targets specified for any of the Tiers.

### Q2: What is the source of the population data to be used for the Population Growth Ratio?

A: The Australian Bureau of Statistics (ABS) provides the most recent population estimates and will be the data source for the inputs for the ‘Population Growth Ratio’.

The ABS has rebased the population estimates to the 2021 Census of Population (ABS category number 3235.0) (Population by Age and Sex, Regions of Australia).

This ratio is calculated for the previous financial year i.e., FY2022-23 and will report FY21-22 population growth. The Department will publish population figures to be use for this ratio following implementation, 1 July 2023.

### Q3: How is externally restricted cash defined?

A: Externally restricted cash refers to the cash held by councils that is restricted by external parties.

It should include any cash required to be set aside for a specific purpose and which cannot be used for general operations. These funds are typically earmarked for a specific project, debt repayment, or other obligation (e.g., capital grant funding received from Government for designated infrastructure projects). Externally restricted reserves are not considered externally restricted cash (see Guideline definitions).

### Q4: Why is the ‘Unrestricted Cash Expense Cover Ratio (UCECR)’ only reported on a single year basis and not on a five-year average basis?

A: The UCECR is a measure of the unconstrained liquidity available to a council to meet its ongoing and emergent financial demands, which is a key component to solvency. It is a short-term measure and therefore only required to be reported on a single year result.

## Q5: Has the calculation of the 'Asset Renewal Funding Ratio' changed?

A: Yes. While the intent of the calculation itself has not changed for this ratio, the inputs to determine this measure have.

The discussion paper released in November 2021 proposed this ratio to use the Net Present Value of planned capital expenditure on asset renewals and the Net Present Value of required capital expenditure on asset renewals for the calculation. Using these inputs for this ratio would require all councils to have rigorous asset management planning and financial forecasting in place.

Following councils' feedback during the consultation period and taking into consideration the varying levels of asset maturity in the sector, this ratio will now require the Total of planned capital expenditure on infrastructure asset renewals and the Total of required capital expenditure on infrastructure asset renewals for this calculation.

This ratio is to be calculated on a single-year basis only.

## Q6: How should councils calculate the three Asset Management Ratios if council's asset management plan is yet to be adopted?

A: The Department recognises that the asset management data of councils' may be at different levels of maturity and vary significantly. A phased transition for some councils for reporting the Asset Funding Renewal ratio will allow time for councils to improve the quality of asset information required to apply in the calculations of these ratios.

To support the Guideline implementation and improve asset management capabilities in the sector, the Department is responding to these challenges through the upcoming advancing asset management program.

The Department recognises the variation in council asset management data and considers recent available modelling to be an acceptable alternative to adopted long-term asset management plan.

To support interpretation of the council's results, councils are required to provide a narrative identifying key drivers and contributing factors which should include the use of budgetary figures.

The asset management ratios refer to infrastructure assets only. Please refer to definitions section of the Financial Management (Sustainability) Guideline for further information in what is included and excluded from ratio calculations.

## Q7: Prior to the implementation of the Sustainability Framework, should councils complete a revaluation of their assets?

A: There is no requirement for councils to complete a revaluation of their assets prior to the implementation of the *Financial Management (Sustainability) Guideline*.

Councils should however continue to revalue their asset classes in line with their current revaluation schedule.

## Q8: Does each Tier group have a different implementation timeframe for reporting the financial measures in the *Financial Management (Sustainability) Guideline*?

A: All councils will need to implement the Sustainability Framework and the financial measures in the *Financial Management (Sustainability) Guideline* from 1 July 2023. The annual statutory financial reporting process for the 2023-24 financial year and the 2024-25 budget process will require the calculation of the ratios.

The Department appreciates that councils will need to be provided sufficient time to work through any internal changes to data collection and reporting. The only measure that is dependent on which Tier group councils are in is the 'Asset Renewal Funding Ratio' (ARFR) with a phased transition timeframe.

- » Tier 1 and 2 councils - reporting for the ARFR will commence from 2023-24
- » Tier 3 councils - reporting for the ARFR will commence from 2024-25
- » Tier 4 councils - reporting for the ARFR will commence from 2025-26
- » Tier 5 and 6 councils - reporting for the ARFR will commence from 2026-27
- » Tier 7 and 8 councils - reporting for the ARFR will commence from 2027-28

Councils are welcome to include the financial measures in their 2023-24 annual budgets, however this is not mandatory.

The 2022-23 annual statutory financial reporting process will be audited for the 3 existing current financial ratios (i.e., 'Operating Surplus Ratio', 'Asset Sustainability Ratio' and 'Net Financial Liability Ratio').

## Q9: What action can councils take to align their internal policies and processes with the Sustainability Framework?

A: Implementing the new Framework will be a partnership between the State and councils. Importantly, the Framework is being designed to ensure minimal work for councils, while delivering an enhanced understanding of council sustainability for councils and the communities.

To assist councils, align the Framework to their organisational policies and processes, the Department provides additional guidance and support through LG Central.

The financial ratios and targets set by the Department within the *Financial Management (Sustainability) Guideline* can serve as indicator for measuring performance from a financial perspective. By regularly monitoring these ratios and comparing them against the set targets, the council can evaluate its financial performance over time and identify areas for improvement.