



Building better communities.

Annual Report

2018/19



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welcome

Welcome to the Fraser Coast Regional Council Annual Report for 2018/19.

In this report we provide an overview of our performance in serving the Fraser Coast community and share some of the challenges, our financial performance as well as our aspirations to continuously strive towards our vision of

Our Annual Report provides:

- an overview of our performance in achieving Council's Corporate Plan while providing a glance into Council's role in serving our communities; and
- an opportunity to report on various statutory information pertaining to our financial, as well as governance obligations.

Building better communities.



Planning Framework

To ensure that Council has a clear understanding of our purpose and how we utilise our resources, we utilise a planning framework that consists of three planning instruments:

- 1. Corporate Plan** that sets out our broad strategic intentions;
- 2. Annual Operational Plan** that sets out the specific works to be undertaken and services to be provided in order to progress the goals and objectives set out in the corporate plan; and
- 3. Supportive Annual Budget** that ensure we have sufficient financial resources.



Mayor's message



Cr George Seymour

Mayor

A stylized signature of Cr George Seymour in black ink, positioned above a thick green horizontal line.

The 2018/19 year saw Council continue to focus on building better communities by seeking to strike the right balance between carefully managing our finances and delivering the improved services and infrastructure our growing region needs.

Council is determined to ensure we have a strong, resilient and diversified economy and it was pleasing to see green shoots on the local jobs front this year, with announcements of plans for a \$60 million munitions factory in Maryborough and an aircraft manufacturing plant at Hervey Bay Airport.

We're keen to attract more business investment to the Fraser Coast and worked

closely with the companies involved and the Australian and Queensland Governments to bring these projects to fruition.

The Fraser Coast has such a colourful and vibrant cultural life, and Council supports an array of initiatives to ensure the community values its arts, heritage and cultural diversity.

The international touring exhibition Da Vinci Machines and the By The C rock concert each attracted more than 5000 people, while we also opened The Story Bank – a creative hub celebrating the life of Mary Poppins author P.L. Travers and the art of story-telling.

Having a safe, healthy and active community remains a focus for Council, and it was a red-letter day for the region when the gates of the Fraser Coast Sports and Recreation Precinct were thrown open with the completion of the first stage.

Thousands of football, netball and OzTag players now have access to the high quality sporting fields they desperately needed, while the new precinct will also help us attract more major sporting events and entertainment to the region into the future.

Council made its first foray into 'deliberative democracy' to develop a 20 year community vision for the Hervey Bay Esplanade, and we continued to support our smaller communities with Council meetings held in Burrum Heads, Tiaro, Aldershot and Teebar.

I am proud of what the Council team achieved in 2018/19, but we know there is more to do. We look forward to working together on your behalf to keep **'Building Better Communities'** here on the Fraser Coast.

CEO's message



Ken Diehm

Chief Executive Officer

A handwritten signature in black ink, appearing to read 'K Diehm', with a horizontal line underneath.

The Council's 2018/19 Annual Report and Financial Statements highlights the continuation of sound fiscal management that has placed us in a financial position that is the envy of many Queensland Local Governments.

The main feature of the Council's 2018/19 Budget was no net increase in general rate revenue and the second consecutive year of no borrowings.

This is on the back of only a small 1.9% increase in rate revenue in the 2017/18 financial year and demonstrates the Council's commitment to reduce the burden of rate increases on our community.

Despite this tightening in operating revenue, operating expenditure was effectively managed and came in 0.3% under budget.

The Council also delivered a record completion rate of 85% of capital works.

The recently adopted 2019/20 Budget continues to show fiscal restraint with another year of no net general rate revenue increases and no borrowings. This is unheard of in the recent history of Australian Local Governments and is testament to the leadership demonstrated by our Mayor and Councillors.

Our staff have also been instrumental in achieving great financial and service delivery outcomes for our community and the cultural change within the organisation has been transformational.

Our internal performance is now benchmarked against the Australian Business Excellence Framework (ABEF) that measures the elements essential to sustainable business excellence.

Our TRAITS Change Management plan has resulted in the Fraser Coast Regional Council moving from a middle of the pack Council to performing in the top 10% to 25% of ABEF benchmarked Councils throughout Australia.

This is a significant achievement in the space of one year and I am seeing ongoing continuous improvement across all sections of the Council.

The Council's focus over the last year has been about sound financial management and organisational stability. This is reflected by improved community sentiment and greater levels of community engagement.

All of our achievements can be put down to common desire across the organisation to achieve our mission of **'Building Better Communities'**, and I would like to thank my staff for their dedication, hard work and commitment to both our Council and the community.

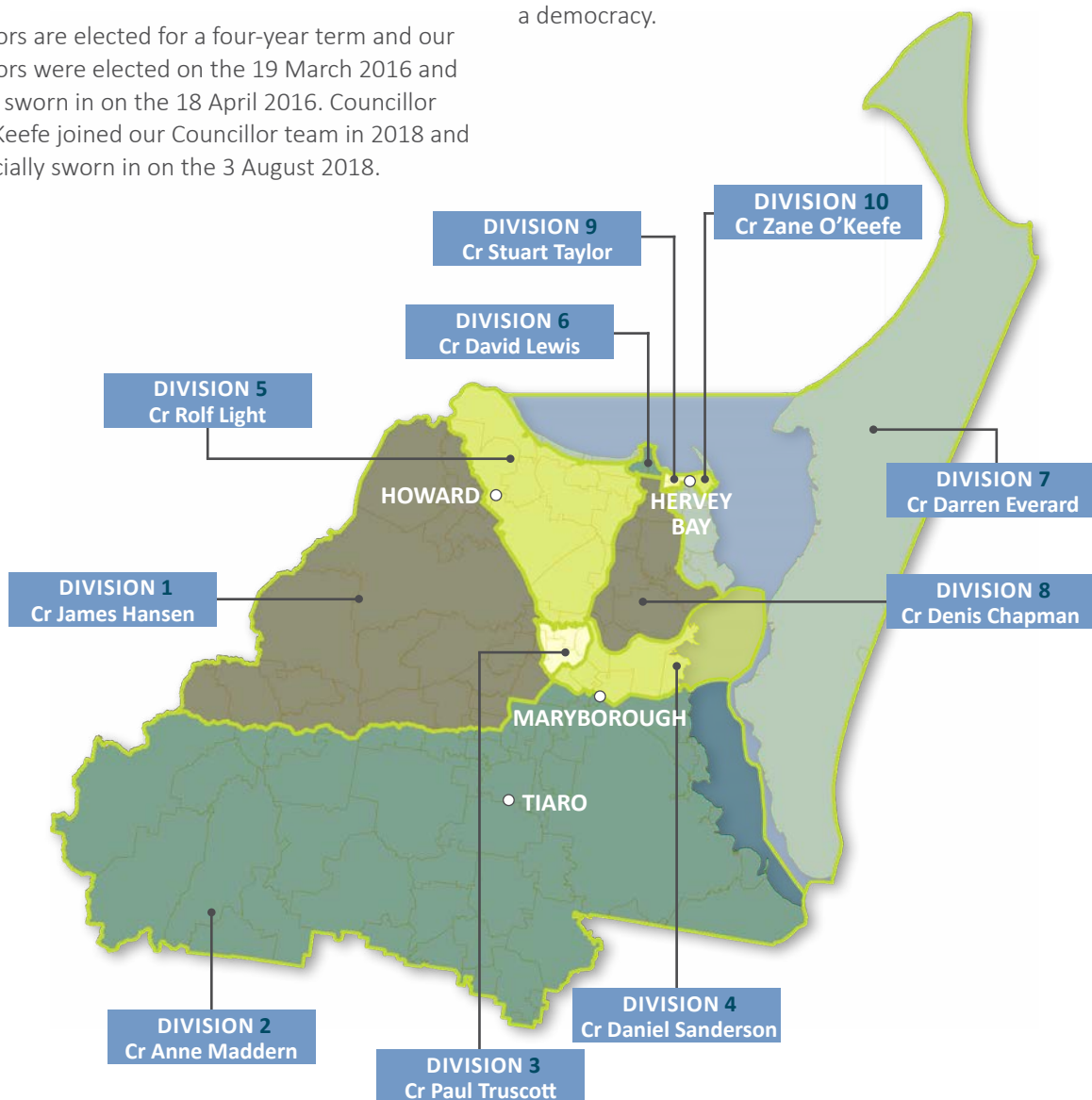
Councillors and Executive Leadership Team

Meet our Councillors

The Fraser Coast Regional Council is served by eleven Councillors who represent the various divisions within the Fraser Coast.

Councillors are elected for a four-year term and our Councillors were elected on the 19 March 2016 and officially sworn in on the 18 April 2016. Councillor Zane O'Keefe joined our Councillor team in 2018 and was officially sworn in on the 3 August 2018.

Councillors serve various divisions within our Fraser Coast region and provide a valuable platform in representing the community and in promoting a democracy.



Front from left:
Cr Daniel Sanderson;
Cr Denis Chapman;
Cr Paul Truscott; Mayor
George Seymour; Cr Rolf
Light; Cr Anne Maddern
 Back from left: *Cr David*
Lewis; Cr James Hansen;
Cr Stuart Taylor; Cr Zane
O'Keefe; Deputy Mayor
Darren Everard



Meet our Executive Team

Council's Executive Management Team consists of the Chief Executive Officer and four Directors who provide advice to the local government and ensure the effective management of Council.

The Executive Management Team is responsible for the day to day administration of the Council and also strategically steers the Council toward our vision of building better communities.



From left:
Mark Vanner Director
Wide Bay Water & Waste
Services; Gerard Carlyon
Director Development
and Community;
Ken Diehm Chief
Executive Officer;
Keith Parsons Director
Organisational Services;
and Davendra Naidu
Director Infrastructure
Services

Snapshot of Our Region

2

Airports

1 Security controlled
with jet capacity



400+

Buildings and Community
Facilities

6

Landfills

8

Transfer Stations

4

Caravan Parks



96

Playgrounds



500+

Park Structures



7

Depots



2

Libraries



3

Branch Libraries



2

Administration Centres



1

City Hall



2

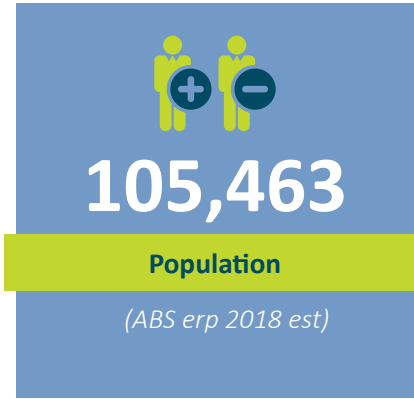
Aquatic Centres



100

Public Amenity blocks





Our Year In Review



LIFESTYLE



\$167,500

Spent on library area refurbishments

We completed the restoration of the Maryborough **Story Bank** heritage site worth

\$1.5M

providing a theatrette, gallery, workshop and storytelling space



426,527 Library visits

We hosted eight small **community governance workshops** to build capacity and skills within our communities



PROSPERITY



Our airport welcomed over

161,200 passengers

We placed:

12 trainees

12 apprentices

1 cadet

We celebrated the completion of Stage 1 of the **Fraser Coast Sports and Recreation Precinct** worth

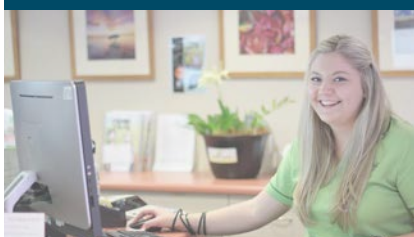
\$11.8M

We welcomed over **2000** sports enthusiasts at the official opening day





GOVERNANCE



Our friendly customer service team received
104,353 calls

The top five requests included:

Animals 📞 4466

Roads 📞 3732

Compliance 📞 3177

Water 📞 2895

Parks 📞 2418



39,258 Library members



Our facebook page has seen a **30%** increase in likes with over

11,800 👍 likes

from our community



NATURAL ENVIRONMENT



174,194 tonnes

of materials were received
at our waste facilities

59.76%

of tonnage was diverted
from landfill

Provided the community with a dedicated **Land For Wildlife** Support Officer as part of Council's Conservation Program



We visited two schools
to deliver **four** mosquito
education sessions



BUILT ENVIRONMENT



\$53,104,445

spent on Capital Works



\$4,086,171

was spent on footpaths
and cycle paths

8,400m

of additional pathway was
added to the network



\$5.17M Project

Almost **20km** of Fraser Coast
sewers were lined as part
of a major upgrade of the
wastewater network





Statutory information

STATUTORY INFORMATION

Mayor and Councillors

Councillor Remuneration and Expenses

Fraser Coast Mayor and Councillors were remunerated in accordance with the maximum remuneration rates published by the Local Government Remuneration and Discipline Tribunal.

Superannuation contributions were paid at a rate of 12% of a Councillor's base remuneration.

In accordance with section 186 (a) and 186 (b) of the *Local Government Regulation 2012*, the total remuneration paid to each Councillor, superannuation contributions and the total expenses incurred by, and the facilities provided to each Councillor under the Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy during the financial year are as shown below.

Expenses were incurred for vehicle usage, conference registrations, accommodation, meals, travel expenses, telecommunication and professional development.

Councillor	Remuneration	Superannuation	Expense	Total
Cr George Seymour	\$ 151,814	\$ 18,218	\$ 26,799	\$ 196,831
Cr James Hansen	\$ 87,892	\$ 10,547	\$ 27,300	\$ 125,739
Cr Anne Maddern	\$ 87,892	\$ 10,547	\$ 13,558	\$ 111,997
Cr Paul Truscott	\$ 87,892	\$ 10,547	\$ 18,465	\$ 116,904
Cr Daniel Sanderson	\$ 87,892	\$ 10,547	\$ 18,300	\$ 116,739
Cr Rolf Light	\$ 87,892	\$ 10,547	\$ 12,115	\$ 110,554
Cr David Lewis	\$ 87,892	\$ 10,547	\$ 13,089	\$ 111,528
Cr Darren Everard *	\$ 99,879	\$ 11,986	\$ 23,321	\$ 135,186
Cr Denis Chapman	\$ 87,892	\$ 10,547	\$ 24,530	\$ 122,969
Cr Stuart Taylor	\$ 87,892	\$ 10,547	\$ 17,294	\$ 115,733
Cr Zane O'Keefe**	\$ 77,783	\$ 9,334	\$ 12,123	\$ 99,240
Total	\$1,032,612	\$ 123,914	\$ 206,894	\$1,363,420

*Includes Deputy Mayor Allowance

**Councillor O'Keefe was officially sworn in as a Councillor on the 3 August 2018

Council Meeting Attendance

Section 186 (c) requires Council to disclose the number of government meetings that each Councillor attended during the financial year. Twelve ordinary meetings and four special meetings were held during the period and the attendance of Councillors is detailed below.

Councillor	Ordinary meetings attended	Special meetings attended
Cr George Seymour	11 of 12	2 of 4
Cr James Hansen	11 of 12	4 of 4
Cr Anne Maddern	12 of 12	4 of 4
Cr Paul Truscott	12 of 12	4 of 4
Cr Daniel Sanderson	12 of 12	4 of 4
Cr Rolf Light	10 of 12	4 of 4
Cr David Lewis	12 of 12	4 of 4
Cr Darren Everard	12 of 12	4 of 4
Cr Denis Chapman	12 of 12	4 of 4
Cr Stuart Taylor	12 of 12	4 of 4
Cr Zane O'Keefe*	10 of 11	4 of 4

*Cr O'Keefe was sworn in on 3 August 2018.

Councillor Conduct

In accordance with section 186 (d)- (f) of the *Local Government Regulation 2012*, orders and complaints about Councillors during the financial year are as shown.

For the period 1 July 2018 to 2 December 2018 (former legislation):

Councillors for whom an order was made under section 180 or 181 of the *Local Government Act 2009*:

Councillor	Description of the Misconduct or Inappropriate Conduct	Summary of the Order or recommendation
Councillor Hansen	Inappropriate Conduct- COM2018/19-054 Made inappropriate and discriminatory comments and shared inappropriate and discriminatory material on Facebook in June 2018.	Order reprimanding the Councillor for inappropriate Conduct.
Councillor Hansen	Inappropriate Conduct- COM2018/19-065 Made inappropriate and offensive comments directed at members of the community on Facebook.	Order reprimanding the Councillor for inappropriate Conduct.

For the period 3 December 2018 to 30 June 2019:

Councillors for whom an order was made under section 150I(2), 150AH(1) and 150AR(1) of the *Local Government Act 2009*:

Type of Order	Councillor	Description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors	Summary of the decision, order or recommendation
150AR(1)	Councillor Hansen	The Councillor engaged in misconduct by making inappropriate and offensive comments in a conversation on the Tobruk dive site on another Councillor's Facebook page in October 2018.	The Tribunal ordered that Cr Hansen make a public admission that the councillor engaged in misconduct, at an ordinary meeting of the Fraser Coast Regional Council within one month.

For the period 1 July 2018 to 2 December 2018 (former legislation):

Section and requirement		Number
176C(2)	Complaints about Councillor conduct or performance for which no action was taken.	3
176C(3)(a)(i)	Complaints referred to the department's Chief Executive about inappropriate conduct by the Mayor or Deputy Mayor.	0
176C(3)(a)(ii) or (b)(i)	Complaints referred to the Mayor about inappropriate conduct by a Councillor other than the Mayor or Deputy Mayor.	4
176C(4)(a)	Complaints about misconduct referred to the department's chief executive.	4
176C(4)(b)	Complaints about misconduct heard by the regional conduct review panel.	0
176C(4)(b)	Complaints about misconduct heard by the tribunal.	1
176C(5)	Complaints assessed by the Chief Executive Officer as being about corrupt conduct under the Crime and Corruption Act.	0
176C(6)	Complaints about another matter	0
180(2) and (4)	Orders and recommendations made about misconduct	0
181	Orders made for inappropriate conduct	2

For the period 3 December 2018 to 30 June 2019:

Section and requirement		Number
150P(2)(a)	Complaints referred to the assessor under section 150P (2)(a) of the Act by the local government; a councillor of the local government and the Chief Executive Officer of the local government.	1
150P(3)	Matters, mentioned in section 150P (3) of the Act, notified to the Crime and Corruption Commission.	0
150R(2)	Notices given to the assessor when a local government official becomes aware of information indicating a councillor may have engaged in conduct that would be inappropriate conduct or misconduct under section 150R(2) of the Act.	1
150S(2)(a)	Notices given to the assessor under section 150S(2)(a) of the Act when a local government decides under section 150AG to take action to discipline the councillor for inappropriate conduct on three occasions during a period of one year; or the local government has previously made an order that a particular type of conduct engaged in by a councillor will be dealt with as misconduct and reasonably suspects the councillor has engaged in the same type of conduct again.	0
150W (a)	Decisions made by the assessor to dismiss the complaint about the conduct under section 150X.	2
150W (b)	Decisions made by the assessor to refer the suspected inappropriate conduct to the local government to deal with.	0
150W (d)	Decisions made by the assessor to take no further action in relation to the conduct under section 150Y.	3
150AC(3)(a)	Referral notices accompanied by a recommendation that the conduct should be referred to another entity for consideration as mentioned in section 150AC (3)(a) of the Act.	0
150AF(4)(a)	Occasions information was given by the local government to the assessor under section 150AF (4)(a) of the Act.	0
Chapter 5A, part 3, division 5	Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor.	0
150AJ	Applications heard by the conduct tribunal about the alleged misconduct of a councillor.	1
150I(2)	Orders made by the chairperson under section 150I(2) of the Act	0
150AH(1)	Orders made by the local government under section 150AH(1) of the Act	0
150AR(1)	Decisions, orders and recommendations made by the conduct tribunal under section 150AR(1) of the Act.	1

Corporate Governance

Senior Management Remuneration

In accordance with section 201 of the *Local Government Act 2009* the details of remuneration for senior management during the financial year were as follows:

Remuneration Value Range	Number of Senior Executives
\$200,001 to \$300,000	1
\$300,001 to \$400,000	3
\$400,001 to \$500,000	1

The senior management of a local government consists of the Chief Executive Officer and all employees whose position would ordinarily be considered to be a senior position in the local government's corporate structure. Council's senior management includes the Chief Executive Officer and four directors.

Senior management remuneration package includes salary paid or payable and includes superannuation at 12%, vehicle allowance and professional development allowance. The total remuneration packages payable to senior management for the financial year was \$1,599,000.

Administrative Action Complaints

In accordance with section 187 of the *Local Government Regulation 2012*, Council has adopted an Administrative Action Complaints Policy and procedure to effectively deal with complaints in a fair, prompt, professional, confidential and respectful manner.

Council's Governance team is responsible for application of the policy and coordinating complaint investigations. All complaints received by Council are considered on their merits and addressed pursuant to any relevant legislation requirements and investigation in accordance with the relevant operational procedure and the application of the principles of procedural fairness.

As required by section 187 (2) of the *Local Government Regulation 2012*, the below table provides a summary of Administrative Action Complaint outcomes for 2018-19.

Outcome of administrative action complaints	2018-19
Number of Administrative Action Complaints made	234
Number of Administrative Action Complaints resolved under the complaints management process	200
Number of Administrative Action Complaints not resolved under the complaints management process	34
Number of Administrative Action Complaints not resolved that were made in the 2017/18 financial year	0

Beneficial Enterprises

In accordance with section 41 of the *Local Government Act 2009*, Council conducted the following beneficial enterprises during the financial year: Fraser Coast Tourism and Events Ltd; and Widelinx Pty Ltd which was deregistered with the Australian Securities & Investment Commission in January 2019.

Significant Business Activities

In accordance with section 45 (a) of the *Local Government Act 2009*, Council conducted the following business activities during the financial year:

- Caravan Park Operations (Scarness, Torquay, Pialba and Burrum Heads)
- Wide Bay Water
- Fraser Coast Waste
- Fraser Coast Airports
- Brolga Theatre

In accordance with section 45 (b), Council identifies the following business activities as significant business activities:

- Wide Bay Water
- Fraser Coast Waste

In accordance with Section 45 (c) of the *Local Government Act 2009*, the competitive neutrality principle was applied to both significant business activities. Both activities were conducted in the preceding financial year, pursuant to section 45 (d)

Competitive Neutrality Complaints

Section 190 (i) and (j) of the *Local Government Regulation 2012* require Council to provide a summary of investigation notices for competitive neutrality complaints during the financial year. No competitive neutrality complaints were received during the reporting period.

Particular Resolutions

In accordance with section 185 of the *Local Government Regulation 2012*, Council must advise of particular resolutions made under section 250(1) and section 206(2) of the *Local Government Regulation 2012*. Council did not make any resolutions during the financial year under section 250 (1) or section 206(2) of the *Local Government Regulation 2012*.

Overseas Travel

In accordance with section 188 of the *Local Government Regulation 2012* the following overseas travel expenses were incurred by Councillors or Council employees in an official capacity during the financial year.

Councillor/Council Employee	Cost	Date	Destination	Purpose
Mayor George Seymour	\$1,745.54	2 – 10 September 2018	China - Sichuan	Sister City Visit to build public relations and tourism and attendance of Sichuan International Travel Expo
Councillor Paul Truscott	\$1,499.80			
Chief Executive Officer Ken Diehm	\$1,441.26			

The flight cost incurred (including flights nationally and internationally, visa cost and travel insurance) was sponsored by the Fraser Coast Tourism and Events Ltd. Other cost incurred such as accommodation and travel cost in Sichuan were sponsored by the Leshan City Council and the Sichuan International Travel Expo Committee.

Expenditure on Grants to Community Organisations

In accordance with section 189 (a) of the *Local Government Regulation 2012*, the following table outlines a summary of the funds supplied through community grants:

Programme	Expenditure
Australia Day	\$6,836
Anzac Day	\$9,872
Festive Fraser Coast (Christmas and New Year)	\$9,750
Community Grants Projects	\$99,594
Community Grants Events	\$52,287
Community Grants Environment	\$2,902
Individual Excellence Sport and STEAM	\$3,650
Sport and Recreation Capital Assistance Grants	\$400,084
	\$584,975

Outside the Community Grants Program, Council has also supported the following in the financial year:

Programme	Expenditure
Regional Events Sponsorship 2018-19 (cash)	\$163,872
Regional Events Sponsorship 2018-19 (in-kind)	\$88,971
RADF Round 1	\$10,505
RADF Fraser Coast Creative	\$8,770
RADF Round 2	\$33,622
Youth Week Grant	\$10,500

Councillors' Discretionary Fund Expenditure

In accordance with section 189(b) of the *Local Government Regulation 2012*, the annual report for a financial year must contain a summary of expenditure from each Councillor's discretionary fund, including:

- the name of each community organisation to which an amount was allocated from the fund; and
- the amount and purpose of the allocation.

Operational Discretionary funding for community purposes for the financial year was:

- Total budget **\$825,000.00**
- Total amount funded **\$790,555.62**
- Total amount spent **\$789,857.61**

The following pages include tables summarising the expenditure from each Councillors' operational discretionary fund:

MAYOR – Cr George Seymour: 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Hervey Bay Art Society- to assist with monies towards a new computer system	\$3,078.70	\$3,078.70
Margaret Wroe for Friends of Maryborough Cemetery c/- Maryborough District Family History Society Inc.- to assist with monies towards Armistice Day 2018 Poppy Project	\$1,040.00	\$1,040.00
Yarrilee State School- to assist with monies towards Writing Extension Program	\$800.00	\$800.00
Fraser Coast Artslink- to assist with monies towards the Enchanted Evening in the Chinese Garden	\$1,336.00	\$1,336.00
The Maryborough Mural Charitable Trust- monies towards mural of Aboriginal elder Uncle Wilfie	\$6,000.00	\$6,000.00
Cool Country Inc.- to assist with monies towards the purchase of new sound equipment	\$5,000.00	\$5,000.00
Burrum District Community Men's Shed- to assist with monies towards the purchase and installation of a sliding glass door	\$1,000.00	\$1,000.00
Hervey Bay Squash Incorporated- to assist with costs towards Queensland Masters tournament	\$1,000.00	\$1,000.00
Hervey Bay Historical Heritage and Museum- monies towards publishing book	\$17,651.00	\$17,651.00
Football Queensland Wide Bay- monies towards the Representative Program to be held for 22 week season	\$6,000.00	\$6,000.00
Hervey Bay Square Dance Club- monies towards event to celebrate clubs 30th Birthday	\$200.00	\$200.00
Maryborough Aboriginal Corporation for Housing and Cultural Development- monies towards the Moonaboola Arts Festival	\$1,000.00	\$1,000.00
Ngabanjah Arts and Cultural Co-operative- to assist with monies for the mural at Stockland's Hervey Bay	\$2,000.00	\$2,000.00
Hervey Bay Australian Football- Bombers- monies towards installing a water bore	\$5,000.00	\$5,000.00
Hervey Bay Netball Association- monies towards a shade structure	\$7,000.00	\$7,000.00
Maryborough BMX Club Inc.- monies to assist with Open Day in June 2019	\$3,274.00	\$3,274.00
Fraser Coast Artists for Change Inc. – Monies towards the scholarship	\$5,000.00	\$5,000.00
Autism Kids Fraser Coast – Monies towards transport costs for resident to attend Sensory Olympics	\$1,760.00	\$1,760.00
St Helens State School P and C Association – Monies towards the School Family Field Day	\$250.00	\$250.00
Community Lifestyle Agency Inc. – Monies towards basic Key Word sign workshops across the Fraser Coast	\$1,000.00	\$1,000.00
Maryborough BMX Club Inc. – monies to assist with septic contractor costs at June Open Bay	\$350.00	\$350.00
Norma House Incorporated – monies towards counselling for clients	\$1,000.00	\$1,000.00
Maryborough Eisteddfod Inc. - monies towards the Maryborough Eisteddfod	\$2,000.00	\$2,000.00
	\$72,739.70	\$72,739.70

DIVISION 1 – Cr James Hansen: 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Burrum Recreation Reserve Association Inc.- to assist with monies towards the annual Rodeo and Ute Show 2018	\$500.00	\$500.00
Maryborough Clay Target Club Inc.- to assist with monies towards creating a multi discipline clay shooting range	\$1,500.00	\$1,500.00
Maryborough City Progress Association Inc.- to assist with monies 4650 Extravaganza	\$1,000.00	\$1,000.00
Maryborough Chamber of Commerce Inc.- to assist with monies toward the City Spirit Street Party	\$875.00	\$875.00
Rockin' Maryborough Vintage Festival Inc.- to assist with monies towards the Festival and volunteers	\$500.00	\$500.00
Burrum Recreation Reserve Association Inc.- to assist with monies towards the Annual Picnic Races at Torbanlea 2018	\$3,000.00	\$3,000.00
The Returned Services League of Australia- Burrum District Sub Branch - to assist with monies for Armistice Day	\$500.00	\$500.00
Rotary Club of Maryborough City Inc.- to assist with monies towards the RYDA Program 2019	\$5,000.00	\$5,000.00
Burrum District Community Men's Shed Inc.- to assist with monies towards a new laptop	\$832.00	\$832.00
The Foodbasket- to assist with monies towards facilities to feed the low income members of community	\$1,818.00	\$1,818.00
Hervey Bay Neighbourhood Centre Inc.- with monies towards Lovebites Respectful Relationships	\$500.00	\$500.00
The Not Forgotten Ones Inc.- to assist with monies to purchase air-conditioning	\$4,388.00	\$4,388.00
Maryborough Aboriginal Corporation for Housing and Cultural Development- to assist with monies towards the Moonaboola Arts Festival April 2019	\$5,000.00	\$5,000.00
Aldershot and District Community Association Inc. – monies for Australia Day celebrations	\$1,000.00	\$1,000.00
The Maryborough Mural Project Charity Trust- monies towards mural 'Peace'	\$6,000.00	\$6,000.00
Maryborough State High School P&C- FraserPop 2019	\$2,000.00	\$2,000.00
Tiaro Landcare and Tiaro Field Day- Tiaro Field Day 20 July 2019	\$3,000.00	\$3,000.00
Aldershot Rural Fire Brigade- to assist with the purchase of an All-Terrain Vehicle	\$20,000.00	\$20,000.00
Woocoo Historical Society- monies towards Pioneer Day 22 June 2019	\$5,000.00	\$5,000.00
Burrum Coal Discovery Festival- monies towards the Burrum Coal Festival	\$5,000.00	\$5,000.00
Maryborough and District Rifle Club Inc.- monies towards reports and repairs to building	\$3,000.00	\$3,000.00
Burrum District Golf Club- monies towards facilities at the Golf Club	\$2,586.82	\$2,586.82
Aldershot District Community Association- monies towards purchasing bowling mats, balls, table tennis bats, darts and board	\$600.00	\$600.00
	\$73,599.82	\$73,599.82

DIVISION 2 – Cr Anne Maddern: 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Maaroom Ratepayers and Progress Association Inc.- to assist with the purchase of a gerni 2.4kw high pressure cleaner	\$598.00	\$598.00
Wide Bay District Veteran Golfers Association- To assist with monies towards the carnival	\$1,000.00	\$1,000.00

Tinana State School- to assist with monies towards catering for Sustainability Schools Symposium	\$500.00	\$500.00
Maryborough City Whistlestop Inc.- to assist with monies toward training for volunteers	\$3,500.00	\$3,500.00
Maryborough City Progress Association Inc.- to assist with monies 4650 Extravaganza	\$1,000.00	\$1,000.00
Tinnanbar Progress Association- to assist with monies for the installation of an extra flag pole at the memorial site	\$1,800.00	\$1,800.00
Maryborough Chamber of Commerce Inc.- to assist with monies toward the City Spirit Street Party	\$875.00	\$875.00
Rockin' Maryborough Vintage Festival Inc.- to assist with monies towards the Festival and volunteers	\$500.00	\$500.00
Endeavour Foundation- to assist with the purchase of checker pieces for Disability Action Week	\$435.60	\$435.60
Rotary Club of Maryborough City Inc.- to assist with monies towards the RYDA Program 2019	\$5,000.00	\$5,000.00
Burrum District Community Men's Shed- to assist with monies towards the purchase of a Wavecom "test and tag" Portable Appliance Tester	\$798.00	\$798.00
Poona Community Progress Association Inc.- to assist with monies to purchase and install CCTV to the Poona Centenary Hall and surrounds	\$17,143.50	\$17,143.50
The Foodbasket- to assist with monies towards facilities to feed the low income members of community	\$1,818.18	\$1,818.18
The Munna Creek Hall and Recreation Association Inc.- to assist with monies to clean after the Munna Creek Country Music Festival	\$430.00	\$430.00
Poona Community Progress Association Inc.- to assist with monies towards the annual Christmas Lights competition	\$500.00	\$500.00
Bauple Progress Association Inc.- monies towards a BBQ for Bauple Community Christmas	\$250.00	\$250.00
Hervey Bay Neighbourhood Centre Inc.- with monies towards Lovebites Respectful Relationships	\$500.00	\$500.00
Maryborough State High School- FraserPop 2019	\$1,000.00	\$1,000.00
Tiaro Landcare and Tiaro Field Day- Tiaro Field Day 20 July 2019	\$5,800.00	\$5,800.00
Sporting Wheelies and Disabled Association- monies towards the purchase of club/ beginners sports wheelchairs	\$4,000.00	\$4,000.00
Boonooroo Progress Association Inc.- monies towards air-conditioning in the hall	\$8,500.00	\$8,500.00
Burrum District Community Men's Shed- to assist with monies to purchase a Laguna Bobbin Sander	\$850.00	\$850.00
Maryborough city Progress Association Inc.- to assist with monies towards the Christmas Carols Event for Tiaro	\$3,000.00	\$3,000.00
QCWA Burnett Division- monies towards the QCWA State Conference to be held at Brolga Theatre	\$1,000.00	\$1,000.00
Brooweena District Rural Fire Brigade- monies towards new laptop computer	\$1,135.00	\$1,135.00
Glenwood Progress Association Inc.- monies towards replacement of signs at entrance to Glenwood	\$2,331.64	\$2,331.64
Tinana State School – to assist with monies towards catering for Sustainability Schools Symposium	\$500.00	\$500.00
Bauple Band Hall Inc. – monies to repair the entry ramp and side hand rails to the Band Hall	\$5,960.00	\$5,960.00
Glenwood Progress Association Inc. – monies towards costs of toilets, bins, first Aid Attendees and fliers for Annual Glenwood Swap Meet	\$2,602.00	\$2,602.00
	\$73,326.92	\$73,326.92

DIVISION 3 – Cr Paul Truscott: 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Maryborough Community Kindergarten and Pre-prep Schooling Association Inc. - to assist with the purchase of equipment	\$6,300.00	\$6,300.00
Maryborough Hospital Auxiliary- to assist with the purchase of a Coagucheck machine and equipment for the Rehabilitation Unit	\$2,816.95	\$2,816.95
Maryborough and District Animal Refuge- to assist with monies to provide power to the meeting hub shed and to provide concrete pathway and apron	\$7,136.36	\$7,136.36
Maryborough Aero Club Inc.- to assist with funds towards the event Fraser Coast Wings and Wheels	\$3,162.27	\$3,162.27
Maryborough Clay Target Club Inc.- to assist with monies towards creating a multi discipline clay shooting range	\$1,500.00	\$1,500.00
Maryborough Military Aviation Museum Association Inc.-monies to assist for printing of RAAF Maryborough Wartime Memories 1941 to 1945 and other associated wear	\$3,000.00	\$3,000.00
Maryborough Special School P & C Association- monies towards the installation of liberty swing in school for children in wheelchairs	\$1,000.00	\$1,000.00
St Helens State School P & C- to assist with monies towards the St Helens School Family Field Day	\$250.00	\$250.00
Maryborough West Football Club- to assist with monies towards the Tombola Event	\$300.00	\$300.00
Maryborough City Progress Association Inc.- to assist with monies 4650 Extravaganza	\$1,000.00	\$1,000.00
Maryborough Community Recreation Centre Inc.- to assist with monies towards a hot water system	\$3,294.50	\$3,294.50
Maryborough Chamber of Commerce- to assist with monies to towards Wi-Fi access for Tech Challenge	\$1,200.00	\$1,200.00
Maryborough Excelsior City Band- to assist with monies to purchase new equipment	\$3,000.00	\$3,000.00
Maryborough Chamber of Commerce Inc.- to assist with monies toward the City Spirit Street Party	\$875.00	\$875.00
Rockin' Maryborough Vintage Festival Inc.- to assist with monies towards the Festival and volunteers	\$500.00	\$500.00
Aldridge State High School P&C Association- to assist with monies towards transportation for students to attend Kids Alive Do the Five	\$1,138.50	\$1,138.50
Rotary Club of Maryborough City Inc.- to assist with monies towards the RYDA Program 2019	\$2,000.00	\$2,000.00
The Maryborough Mural Charitable Trust- to assist with monies for mural of Maryborough's Crest and Panels	\$6,214.34	\$6,214.34
The Foodbasket- to assist with monies towards facilities to feed the low income members of community	\$1,956.58	\$1,956.58
The Maryborough and District Committee on the Ageing Inc.- to assist with the purchase of an auto boil unit	\$2,190.00	\$2,190.00
Hervey Bay Neighbourhood Centre Inc.- with monies towards Lovebites Respectful Relationships	\$500.00	\$500.00
Victory Care Services Maryborough- to assist for food relief for families in need this Christmas 2018	\$500.00	\$500.00
FraserPop Maryborough State High School P&C- to assist with Son of Obiwan Saber Academy advertising July 2019	\$3,500.00	\$3,500.00
Maryborough State High School P&C- FraserPop 2019	\$3,000.00	\$3,000.00

Tiaro Landcare and Tiaro Field Day- Tiaro Field Day 20 July 2019	\$2,000.00	\$2,000.00
Maryborough Youth and Show Choirs- monies towards the purchase of an iPad to store sheet music	\$2,077.00	\$2,077.00
Maryborough City Church- monies towards Youth Event in Maryborough	\$3,000.00	\$3,000.00
RSL Sub Branch Maryborough- 9 RQR Reunion in April	\$1,027.36	\$1,027.36
Maryborough Aboriginal Corporation for Housing & Cultural Development- monies towards the Moonaboola Arts Festival	\$1,000.00	\$1,000.00
Maryborough and District Rifle Club Inc.- monies towards reports and repairs to building	\$4,170.00	\$4,170.00
Riverside Christian College- monies towards purchase of shirts for students travelling to Japan	\$2,000.00	\$2,000.00
Butchulla Men's Business Aboriginal Association Inc.- monies towards Rites of Passage	\$500.00	\$500.00
Maryborough City Progress Association Inc. – monies towards Maryborough Street Parties	\$2,000.00	\$2,000.00
St Helens State School P & C – to assist with monies towards the St Helens School Family Field Day	\$250.00	\$250.00
Maryborough City Progress Association Inc. – monies towards advertising costs for sensory Olympics	\$250.00	\$250.00
The Maryborough and District Committee on the Ageing Inc. – monies towards Maryborough's First Mobility Scooter Convey.	\$250.00	\$250.00
	\$74,858.86	\$74,858.86



DIVISION 4 – Cr Daniel Sanderson: 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Maryborough City Progress Association Inc.- to assist with monies 4650 Extravaganza	\$1,000.00	\$1,000.00
Maryborough Chamber of Commerce Inc.- to assist with monies toward the City Spirit Street Party	\$875.00	\$875.00
Rockin' Maryborough Vintage Festival Inc.- to assist with monies towards the Festival and volunteers	\$500.00	\$500.00
Aldridge State High School P&C Association- to assist with monies towards transportation for students to attend Kids Alive Do the Five	\$1,138.50	\$1,138.50
Rotary Club of Maryborough City Inc.- to assist with monies towards the RYDA Program 2019	\$3,000.00	\$3,000.00
The Foodbasket- to assist with monies towards facilities to feed the low income members of community	\$1,818.18	\$1,818.18
Hervey Bay Neighbourhood Centre Inc.- with monies towards Lovebites Respectful Relationships	\$500.00	\$500.00
Victory Care Services Maryborough- to assist for food relief for families in need this Christmas 2018	\$500.00	\$500.00
FraserPop Maryborough State High School P&C- to assist with Son of Obiwan Saber Academy advertising July 2019	\$3,500.00	\$3,500.00
Maryborough State High School P&C- FraserPop 2019	\$2,000.00	\$2,000.00
RSL Sub Branch Maryborough- 9 RQR Reunion in April	\$1,000.00	\$1,000.00
Victory Church Maryborough- monies towards National Youth Week- 5 April 2019	\$3,000.00	\$3,000.00
Maryborough Chamber of Commerce Steampunk Committee- monies towards Timeless Mary's Tiffin Party event	\$1,000.00	\$1,000.00
Maryborough Eisteddfod Inc.- monies towards the Maryborough Eisteddfod	\$6,000.00	\$6,000.00
Maryborough State Schools Under 8s- monies towards attendance to participate at the Under 8s Activity Day	\$1,200.00	\$1,200.00
Rotary Club of Hervey Bay- Fraser Coast Regional Science and Engineering Challenge- monies towards the Fraser Coast Regional Science and Engineering Challenge Event	\$2,500.00	\$2,500.00
Maryborough Aero Club Inc. – to assist with funds for the Wings Wheels and Warbirds Event.	\$5,000.00	\$5,000.00
Point Lookout Croquet Club – monies to purchase new equipment	\$3,920.00	\$3,920.00
Maryborough Chamber of Commerce Steamfesta – monies towards costs for entertainment marketing and promotion for Steamfesta	\$1,500.00	\$1,500.00
Maryborough City Whistle Stop Inc. – monies towards the formulation of a Feasibility Study	\$6,050.00	\$6,050.00
The Maryborough Mural Project Charity Trust – monies towards 'street and style' mural	\$6,000.00	\$6,000.00
Football Maryborough – monies towards new mower for Federation Park	\$7,500.00	\$7,500.00
Urangan State High School – monies towards U-Can Program	\$7,500.00	\$7,500.00
Hervey Bay Orchid Society Inc. – monies towards expenses associated with the Hervey Bay Spring Orchid and Garden Spectacular	\$500.00	\$500.00
Rotary Club of Maryborough – Sunrise – monies for Maryborough Peace Pole public art	\$2,500.00	\$2,500.00
	\$70,001.68	\$70,001.68

DIVISION 5 – Cr Rolf Light: 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Toogoom and District RSL Sub-Branch- to assist with monies towards the mural of Vietnam War on the front of the museum	\$900.00	\$900.00
Toogoom and District Community Association Inc.- to assist with monies towards the installation on internal toilets	\$30,000.00	\$30,000.00
Burrum District Community Men's Shed- to assist with monies towards the supply and install of Solar System to the shed at Steley Street Howard	\$7,344.00	\$7,344.00
Burrum District Community Centre Association Inc.- to assist with monies towards the Annual Howard Community Christmas Carnival 2018	\$500.00	\$500.00
Burrum District Community Centre Association Inc. and Rotary Club of Hervey Bay- to assist with monies towards the Burrum Heads Community Christmas Event	\$1,500.00	\$1,500.00
Toogoom and District Sub-Branch Inc.- to assist with monies towards BBQ lunch for Vietnam Veterans day 18 August 2018	\$400.00	\$400.00
The Salvation Army- monies to assist towards community members with school children	\$1,500.00	\$1,500.00
Victory Care Services Maryborough- to assist for food relief for families in need this Christmas 2018	\$500.00	\$500.00
Returned and Services League of Australia Toogoom- to assist with monies towards damage to museum	\$2,545.45	\$2,545.45
Burrum District Community Centre Association Inc.- relocate security cameras	\$500.00	\$500.00
Maryborough Military Aviation Museum Association Inc.- to include an AFC WW1 Exhibit to the Museum	\$2,000.00	\$2,000.00
Older Men Unlimited Hervey Bay Inc.- monies towards kitchen facilities	\$2,365.50	\$2,365.50
Toogoom and District Community Association Inc.- monies towards the Toogoom Easter Fair	\$500.00	\$500.00
Toogoom and District Community Association Inc.- to assist with monies toward project Linus	\$3,164.00	\$3,164.00
Burrum Districts RSL Sub Branch- monies towards signage	\$980.00	\$980.00
Rotary Club of Hervey Bay- Fraser Coast Regional Science and Engineering Challenge- monies towards the Fraser Coast Regional Science and Engineering Challenge Event	\$2,500.00	\$2,500.00
Older Men Unlimited Hervey Bay Inc. – monies towards purchase of 2 defibrillators	\$5,990.00	\$5,990.00
Older Men Unlimited Hervey Bay Inc. – monies towards kitchen facilities 3m cupboard with bench top	\$1,218.83	\$1,218.83
Burrum District Community Men's Shed – monies to install insulation, also flashing and a 3D printer	\$5,000.00	\$5,000.00
Older Men Unlimited Hervey Bay Inc. – monies to purchase four heavy duty Gazebos	\$727.27	\$727.27
Burrum Districts RSL Sub Branch – monies towards a basic security system.	\$1,350.00	\$1,350.00
	\$71,485.05	\$71,485.05

DIVISION 6 – Cr David Lewis: 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Fraser Coast Malayalee Association Inc.- to assist with monies towards a cultural event	\$1,000.00	\$1,000.00
Hervey Bay State High School P&C Association- to assist with monies towards Swap and Meet to be held 3 November 2018	\$602.00	\$602.00
Hervey Bay Neighbourhood Centre- monies to assist the celebrations of the Chinese New Year 2019	\$1,800.00	\$1,800.00
Maryborough State High School P&C- FraserPop 2019	\$1,000.00	\$1,000.00
Maryborough Aboriginal Corporation for Housing & Cultural Development- to assist with monies towards the Moonaboola Arts Festival April 2019	\$5,000.00	\$5,000.00
Proud Mary's Association Inc.- monies towards the cost of creating, producing and launching a Mary Register	\$900.00	\$900.00
Fraser Coast Artslink- monies towards the Festival of Youth Arts	\$10,000.00	\$10,000.00
Fraser Coast Artslink- monies towards monthly workshops for local youth	\$6,000.00	\$6,000.00
Taking Back the Night- C/ Hervey Bay Neighbourhood Centre- monies to assist events and activities	\$8,000.00	\$8,000.00
Zonta Club Of Hervey Bay- to assist with monies towards hosting the Area 2 Meeting	\$280.00	\$280.00
Rotary Club of Hervey Bay City Inc.- to assist with monies towards hosting a Science and Engineering Challenge	\$1,000.00	\$1,000.00
Fraser Coast Artists for Change Inc. – to assist with monies towards the Art Enrichment Program	\$5,000.00	\$5,000.00
Greater Mary Association Inc. – To assist with monies towards banners, corflutes, pump and drone	\$2,105.00	\$2,105.00
Fraser Coast Artists for Change Inc. – monies to assist with Scholarship	\$5,000.00	\$5,000.00
Fraser Coast Artslink Inc. – Funds towards Enchanted Evening in the Gardens expenses	\$5,650.00	\$5,650.00
Hervey Bay City Musicians Inc. –funds towards the replacement of light fittings in the Hall	\$3,600.00	\$3,600.00
Hervey Bay touch Association – monies to purchase line markers to prepare for junior State Cup	\$2,137.04	\$2,137.04
Rotary Club of Maryborough – Sunrise – monies for Maryborough Peace Pole public art.	\$2,500.00	\$2,500.00
	\$61,574.04	\$61,574.04

DIVISION 7 – Cr Darren Everard: 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Football Hervey Bay Inc.- to assist with the purchase of a defibrillator	\$1,995.00	\$1,995.00
Gems B Grade Basketball Team- to assist with the purchase of new uniforms	\$350.00	\$350.00
Wide Bay District Veteran Golfers Association- To assist with monies towards the carnival	\$1,000.00	\$1,000.00

Hervey Bay Seagulls Rugby League Football Club Inc.- to assist with monies towards the event to hold Sunshine Coast Falcons Home Game	\$5,000.00	\$5,000.00
CPL Choice Passion Life- to assist with monies towards the Exhibition to assist people with disabilities to actively participate in the Art Affair and Disability Action Week.	\$4,283.26	\$4,283.26
Hervey Bay Woodcrafts Club Inc.- to assist with monies towards the stormwater connects for shed	\$1,000.00	\$1,000.00
Tinana Football Club Inc.- to assist with monies toward purchasing computers	\$500.00	\$500.00
Fraser Coast Malayalee Association Inc.- to assist with monies towards a cultural event	\$1,000.00	\$1,000.00
Hervey Bay Swimming Club Inc.-to assist with monies towards the swimming meet- Wide Bay Swimming Development	\$1,312.40	\$1,312.40
Butchulla Aboriginal Corporation- to assist with monies towards the Butchulla Celebration Day	\$2,000.00	\$2,000.00
Musicians Making a Difference- to assist with monies towards the Hervey Bay Musicians Making a Difference	\$10,000.00	\$10,000.00
Urangan State High School- monies towards the Awards Night Celebrations	\$200.00	\$200.00
Down Syndrome Queensland- to assist with monies towards Step Up for Down Syndrome events	\$600.00	\$600.00
The Hervey Bay Neighbourhood Centre- monies towards events leading up to Neighbourhood Day March 2019	\$1,500.00	\$1,500.00
Poona Community Progress Association Inc.- monies towards replacement of curtains and benchtops Poona Centenary Hall	\$5,000.00	\$5,000.00
Hervey Bay Animal Refuge- to assist with monies towards a Christmas Party for the volunteers	\$1,000.00	\$1,000.00
Hervey Bay Swimming Club- to assist with monies towards Qld Water Polo come and try day	\$750.00	\$750.00
Bundaberg Fraser Coast Branch of Maroon Arm Bowlers- monies towards 2 day event in March and April	\$1,200.00	\$1,200.00
Maryborough Amateur Basketball Association Inc.- monies towards purchase of two portable scoreboards	\$2,498.00	\$2,498.00
Maryborough State High School P&C- FraserPop 2019	\$2,000.00	\$2,000.00
Sporting Wheelies and Disabled Association- monies towards the purchase of club/beginners sports wheelchairs	\$4,000.00	\$4,000.00
Maryborough Aboriginal Corporation for Housing and Cultural Development- monies towards the Moonaboola Arts Festival	\$5,000.00	\$5,000.00
Rally for a Cause Inc.- monies towards Dunga Derby	\$10,000.00	\$10,000.00
Football Hervey Bay Inc.- to assist with the purchase of water for fields	\$2,000.00	\$2,000.00
Fraser Coast Tourist Radio- monies toward labour and miscellaneous materials	\$1,200.00	\$1,200.00
Fraser Coast Anglican College- monies towards Year 12 Formal event	\$450.00	\$450.00
Hervey Bay Bowls Club- To assist with monies towards the Men's Classic Pairs Carnival	\$1,000.00	\$1,000.00
Hervey Bay Archers Inc.- monies towards project for facilities	\$1,600.00	\$1,600.00
Fraser Coast Artists for Change Inc. – monies towards gallery exhibition and prizes	\$1,200.00	\$1,200.00
Hervey Bay Sea Scouts – monies towards hiking tents and gates around the Den	\$3,000.00	\$3,000.00
Burrum District Active Riders Inc. – monies towards shade sails.	\$1,200.00	\$1,200.00
	\$73,838.66	\$73,838.66

DIVISION 8 – Cr Denis Chapman: 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Apex Club of Fraser Coast-to assist with monies towards Biggest Ever Blokes lunch- fundraiser for Prostate Cancer	\$4,000.00	\$4,000.00
Gay Alcoe- Manup for prostate Cancer- to assist with monies towards prostate cancer education	\$4,000.00	\$4,000.00
Munna Creek Hall and Recreation Association Inc.- to assist with monies towards the Munna Music Festival	\$3,000.00	\$3,000.00
Burrum Recreation Reserve Association Inc.- to assist with monies towards the Annual Picnic Races Torbanlea 2018	\$1,000.00	\$1,000.00
Rotary Club of Maryborough City Inc.- to assist with monies towards the RYDA Program 2019	\$5,000.00	\$5,000.00
Fraser District Community Voice Inc.- to assist with monies towards Queensland Water Polo coming to Maryborough Aquatic Centre	\$500.00	\$500.00
Project Linus- to assist with monies towards sewing machines to produce handmade quilts to donate to children in hospital, aged care facilities	\$1,209.00	\$1,209.00
The Maryborough Mural Project Charity Trust- to assist with monies towards a mural at Maryborough Military and Colonial Museum	\$6,000.00	\$6,000.00
Tiaro Landcare and Tiaro Field Day- Tiaro Field Day 20 July 2019	\$4,000.00	\$4,000.00
Burrum Coal Discovery Festival- monies towards equipment hire and other miscellaneous	\$3,000.00	\$3,000.00
Doonvilla Ladies Bowling Club- monies towards the Riverside Carnival	\$600.00	\$600.00
Hervey Bay Neighbourhood Centre- monies towards security camera and chest freezer	\$2,266.00	\$2,266.00
Maryborough Small Schools Sports Assoc- monies towards portable disabled toilet and ribbons for the Small School Athletics Carnival	\$500.00	\$500.00
Maryborough District Cricket Association Inc.- monies towards new ride on lawn mower	\$4,000.00	\$4,000.00
Hervey Bay Sixty and Better Healthy Ageing Program Inc.- monies towards the purchase of a Defibrillator	\$1,000.00	\$1,000.00
Maryborough City Progress Association Inc. – monies towards Maryborough Street parties	\$2,000.00	\$2,000.00
Truck Friendly – monies towards Truck Friendly Road Safety Program * purchase of portable electronic display equipment	\$2,000.00	\$2,000.00
Maryborough Military Aviation Museum Association Inc. – assist with professional fees certifications approvals and administration costs associated with the museum complex design and construction	\$2,000.00	\$2,000.00
Maryborough Kennel Club Inc. – monies towards a mower	\$4,000.00	\$4,000.00
Paisley Park Early Learning Centres Urangan – money forwards Bush Tucker Garden.	\$2,000.00	\$2,000.00
Maryborough Rifle and Pistol Club Inc. – monies towards coaching and training	\$5,000.00	\$5,000.00
The Scout Association of Qld Pinalba Monies towards assisting with upgrade of electrics in Den.	\$1,000.00	\$1,000.00
Maryborough & District Rifle Club Inc. monies towards Management Plan, Environmental Remediation and repairs to buildings	\$5,000.00	\$5,000.00
Howard and District Progress Association Inc. – monies towards replacement of chairs	\$1,715.00	\$1,715.00
Trustee for Southern Cross Austereo Community Ancillary Fund – monies for 'Give me 5 for Kids' – purchase of Masimo monitor at Hervey Bay Hospital	\$5,000.00	\$5,000.00
Rotary Club of Maryborough – Sunrise – monies for Maryborough Peach Pole public art.	\$2,500.00	\$2,500.00
	\$72,290.00	\$72,290.00

DIVISION 9 – Cr Stuart Taylor: 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Shed Happens- To assist with funds towards Feed the Man Meat community event	\$2,000.00	\$2,000.00
Bay Break Inc.- to assist with monies towards the event Bay Break Multisports Weekend	\$15,000.00	\$15,000.00
Hervey Bay Australian Football and Cricket Club Inc.- to assist with monies to purchase Irrigation pop-up sprinklers and controller	\$5,000.00	\$5,000.00
The Hervey Bay Neighbourhood Centre- monies towards events leading up to Neighbourhood Day March 2019	\$1,500.00	\$1,500.00
Fraser Coast Regional Council- funds allocated to provide signage for Cooper's Walk	\$6,974.00	\$6,340.00
Fraser Coast Rugby Union Inc.- to assist with monies for sporting equipment and first aid kit	\$7,700.07	\$7,700.07
Hervey Bay Netball Association- monies towards purchase of 8x4 bleachers	\$18,181.82	\$18,181.82
Maryborough State High School P&C- FraserPop 2019	\$2,000.00	\$2,000.00
Fraser Coast Malayalee Association Inc.- monies towards Indian Cultural programs	\$5,950.00	\$5,950.00
Fraser Coast Regional Council- funds allocated to provide signage for Parkrun Hervey Bay	\$2,100.00	\$2,035.99
Tribe Multisport – monies towards defibrillator, First Aid Kits, safety flags, communication radios and insurance	\$6,775.00	\$6,775.00
	\$73,180.89	\$72,482.88



DIVISION 10 – Cr Zane O'Keefe : 2018-19 Allocation - \$75,000

Project	Amount Funded (\$)	Amount Spent (\$)
Hervey Bay Triathlon Club- monies towards purchasing High Vis Vests with Printing and Bucket Hats for Hervey Bay 100 Triathlon	\$1,860.00	\$1,860.00
Maryborough Aboriginal Corporation for Housing and Cultural Development- to assist with monies towards the Moonaboola Arts Festival April 2019	\$6,000.00	\$6,000.00
Urangan State High School- Leadership workshop	\$1,500.00	\$1,500.00
Hervey Bay Athletic Club- monies towards covers for long jump and triple jump	\$4,500.00	\$4,500.00
Sporting Wheelies and Disabled Association- monies towards purchase of club/ beginner sports wheelchairs	\$4,000.00	\$4,000.00
Riverside Christian College- monies towards students shirts to travel to Japan	\$1,000.00	\$1,000.00
Urangan State High School and Other High Schools- monies towards the Urangan High School U-can program	\$10,000.00	\$10,000.00
Urangan State High School- monies towards the Hervey Bay Annual Under 8s Community Event	\$2,000.00	\$2,000.00
Butchulla Men's Business Aboriginal Association Inc.- monies towards Rites of Passage	\$1,000.00	\$1,000.00
Hervey Bay Seafood Inc.- monies towards the Hervey Bay Seafood Festival	\$8,000.00	\$8,000.00
The Scout Association of Australia Queensland Branch Inc.- Pialba Scout Group	\$4,450.00	\$4,450.00
AFL Wide Bay Inc.- monies towards participants in the AFL Auskick program	\$1,600.00	\$1,600.00
Maryborough Eisteddfod Inc.- monies towards the Maryborough Eisteddfod	\$6,000.00	\$6,000.00
Bayside Transformations- monies towards Local Drug and Alcohol Residential Recovery Program	\$5,000.00	\$5,000.00
Riverside Christian College- monies towards travel to Normanton for annual Aboriginal Mission trip	\$4,000.00	\$4,000.00
Hervey Bay Men's Shed Inc. – monies used to pay for a set of engineers drawings for a proposed extension.	\$2,000.00	\$2,000.00
Fraser Coast Artslink Inc. – Funds towards Enchanted Evening in the Gardens expenses	\$4,250.00	\$4,250.00
Hervey Bay Men's Shed Inc. – monies to buy materials needed to build the carriages that ride on Bogies	\$4,000.00	\$4,000.00
Rotary Club of Maryborough – Sunrise – monies for Maryborough Peach Pole public art	\$2,500.00	\$2,500.00
	\$73,660.00	\$73,660.00

Mayor's Community Benefit Fund

The Mayor's Community Benefit fund is available to provide assistance or relief to people in the Community.

The objects and purpose for which the fund is established are to:

- respond to needs beneficial to the community;

- assist community organisations and groups in order to pursue charitable purposes and/or other activities beneficial to the community;
- emergency support situations, including essential food items, emergency accommodation and/or repairs for life threatening situations; and
- do anything incidental or helpful to either of the above.

Donations Received - \$0.00

Donations Granted - \$2,000

Mayor's Donations and Sponsorship

Council is required to report on the total donations and sponsorships as outlined below for the financial year:

Date	Recipient	Narrative	Amount
04/07/2018	Riverside Christian College	Sponsorship- Science & Engineering Challenge in Darwin	\$500.00
18/07/2018	Manup for Prostate Cancer	Sponsorship- Prostrate Cancer Manup Fundraiser	\$200.00
09/08/2018	Science Teachers Association of QLD	Sponsorship- Local Schools Queensland Science Contest	\$500.00
13/08/2018	Torbanlea State School	Sponsorship - Major fund raiser	\$100.00
23/08/2018	Aldridge State High School	Sponsorship- "Humanities Award" Annual Awards Night	\$100.00
23/08/2018	Urangan State High School	Sponsorship-"Caltex Best All Rounder" Awards Night	\$250.00
12/09/2018	Andrew Death	Sponsorship- Ryan Death State School Athletics	\$200.00
01/11/2018	Tiaro State School	Sponsorship- 2018 Awards & Graduation Nights	\$100.00
28/11/2018	Bayside Transformations	Sponsorship- Christmas Festivities 2018	\$300.00
29/11/2018	Margaret Wroe	Expenses for Poppy Project	\$96.70
09/01/2019	Burrum Heads Amateur Fishing Club Inc.	Sponsorship- Burrum Heads Amateur Fishing Easter Classic 2019	\$750.00
10/01/2019	Mansong Qld Inc.	Sponsorship- Performance at Australia Day 2019	\$500.00
17/01/2019	The Cancer Council Queensland	Sponsorship- Raffle and auction prizes for Wide Bay Burnett Fundraiser	\$250.00
18/03/2019	Hervey Bay Art Society	Sponsorship- Prize for 2019 Annual Members Art Exhibition	\$700.00
22/05/2019	Aldridge State High School	Sponsorship- Golf Day	\$300.00
27/05/2019	Maryborough Active Riders Club Inc.	Sponsorship- 2019 Fraser Coast Dressage Championships	\$200.00
12/06/2019	Natasha Stevenson	Sponsorship- Lucy to attend 24th World Scout Jamboree	\$250.00
19/06/2019	The Country Ramblers	Sponsorship- Performances across Aged Care Homes	\$250.00
			\$5,546.70

Details of Special Rates and Charges

In accordance with section 190(1)(d)(i) of the *Local Government Regulation 2012*, there was no action taken for, or expenditure on, a service, facility or activity supplied by another local government under an agreement for conducting a joint government activity.

In accordance with section 190(1)(d)(ii) of the *Local Government Regulation 2012*, a summary of special rates or charges levied by Council during the reporting period is provided below.

Council Rural Fire Levy

Council Rural Fire Levy on rateable land not included in the Urban Fire Brigade area to raise funds for the purchase and maintenance of buildings, land and/or equipment for the rural brigades. The levy was based on the requirements of the brigades as set out in their budgets and agreed to annually by Council.

Sanitary Conversion Charge

Sanitary Conversion Charge on all rateable land in the town of Howard that had an existing nightsoil service as at 30 June 2003, to fund the cost of an alternative sewerage treatment system to those properties.

Kingfisher Parade Toogoom Revetment Seawall Levy

A special charge for the purposes of funding the costs to Council for a Kingfisher Parade, Toogoom revetment seawall aimed at protecting private properties and 20 metres of Esplanade on properties within the defined benefited area, charged at different levels according to the degree of benefit to which the owner of the land is deemed to derive.

Summary of Concessions for Rates and Charges

In accordance with section 190(1)(g) of the *Local Government Regulation 2012*, a summary of all concessions for rates and charges granted by Council during the reporting period is provided in the following section and table.

In considering the application of concessions under Section 190(1)(g), Council was guided by the principles of:

- Equity- having regard to the different levels of capacity to pay within the local community;
- Consistency- the same treatment for ratepayers receiving concessional rating; and
- Transparency- making clear the requirements necessary to receive concessions.

In accordance with the above principles, Council developed policies in respect of the following:

Concessions for pensioners

Council accepted certain classes of pensioners had contributed rates over a period of time and/or are restricted by a fixed income and should be afforded a concession in respect of rates and charges.

Community Groups Concession

Council recognises there were organisations which operate for the general benefit of the community with limited financial resources including schools, churches, welfare, youth organisations, emergency services, aged care and sporting organisations.

Conservation Areas Concession

A rebate was considered for conservation areas in which Council provides a concession to responsible land owners who are responding to the growing impacts of climate change by preserving, restoring and protecting the natural environment.

Local Heritage Register Concession

Council has also committed to providing assistance for the preservation, restoration and maintenance of properties of local heritage significance. These properties receive a Local Heritage Register Rebate.

Type of Concession	Concessions granted
Pensioner Concession	\$2,305,208.17
Other concessions including Community Groups, Conservation Areas and Local Heritage Register	\$854,466.05
\$3, 159, 674.22	

Changes to Council Tenders

In accordance with section 190 (e) of the *Local Government Regulation 2012*, Council advises that there were no changes to tenders under section 228(7) of the *Local Government Regulation 2012* during the financial year.

Council Registers

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

- Register of Beneficial Enterprises
- Register of Business Activities to which Competitive Neutrality Principles Apply
- Register of Contracts
- Register of Cost-recovery Fees on Council
- Register of Interests of a Councillor and their Related Persons
- Register of Interests for CEO and Senior Executive Employees
- Register of Delegations- Council to CEO and CEO to Officers and/or Contractors
- Register of Local Laws
- Register of Roads

- Register of Assets
- Testable Backflow Prevention Devices Register
- Infrastructure Charges Register

Internal Audit Function

The internal audit function is established under section 105 (1) of the *Local Government Act 2009* and is an integral component of Council's corporate governance framework.

The Internal Audit Unit operates in accordance with the Internal Audit Policy and Charter, which is endorsed by the Audit Committee each year. The Charter sets out the mandate, roles and responsibilities of the internal audit function. The key role of the internal audit function is to assist Council, the Audit Committee, the Chief Executive Officer and other levels of Management, to properly discharge their responsibilities and achieve sound managerial control over all Council activities.

Audits provide independent advice and assurance to Council and management that policies, operations, systems and procedures meet appropriate standards of accountability, regulatory compliance, effectiveness, efficiency and propriety.

In accordance with section 190 (1) (h) of the *Local Government Regulation 2012*, audits and other activities undertaken during the financial year included:

- Internal audit reviews:
 - » Rates and Charges Framework
 - » Payroll
 - » Cyber Security
 - » Arboriculture Operations
 - » Workplace Health and Safety
- Audit Committee preparation, facilitation and assistance
- Consulting, advice, assistance and presentations
- Internal Audit planning
- Management of Audit Actions Register

Audit Committee

The Audit Committee operates independently of management and plays a key role in assisting Council to discharge its responsibilities for the efficient, effective, economical, and ethical use of ratepayer's resources.

The Committee does this by providing independent oversight of the Council's governance and internal control frameworks, financial reporting, and compliance with relevant legislation.

It is required by *Local Government Regulation 211(1) (b)* to examine:

- the internal audit plan for each financial year;
- reports of internal audit activity including any recommendations in the report and the actions to which the recommendations relate;
- a draft of the local government's financial statements before the statements are certified and given to the auditor-general; and
- the auditor-general's audit report and auditor-general's observation report about the local government's financial statements for the preceding financial year.

Meetings

In the period 1 July 2018 to 30 June 2019, the Audit Committee formally met on four occasions.

Member attendance at meetings was as follows:

Attendee	Meetings attended	Possible Meetings
Cr David Lewis	4	4
Cr James Hansen	0	3
Cr Paul Truscott	1	1
Mr Michael Parkinson	3	4
Mr Ron Richards*	2	2
Ms Alison D'Costa	4	4
Mr David Lee**	2	2

* Mr Richards term of appointment finished in November 2018

** Mr Lee was appointed to the Committee in November 2018

The meetings are open to interested Councillors and are attended by a range of staff.

Public Sector Ethics

In accordance with section 23 of the *Public Sector Ethics Act 1994*, Council must include an implementation statement giving details pertaining to the actions taken to prepare employees in regard to the code of conduct, our education, training, procedures and practices of public sector entities.

Below information pertaining to Council's actions taken:

Employees' Code of Conduct

Fraser Coast Regional Council employees work under the principles and ethics of a Code of Conduct which outlines the four ethics values in accordance with the *Public Sector Ethics Act 1994* which requires employees within the public service to have:

- Integrity and impartiality;
- Promoting the public good;
- Commitment to the system of government; and
- Accountability and transparency.

Education and Training

During the period 1 July 2018 to 30 June 2019 Fraser Coast Regional Council employees were provided with various education and training programmes, which included but are not limited to:

- training on the Code of Conduct during induction of new employees as well as refresher courses available for existing employees; and
- an online learning portal providing learning on a range of skills development such work health and safety and the management of record systems.

Procedures and Practices of Public Sector Entities

Fraser Coast Regional Council administrative procedures and management practices have due regard to the *Public Sector Ethics Act 1994* and the Code of Conduct when considering best practice policies, procedures and guidelines which outline and support the ethics obligations of employees in the public sector.



Community Financial Report

COMMUNITY FINANCIAL REPORT

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

About your Council's End of Year Financial Statements

What you will find in the financial statements

The audited financial statements of Council set out the financial performance, financial position, cash flows and the net wealth of Council for the financial year ended 30 June 2019.

About the management certificate

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

About the financial statements

The financial statements incorporate four primary financial statements and accompanying notes. The statements assist in providing a high level picture of Council finances for the 2018/19 year. In addition, there are three ratios which must be reported by all local governments, for both the current year and a forecast for the next ten financial years. These ratios are measures of financial sustainability and the calculations are required to be audited.

1. A Statement of Comprehensive Income

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

2. A Statement of Financial Position

This is a snapshot of Council's financial position as at 30 June 2019 which includes its assets and liabilities.

3. A Statement of Changes in Equity

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

4. A Statement of Cash Flows

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

5. Notes to the Financial Statements

Provides greater detail to the four primary financial statements which is referenced by line numbers.

6. Financial Sustainability Statements

Special purpose statements reporting three financial sustainability measures: operating surplus ratio, asset sustainability ratio and net financial liabilities ratio as required by the *Local Government Regulation 2012* and the *Financial Management Sustainability Guideline 2013*.

About the auditor's report

Council's financial statements are required to be audited by the Queensland Audit Office. The audits of many Queensland councils are contracted to audit firms that specialise in Local Government. The auditor provides an audit report which gives an opinion on whether the financial statements present fairly Council's financial performance and position.

The purpose and relationship between the four key financial statements is set out in the diagram below.

Statement of Comprehensive Income		2019 \$'000	2018 \$'000	Purpose
Total income		274,737	270,339	Shows the extent to which community equity has been increased or decreased, showing all revenue earned and expenses incurred for the financial year.
Total expenses		(231,104)	(233,791)	
➔ Net result for year		43,633	36,548	
➔ Other comprehensive income		15,801	86,636	
Total comprehensive income for year		59,434	123,184	
Statement of Changes in Equity		2019 \$'000	2018 \$'000	Purpose
Opening balance		2,525,984	2,402,800	Shows the movement in total community equity (what the Council is worth) as at 30 June 2019.
➔ Net result for year		43,633	36,548	
➔ Asset revaluations		15,801	88,225	
Other movements		0	(1,589)	
Total community equity at end of year		2,585,418	2,525,984	
Statement of Cash Flows		2019 \$'000	2018 \$'000	Purpose
Operating activities		79,863	69,542	Shows the nature and amount of Council's cash inflows and outflows from all activities. At 30 June 2019, Council had \$73.17 million in cash, in addition it had a further \$141.70 million invested in term deposits greater than 3 months. Total cash and investments was \$214.87 million, up from \$214.54 million at 30 June 2018.
Investing activities		(11,055)	(248,957)	
Financing activities		(17,167)	(16,333)	
Net increase (decrease) in cash held		51,641	(195,748)	
Cash at beginning of the year		21,533	217,281	
➔ Cash at end of the year		73,174	21,533	
Statement of Financial Position		2019 \$'000	2018 \$'000	Purpose
➔ Cash and cash equivalents		73,174	21,533	Shows the assets and liabilities which make up the community equity as at 30 June 2019.
Cash investments		141,700	193,006	
Other current assets		37,127	42,167	
Non-current assets		2,477,245	2,423,872	
Total assets		2,729,246	2,680,578	
Current liabilities		53,954	47,486	
Non-current liabilities		89,874	107,108	
Total liabilities		143,828	154,594	
➔ Net community assets		2,585,418	2,525,984	
Asset revaluation surplus		651,526	635,725	
Capital and retained surplus		1,933,892	1,890,259	
Total community equity		2,585,418	2,525,984	

An Overview of this Year's Financial Result and Financial Position

Council's Statement of Comprehensive Income (Profit & Loss)

Revenue (in) less expenses (out) = Net result for the year

The statement of comprehensive income includes ordinary revenues and expenses from the operating activities of Council and capital income and expenditure.

Capital income and expenditure is money received or spent on assets and infrastructure items such as parks, roads, drains, coastal walls, water and sewerage infrastructure, land, buildings and plant and equipment. Capital income is usually sourced from grants, subsidies and developers contributions.

Operating expenditures are those required to run the day to day operations of Council, such as wages, maintenance costs, materials, depreciation and finance costs.

The statement of comprehensive income also shows other comprehensive income which includes increases to Council's asset revaluation surplus.

Council's operating position reflects its ability to meet its day to day running costs from operating revenue. This includes the ability to fully fund the depreciation of assets.

Council's operating position is a surplus for the period ended 30 June 2019 of \$6.82 million, compared to the 30 June 2018 surplus of \$8.91 million.

Council's result at a glance

	2019 \$'000	2018 \$'000
Operating revenue	211,417	208,298
Operating expenditure	204,595	199,388
Net result before capital revenue	6,822	8,910
Capital revenue	63,320	62,041
Capital expenses	26,509	34,403
Net result	43,633	36,548

Revenue

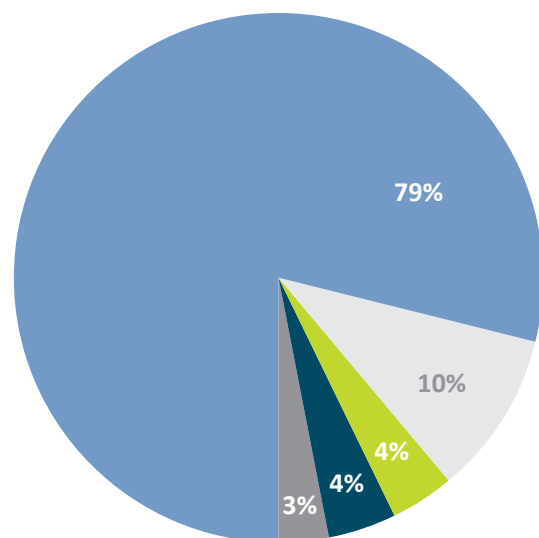
Fraser Coast Regional Council aims to raise money in order to maintain the delivery of services during the current and future years.

Council's main source of revenue is rates and charges, which totalled \$167.34 million or 79% of Council operating revenue for the financial year.

The major sources of rates income include general rates, water access charges, water consumption charges and waste and sewerage disposal charges.

79%	Rates, levies and charges
10%	Fees and charges
4%	Grants and subsidies
4%	Interest revenue
3%	Other

**Where did the money come from?
Council Operating Revenue**



Council's operating revenue at a glance

	2019 \$'000	2018 \$'000
Rates, levies and charges	167,335	164,148
Fees and charges	20,308	19,877
Interest revenue	7,882	7,607
Operating grants and subsidies	9,051	8,358
Other income	6,841	8,308
Total operating revenue	211,417	208,298

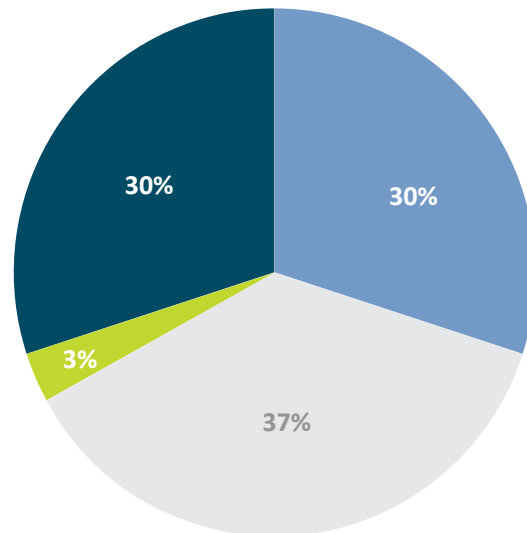
Expenses

What expenses did Council have to meet – How was the money spent?

Council provides a wide range of services to the community covering development services, economic development, airports, tourism, recreation and sport, community and culture, infrastructure, health and environment, waste disposal and water and sewerage services.

30%	Employee benefits
37%	Materials and services
3%	Finance costs
30%	Depreciation and amortisation

Where did the money come from? Council Operating Expenses



Council's operating expenditure at a glance

	2019 \$'000	2018 \$'000
Employee benefits	61,957	54,751
Materials and services	74,739	77,958
Financial costs	6,506	7,916
Depreciation and amortisation	61,393	58,763
Total operating expenses	204,595	199,388

Council's Net Worth

The Statement of Financial Position shows what we own (assets), what we owe others (liabilities) and our net community wealth (equity).

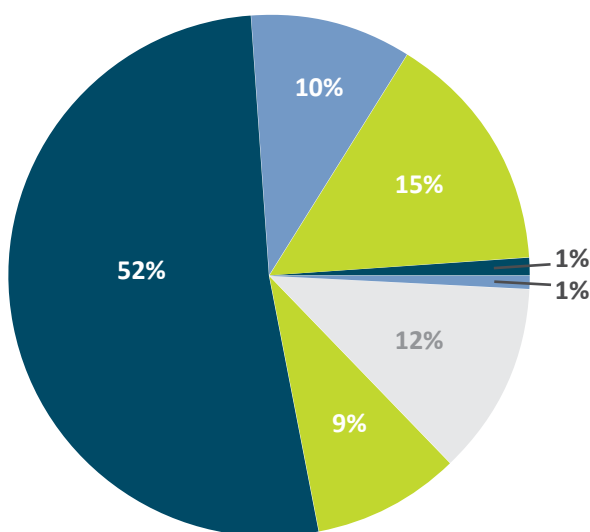
	2019 \$'000	2018 \$'000
Assets	2,729,246	2,680,578
Less liabilities	143,828	154,594
Equity	2,585,418	2,525,984
Represented by		
Asset revaluation surplus	651,526	635,725
Retained surplus	1,933,892	1,890,259
Net community equity	2,585,418	2,525,984

Assets

New infrastructure is acquired through Council investment and contributions by developers. Council takes ownership and responsibility for replacement of community assets built by developers on completion of the development. These include roads, drainage, water and sewerage infrastructure and parklands. The value of community assets (property, plant and equipment) has increased by about \$53.8 million due to the construction of Council's infrastructure assets (Roads, Drainage, Water and Sewerage) and an increase in the assessed value of its assets following a review of the valuation of Council land assets and a condition assessment on Council's bridge network.

In addition, Council holds other short term assets including cash assets held in bank accounts and investments of \$214.87 million (2018 \$214.54 million). During the 2018/19 financial year, in order to maximise investment returns, Council had invested over \$141.7 million in term deposits greater than 3 months. The cash reserves include funds Council is required to put aside for future projects such as replacement of roads, stormwater drainage, water and sewerage systems, in addition to funds raised for specific purposes (environment and disaster management).

Council Capital Additions at Cost



Liabilities

Council's largest liability is its interest bearing loans with Queensland Treasury Corporation (QTC), which at 30 June 2019 was \$90.01 million (2018 \$107.18 million).

Council undertakes a loan borrowing program to fund new major facilities that are constructed to service community needs. In the current financial year, Council did not borrow any money, but repaid \$17.17 million. For the first time in the history of the Fraser Coast Regional Council, debt is lower than it was immediately prior to the council amalgamations in 2008. Affordability indicators show that Council continues to be able to service its debt position.

Equity

This represents the net value of total community assets, i.e. what our community owns. Part of equity includes the cash held by Council, of which there are both external and internal restrictions on some of the cash it holds (e.g. developer contributions and grants and subsidies for future capital and other works).

Capital Works (Investment in Community Infrastructure)

Total gross capital additions to Council's non-current assets during the period totalled \$128.72 million (2018 \$105.06 million). The majority of these were a result of the construction of new assets, funded from surplus funds, grants, subsidies and cash reserves.

1%	Land
12%	Buildings and improvements
9%	Plant and equipment
52%	Road and drainage network
10%	Water Infrastructure
15%	Sewerage infrastructure
1%	Other

Financial Sustainability Measures

The financial sustainability of councils is now a cornerstone of the Local Government Act and a core responsibility of individual councils across Queensland.

Financial sustainability is defined as when a *“Local Government is able to maintain its financial capital and infrastructure capital over the long term”*

[source: Financial Management (Sustainability) Guideline 2013].

There are three financial sustainability indicators (in accordance with the *Local Government Regulation 2012* and the *Financial Management Sustainability Guideline 2013* that Council must prepare (calculations of which are required to be audited along with the financial statements).

The results are shown below:

Financial sustainability indicator	How the measure is calculated	Target	2019	2018
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0%-10%	3.23%	4.28%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	Greater than 90%	96.68%	71.86%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Less than +60%	(51.17%)	(50.35%)

The three financial sustainability indicator ratios can be explained as follows:

- **Operating surplus ratio** – indicates the extent to which revenues raised by Council (rates, fees and charges) cover operational expenses (employee, materials and services costs, depreciation and loan interest payments), which is then available for capital funding or other purposes.
- **Asset sustainability ratio** – is an approximation of the extent to which the infrastructure assets

managed by a local government (roads, drainage, water and sewerage assets) are being replaced as they reach the end of their useful lives, so as not to create a burden on future ratepayers to have to replace assets in poor condition.

- **Net financial liabilities ratio** – indicates the extent to which the net financial liabilities (mostly loan borrowings) of Council can be covered by its operating revenues (rates, fees and charges).

Council Performance Indicator

In addition to the statutory ratios, Council also utilises a liquidity ratio (current ratio) to assist in better understanding its long-term sustainability and demonstrating Council's ability to meet its payment obligations as they fall due.

Council Performance Indicator	How the measure is calculated	Target	2019	2018
Current ratio	Current assets divided by current liabilities	Greater than 1:1	4.67:1	5.41:1

Financial Management Strategy

Fraser Coast Regional Council is continuing its commitment to advance its forward financial planning processes. Council has developed a strategic Long Term Financial Plan (LTFP) which defines the high level financial policies, commitments and parameters that guide the development of service levels, rating and other income, expenditure and treasury management decisions.

The strategic Long Term Financial Plan is a ten year rolling plan adopted each year with the annual budget.

The key objective of the strategic Long Term Financial Plan is:

“To ensure that Council is financially sustainable in the short, medium and long term”

Council is focused on delivering a strategic Long Term Financial Plan that focuses on the long term financial sustainability of the region, as well as consideration of the needs of the community with regards to the delivery of services and facilities. All financial decisions are made in the context of long term financial sustainability, ensuring that the region remains prosperous into the future. They are guided by corporate policies, strategies and principles of effective financial management.

Funding decisions are made having regard to intergenerational equity, so that those enjoying the benefit of assets and services provided by Council contribute to the funding of those assets and services. Assets and services that are consumed in the short term should also not place a financial burden on future generations.

Further enhancement and integration of the Long Term Financial Plan and Asset Management Plans, will assist Council in meeting its strategic objectives through the delivery of efficient and effective essential community services and the provision of key infrastructure that meets community expectations.

To ensure the robustness of the Long Term Financial Plan, Council is focused on addressing the following strategic issues:

Asset Management and infrastructure investment

- Refine a fully integrated LTFP that incorporates the elements of financial sustainability and integrates with Asset Management Plans;
- Commit to a forward funding strategy that underpins the LTFP;
- Prioritising and a focus on asset renewal and replacement rather than new assets, taking into consideration future life cycle costs before investing in new infrastructure;
- Fund all capital renewals and replacements from operating cash flows and borrow only for new or upgrade capital projects with priority on assets that will provide a return whilst keeping borrowings within reasonable debt limits;
- Surplus funds directed to infrastructure investment or loan repayments;
- Undertake review of desired levels of services to ensure balance between community expectations and the region’s capacity to pay.

Funding strategy

- Review level of service provision to the community in line with funding strategies;
- Deliver balanced or surplus operating position with affordable rate rises;
- Meet Council's strategic objectives through delivery of efficient and effective essential community services and provision of key infrastructure to meet community expectations;
- Ensure LTFP remains financially sustainable in the delivery of core functions and services;
- Commit to reviewing and setting fees and charges based on underlying cost of providing services and on principle of full cost recovery;
- Investigate alternative revenue stream opportunities;
- Commit to intensive continuous improvement program and service level review to identify efficiency and productivity gains;
- Regularly review the organisational structure to align resources with service delivery priorities.



Financial Statements

FINANCIAL STATEMENTS

General purpose financial statements
for the year ended 30 June 2019

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Overview

- (i) These financial statements are general purpose financial statements and cover the operations for Fraser Coast Regional Council.
 - (ii) All figures presented in these financial statements are presented in Australian currency.
 - (iii) These financial statements were authorised for issue by Council on 14 October 2019.
-

Fraser Coast Regional Council

Statement of Comprehensive Income for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	167,335	164,148
Fees and charges	3(b)	20,308	19,877
Rental income		1,107	1,035
Interest revenue	3(c)	7,882	7,607
Sales revenue		2,376	4,029
Other income	3(d)	3,358	3,244
Grants, subsidies, contributions and donations	4(a)	9,051	8,358
Total recurrent revenue		211,417	208,298
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	58,541	45,681
Other capital income	5	4,779	16,360
Total capital revenue		63,320	62,041
Total income		274,737	270,339
Expenses			
Recurrent expenses			
Employee benefits	6	61,957	54,751
Materials and services	7	74,739	77,958
Finance costs	8	6,506	7,916
Depreciation and amortisation	9	61,393	58,763
Total recurrent expenses		204,595	199,388
Capital expenses	10	26,509	34,403
Total expenses		231,104	233,791
Net result		43,633	36,548
Other comprehensive income for the year			
<i>Items that will not be reclassified subsequently to net result</i>			
Increase in asset revaluation surplus	19	15,801	86,636
Total other comprehensive income for the year		15,801	86,636
Total comprehensive income for the year		59,434	123,184

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

Fraser Coast Regional Council

Statement of Financial Position as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	11(a)	73,174	21,533
Investments	11(b)	141,700	193,006
Trade and other receivables	12	35,392	40,785
Inventories		1,735	1,382
Total current assets		252,001	256,706
Non-current assets			
Trade and other receivables	12	3,301	2,776
Land held for development and resale	13	4,229	5,518
Property, plant and equipment	14	2,467,868	2,414,068
Intangible assets		1,062	770
Biological assets		785	740
Total non-current assets		2,477,245	2,423,872
Total assets		2,729,246	2,680,578
Liabilities			
Current liabilities			
Trade and other payables	15	26,685	23,604
Borrowings	16	17,016	17,382
Provisions	17	5,820	5,307
Other liabilities	18	4,433	1,193
Total current liabilities		53,954	47,486
Non-current liabilities			
Borrowings	16	72,997	89,798
Provisions	17	16,877	17,310
Total non-current liabilities		89,874	107,108
Total liabilities		143,828	154,594
Net community assets		2,585,418	2,525,984
Community equity			
Asset revaluation surplus	19	651,526	635,725
Retained surplus		1,933,892	1,890,259
Total community equity		2,585,418	2,525,984

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

Fraser Coast Regional Council

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

	Note	Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
2019				
Balance as at 1 July 2018		635,725	1,890,259	2,525,984
Net result		-	43,633	43,633
Other comprehensive income - increase in asset revaluation surplus	19	15,801	-	15,801
Total comprehensive income		15,801	43,633	59,434
Balance as at 30 June 2019		651,526	1,933,892	2,585,418
2018				
Balance as at 1 July 2017		549,089	1,853,711	2,402,800
Net result		-	36,548	36,548
Other comprehensive income				
Increase in asset revaluation surplus	19	88,225	-	88,225
- Impairment (loss) reversal relating to PP&E	14	(1,589)	-	(1,589)
Total comprehensive income		86,636	36,548	123,184
Balance as at 30 June 2018		635,725	1,890,259	2,525,984

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

Fraser Coast Regional Council

Statement of Cash Flows for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Receipts from customers		193,430	188,082
Payments to suppliers and employees		(135,689)	(133,882)
		<u>57,741</u>	<u>54,200</u>
Investment and interest revenue received		7,697	4,860
Rental income		1,132	1,101
Non-capital grants and contributions		9,110	8,389
Other income		10,244	8,625
Borrowing costs		(6,061)	(7,633)
Net cash inflows from operating activities	24	<u>79,863</u>	<u>69,542</u>
Cash flows from investing activities			
Proceeds from sale of land held for resale	5(c)	319	525
Proceeds from sale of property, plant and equipment	5(a)	1,375	1,659
Capital grants, subsidies, contributions and donations		30,104	33,152
Net movement in investments		51,306	(193,006)
Payments for property, plant and equipment		(93,802)	(92,553)
Proceeds from wind-up of controlled entity		-	1,418
Payments for intangible assets		(357)	(152)
Net cash outflows from investing activities		<u>(11,055)</u>	<u>(248,957)</u>
Cash flows from financing activities			
Repayment of borrowings	16	(17,167)	(16,333)
Net cash outflows from financing activities		<u>(17,167)</u>	<u>(16,333)</u>
Net increase (decrease) for the year		<u>51,641</u>	<u>(195,748)</u>
Cash and cash equivalents at the beginning of the financial year		21,533	217,281
Total cash and cash equivalents at the end of the financial year	11(a)	<u>73,174</u>	<u>21,533</u>

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

Notes to the financial statements
for the year ended 30 June 2019

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Note 1. Summary of significant accounting policies

(a) Basis of preparation

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

They comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS). Therefore in some instances these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

These financial statements have been prepared under the historical cost convention except where stated.

(b) Basis of consolidation

Council forms the economic entity which is referred to in these financial statements as the Council. The financial statements of controlled entity, Fraser Coast Tourism and Events Ltd is included in Note 23 but is not consolidated as it does not have a material effect on the results. The financial statements of controlled entities are included in the consolidated financial statements only where material by size or nature, from the date when control commences until the date when control ceases.

Council entered into a joint venture agreement on 14 April 2015 for a development being conducted by Fraser Coast Residential Airpark Pty Ltd. This development is currently on hold at the request of Fraser Coast Residential Airpark Pty Ltd. As the impact of this joint venture is not expected to be material to Council's overall operations, no separate disclosures have been made in relation to this joint venture.

(c) Constitution

Fraser Coast Regional Council is constituted under the *Local Government Act 2009* and is domiciled in Australia.

(d) Adoption of new and revised Accounting Standards

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

Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

(i) AASB 9 *Financial Instruments*, which replaces AASB 139 *Financial Instruments: Recognition and Measurement* is effective for reporting periods beginning on or after 1 January 2018, and addresses the classification, measurement and disclosure of financial assets and liabilities.

This year Council has adopted AASB 9 *Financial Instruments* for the first time. Council has reviewed the standard and based on the assets and liabilities it holds, the only impact is in respect of impairment of trade receivables. AASB 9 changes the way impairment provisions for Trade and Other Receivables are calculated, which are now based on expected credit losses instead of incurred credit losses.

Council has reviewed its various classes of Trade and Other Receivables and assessed the impact of the new impairment model. The majority of receivables consist of rates and deferred infrastructure charges which are subject to Council's statutory powers of recovery and therefore not subject to impairment. Historically, impairment of other classes of receivables has been negligible and as such the impact of the new impairment model is not material and Council is not subject to material credit risk.

(ii) AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities* are effective from periods beginning on or after 1 January 2019.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

Note 1. Summary of significant accounting policies continued

Identifiable impacts at the date of this report are:

- Some grants received by Council will be recognised as a liability, and subsequently recognised revenue progressively as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations. These are expected to continue being recognised as revenue upon receipt assuming no change to the current grant arrangements.
- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of Council's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).
- Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that time these receipts will be recognised as a liability (unearned revenue). There will be no impact upon the recognition of other fees and charges.

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

- Revenue decrease of \$7,112,902 due to deferral of grant funding, pre-paid rates, and other sales related revenue (based on the facts available to Council at the date of assessment).
- There would be an equal reduction in the reported equity as the reduced revenue will

require an increase in recognition of contract liabilities, and statutory receivables.

- The net result would be lower on initial application as a result of decreased revenue.
- A range of new disclosures required by the new standards in respect of Council's revenue.

Transition method

Council intends to apply AASB 15, AASB 1058 and AASB 2016-8 initially on 1 July 2019, using the modified retrospective approach. The recognition and measurement principles of the standards will be retrospectively applied with the cumulative effect of initially applying the standards recognised as an adjustment to the opening balance of retained earnings. There will be no restatement of comparative information.

(iii) AASB 16 Leases is effective for periods beginning on or after 1 January 2019.

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

Council has assessed the impacts that initial application of AASB 16 will have on its financial statements.

Leases in which the Council is a lessee

Council has three 1-year commercial building leases with renewal options for 1-year at Council's discretion. Council also holds a further 20-year commercial building lease ending 30 September 2020. The application of AASB 16 requires Council to recognise new assets and liabilities for these operating leases. The nature of expenses related to those leases would change to a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Council currently recognises an operating lease expense on a straight-line basis over the term of the lease, and recognises assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Note 1. Summary of significant accounting policies continued

Council does not currently have any finance leases.

Based on Council's assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 would have had the following impacts:

- Lease assets and financial liabilities on the balance sheet would increase by \$157,844 and \$153,221 respectively (based on the facts available to Council at the date of assessment).

- Net result would be \$4,623 higher on initial application as depreciation and lease liability interest would be initially lower than the operating lease expense previously recognised due to leases being close to the end of their term.

Leases in which the Council is a lessor

No significant impact is expected for other leases in which the Council is a lessor.

Peppercorn Leases

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

Transition method

Council has assessed the impact of applying AASB 16, and determined that the effect will not be material to the financial statements.

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

(e) Critical accounting judgements and key sources of estimation uncertainty

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

- Valuation and depreciation of property, plant and equipment - Note 14b, 14c and 14e

- Impairment of property, plant and equipment - Note 14d
- Employee benefits and provisions - Note 17
- Contingent liabilities - Note 21
- Financial instruments and financial assets - Note 28.

(f) Rounding and comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000, or where that amount is \$500 or less, to zero.

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

(g) Taxation

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

Note 2. Analysis of results by function

(a) Components of Council functions

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

Governance and administration

The provision of information and advice to Council members, public relations, corporate development and covers the areas of financial services, human resources, administration, asset management, information systems, right to information, legal services and land development.

Economic development

To increase business activity and employment by promoting opportunities for the region and attributes to attract investment.

Roads infrastructure and operations

The construction and maintenance of roads, footpaths, parking facilities, traffic signals and bus shelters, including the provision of street cleaning services.

Stormwater drainage

The maintenance and provision of stormwater drainage.

Commercial activities

Covering the areas of airports and caravan park management.

Community and recreation

Covering a variety of community related areas including community development, community housing, parks and recreation facilities management, tourism, museums, art galleries, libraries and coastal management.

Development services

Development control processes including town planning, building and plumbing services.

Environment and health

Areas covered include public health, cemeteries, pest control, swimming pools and environmental protection.

Solid waste management

The provision of rubbish collection, recycling and operation of refuse sites.

Water management

Operations and maintenance of water infrastructure throughout the region - controlled by Council's commercial business unit - Wide Bay Water.

Sewerage management

Operations and maintenance of sewerage infrastructure throughout the region - controlled by Council's commercial business unit - Wide Bay Water.

Fraser Coast Regional Council

Notes to the financial statements for the year ended 30 June 2019

Note 2. Analysis of results by function continued

(b) Income and expenses defined between recurrent and capital are attributed to the following functions:

2019 Functions	Gross program income				Total income	Gross program expenses		Net result from recurrent operations	Net result	Total assets	
	Recurrent		Capital			Recurrent	Capital				
	Grants \$'000	Other \$'000	Grants \$'000	Other \$'000							
Governance and administration	5,156	107,517	2,729	2,848	118,250	\$'000	(33,125)	(5,516)	79,548	\$'000	\$'000
Economic development	520	-	786	-	1,306	-	(1,058)	-	(538)	248	-
Roads infrastructure and operations	2,728	1,706	11,884	17,148	33,466	(41,592)	(12,992)	(12,992)	(37,158)	(21,118)	905,068
Stormwater drainage	-	-	-	7,493	7,493	(5,102)	(2,497)	(2,497)	(5,102)	(106)	403,605
Commercial activities	-	6,975	-	-	6,975	(5,344)	(8)	(8)	1,631	1,623	35,646
Community and recreation	457	665	2,639	1,788	5,549	(27,886)	(911)	(911)	(26,764)	(23,248)	114,989
Development services	5	3,771	-	-	3,776	(5,269)	-	-	(1,493)	(1,493)	-
Environment and health	1	3,804	65	-	3,870	(9,323)	(28)	(28)	(5,518)	(5,481)	14,948
Solid waste management	105	20,211	-	6	20,322	(16,519)	643	643	3,797	4,446	20,901
Water management	73	28,228	741	7,954	36,996	(35,803)	(1,576)	(1,576)	(7,502)	(383)	441,849
Sewerage management	6	29,489	1,021	6,218	36,734	(23,574)	(3,624)	(3,624)	5,921	9,536	385,656
Total	9,051	202,366	19,865	43,455	274,737	(204,595)	(26,509)	(231,104)	6,822	43,633	2,729,246

2018 Functions	Gross program income				Total income	Gross program expenses		Net result from recurrent operations	Net result	Total assets
	Recurrent		Capital			Recurrent	Capital			
	Grants \$'000	Other \$'000	Grants \$'000	Other \$'000						
Governance and administration	5,051	102,589	3,060	180	110,880	\$'000	\$'000	\$'000	\$'000	\$'000
Economic development	-	32	1,337	-	1,369	(37,391)	(2,321)	(39,712)	70,249	71,168
Roads infrastructure and operations	2,778	1,852	13,901	11,770	30,301	(986)	-	(986)	(954)	383
Stormwater drainage	-	8	-	15,935	15,943	(36,068)	(14,614)	(50,682)	(31,438)	(20,381)
Commercial activities	-	7,076	-	-	7,076	(8,469)	(9,965)	(18,434)	(8,461)	(2,491)
Community and recreation	435	593	3,082	1,304	5,414	(5,465)	-	(5,465)	1,611	1,611
Development services	31	3,543	-	-	3,574	(25,518)	(1,522)	(27,040)	(24,490)	(21,626)
Environment and health	-	3,362	-	-	3,362	(4,253)	-	(4,253)	(679)	-
Solid waste management	-	19,938	-	-	19,938	(8,686)	-	(8,686)	(5,324)	(5,324)
Water management	63	32,109	326	3,465	35,963	(15,361)	(687)	(16,048)	4,577	3,890
Sewerage management	-	28,838	1,614	6,067	36,519	(34,168)	(2,179)	(36,347)	(1,996)	(384)
Total	8,358	199,940	23,320	38,721	270,339	(199,388)	(34,403)	(233,791)	8,910	36,548
										2,680,578

Notes to the financial statements

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
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Note 3. Revenue analysis

Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.

(a) Rates, levies and charges

Rates, levies and charges are recognised as revenue when levied. If a ratepayer pays their rates before they are levied, they are recognised as revenue when they are received.

General rates	74,247	79,673
Rural fire levy	325	325
Disaster levy	556	552
Toogoom seawall revetment levy	85	85
Infrastructure levy	3,840	3,814
Water charges	22,630	24,393
Water consumption charges	15,100	13,203
Sewerage charges	34,670	37,299
Sewerage trade waste charges	549	538
Waste charges	18,493	19,985
	<u>170,495</u>	<u>179,867</u>
Less: discounts *	-	(12,514)
Less: pensioner remissions and concessions	(3,160)	(3,205)
	<u>167,335</u>	<u>164,148</u>

* In the previous reporting period, an early payment discount was available for ratepayers (10% on General rates and Waste charges, 7.5% on Water charges, Water consumption charges, Sewerage charges and Sewerage trade waste charges). The early payment discount was removed as part of Council's 2018-19 budget.

(b) Fees and charges

Fees and charges are recognised when Council is unconditionally entitled to those funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Change of ownership fees	285	313
Building and development fees	134	161
Caravan park fees	3,294	3,297
Licences and registrations	1,068	812
Pool fees	1,127	1,152
Airport landing fees	117	131
Refuse tip fees	4,590	4,526
Plumbing and drainage fees	1,003	1,048
Search fees	837	879
Interment fees	530	617
Lodgement fees	609	554
Passenger head taxes	1,456	1,411
Planning fees	1,895	1,749
Security screening revenue	1,286	1,369
Special water meter reading fees	211	214
Water allocation fees	196	157
Trade waste compliance fees	249	229
Other fees and charges	1,421	1,258
	<u>20,308</u>	<u>19,877</u>

Notes to the financial statements

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
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Note 3. Revenue analysis continued**(c) Interest revenue**

Interest received from term deposits is accrued over the term of the investment.

Interest received on investments and term deposits	5,998	5,865
Interest received on State Government fire levy	107	80
Interest from overdue rates and utility charges	1,777	1,662
	<u>7,882</u>	<u>7,607</u>

(d) Other income

Airport income	467	480
Brolga theatre performance income	534	564
Commission income	171	177
Fuel tax credits	428	205
Insurance receipts	160	207
Expense reimbursements	277	359
Vector control income	105	105
Other income	1,216	1,147
	<u>3,358</u>	<u>3,244</u>

Note 4. Grants, subsidies, contributions and donations

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

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

(a) Recurrent

General purpose grants	7,674	7,196
Government grants and subsidies	1,377	1,162
	<u>9,051</u>	<u>8,358</u>

(b) Capital

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

Physical assets contributed to Council by developers in the form of roadworks, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

(i) Monetary revenue designated for capital funding:

Government grants and subsidies	19,865	23,320
Contributions	10,239	9,832
	<u>30,104</u>	<u>33,152</u>

(ii) Non-monetary revenue:

Developer contributed assets	28,437	12,529
	<u>28,437</u>	<u>12,529</u>
	<u>58,541</u>	<u>45,681</u>

Notes to the financial statements

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
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Note 4. Grants, subsidies, contributions and donations continued**(c) Conditions over contributions**

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

Non-reciprocal grants		10,752	6,963
Non-reciprocal contributions		2,095	3,432
		<u>12,847</u>	<u>10,395</u>

Contributions recognised as income during a previous reporting period that were obtained in respect of work performed in the current reporting period:

Non-reciprocal grants		6,318	5,842
Non-reciprocal contributions		3,562	135
		<u>9,880</u>	<u>5,977</u>

Note 5. Capital income**(a) Gain/(loss) on disposal of non-current assets**

Proceeds from the sale of property, plant and equipment		1,375	1,659
Less: carrying value of property, plant and equipment disposed	14	(1,283)	(1,613)
		<u>92</u>	<u>46</u>

(b) Revaluations

Biological assets		45	42
		<u>45</u>	<u>42</u>

(c) Land held for resale

Proceeds from the sale of land held for resale		319	525
Less: carrying value of land held for resale sold	13	(213)	(584)
		<u>106</u>	<u>(59)</u>

(d) Other

Previously unrecorded land assets [#]	26	2,152	-
Previously unrecorded road and bridge network assets [#]	26	637	1,939
Previously unrecorded water infrastructure assets [#]	26	184	709
Previously unrecorded sewerage infrastructure assets [#]	26	1,219	1,114
Previously unrecorded stormwater drainage assets [#]	26	344	11,919
Reversal of prior year revaluation decrement (Coastal Infrastructure)	26	-	650
		<u>4,536</u>	<u>16,331</u>
Total capital income		<u>4,779</u>	<u>16,360</u>

[#] The previously unrecorded assets includes the written down value of recording the initial recognition of discovered assets relating to prior periods for land assets, stormwater drainage, road and bridge network assets, water and sewerage assets. Management have not presented a restated prior period position as the net impact of the errors identified in note 26 is not considered material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Notes to the financial statements

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Note 6. Employee benefits			
Wages and salaries		54,560	48,262
Annual, sick and long service leave entitlements		6,622	5,951
Superannuation	22	6,100	5,444
Councillors' remuneration		1,030	970
		<u>68,312</u>	<u>60,627</u>
Other employee related expenses		1,186	949
		<u>69,498</u>	<u>61,576</u>
Less: capitalised employee expenses		(7,541)	(6,825)
		<u>61,957</u>	<u>54,751</u>

Councillors' remuneration represents salary and other allowances paid in respect of carrying out their duties.

Total Council employees at the reporting date:

	No.	No.
Elected members	11	10
Administration staff	460	429
Depot and outdoors staff	347	331
Total full time equivalent employees	818	770

Note 7. Materials and services

	\$'000	\$'000
Advertising and marketing	355	362
Audit fees *	254	283
Chemicals	2,818	2,485
Cleaning	634	757
Communication expenses	1,314	1,283
Consultants and contractors	14,368	15,068
Computer licences and maintenance	2,638	2,350
Contributions - Fraser Coast Tourism and Events	1,756	1,983
Donations, sponsorships and contributions	1,709	1,984
Electricity and gas charges	7,479	7,513
Fuel and oil	2,058	1,886
Insurance	2,016	2,048
Government charges and licences	1,263	1,307
Memberships and subscriptions	552	507
Legal fees	597	1,149
Plant hire	2,034	2,102
Refuse charges	5,144	4,362
Repairs and maintenance	4,161	3,891
Services	5,947	5,581
Materials	5,306	4,337
Management fees	1,849	1,477
Capital work in progress expensed	1,792	4,729
Compulsory land acquisition compensation	-	1,570
Workshop expenditure	1,566	1,458
Other materials and services	7,129	7,486
	<u>74,739</u>	<u>77,958</u>

*Queensland Audit Office fees in respect of the audit of the 2019 year are \$238,500 (2018: \$236,500).

Notes to the financial statements

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Note 8. Finance costs			
Finance costs - Queensland Treasury Corporation (QTC)		5,807	6,640
Bank charges		229	235
Impairment of receivables		25	758
Refuse restoration - unwinding of discount	17	445	283
		<u>6,506</u>	<u>7,916</u>

Note 9. Depreciation and amortisation

(a) Depreciation of non-current assets

Buildings and site improvements		5,089	4,354
Plant and equipment		6,252	7,051
Road and bridge network		20,372	19,363
Water infrastructure		12,462	11,671
Sewerage infrastructure		10,682	10,307
Stormwater drainage		5,162	4,656
Coastal infrastructure		590	518
Other assets		719	765
	14	<u>61,328</u>	<u>58,685</u>

(b) Amortisation of intangible assets

Computer software		65	78
		<u>65</u>	<u>78</u>
Total depreciation and amortisation		<u>61,393</u>	<u>58,763</u>

Note 10. Capital expenses

(a) Loss on impairment

Non-current assets classified as held for sale	13	799	-
Total impairment losses		<u>799</u>	<u>-</u>

The loss on impairment of assets classified as held for sale arises as the land is measured at the lower of its carrying amount and fair value less disposal costs (note 13).

(b) Provision for restoration of land

Discount rate adjustment - refuse restoration	17	(764)	687
		<u>(764)</u>	<u>687</u>

Notes to the financial statements

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Note 10. Capital expenses continued			
(c) Other capital expenses			
Loss on write-off of assets		19,933	18,012
Loss on derecognition of property, plant and equipment		2,416	-
Residual value / useful life adjustment	14	387	-
Loss/(gain) on write-down on investment in associate		-	(62)
Aggregated asset adjustments in respect of prior years (assets derecognised)	26	3,738	15,766
		<u>26,474</u>	<u>33,716</u>
Total capital expenses		<u>26,509</u>	<u>34,403</u>
Loss on write-off of assets			
Land		-	752
Buildings and site improvements		1,747	692
Plant and equipment		243	27
Road and bridge network		12,018	12,086
Water infrastructure		1,553	1,469
Sewerage infrastructure		3,625	2,001
Stormwater drainage		678	956
Coastal infrastructure		69	29
		<u>19,933</u>	<u>18,012</u>
Aggregated asset adjustments in respect of prior years*			
Land	26	3,738	3,106
Buildings and site improvements	26	-	29
Road and bridge network	26	-	2,529
Water infrastructure	26	-	678
Sewerage infrastructure	26	-	950
Stormwater drainage	26	-	8,474
		<u>3,738</u>	<u>15,766</u>

* The previously unrecorded write-offs includes the written down value of recording assets written off relating to periods prior to the year ended 30 June 2019 for land (30 June 2018 - buildings and site improvements, land, drainage, road and bridge network assets, water and sewerage assets) carried out in previous financial periods. Management had not presented a restated prior period position for that period, as the net impact of the errors identified in note 26 is not considered material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Note 11. Cash, cash equivalents and investments

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

(a) Cash and cash equivalents

Cash in operating bank account	2,282	1,644
Cash on hand	38	35
Investments with Queensland Treasury Corporation (QTC)	68,354	19,854
Term deposits less than 3 months	2,500	-
Balance per Statement of Cash Flows	<u>73,174</u>	<u>21,533</u>

Notes to the financial statements

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
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Note 11. Cash, cash equivalents and investments continued

(b) Investments

Term deposits with a term in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents.

Term deposits greater than 3 months	141,700	193,006
	<u>141,700</u>	<u>193,006</u>

Cash in operating bank account is held at the Commonwealth Bank of Australia in a normal business cheque account. Investments with QTC are on call. Term deposits are held with various institutions. Term deposits earn fixed interest over varying terms at interest rates of between 2.01% and 2.91% (2018: 2.50% and 2.93%).

(c) Restricted cash, cash equivalents and investments

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

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

Unspent government grants and subsidies	9,191	7,901
Unspent developer contributions	27,675	29,162
Funds restricted for aged housing	348	348
Funds restricted for Environmental Levy	1,089	1,115
Funds restricted for Disaster management levy	350	409
Waste levy refund received in advance *	2,857	-
Total unspent restricted cash	<u>41,510</u>	<u>38,935</u>

* Cash at bank and on hand at 30 June 2019 includes \$2,857,492 received from the State government to mitigate the direct impacts on households of the State Waste Levy, which comes into effect from 1 July 2019. This money has been set aside to help fund the Council's 2019-20 waste levy expense.

(d) Trust funds held for outside parties

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

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

469	1,143
3,914	3,352
<u>4,383</u>	<u>4,495</u>

Notes to the financial statements

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
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Note 12. Trade and other receivables

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

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

Council is empowered under the provisions of the Local Government Act 2009 to sell an owner's property to recover outstanding rate debts. Council undertakes an annual assessment of rates receivables to ascertain if the recoverable amount is likely to be less than the debt which would result in an impairment.

Current

Rates and utility charges	14,777	27,287
Fees and charges	1,439	1,152
Deferred infrastructure charges	1,362	1,506
Other debtors	1,937	3,050
	<u>19,515</u>	<u>32,995</u>

Less: impairment

Loss allowance	(50)	(768)
	<u>19,465</u>	<u>32,227</u>

Non-Financial Instruments

Water charges not yet levied	5,861	-
Accrued interest	4,904	4,719
Other accrued revenue	769	7
GST recoverable	2,855	2,072
Prepayments	1,538	1,760
	<u>15,927</u>	<u>8,558</u>
	<u>35,392</u>	<u>40,785</u>

Movement in accumulated impairment losses

Balance as at 1 July	768	10
Less: impairment debts written off during the year	(743)	-
Additional impairments recognised	25	758
Balance as at 30 June	<u>50</u>	<u>768</u>

Non-current

Deferred infrastructure charges	3,301	2,776
	<u>3,301</u>	<u>2,776</u>

Interest is charged on outstanding rates at 9% per annum (2018: 11%). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Council applied AASB 9 for the first time this year. As a result Council has calculated the impairment of receivables in a different way for 2019, using a lifetime expected loss allowance. The opening balance of impairment, as at 1 July 2018, has been recalculated using this new methodology and noted the difference between methodologies was immaterial. As such, no opening balance adjustment has been made. Further details of Council's expected credit loss assessment are contained in note 28.

Notes to the financial statements
for the year ended 30 June 2019

		2019	2018
	Note	\$'000	\$'000

Note 13. Land held for development and resale

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the sales comparison approach. The land is categorised as a level 2 valuation.

Non-current

Land held for development and sale		4,229	5,518
		<u>4,229</u>	<u>5,518</u>
Movement in assets during the reporting period			
Balance as at 1 July		5,518	6,102
Carrying value of land disposed		(213)	(584)
Transfers to other asset categories	14	(277)	-
Impairment adjustment in period	10(a)	(799)	-
Balance as at 30 June		<u>4,229</u>	<u>5,518</u>

Fraser Coast Regional Council

Notes to the financial statements
for the year ended 30 June 2019

Note 14. Property, plant and equipment

30 June 2019											
Measurement basis											
Land	Buildings and site improvements	Plant and equipment	Road and bridge network	Water infrastructure	Sewerage infrastructure	Stormwater drainage	Coastal infrastructure	Other assets	Works in progress	Total	
											Fair Value
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	72,212	-	-	-	-	-	8,180	35,059	115,451	-
89,218	264,970	-	1,200,479	690,151	582,744	579,991	29,733	-	-	3,437,286	-
89,218	264,970	72,212	1,200,479	690,151	582,744	579,991	29,733	8,180	35,059	3,552,737	-
1,759	15,125	11,344	42,290	9,153	12,628	6,337	156	1,137	(99,929)	-	-
-	535	-	11,835	3,450	6,062	6,555	-	-	-	28,437	-
(126)	-	(4,127)	-	-	-	-	-	-	-	(4,253)	-
-	(2,473)	(4,302)	(20,471)	(5,872)	(10,667)	(1,318)	(89)	-	-	(45,192)	-
(3,738)	-	-	-	-	-	-	-	-	-	(3,738)	-
-	(4,943)	-	(1,038)	-	-	-	(368)	-	-	(6,349)	-
9,547	-	-	-	-	-	-	-	-	-	9,547	-
-	-	-	-	-	-	-	-	-	-	93,802	-
277	176	(176)	-	-	-	-	-	-	-	277	-
2,152	1	-	862	220	1,359	374	-	-	-	4,968	-
-	-	74,951	-	-	-	-	-	9,317	28,932	113,200	-
99,089	273,391	-	1,233,957	697,102	592,126	591,939	29,432	-	-	3,517,036	-
99,089	273,391	74,951	1,233,957	697,102	592,126	591,939	29,432	9,317	28,932	3,630,236	-
-	51,221	44,254	334,279	271,840	229,558	191,651	10,307	5,559	-	1,138,669	-
-	5,089	6,252	20,372	12,462	10,682	5,162	590	719	-	61,328	-
-	-	(2,970)	-	-	-	-	-	-	-	(2,970)	-
-	(726)	(4,059)	(8,453)	(4,319)	(7,042)	(640)	(20)	-	-	(25,259)	-
-	(3,084)	-	(546)	-	-	-	(303)	-	-	(3,933)	-
-	-	-	(6,254)	-	-	-	-	-	-	(6,254)	-
-	71	(71)	-	-	-	-	-	-	-	-	-
-	(32)	-	-	-	-	-	-	-	-	(32)	-
-	1	-	225	36	140	30	-	-	-	432	-
-	117	284	(14)	-	-	9	(18)	9	-	387	-
-	52,657	43,690	339,609	280,019	233,338	196,212	10,556	6,287	-	1,162,368	-
Total net book value of property, plant and equipment											
99,089	220,734	31,261	894,348	417,083	358,788	395,727	18,876	3,030	28,932	2,467,868	-
Range of estimated useful life in years											
*Asset additions comprise											
-	5,430	2,820	28,405	7,193	7,928	3,587	11	345	-	55,719	-
1,759	9,695	8,524	13,885	1,960	4,700	2,750	145	792	-	44,210	-
1,759	15,125	11,344	42,290	9,153	12,628	6,337	156	1,137	-	99,929	-

** The above table includes the net impact of recording the initial recognition of discovered assets, and assets written off relating to prior periods. Management have not presented a restated prior period position as the net impact of the errors identified is not considered material in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Fraser Coast Regional Council

Notes to the financial statements
for the year ended 30 June 2019

Note 14. Property, plant and equipment continued

30 June 2018													
Measurement basis													
Land	Buildings and site improvements		Plant and equipment	Road and bridge network	Water infrastructure		Sewerage infrastructure	Stormwater drainage		Coastal infrastructure	Other assets	Works in progress	Total
	Fair Value	Fair Value			Cost	Fair Value		Fair Value	Fair Value				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	-	-	66,998	-	-	-	-	-	-	-	7,169	34,889	109,056
	92,344	247,624	-	1,131,548	652,169	570,220	530,792	22,948	-	22,948	-	-	3,247,645
	92,344	247,624	66,998	1,131,548	652,169	570,220	530,792	22,948	7,169	22,948	34,889	34,889	3,356,701
	752	4,855	9,544	44,643	14,266	3,404	8,054	5,854	1,011	5,854	1,011	(92,383)	-
	-	-	-	4,961	1,421	3,332	2,815	-	-	-	-	-	12,529
	(20)	(344)	(4,281)	-	-	-	-	-	-	-	-	-	(4,645)
	(752)	(961)	(121)	(19,472)	(5,183)	(4,108)	(1,371)	(207)	-	(207)	-	-	(32,175)
	(3,106)	(36)	-	(2,907)	(1,656)	(1,511)	(13,577)	-	-	1,138	-	-	(22,793)
	-	-	-	-	-	-	-	-	-	1,138	-	-	1,138
	-	13,904	-	39,678	27,739	9,675	37,887	-	-	-	-	92,553	128,883
	-	(72)	72	-	-	-	-	-	-	-	-	-	92,553
	-	-	-	2,028	1,395	1,732	15,391	-	-	-	-	-	20,546
	-	-	72,212	-	-	-	-	-	8,180	-	-	35,059	115,451
	89,218	264,970	-	1,200,479	690,151	582,744	579,991	29,733	-	29,733	-	-	3,437,286
	89,218	264,970	72,212	1,200,479	690,151	582,744	579,991	29,733	8,180	29,733	35,059	35,059	3,552,737
	-	43,672	40,087	311,097	253,340	218,082	176,340	9,479	4,794	9,479	-	-	1,056,891
	-	4,354	7,051	19,363	11,671	10,307	4,656	518	765	518	-	-	58,685
	-	(212)	(2,820)	-	-	-	-	-	-	-	-	-	(3,032)
	-	(269)	(94)	(7,386)	(3,714)	(2,107)	(415)	(178)	-	(178)	-	-	(14,163)
	-	(7)	-	(378)	(978)	(561)	(5,103)	-	-	-	-	-	(7,027)
	-	(1,589)	-	-	-	-	-	-	-	-	-	-	(1,589)
	-	-	-	-	-	-	-	-	-	488	-	-	488
	-	5,587	-	11,494	10,835	3,219	12,701	-	-	-	-	-	43,836
	-	(30)	30	-	-	-	-	-	-	-	-	-	-
	-	(285)	-	-	-	-	-	-	-	-	-	-	(285)
	-	-	-	89	686	618	3,472	-	-	-	-	-	4,865
	-	51,221	44,254	334,279	271,840	229,558	191,651	10,307	5,559	10,307	-	-	1,138,669
	89,218	213,749	27,958	866,200	418,311	353,186	388,340	19,426	2,621	19,426	35,059	35,059	2,414,068
	Land - not depreciated	30-100	3-10	15-150	20-80	12-100	60-140	30-90	7-100				
**Asset additions comprise													
	-	2,284	2,667	19,205	6,655	1,924	2,460	4,028	275	-	-	-	39,498
	752	2,571	6,877	25,438	7,611	1,480	5,594	1,826	736	-	-	-	52,885
	752	4,855	9,544	44,643	14,266	3,404	8,054	5,854	1,011	-	-	-	92,383

** The above table includes the net impact of recording the initial recognition of discovered assets, and assets written off relating to prior periods. Management have not presented a restated prior period position as the net impact of the errors identified is not considered material in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Notes to the financial statements
for the year ended 30 June 2019

Note 14. Property, plant and equipment continued

14 (a) Recognition

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

Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. However, routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred.

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

14 (b) Measurement

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

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Direct labour, materials and direct overheads incurred in the acquisition or construction of assets are also included in their cost.

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

14 (c) Depreciation

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

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

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

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

Notes to the financial statements
for the year ended 30 June 2019

Note 14. Property, plant and equipment continued

14 (d) Impairment

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

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

14 (e) Valuation

(i) Valuation processes

An annual assessment is undertaken to determine whether the carrying amount of property, plant and equipment is materially different from the fair value.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every five years.

In the intervening years, Council will either engage independent, professionally qualified valuers to assess the movement in valuation indices or perform a "desktop" valuation or use internal engineers and asset managers to assess the condition and cost assumptions in respect of Council's infrastructure asset classes. The valuer's methodologies in determining indexation percentages for the construction costs of infrastructure assets are derived using appropriate assumptions, professional experience and tools available to them. When a desktop valuation is performed, management provides updated information to the valuer regarding additions, deletions, impairments and changes in assumptions such as useful life, residual value and remaining useful life. The valuer then determines suitable indices which are applied to each of these asset classes. Together these are used to form the basis of a valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of other asset classes in the intervening years, management use relevant price indices or other reliable measures that can be used to estimate the current values of these classes.

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life. Separately identified components of assets are measured on the same basis as the assets to which they relate.

In accordance with *AASB 13 Fair Value Measurement* assets or liabilities are categorised on the following basis:

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

Notes to the financial statements

for the year ended 30 June 2019

Note 14. Property, plant and equipment continued

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

The table below presents Council's assets measured and recognised at fair value at 30 June 2019.

		Level 2 \$'000	Level 3 \$'000	Total \$'000
2019				
Recurring fair value measurements				
Land	14	99,089	-	99,089
Buildings and site improvements	14	420	220,314	220,734
Road and bridge network	14	-	894,348	894,348
Water infrastructure	14	-	417,083	417,083
Sewerage infrastructure	14	-	358,788	358,788
Stormwater drainage	14	-	395,727	395,727
Coastal infrastructure	14	-	18,876	18,876
Biological assets		-	785	785
Total		99,509	2,305,921	2,405,430
Non-recurring fair value measurements				
Land held for development and resale	13	4,229	-	4,229
2018				
Recurring fair value measurements				
Land	14	89,218	-	89,218
Buildings and site improvements	14	425	213,324	213,749
Road and bridge network	14	-	866,200	866,200
Water infrastructure	14	-	418,311	418,311
Sewerage infrastructure	14	-	353,186	353,186
Stormwater drainage	14	-	388,340	388,340
Coastal infrastructure	14	-	19,426	19,426
Biological assets		-	740	740
Total		89,643	2,259,527	2,349,170
Non-recurring fair value measurements				
Land held for development and resale	13	5,518	-	5,518

Notes to the financial statements

for the year ended 30 June 2019

Note 14. Property, plant and equipment *continued*

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

Specific valuation techniques used to value Council assets comprise:

Land (level 2)

Land fair values of Council were determined by independent valuer, APV, effective 30 June 2019. The land fair values have been measured by the market approach by direct comparison, an accepted valuation methodology under AASB 13. Level 2 valuation inputs were utilised, being sales transactions of other properties within the region, and adjusted for differences between key attributes of the properties. The main input is the price per square metre or price per hectare of land area. The market approach is deemed a level 2 input.

Land classified as held for sale during the reporting period (Council) was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the sales comparison approach.

Buildings and site improvements (level 2 and 3)

The fair value of buildings and site improvements of Council were determined by independent valuer, APV, effective 30 June 2016, with fair value of buildings of the former Wide Bay Water Corporation (WBWC) also being determined by APV, effective 30 June 2015. Indices were supplied by APV for the period 1 July 2016 to 30 June 2018 for Council and 1 July 2015 to 30 June 2018 for the former WBWC building assets and applied to building values effective 30 June 2018. For the current reporting period, APV supplied indices for the period 1 July 2018 to 30 June 2019.

The cumulative change in the overall fair value of buildings for the period mentioned above was between 1.5% and 2.0%. As this is below Council's threshold for accounting for the impact of revaluation of 5%, it has been determined that there had not been a material change in the fair value of building and site improvement assets at 30 June 2019.

Where there is an active and liquid market as evidenced by sales transactions of similar property types, the Market Approach by direct comparison, Income or Summation methods can be utilised, and is an accepted valuation methodology under AASB 13. If a Market Approach is adopted, the building valuation is deemed to be a level 2 input.

The estimates of residual value, useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation, the overall valuation has been classified as level 3.

Level 2 valuation inputs - Market (direct comparison) was used to determine the fair value of a range of properties. This included residential properties where the relevant inputs were able to be observed from current market evidence. The residential properties fair value was derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size.

Level 3 valuation inputs - Due to the predominantly specialised nature of local government buildings, as well as some residential properties that were located in isolated locations where there was no evidence to support a market approach, the valuations have been undertaken on a cost approach (current replacement cost), an accepted valuation methodology under AASB 13. Various sources were utilised by APV in calculating replacement cost including actual construction or purchase prices for projects paid by Council, Rawlinson's Construction Guide or similar guides (such as Cordells), development of costs using first principles. APV have also developed a number of models for specific asset types, and benchmarking against other valuations as well as a database built up from research of building and site improvement costs.

All assets valued using only level 2 valuation inputs were physically inspected to assess the physical condition and how they may impact the assets highest and best use to potential market participants and ultimately its market value. For assets valued using the cost approach, all were physically inspected at the time of the comprehensive valuations in 2015 (WBWC) and 2016 (Council), which included validation of physical dimensions and characteristics.

Notes to the financial statements

for the year ended 30 June 2019

Note 14. Property, plant and equipment *continued*

Road, and bridge network and stormwater drainage infrastructure assets (level 3)

All road and bridge network and stormwater drainage network infrastructure assets were valued by independent valuer APV as at 30 June 2016 using level 3 valuation inputs under the cost approach. Indices were supplied by independent valuer, APV, for the period 1 July 2016 to 30 June 2018 for these asset classes and applied to the value of the assets. For the current reporting period, APV supplied indices for the period 1 July 2018 to 30 June 2019. Those indices suggested that there were changes in the components of this class of assets of between 0.8% and 3.3%. As Council's threshold for accounting for the impact of revaluation is 5%, it was determined that there had not been a material change in the fair value of road, bridge and stormwater drainage network infrastructure assets at 30 June 2019 resulting from the change in indices.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

The main level 3 input used was derived and evaluated as follows:

Asset condition - The nature of road network and stormwater network infrastructure is that there is a very large number of assets which makes up the networks and as a result it is not physically possible to inspect every asset for the purposes of completing a valuation. As a consequence reliance is placed on the accuracy of data held in the asset management system and its associated internal controls. This includes regular planned inspections and updates to the system following maintenance activities and renewal treatments. Likewise, especially for stormwater network infrastructure, a large portion of the portfolio is located underground and may only be inspected on an irregular basis. During the reporting period, a condition assessment was undertaken on Council's bridge network by Roadtek. This was carried out in accordance with the Department of Transport and Main Roads Structures Inspection Manual. As a result, the fair value of the bridge network assets increased by \$6.1 million.

Coastal infrastructure assets

A desktop valuation of coastal infrastructure assets was undertaken by independent valuers, APV, effective 30 June 2016. Each asset is assessed individually, with the valuation varying according to the material type used for construction, condition and size. Indices were supplied by independent valuer, APV for the period 1 July 2016 to 30 June 2018 and applied to this asset class. APV supplied indices for the period 1 July 2018 to 30 June 2019. The indices suggested that there were changes in the components of this class of assets of 2.0%. As Council's threshold for accounting for the impact of revaluation is 5.0%, it was determined that there had not been a material change in the fair value of coastal infrastructure assets at 30 June 2019.

The coastal infrastructure asset class is wholly comprised of specialised assets. These specialised assets were valued using the cost approach using professionally qualified registered valuers. The approach estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. These include the average cost of construction and consumption score for each component. As these are supported by observable market evidence they have been classified as level 2 inputs. The unobservable inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition and its relationship to the assessed level of remaining service potential of the depreciable amount) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

Notes to the financial statements

for the year ended 30 June 2019

Note 14. Property, plant and equipment *continued*

Water and sewerage infrastructure assets (level 3)

Water and sewerage infrastructure fair values were determined by an independent valuer, APV, as at 30 June 2016. All water network infrastructure assets were valued using level 3 valuation inputs using the cost approach. Indices were supplied by independent valuer, APV, for the period 1 July 2016 to 30 June 2018 and applied to these asset classes. APV supplied indices for water and sewerage infrastructure assets for the period 1 July 2018 to 30 June 2019. The indices suggested that there were changes in the components of this class of assets of between 0.0% and 2.7%. As Council's threshold for accounting for the impact of revaluation is 5%, it was determined that there had not been a material change in the fair value of water and sewerage infrastructure assets at 30 June 2019.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on length, square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

The Fraser Coast region is split into 4 distinct areas based on geographic (rural/urban/high density urban/CBD) and environmental factors (sand/acid/sulphate, soil/soft, rock/hard rock). Council assumes that these factors are consistent across each of the 4 regions and that costs of labour are consistent within each of these regions, depending on the materials used.

APV cost models were derived from the following sources:

- APV database
- Development of costs models by APV
- Benchmarking against other valuations
- Rawlinson's rates for building and construction, and
- Suppliers' quotations and actual prices paid by Council

Factors taken into account in determining replacement costs included:

- Development factors - The area in which development takes place (e.g. rural areas would have little or no restoration requirements, whereas a high density area would have large amounts of high quality footpaths, road pavements and associated infrastructure that would require reinstatement, and would also require traffic control).
- Soil factors - The types of soil or other surface material (e.g. areas where soil is sandy are difficult to excavate and would require shoring while areas where the soil is generally free of rock would not present any great difficulty for excavation).
- Depth factors - The depth of the trench (e.g. trenching above 1.5m requires shoring/trench cage which increases costs and slows production).

Valuation unit rates (replacement costs) allow for factoring in project overheads including survey, environmental and investigation costs, engineering design, engineering supervision and project management.

Accumulated depreciation

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life.

Where site inspections were not conducted (i.e. for passive assets and active assets for which no site inspections were undertaken), the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.

For sewer gravity mains, the assumption that the pipes will be relined was adopted. The fair value for sewer gravity mains was determined as follows.

- For all pipes, replacement cost was determined based on replacement value by trench excavation, useful life was determined as the pipe useful life plus the reline useful life, and the pipe fair value was based on age.
- Where pipes have been relined, the total pipe useful life was determined as the pipe age when the reline occurred plus the reline life.
- The relining of pipes was valued at reline unit rates and depreciated over the reline life (50 years). The reline fair value was based on age.

Notes to the financial statements for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
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Note 15. Trade and other payables

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

Liabilities are recognised for employee benefits such as wages and salaries, annual and long service leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability.

Creditors and accruals	20,250	17,831
Annual leave	5,533	5,059
Other employee entitlements	354	266
Employee related accruals	548	448
	<u>26,685</u>	<u>23,604</u>

Note 16. Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears.

All borrowings are denominated in Australian dollars and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 September 2019 to 15 December 2030. There have been no defaults or breaches of the loan agreement during the period.

Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Current

Loans - QTC	17,016	17,382
	<u>17,016</u>	<u>17,382</u>

Non-current

Loans - QTC	72,997	89,798
	<u>72,997</u>	<u>89,798</u>

Reconciliation of loan movements for the year

Balance as at 1 July	107,180	123,513
Principal repayments	(17,167)	(16,333)
Balance as at 30 June	<u>90,013</u>	<u>107,180</u>

The QTC loan market value at the reporting date was \$103,425,193 (2018: \$119,072,643). This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for the term, no provision is required to be made in these statements.

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

Notes to the financial statements

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
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Note 17. Provisions

Long service leave

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

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

Refuse restoration

A provision is made for the cost of restoration in respect of landfill sites where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required; discounted to current day values using the average interest rate of Council's term investments at 30 June 2019.

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

Current

Long service leave	5,763	5,168
Refuse restoration	57	139
	<u>5,820</u>	<u>5,307</u>

Non-current

Long service leave	414	642
Refuse restoration	16,463	16,668
	<u>16,877</u>	<u>17,310</u>

Details of movements in long service leave provision:

Balance as at 1 July	5,810	6,079
Amount provided for in the period	1,295	779
Amount paid in the period	(928)	(1,048)
Balance as at 30 June	<u>6,177</u>	<u>5,810</u>

Details of movements in refuse restoration provision:

Balance as at 1 July		16,807	15,552
Increase in provision due to unwinding of discount	8	445	283
Increase/(decrease) in provision due to change in discount rate	10(b)	(764)	687
Change in the value of landfill assets	14	32	285
Balance as at 30 June		<u>16,520</u>	<u>16,807</u>

Refuse restoration

This is the present value of the estimated cost of restoring Council's landfill sites to a useable state at the end of their useful lives. The projected cost is the present value of the estimated cost of restoring the landfill sites after closure and allowing a period for settlement. Expected closure dates to the public of the sites range from 2020 to 2030 and expenditure is expected from 2020 to 2065.

Notes to the financial statements
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Note 18. Other liabilities			
Current			
Unearned revenue		170	183
Construction retentions		1,151	1,010
Waste levy refund received in advance		2,857	-
Other Liabilities		255	-
		<u>4,433</u>	<u>1,193</u>

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

Note 19. Asset revaluation surplus

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

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

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

Movements in the asset revaluation surplus:

Balance as at 1 July		635,725	549,089
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Land	14	9,547	-
Buildings and site improvements		-	11,495
Road and bridge network	14	6,254	28,184
Water infrastructure		-	16,904
Sewerage infrastructure		-	6,456
Stormwater drainage		-	25,186
		<u>15,801</u>	<u>88,225</u>
Less impairment:			
Buildings and site improvements	14	-	(1,589)
		-	<u>(1,589)</u>
Net movements in the asset revaluation surplus		<u>15,801</u>	<u>86,636</u>
Balance as at 30 June		<u>651,526</u>	<u>635,725</u>

Asset revaluation surplus analysis

The closing balance of the asset revaluation surplus comprises the following asset categories:

Land	24,973	15,426
Buildings and site improvements	69,049	69,049
Road and bridge network	207,371	201,117
Water infrastructure	135,433	135,433
Sewerage infrastructure	114,598	114,598
Stormwater drainage	100,102	100,102
Balance as at 30 June	<u>651,526</u>	<u>635,725</u>

Notes to the financial statements
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
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Note 20. Commitments for expenditure

(a) Contractual commitments (exclusive of GST)

Contractual expenditure committed for as at 30 June but not recognised in the financial statements as liabilities:

Infrastructure contracts	26,331	18,102
Pest control	25	25
Garbage collection contract	13,602	18,186
Cleaning, landscaping and ranger services	779	846
Security screening	367	1,474
	<u>41,104</u>	<u>38,633</u>

These expenditures are payable as follows:

Within the next year	31,503	24,012
Later than one year and not later than 5 years	9,601	14,621
Total payable	<u>41,104</u>	<u>38,633</u>

(b) Operating leases (non-cancellable)

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Minimum lease payments in relation to non-cancellable operating leases are as follows:

Within one year	258	279
One to five years	155	410
	<u>413</u>	<u>689</u>

Council has three 1-year commercial building leases ending between 14 January 2020 and 30 April 2020 with renewal options for 1 year at Council's discretion. Council holds a further 20-year commercial building lease ending 30 September 2020.

During the year an amount of \$248,083 (2018: \$101,702) was recognised as an expense in the Statement of Profit or Loss in respect of operating leases.

Note 21. Contingent liabilities

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

Legal claims

Council is subject to a number of claims that arise as a result of its operations relating to ownership of public assets, past and present employees and compensation with regards to the compulsory acquisition of land. Management is currently considering a claim made by a Councillor.

Council has not provided for any amounts to date in relation to these claims on the basis that it has either assessed that no material outflow of economic benefit is probable, or that such outflows cannot be reliably estimated at this stage. Further information in respect of individual claims has not been disclosed in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* on the basis that Council considers such disclosures would seriously prejudice the outcome of the claims.

Local Government Mutual

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

As at 30 June 2018 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's Workers Compensation Authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$1,292,220.

Notes to the financial statements
for the year ended 30 June 2019

Note 22. Superannuation - Regional Defined Benefit Fund

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

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

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

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

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

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

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

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

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

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

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

	Note	2019 \$'000	2018 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		883	855
Other superannuation contributions for employees		5,217	4,589
Total superannuation contributions paid by Council for employees	6	6,100	5,444
			2020 \$'000
Contributions Council expects to make to the Regional Defined Benefits Fund for 2019-20			825

Note 23. Controlled entities that have not been consolidated

Joint ventures

At the ordinary Council meeting held 25 March 2015, Council delegated to the CEO the authority to enter into a Joint Venture Agreement and Deed of Consent to Security for the development of a residential airpark at the Maryborough Airport. The joint venture agreement details that the relationship of the parties is that of a joint venture and is limited to carrying out of the development. The development is being conducted by the development entity Fraser Coast Residential Airpark Pty Ltd. The agreement is dated 14 April 2015. Works were initially scheduled to commence in November 2015 and sales were not anticipated until the 2015/16 year. However this was delayed due to the discovery of a boundary discrepancy which required minor zoning amendments to be made to the town planning scheme. An operational works application has been lodged, with works currently on hold.

Council is responsible for providing the land on which the joint venture is going to be developed. The agreement states that land remains an asset of Council until sold. As the contractual arrangement dictates each parties share in the profit or loss relating to the activities, and that each party is liable to the arrangement only to the extent of their investments in the arrangement or their respective obligations to contribute to the arrangement, this is an indication of a joint venture rather than a joint operation.

A maximum upper limit of Council's liability under the agreement is set at \$4,859,235 which represents the forfeiting of Council fees and nominal land value of the project. As the impact of this joint venture is not expected to be material to Council's overall operations, and as there have only been minor set-up transactions and development application fees incurred to the reporting date (\$154,217 to 30 June 2017, nil in subsequent reporting periods), no separate disclosures are intended to be made in the 2018/19 financial statements in relation to this joint venture. Due to a number of ongoing issues with the development application, this joint venture project is currently on hold.

Unconsolidated controlled entities

Fraser Coast Regional Council has two controlled entities (one was deregistered in the reporting period) that are not consolidated, because of their size and nature means they are not material to Council operations.

Widelinx Pty Ltd

Widelinx Pty Ltd was established by the then Hervey Bay City Council in January 2005 to oversee the operations of a local communications venture. The Council formed a business relationship (the business venture to trade under the name Widelinx) with a broadband internet provider (IP Systems) in February 2005 to address opportunities for network solutions in Hervey Bay and Wide Bay to provide householders and businesses with voice, data and other information and communications technology (ICT) services.

Following a number of changes to the ownership and corporate structure of IP systems between 2010 and 2016, which saw that entity taken over and merged to initially become part of Amcom Telecommunications followed by a takeover by Vocus Communications in addition to the expiry of a number of contracts that were entered into by Widelinx, Vocus Communications ceased its business relationship with Widelinx during the previous reporting period. Following a recommendation from the Board, Widelinx Pty Ltd ceased operations and was deregistered effective January 2019.

Note 23. Controlled entities that have not been consolidated continued

Unconsolidated controlled entities continued

Fraser Coast Tourism and Events Ltd

Fraser Coast and Events Ltd (FCTE) is a controlled entity of Council initially formed to undertake the functions of Investment Attraction, Marketing, Events and Tourism Services on behalf of Council for the direct benefit of the Fraser Coast Region. FCTE is a not-for-profit company limited by guarantee constituted under the *Corporations Act 2001*. The entity commenced operations on 1 July 2013 with transfer of Tourism Fraser Coast to the entity on 1 September 2013. An interim board was appointed, with the permanent board appointed in February 2014.

On 4 May 2016, Council resolved that it should retain Fraser Coast Opportunities as a Registered Tourism Organisation for Tourism, Events and Marketing, with the Investment Attraction function transferred back to Council's Economic Development area. A 3-year funding agreement with the new entity commenced 1 July 2016 which expired 30 June 2019. At its meeting of 22 May 2019, Council endorsed a new 5-year Funding and Accountability Agreement with FCTE.

The board currently consists of seven directors, including the Council CEO who was appointed in February 2018 following a vacancy arising on the board in December 2017.

The assets, liabilities and net results of operations for the year ended 30 June 2019 (unaudited) for Fraser Coast Tourism and Events Ltd are summarised below:

	Fraser Coast Tourism and Events Ltd 2019 \$'000
Income and expenses	
Operating revenue	3,299
Operating expenses	(3,267)
Net result	<u>32</u>
Assets	
Current assets	949
Non-current assets	109
	<u>1,058</u>
Liabilities	
Current liabilities	440
Non-current liabilities	292
	<u>732</u>
Net assets	<u>326</u>

Notes to the financial statements
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Note 24. Reconciliation of net result for the year to net cash inflows from operating activities			
Net result		43,633	36,548
Adjust for non-cash and investing activities:			
Impairment losses of property, plant and equipment	10(a)	799	-
Capital grants and contributions	4(b)	(58,541)	(45,681)
Net (gains)/losses on disposal of assets	5(a)&(c)	(198)	13
Revaluations (biological assets)	5(b)	(45)	(42)
Other capital items	5(d)	(4,536)	(16,331)
Depreciation and amortisation	9	61,393	58,763
Capital expenses	10(c)	26,474	33,716
Increase/(decrease) in provision for doubtful debts	12	(718)	758
Change in the value of landfill assets	17	(32)	(285)
		<u>24,596</u>	<u>30,911</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables	12	5,586	(2,226)
(Increase)/decrease in inventories		(353)	(191)
Increase/(decrease) in trade and other payables	15	3,081	3,266
Increase/(decrease) in leave provisions	17	367	(269)
Increase/(decrease) in restoration provision	17	(287)	1,255
Increase/(decrease) in other liabilities	18	3,240	248
		<u>11,634</u>	<u>2,083</u>
Net cash inflows from operating activities		<u>79,863</u>	<u>69,542</u>

Note 25. Reconciliation of liabilities arising from finance activities

	As at 30 June 2018 \$'000	Cashflows \$'000	As at 30 June 2019 \$'000
Loans	107,180	(17,167)	90,013
	<u>107,180</u>	<u>(17,167)</u>	<u>90,013</u>
	As at 30 June 2017 \$'000	Cashflows \$'000	As at 30 June 2018 \$'000
Loans	123,513	(16,333)	107,180
	<u>123,513</u>	<u>(16,333)</u>	<u>107,180</u>

Notes to the financial statements
for the year ended 30 June 2019

Note 26. Correction of errors

Correction of errors relating to a previous reporting period

(a) Initial recognition and derecognition of non-current assets

The initial recognition and derecognition of non-current assets relates to assets that should have been included or excluded in previous years' financial statements but have only been identified and placed into (or removed from) the financial asset register during the current reporting period. Where the net written down value impact of these errors is not considered material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, management have not presented a restated prior period position. Details of errors identified in the current year are set out below:

- As part of a review of freehold Council land provided for valuation purposes, a number of land assets were found that were not owned by Council and were derecognised, and a number of land assets were identified as owned by Council not previously recorded were also identified;
- Certain road, bridge and drainage infrastructure assets were identified that related to prior periods. Some of which was due to the ongoing verification of the existence of items that had been spatially recognised in the mapping systems, but not contained in asset registers;
- As part of the Wide Bay Water commercial business unit ongoing review of infrastructure assets, assets are identified that are not previously appropriately accounted for or recognised. These items predominantly relate to the records of historic underground network assets. Asset record corrections are confirmed through acquisition of new information during excavation and maintenance work or subsurface visual inspections via CCTV pipe survey.

Details of errors identified in the previous year are set out below:

- A review was conducted on freehold land that was held on the register and a number of assets were identified as not being owned by Council;
- A number of road, bridge and drainage infrastructure assets that had been recognised in prior periods were found to be either duplicate entries or assets that were controlled by entities other than Council, and as such were derecognised;
- A review was conducted on the Open Drainage assets which resulted in a number of building and site improvement assets being discovered;
- In conjunction with the verification process in relation to roads and stormwater assets, certain adjustments relating to changes in stormwater pipe lengths and construction materials as well as lengths and widths of some road segments had been processed in the previous financial year.

	Note	2019 \$'000	2018 \$'000
Initial recognition of previously unrecorded non-current assets			
Land assets	5(d)	2,152	-
Road and bridge network assets	5(d)	637	1,939
Water infrastructure assets	5(d)	184	709
Sewerage infrastructure assets	5(d)	1,219	1,114
Stormwater drainage assets	5(d)	344	11,919
Total		4,536	15,681
Initial derecognition of non-current assets			
Land assets	10(c)	3,738	3,106
Building and site improvement assets	10(c)	-	29
Road and bridge network assets	10(c)	-	2,529
Water infrastructure assets	10(c)	-	678
Sewerage infrastructure assets	10(c)	-	950
Stormwater drainage assets	10(c)	-	8,474
Total		3,738	15,766
Net prior period correction		798	(85)

Note 27. Events after the reporting period

There were no material adjusting events after the reporting date.

Note 28. Financial instruments and financial risk management

Fraser Coast Regional Council has exposure to the following risks arising from financial instruments:

Credit risk

Liquidity risk

Market risk

Interest rate risk

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

Risk management framework

Fraser Coast Regional Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

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

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

Council does not enter into derivative contracts.

Credit risk exposure

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

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

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

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

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

Cash and cash equivalents and term deposits

Council may be exposed to credit risk through its investments in term deposits and the QTC Cash Fund. Term deposits are held with financial institutions, which are rated A1+ to A2 based on rating agency Standard and Poor's and Moody ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Notes to the financial statements
for the year ended 30 June 2019

Note 28. Financial instruments and financial risk management continued

Trade and other receivables

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

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

By the nature of Council's operations, there is a geographical concentration of risk in the Council's area. Because the main activity of the region is tourism, there is also a concentration of risk in the tourism sector.

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

At 30 June 2019, the exposure to credit risk for receivables by type of counterparty was as follows:

	Note	2019 \$'000	2018 \$'000
Financial Instruments			
Rates and utility charges	12	14,777	27,287
State and Commonwealth Government		975	1,070
Other		7,014	6,646
		<u>22,766</u>	<u>35,003</u>
Non-Financial Instruments			
Water charges not yet levied	12	5,861	-
State and Commonwealth Government (GST recoverable)	12	2,855	2,072
Other		7,211	6,486
	12	<u>15,927</u>	<u>8,558</u>
		<u>38,693</u>	<u>43,561</u>

A summary of Council's exposure to credit risk at period ending 30 June 2019 for which impairment requirements of AASB 9 - Financial Instruments have been applied, being for other debtors.

	Note	2019 \$'000	2018 \$'000
Subject to impairment			
Fully performing		1,533	2,694
Past due:			
- 30 to 60 days overdue		166	151
- 61 to 90 days overdue		18	176
- Over 90 days overdue		220	29
Total gross carrying amount	12	<u>1,937</u>	<u>3,050</u>
Loss allowance		<u>(50)</u>	<u>(768)</u>
		<u>1,887</u>	<u>2,282</u>
Not subject to impairment			
Rates and utility charges	12	14,777	27,287
Fees and charges	12	1,439	1,152
Deferred infrastructure charges		4,663	4,282
		<u>20,879</u>	<u>32,721</u>
		<u>22,766</u>	<u>35,003</u>

Notes to the financial statements
for the year ended 30 June 2019

Note 28. Financial instruments and financial risk management continued

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

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

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

Council has identified four distinctive groupings of its receivables: rateable revenue, fees and charges, deferred infrastructure charges and other debtors.

Rateable revenue: Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts. This results in immaterial Expected Credit Losses. Council does not impair rates and charges. Impairment will exist only if arrears are deemed to be greater than the proceeds Council will receive from the sale of the respective property.

Fees and charges: fees and charges have been identified as a separate debtor group, mainly consisting of statutory charges. Internal historical data shows no defaults have occurred, even in the event of a default occurring, Council has determined expected credit losses for this receivables grouping to be immaterial, accordingly an expected credit loss of fees and charges is not calculated.

Deferred infrastructure charges: Council is empowered under the *Planning Act 2016* to register a charge over the property for outstanding adopted infrastructure charges. Internal historical data shows no defaults have occurred. Council does not impair deferred infrastructure charges. Impairment will exist only if arrears are deemed to be greater than the proceeds Council will receive from the sale of respective property.

Other debtors: Council identifies other debtors as receivables which are not rateable revenue, fees and charges or deferred infrastructure charges.

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security.

Council reviews individual debtors to measure the expected credit losses on other debtors. Loss rates are determined giving consideration to individual debtor recovery issues and Council's past experience. Other debtors includes amounts receivable from State and Commonwealth governments and their agencies. A credit enhancement exists as these amounts are effectively government guaranteed and both the state and Commonwealth governments have high credit ratings, accordingly Council does not calculate an expected credit loss. Although expected credit losses on other debtors are not material, disclosure is being made for the purpose of public interest and transparency.

Notes to the financial statements
for the year ended 30 June 2019

Note 28. Financial instruments and financial risk management continued

Liquidity risk

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

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

Fraser Coast Regional Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and other financial institutions.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows.

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

	Note	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows	Carrying amount
2019						
Trade and other payables	15	20,798	-	-	20,798	20,798
Loans - QTC	16	21,770	62,383	25,727	109,880	90,013
		42,568	62,383	25,727	130,678	110,811
2018						
Trade and other payables	15	18,279	-	-	18,279	18,279
Loans - QTC	16	22,973	71,321	38,559	132,853	107,180
		41,252	71,321	38,559	151,132	125,459

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

Market risk

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

Interest rate risk

Council is exposed to interest rate risk through its investments and borrowings with QTC and other financial institutions.

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

Notes to the financial statements
for the year ended 30 June 2019

Note 28. Financial instruments and financial risk management continued

Sensitivity

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

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

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

Period:

		Net carrying amount \$'000	Effect on net result		Effect on equity	
	Note		1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
2019						
Investments with QTC	11(a)	68,354	684	(684)	684	(684)
Other cash	11(a)	2,282	23	(23)	23	(23)
Loans - QTC*	16	(90,013)	-	-	-	-
Net		(19,377)	707	(707)	707	(707)
2018						
Investments with QTC	11(a)	19,854	199	(199)	199	(199)
Other cash	11(a)	1,644	16	(16)	16	(16)
Loans - QTC*	16	(107,180)	-	-	-	-
Net		(85,682)	215	(215)	215	(215)

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

*QTC Fixed Rate Loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

Fair value

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

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

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

Notes to the financial statements
for the year ended 30 June 2019

Note 28. Financial instruments and financial risk management continued

Fair value hierarchy

The recognised fair values of financial assets and liabilities are classified based on the lowest level of input significant to the overall fair value:

Level 1 - quoted prices (unadjusted) in active markets for identical instruments.

Level 2 - inputs other than quoted prices included in Level 1 that are observable either directly or indirectly.

Level 3 - valuation techniques for which any significant input is not based on observable market data.

According to the above hierarchy, the fair values of each class of asset recognised at fair value are as follows:

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2019					
Financial assets					
Cash and cash equivalents	11(a)	4,820	-	-	4,820
Investments with QTC	11(a)	68,354	-	-	68,354
Term deposits greater than 3 months	11(b)	141,700	-	-	141,700
Total financial assets		214,874	-	-	214,874
Financial liabilities					
Loans - QTC	16	90,013	-	-	90,013
Trade and other payables	15	26,685	-	-	26,685
Total financial liabilities		116,698	-	-	116,698
2018					
Financial assets					
Cash and cash equivalents	11(a)	1,679	-	-	1,679
Investments with QTC	11(a)	19,854	-	-	19,854
Term deposits greater than 3 months	11(b)	193,006	-	-	193,006
Total financial assets		214,539	-	-	214,539
Financial liabilities					
Loans - QTC	16	107,180	-	-	107,180
Trade and other payables	15	23,604	-	-	23,604
Total financial liabilities		130,784	-	-	130,784

Note 29. National competition policy**Business activities to which the code of competitive conduct is applied**

Fraser Coast Regional Council applies the code of competitive conduct to the following activities:

Wide Bay Water
Caravan parks
Fraser Coast Waste

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO value is determined by Council, and represents an activity's cost(s) which would not be incurred if the primary objective of the activities was to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by Council.

The following activity statements are for activities subject to the code of competitive conduct:

	Caravan parks	Fraser Coast Waste	Wide Bay Water
	\$'000	\$'000	\$'000
2019			
Revenue for services provided to external clients	3,414	23,780	78,425
Community service obligations	-	256	860
	<u>3,414</u>	<u>24,036</u>	<u>79,285</u>
Less : expenditure	(2,171)	(16,573)	(59,570)
Less: Net competitive neutrality adjustments	<u>(57)</u>	<u>(119)</u>	<u>(735)</u>
Surplus/(deficit)	<u>1,186</u>	<u>7,344</u>	<u>18,980</u>

Description of CSO's provided to business activities:

Activities	CSO description	Revenue \$'000
Wide Bay Water	Council provides discounted water and sewerage services to community and sporting bodies which is identified as a Community Service Obligation (CSO). In addition, the State Government sets the maximum regulated infrastructure charges able to be collected from developers, to which Council has provided certain discounts and incentives to developers, this has also been identified by Council as a CSO for the Wide Bay Water commercial business unit.	860
Fraser Coast Waste	Council has identified a number of CSO's in relation to the provision of waste services throughout the region. Council provides and services street litter bins throughout the region. Public recycling services are also provided in high profile, high use areas. These services are recognised as a CSO. In addition, Council provides vouchers to charitable organisations and schools allowing those organisations to dispose of a certain amount of waste for free. This service is also recognised as a CSO.	256
Caravan Parks	As Council caravan parks are managed by third parties on a commercial basis, no CSOs are recognised.	-

Notes to the financial statements
for the year ended 30 June 2019

Note 30. Transactions with related parties

(a) Subsidiaries

The group consists of Council and two subsidiaries - Widelinx Pty Ltd. (now deregistered) and Fraser Coast Tourism and Events Ltd. Neither of these subsidiaries are consolidated, details are disclosed in Note 23.

The following transactions occurred with subsidiaries:

Subsidiary	Goods and services supplied to Council on normal terms and conditions	2019 \$'000	2018 \$'000
Widelinx Pty Ltd	Telecommunication services supplied to Council	-	87
Widelinx Pty Ltd	Proceeds from deregistration and wind-up of subsidiary *	-	1,418
Fraser Coast Tourism & Events Ltd	Tourism and events services supplied to Council	1,972	2,253
	Total goods and services supplied to Council	1,972	3,758

* The operations of Council's wholly owned subsidiary, Widelinx Pty Ltd ceased during the previous reporting period. All cash held by the subsidiary was transferred to Council after outstanding debts of the company at the end of the previous reporting period had been paid. Widelinx Pty Ltd was deregistered in the current reporting period.

In accordance with its Deed of Agreement for Funding, Fraser Coast Tourism & Events (FCTE) utilises Council facilities, buildings and services. Under that Deed, FCTE are required to reimburse Council for outgoings such as electricity, repairs and maintenance, rates and charges, security services, advertising, recruitment costs and cleaning. Other reimbursements include the payment of fees collected from and the hire of certain venues and events and merchandise sales.

In addition, FCTE utilises fleet items from Council. They are hired to FCTE on the same basis as Council's internal plant and fleet hire rates. Further, FCTE pay nominal rental costs for use of the Hervey Bay Cultural Centre for \$5,500 annually. The total of these transactions are listed below:

Payments by FCTE to FCRC	2019 \$'000	2018 \$'000
Reimbursements for outgoings	54	111
Other reimbursements	13	9
Motor vehicle hire	26	21
Rent of premises	6	6
Total	99	147

(b) Transactions with joint ventures

Council established a joint venture agreement with Fraser Coast Residential Airpark Pty Ltd in 2015. Details of this arrangement are disclosed in Note 23.

There have been no transactions with Fraser Coast Residential Airpark Pty Ltd in the reporting period.

(c) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and Council's Executive Management team. The compensation paid to KMP comprises:

	2019 \$'000	2018 \$'000
Short-term employee benefits	2,679	2,769
Post-employment benefits	252	259
Long-term benefits	16	42
Termination benefits	-	736
Total	2,947	3,806

Notes to the financial statements
for the year ended 30 June 2019

Note 30. Transactions with related parties continued

(d) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

Details of Transaction	2019 \$'000	2018 \$'000
1 Employee expenses for close family members of KMP	94	105
2 Purchase of materials and services from entities controlled by KMP or close family members of KMP	4	198
3 Sale of Council property to KMP	-	330
4 Key management personnel services provided by an external entity	-	130
	98	763

1. During the reporting period there were 2 employees that are close family members of key management personnel employed by Council (2018: 3 employees). All close family members of key management personnel were employed through an arm's length process, one on a casual basis, one on a full time basis (2018: two casual, one full time). They are paid in accordance with the Award for the work they perform.

2.(a) Hotlight Marketing Pty Ltd, a company controlled by Councillor Rolf Light purchased the Torquay Post Office franchise in May 2016. The post office provides services in relation to Council's outgoing mail for which Council pays Australia Post directly (to which the franchise is entitled to a commission). Commission is also payable by Australia Post to the franchise on payments made in person at the post office on eligible Post BillPay branded Council invoices (e.g. rates and animal registration notices). In addition, postal services provided by the franchise to Council's Commercial Business Unit – Wide Bay Water are paid direct to Hotlight Marketing. The total for these services were \$3,877 (2018: \$5,121). These services were all pre-existing arrangements that had been provided by the Torquay post office branch prior to Hotlight Marketing's purchase of the franchise. All services were at arm's length, on normal terms and conditions and were in the normal course of Council operations. As at 30 June 2019 \$535 was owed by Council to the company.

2.(b) Mr Sydney Shang, Council's Executive Manager Governance & Customer Service relieved in the position of Director Organisational Services (a member of Council's Executive Management team) for approximately three and a half weeks during the previous reporting period. A close family member of Mr Shang controls The Workers Wardrobe, a small business that provides uniforms, industrial and high visibility workwear and safety footwear to Council. All services were at arm's length, on normal terms and conditions and were in the normal course of Council operations.

3. Mr Davendra Naidu, Council's Director of Infrastructure Services purchased a property owned by the Council during the previous reporting period. The property had been listed for sale along with other Council properties with a local real estate agent. The sale was carried out at arm's length under normal terms and conditions for such a transaction.

4. Payments were made in the previous reporting period to The Sustainable Advantage Pty Ltd for the services of Mr Keith Parsons who acted in the position of Director of Organisational Services for the period 25 July 2017 until he was permanently appointed to the position on 8 January 2018. This amount has been excluded from the KMP compensation disclosures in (c) above.

Note 30. Transactions with related parties continued

(e) Outstanding balances

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

(f) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(g) Commitments to/from other related parties

There are no commitments outstanding at the end of the reporting period to/from related parties.

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

The majority of the entities and people that are related parties of Council live and operate within the Fraser Coast Region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates and utility charges
- Use of Council's aquatic centres
- Borrowing books from Council libraries
- Attending events or performances at Council venues such as the Brolga Theatre or Showgrounds

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

Fraser Coast Regional Council

General purpose financial statements
for the year ended 30 June 2019

Management certificate for the year ended 30 June 2019

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 47, present a true and fair view in accordance with Australian Accounting Standards of Council's transactions for the financial year and financial position at the end of the year.



George Seymour

MAYOR

08 October 2019



Ken Diehm

CHIEF EXECUTIVE OFFICER

08 October 2019

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Fraser Coast Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Fraser Coast Regional Council (the council).

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Other information

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

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

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

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

Responsibilities of the council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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



14 October 2019

Melissa Read
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

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Current year financial sustainability statement
for the year ended 30 June 2019

Measures of financial sustainability

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

	2019	Target
--	------	--------

Performance indicators

1. Operating surplus ratio

<u>Net result (excluding capital items)</u>	3.23%	0 - 10%
Total operating revenue (excluding capital items)		

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

2. Asset sustainability ratio

<u>Capital expenditure on the replacement of assets (renewals)</u>	96.68%	more than 90%
Depreciation expense		

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

3. Net financial liabilities ratio

<u>Total liabilities less current assets</u>	(51.17%)	less than 60%
Total operating revenue (excluding capital items)		

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

Note 1 - Basis of preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*.

The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2019.

Current year financial sustainability statement

Certificate of accuracy

for the current year financial sustainability statement prepared as at 30 June 2019

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

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



George Seymour

MAYOR

08 October 2019



Ken Diehm

CHIEF EXECUTIVE OFFICER

08 October 2019

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Fraser Coast Regional Council

Report on the current year financial sustainability statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

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

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

Responsibilities of the council for the current year financial sustainability statement

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

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

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

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

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

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

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



Melissa Read
as delegate of the Auditor-General

14 October 2019

Queensland Audit Office
Brisbane

Fraser Coast Regional Council

Long-term financial sustainability statement (unaudited)
prepared as at 30 June 2019

Measures of financial sustainability

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

	Target	Actual 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Performance indicators												
1. Operating surplus ratio												
Net result (excluding capital items)	0 - 10%	3.23%	0.42%	1.71%	1.09%	1.30%	1.35%	1.78%	3.06%	2.98%	2.82%	3.70%
Total operating revenue (excluding capital items)												
An indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
2. Asset sustainability ratio												
Capital expenditure on the replacement of assets	more than 90%	96.68%	134.73%	140.52%	122.88%	93.74%	80.34%	91.97%	94.19%	89.42%	90.90%	78.49%
Depreciation expense (infrastructure assets)												
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
3. Net financial liabilities ratio												
Total liabilities less current assets	less than 60%	(51.17%)	(45.45%)	(26.36%)	(15.00%)	(11.73%)	(14.31%)	(19.07%)	(25.00%)	(31.10%)	(41.35%)	(51.97%)
Total operating revenue (excluding capital items)												

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

Fraser Coast Regional Council financial management strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Every financial year the Council must prepare a long term financial forecast in accordance with section 171 of the *Local Government Regulation 2012*. This high level planning document sets the financial sustainability framework in which the Council should operate within the next ten financial years. One of the key outcomes from this planning process is to ensure that the three relevant measures of financial sustainability that are disclosed (above) are within the target ranges as set by the Department of Infrastructure, Local Government and Planning in accordance with the *Financial Management (Sustainability) Guideline 2013*.

The financial sustainability framework of the long term financial forecast forms the basis for the preparation of the Councils annual budget. The targets set during the long term financial forecast process must be adhered to during the budget process to ensure consistency between the annual commitments of the current year budget and the long term financial forecast. This will assist Council in ensuring future viability and financial sustainability for the region.

Certificate of accuracy

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

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

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



George Seymour

MAYOR

08 October 2019



Ken Diehm

CHIEF EXECUTIVE OFFICER

08 October 2019

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Glossary of Terms

Annual Budget – A statutory requirement outlining the financial estimates to deliver the Corporate Plan.

Annual Report – Council’s report on its annual performance, including statements about annual performance, financial statements and disclosures required under legislation.

Beneficial Enterprises – is an enterprise that a local government considers is directed to benefiting, and can reasonably be expected to benefit, the whole or part of its local government area.

Capital works program – Program of scheduled infrastructure works generally encompassing capital works for road, drainage and building assets.

Community Plan – Council’s 10 year strategic document identifying community needs articulating council’s and the community’s long term vision, aspirations and priorities for the city.

Corporate Plan – A strategic document that sets out Councils plans over a five year period. It outlines the strategies to be undertaken to achieve the vision and outcomes within the Fraser Coast Community Plan. It is a legal requirement under the *Local Government Act 2009* for Council to adopt a Corporate Plan.

Corporate Themes – Five strategic themes that form the basis of Council’s corporate and operations plans.

External Audit – An official inspection of an organisation’s accounts, processes and procedures, typically by an independent body. (QAO – Queensland Audit Office)

Full-time equivalent (FTE) – The hours worked by one or more staff members that are the equivalent of a full-time employee. For example, this may involve a full-time employee working 36.25 hours per week or two part-time employees each working 18.13 hours per week.

Governance – How decisions are made and implemented and how organisations are managed and controlled to achieve objectives. Governance also describes the ways an organisation can be held accountable.

Key performance indicator – Evidence of the degree to which Council’s actions are achieving intended objectives, for the purposes of monitoring progress.

Local Laws – The laws adopted by Council that prohibit, regulate and control activities, events, practices and behaviours with the Fraser Coast Region.

Operational Plan – A one year plan that sets out activities to be undertaken in that particular year to achieve the corporate Plan. An Operations Plan is a legal requirement for Queensland councils under the *Local Government Act 2009*.

Statutory Information – Information or activities that are required to be reported on under the *Local Government Act 2009* and *Local Government Regulation 2012*.

Councillors – Elected representatives of council who serve a 4 year term.

Risk Management – The process of identifying, evaluating and controlling risk via the method outlined in the Principles and Guidelines AS/NZS ISO 31000:2009, Standards Australia.



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A LOOK BACK

2018/19

ANNUAL OPERATIONS REPORT

WIDE BAY  **water**

water today  water tomorrow

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Lake Lenthall

OVERVIEW

Wide Bay Water (WBW) is a Commercial Business Unit of the Fraser Coast Regional Council (FCRC) providing water and sewerage services to the Fraser Coast.

This Annual Operations Report has been prepared in accordance with s190 of the *Local Government Regulation 2012*.

The report provides a summary of WBWs major activities over the 2018/19 reporting year, including an assessment of our performance against the financial and non-financial targets defined in the WBW Annual Performance Plan 2018/19.

ABOUT US

WBW's major operating assets include one dam and three weirs, four water treatment plants (WTP), eight sewage treatment plants (STP) and two integrated reuse schemes. At the end of the 2018/19 year, the extent of our asset base comprised 1132km of water mains, 783km of sewerage mains and 72km of effluent reuse mains.

Services provided include management of water storages including the safe operation of the regions referable dams, management of two bulk water supply schemes and their customers, water treatment and distribution, sewerage collection and treatment and effluent reuse. WBW remains a proactive member of the National Water

Industry, contributing to research and innovation, improvements in service delivery, and partnership services with other water utilities.

WBW is governed by an Executive Management team, and Non-Executive Advisory Committee that consists of external members and Councillors and is appointed under s264 of the *Local Government Regulation 2012*. The organisation continues to adopt best-practice standards in service and performance delivery that support its operations and their compliance with the broad regulatory environment in which it operates. WBW hold third party accreditations in Quality (ISO 9001) and Food Safety (ISO 22001).

WBW's Scientific Services Laboratory is accredited by the National Association of Testing Authorities (NATA) to standard ISO 17025. The Laboratory continues to provide an extensive range of testing services for internal and external customers under the business name WaterOne Laboratory Services.

WBW's Engineering unit provides services to internal and external customers in the form of strategic planning, development services, design of pump stations and treatment plants, network modelling, delivery of capital development projects and operational technical support.

ANNUAL PERFORMANCE PLAN

The WBW Annual Performance Plan 2018/19 was resolved by Council at its Special Meeting No. 3 held on Wednesday 27 June 2018.

The Annual Performance Plan (the Plan) was established in accordance with the requirements of section 175 (2) of the *Local Government Regulation 2012*. The plan outlines, among other things, the nature and extent of WBW's operations, its vision and objectives, and the financial and non-financial performance targets that will guide its operations of the 2018/19 year.

No changes were made to the Performance Plan in 2018/19.

LOCAL GOVERNMENT DIRECTIONS

There were no local government directions issued to WBW during 2018/19.

OBJECTIVES

VISION

Our vision is to be an efficient customer-focused business developing and delivering sustainable water services for the benefit of the Fraser Coast Community.

BUSINESS OBJECTIVES



LIFESTYLE

A safe and vibrant community that promotes a preferred place to live.

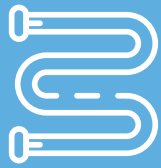


GOVERNANCE

An effective organisation providing excellent service delivery through strong leadership, democratic principles and effective management of people, assets and finances.



Teddington WTP



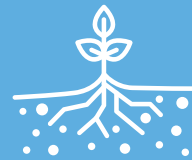
BUILT ENVIRONMENT

Resilient regional infrastructure that will support and cater for future growth.



PROSPERITY

A strong, diversified and resilient economy that supports growth and long term employment.



NATURAL ENVIRONMENT

Minimise our environmental impact by preserving the unique natural environment the Fraser Coast has to offer.

GOVERNANCE STRUCTURE & COMMITTEE



CLIFF SEARLE

Chairman

Cliff was admitted as a Member of The Association of Hydraulic Services Consultants Australia (Qld) Inc. (AHSCA) in 1993 and in 2015 was awarded life membership of the AHSCA. In 1985, Cliff was elected as an Alderman for the Hervey Bay City Council and re-elected in 1989. During his six year period in Council his major focus was water and sewerage.

Cliff operated his own hydraulic design business, Water Wise Design Pty Ltd up until January 2015 at which time he decided it was time to retire.

Cliff is an avid golfer and President of the Hervey Bay Golf Club and spends many a day enjoying his favourite pastime.



LANCE STONE

Lance is a Graduate of the Australian Institute of Company Directors (GAICD). He is Managing Director of a group of Community Based Organisations, private companies and social enterprises.

Lance is currently the:

- Vice President – Maryborough Chamber of Commerce
- Deputy Chair – Wide Bay Water and Waste Services
- MD – Fraser Coast Training Employment Support Service Inc. (TESS) RTO #1826
- MD – Maisie Kaufmann Learning Centre Inc. RTO #5205
- MD – Coral Sea Training RTO #32221
- MD – Fraser Coast Palliative Care and Active Plus Life-Style Options
- MD – BAYS Inc.
- CEO – Australian Child Care Career Options Pty Ltd, RTO #5404
- Board Member Horizon Housing Limited

Lance's other community interests include; Family, Sport, Youth Mental Health, Life Long Learning, Homelessness, Social Justice and Social Inclusion.



PETER BORROWS

Peter is Director of Kedron Consulting Pty Ltd and Independent Director of Murrumbidgee Irrigation Ltd. Peter is Chairman of MI Board's Infrastructure Committee, and a member of the Remuneration and Nominations Committee. Peter is MI's alternate delegate for the National Irrigators' Council.

Peter's qualifications include – Graduate Diploma in Business Administration and Bachelor of Engineering. Peter is also a Fellow with Australian Institute of Company Directors and a Fellow with the Institution of Engineers.

Peter was appointed to the Wide Bay Water and Waste Services Advisory Committee in January 2019.

**ANNE MADDERN**

Anne is a long-term resident of Maryborough and former local small business owner. Anne's many years working in the real estate industry as a property valuer has given her a broad understanding of accounting, economics, land law, building construction, surveying and town planning as well as skills in operating a business.

Anne also previously held the position of Member for Maryborough in the State Parliament. Her focus is on working collaboratively to build a better community.

**RANDAL MCLELLAN**

Dr McLellan has held and still holds a number of Board positions in various capacities and has a particular interest in good corporate governance while maintaining an efficiency and outcome focus.

Randal served two terms as a Councillor for the Hervey Bay City Council from 1997 to 2004. Randal is also a Graduate of the Australian Institute of Company Directors (GAICD).

**DARREN EVERARD**

Darren Everard was elected to FCRC in April 2012 and is presently the Deputy Mayor FCRC. Darren has past business experience in retail and has had international business experience in the areas of retail, training, marketing and business development in key Australian export markets.

Darren holds a Masters of Professional Studies (USQ) and is also the President of the Hervey Bay Surf Life Saving Club. Darren has been a member of the Wide Bay Water and Waste Services Advisory Committee since May 2018; he also sits on the Planning and Development and Economy Round Tables.

**COMMITTEE MEETINGS****Members attendance at Committee meetings**

Cliff Searle	8
Lance Stone	7
Peter Borrows*	4
Anne Maddern	7
Randal McLellan	7
Darren Everard	8

*19 December 2018 Peter Borrows letter of appointment.

**Committee meeting dates
01/07/2018 – 30/06/2019**

7 August
21 September
23 October
4 December
29 January
5 March
3 May
4 June

EXECUTIVE TEAM



MARK VANNER

Director

Mark was appointed to the position of Director in January 2019 to provide leadership, strategic direction and management of Council's water, wastewater and waste functions.

He commenced his professional career in fields of biotechnology and medical device manufacturing before joining WBW in 2006 in the area of Catchment and Bulk Water Management. Mark has been a member of the Wide Bay Water and Waste Executive Team since 2012 where he has led the compliance and regulation function to support the water business in the area of bulk water operations, drinking water quality, dam safety, environmental compliance, work health and safety, scientific services, and quality management. He has also led Waste Operations since 2016 to provide planning and management of the Fraser Coast's resource recovery and waste management services.

Mark holds a Bachelor degree in Aquatic Resource Management, Master of Environmental Management, and Post Graduate Certificate in Professional Legal Studies. Mark is a Graduate of the Australian Institute of Company Directors (GAICD) and is a current Director of Football Queensland Wide Bay.



DENIS HERON

Executive Manager Process Operations

Denis started his career with WBW in 1993 as the architect of Hervey Bay's award winning water recycling scheme.

During his 26 year career with Council and WBW, Denis has undertaken a number of roles from project concept through to the planning, design, construction, operation and maintenance. As part of a team, he has made major contributions to developing and delivering improved services through water demand management, sewer rehabilitation and water recycling on the Fraser Coast.

As Executive Manager Process Operations, Denis is responsible for Water Treatment including the management of the water supply dams, Sewage Treatment and Reuse of wastewater including the management of the effluent storages. Water One Laboratory and Operations Technology also falls under Denis's remit. Denis leads a team of 46 with a focus of delivering high quality water and sewerage services to the Fraser Coast Community.

Denis is also a Graduate of the Australian Institute of Company Directors (GAICD).



DARREN SMITH

Executive Manager Network Operations and Maintenance

Darren commenced his career with BHP in 1986 as a Mechanical Engineer predominantly undertaking roles in asset maintenance management, during this time he also had responsibility for large industrial Wastewater Treatment Plants. Darren has 16 years' experience in the Australian water industry and joined WBW in 2006 in the position of Operations Manager.

Darren has recently completed a Diploma in Leadership and Management with the AIM and been appointed to the role of Executive Manager Network Operations and Maintenance where he is responsible for managing the teams who deliver water and wastewater customer service and the maintenance of WBW assets.



TREVOR DEAN

Executive Manager Engineering and Technical Services

Trevor has worked for Council since 1995 and has held management roles since 2005. Trevor leads the Engineering and Technical Services team that predominately works in the planning and project delivery aspects of the water business; he has had experience in Asset Management Systems, Process Engineering, Electrical Engineering and Environmental aspects having managed teams responsible for these functions.

He was awarded an Associate Degree in Civil Engineering in 2001 and a Bachelor of Engineering (Civil) in 2006, both from the University of Southern Queensland. He is both a Registered Professional Engineer Queensland (RPEQ) and a Registered Professional Engineer (RPEng). In addition, he is a member of the Australian Institute of Company Directors, Chairman of Queensland Water Directorate Technical Reference Group, a member of the WBBROC Urban Water Technical Committee and a PRINCE2 Practitioner.

As Executive Manager of Engineering and Technical Service, Trevor is responsible for managing an interdisciplinary team that facilitate WBW's interaction with private developers, undertake short and long term planning, deliver infrastructure projects and provide guidance on environmental licencing and compliance matters.



GRAHAM COLE

Acting Executive Manager Waste Services

Graham has been with WBW since 2001 except for a two year break in 2012-2013 when he was the Water and Sewer Coordinator at North Burnett Regional Council. He has gained a broad depth of water industry experience across various positions at WBW including Technical Officer Operations, Continuous Improvement Officer, Training and Research Coordinator and Quality, Data and Risk Coordinator. For the past year Graham has been Acting Executive Manager Regulation and Waste Services.

Graham holds a Bachelor of Social Science Degree from Deakin University and a Master of Philosophy (Smart Metering and Water Pricing) from Griffith University. He was also seconded to the National Water Commission in 2010-2011 for a research study into time-of-use tariffs subsequently published in a National Waterlines Report.

Graham has also had research papers published in various international water industry publications including the Urban Water Journal and Water, Science and Technology.

PERFORMANCE SUMMARY

KEY FINANCIAL PERFORMANCE

2018/19 Annual Financial Performance Indicators and Targets

Indicator	Frequency	Unit	Target	Actual	Explanation	Calculation
Operating Surplus Ratio	Annual	%	20	22.1	Indicates the extent to which revenues (utility charges, fees and charges etc.) raised cover operational expenses (employee, materials and services, depreciation and loan interest payments) which is then available for capital funding or other purposes. It represents % of profit each \$ of revenue generates.	Net Result (excluding Capital Items) divided by Total Operating Revenue (excluding Capital Items)
Dividend Ratio	Annual	%	20	47.5	The dividend payout ratio is the amount of dividends paid to owners (FCRC) relative to the amount of total net income of the entity. The amount that is not paid out in dividends is held to fund growth. The amount that is kept is called retained earnings and, while the end of year position is higher than the 18/19 target, the variance is not anticipated to have an impact on the long term financial plan. Council is currently reviewing the WBW distribution policy.	Dividend / Net Profit After Tax
Debt Servicing Ratio (I&R / Revenue)	Annual	%	<30	14.0	The debt service coverage ratio, also known as "debt coverage ratio", is the ratio of cash available to debt servicing for loan interest and principal payments. It is used as a measurement of an entity's ability to produce enough cash to cover its debt repayments. It is the % of revenue used to repay debt.	Interest and Redemption Payments / Revenue
Interest Cover (EBITDA / Interest Expense)	Annual	Times	>8	10.9	Times interest coverage ratio is a measure of an entities ability to honor its debt payments. It may be calculated as either EBIT or EBITDA divided by the total interest payable.	EBITDA (earnings before interest, tax, depreciation and amortisation) / Interest Expense
Total Distribution to FCRC	Annual	\$m	\$11.35			
- Dividends				4,113,876	Paid to owner (FCRC) from after tax profits	Refer "Dividend Ratio" above
- Tax				8,536,737	Paid to owner (FCRC)	In accordance with LGTER regime legislation
- Competitive Neutrality				1,006,134	In accordance with the Competitive Neutrality principles contained in <i>Local Govt. Act 2009</i> and <i>Local Govt. Regulation 2012</i>	Based on calculated five year average debt margin on QTC borrowing rate

KEY NON-FINANCIAL PERFORMANCE

2018/19 Annual Non-Financial Performance Indicators and Targets

Hervey Bay and Maryborough	Unit	Target	Actual
Water			
Continuity and reliability of water supply			
Time for restoration of service within five hours – percentage of unplanned incidents	%	95%	99.3%
Minimum water pressure at the property boundary for 99% of connected properties (on enquiry or complaint)	kPa	200	>200
Minimum flow at the property boundary for 90% of connected properties (on enquiry or complaint)	L/min	>20	>20
System water loss	ILI	1.5	1.02
Water quality			
Water at the point of delivery will meet National Health and Medical Research Council Health Guidelines for Australian Drinking Water	%	100%	99.6%#1
Water quality at point of delivery (physical and chemical parameters) will meet National Health and Medical Research Council Aesthetic Drinking Water Guidelines	%	>95%	99.6%
New service connections – water			
Installation of all 20mm and 25mm diameter service connections (average time from receipt of application and payment fee)	Working days	20	8
Service connections greater than 25mm diameter:			
(a) Design and notification of construction price (average time from completed application)	Working days	10	6
(b) Construction time (average time from payment of fees) subject to building and development regulations being met	Working days	20	16
Sewerage			
Effective transport of waste effluent			
Total sewage overflows per 100km main	Number	<10	0.4
Sewage overflows on to customer property per 1,000 connections	Number	<5	0.2
Sewer odour complaints per 1,000 connections	Number	<10	0.7
Effluent complies to Environmental Licence	%	100%	98.9%#2
Sewerage reuse on land for 90% of the year	%	100%	100%
New service connections – sewer			
Completion of new sewer connections:			
(a) Design and notification of construction price (average time from completed application)	Working days	10	7
(b) Construction time (average time from payment of fees) subject to building and development regulations being met	Working days	20	12
Queensland Government – Reportable indicators			
QG 4.5 Total water main breaks per 100km of water main	Number	<20	6.8
QG 4.6 Total sewerage main breaks and chokes per 100km sewerage main	Number	<60	7.9
QG 4.7 Incidence of unplanned interruptions to supply per 1000 connected properties	Number	<100	50.2
QG 4.8 Average response time for incidents causing an interruption to supply	Minutes	<60	45
QG 4.9 Average response time for incidents causing an interruption to sewerage collection	Minutes	<60	30
QG 4.10 Drinking water quality complaints per 1000 connected properties	Number	<5	1.4
QG 4.11 Total water and sewerage complaints per 1000 connected properties	Number	<40	10

#1 – Multiple THM guideline value exceedances

#2 – 28 license exceedances across 5 of 8 STPs

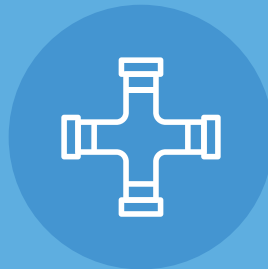
Further information can be located in the WBW Annual Drinking Water Quality Management Plan Report.

OPERATIONAL SUMMARY

WATER



1,132KMS
total water mains.



12.6KM
of new distributon network
water mains construction.



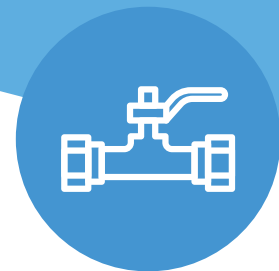
9647ML
potable water treated and
delivered to customers.



39,534
connected water
services.



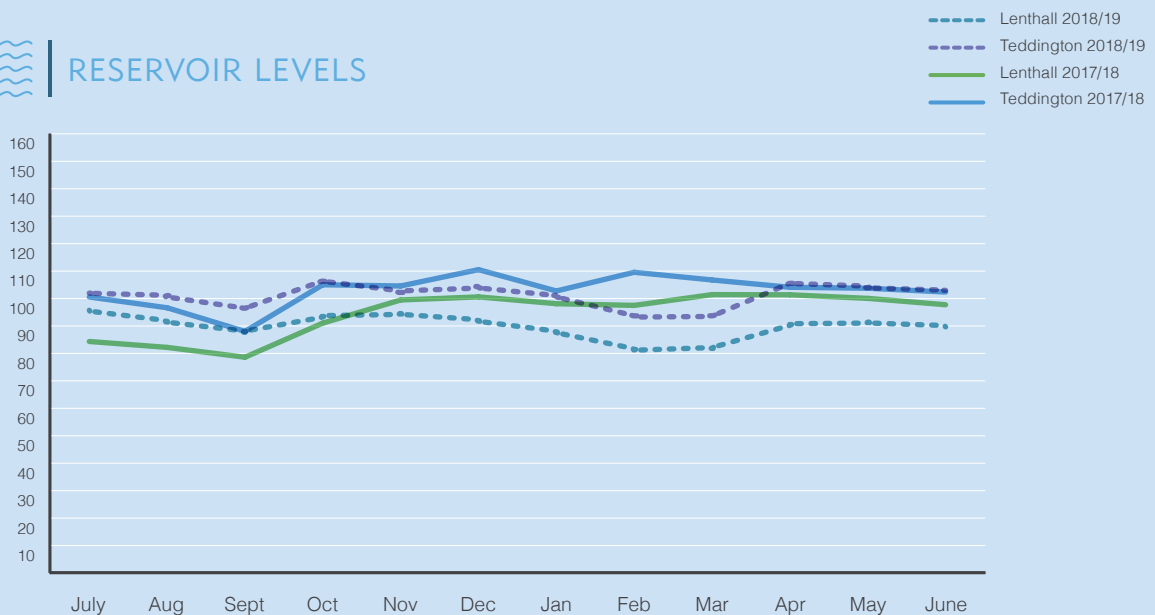
599
new service
connections completed.



5769
water meters
replaced.



RESERVOIR LEVELS



OPERATIONAL SUMMARY

SEWERAGE



783KM
total sewerage mains.



16.6KM
total gravity sewer
mains relined.



12.12KM
new gravity collection sewers
constructed by developers.



94.2KM
sewer network cleaned
and CCTV inspected.



6,199ML
sewerage collected from
customers across FCRC.



32,542
connected sewage
services.



593
new properties
connected.



All sewerage works were undertaken internally by WBW's fitters.

OPERATIONAL SUMMARY

ENGINEERING



Sewer relining
TCD drainage



\$22.6M

capital investment into
the Fraser Coast's
water and sewerage
infrastructure.



St Helens



Sewer relining
Albergerdie

MAJOR RENEWAL PROJECTS

- March Street Water Main Replacement.
- Sewer relining Ann St (Hervey Bay) and Neptune St (Maryborough).
- Bazaar St Water Main (Maryborough).
- Walker St Water Main (Pallas to John Street, Maryborough).
- Tiaro Reservoir replacement.

MAJOR IMPROVEMENT PROJECTS

- Minor Sewage Pumping Station Upgrade Project.
- Aubinville STP Control Building.
- Eli-Dundowran Trunk Sewerage (continuing).
- Major STP upgrade for Hervey Bay (continuing).

MAJOR GROWTH PROJECTS

- Nil.



Aubinville STP Control Building

OPERATIONAL SUMMARY

ENVIRONMENT



1

outstanding matters from eight compliance inspections.



11TH ANNUAL

School Water and Waste Wise Competition was hosted.



10,955

3223 (direct) and 7732 (indirect) community members educated on the importance of waste minimisation and water conservation.



53

Statutory Environmental Reports prepared and submitted within statutory timeframes to the Department of Environment and Science.



9

Statutory Environmental Reports prepared and submitted within statutory timeframes to the Department of Natural Resources and Mines.

OPERATIONAL SUMMARY

QUALITY



ISO 9001
Quality Management
Certification.



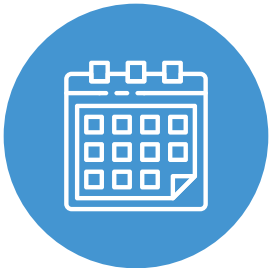
ISO 22000
Food Safety Management
Certification.



ISO 17025
Laboratory Management
Certification.



ISO 14001
Environmental
Management System
preliminary work
for accreditation.



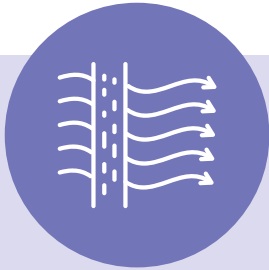
CORPORATE
CALENDAR
improvement
initiative
implemented.



DOCUMENT
MANAGEMENT
REPORTING
improvement initiative
implemented.

OPERATIONAL SUMMARY

REUSE



100%

Achieved combined reuse percentage on the Fraser Coast of 100% of Average Dry Weather Flow received at the regions STPs.



63%

Effluent reuse continues to support the local economy with third party customers reusing 63% of the total volume reused in the financial year.



4142m³

biosolids were beneficially reused and applied to WBW Plantations and approved Third Party Land.



33% INCREASE

Third Party Usage made up the largest proportion over the reporting period at 63% of total reuse volume. All third party usage demand was met which corresponded to a 33% increase from the previous financial year.



Hebblewhite Plantation



POSITIVE RESULTS

The Hervey Bay Reuse Scheme in the last 12 months has avoided 41,648 kg of Nitrogen and 19,345 kg of Phosphorus from entering receiving waters from the discharge pipes at Pulgul and Eli Creeks.

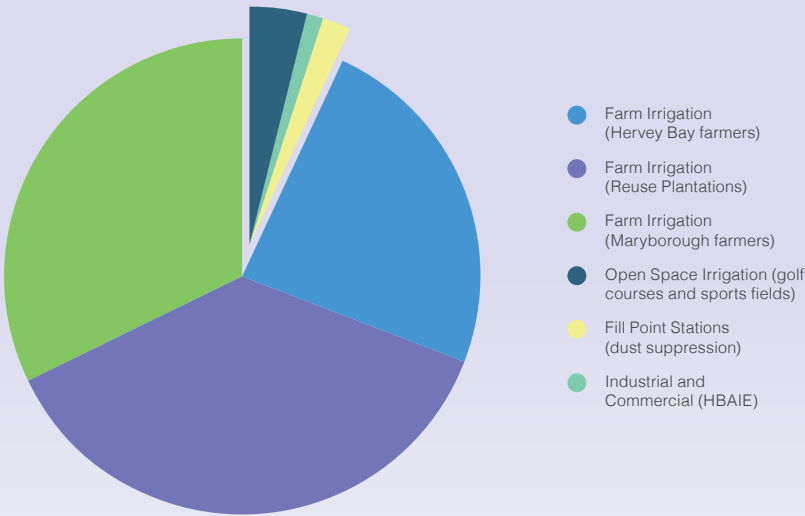
The Maryborough Reuse Scheme has avoided 31,535 kg of Nitrogen and 7,830 of Phosphorus from entering receiving waters in the Mary River Catchment.

This is a positive result for the local environment, with Hervey Bay waters having significant areas of seagrass beds which have ecological significance, due to them being recognised as both dugong feeding grounds, and nursery grounds for juvenile prawns and fish species.

DISTRIBUTION OF RECYCLED WATER THROUGHOUT THE ENTIRE FRASER COAST REUSE SCHEME



Total recycled water used 2018/19

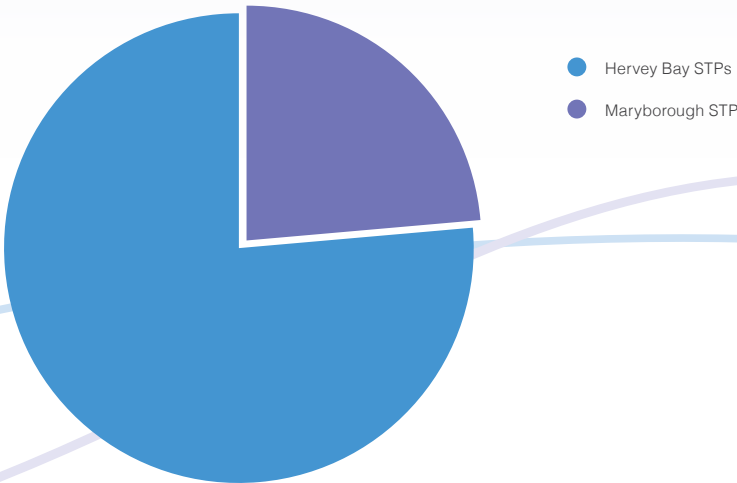


- A total of 5590 mega litres of recycled water was reused on land for the 2018/19 financial year.
- The total amount of recycled water used by WBW Plantations was 2098 mega litres (37%), which equates to an average of 4 mega litres/hectare/annum.
- The total amount of recycled water used by all Third Party Users was 3492 mega litres (63%).

BIOSOLIDS DISTRIBUTION



Total biosolids reused from approved FCRC sites




- 4,115 cubic meters of biosolids were applied to WBW approved Third Party Sites in the last 12 months.



water today / water tomorrow

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 <http://www.frasercoast.qld.gov.au/wide-bay-water>