



2021-22 Annual Report





WELCOME	4
Mayor's Message	6
CEO's Message	7
Facts about our region and our organisation	8-9
Councillors and Executive Leadership Team	10-12
Council Goal Performance	13-18
STATUTORY INFORMATION	19
Mayor and Councillors	21
Councillor Remuneration and Expenses	21
Council Meeting Attendance	22
Councillor Conduct	23
Corporate Governance	24
Senior Management Remuneration	24
CEO Remuneration	24
Administrative Action Complaints	24
Beneficial Enterprise	25
Significant Business Activities	25
Competitive Neutrality Complaints	25
Particular Resolutions	25
Overseas Travel	25
Expenditure on Grants to Community Organisations	26
Details of Special Rates and Charges	32
Summary of Concessions for Rates and Charges	32
Changes to Council Tenders	32
Council Registers	33
Internal Audit Function	33
Audit and Risk Committee	33
Public Sector Ethics	35
COMMUNITY FINANCIAL REPORT	37
FINANCIAL STATEMENTS	46
Index of Legislative Requirements	108
Glossary of Terms	109
Attachment 1 – Commercial Business Unit report	

The Fraser Coast Regional Council acknowledges the traditional owners of this land, the Butchulla people, and pay our respects to their elders past, present and emerging.

welcome

Our Fraser Coast Regional Council Annual Report 2021/22 provides a comprehensive overview of our operational activities and how we are moving strategically towards our vision of building better communities together within our region.

We encourage our community to engage with this report and to obtain an understanding of how Council serves and work towards better communities.

In addition to this our Annual Report serves as a vital mechanism

to ensure that we are accountable and transparent in our actions, while ensuring that our conduct is in accordance with Section 104 of the *Local Government Act 2009*.

Our Annual Report consists of four key themes:

- » an overview of our goals and performance for the year;
- » statutory information;
- » financial statements; and
- » an overview of our commercial business unit - Wide Bay Water and Waste.





MAYOR'S MESSAGE

The Fraser Coast's community spirit really shone through in 2021/22 as together we faced some significant challenges.

As we continued to recover from COVID-19, the region was hit by two major floods and two minor floods between January and April.

Hundreds of volunteers sprang into action to help businesses and residents move to higher ground; opened homes to take in family and friends displaced by the floods; helped feed those who had been displaced, and pitched in to help with the clean-up.

The flood events caused major damage to about 100 roads and the Maryborough Aquatic Centre leaving us with a damage bill close to \$15 million, similar to the damage bill for the 2013 flood event.

Council's efforts to repair the damage has been greatly assisted by funding from the state and federal governments.

During 2021/22, we formed a Youth Advisory Council to ensure the voice of young people was heard in our deliberations and completed the refurbishment of the Hervey Bay Regional Gallery and historic Gatakers Artspace in Maryborough.

Council consulted widely on a range of projects including master plans for our four beachfront caravan parks, an animal management strategy (domestic cats and dogs) and a Maryborough Showgrounds and Equestrian Park Draft Master Plan.

Following consultation and community feedback, Council adopted the Hervey Bay City Centre Masterplan and endorsed the Fraser Coast Water Supply Security Strategy – Planning Report as a guiding document for future investment in the regional water network.

We maintained our focus on protecting our heritage through the Fraser Coast Heritage and Character Incentives Scheme to help the owners of heritage properties and sites in the Maryborough and Howard CBDs conserve and enhance their properties and streetscapes.

Incentives to Fraser Coast businesses to restore properties were enhanced through the adoption of the Refurbishment Concession Policy. Under this policy, Council provides rates concessions to property owners of heritage buildings, character buildings and other significant buildings who close their business to undertake extensive refurbishments.

The refurbishments will in turn ensure our commercial precincts are clean, tidy, vibrant and welcoming, which also creates confidence in the business sector and stimulates further investment and economic development.

Finally, I pay tribute to the many volunteers who help at community and sporting events across the region.

Congratulations especially to the recipients of the Fraser Coast All Ability Awards and Australia Day Awards. Your efforts ensure the Fraser Coast is a welcoming, vibrant community.

Cr George Seymour

Mayor



CEO'S MESSAGE

Council have worked hard to complete a remarkable number of projects in the region in 2021/22 in the face of mounting pressures from a continued growth spurt, COVID-19 disrupting supply lines and floods.

Council has continued its efforts to boost recycling, cut the amount of material going to landfill and extend the life of our landfill facility; plan for future water supplies and to revitalise the Maryborough and Hervey Bay CBDs.

Work has started to expand the capacity of the Pulgul Creek wastewater treatment plant in Hervey Bay to ensure it will handle the city's continued growth.

The project is part of Council's commitment to ensuring the region's treatment systems operate at the highest standard and will also include boosting Council's world-leading effluent re-use system that diverts treated wastewater from ocean outfall to irrigate hardwood plantations.

Currently 2,441 million litres of recycled water are used each year to irrigate Council timber plantations. A further 3,000 million litres is used by Maryborough and Hervey Bay farmers.

To secure future water needs, Council endorsed the Fraser Coast Water Supply Security Strategy – Planning Report as a guiding document for future investment in the regional water network.

Investments in a new Materials Resource Recovery Facility (MRF) will save residents millions of dollars over its working life.

The current MRF at Dundowran is at the end of its working life and no longer meets industry best practice due to its configuration and the age of the equipment.

About 32 percent of the product currently going through the centre ends up in landfill, whereas contamination levels from the new plant could be to cut to between 10 and 15 percent.

The cleaner the sorted material, the better chance we have of finding markets for the recycled product.

Our efforts in upgrading facilities were also recognised during the past financial year.

Council received the Innovation and Sustainability in Water Award from the Institute of Public Works Engineering Australasia Queensland (IPWEAQ) for the project to replace the floating roof and liner of the Urraween Reservoir.

And the Hervey Bay Airport runway renewal project was the recipient of the Corporate Project of the Year Award – Large Regional Airport at the National Airport Industry Awards 2021.

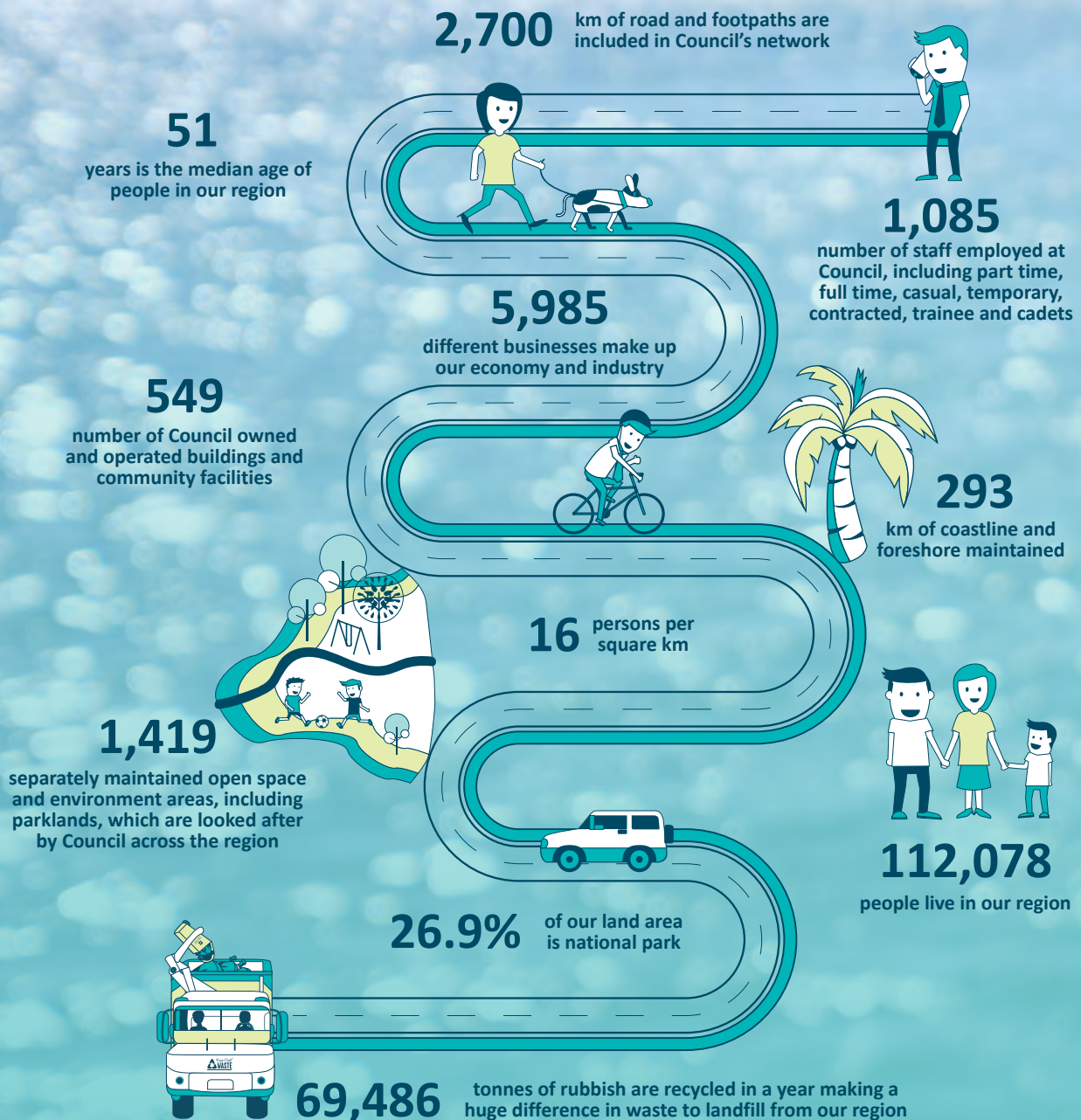
The project, undertaken by Fulton Hogan for Council, was completed four months ahead of schedule and included an upgrade of the airport runway and replacement of the airfield lighting.

The \$24m Hervey Bay Airport runway renewal project was supported by a \$9.19 million grant through the Australian Government's Building Better Regions Fund and was identified as one of the key projects in the Hinkler Regional Deal.

Ken Diehm

Chief Executive Officer

FACTS ABOUT OUR REGION AND OUR ORGANISATION



The
Fraser Coast
region spans
7,102.9km²



MEET OUR COUNCILLORS

Fraser Coast Regional Council consists of the Mayor and ten Councillors who are elected by the community every four years to represent the views of residents within the region. The local government elections were held on Saturday, 28 March 2020.

Cr George Seymour MAYOR

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mayor@frasercoast.qld.gov.au



Cr James Hansen DIVISION 1

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Cr David Lewis DIVISION 6

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Cr Phil Truscott DIVISION 2

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Cr Darren Everard DIVISION 7

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Cr Paul Truscott DIVISION 3

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Cr Denis Chapman DIVISION 8

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Cr Daniel Sanderson DIVISION 4

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Cr David Lee DIVISION 9

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Cr Jade Wellings DIVISION 5

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Cr Zane O'Keefe DIVISION 10

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zane.okeefe@frasercoast.qld.gov.au



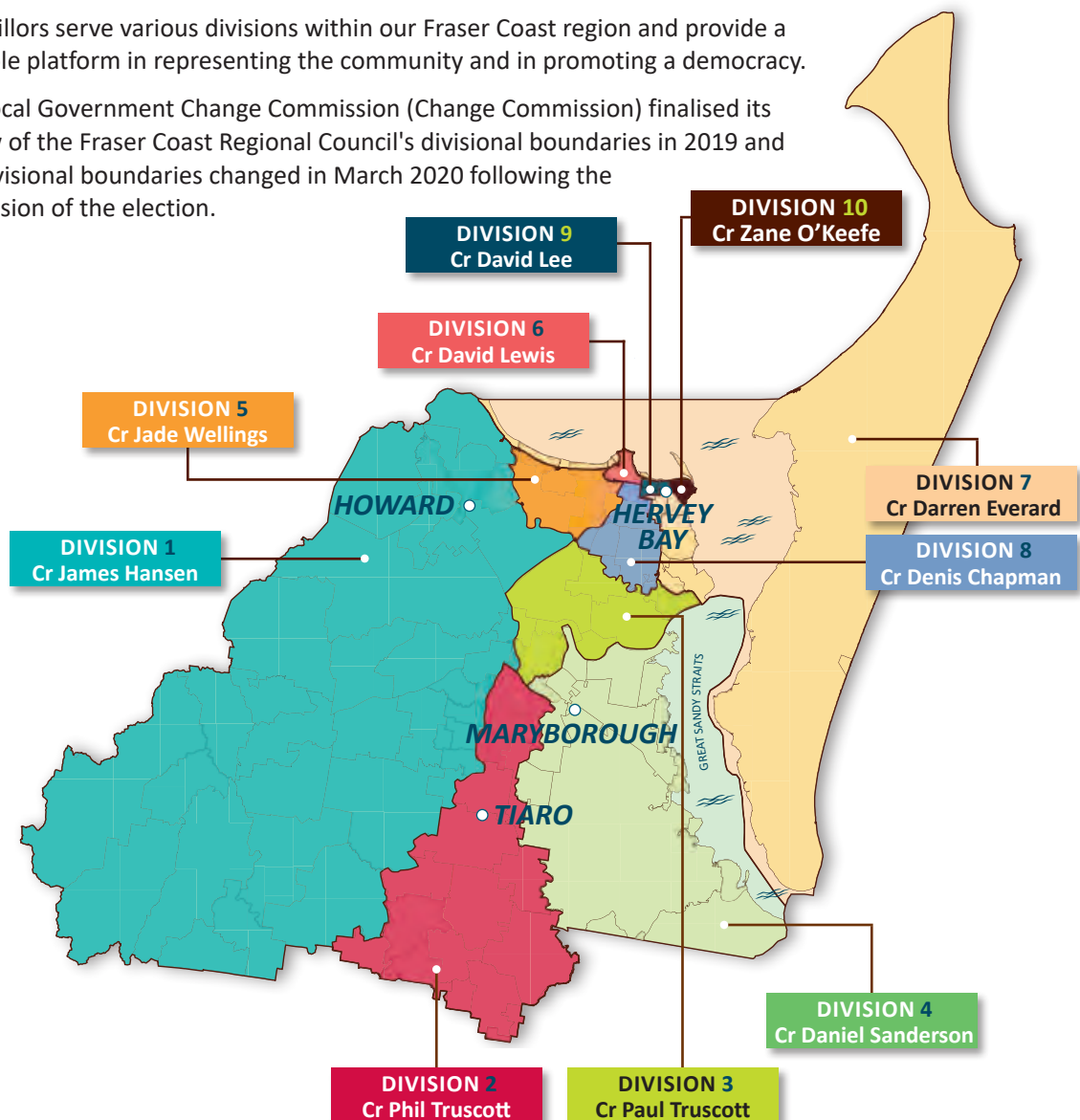
The Declaration of Office was taken before the Chief Executive Officer at the Brolga Theatre, 5 Walker Street, Maryborough, on 20 April 2020.

OUR REGION'S DIVISIONS

28 March 2020 - Current Division Boundaries

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

The Local Government Change Commission (Change Commission) finalised its review of the Fraser Coast Regional Council's divisional boundaries in 2019 and the divisional boundaries changed in March 2020 following the conclusion of the election.



EXECUTIVE LEADERSHIP TEAM

Executive Leadership Team

Council's Executive Management Team consists of the Chief Executive Officer and four Directors.



Ken Diehm
Chief Executive Officer



Gerard Carlyon
Director Development
and Community



Keith Parsons
Director Organisational Services



Mark Vanner
Director Wide Bay Water
and Waste Services



Davendra Naidu
Director Infrastructure Services

COUNCIL GOAL PERFORMANCE



Council's goal towards performance is set out in our scorecard. This summarises our progress against long-term targets and are critical in ensuring that we move towards progress, central to our vision of building better communities as well as the implementation of our corporate objectives.

It also provides an overview relating to the progress made towards the implementation of our 2018-2023 Corporate Plan.

Overall performance is determined by our achievements against established performance measures and the progress of major initiatives.



GOVERNANCE

📍 Youth Council Meeting, Maryborough

Theme 1: *An effective organisation providing excellent service delivery through strong leadership, democratic principles and effective management of people, assets and finances.*

		Initiatives completed				
		2018/19	2019/20	2020/21	2021/22	
Outcomes	1.1 Leadership in advocacy with government and industry					
	1.1.1 Active participation in regional planning across a range of industries	1	1	0	1	✓
	1.1.2 Deliver strong leadership and advocacy on behalf of the community.	2	2	0	4	✓
	1.1.3 Lead a democratic organisation elected by the community who carry out duties in a transparent and conciliatory way.	1	1	1	1	✓
	1.1.4 Collaborate with Wide Bay Burnett Regional Organisation of Councils.	2	2	1	1	✓
Outcomes	1.2 Strong governance of council activities.					
	1.2.1 Implement effective strategic management and governance frameworks.	5	3	3	6	✓
	1.2.2 Improve focus on forward planning and project management practices.	1	0	0	1	✓
Outcomes	1.3 An effective and valued workforce					
	1.3.1 Embed a values based culture.	2	1	2	1	✓
	1.3.2 Manage workplace health and safety as a priority activity.	2	0	1	3	✓
	1.3.3 Enhance customer service	0	2	0	2	✓
	1.3.4 Promote continuous improvement.	0	2	2	0	✓
Outcomes	1.4 Strong Financial Management					
	1.4.1 Focus on long term financial sustainability.	2	1	0	1	✓

✓ On track

! Initiative to be commenced



LIFESTYLE

Christmas celebrations, Maryborough

Theme 2: A safe and vibrant community that promotes a preferred place to live.

		Initiatives completed				
		2018/19	2019/20	2020/21	2021/22	
Outcomes	2.1 An engaged community whose voice is heard.					
	2.1.1 Implement opportunities to effectively engage, educate and inform the community.	0	2	1	0	✓
Outcomes	2.2 A vibrant community focused on cultural diversity and community participation.					
	2.2.1 Promote community driven activities with strong council support or partnership.	0	0	0	2	✓
	2.2.2 Encourage increased volunteer support and engagement in community activities.	1	1	1	0	✓
	2.2.3 Improve accessibility to key locations including the beach, foreshore, cultural and historical infrastructure and events.	0	0	0	0	!
	2.2.4 Increase engagement with multi-cultural communities.	0	0	0	1	✓
Outcomes	2.3 A community that values its arts, heritage and cultural diversity.					
	2.3.1 Provide facilities and promote activities which celebrate the arts and heritage across the region.	1	1	1	2	✓
	2.3.2 Support cultural events that highlight the cultural diversity of the region.	0	2	2	3	✓
Outcomes	2.4 A safe, active and healthy community.					
	2.4.1 Support safety programs to address areas of need and crime prevention.	0	2	0	2	✓
	2.4.2 Advocate and provide solutions for current and emerging social issues.	3	1	1	1	✓
	2.4.3 Manage an appropriate number of recreational facilities.	0	0	1	2	✓
	2.4.4 Identify and support a range of emerging and major events.	0	1	1	1	✓



PROSPERITY

Fraser Coast Business Expo

Theme 3: A strong, diversified and resilient economy that supports growth and long-term employment.

		Initiatives completed				
		2018/19	2019/20	2020/21	2021/22	
Outcomes	3.1 A Strong, diversified and innovative economy.					
	3.1.1 Actively work towards partnership with industry bodies, all levels of government and private sector to develop innovative projects that support economic development.	1	1	2	1	✓
	3.1.2 Promote Smart Communities for collaborative innovative solutions and entrepreneurship.	0	0	0	3	✓
Outcomes	3.2 A growing Tourism industry that capitalises on the full range of opportunities.					
	3.2.1 Investigate expansion of marine and land based tourism opportunities.	0	1	0	2	✓
	3.2.2 Work in collaboration with tourism industry bodies, local businesses and all levels of government to build successful visitor experiences.	1	0	1	0	✓
	3.2.3 Develop an approach across the region to capitalise on increased tourism.	2	1	1	1	✓
Outcomes	3.3 Strong jobs growth.					
	3.3.1 Work in collaboration with educational institutes and government agencies to support skills development and employment opportunities.	1	0	1	1	✓
	3.3.2 Promote buy locally within the region and support existing businesses and industry.	1	0	1	1	✓
	3.3.3 Identify and attract new business opportunities to the Fraser Coast region.	0	0	0	1	✓
Outcomes	3.4 Carefully managed locations and precincts.					
	3.4.1 Ongoing development of precinct masterplans to provide a strategic approach to facilitate economic growth.	2	1	0	2	✓
	3.4.2 Promote the Fraser Coast as a preferred location for industry investment.	0	0	2	1	✓



NATURAL ENVIRONMENT

📍 Hervey Bay High School Sustainability Squad

Theme 4: *Minimise our environmental impact by preserving the unique natural environment the Fraser Coast has to offer.*

		Initiatives completed				
		2018/19	2019/20	2020/21	2021/22	
Outcomes	4.1 Sustainable practices are applied to all Council operations.					
	4.1.1 Guide the reduction of Council's environmental footprint.	2	1	2	1	✓
	4.1.2 Incorporate renewable energy elements into all Council activities.	0	0	0	1	✓
	4.1.3 Prepare for climate adaptation and manage climate change hazards and risks.	2	1	1	1	✓
Outcomes	4.2 Manage waste in a sustainable way.					
	4.2.1 Deliver efficient and sustainable waste management services.	0	1	2	1	✓
Outcomes	4.3 Easy access for all to the natural assets of the region.					
	4.3.1 Improve access and recreational facilities across a range of natural assets.	0	1	0	1	✓
	4.3.2 Pursue options to enhance vibrant open spaces suitable for community living.	0	1	1	1	✓
Outcomes	4.4 Protection and enhancement of our natural environment assets.					
	4.4.1 Deliver Council's water and wastewater programs in accordance with environmental standards.	0	0	0	1	✓
	4.4.2 Implement and maintain environmental management plans across the region.	0	2	1	1	✓

✓ On track

! Initiative to be commenced



BUILT ENVIRONMENT

📍 Honiton Street Upgrade works

Theme 5: *Resilient regional infrastructure that will support and cater for future growth.*

		Initiatives completed				
		2018/19	2019/20	2020/21	2021/22	
Outcomes	5.1 Integrated planning to support current and future needs of the region and growth.					
	5.1.1 Develop strategic land use and infrastructure plans.	0	0	1	3	✓
	5.1.2 Deliver well planned infrastructure that is sustainable and contributes to vibrant communities.	1	0	0	5	✓
	5.1.3 Establish and implement asset management planning to ensure asset longevity.	0	1	0	4	✓
	5.1.4 Deliver community venue facilities to support regional growth.	1	1	1	5	✓
Outcomes	5.2 Quality transport networks to support access across the region.					
	5.2.1 Develop an integrated transport network that enhances connectivity, accessibility and effective movement.	4	3	2	4	✓
Outcomes	5.3 Water, wastewater and stormwater networks that support the current and future needs of the community.					
	5.3.1 Develop and manage networks and services for future growth and demand.	2	0	2	2	✓
	5.3.2 Maximise beneficial reuse of wastewater by-products.	0	0	1	0	✓
	5.3.3 Establish and maintain networks to provide high quality water and wastewater.	0	2	2	1	✓
Outcomes	5.4 Transport provisions that service the wider community.					
	5.4.1 Advocate and collaborate with transport stakeholders and government agencies for improvements in public and private transport services and investment in infrastructure.	1	3	1	1	✓

✓ On track

🚧 Initiative to be commenced



Fraser Coast Community Engagement Report 2021/22

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	\$158,168	\$18,980	\$24,712	\$201,860
Cr James Hansen	\$91,571	\$10,989	\$21,096	\$123,656
Cr Philip Truscott	\$91,571	\$10,989	\$19,129	\$121,689
Cr Paul Truscott*	\$94,597	\$11,352	\$20,145	\$126,094
Cr Daniel Sanderson	\$91,571	\$10,989	\$18,456	\$121,024
Cr Jade Wellings	\$91,571	\$10,989	\$17,886	\$120,446
Cr David Lewis	\$91,571	\$10,989	\$10,107	\$112,667
Cr Darren Everard *	\$101,081	\$12,130	\$12,547	\$125,758
Cr Denis Chapman	\$91,571	\$10,989	\$22,993	\$125,553
Cr David Lee	\$91,571	\$10,989	\$15,300	\$117,860
Cr Zane O'Keefe	\$91,571	\$10,989	\$19,419	\$121,979
Total	\$1,086,413	\$130,374	\$201,799	\$1,418,586

*Includes Deputy Mayor allowance for Cr Darren Everard for the period 1 July 2021 until 23 March 2022.

**Includes Deputy Mayor allowance for Cr Paul Truscott for the period 23 March 2022 until 30 June 2022.

MAYOR AND COUNCILLORS

Council Meeting Attendance

In accordance with section 186(1)(c) of the *Local Government Regulation 2012*, Council is required to disclose the number of local government meetings that each Councillor attended during the financial year.

Twelve ordinary meetings and six special meetings were held during the period 01 July 2021 to 30 June 2022 and the attendance of Councillors is detailed below.

Councillor	Ordinary meetings attended	Special meetings attended
Cr George Seymour	11 of 12	6 of 6
Cr James Hansen	10 of 12	4 of 6
Cr Phil Truscott	12 of 12	6 of 6
Cr Paul Truscott	12 of 12	6 of 6
Cr Daniel Sanderson	12 of 12	6 of 6
Cr Jade Wellings	11 of 12	6 of 6
Cr David Lewis	9 of 12	5 of 6
Cr Darren Everard	10 of 12	6 of 6
Cr Denis Chapman	11 of 12	6 of 6
Cr David Lee	10 of 12	6 of 6
Cr Zane O'Keefe	11 of 12	6 of 6

Councillor Conduct

In accordance with section 186(1)(d)-(f) of the *Local Government Regulation 2012*, orders and complaints about Councillors during the financial year are shown below. There were no orders made under section 150I(2) and 150AH(1) of the *Local Government Act 2009*.

There was one order made under section 150AR(1) of the *Local Government Act 2009*.

Councillor	Description of the Misconduct or Inappropriate Conduct	Summary of the Order or recommendation
Councillor Hansen	Misconduct – COM2021/22-038 The Councillor had engaged in misconduct arising from comments he posted on his Facebook profile regarding two terrorist mass shootings that occurred in New Zealand in March 2019.	Having found that the councillor engaged in misconduct, the Tribunal made the following orders: a) An order reprimanding the Councillor pursuant to section 150AR(1)(b)(ii) of the Act; and b) That the Councillor attend training to address the specific conduct which was the subject of the allegation pursuant to section 150AR(1)(b)(iii).

Councillor Conduct continued...

Section and requirement		Number
150P(2)(a)	Complaints referred to the assessor under section 150P(2)(a) of the LGA by the local government, a councillor of the local government or the chief executive officer of the local government.	4
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.	7
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 3 occasions during a period of 1 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 (1)(a)	Decisions made by the assessor to dismiss the complaint about the conduct under section 150X.	9
150W (1)(b)	Decisions made by the assessor to refer the suspected inappropriate conduct to the local government to deal with.	0
150W (1)(e)	Decisions made by the assessor to take no further action in relation to the conduct under section 150Y.	2
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
Chapter 5A, part 3, division 6	Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct.	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
\$250,000 to \$350,000	4
\$350,000 to \$450,000	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 \$1,759,204.

CEO Remuneration

The Chief Executive Officer remuneration package for the 2021-22 financial year was as follows:

CEO Total Remuneration 2021-22	\$ 444,120
Gross Salary (Payroll)	\$ 387,620
Superannuation (Capped)	\$ 27,500
Motor Vehicle- Deemed Nominal Value	\$ 25,000
Professional Development	\$ 4,000
	\$ 444,120
Gross Salary (Payroll)	\$ 387,620
Less PAYG	\$ 152,764
Less Superannuation Deduction	\$ 22,272
Nett Salary Paid	\$ 212,584

Administrative Action Complaints

In accordance with section 187 (1)(a) 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.

This financial year, Council has continued with an Administrative Action Complaints Policy which is committed to effectively dealing with complaints in a confidential, fair and transparent manner.

Council's Governance Team continues to manage the coordination of responses to complaint investigations. A decrease in complaints from the previous year by 31.5% saw an increase in resolved matters with 73.6% finalised within a 60 business day time frame.

As required by section 187 (2) of the *Local Government Regulation 2012*, the below table provides a summary of Administrative Action Complaint outcomes for 2021-22.

Outcome of administrative action complaints	2021-22
Number of Administrative Action Complaints made	58
Number of Administrative Action Complaints resolved under the complaints management process	57
Number of Administrative Action Complaints not resolved under the complaints management process	0
Number of Administrative Action Complaints not resolved that were made in the 2020/21 financial year	1

Beneficial Enterprises

In accordance with section 41 of the *Local Government Act 2009*, Council conducted the following beneficial enterprise during the financial year, *Fraser Coast Tourism & Events Ltd*.

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:

- Wide Bay Water
- Fraser Coast Waste

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, in accordance with section 45(d).

Competitive Neutrality Complaints

In accordance with section 190(i) and (j) of the *Local Government Regulation 2012* Council is required 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* no overseas travel expenses were incurred by Councillors or Council employees in an official capacity during the 2021/22 financial year.

Expenditure on Grants to Community Organisations

In accordance with section 189(1)(a) of the *Local Government Regulation 2012*, the following table outlines a summary of the funds supplied through community grants:

Program	Expenditure
Community Environment Grants	\$2,000.00
Community Grants- Anzac Day	\$9,550.00
Community Grants- Australia Day	\$5,990.50
Community Grants- Events Round 1	\$43,506.47
Community Grants- Festive Events	\$14,240.00
Community Grants – Small Township Festive Decorations	\$6,517.61
Individual Excellence and Development Grants – Sport, Science, Technology, Engineering, Arts and Mathematics	\$3,050.00
School Innovation and Entrepreneur	\$2,000.00
Sport and Recreation Capital Assistance Program	\$241,402.27
Monthly Community Grants	\$594,913.09
TOTAL	\$923,169.94

Outside the Community Grants Program, Council has also supported the following in the 2021-22 financial year:

Recipient and Event	Expenditure
Maryborough City Whistle Stop Inc– Reimbursement- Public Liability Insurance	\$3,209.00
Queensland Touch Football- Queensland Touch Football Junior State Cup 2021	\$65,000.00
Maryborough Aero Club – Wings and Wheels Event Sponsorship	\$15,000.00
Wynnum Seagulls- In-Trust Super Cup 2022	\$19,000.00
Pialba Bowls Club Inc- Sponsorship live streaming of classic 4's	\$1,200.00
Brisbane Roar Football Club Pty Ltd- Camp Sponsorship	\$30,000.00
Roar Recreation & Welfare Ltd- Brisbane Roar- Centre of Excellence	\$55,000.00
Maryborough Military & Colonial Museum- Museum operations and participation in the Portside Pass program	\$11,500.00
Hervey Bay Christian Ministers Association- Sponsorship- Hervey Bay RSL Carols by Candlelight	\$6,000.00
Maryborough Horticultural Society- Sponsorship- Open Gardens	\$5,000.00
Hervey Bay Triathlon Club – Hervey Bay 100 'Hundy' 2021	\$6,466.50
Hervey Bay Triathlon Club – Hervey Bay 100 'Hundy' 2022	\$18,000.00
Four Wheel Drive Queensland – Fraser Island Clean Up Annual event	\$5,000.00
Paddle Queensland Inc- Fraser Coast Paddlefest	\$2,500.00
Island Breeze Australia- Sponsorship Fraser Coast 7's	\$10,000.00
Wide Bay Archers Inc- International Field Archery Association (IFAA) National Championships	\$6,500.00
Hervey Bay Cricket Association- Shortfall of lighting project affected by COVID-19	\$4,640.00
TAFE Queensland East Coast- Fraser Coast Careers Expo	\$5,000.00
Destiny Downs Rodeo- Destiny Downs Pro Rodeos	\$15,000.00
Australian Power Boat Association Inc- Offshore Superboat Championship Series – Milestone 1	\$27,000.00
Hervey Bay Art Society- 38th Annual Competition	\$2,000.00
Noosa District State High School- Sponsorship QSS Triathlon State and National Championship 2022	\$5,000.00
Fraser Coast Agriculture Show Society – Annual Fraser Coast Show	\$35,000.00
STEAMfesta Inc- Sponsorship – STEAMfesta milestone 1	\$14,400.00
Queensland Touch Association- Sponsorship Qld Junior Cup 2022	\$65,000.00
TOTAL	\$432,415.50

Councillors' Discretionary Fund Expenditure

In accordance with section 189(2) of the *Local Government Regulation 2012*, the annual report must contain information about Councillor discretionary funds.

Councillor discretionary funding for 2021/22 was as follows:

- The prescribed amount **\$76,879**
- Budgeted amount **\$73,700**
- Each Councillor had a budget of **\$6,700** to allocate to community organisations.

All Councillor discretionary funds were made for 'other community purposes'.

Information about allocation of discretionary funds by each Councillor is shown in the following tables.

Mayor - Cr George Seymour

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Burrum District Community Men's Shed Inc- Purchase of Office Equipment	22/09/2021	\$437.49	\$437.49
WBB QMI 5th LHRT Hervey Bay Troop Inc- Plaque to commemorate War Animals Day to be erected on light horse statue	02/02/2022	\$600.00	\$600.00
Zephyr Street Performing Arts Community Theatre Inc- Laptops to be utilised by Management Committee of Z-PAC Theatre	09/02/2022	\$2,499.50	\$2,499.50
Hervey Bay Historical Village & Museum Association Inc- Purchase of Banners for current and future years, and expenses and material for demonstrators	11/03/2022	\$850.00	\$850.00
QCWA Branch Urangan- Funds to assist in maintenance of QCWA Urangan Progress Hall	18/03/2022	\$554.55	\$554.55
National Servicemen's Association of Australia (Queensland) Inc- Catering for the meet and greet at the State Conference	06/05/2022	\$300.00	\$300.00
Maryborough State High School- Fraser Pop Festival- Funds towards appearance fees and transport costs for event entertainment	08/06/2022	\$1,458.46	\$1,458.46
TOTAL		\$6,700.00	\$6,700.00

Division 1 - Cr James Hansen

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Burrum District Community Men's Shed Inc- Woodman MBW-300 table saw and dust extractor	18/08/2021	\$1,800.00	\$1,800.00
Maryborough District Cricket Association Inc- Fireworks for New Year's Eve	27/09/2021	\$500.00	\$500.00
Burrum District Community Men's Shed Inc- Vermin proofing Men's Shed building	05/04/2022	\$267.31	\$267.31
Maryborough Pony Club Inc.- First Aid Kit purchase	10/06/2022	\$583.72	\$583.72
Howard & District Progress Assoc. Inc.- Funds towards purchase and installation of air conditioner for the print room	15/06/2022	\$2,000.00	\$2,000.00
Aldershot Rural Fire Brigade- Funds towards outfitting of pod/canopy for the Aldershot support/command vehicle	17/06/2022	\$1,500.00	\$1,500.00
TOTAL		\$6,651.03	\$6,651.03

Division 2 - Cr Phil Truscott

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Maryborough District Cricket Association Inc- Fireworks for New Year's Eve	27/09/2021	\$500.00	\$500.00
Tiaro & District Chamber of Commerce Inc- Funding towards catering for end of year event	09/12/2021	\$200.00	\$200.00
Glenwood Men's Shed Inc- Upgrading of computer and printer	17/12/2021	\$2,891.00	\$2,891.00
Tinana Football Club Inc.- Clubhouse refrigerator replacement	11/03/2022	\$1,549.00	\$1,549.00
QCWA Branch Urangan- Funds to assist in maintenance of QCWA Urangan Progress Hall	18/03/2022	\$250.00	\$250.00
Maryborough State High School- Fraser Pop Festival-Funds towards appearance fees and transport costs for event entertainment	08/06/2022	\$400.00	\$400.00
QCWA Branch Gootchie - Prize for fundraising	08/06/2021	\$95.00	\$95.00
The Maryborough & District Committee on the Ageing Inc- Funds towards a band for MADCOTA'S 50th Anniversary celebrations	08/06/2021	\$300.00	\$300.00
Fraser Coast Historic Vehicle Club Inc- Funds towards hall rental, hire of tables and catering for interclub rally	10/06/2022	\$350.00	\$350.00
Glenwood Progress Association Inc.- Funds towards portable fridge/freezer for markets/events	17/06/2022	\$165.00	\$165.00
TOTAL		\$6,700.00	\$6,700.00

Division 3 - Cr Paul Truscott

Project	Dates	Amount Funded (\$)	Amount Spent (\$)
Maryborough Toastmasters Club- Replacement data projector	03/08/2021	\$189.00	\$189.00
Maryborough State High School- Establishment costs to set-up Tech_FC to run technology based events for students	09/10/2021	\$500.00	\$500.00
Maryborough District Cricket Association Inc- Fireworks for New Year's Eve	27/09/2021	\$500.00	\$500.00
Maryborough West Football Club Inc- Double wall tumblers as gifts for players	19/10/2021	\$500.00	\$500.00
Maryborough & District Animal Refuge Society Inc- Two vented dryers for main refuge facility and cat quarantine and intake area	10/05/2022	\$907.27	\$907.27
St Helens Primary P&C Association- Tonyi the Worm' wormfarming waste workshop 2 days & 120 students	04/05/2022	\$900.00	\$900.00
Maryborough State High School- Fraser Pop Festival- Funds towards appearance fees and transport costs for event entertainment	08/06/2022	\$500.00	\$500.00
The Maryborough & District Committee on the Ageing Inc- Funds towards a band for MADCOTA'S 50th Anniversary celebrations	08/06/2022	\$500.00	\$500.00
Maryborough Excelsior City Band Inc. - New sheet music to expand the music library	17/06/2022	\$500.00	\$500.00
Gundiah Memorial Hall Association Inc.- Security for Carols in the Country and Fair	17/06/2022	\$500.00	\$500.00
Glenwood Progress Association Inc.- Funds towards portable fridge/freezer for markets/events	17/06/2022	\$350.00	\$350.00
Rally for a Cause Ltd- Funds towards costs of marketing flags and launch of new program	22/06/2022	\$853.73	\$853.73
TOTAL		\$6,700.00	\$6,700.00

Division 4 - Cr Daniel Sanderson

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Wesley Mission Brisbane- Headspace Maryborough- equipment and games for Game Group	09/09/2021	\$787.27	\$787.27
Maryborough District Cricket Association Inc- Fireworks for New Year's Eve	27/09/2021	\$500.00	\$500.00
Riding for Disabled Association Maryborough Inc.- Upgrade to Three Phase Power for Indoor Arena	18/03/2022	\$1,300.00	\$1,300.00
Small Schools District Sport Committee c/o Bauple State School- Portable toilet hire for car park to ease congestion and increase safety	17/06/2022	\$368.70	\$368.70
Beach House Fishing Club Inc.- Funds towards 2nd hand community food van to use at events	17/06/2022	\$2,963.00	\$2,963.00
Carramar Community Pre-School & Kindergarten Assoc. Inc- Sand and bark for softfall and sandpit refilling	21/06/2022	\$652.00	\$652.00
TOTAL		\$6,570.97	\$6,570.97

Division 5 - Cr Jade Wellings

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Toogoom & District Community Association Inc.- Decorations for community event and Ipad and square stand for cashless payments	09/09/2021	\$878.18	\$878.18
Toogoom & District Community Association Inc.- Design, print and install stickers and erect sign board and stickers for use over corflute signs	09/12/2021	\$2,212.00	\$2,212.00
QCWA Branch Urangan- Funds to assist in maintenance of QCWA Urangan Progress Hall	18/03/2022	\$1,000.00	\$1,000.00
Maryborough State High School- Fraser Pop Festival- Funds towards appearance fees and transport costs for event entertainment	15/06/2022	\$300.00	\$300.00
The Maryborough & District Committee on the Ageing Inc- Funds towards a band for MADCOTA'S 50th Anniversary celebrations	15/06/2022	\$300.00	\$300.00
Nikenbah Historical Railway Village Inc.- Surveyor costs for boundary	17/06/2022	\$2,009.82	\$2,009.82
TOTAL		\$6,700.00	\$6,700.00

Division 6 - Cr David Lewis

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Hervey Bay State High School P & C Assoc- Funds towards waste bin hire for annual Swap Meet	19/10/2021	\$655.00	\$655.00
STEAMfesta Inc- Funds towards entertainment at events in Hervey Bay and Maryborough	24/04/2022	\$2,070.00	\$2,070.00
Condy Park Pre-School and Kindergarten Association Inc.- Microphone and speakers and projector that are replacing stolen items	06/05/2022	\$2,408.05	\$2,408.05
The Maryborough & District Committee on the Ageing Inc- Funds towards a band for MADCOTA'S 50th Anniversary celebrations	08/06/2022	\$200.00	\$200.00
Carramar Community Pre-School & Kindergarten Assoc. Inc- Sand and bark for softfall and sandpit refilling	21/06/2022	\$415.50	\$415.50
The Scout Association of Australia Queensland Branch Inc- Funding towards 2022 Hervey Bay Sea Scouts proficient and Leadership training	31/07/2022	\$849.24	\$849.24
TOTAL		\$6,597.79	\$6,597.79

Division 7 - Cr Darren Everard

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Fraser Coast Anglican College- Cost for traffic management for road closure for formal	04/08/2021	\$350.00	\$350.00
Hervey Bay Orchid Society Inc.- Cost of Waste Bin to be used at annual event	27/09/2021	\$170.00	\$170.00
Tangaroa Blue Foundation Ltd- Funds towards sending 3 x data officers to K'gari for the Fraser Island Clean-up and associated expenses	31/01/2022	\$2,500.00	\$2,500.00
Beach House Fishing Club Inc.- Funds towards 2nd hand community food van to use at events	17/06/2022	\$3,680.00	\$3,680.00
TOTAL		\$6,700.00	\$6,700.00

Division 8 - Cr Denis Chapman

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Burrum District Community Men's Shed Inc- Funds towards installation of 3 new circuits to switchboard and safety switches	07/04/2022	\$1,000.00	\$1,000.00
Nikenbah Historical Railway Village Inc.- Surveyor costs for boundary	17/06/2022	\$2,990.18	\$2,990.18
Volunteer Marine Rescue Hervey Bay Inc.- Funds towards small rigid hull inflatable boat for marine rescue to conduct medical evacuations from K'gari (Fraser Island) beaches	17/06/2022	\$2,700.00	\$2,700.00
TOTAL		\$6,690.18	\$6,690.18

Division 9 - Cr David Lee

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Zonta Club of Hervey Bay Inc- Pull up banners, cash till and table centre pieces for events	22/07/2021	\$437.00	\$437.00
Hervey Bay Croquet & Mallet Sports' Club Inc- Funds towards croquet tournament August 2021	14/09/2021	\$250.00	\$250.00
Zephyr Street Performing Arts Community Theatre Inc- Laptops to be utilised by Management Committee of Z-PAC Theatre	09/02/2022	\$2,499.50	\$2,499.50
The Scout Association of Australia Queensland Branch Inc- Funding towards 2022 Hervey Bay Sea Scouts proficient and Leadership training	08/06/2022	\$952.56	\$952.56
Fraser Coast Memorial Fishing Club Inc- Purchase of polo shirts for Memorial Fishing Club members	08/06/2022	\$1,160.94	\$1,160.94
Hervey Bay Historical Society Museum Association Inc.- Hire of portaloos for event	15/06/2022	\$400.00	\$400.00
Hervey Bay Bowls Club Inc- Funds towards trophies for ladies bowls carnival	17/06/2022	\$500.00	\$500.00
Pialba Bowls Club Inc- Funds towards trophies for B grade bowls carnival	17/06/2022	\$500.00	\$500.00
TOTAL		\$6,700.00	\$6,700.00

Division 10 - Cr Zane O'Keefe

Project	Date	Amount Funded (\$)	Amount Spent (\$)
QCWA Branch Urangan- Funds to assist in maintenance of QCWA Urangan Progress Hall	18/03/2022	\$200.00	\$200.00
The Maryborough & District Committee on the Ageing Inc- Funds towards a band for MADCOTA'S 50th Anniversary celebrations	08/06/2022	\$500.00	\$500.00
Hervey Bay Swimming Club Inc.- Hire of pool and lifeguards for Hervey Bay Carnival	08/06/2022	\$1,643.00	\$1,643.00
Beach House Fishing Club Inc.- Funds towards 2nd hand community food van to use at events	17/06/2022	\$3,357.00	\$3,357.00
Rally for a Cause Ltd- Funds towards costs of marketing flags and launch of new program	22/06/2022	\$1,000.00	\$1,000.00
TOTAL		\$6,700.00	\$6,700.00



Mayor's Community Benefit Fund

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

The objectives 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	\$1,000.00

Mayor's Donations and Sponsorship

The Mayor's total donations and sponsorships for the financial year 2021/22 is outlined below:

Date	Recipient	Purpose	Amount
06-Jul-2021	Creative Writing U3A Hervey Bay	Funding- Costs of Promotion Fees	\$300.00
13-Jul-2021	Rally for a Cause Ltd	Sponsorship- Dunga Derby Car #13	\$500.00
27-Jul-2021	Urangan High School	Sponsorship- Awards Ceremony period 1	\$450.00
03-Aug-2021	Maryborough District Orchid Society Inc	Sponsorship- towards prizes Champion Orchids	\$150.00
03-Aug-2021	Country Ramblers	Sponsorship- Performing in Aged Care Homes	\$250.00
06-Aug-2021	Mates4Mates	Sponsorship- towards 'Mates4Mates' Poppy Project	\$500.00
09-Aug-2021	Aldridge State High School	Sponsorship- towards school fete fundraiser	\$350.00
19-Aug-2021	Aldridge State High School	Sponsorship- towards 'Fraser Coast Regional Council Humanities Award'	\$100.00
26-Aug-2021	Hervey Bay Orchid Society Inc.	Sponsorship- towards the 38th Annual Regional Competitive Art Exhibition	\$250.00
30-Aug-2021	Burrum Heads Neighbourhood Centre Inc	Sponsorship- towards River-Beach Foodstival Burrum Heads 2022	\$300.00
12-Oct-2021	Mary Rivers Lions Club	Sponsorship- towards purchasing sweets for filling of Advent Calendars	\$500.00
03-Dec-2021	Bayside Transformations	Sponsorship- Towards Bayside Transformations Christmas Festivities 2021	\$300.00
16-Feb-2022	Rally for a Cause Ltd	Sponsorship- Dunga Derby Car #24	\$1,000.00
22-Feb-2022	Susan Hansen- Artist	Drawing of Doon Villa Historic House	\$500.00
30-Mar-2022	Churches of Christ	Sponsorship- towards 'Foster and Kinship Awareness Week 2022'	\$2,000.00
06-Apr-2022	Hervey Bay Art Society Inc.	Sponsorship- towards the 38th Annual Regional Competitive Art Exhibition	\$700.00
06-Apr-2022	WM Olds & Sons Pty Ltd	Bronze plaque with sketch and text- Doon Villa & Dalhousie Houses	\$1,235.00
28-Apr-2022	The Yoga Partnership	Sponsorship- Partnerships- Connections- World MS Day	\$350.00
23-May-2022	Rally for a Cause Ltd	Sponsorship- Dunga Derby Car #13	\$1,000.00
30-May-2022	Hervey Bay Orchid Society Inc.	Sponsorship- towards running the Hervey Bay Orchid & Garden Spectacular 2022	\$250.00
17-Jun-2022	Zonta Club of Maryborough Inc.	Sponsorship- towards Memorial for Ms Linda Lovett	\$5,000.00
Total			\$15,985.00

Details of special rates and charges

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

Pursuant to Section 190(1)(d)(ii) of the *Local Government Regulation 2012*, details of any action taken for, and expenditure on, a service, facility or activity for which Council levied special rates or charges for the 2021/22 financial year are as follows:

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

Section 190(1)(g) of the *Local Government Regulation 2012* requires Council to provide a summary of all concessions for rates and charges granted during the financial year.

In considering the application of concession under Section 190(1)(g) of the *Local Government Regulation 2012*, Fraser Coast Regional Council was guided by the principles of:

- Communication – making clear the obligations of ratepayers and debtors, and the processes used by Council in assisting them to meet their financial obligations;
- Equity – treating all ratepayers in similar circumstances in the same manner
- Flexibility – responding where necessary to changes in the local economy
- Transparency- openness in the processes involved
- Simplicity – making processes which are simple and cost effective to administer
- Clarity- by providing meaningful information to enable ratepayers to clearly understand their responsibilities

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

- I. Concessions for pensioners- Council recognised that certain classes of pensioners have

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. **Total expense was \$2,450,301.24 for the period 1 July 2021 to 30 June 2022.**

- II. Other concessions including assistance for religious entities, community & welfare, care facilities for aged persons and persons with disabilities and emergency services. Council recognised that certain organisations operate for the general benefit of the community, rely mainly on volunteer labour, often with limited financial resources and should be afforded a concession in respect of rates and charges. Council committed to providing assistance for the preservation, restoration, and protection of environmentally significant land. Owners of conservation land are provided a rate concession to recognize and support their efforts in maintaining the conservation land. Council committed to providing assistance to ratepayers where payment of rates and charges, due to their financial circumstances, will cause hardship as determined in accordance with the Financial Hardship policy principles. Council may provide assistance to ratepayers to encourage the economic development of all or part of the region. Council committed to providing assistance to ratepayers by limiting increases in the combined water and wastewater utility charges levied on those ratepayers in the previous financial year. **Total expense was \$1,248,606.55 for the period 1 July 2021 to 30 June 2022.**

Concessions to ratepayers for 2021/22

Type of Concession	Concessions granted
Pensioner Concession	\$2,450,301.24
Other concessions including assistance for religious entities, community & welfare, care facilities for aged persons and persons with disabilities and emergency services.	\$1,248,606.55
TOTAL	\$3,698,907.79

Changes to Council Tenders

In accordance with section 190(1)(e) of the *Local Government Regulation 2012*, Council advises that there were no changes to tenders under section 228(7) during the financial year.

Council Registers

In accordance with section 190(1)(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 over \$200,000 or more
- Register of Cost-recovery Fees
- 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
- Register of Testable Backflow Prevention Devices
- Register of Infrastructure Charges
- Register of Local Heritage
- Register of Councillor Conduct
- Register of Panel Arrangement Suppliers
- Register of Directions from the Mayor to the Chief Executive Officer
- Register for Related Parties for Councillors and Key Management Personnel

Internal Audit Function

In accordance with section 105(1) of the *Local Government Act 2009* the internal audit function has been established as an integral component of Council's corporate governance framework.

The Internal Audit function operates in accordance with the Internal Audit Policy and Charter, which is endorsed by the Audit and Risk 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 and Risk 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:

- » Disaster Management, Emergency Action Plans and Business Continuity Management
- » Recruitment process
- » Project Management practices
- » Procurement tenders
- » Cash handling processes
- » Audit and Risk Committee preparation, facilitation and assistance
- » Consulting, advice, assistance and presentations
- » Internal audit planning, including risk based assurance mapping
- » Management of audit actions register.

Audit and Risk Committee

The Audit and Risk Committee is established in accordance with the *Local Government Regulation 2012*. As an advisory committee, its objectives are to assist the Council and the Chief Executive Officer to discharge their duties by maintaining independent and objective oversight of corporate governance and responsibilities in relation to the organisation's financial reporting, internal control frameworks, risk management systems and the external and internal audit functions.

The Audit and Risk Committee also:

- i. monitored the Financial Statement annual preparation process and reviewed the draft Financial Statements prior to audit and certification by the Queensland Audit Office
- ii. oversaw governance reporting, including risk management and work health and safety
- iii. reviewed both external and internal audit plans, reports and recommendations.

Audit and Risk Committee Meetings

In the period 1 July 2021 to 30 June 2022, the Audit and Risk Committee formally met on four occasions. Member attendance at meetings was as follows:

Attendee	Meetings attended	Total Meetings
Cr David Lee	3	4
Cr Zane O'Keefe ¹	3	4
Mr Michael Parkinson	4	4
Mr Jake Matuzic	4	4
Mr Vivek Chopra	4	4

¹ Council appointed Cr Zane O'Keefe as a councillor member of the Audit and Risk Committee at its meeting on 28 July 2021 following the resignation of Cr Phil Truscott.

Mr Michael Parkinson retired from the role of Committee Chairperson at the conclusion of the 5 October 2021 meeting and remains an independent member of the Committee. Council appointed Mr Vivek Chopra as presiding Chairperson from the conclusion of the 5 October 2021 meeting.

Openness and transparency are maintained by scheduling regular meetings which are available to interested Councillors and a range of staff. Minutes of these meetings are also provided to Council at the Ordinary Council Meetings. Meeting attendance is available by video or audio link or in person.

In accordance with good practice, the Committee also meets in camera and privately with each of management, External Audit and Internal Audit from time to time.

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 pertains 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 2021 to 30 June 2022 Fraser Coast Regional Council employees were provided with various education and training programs, which included but are not limited to:

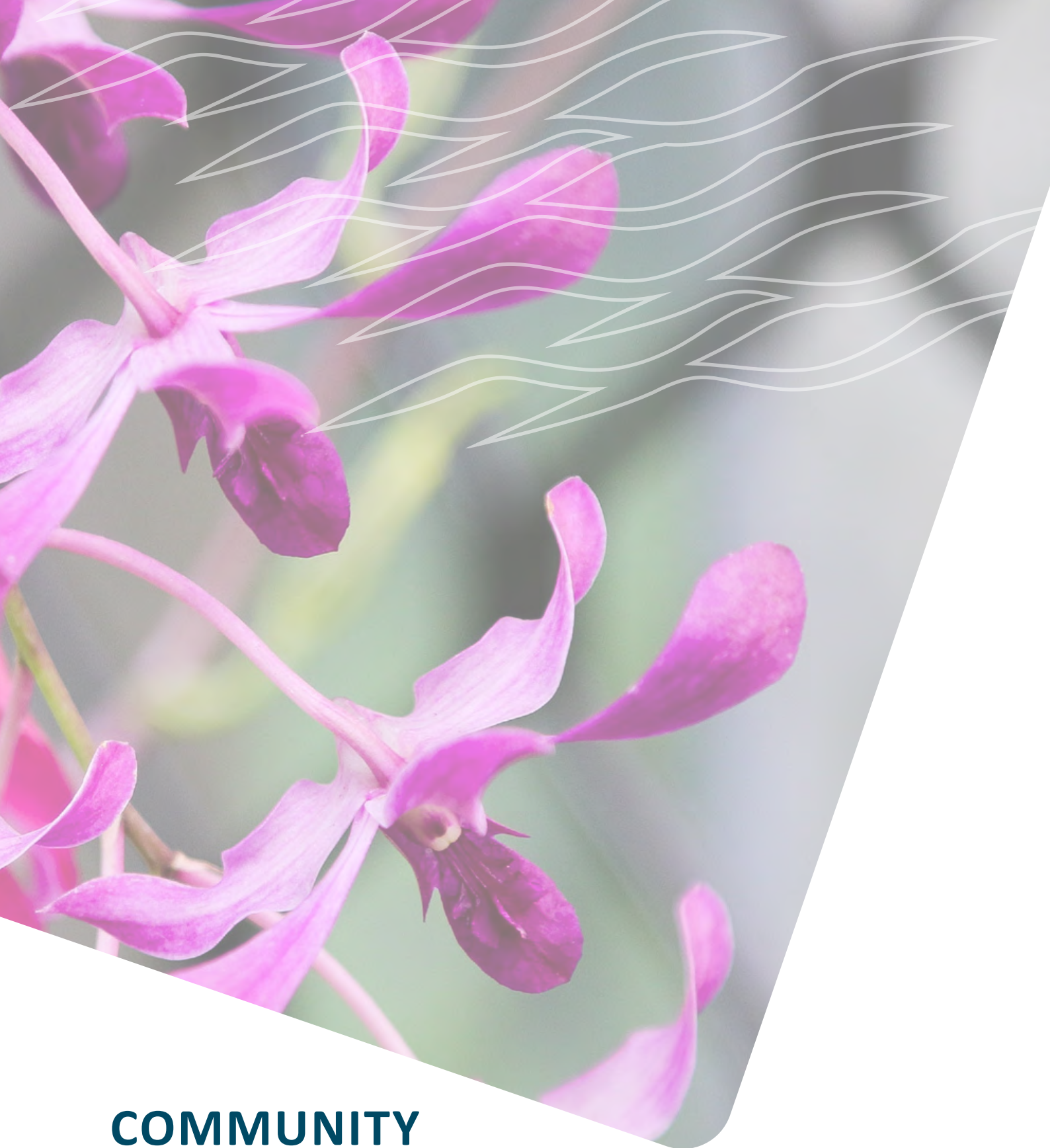
- training on the Code of Conduct during induction of new employees as well as refresher courses available for existing employees; and
- an online learning portal providing learning on a range of skills development such work health and safety and the management of record systems.

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 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 2022.

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 2021/22 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 2022 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		2022 \$'000	2021 \$'000	Purpose
Total income		287,977	291,479	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		(255,251)	(244,813)	
→ Net result for year		32,726	46,666	
→ Other comprehensive income		134,438	7,652	
Total comprehensive income for year		167,164	54,318	
Statement of Changes in Equity		2022 \$'000	2021 \$'000	Purpose
Opening balance		2,631,213	2,576,895	Shows the movement in total community equity (what the Council is worth) as at 30 June 2022.
→ Net result for year		32,726	46,666	
→ Asset revaluations		134,438	7,652	
Other movements		(2,871)	0	
Total community equity at end of year		2,795,506	2,631,213	
Statement of Cash Flows		2022 \$'000	2021 \$'000	Purpose
Operating activities		81,407	65,018	Shows the nature and amount of Council's cash inflows and outflows from all activities. At 30 June 2022, Council had \$109.50 million in cash, in addition it had a further \$84.20 million invested in term deposits. Total cash and investments was \$193.70 million, up from \$173.83 million at 30 June 2021.
Investing activities		(59,621)	(41,540)	
Financing activities		(12,411)	(15,196)	
Net increase (decrease) in cash held		9,375	8,282	
Cash at beginning of the year		100,125	91,843	
→ Cash at end of the year		109,500	100,125	
Statement of Financial Position		2022 \$'000	2021 \$'000	Purpose
→ Cash and cash equivalents		109,500	100,125	Shows the assets and liabilities which make up the community equity as at 30 June 2022.
Cash investments		84,200	73,700	
Other current assets		30,061	37,746	
Non-current assets		2,731,753	2,578,457	
Total assets		2,955,514	2,790,028	
Current liabilities		82,578	72,788	
Non-current liabilities		77,430	86,027	
Total liabilities		160,008	158,815	
→ Net community assets		2,795,506	2,631,213	
Asset revaluation surplus		801,772	667,334	
Capital and retained surplus		1,993,734	1,963,879	
→ Total community equity		2,795,506	2,631,213	

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 developer contributions (infrastructure charges).

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 deficit for the period ended 30 June 2022 of \$204,000, compared to the 30 June 2021 surplus of \$461,000.

Council's result at a glance

	2022 \$'000	2021 \$'000
Operating revenue	235,678	220,230
Operating expenditure	235,882	219,769
Net result before capital revenue	(204)	461
Capital revenue	52,299	71,249
Capital expenses	19,369	25,044
Net result	32,726	46,666

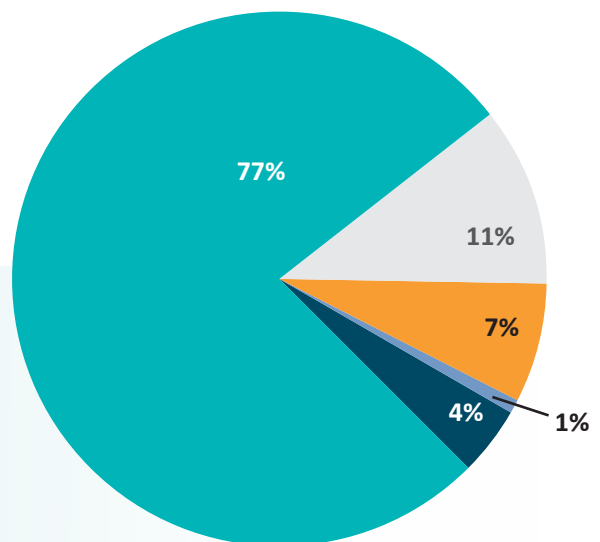
Revenue

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 \$182.81 million or 77% 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.

WHERE DID THE MONEY COME FROM? COUNCIL OPERATING REVENUE

77%	Rates, levies and charges
11%	Fees and charges
7%	Grants and subsidies
4%	Other
1%	Interest revenue



Council's operating revenue at a glance

	2022 \$'000	2021 \$'000
Rates, levies and charges	182,808	174,659
Fees and charges	25,269	22,293
Interest revenue	2,192	3,173
Operating grants and subsidies	15,566	9,560
Other income	9,843	10,545
Total operating revenue	235,678	220,230

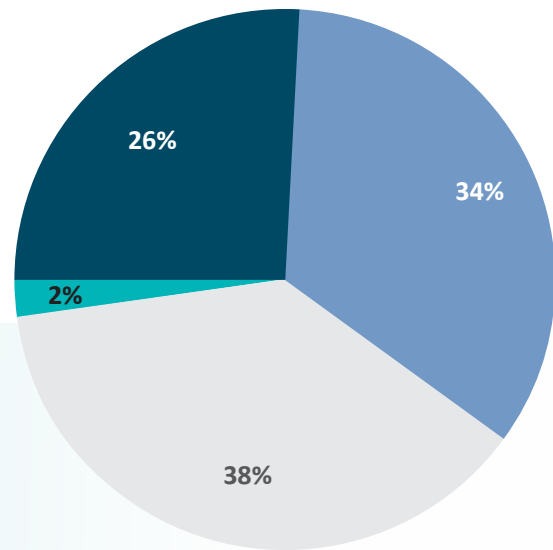
Expenses

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.

HOW WAS THE MONEY SPENT? COUNCIL OPERATING EXPENSES

34%	Employee benefits
38%	Materials and services
2%	Finance costs
26%	Depreciation and amortisation



Council's operating expenditure at a glance

	2022 \$'000	2021 \$'000
Employee benefits	80,903	73,929
Materials and services	90,448	82,691
Financial costs	4,387	5,169
Depreciation and amortisation	60,144	57,980
Total operating expenses	235,882	219,769

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).

	2022 \$'000	2021 \$'000
Assets	2,955,514	2,790,028
Less liabilities	160,008	158,815
Equity	2,795,506	2,631,213
Represented by:		
Asset revaluation surplus	801,772	667,334
Retained surplus	1,993,734	1,963,879
Net community equity	2,795,506	2,631,213

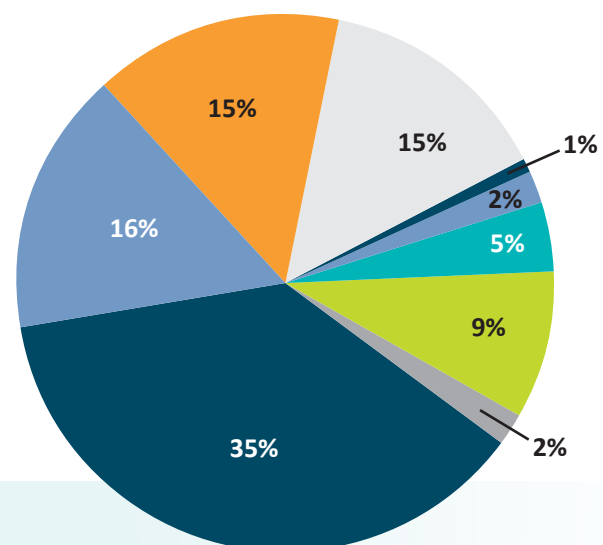
Assets

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) is \$2.73 billion (2021 \$2.57 billion), which represents 99.77% of Council's non-current assets.

VALUE OF COMMUNITY ASSETS (\$'000)

\$960,477	Road and bridge network	35%	\$127,147	Land	5%
\$441,316	Water Infrastructure	16%	\$54,613	Work in progress	2%
\$405,938	Sewerage infrastructure	15%	\$40,934	Plant and equipment	2%
\$416,914	Stormwater drainage	15%	\$24,873	Other	1%
\$253,130	Buildings and site improvements	9%			

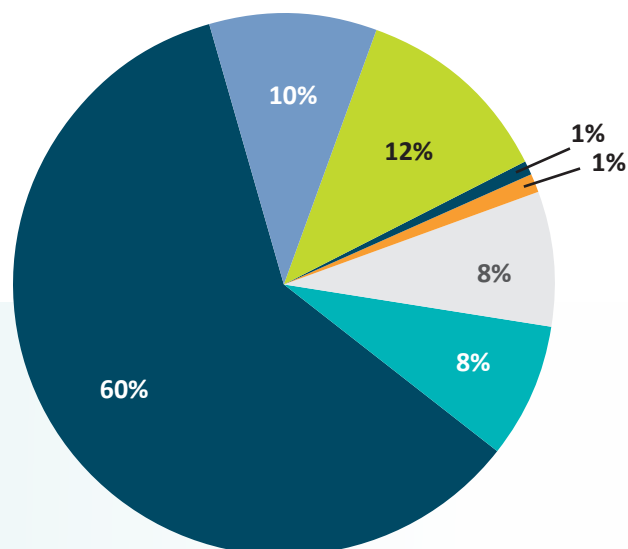


Total gross capital additions to Council's non-current assets during the period totalled \$88.76 million (2021 \$134.61 million).

The majority of these were as a result of the construction of new assets, funded from surplus funds, grants, subsidies and cash reserves.

COUNCIL CAPITAL ADDITIONS AT COST

60%	Road and drainage network
10%	Water Infrastructure
12%	Sewerage infrastructure
8%	Buildings and improvements
8%	Plant and equipment
1%	Land
1%	Other



In addition, Council holds other short term assets including cash assets held in bank accounts and investments of \$193.70 million (2021 \$173.83 million).

In order to maximise investment returns, Council had invested over \$84.20 million (2021 \$73.70 million) in term deposits greater than 3 months.

The cash holdings 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 (community, recreation, environment and disaster management).

Liabilities

Council's largest liability is its interest bearing loans with Queensland Treasury Corporation (QTC), which at 30 June 2022 was \$46.13 million (2021 \$58.24 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 \$12.11 million.

Debt levels continue to be significantly lower than they were immediately prior to the council amalgamations in 2008. Affordability indicators show that Council continues to be able to comfortably service its debt position.

Councils have an obligation to ensure they plan for rehabilitating landfill (rubbish tip) sites up until, and after the sites reach capacity and are closed. Council recognises a provision to account for the cost of restoring Council landfill sites for when (and after) the sites are expected to close.

Costs for restoration includes things like closure and site management plans, capping, re-vegetation and remediation of landfill cells, maintenance of fencing, roads etc, vegetation and stormwater management and other ongoing compliance costs. As at 30 June 2022, the value of the refuse restoration provision was \$33.79 million (2021 \$39.36 million).

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).

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	2022	2021
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0%- 10%	(0.09%)	0.21%
Asset sustainability ratio	Capital expenditure on the replacement of assets(renewals) divided by depreciation expense	Greater than 90%	80.58%	137.69%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Less than +60%	(27.05%)	(23.95%)

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	2022	2021
Current ratio	Current assets divided by current liabilities	Greater than 1 : 1	2.71 :1	2.91 :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 focussed 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

Fraser Coast Regional Council

General Purpose Financial Statements for the year ended 30 June 2022

Table of Contents	Page
Primary Financial Statements	
Statement of Comprehensive Income	50
Statement of Financial Position	51
Statement of Changes in Equity	52
Statement of Cash Flows	53
Notes to the Financial Statements	
1 Information about these financial statements	54
2a Council functions – component descriptions	56
2b Council functions – analysis of results by function	57
3 Revenue	58
4 Interest and other income	61
5 Capital income	62
6 Employee benefits	63
7 Materials and services	64
8 Finance costs	64
9 Capital expenses	65
10 Cash and cash equivalents	66
11 Receivables	68
12 Other assets	71
13 Non-current assets held for sale	71
14 Property, plant and equipment	72
15 Contract balances	79
16 Payables	79
17 Borrowings	80
18 Provisions	81
19 Other liabilities	82
20 Asset revaluation surplus	83
21 Commitments for expenditure	84
22 Contingent liabilities	84
23 Superannuation – regional defined benefit fund	85
24 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	86
25 Reconciliation of liabilities arising from finance activities	87
26 Correction of error	88
27 Events after the reporting period	89
28 Financial instruments and financial risk management	90
29 National competition policy	93
30 Controlled entities that have not been consolidated	94
31 Transactions with related parties	95
Management Certificate	97
Independent Auditor's Report	98

Fraser Coast Regional Council

General Purpose Financial Statements for the year ended 30 June 2022

Table of Contents	Page
Current Year Financial Sustainability Statement	101
Certificate of Accuracy	102
Independent Auditor's Report - Current Year Financial Sustainability Statement	103
Unaudited Long Term Financial Sustainability Statement	106
Certificate of Accuracy - Long Term Financial Sustainability Statement	107

Fraser Coast Regional Council

Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	182,808	174,659
Fees and charges	3b	25,269	22,293
Sales revenue	3c	3,683	5,063
Grants, subsidies, contributions and donations	3d	15,566	9,560
Total recurrent revenue		227,326	211,575
Capital revenue			
Grants, subsidies, contributions and donations	3d	48,380	67,840
Total capital revenue		48,380	67,840
Other recurrent income			
Rental income		975	923
Interest received	4a	2,192	3,173
Other income	4b	5,185	4,559
Capital income	5	3,919	3,409
Total other recurrent income		12,271	12,064
Total income		287,977	291,479
Expenses			
Recurrent expenses			
Employee benefits	6	80,903	73,929
Materials and services	7	90,448	82,691
Finance costs	8	4,387	5,169
Depreciation and amortisation:			
- Property, plant and equipment	14	59,736	57,617
- Intangible assets		107	104
- Right of use assets		301	259
Total recurrent expenses		235,882	219,769
Capital expenses			
Capital expenses	9	19,369	25,044
Total capital expenses		19,369	25,044
Total expenses		255,251	244,813
Net Result		32,726	46,666
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	20	136,966	7,652
Impairment loss relating to property, plant and equipment		(2,528)	—
Total other comprehensive income for the year		134,438	7,652
Total comprehensive income for the year		167,164	54,318

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 2022

	Notes	2022 \$ '000	2021 \$ '000
Assets			
Current assets			
Cash and cash equivalents	10	109,500	100,125
Investments	10	84,200	73,700
Receivables	11	10,967	15,503
Inventories		2,579	2,420
Other assets	12	16,515	19,823
Total current assets		223,761	211,571
Non-current assets			
Receivables	11	1,288	3,239
Property, plant and equipment	14	2,725,342	2,569,246
Right of use assets		571	444
Intangible assets		896	1,003
Other assets	12	857	852
Non-current assets held for sale	13	2,799	3,673
Total non-current assets		2,731,753	2,578,457
Total assets		2,955,514	2,790,028
Liabilities			
Current liabilities			
Payables	16	36,080	39,699
Contract liabilities	15	11,205	5,176
Borrowings	17	12,832	12,227
Lease liabilities		321	251
Provisions	18	15,258	13,802
Other liabilities	19	6,882	1,633
Total current liabilities		82,578	72,788
Non-current liabilities			
Borrowings	17	33,293	46,011
Lease liabilities		254	194
Provisions	18	34,149	39,822
Other liabilities	19	9,734	–
Total non-current liabilities		77,430	86,027
Total liabilities		160,008	158,815
Net community assets		2,795,506	2,631,213
Community equity			
Asset revaluation surplus	20	801,772	667,334
Retained surplus		1,993,734	1,963,879
Total community equity		2,795,506	2,631,213

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 2022

	Notes	Asset revaluation surplus \$ '000	Retained surplus \$ '000	Total equity \$ '000
2022				
Balance as at 1 July		667,334	1,963,879	2,631,213
Correction of immaterial prior period error	26	—	(2,871)	(2,871)
Restated balance as at 1 July		667,334	1,961,008	2,628,342
Net result		—	32,726	32,726
Other comprehensive income for the year				
- Increase in asset revaluation surplus	20	136,966	—	136,966
- Impairment loss relating to property, plant and equipment	14	(2,528)	—	(2,528)
Other comprehensive income		134,438	—	134,438
Total comprehensive income for the year		134,438	32,726	167,164
Balance as at 30 June		801,772	1,993,734	2,795,506
2021				
Balance as at 1 July		659,682	1,917,213	2,576,895
Restated balance as at 1 July		659,682	1,917,213	2,576,895
Net result		—	46,666	46,666
Other comprehensive income for the year				
- Increase in asset revaluation surplus	20	7,652	—	7,652
Other comprehensive income		7,652	—	7,652
Total comprehensive income for the year		7,652	46,666	54,318
Balance as at 30 June		667,334	1,963,879	2,631,213

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 2022

	Notes	2022 \$ '000	2021 \$ '000
Cash flows from operating activities			
Receipts from customers		220,823	200,765
Payments to suppliers and employees		(178,401)	(155,152)
		<u>42,422</u>	<u>45,613</u>
Interest received		3,124	3,484
Rental income		1,014	915
Non capital grants and contributions		15,771	9,531
Other income		22,756	9,996
Borrowing costs		(3,680)	(4,521)
Net cash flow from operating activities	24	<u>81,407</u>	<u>65,018</u>
Cash flows from investing activities			
Net movement in investments		(10,500)	35,000
Proceeds from sale of land held for sale		800	250
Proceeds from sale of property, plant and equipment		1,693	1,760
Grants, subsidies, contributions and donations		34,577	46,309
Payments for property, plant and equipment		(86,191)	(124,731)
Payments for intangible assets		—	(128)
Net cash flow used in investing activities		<u>(59,621)</u>	<u>(41,540)</u>
Cash flows from financing activities			
Repayment of borrowings		(12,113)	(14,939)
Repayments made on leases (principal only)		(298)	(257)
Net cash flow used in financing activities		<u>(12,411)</u>	<u>(15,196)</u>
Net increase/(decrease) for the year in cash and cash equivalents		<u>9,375</u>	<u>8,282</u>
Cash and cash equivalents at the beginning of the financial year		100,125	91,843
Total cash and cash equivalents at the end of the financial year	10	<u>109,500</u>	<u>100,125</u>

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 1. Information about these financial statements

(a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards as applicable to not-for-profit entities.

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

(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 & Events Ltd is included in Note 30 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.

(c) Adoption of new and revised Accounting Standards

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021. The adoption of the new standards has not resulted in a material impact on reported position, performance and cash flows.

(d) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022. These standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards and interpretations are not expected to have a material impact for Council.

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

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded

balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Revenue recognition - Note 3
- Valuation and depreciation of property, plant and equipment - Note 14(b), 14(c), and 14(e)
- Impairment of property, plant and equipment - Note 14(d)
- Provisions for employee benefits and refuse restoration - Note 18
- Contingent liabilities - Note 22
- Financial instruments and financial assets – Note 28

(f) Rounding and comparatives

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

Comparative information is restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

(g) Volunteer services

Council receives volunteer services in a number of its operations. Council has no method to reliably measure the fair value of the services donated and has therefore not recognised the inflow of resources in the Statement of Comprehensive Income.

(h) 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 has elected to not apply the fair value measurement requirements to these leases until such time as this requirement is mandated. Council does not believe that any of these leases are individually material.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 1. Information about these financial statements (continued)

(i) Taxation

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

(j) COVID-19 impact

Council's operations for the year ended 30 June 2022 have continued to be impacted by the COVID-19 pandemic. Australian Federal and State Government instituted restrictions affected many aspects of day-to-day activities. The extent of these restrictions varied throughout the financial year.

The following steps have been taken by Council in response to the pandemic:

- Reduced hours and capacity in Council facilities
- COVID-19 Support Team to help educate local business, sporting clubs and community organisations
- Refunding all event application and permit fees for events cancelled as a result of coronavirus restrictions
- Waiving of airport fees and other charges

Further, the supply chain for some of Council's inventories and supplies continue to be affected, with delivery delays for certain items and price increases in others. COVID-19 economic stimulus has saturated the construction industry, resulting in significant price rises and delays. With demand outstripping supply for materials such as timber, steel and polymer products this has seen large price increases. These factors have had an effect on the delivery of Council's capital works program.

The overall financial impacts for Council from the above initiatives and restrictions were not significant with minimal impact on Council's operating result.

Specific areas of judgement, estimates or assumptions have not been materially impacted by COVID-19.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 2a. Council functions – component descriptions

Details relating to the Council's functions / activities 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 2022

Note 2b. Council functions - analysis of results by function

Functions	Gross program income			Gross program expenses			Net result from recurring operations			Total assets \$ '000
	Recurring grants \$ '000	Recurring other \$ '000	Capital grants \$ '000	Capital other \$ '000	Total income \$ '000	Recurring \$ '000	Capital \$ '000	Total expenses \$ '000	Net result \$ '000	
2022										
Governance and administration	9,910	96,787	3,352	3,718	113,767	(49,814)	(4,387)	(54,201)	56,883	362,966
Economic development	269	12	–	–	281	(2,767)	–	(2,767)	(2,486)	–
Roads infrastructure and operations	3,803	2,224	8,217	20,756	35,000	(43,323)	(11,340)	(54,663)	(37,296)	932,287
Stormwater drainage	–	1	–	1,017	1,018	(1,592)	–	(1,592)	(1,591)	421,503
Commercial activities	858	6,583	1	–	7,442	(5,830)	–	(5,830)	1,611	60,059
Community and recreation	434	480	2,667	1,432	5,013	(34,932)	–	(34,932)	(34,018)	154,169
Development services	118	5,892	–	–	6,010	(6,853)	–	(6,853)	(843)	–
Environment and health	23	3,511	–	–	3,534	(10,802)	–	(10,802)	(7,268)	4,388
Solid waste management	102	28,870	120	–	29,092	(22,209)	–	(22,209)	6,763	62,245
Water management	34	42,600	991	4,082	47,707	(32,845)	(636)	(33,481)	9,789	537,603
Sewerage management	15	33,152	550	5,396	39,113	(24,915)	(3,006)	(27,921)	8,252	420,294
Total	15,566	220,112	15,898	36,401	287,977	(235,882)	(19,369)	(255,251)	(204)	2,955,514
2021										
Governance and administration	5,682	99,574	9,106	2,469	116,831	(43,737)	(5,634)	(49,371)	61,519	358,011
Economic development	264	(118)	–	–	146	(2,985)	–	(2,985)	(2,839)	–
Roads infrastructure and operations	2,776	1,957	11,714	22,884	39,331	(38,039)	(13,969)	(52,008)	(33,306)	931,870
Stormwater drainage	–	–	–	1,318	1,318	(5,642)	(1)	(5,643)	(5,642)	369,513
Commercial activities	101	4,525	165	–	4,791	(5,086)	–	(5,086)	(460)	81,406
Community and recreation	485	707	6,101	1,670	8,963	(30,127)	(1,459)	(31,586)	(28,935)	113,314
Development services	185	5,600	–	–	5,785	(5,832)	–	(5,832)	(47)	–
Environment and health	–	3,627	52	–	3,679	(10,920)	(489)	(11,409)	(7,293)	4,222
Solid waste management	35	24,592	70	140	24,837	(19,752)	(75)	(19,827)	4,875	58,358
Water management	29	37,068	1,345	5,153	43,595	(33,498)	(1,761)	(35,259)	3,599	447,846
Sewerage management	3	33,138	1,970	7,092	42,203	(24,151)	(1,656)	(25,807)	8,990	425,488
Total	9,560	210,670	30,523	40,726	291,479	(219,769)	(25,044)	(244,813)	461	2,790,028

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 3. Revenue

	2022 \$ '000	2021 \$ '000
(a) Rates, levies and charges		
Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. If a ratepayer pays their rates before they are levied, these prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	80,705	76,976
Water charges	25,235	24,131
Water consumption charges	15,075	17,611
Sewerage charges	38,494	36,893
Sewerage trade waste charges	577	549
Waste charges	21,276	20,183
Disaster levy	1,094	1,084
Toogoom seawall revetment levy	97	143
Infrastructure levy	3,954	3,916
Total rates and utility charge revenue	186,507	181,486
Less: pensioner remissions and concessions*	(3,699)	(6,827)
Total rates, levies and charges	182,808	174,659

*In the prior reporting period Council granted a one-time rebate of \$100 to residential property owners in response to the impacts of the COVID-19 pandemic. The total amount granted in respect of this rebate was \$3,031,400.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 3. Revenue (continued)

	2022 \$ '000	2021 \$ '000
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(b) Fees and charges

Fees and charges are recognised at the point in time when the related performance obligation is completed and the customer receives the benefit of the goods or services being provided.

The performance obligation relates to the specific services which are provided to the customer, generally the payment terms are within 30 days of the provision of the service. In some cases, the customer is required to pay upfront with some time between payment and when the performance obligation is completed. There is no material obligation for Council in relation to refunds or returns.

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

Infringements are recognised on issue of the infringement notice.

Planning fees are recognised over time as the performance obligation of assessing the application is completed.

Building and development fees	253	202
Licences and registrations	1,218	1,181
Airport landing fees	95	217
Change of ownership fees	433	454
Caravan park fees	3,295	3,149
Pool fees	1,109	1,232
Refuse tip fees	6,725	5,699
Plumbing and drainage fees	1,755	2,282
Search fees	1,279	1,365
Interment fees	666	561
Lodgement fees	437	543
Passenger head taxes	579	367
Planning fees	3,362	2,371
Security screening revenue	2,044	311
Special water meter reading fees	302	288
Water allocation fees	221	293
Trade waste compliance fees	333	301
Other fees and charges	1,163	1,477
Total fees and charges	25,269	22,293

(c) Sales revenue

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

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

	2022 \$ '000	2021 \$ '000
Contract and recoverable works	3,683	5,063
Total sales revenue	3,683	5,063

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 3. Revenue (continued)

(d) Grants, subsidies, contributions and donations

Grant income under AASB 15

Grants which are subject to an enforceable agreement containing sufficiently specific performance obligations are recognised as revenue as or when the relevant performance obligations are satisfied. Performance obligations vary in each agreement but will require the provision of goods or services to either the grantor or a third party. Payment terms vary depending on the grant agreement, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Grant income under AASB 1058

Grants which do not contain sufficiently specific performance obligations to transfer goods or services to the grantor or a third party are within the scope of AASB 1058. Revenue from these grants is recognised when Council obtains control over them, which is usually upon receipt of funds.

Capital grants

Grants received under an enforceable agreement to enable Council to acquire or construct an item of property, plant and equipment to identified specifications are recognised as revenue as or when the obligation to construct or purchase the asset is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Contributions

Where assets are donated or purchased for significantly below fair value, revenue is recognised when the asset is acquired and controlled by Council. Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

	2022 \$ '000	2021 \$ '000
(i) Recurrent		
General purpose grants *	10,781	8,282
Government grants and subsidies #	4,785	1,278
Total recurrent grants, subsidies, contributions and donations	15,566	9,560

(#) During the reporting period Council received \$2,000,000 from the Queensland Reconstruction Authority to assist with the flood recovery.

(*) During the reporting period Council received the full 2022/23 Financial Assistance Grant from the Commonwealth Government in advance. Council normally receives 50% of the grant in advance.

	2022 \$ '000	2021 \$ '000
Notes		

(ii) Capital

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

Contributions	13,073	15,786
Government grants and subsidies	15,898	30,523
Developer contributed assets	19,409	21,531
Total capital grants, subsidies, contributions and donations	48,380	67,840

Fraser Coast Regional Council

Notes to the Financial Statements
for the year ended 30 June 2022

Note 3. Revenue (continued)

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

	2022		2021	
	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000
Grants and subsidies	18,837	12,627	13,435	26,648
Contributions	32,482	–	37,317	–
	<u>51,319</u>	<u>12,627</u>	<u>50,752</u>	<u>26,648</u>

Note 4. Interest and other income

	2022 \$ '000	2021 \$ '000
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(a) Interest received

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

Interest received from investments and term deposits	1,286	1,857
Interest from overdue rates and utility charges	906	1,242
Interest received on State Government fire levy	–	74
Total interest received	<u>2,192</u>	<u>3,173</u>

(b) Other income

Airport income	295	206
Brolga theatre performance income	310	190
Commission income	216	188
Fuel tax credits	331	340
Insurance receipts	176	28
Expense reimbursements	303	425
Reuse and recycling income	1,880	1,439
Other income	1,674	1,743
Total other income	<u>5,185</u>	<u>4,559</u>

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 5. Capital income

	Notes	2022 \$ '000	2021 \$ '000
(a) Gain / loss on disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		1,693	1,760
Less: carrying value of property, plant and equipment disposed	14	(870)	(946)
		<u>823</u>	<u>814</u>
(b) Revaluations			
Biological assets		5	58
		<u>5</u>	<u>58</u>
(c) Non-current assets held for sale			
Proceeds from the sale of land held for sale		800	250
Less: carrying value of land held for sale disposed	13	(874)	(148)
		<u>(74)</u>	<u>102</u>
(d) Other			
Previously unrecorded buildings and site improvements #	26	–	1,747
Previously unrecorded road and bridge network assets #	26	103	156
Previously unrecorded water infrastructure assets #	26	–	315
Previously unrecorded sewerage infrastructure assets #	26	–	68
Previously unrecorded stormwater drainage assets #	26	81	149
Previously unrecorded coastal infrastructure assets #	26	12	–
Reversal of prior year revaluation decrement (coastal infrastructure) *		2,969	–
		<u>3,165</u>	<u>2,435</u>
Total capital income		<u>3,919</u>	<u>3,409</u>

(#) The previously unrecorded assets include the written down value of recording the initial recognition of discovered assets relating to prior periods for buildings and site improvements, road and bridge network assets, stormwater drainage, water and sewerage assets (2021 - buildings and site improvements, road and bridge network assets, stormwater drainage, water and sewerage assets). Management have not presented a restated prior period position as the net impact of the above errors identified in Note 26(b) are not considered material in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

(*) In previous reporting periods, Council had recognised revaluation decrements in the coastal infrastructure class of property, plant and equipment totalling \$4,349,802. A partial reversal of the decrement was recognised in the 2018 reporting period for \$649,527. A further partial reversal of the prior year decrement has been recognised in the current reporting period for \$2,968,876 following the comprehensive valuation of this class of assets. At 30 June 2022 the remaining revaluation decrement for the coastal infrastructure asset class was \$731,399.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 6. Employee benefits

	Notes	2022 \$ '000	2021 \$ '000
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		69,297	64,904
Councillors' remuneration		1,091	1,083
Annual, sick and long service leave entitlements		8,848	7,995
Superannuation	23	8,107	7,301
		87,343	81,283
Other employee related expenses		1,406	1,089
		88,749	82,372
Less: capitalised employee expenses		(7,846)	(8,443)
Total Employee benefits		80,903	73,929

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

	2022 Number	2021 Number
Total Council employees at the reporting date:		
Elected members	11	11
Staff	869	863
Total full time equivalent employees	880	874

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 7. Materials and services

	2022 \$ '000	2021 \$ '000
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Advertising and marketing	324	383
Audit fees *	199	220
Capital work in progress expensed	455	1,149
Chemicals	3,793	3,178
Cleaning	1,174	837
Communication expenses	1,631	1,272
Computer licences and maintenance	5,115	4,727
Consultants and contractors	20,935	19,142
Contributions - Fraser Coast Tourism & Events	1,706	1,817
Donations, sponsorships and contributions	2,043	2,437
Electricity and gas charges	6,505	6,137
Fuel and oil	2,507	1,746
Government charges and licences	1,226	1,518
Insurance	2,692	2,389
Legal fees	755	780
Management fees	3,673	2,877
Materials	6,226	6,094
Memberships and subscriptions	656	642
Plant hire	1,791	1,631
Refuse charges	5,586	5,130
Repairs and maintenance	4,408	4,051
Security services	1,243	914
Services	3,725	3,367
Traffic control	2,377	1,642
Waste levy expense	6,800	5,432
Waste levy refund **	(3,595)	(2,571)
Workshop expenditure	1,483	1,908
Other materials and services	5,015	3,842
Total materials and services	90,448	82,691

*Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$199,000 (2021: \$195,000).

** The State government rebated \$3,594,848 of the state waste levy to mitigate the direct impacts on households.

Note 8. Finance costs

	Notes	2022 \$ '000	2021 \$ '000
Finance costs charged by the Queensland Treasury Corporation (QTC)		3,250	4,048
Bank charges		322	278
Impairment of receivables		123	193
Interest on leases		3	3
Refuse restoration - unwinding of discount	18	689	647
Total finance costs		4,387	5,169

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 9. Capital expenses

	Notes	2022 \$ '000	2021 \$ '000
Loss on write-off of assets		17,394	20,736
Assets transferred to third parties		1,745	2,763
Aggregated asset adjustments in respect of prior years (assets derecognised)	26	230	1,545
Total capital expenses		19,369	25,044
Loss on write-off of assets			
Land		—	226
Buildings and site improvements		3,856	5,139
Plant and equipment		152	41
Road and bridge network		7,251	10,755
Water infrastructure		1,061	2,207
Sewerage infrastructure		3,006	1,656
Stormwater drainage		1,357	377
Coastal infrastructure		711	335
		17,394	20,736
Aggregated asset adjustments in respect of prior years *			
Buildings and site improvements	26	—	1,425
Stormwater drainage	26	—	120
Coastal infrastructure	26	230	—
		230	1,545

* The previously unrecorded write-offs include the written down value of recording assets written off relating to periods prior to the year ended 30 June 2022 for coastal infrastructure (30 June 2021 - building and site improvements and stormwater drainage) carried out in previous financial periods. Management had not presented a restated prior period position for that period, as the net impact of the above errors identified in Note 26(b) are 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 2022

Note 10. Cash and cash equivalents

	2022 \$ '000	2021 \$ '000
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Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents

Cash in operating bank account	10,520	11,344
Deposits at call	15,000	10,000
Cash on hand	26	27
Investments with Queensland Treasury Corporation (QTC)	83,954	78,754
Balance per Statement of Cashflows	109,500	100,125

Investments

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

Term deposits	84,200	73,700
Total investments	84,200	73,700

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 0.67% and 4.00% (2021: 0.60% and 0.93%).

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. Refer also to Note 28 for further information relating to credit risk.

Restricted and internally allocated cash and cash equivalents

Cash and cash equivalents	109,500	100,125
Less: externally imposed restrictions on cash ⁽ⁱ⁾	(65,542)	(39,639)
Unrestricted cash	43,958	60,486

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

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

Unspent government grants and subsidies	12,605	5,455
Unspent developer contributions	39,003	33,934
Funds restricted for aged housing	254	250
Waste levy received in advance *	13,680	—
Total externally imposed restrictions on cash assets	65,542	39,639

*Cash and cash equivalents at 30 June 2022 includes \$13,680,144 from the State Government to mitigate the direct impacts on households of the State Waste Levy. This money has been set aside to help fund Council's waste levy expense until 30 June 2026.

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

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

Funds restricted for Environmental Levy	213	244
Funds restricted for Disaster Management Levy	1,633	1,004
Total internally allocated cash	1,846	1,248

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 10. Cash and cash equivalents (continued)

	2022 \$ '000	2021 \$ '000
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Trust Funds

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). 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 since Council has no control over the assets.

Trust funds held for outside parties

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

Security deposits

795	501
6,623	6,065
<u>7,418</u>	<u>6,566</u>

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 11. Receivables

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

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. The loss is recognised in finance costs. 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.

	2022 \$ '000	2021 \$ '000
Current		
Rates and charges	7,233	11,971
Other debtors	2,498	1,831
Fees and charges	900	1,377
Deferred infrastructure charges	407	438
Total	11,038	15,617
Less: loss allowance	(71)	(114)
Total current receivables	10,967	15,503
Non-current		
Deferred infrastructure charges	1,288	3,239
Total non-current receivables	1,288	3,239

Credit risk

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. Therefore generally for rates debtors the credit risk is low.

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.

Accounting policies - receivables

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.

Accounting policies - grouping

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

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 11. Receivables (continued)

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. Impairment will exist if arrears are deemed to be greater than the proceeds Council will receive from the sale of the respective property or for outstanding rates and charges on leased properties.

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.

	2022 \$ '000	2021 \$ '000
The exposure to credit risk for trade receivables by type of counterparty was as follows:		
Rates and utility charges	7,233	11,971
State and Commonwealth Government	559	198
Other	4,463	6,573
Total	12,255	18,742

Movement in loss allowance is as follows:

Opening balance at 1 July	114	163
Add: additional impairments recognised	123	193
Less: impairment debts written off during the year	(166)	(242)
Closing balance at 30 June	71	114

Interest is charged on outstanding rates at 8% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Disclosure - credit risk exposure and impairment of receivables

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.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 11. Receivables (continued)

2022	Closing balance \$ '000
Ageing	
A summary of Council's exposure to credit risk for which the impairment requirements of <i>AASB 9 Financial Instruments</i> have been applied, being for other debtors.	
Fully performing	2,210
30-60 days	169
61-90 days	8
90+ days	111
Loss allowance	(71)
Total	2,427
Not subject to impairment	
Rates and utility charges	7,233
Fees and charges	900
Deferred infrastructure charges	1,695
	9,828
Total	12,255

2021	Closing balance \$ '000
Ageing	
Fully performing	1,435
30-60 days	91
61-90 days	24
90+ days	281
Loss allowance	(114)
Total	1,717
Not subject to impairment	
Rates and utility charges	11,971
Fees and charges	1,377
Deferred infrastructure charges	3,677
	17,025
Total	18,742

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 12. Other assets

	2022 \$ '000	2021 \$ '000
Current		
Water charges not yet levied	8,427	9,942
GST recoverable	2,004	3,423
Prepayments	2,612	3,578
Other income accruals	1,938	397
Interest accruals	1,521	2,453
Other assets	13	30
Total current other assets	16,515	19,823
Non-current		
Biological assets	857	852
Total non-current other assets	857	852

Note 13. Non-current assets held for sale

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.

	2022 \$ '000	2021 \$ '000
Non-Current		
Non-current assets held for sale		
Land	2,799	3,673
Total non-current assets held for sale	2,799	3,673

	Notes	2022 \$ '000	2021 \$ '000
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Movement in assets held for sale during the reporting period

Opening balance as at 1 July		3,673	3,821
Less: carrying value of land disposed	5	(874)	(148)
Closing balance as at 30 June		2,799	3,673

Fraser Coast Regional Council

Notes to the Financial Statements
for the year ended 30 June 2022

Note 14. Property, plant and equipment

30 June 2022		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
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Measurement basis	Note	Fair Value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	Cost	
Opening gross balance		112,231	312,662	86,000	1,328,515	715,325	654,847	570,291	31,116	9,990	37,776	3,858,753
Work in progress additions		-	-	-	-	-	-	-	-	-	86,191	86,191
Contributed assets at valuation	3(d)	-	32	-	5,854	1,766	3,281	8,476	-	-	-	19,409
Disposals	5(a)	-	-	(4,252)	-	-	-	-	-	-	-	(4,252)
Write-offs	9	-	(6,773)	(942)	(13,288)	(3,277)	(7,554)	(1,881)	(886)	-	-	(34,601)
Write-offs (prior period adjustment)	26(b)	-	-	-	-	-	-	-	(276)	-	-	(276)
Reversal of prior period revaluation decrements to income	5(d)	-	-	-	-	-	-	-	3,200	-	-	3,200
Revaluation increments to equity (asset revaluation surplus)	20	14,693	25,165	-	-	57,710	35,261	69,772	-	-	-	202,601
Work in progress transfers to property, plant and equipment *		223	7,536	11,475	26,429	6,471	10,920	5,047	860	393	(69,354)	-
Initial recognition of discovered assets	5(d)	-	-	-	103	-	-	84	29	-	-	216
Total gross value of property, plant and equipment		127,147	338,622	92,281	1,347,613	777,995	696,755	651,789	34,043	10,383	54,613	4,131,241
Opening accumulated depreciation and impairment		-	75,934	48,638	373,375	299,788	288,060	205,309	11,078	7,325	-	1,289,507
Correction to opening balances		-	-	-	-	1,505	1,366	-	-	-	-	2,871
Depreciation expense		-	5,479	6,881	17,854	12,317	11,015	5,067	550	573	-	59,736
Depreciation on disposals	5(a)	-	-	(3,382)	-	-	-	-	-	-	-	(3,382)
Depreciation on write-offs	9	-	(2,917)	(790)	(6,037)	(2,216)	(4,548)	(524)	(175)	-	-	(17,207)
Depreciation on write-offs (prior period adjustment)	26(b)	-	-	-	-	-	-	-	(46)	-	-	(46)
Impairment loss (recognised in equity)	20	-	535	-	1,944	-	-	49	-	-	-	2,528
Reversal of prior period revaluation decrements to income	5(d)	-	-	-	-	-	-	-	231	-	-	231
Revaluation increments to equity (asset revaluation surplus)	20	-	6,461	-	-	25,285	14,924	24,971	-	-	-	71,641
Initial recognition of discovered assets	5(d)	-	-	-	-	-	-	3	17	-	-	20
Total accumulated depreciation and impairment of property, plant and equipment		-	85,492	51,347	387,136	336,679	290,817	234,875	11,655	7,898	-	1,405,899
Total net book value of property, plant and equipment		127,147	253,130	40,934	960,477	441,316	405,938	416,914	22,388	2,485	54,613	2,725,342
Range of estimated useful life (years)		Land - not depreciated	30-100	3-10	15-150	5-130	5-130	60-140	25-90	7-100	-	-
*Asset additions comprise												
Asset renewals		-	5,629	8,232	19,485	4,322	9,050	1,943	860	100	-	49,621
Other additions		223	1,907	3,243	6,944	2,149	1,870	3,104	-	293	-	19,733
Total asset additions		223	7,536	11,475	26,429	6,471	10,920	5,047	860	393	-	69,354

** 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 2022

Note 14. Property, plant and equipment

30 June 2021													Total	
Measurement basis	Note	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		
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000		
Opening gross balance		106,144	278,789	78,591	1,276,769	708,474	642,567	574,514	30,967	9,586	25,995	3,732,396		
Work in progress additions		-	-	-	-	-	-	-	-	-	124,731	124,731		
Contributed assets at valuation	3(d)	-	3	-	9,879	2,380	3,952	5,317	-	-	-	21,531		
Disposals	5(a)	(136)	-	(3,386)	-	-	-	-	-	-	-	(3,522)		
Write-offs	9	(226)	(6,774)	(721)	(24,390)	(7,521)	(3,478)	(674)	(717)	-	-	(44,501)		
Write-offs (prior period adjustment)	26(b)	-	(2,776)	-	-	-	-	(204)	-	-	-	(2,980)		
Revaluation increments to equity (asset revaluation surplus)	20	5,299	34,744	-	-	-	-	(12,361)	-	-	-	27,682		
Work in progress transfers to property, plant and equipment *		1,150	10,200	11,337	62,157	11,594	11,708	3,534	866	404	(112,950)	-		
Adjustments and other transfers		-	(4,109)	179	3,930	-	-	-	-	-	-	-		
Initial recognition of discovered assets	5(d)	-	2,585	-	170	398	98	165	-	-	-	3,416		
Total gross value of property, plant and equipment		112,231	312,662	86,000	1,328,515	715,325	654,847	570,291	31,116	9,990	37,776	3,858,753		
Opening accumulated depreciation and impairment		-	57,158	45,772	369,320	293,009	259,202	197,211	10,909	6,765	-	1,239,346		
Depreciation expense		-	5,279	6,057	17,358	12,010	10,650	5,152	551	560	-	57,617		
Depreciation on disposals	5(a)	-	-	(2,576)	-	-	-	-	-	-	-	(2,576)		
Depreciation on write-offs	9	-	(1,635)	(680)	(13,635)	(5,314)	(1,822)	(297)	(382)	-	-	(23,765)		
Depreciation on write offs (prior period adjustment)	26(b)	-	(1,351)	-	-	-	-	(84)	-	-	-	(1,435)		
Revaluation increments to equity (asset revaluation surplus)	20	-	16,028	-	-	-	-	3,311	-	-	-	19,339		
Adjustments and other transfers		-	(383)	65	318	-	-	-	-	-	-	-		
Initial recognition of discovered assets	5(d)	-	838	-	14	83	30	16	-	-	-	981		
Total accumulated depreciation and impairment property, plant and equipment		-	75,934	48,638	373,375	299,788	268,060	205,309	11,078	7,325	-	1,289,507		
Total net book value of property, plant and equipment		112,231	236,728	37,362	955,140	415,537	386,787	364,982	20,038	2,665	37,776	2,569,246		
Range of estimated useful life (years)		Land - not depreciated	30-100	3-10	15-150	20-80	12-100	60-140	30-90	7-100	-	-		
*Asset additions comprise														
Asset renewals		-	3,349	2,328	49,927	6,817	6,913	2,351	866	126	-	72,677		
Other additions		1,150	6,851	9,009	12,230	4,777	4,795	1,183	-	278	-	40,273		
Total asset additions		1,150	10,200	11,337	62,157	11,594	11,708	3,534	866	404	-	112,950		
** 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 2022

Note 14. Property, plant and equipment (continued)

(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.

(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.

(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.

(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.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

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.

During the reporting period, Council assessed for impairment on infrastructure assets that were damaged during adverse weather events. An impairment loss has been recognised against the relevant assets and offset against the revaluation surplus of the relevant asset classes.

(e) Valuation

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, disposals, 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.

Fair values are classified into three levels as follows:

- 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)

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.

Council's fair value measurements are categorised 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.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

Valuation techniques used to derive level 2 and level 3 fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)
Land (Level 2)	Market approach by direct comparison	30/06/2019	APV	8.20% - 20.50% index applied (from 1 July 2021 to 30 June 2022)

Key assumptions and estimates (related data sources)

Database of recent sales at price per square metre or per hectare of land area within the region - adjusted for differences in key attributes.

Buildings and site improvements (Level 2) \$ '000 2022: 999 2021: 906	Market approach by direct comparison, income or summation methods	30/06/2021	APV	11.30% index applied (from 1 July 2021 to 30 June 2022)
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Key assumptions and estimates (related data sources)

Database of recent sales transactions of similar property types (residential properties) where there is an active and liquid market. Residential properties fair value derived from sales price of comparable properties after adjusting for differences in key attributes such as property size. Assets physically inspected to assess condition and how it may impact the assets highest and best use to potential market participants and its market value.

Buildings and site improvements (Level 3) \$ '000 2022: 252,131 2021: 235,822	Current replacement cost	30/06/2021	APV	8.30% - 9.10% index applied (from 1 July 2021 to 30 June 2022)
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Key assumptions and estimates (related data sources)

Specialised nature of local government buildings and some residential properties in isolated locations where there was no evidence to support a market approach, the current replacement cost approach was taken. APV considered actual construction or purchase prices for Council projects, Rawlinson's Construction Guide (or similar), development of costs using first principles. APV have also developed models for specific asset types, benchmarking against other valuations and their database from research of building and site improvement costs. All assets were physically inspected to estimate residual value, useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation which comprised unobservable inputs significant to the valuation.

Road and bridge network infrastructure (Level 3)	Current replacement cost	30/06/2020	APV	No index applied < 5% (2.40% - 5.10% for 1 July 2020 to 30 June 2022)
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Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)
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Key assumptions and estimates (related data sources)

APV reviewed and updated unit rates for all road and bridge network assets which were applied effective 30 June 2020. Inputs included actual construction data and purchase price based on recently completed Council projects, valuer's database of recent project costs from various clients, Rawlinson's Construction Guide (or similar) and benchmarking against other valuations.

Assets are componentised into significant parts with different useful lives. Unit rates are based on square metres or similar capacity. Other inputs include estimates of residual value, useful life, pattern of consumption and asset condition. Due to the nature of road and bridge network infrastructure assets, there are a large number of assets and it is not physically possible to inspect every asset to complete a valuation. Reliance placed on accuracy of data in the asset management system and associated internal controls including regular planned inspections and updates to the system following maintenance and renewal treatments.

No indices were applied in the current period as the cumulative change in the indices on this class of assets was under Council's threshold of 5%.

Stormwater infrastructure (Level 3)	Current replacement cost	30/06/2021	APV	12.90% index applied to gross pollutant traps, open drains, pipes and detention structures (from 1 July 2021 to 30 June 2022) 4% index applied to stormwater pits (from 1 July 2021 to 30 June 2022)
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Key assumptions and estimates (related data sources)

APV completed a comprehensive valuation on stormwater infrastructure assets able to be inspected such as gross pollutant traps (GPTs), detention structures and open drains effective 30 June 2021.

APV reviewed and updated current unit rates for stormwater pipe assets effective 30 June 2021. Inputs included actual construction data and purchase price based on recently completed Council projects, valuer's database of recent project costs from various clients, Rawlinson's Construction Guide (or similar) and benchmarking against other valuations.

Assets are componentised into significant parts with different useful lives and unit rates based on square metres or similar capacity. Other inputs include estimates of residual value, useful life, pattern of consumption and asset condition. Due to the nature of stormwater network infrastructure assets, there are a large number of assets and it is not physically possible to inspect every asset to complete a valuation. Reliance placed on accuracy of data in the asset management system and associated internal controls including regular planned inspections and updates to the system following maintenance and renewal treatments.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)
Water and sewerage infrastructure (Level 3)	Current replacement cost	30/06/2020	APV	7.48% - 8.60% index applied to water infrastructure (from 1 July 2020 to 30 June 2022) 4.60% - 7.00% index applied to sewerage infrastructure (from 1 July 2020 to 30 June 2022)

Key assumptions and estimates (related data sources)

Site infrastructure - Comprehensive valuation where all accessible assets were inspected. Assets unable to be accessed for inspection due to their nature (i.e. underground pipes) reliance was placed on condition data maintained by Council (asset management/ GIS systems). Where data was unavailable valuer assumptions were based on expected physical condition and attributes given the assets age and design characteristics.

Network infrastructure - APV reviewed and updated unit rates for all water and sewerage network infrastructure which were applied effective 30 June 2020. Inputs included actual construction data and purchase price based on recently completed Council projects, valuer's database of recent project costs from various clients, Rawlinson's Construction Guide (or similar) and benchmarking against other valuations. Unit rates are based on length, square metres or similar capacity.

Accumulated depreciation - assets are subject to site inspection or an assessment to determine remaining useful life. Where inspection was not conducted assessment was calculated on an age basis considering current and planned maintenance records. For sewer gravity mains there was the assumption that pipes will be relined and the useful life was determined as the pipe useful life plus the reline useful life.

Coastal infrastructure (Level 3)	Current replacement cost	30/06/2022	APV	N/A
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Key assumptions and estimates (related data sources)

APV completed a comprehensive valuation of coastal infrastructure assets where all assets were inspected effective 30 June 2022. Asset class is wholly comprised of specialised assets, where each asset is assessed individually with consideration to material type used for construction, condition and size. Estimated replacement cost calculated by componentising assets into significant parts with different useful lives. Inputs include average cost of construction and consumption score for each component. Unobservable inputs requiring extensive professional judgement include estimates of residual value, useful life, pattern of consumption and asset condition and the relationship to the assessed level of remaining service potential of the depreciable amount.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 15. Contract balances

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When an amount of consideration is received from a customer or fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability. Funds received upfront to construct Council controlled assets relate to capital grants received to construct an asset controlled by Council to identified specifications within the agreement. Funds received in advance of services provided relate to operational grants with sufficient specific performance obligations and planning fees (development applications) received upfront.

	2022 \$ '000	2021 \$ '000
Contract liabilities		
Current		
Funds received upfront to construct Council controlled assets	10,267	4,661
Funds received in advance of services provided	938	515
Total contract liabilities	11,205	5,176

Revenue recognised that was included in the contract liability balance at the beginning of the year

Funds to construct Council controlled assets	2,838	4,879
Deposits received in advance of services provided	418	385
Total revenue included in the contract liability	3,256	5,264

Note 16. Payables

	2022 \$ '000	2021 \$ '000
Current		
Creditors and accruals	24,751	29,312
Prepaid rates	10,814	9,942
Employee entitlements	515	445
Total current payables	36,080	39,699

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.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 17. 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 21 January 2024 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.

	2022 \$ '000	2021 \$ '000
Current		
Loans - Queensland Treasury Corporation	12,832	12,227
Total current borrowings	12,832	12,227
Non-current		
Loans - Queensland Treasury Corporation	33,293	46,011
Total non-current borrowings	33,293	46,011

Reconciliation of loan movements for the year

Opening balance at 1 July	58,238	73,177
Principal repayments	(12,113)	(14,939)
Closing balance at 30 June	46,125	58,238

The QTC loan market value at the reporting date was \$48,477,934 (2021: \$66,743,431). 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.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 18. Provisions

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

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.

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 30 year Commonwealth government bond rate at 30 June 2022.

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.

The provision for restoration is included in the cost of the landfill asset and amortised over the useful life of the landfill. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for buildings and site improvements. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases (if any). Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

	2022 \$ '000	2021 \$ '000
Current		
Annual leave	7,135	6,539
Long service leave	7,523	6,749
Refuse restoration	600	514
Total current provisions	15,258	13,802
Non-current		
Long service leave	958	975
Refuse restoration	33,191	38,847
Total non-current provisions	34,149	39,822

Fraser Coast Regional Council

Notes to the Financial Statements
for the year ended 30 June 2022

Note 18. Provisions (continued)

	Notes	2022 \$ '000	2021 \$ '000
Details of movements in provisions			
Refuse restoration			
Balance at beginning of financial year		39,361	38,042
Additional provision	20	5,843	905
Decrease due to payments		(253)	(19)
Increase in provision due to unwinding of discount	8	689	647
Increase/(decrease) in provision due to change in discount rate and inflation rates	20	(11,849)	(214)
Balance at end of financial year		33,791	39,361

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 2022 to 2052 and expenditure is expected from 2022 to 2084.

Note 19. Other liabilities

	2022 \$ '000	2021 \$ '000
Current		
Waste levy refund received in advance	3,946	—
Unearned revenue	435	129
Construction retentions	2,501	1,504
Total current other liabilities	6,882	1,633
Non-current		
Waste levy refund received in advance	9,734	—
Total non-current other liabilities	9,734	—

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 20. 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.

Changes in the refuse restoration provision are treated as the reverse of revaluations of the related asset class (building and site improvements). Any increase in the provision is recognised as a decrease in the asset revaluation surplus in respect of that asset class, with any excess decrease greater than the amount remaining in the asset revaluation surplus for that class treated as an expense.

Where an asset is carried at a revalued amount, any impairment losses are offset against the revaluation surplus of the relevant class to the extent available, and the reversal of impairment losses on such assets will be treated as a revaluation surplus increase.

Movements in the asset revaluation surplus

	Note	2022 \$ '000	2021 \$ '000
Balance as at 1 July		667,334	659,682
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Land	14	14,693	5,299
Buildings and site improvements (revaluation)	14	18,704	18,716
Buildings and site improvements (impairment)	14	(535)	-
Buildings and site improvements (movements in restoration provision)	18	6,006	(691)
Road and bridge network (impairment)	14	(1,944)	-
Water infrastructure	14	32,425	-
Sewerage infrastructure	14	20,337	-
Stormwater drainage	14	44,801	(15,672)
Stormwater drainage (impairment)	14	(49)	-
Net movements in the asset revaluation surplus		134,438	7,652
Balance as at 30 June		801,772	667,334

Asset revaluation surplus analysis

	2022 \$ '000	2021 \$ '000
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land	44,965	30,272
Buildings and site improvements	90,153	65,978
Road and bridge network	208,994	210,938
Water infrastructure	169,323	136,898
Sewerage infrastructure	159,155	138,818
Stormwater drainage	129,182	84,430
	801,772	667,334

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 21. Commitments for expenditure

	2022 \$ '000	2021 \$ '000
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Infrastructure contracts	42,887	21,363
Pest control	53	72
Garbage collection contract	143,798	4,646
Cleaning services	1,934	2,519
Security services	457	187
Security screening	2,574	3,453
	<u>191,703</u>	<u>32,240</u>
These expenditures are payable as follows:		
Within the next year	57,467	27,775
Later than one year and not later than 5 years	56,538	4,401
Later than 5 years	77,698	64
Total payable	<u>191,703</u>	<u>32,240</u>

Note 22. Contingent liabilities

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

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 2021 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 \$2,368,912.

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.

Council is currently subject to a number of legal claims from a number of sub-contractors who have worked on some recent Council construction contracts. The principal Council contractor had gone into liquidation during the reporting period and the sub-contractors had not been paid by the contractor for their work in relation to these contracts.

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.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 23. 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 pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of the Council.

Technically Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed 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 2021. The actuary indicated that "At the valuation date of 1 July 2021, 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 measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. 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 salary or wages and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due to commence after 1 July 2024.

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.

	Notes	2022 \$ '000	2021 \$ '000
Superannuation contributions made to the Regional Defined Benefits Fund		675	701
Other superannuation contributions for employees		7,432	6,600
Total superannuation contributions paid by Council for employees	6	8,107	7,301

Fraser Coast Regional Council

Notes to the Financial Statements
for the year ended 30 June 2022

Note 24. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

	Notes	2022 \$ '000	2021 \$ '000
Net operating result from statement of comprehensive income		32,726	46,666
Non-cash items			
Depreciation and amortisation		60,144	57,980
Reversal of prior period property, plant and equipment revaluation decrements costed direct to the income statement	5	(2,969)	–
Changes in estimated refuse restoration costs to asset revaluation surplus		6,006	(691)
		<u>63,181</u>	<u>57,289</u>
Losses/(gains) recognised on fair value re-measurements through the income			
Revaluations on biological assets		(5)	(58)
		<u>(5)</u>	<u>(58)</u>
Investing and development activities			
Net (profit)/loss on disposal of assets		(749)	(916)
Capital grants and contributions		(48,380)	(67,840)
Other capital items		(196)	(2,435)
Capital expenses		17,624	22,281
		<u>(31,701)</u>	<u>(48,910)</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		6,530	3,320
Increase/(decrease) in loss allowance		(43)	(49)
(Increase)/decrease in inventories		(159)	(604)
(Increase)/decrease in other assets		3,308	(4,387)
Increase/(decrease) in payables		(3,619)	9,229
Increase/(decrease) in contract liabilities (excluding capital grants)		423	(772)
Increase/(decrease) in employee leave entitlements		1,353	1,739
Increase/(decrease) in other provisions		(5,570)	1,319
Increase/(decrease) in other liabilities		14,983	236
		<u>17,206</u>	<u>10,031</u>
Net cash provided from operating activities from the statement of cash flows		<u>81,407</u>	<u>65,018</u>

Fraser Coast Regional Council

Notes to the Financial Statements
for the year ended 30 June 2022

Note 25. Reconciliation of liabilities arising from finance activities (continued)

	as at 30/06/21			as at 30/06/22
	Opening Balance \$ '000	Cashflows \$ '000	Non-cash changes (new leases) \$ '000	Closing balance \$ '000
Borrowings	58,238	(12,113)	–	46,125
Lease liability	445	(298)	428	575
	<u>58,683</u>	<u>(12,411)</u>	<u>428</u>	<u>46,700</u>

	as at 30/06/20			as at 30/06/21
	Opening Balance \$ '000	Cashflows \$ '000	Non-cash changes (new leases) \$ '000	Closing balance \$ '000
Borrowings	73,177	(14,939)	–	58,238
Lease liability	356	(257)	346	445
	<u>73,533</u>	<u>(15,196)</u>	<u>346</u>	<u>58,683</u>

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 26. Correction of error

(a) Depreciation of water and sewerage assets

Council identified a prior period error during the conversion of asset data to a new enterprise asset management system. It was discovered when reviewing the remaining useful life for water and sewerage infrastructure assets, that parameters have been set up in the former asset register so assets would be depreciated to within 1 or 2 years of their remaining useful lives. This meant that the depreciation would cease, in effect leaving 1 or 2 years residual value on these assets. This affected approximately 26,000 assets.

Council only holds residual values on plant and equipment and building assets, this has meant that the affected water and sewerage infrastructure assets have been under depreciated in prior reporting periods. The written down value of the affected assets as 30 June 2021 was \$2,935,779 of which \$2,871,257 of depreciation expense should have been recognised in prior periods. The additional depreciation expense that should have been recognised in each prior period is as follows:

Asset class	2020/2021 \$ '000	2019/2020 \$ '000	2018/2019 \$ '000	2017/2018 and prior \$ '000	Total \$ '000
Water infrastructure	122	75	76	1,232	1,505
Sewerage infrastructure	69	76	34	1,187	1,366
Total	191	151	110	2,419	2,871

The impact of this error is not considered material and management have not presented a restated prior period position in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*.

The following adjustment has been made to correct the opening balances of accumulated depreciation for water and sewerage infrastructure assets to reflect the increased depreciation expense that should have been recognised in prior years.

Note	2022 \$ '000
------	-----------------

Statement of financial position at 30 June 2022

Property, plant and equipment

Increase accumulated depreciation	(2,871)
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Retained surplus

Decrease in retained surplus for correction of prior period errors	(2,871)
--	---------

(b) 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. The net written down value impact of the errors detailed below are not considered material in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, therefore have not been presented in a restated prior period position. Details of errors identified in the current year are set out below:

- A comprehensive revaluation of the coastal infrastructure asset class was carried out during the reporting period. A total of two assets that were not recorded in the asset register were discovered during the inspection process. Further, three assets that had been disposed, demolished or unable to be located were derecognised as a result of the comprehensive valuation process.
- 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.
- In conjunction with the revaluation of buildings and site improvement assets during the previous reporting period, the valuers carried out inspections of this asset class. A number of assets that were not recorded in the asset register were discovered

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 26. Correction of error (continued)

during this process. In addition, a number of assets that were either not in Council ownership or had been disposed, demolished or unable to be located were derecognised;

	Note	2022 \$ '000	2021 \$ '000
Initial recognition of previously unrecorded non-current assets			
Building and site improvements assets	5	-	1,747
Road and bridge network assets	5	103	156
Water infrastructure assets	5	-	315
Sewerage infrastructure assets	5	-	68
Stormwater drainage assets	5	81	149
Coastal infrastructure assets	5	12	-
Total		196	2,435
	Note	2022 \$ '000	2021 \$ '000
Initial derecognition of non-current assets			
Building and site improvements assets	9	-	1,425
Stormwater drainage assets	9	-	120
Coastal infrastructure	9	230	-
Total		230	1,545
Net prior period correction		(34)	890

Note 27. Events after the reporting period

There were no material adjusting events after the balance date.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 28. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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

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.

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 and Risk 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 and Risk 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.

For further details regarding credit risk in relation to cash and cash equivalents see Note 10, and for receivables see Note 11.

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.

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

Notes to the Financial Statements for the year ended 30 June 2022

Note 28. Financial instruments and financial risk management (continued)

Exposure to liquidity risk

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 (excluding lease liabilities) held by Council. It represents the remaining contractual cash flows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	Notes	0 to 1 year \$ '000	1 to 5 years \$ '000	Over 5 years \$ '000	Total contractual cash flows \$ '000	Carrying amount \$ '000
2022						
Payables	16	24,751	—	—	24,751	24,751
Loans - QTC	17	15,201	27,892	10,667	53,760	46,125
		<u>39,952</u>	<u>27,892</u>	<u>10,667</u>	<u>78,511</u>	<u>70,876</u>
2021						
Payables	16	29,312	—	—	29,312	29,312
Loans - QTC	17	15,363	39,270	14,491	69,124	58,238
		<u>44,675</u>	<u>39,270</u>	<u>14,491</u>	<u>98,436</u>	<u>87,550</u>

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 indices, such as interest rates, will affect the 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.

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.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 28. Financial instruments and financial risk management (continued)

		Net carrying amount	Net result		Equity	
	Notes	\$ '000	1% increase \$ '000	1% decrease \$ '000	1% increase \$ '000	1% decrease \$ '000
2022						
Investments with QTC	10	83,954	840	(840)	840	(840)
Other cash	10	25,520	255	(255)	255	(255)
Loans - QTC *	17	(46,125)	—	—	—	—
Net		63,349	1,095	(1,095)	1,095	(1,095)
2021						
Investments with QTC	10	78,754	788	(788)	788	(788)
Other cash **	10	21,344	213	(213)	213	(213)
Loans - QTC *	17	(58,238)	—	—	—	—
Net		41,860	1,001	(1,001)	1,001	(1,001)

**The 2021 comparative figures for other cash include deposits at call in the sensitivity analysis. In the 2021 issued financial statements this included only cash in operating bank account. The 2021 comparative figures have been reclassified accordingly.

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.

(b) 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.

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 29. National competition policy

Business activities to which the code of competitive conduct is applied

Council applies the competitive code of conduct to the following activities:

- Wide Bay Water
- 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 competitive code of conduct:

	Fraser Coast Waste \$ '000	Wide Bay Water \$ '000
2022		
Revenue for services provided to the Council	197	2,160
Revenue for services provided to external clients	30,438	82,840
Community service obligations	332	768
	<u>30,967</u>	<u>85,768</u>
Less : expenditure	(23,032)	(62,297)
Less: net competitive neutrality adjustments	(185)	(410)
Surplus/(deficit)	<u>7,750</u>	<u>23,061</u>

Description of CSO's provided to business activities:

Activities	CSO description	2022 \$ '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.	768
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.	332

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 30. Controlled entities that have not been consolidated

Unconsolidated controlled entities

Fraser Coast Regional Council has one controlled entity that is not consolidated, because of its size and nature means it is not material to Council operations.

Fraser Coast Tourism & Events Ltd

Fraser Coast Tourism & Events Ltd (FCTE) is a controlled entity of Council which undertakes the functions of 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 the transfer of Tourism Fraser Coast on 1 September 2013.

At its meeting on 22 May 2019, Council endorsed a 3-year Funding and Accountability Agreement with FCTE which expired 30 June 2022.

Council has resolved to provide additional funding for the period commencing 1 July 2022 and expiring on 30 June 2025. Until a new funding agreement has been finalised, a memorandum of understanding between Council and FCTE has been signed where Council will continue to provide in-kind contributions to FCTE and FCTE will comply with all obligations in relation to the in-kind contributions under the expired agreement.

The board currently consists of seven directors. On 31 January 2022 the Council CEO resigned as a director and the Mayor was appointed.

The assets, liabilities and net results of operations are summarised below.

	2022 (unaudited) \$ '000	2021 \$ '000
Income and expenses		
Operating revenue	3,214	3,378
Operating expenses	(3,107)	(3,240)
Net result	107	138
Assets		
Current assets	1,751	1,770
Non-current assets	74	51
Total assets	1,825	1,821
Liabilities		
Current liabilities	972	1,323
Non-current liabilities	281	32
Total liabilities	1,253	1,355
Net assets	572	466

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 31. Transactions with related parties

(a) Subsidiaries

The group consists of Council and one subsidiary - Fraser Coast Tourism & Events Ltd. The subsidiary is not consolidated, details are disclosed in Note 30.

The following transactions occurred with subsidiaries:

Subsidiary	Goods and services supplied to Council on normal terms and conditions	2022 \$ '000	2021 \$ '000
Fraser Coast Tourism & Events Ltd	Tourism and events services supplied to Council	1,913	2,354
Total		1,913	2,354

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 for Council waste services to service events. The total of these transactions are listed below:

Payments by FCTE to Council	2022 \$ '000	2021 \$ '000
Reimbursements for outgoings	64	45
Other reimbursements	13	12
Motor vehicle hire	20	20
Total	97	77

(b) Key management personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and Council's Executive Management team.

	2022 \$ '000	2021 \$ '000
The compensation paid to key management personnel comprises:		
Short-term employee benefits	2,938	2,845
Post-employment benefits	274	260
Long-term benefits	21	20
Total	3,233	3,125

Fraser Coast Regional Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 31. Transactions with related parties (continued)

(c) 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	2022 \$ '000	2021 \$ '000
Employee expenses for close family members of KMP 1	-	34
Other transactions with entities controlled by KMP or close family members of KMP 2	30	-
Total	30	34

1. During the reporting period there was one casual employee that is a close family member of key management personnel employed by Council. Close family members of key management personnel are employed through an arm's length process. They are paid in accordance with the Award for the work they perform. For the reporting period the employee expenses for the casual employee were less than \$500. In the prior year, an additional full time employee that was a close family member of key management personnel ceased employment.
2. During the reporting period, a company controlled by a close family member of Councillor Jade Wellings purchased a property that had been sold by Council at public auction for overdue rates and charges. The total amount of unpaid rates and charges owing to Council on the property was \$30,455 at time of settlement. The property was one of thirty-two (32) properties that went to auction, and the sale was carried out at arm's length under normal terms and conditions for such a transaction.

(d) Outstanding balances

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

(e) Loans and guarantees to/from related parties

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

(f) Commitments to/from other related parties

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

(g) 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 2022

Management Certificate for the year ended 30 June 2022

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 Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 1 to 49, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



George Seymour
Mayor
27 September 2022



Ken Diehm
Chief Executive Officer
27 September 2022

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 financial report of Fraser Coast Regional Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2022, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General 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 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 financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Fraser Coast Regional Council's annual report for the year ended 30 June 2022 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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 councillors for the financial report

The councillors are 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 councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are 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 2022:

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council's transactions and account balances to enable the preparation of a true and fair financial report.



29 September 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Fraser Coast Regional Council

General Purpose Financial Statements for the year ended 30 June 2022

Current Year Financial Sustainability Statement

	Actual 2022	Target 2022
Measures of financial sustainability		
1. Operating surplus ratio		
Net result (excluding capital items)		
Total operating revenue (excluding capital items)	(0.09)%	0% - 10%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
2. Asset sustainability ratio		
Capital expenditure on the replacement of assets (renewals)		
Depreciation expense	80.58%	> 90.00%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		
3. Net financial liabilities ratio		
Total liabilities less current assets		
Total operating revenue (excluding capital items)	(27.05)%	< 60.00%
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

Note 1 - basis of preparation

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

The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2022.

Fraser Coast Regional Council

General Purpose Financial Statements
for the year ended 30 June 2022

Certificate of Accuracy

Current Year Financial Sustainability Statement
Certificate of Accuracy
for the year ended 30 June 2022

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

27 September 2022



Ken Diehm

Chief Executive Officer

27 September 2022

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 financial sustainability statement of Fraser Coast Regional Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.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 2022 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General 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 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 financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Fraser Coast Regional Council's annual report for the year ended 30 June 2022 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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 councillors for the current-year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors' responsibility also includes such internal control as the councillors determine 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.



29 September 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Fraser Coast Regional Council

General Purpose Financial Statements
for the year ended 30 June 2022

Unaudited Long-Term Financial Sustainability Statement

	Target 2022	Actual 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Measures of financial sustainability												
1. Operating surplus ratio												
Net result (excluding capital items)		(0.09%)	(1.19%)	0.60%	0.58%	0.55%	0.71%	2.02%	1.35%	0.17%	0.47%	0.89%
Total operating revenue (excluding capital items)		0 - 10%										
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
2. Asset sustainability ratio												
Capital expenditure on the replacement of assets (renewals)		80.58%	94.36%	89.98%	80.90%	103.55%	99.06%	93.79%	99.18%	100.40%	105.06%	114.98%
Depreciation expense												
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
3. Net financial liabilities ratio												
Total liabilities less current assets		(27.05%)	(15.84%)	2.90%	9.45%	26.18%	29.18%	24.55%	23.79%	22.03%	19.44%	16.74%
Total operating revenue (excluding capital items)		< 60%										
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 Council's 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.

Fraser Coast Regional Council

General Purpose Financial Statements
for the year ended 30 June 2022

Certificate of Accuracy - Long Term Financial Sustainability Statement

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
27 September 2022



Ken Diehm
Chief Executive Officer
27 September 2022

INDEX OF LEGISLATIVE REQUIREMENTS

<i>Local Government Act 2009</i>			
Section	Title	Heading	Page
41	Identifying beneficial enterprises	Beneficial Enterprise	25
45	Identifying significant business activities	Significant Business Activities	25
201	Remuneration senior management	Senior Management Remuneration	24
<i>Local Government Regulation 2012</i>			
183	Financial Statements	Financial Statements	46
184	Community Financial Report	Community Financial Report	37
185	Particular resolutions	Particular Resolutions	25
186	Councillors	<ul style="list-style-type: none"> Councillor Remuneration and Expenses Council Meeting Attendance Councillor Conduct 	21 22 23
187	Administration Action Complaints	Administrative Action Complaints	24
188	Overseas Travel	Overseas Travel	25
189	Expenditure on grants to community organisations	<ul style="list-style-type: none"> Expenditure on Grants to Community Organisations Councillors' Discretionary Fund Expenditure Mayor's Community Benefit Fund Mayor's Donations and Sponsorship 	26 27 31 31
190 (1)(a)(b)	Assessment of operations and performance	<ul style="list-style-type: none"> Council's Goal Performance CEO's Message 	13 7
190 (1)(c)	Annual Operations Report	Commercial Business Unit Report	Attachment 1
190 (1)(d)(i)(ii)	Details of special rates and charges	Details of Special Rates and Charges	32
190 (1)(e)	Tenders	Changes to Council Tenders	32
190 (1)(f)	Register	Council Registers	33
190 (1)(g)	Concessions for rates and charges	Summary of Concessions for Rates and Charges	32
190 (1)(h)	Report on Internal Audit	Internal Audit Function Audit and Risk Committee	33 33
190 (1)(i)(j)	Competitive neutrality complaints	Competitive Neutrality Complaints	25
<i>Public Sector Ethics Act 1994</i>			
23	Public Sector Ethics	<ul style="list-style-type: none"> Employees' Code of Conduct Education and Training Procedures and Practices of Public Sector Entities 	35 35 35

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 Operational 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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WIDE BAY
water

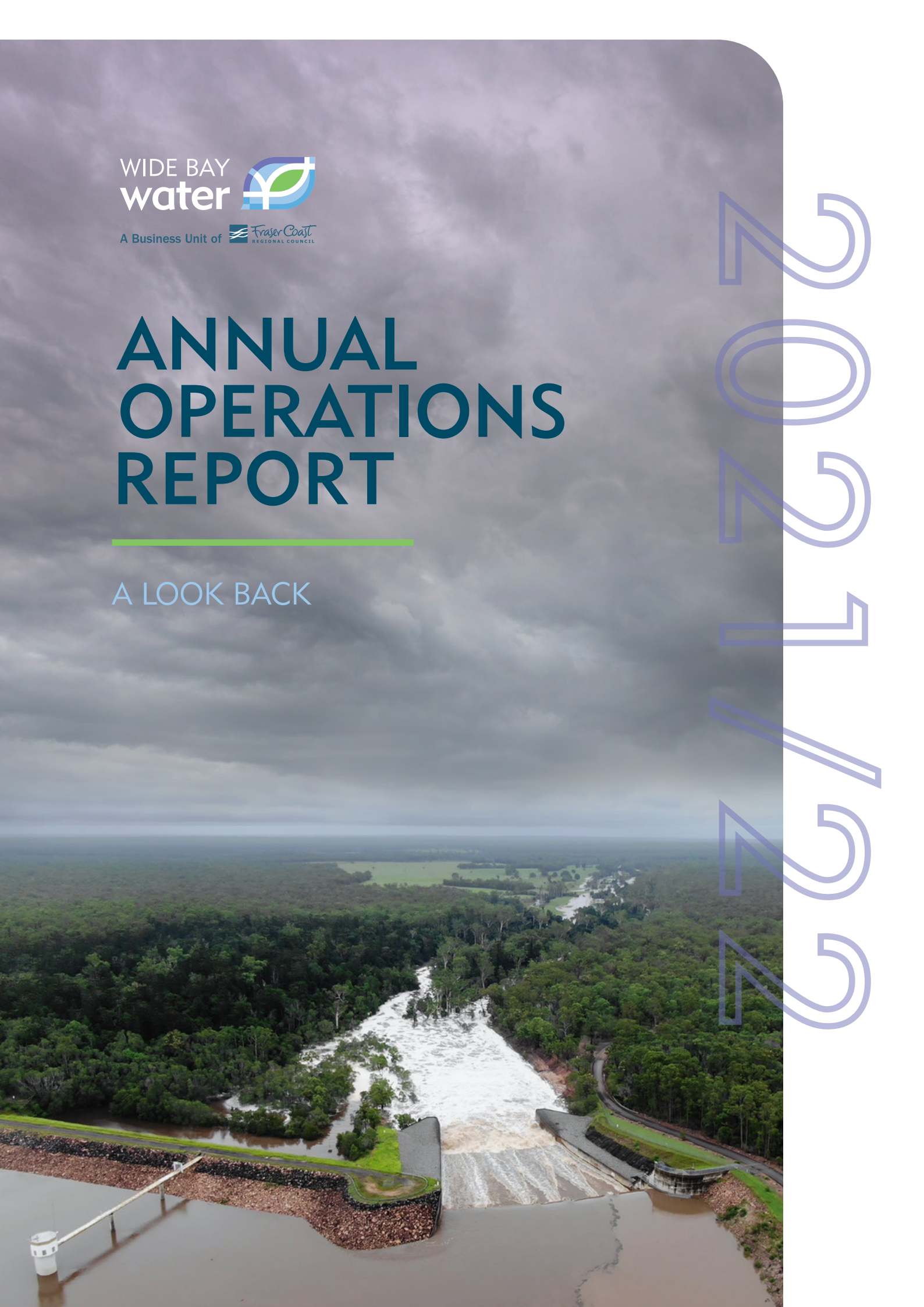


A Business Unit of  **Fraser Coast**
REGIONAL COUNCIL

ANNUAL OPERATIONS REPORT

A LOOK BACK

2021/22







OVERVIEW

About us.....	5
Annual Performance Plan.....	5
Local Government Directions.....	5

OBJECTIVES

Vision	6
Business Objectives	7

GOVERNANCE STRUCTURE & COMMITTEE

Committee Profiles	8
Members attendance at meetings	10
Meeting dates	10

EXECUTIVE TEAM

Profiles	11
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PERFORMANCE SUMMARY

Key Financial Performance	14
Key Non-Financial Performance	15

OPERATIONAL SUMMARY

Water	16
Sewerage	18
Engineering	20
Environment.....	22
Reuse.....	24
Quality.....	26



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 WBW's major activities over the 2021/22 reporting year, including an assessment of our performance against the financial and non-financial targets defined in the WBW Annual Performance Plan 2021/22.

About us

Wide Bay Water is the registered service provider for the Fraser Coast, providing water and sewerage services in Hervey Bay, Maryborough and surrounding communities.

Services provided include management of water storages including the safe operation of the region's referable dams, management of two bulk water supply schemes and customers, water treatment and distribution, sewerage collection and treatment and effluent reuse.

WBW remains a proactive member of the 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 22000).

WBW's Scientific Services Laboratory is accredited by the National Association of Testing Authority (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 and support to internal 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 2021/22 was resolved by Council at its Special Meeting No. 3 held on Tuesday 16 June 2021.

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 the nature and extent of WBW's operations, its vision and objectives, and the financial and non-financial performance targets that guided its operations in the 2021/22 year.

No changes were made to the Performance Plan during 2021/22.

Local directions

There were no local government directions issued to WBW during 2021/22.



OBJECTIVES

Vision

Wide Bay Water is a customer-focused commercialised business unit of Council delivering sustainable water, sewerage and waste services to build better communities.



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.



Built environment

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



Natural environment

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



Prosperity

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



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 a life membership.

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 spends many days enjoying his favorite pastime.



Lance Stone

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

Lance is currently the:

- Treasurer - 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.

Lance's other community interests include; family, sport, youth mental health, life-long learning, homelessness, social justice and social inclusion.



David Lee

Representing Division 9, Councillor David Lee has over thirty years' experience in the health sector including the armed forces and fifteen years as a Chief Executive Officer. David's background and training in commerce, governance and law has well equipped him in representing Division 9, which includes a high representation of business premises, tourism hotspots, short-term accommodation and suburban dwellings. Division 9 in Hervey Bay takes in Scarness and sections of Torquay, Pialba and Kawungan including Seafront Oval, Scarness and Torquay Esplanade parklands, Apex Park and beach areas.

Along with his membership on the Wide Bay Water and Waste Services Advisory Committee, Fraser Coast Regional Council's Audit and Risk Committee, David is a Director in the Not-for-Profit Sector.



Darren Everard

Councillor Darren Everard has been a member of the Fraser Coast Regional Council representing the residents of Division 7 since 2012. During Darren's time on Council, he has been Deputy Mayor for four years, served on various committees, including a second term as a member of the Wide Bay Water and Waste Advisory Committee.

Before being elected to the Fraser Coast Regional Council Darren was the owner of a successful local business that was his platform that allowed him to develop a varied skill set, that includes business development, management, training and marketing that Darren has used both locally and internationally.

Darren holds a Master of Professional Studies (USQ), Member of the Australian Institute of Company Directors and is also the President of the Hervey Bay Surf Life Saving Club and Vice President of the Surf Life Saving Wide Bay Capricorn.



Peter Borrows

Peter is Director of Kedron Consulting Pty Ltd, Independent Director Hughenden Irrigation Project Company Pty Ltd, and a member of the Wide Bay Water and Waste Services Advisory Committee.

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 Institute of Engineers.



Randal McLellan

Dr Randal McLellan holds a number of Board positions in various capacities and has a particular interest in efficient and effective corporate governance to help organisations achieve their objectives.

Dr McLellan served two terms as a Councillor for the Hervey Bay City Council from 1997 to 2004.

Dr McLellan is also a Graduate of the Australian Institute of Company Directors (GAICD). Dr McLellan also has an interest in coastal and marine issues and in his spare time enjoys travel, boating, camping and fishing.



GOVERNANCE STRUCTURE & COMMITTEE

Member attendance at Committee meetings

Cliff Searle	9
Lance Stone	8
Peter Borrows	9
Randal McLellan	8
Darren Everard	8
David Lee	7

Committee meeting dates 01/07/21 – 30/06/22

20 August 2021
24 September 2021
22 October 2021
19 November 2021
18 February 2022
18 March 2022
22 April 2022
19 May 2022
17 June 2022



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.

Commencing his professional career in fields of biotechnology and medical device manufacturing, Mark joined Council in 2006 in the area of catchment and bulk water management. Mark has been a member of the Executive Team since 2012.

Mark holds a Degree in Aquatic Resource Management, Master of Environmental Management, Master of Business Administration, Graduate Certificate in Professional Legal Studies, and is a Graduate of the Australian Institute of Company Directors (GAICD).



Darren Smith
**EXECUTIVE MANAGER NETWORK
OPERATIONS AND MAINTENANCE**

Darren joined Council in 2006 in the position of Operations Manager and was appointed to the role of Executive Manager of Network Operations and Maintenance in May 2019. He leads multidisciplinary teams responsible for the safe and efficient delivery of water and sewerage services to connected properties within the Fraser Coast community and ensures sustainable maintenance management practices for all operational assets. In 2018 he successfully completed a Diploma in Leadership and Management from AIM.

Darren has gained 36 years engineering experience after commencing his career with BHP as a mechanical engineering trainee in 1986 where he was dual indentured to obtain his Fitting and Turning Trade Certificate and an Associate Diploma of Mechanical Engineering. During his employment with BHP and then Linde Gas, he predominantly held positions in asset maintenance management with responsibilities for heavy engineering steel and gas sites including large industrial wastewater treatment plants. This diverse career path has provided Darren with a very broad and in-depth level of skills, knowledge and he now has 18 years' experience in the Australian water industry.



EXECUTIVE TEAM



Cameron Ansell **EXECUTIVE MANAGER PROCESS OPERATIONS**

With 19 years' experience in the water industry across the agricultural and Local Government sectors, Cameron as Executive Manager of Process Operations, leads a team operating Council's water and sewerage treatment plants, recycled water scheme's and the WaterOne Laboratory.

Cameron gained 16 years of considerable operational experience in delivering safe drinking water supplies and sewage treatment services on behalf of various communities. He holds an Associate Degree in Engineering (Environmental) and is currently completing a Bachelor of Engineering (Environmental), both through the University of Southern Queensland.



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 Deputy Chair of Queensland Water Directorate Special Priorities Group, member of the Queensland Water Directorate Technical Reference Group, 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.



Megan Gibbs
BUSINESS SERVICES MANAGER

Megan joined Fraser Coast Regional Council in June 2020 and was appointed to the role of Business Services Manager in January 2021. Megan holds Bachelor Degrees in Commerce and Behavioural Science from Griffith University. Megan is also a Certified Practicing Accountant (CPA).

Prior to joining Fraser Coast Regional Council, Megan gained 15 years of experience in financial management in the commodities sector.



Umur Natus-Yildiz
EXECUTIVE MANAGER WASTE SERVICES

Umur leads the Fraser Coast Waste Services team, overseeing the implementation and continuous improvement of Council's Waste Strategy 2019-2029. The team manages and operates Council's Maryborough Landfill and the Nikenbah Waste Transfer Stations as well as associated operational contracts to service waste bins, transport waste, operate reuse and recycling facilities and to process green waste.

Previously, Umur led the Brisbane City Council's Resource Recovery Innovation Alliance and managed the Waste Contracts Renewal Project with \$3 billion worth of waste services contracts. Along with his high-performance team, Umur received the 2017 Lord Mayor's Award of Excellence in the category 'Value for Money'.

Prior to joining local government Umur held advisory roles at Queensland Treasury Corporation and the Local Government Association of Queensland. From 1995 to 2018 Umur was also consultant and project manager to over 100 waste management projects in 19 countries.

Umur holds a Civil Engineering Master of Science (Honours) from Darmstadt University of Technology and a Master of Business Administration from Deakin University.



PERFORMANCE SUMMARY

Key Financial Performance

2021/22 Annual Financial Performance Indicators and Targets

Indicator	Frequency	Unit	Target	June 21/22	Explanation	Calculation
Operating Surplus Ratio	Annual	%	>20%	26.6%	Indicates the extent to which revenues (utility charges, fees & charges etc.) raised cover operational expenses (employee, materials & services, depreciation & 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%	35.5%	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.	Dividend/Net Operating Profit After Tax
Debt servicing ratio (I&R / revenue)	Annual	%	<30%	13.4%	The debt service coverage ratio, also known as "debt coverage ratio", is the ratio of cash available to debt servicing for loan interest & 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 & Redemption Payments / Revenue
Interest Cover (EBITDA/interest expense)	Annual	Times	>8	21.3	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 & amortisation) / Interest Expense
Total Distribution to FCRC	Annual	\$m	\$13.70	\$14.86		
- Dividends			4,743,000	4,743,000	Paid to Owner (FCRC) from after tax profits	Refer "Dividend Ratio" above
- Tax			8,400,000	9,433,893	Paid to Owner (FCRC)	In accordance with LGTER regime legislation
- Competitive Neutrality			564,486	686,424	In accordance with the Competitive Neutrality principles contained in Local Govt. Act 2009 & Local Govt. Regulation 2012	Based on calculated 5 year ave. debt margin on QTC borrowing rate

Key Non-Financial Performance

2021/22 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%	92.4% #1
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	ILL	1.5	1.08
Water quality			
Water at the point of delivery will meet National Health and Medical Research Council Health Guidelines for Australian Drinking Water	%	100%	99.53% #2
Water quality at point of delivery (physical and chemical parameters) will meet National Health and Medical Research Council Aesthetic Drinking Water Guidelines (not including Chlorine, taste or odour)	%	>95%	99.7%
New service connections — water			
Installation of all 20mm and 25mm diameter service connections within maximum 20 working days	%	95%	93.1% #3
Service connections greater than 25mm diameter:			
a. Design and notification of construction price (average time from completed application)	Working days	<10	10
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	1.36
Sewage overflows on to customer property per 1,000 connections	Number	<5	0.34
Sewer odour complaints per 1,000 connections	Number	<10	1.84
Effluent complies to Environmental Licence	%	100%	99.9% #4
Effluent reuse as percentage of Average Dry weather flow	%	90%	92%
New service connections – sewer			
Completion of new sewer connections:			
a. Design and notification of construction price (average time from completed application)	Working days	<10	4
b. Construction time (average time from payment of fees) subject to building and development regulations being met	Working days	<20	10
Queensland Government – Reportable indicators			
QG 4.5 Total water main breaks per 100km of water main	Number	<20	6.94
QG 4.6 Total sewerage main breaks and chokes per 100km sewerage main	Number	<60	3.6
QG 4.7 Incidence of unplanned interruptions to supply per 1000 connected properties	Number	<100	70.65
QG 4.8 Average response time for incidents causing an interruption to supply	Minutes	<60	35
QG 4.9 Average response time for incidents causing an interruption to sewerage collection	Minutes	<60	31
QG 4.10 Drinking water quality complaints per 1000 connected properties	Number	<5	2.3
QG 4.11 Total water and sewerage complaints per 1000 connected properties	Number	<40	23.9

#1 6 repair time exceedances, breaks in roadways requiring traffic control, roadway repairs and deep buried mains.

#2 31 THM exceedances – Hervey Bay, 6 THM exceedances – Maryborough

#3 Construction time impeded by COVID19 staffing issues and wet weather delays

#4 3 PH exceedances at Eli Creek STP, 1 E Coli. Exceedance at Aubinville STP

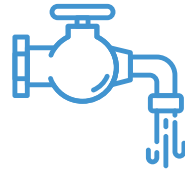


OPERATIONAL SUMMARY

Water



1,154 km
total water mains



40,882
connected water



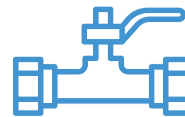
3.9 km
of new distribution network
water mains constructed



670
new services

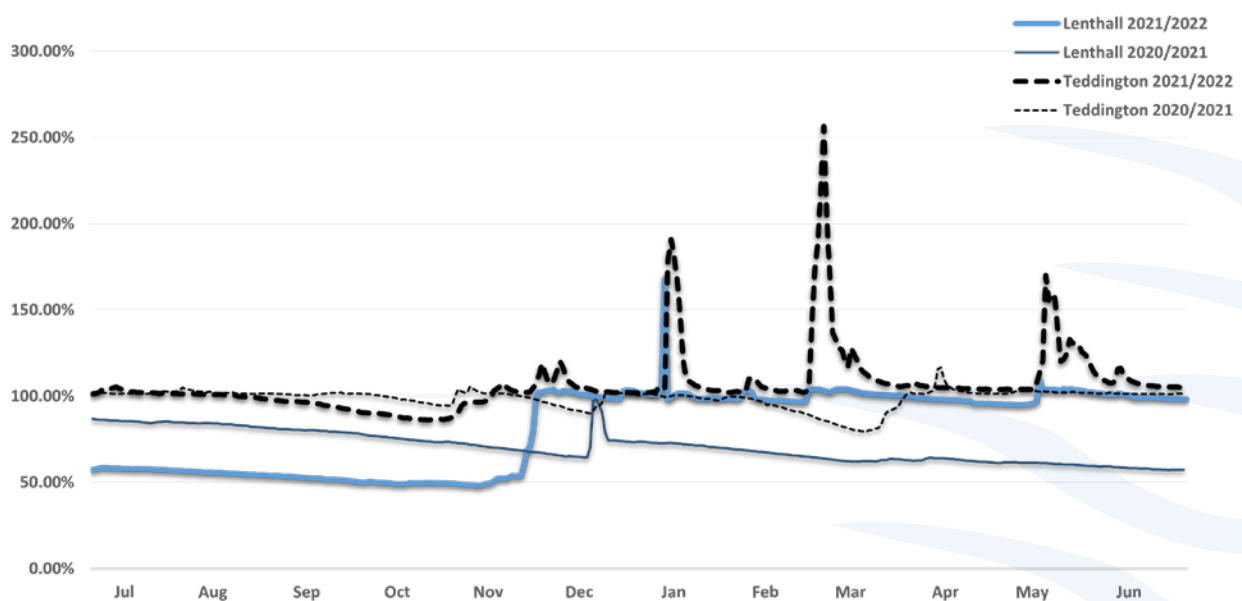


7,766 ML
potable water treated and
delivered to customers



4,012
water meters installed

Reservoir Levels





Water testing at Teddington Water Treatment Plant



OPERATIONAL SUMMARY

Sewer



810.3 km

total sewerage mains



7,733 ML

sewerage collected and treated



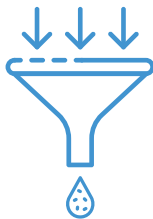
11.6 km

gravity sewer mains relined



34,853

connected sewage services



4.9 km

new gravity collection sewers constructed by developers



56.4 km

sewer network cleaned and CCTV inspected





OPERATIONAL SUMMARY

Engineering



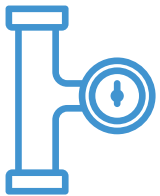
\$20.7M

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



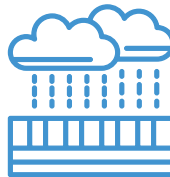
Major growth projects

- Burgowan to Takura Trunk Watermain
- Eli Waters Pumping Station
- Major capacity increase of Pulgul STP, Hervey Bay



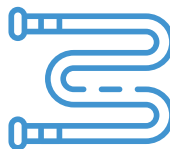
Major renewal projects

- Teddington WTP clear water pump replacements, Maryborough
- Nikenbah STP membrane replacements (third and fourth trains), Hervey Bay
- Residential meter replacements, Hervey Bay and Maryborough
- Watermains in Queen and George Streets and Aubinville Connection Road, Maryborough



Major improvement projects

- New network disinfection stations at Toogoom, Torbanlea, Lower Mountain Road, and River Heads
- Teddington WTP Sludge Dewatering Facility



Major projects

- Aubinville STP refurbishment and inlet works replacement, Maryborough
- Urraween Reservoir Pumping Station renewal and upgrade, Hervey Bay
- Howard Sewage Scheme Pumping Station and Treatment Facility

 Takura to Burgowan Pipeline Thrust Block Construction



 Eli Waters new pump station





OPERATIONAL SUMMARY

Environment



Compliance

No outstanding matters from one compliance inspection.



Compliance

Effluent improvement project identified for the Toogoom Sewerage Treatment Plant.



Fraser Coast Regional Council participated in Water Night

Organised through Australian Water Association and Smart Approved WaterMark. This was an event that encourages people conserve and not to use running water.



Lake Lenthall Dam @ 52.3% in September 2021



Lake Lenthall Dam flood in January 2022



4

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



12

Statutory Environmental Reports prepared and submitted within statutory timeframes to the Department of Regional Development, Manufacturing and Water.



 Aubinville STP flood in February 2022



OPERATIONAL SUMMARY

Reuse



92% Achieved

combined reuse percentage on the Fraser Coast of 92% of Average Dry Weather Flow received at the regions STPs.



Effluent reuse

4295ML Effluent Reuse treated effluent recycled for use on agriculture, sports fields, golf courses and industry.



4850m³

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



Eli Creek Sewage Treatment Plant



Third Party Usage

Comprised 35% of overall usage. This figure was less than previous years due to ongoing rainfall received during the peak of the irrigation season however, first party usage at plantations offset this due to a more even distribution pattern throughout the year.



 Christensen's New Hardwood Plantation



OPERATIONAL SUMMARY



ISO 9001

Quality
Management
Certification



ISO 22000

Food Safety
Management
Certification



ISO 17025

Laboratory
Management
Certification





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