







# 2011-12 *Annual Report*



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# Our vision

Our vision is for the Fraser Coast to offer a “lifestyle for everyone”.

Fraser Coast Regional Council will work towards achieving this vision by sustaining our unique natural environment, building a dynamic region, maintaining a healthy community and establishing a smart customer orientated organisation.

# Our guiding principles

These are the principles that guide our actions and decisions when dealing with the community, customers and stakeholders:

## *Honesty*

We behave ethically and act with honesty, fairness, courage and loyalty.

## *Accountability*

We conduct ourselves in a business-like manner to deliver efficient and expert services in the public interest and we are open, consistent and transparent about our decisions.

## *Teamwork*

We work together to strive for excellence, creativity, leading-edge technology and quality outcomes for the organisation and the region.

## *Respect*

We recognise and support the contribution of individuals and respect each other, our families, our clients, those with different ideas and from diverse backgrounds and cultures.

## *Communication*

We keep people informed through active engagement and consultation and being open to alternative ideas.

# Purpose of the report

This annual report enables Council to share with the community and interested stakeholders information about our achievements, plans and challenges during the 2011-12 financial year.

The report covers six key themes which stem from the Fraser Coast Community Plan - a high level strategic planning document which outlines a desired future and sets goals for the Fraser Coast local government area.

The annual report also contains statutory information required by the Local Government Act 2009 including Council's audited financial statements.



# *Message from the Mayor*

It has been an exciting year of consolidation and launching many projects that will stimulate our economy and provide facilities to take the community forward.

Projects such as the Maryborough Aquatic Centre, the Fraser Coast Cultural Centre, Maryborough Pound and extensions to the Hervey Bay Airport Industrial Estate were long awaited and will ensure that the Fraser Coast remains at the forefront of the region.

While the local government elections disrupted momentum, we moved swiftly to consolidate our vision as a new Council and drive that vision through the implementation of a 120 Day Action Plan.

We also introduced a portfolio system allowing each Councillor to be responsible for a specific area within Council. The portfolios take into account a Councillor's interests and strengths. Councillors will act as the conduit between Council and the businesses, industries and sectors that they represent.

Council commissioned an independent review of our financial position, promoted our investment potential and met the premier and state ministers to gain support for our plans, especially on a new boat ramp for Burrum Heads and reinvigorating the Urangan Harbour.

I am extremely hopeful that a review of the Local Government Act will return more power to Councils to allow us to cut red and green tape, improve efficiencies and cut costs which will help us stimulate the regional economy to produce jobs and investment.

Through initiatives such as extending the Infrastructure Charges Incentive Policy; review of our purchasing policy and procurement procedures we have been able to maximise opportunities to support local businesses.

I am pleased that the widespread community support for change seen at the elections has translated into widespread support from the peak industry bodies across the Fraser Coast.

We all agree that the region needs to move forward and we are working together to reach our potential.



Gerard O'Connell  
Mayor

# Message from the Chief Executive Officer

Repairing the Fraser Coast after two summers of floods and prolonged rain has been a major priority for Council in the past 12 months.

At the same time Council has also delivered on a massive capital budget that has included:

- Construction of the Maryborough Aquatic Centre;
- The replacement of Jumbo Bridge at Bidwill and Maria Creek Bridge at Howard and repairs to the Burrum Bridge;
- Starting construction of the Fraser Coast Cultural Centre and Regional Gallery;
- Replacement of the Harland Car Park drain, and;
- Rebuilding Chapel Road.

Council continued to focus on the regional economy by forging partnerships with business to grow our economy, especially leveraging off the resources boom in Central Queensland.

The region hosted one of the two Mining and Gas Jobs Expos organised by the State Government. More than 10,000 people flocked to the expo held at the Brolga Theatre and Convention Centre.

While the expo gave residents a chance to link into the mining boom, it was an opportunity for Council to showcase the region to the mining companies, and the subcontractors building the new developments.

The Fraser Coast is well placed to supply workers and has the industries to supply equipment and services to the resource sector.

Council also promoted the concept of Live here, Work there, and assisted local airlines to develop routes to service the fly-in fly-out resources workers.

The long term benefits for the region are more residents to help stimulate the local economy and the possibility of northern flights to connect the Fraser Coast to a wider tourist market.

Our role in successful economic development is to promote the region's competitive edge; welcome and facilitate new business; support local business; and reduce red tape.

To promote growth Council extended its Infrastructure Charges Incentives Program and joined with Energy Skills Queensland to help 30 Fraser Coast Jobseekers gain valuable skills and training.

Council continued to support local business, spending \$65 million with local suppliers and a further \$49 million employing 550 staff across the region.

I encourage you to read about our other achievements during 2011-12 and I congratulate our staff and community for their contribution to making the Fraser Coast a desirable place to live, work and play.



Lisa Desmond  
Chief Executive Officer



# *Council (1 July, 2011 - May 14, 2012)*

Council was undivided until the election in April 2012, with Councillors representing all residents across the region.

It was a decision of Council to reform its meeting regime and replace the portfolio system.

Councillors were therefore responsible and available to represent all residents on all issues.

**Councillors (as shown in images below):**

Cr David Dagleish  
Cr Mick Kruger (Mayor)  
Cr Belinda McNeven  
Cr Sue Brooks  
Cr Debbie Hawes  
Cr Gerard O'Connell  
Cr Les Muckan  
Cr Barb Hovard  
Cr Linda Harris  
Cr Julie Arthur  
Cr Anne Nioa



# Council (May 14 - June 30, 2012)

The local government elections were conducted on April 28, 2012 with the poll being declared on May 14, 2012.

Councillor Trevor McDonald was elected as Deputy Mayor of the new Fraser Coast Regional Council at the Post Election meeting on Wednesday, May 23, 2012.

At the meeting, Council adopted a portfolio system allowing each Councillor to be responsible for a specific area within Council.

The portfolios take into account Councillors' interests and strengths.

The Portfolio Councillors act as the conduit between Council and the businesses, industries and sectors that they represent.



**Cr James Hansen**  
Division 1  
Primary Production & Rural Infrastructure



**Cr Trevor McDonald (Deputy Mayor)**  
Division 6  
Infrastructure Planning & Delivery



**Cr Phil Truscott**  
Division 2  
Waterways and Coastal Infrastructure



**Cr Darren Everard**  
Division 7  
Sport, Recreation, Open Spaces & Events



**Cr Chris Loft**  
Division 3  
Small Business, Manufacturing & Service Industry



**Cr Robert Garland**  
Division 8  
Health, Education & Training



**Cr Daniel Sanderson**  
Division 4  
City & Town Centre Development



**Cr Stuart Taylor**  
Division 9  
Tourism & Regional Marketing



**Cr Rolf Light**  
Division 5  
Aviation



**Cr George Seymour**  
Division 10  
Community, Cultural & Family Services

# Executive team

## **Wayne Sweeney, Director - Infrastructure & Environment**

The Infrastructure and Environment Directorate was successful in gaining about \$23 million for emergency and reconstruction works as a result of the adverse weather events in December 2010/January 2011.

Much of the directorate's resources were channelled towards the design and delivery of repairs to the damaged infrastructure across the region.

Wet conditions during the past two years have contributed to increased pavement failures requiring costly repairs. These repairs have been prioritised to ensure timely rectification of the works within Council's budgetary provisions.

Work is well advanced in the planning and design of the jointly funded 'Building Better Regional Cities' projects.

Fraser Coast Waste entered into a contract with Cleanaway for Waste and Recycling collection and processing services for a period of ten years effective from July 1, 2012. Negotiations are continuing to establish a contract for Green Waste Management and Landfill Gas Management for Council.

## **Peter Smith, Director - Community & Development**

The directorate continued to focus on building strong partnerships with the community, particularly with the development industry with a view to facilitating good outcomes for the region.

A number of significant milestones were achieved across the directorate including:

- Substantial work completed on the Fraser Coast Planning Scheme with a draft to be presented to Council on July 4, 2012;
- Adoption of the Eli Waters Structure Plan and the Local Heritage Register;
- Adoption and implementation of six new Local Laws;
- Implementation of a number of initiatives which assists the development industry, including Expressway, Infrastructure Incentives Policy, focus group meetings;
- Successful funding and commencement of the Live Life Healthy Program;
- Major projects during the year – Chinese Gardens, Cultural Centre, Maryborough Aquatic Centre.

## **Alexis Hill, Director - Organisational Services**

The new Fraser Coast Regional Council Certified Agreement was a highlight of the 2011-12 year as Council strived to provide fair working conditions and continue to grow the organisation's profile as a preferred employer.

Internally the implementation of a continuous improvement project to cut the 'red tape' and to drive greater efficiencies across Council has been a major focus.

Such continuous improvement initiatives include electronic payments, mobility solutions, implementation of new performance management and asset management systems and streamlining of internal processes and procedures.

Community consultation was a major focus during the year with residents invited to contribute their views on a number of Council programs including master plans for both Hervey Bay and Maryborough Airports, isolated communities' disaster management plans and the Fraser Coast Local Disaster Management Plan.





# Recognising customer service



## ***Our Service Promise***

To demonstrate a smart customer focused organisation, committed to providing service excellence to our community.

The following staff members are some of which were recognised for their exceptional customer service through the Customer Service and Recognition Awards.



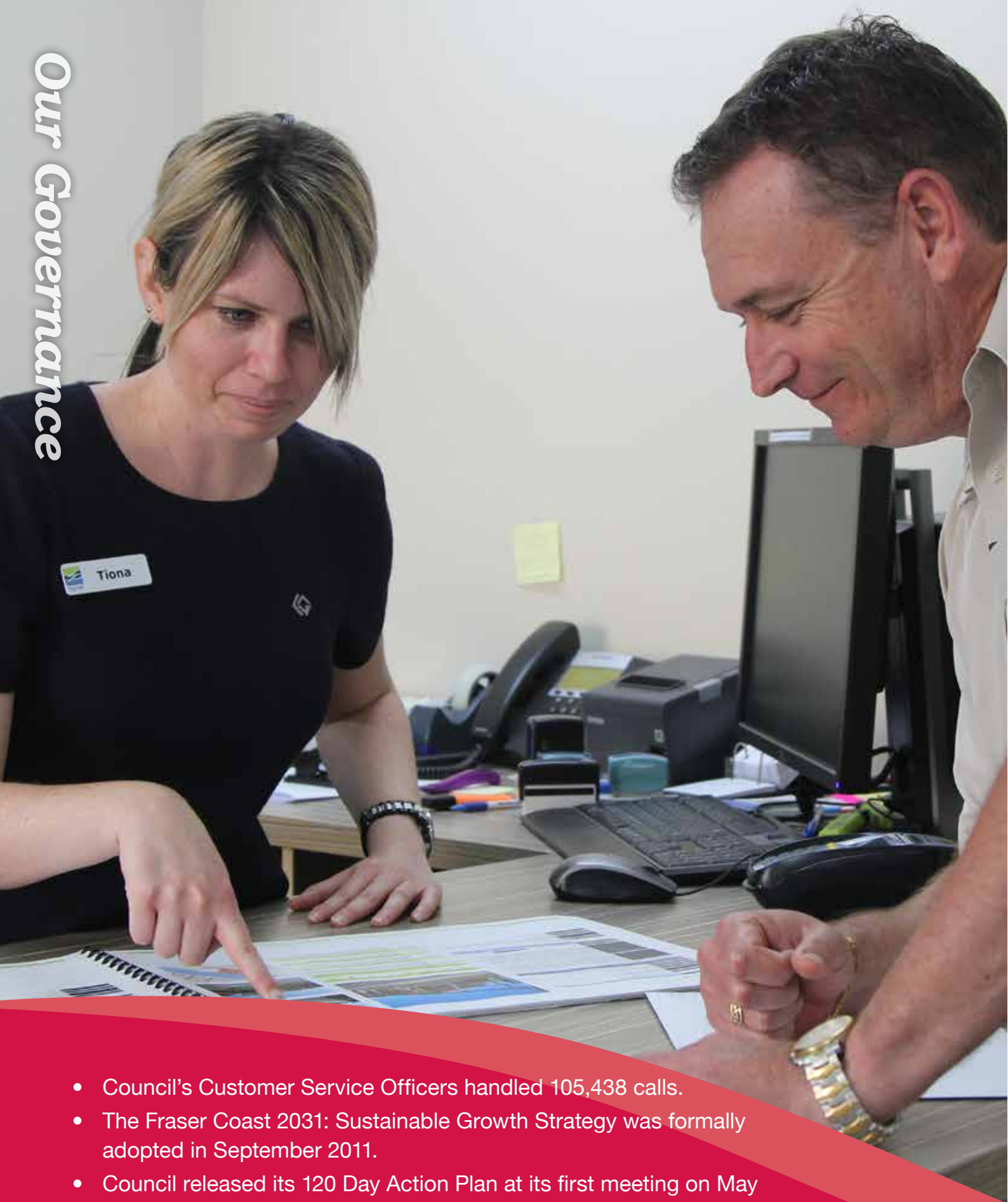
*"On behalf of the Gundiah Community Place, I would like to acknowledge the amazing job the men do that mow the oval for us and the school. If we need to have the grass cut for a special occasion I only have to ring up and it's done in time... Your parks crew thoughtfully brought a load of mulch and tipped and spread it for us, that makes it so much easier for us to keep it watered and all looking good..."*

*"As you can appreciate establishing a memorial for a recently lost relative at a difficult time is not easy... Ryan and team were at all times honest, easy to contact, helpful, friendly and communicated with me on a regular basis to have my mother's seat set up at Scarness. My family is thrilled to bits with the outcome..."*



*"Juliet was very professional and obliging. She made an appointment to meet us and was prompt and very friendly..."*

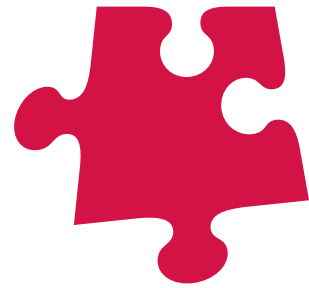
*She was helpful and informative... We were very happy with the result of her findings."*



- Council's Customer Service Officers handled 105,438 calls.
- The Fraser Coast 2031: Sustainable Growth Strategy was formally adopted in September 2011.
- Council released its 120 Day Action Plan at its first meeting on May 23, 2012.
- Council received a Bronze Award in the Australian Local Government Women's Association 50:50 Vision - Councils for Gender Equity Program.



# Our Governance



## Bronze Award

Council received a Bronze Award in the Australian Local Government Women's Association (ALGWA) 50:50 Vision - Councils for Gender Equity Program.

It was one of the first councils to achieve the Bronze Award in this prestigious national program.

Council was recognised for demonstrating a commitment to address gender equity issues in a way that will lead to lasting change in the organisation.

The 50:50 Vision - Councils for Gender Equity Program is designed to bring about cultural and organisational change in Councils; increase the number of women in senior management roles; and increase the representation of women on Councils.

## New local laws

New uniform local laws were introduced on January 1, 2012 after two rounds of public consultation and feedback in January/February and July/August 2011.

The existing 81 local laws and 81 subordinate local laws of the four predecessor councils were replaced with six local laws and six subordinate local laws.

The new local laws and subordinate local laws were endorsed by the state government in November and adopted by Council in December 2011.

## Improved service

To improve Council's level of service, a dedicated Development Enquiries Counter was created at the Tavistock Street Administration Centre adjacent to the customer service counter.

Council's Building and Plumbing Services section also relocated to the administration centre in Tavistock Street.

Development Assessment and Regulatory Services staff are available at the counter to assist customers with applications and enquiries.

## Fraser Coast Sustainable Growth Strategy adopted

The Fraser Coast 2031: Sustainable Growth Strategy was formally adopted in September 2011.

The strategy will guide growth across the region and the development of the Fraser Coast Regional Planning Scheme.

Council undertook 11 individual planning studies and extensive public consultation.

*Our elected representatives are decisive, display strong leadership, promote the positive attributes and opportunities of the Fraser Coast, foster positive relationships and form cohesive partnerships with all tiers of government to benefit the community.*

*The community are heard, their views respected and reflected in shaping the future of the region.*

*Customers receive responsive and courteous service with officers possessing knowledge of all facets of Council's operations.*



Council started work on the Sustainable Growth Strategy in November 2009 and undertook 11 individual planning studies and extensive public consultation in conjunction with the development of the Fraser Coast Community Plan.

The consultation included information booths, community information sessions across the region and surveys which could be completed online or mailed to Council.

The strategy also reflects the Draft Wide Bay Burnett Regional Plan prepared by the state government in October 2010 and Council's response to the plan.

## Mary River Flood Study adopted

The latest and most accurate topographic and bathymetric information (the shape of the river bed) was used to produce the Mary River Flood study which was adopted by Council on April 4, 2012.

The study examined potential flood levels along the Mary River from Five Mile Road West to the Great Sandy Strait taking into consideration a flood with a one-in-100 chance of occurrence in any one year coupled with potential climate change such as increased rainfall intensity and sea level rise.

Using the information, Council determined habitable floor levels in accordance with the Building Act 1975 and levels that can be used for other development in accordance with the relevant planning scheme.

## Council staff help in flood hit Queensland

Two vector and pest control officers went west to help control mosquitoes

in flood hit areas of central Queensland in February 2012.

Supervisor Vector and Pest Control Shane Kelly and team member Craig Hartz took mosquito control products and two quad bikes to fog and spread larvacide to stop mosquitoes breeding in pools left as the flood waters receded.



## More help for Bay's senior residents

Council's Home Assist Secure program based at the Halcro Street Community Centre in Point Vernon gained two grants to subsidise services to help senior Hervey Bay residents stay in their homes.

- \$64,000 grant from Home And Community Care (HACC) provided clients with vouchers to engage local contractors with lawn mowing.
- \$56,000 State Government grant to provide domestic assistance to help residents clean hard to reach appliances such as ceiling fans. The program aims to prevent injuries from falls.

## Top five reasons to call Council

Questions about cats and dogs topped the list of reasons why residents contacted Council last year.

Phone calls covered: complaints about barking and roaming dogs; owners checking to see if lost animals had been found; as well as residents reporting they had found lost pets.

Calls from residents about bins: missed collections, bins that had broken or had been stolen came in a close second.

Last year the Council's Customer Service Officers handled 105,438 calls.

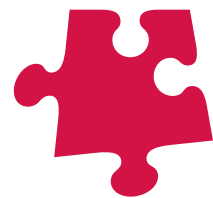
They dealt with 74% of those calls at the first point of contact with calls lasting on average three minutes and 19 seconds.

On an average day there are 6.5 operators taking calls and during peak times the number increases to nine officers.

The top five list includes:

1. 5380 calls about animals (dogs barking, wandering, lost and found).
2. 4817 calls about bins (damaged or stolen bins and missed services).
3. 3773 calls about roads (footpaths, signage and general maintenance).
4. 2339 calls for compliance (untidy/overgrown blocks, illegal activity, abandoned vehicles, unregistered vehicles left on footpaths).
5. 1512 calls about parks (clearing vegetation, mowing and general maintenance).





## Disaster Management Plan reviewed

The Fraser Coast Local Disaster Management Plan was adopted in December 2011.

The plan, which is reviewed annually, was changed to comply with new templates developed by Emergency Management Queensland following the floods and cyclones at the beginning of 2011 and reflect information gathered during the 2011 Maryborough flood event.

## Council releases 120 Day Action Plan

Council released a 120 Day Action Plan at its first meeting on May 23, 2012.

The action plan outlined Council's objectives and what it needs to achieve to ensure the Fraser Coast will move forward.

The complete plan is available to view on Council's website [www.frasercoast.qld.gov.au](http://www.frasercoast.qld.gov.au).

## Council and UDIA Memorandum of Understanding

Council and the Urban Development Industry Association Fraser Coast regional branch signed a Memorandum of Understanding committing to continued co-operation and open and honest communication.

Council and UDIA have worked closely on: the 2031 Growth Strategy; submissions to the State Government; and structure plans for Hervey Bay growth areas. In addition, tours of award-winning developments were undertaken to stay abreast of current thinking in terms of affordable housing which would be incorporated into the new regional planning scheme.



Signing of Council and UDIA Memorandum of Understanding





- The \$5.6 million Hervey Bay Community Centre was officially opened on December 5, 2011.
- More than 10 lifestyle programs were made available to residents as part of the Live Life Healthy Initiative.
- Council invested more than \$160,000 in community events and projects.
- 15 off-lease areas were opened across the Fraser Coast following six months of public consultation and 194 submissions.

# Our Community



## 2012 Australia Day award recipients

### Hervey Bay

**Citizen of the Year:** Lorelle Wilton

**Junior Citizen of the Year:** Niel Van Der Westhuizen

**Sports:** Jarrod Fletcher

**Junior Sports:** Jesse Wright

**Cultural:** Z-Pac Theatre

**Junior Cultural:** Daniel Boulton

**Community Event:** Queensland Junior State Touch Football Cup

### Maryborough

**Citizen of the Year:** Betty Lesley Cairns

**Junior Citizen of the Year:** Danielle Waterson

**Sports:** Elva and Ray Alloway

**Junior Sports:** Kate Law

**Cultural:** Audrey Reece

**Junior Cultural:** Anna Parker

**Community Event:** Wings Warbirds and Wheels

### Woocoo

**Citizen of the Year:** Neville Barrett

**Junior Citizen of the Year:** Hamilton Rockemer

**Sports:** Malcolm Beresford

**Junior Sports:** Malcolm Rudolph

**Cultural:** Nancy Maule

**Junior Cultural:** Sam Rogers

**Community Event:** Brooweena State School Concert

### Tiaro

**Citizen of the Year:** Kerrie Bartlett

**Junior Citizen of the Year:** Jessica Stewart

**Sports:** Neil Boynton

**Junior Sports:** Karla Blowers

**Cultural:** Ann Chan

**Community Event:** Munna Creek Country Music Festival

## Dog off-leash areas

After six months of public consultation and 194 submissions, the new dog off-leash areas along the region's beaches were adopted by Council on December 7, 2011.

The 15 off-leash areas are spread across the Fraser Coast from Burrum Heads to Tuan including new off-leash areas at Burrum Heads and Urangan.

*The Fraser Coast provides a lifestyle that is safe to live, learn, work and play, celebrates through festivity, embraces the arts and is supported by quality services and communication networks.*

*We celebrate, value and protect our cultural diversity recognising it is an asset to our economy, our education and our cultural life.*





Maps outlining the dog off-leash areas, including prohibited areas, were posted on Council's website.

The areas were part of the new local laws and subordinate local laws which came into effect on January 1, 2012.

## Responsible pet ownership

The annual Dogs Day Out and Pet Walk attracted 140 pet owners to Dayman Park.

The day promoted responsible pet ownership and raised funds for Guide Dogs Queensland.

During the day there were talks and displays on responsible pet ownership.

Owners could also have their pets microchipped.

\$1307 was raised for the Guide Dogs.

## Pre storm clean up

More than 1,000 extra vehicles visited the Maryborough and Hervey Bay landfills during the annual pre-storm season clean up weekend in November 2011.

The weekend promoted storm season preparedness by focusing residents' attention on cleaning up rubbish around their homes so it does not become a missile in a storm.

## Healthy eating and exercising

Council employed a Healthy Communities Co-ordinator to run the Fraser Coast Live Life Healthy program to provide community-based physical activities and promote healthy eating.

The program was funded through a \$700,000 Federal Government Healthy Communities Initiative which aimed to reduce obesity in the community.

Residents could take part in free or low-cost physical activities.

More than 10 lifestyle programs, ranging from healthy eating and cooking classes to tailored exercise and cycling training were made available to Fraser Coast residents as part of the initiative.

Participants over 18 years paid \$5 to register for the Live Life Healthy program if they met the following criteria:

- recently or long-term unemployed
- part-time or casual employees
- retirees or pensioners
- people with a disability
- carers

The program encouraged these adults to make healthy life choices, reducing the risk of developing chronic diseases.

Live Life Healthy is funded through the Federal Government's National Partnerships Agreement and all programs are delivered by qualified instructors.

## Community Centre wins Architecture award

The new Hervey Bay Community Centre won a Regional Commendation in the Australian Institute of Architects Sunshine Coast regional awards.

The win meant the centre was entered into the AIA Queensland State Awards in the Public Buildings category.

If successful at those awards it would be entered into the AIA National Awards.

## Walk with me

Dog owners were able to join a new free Walk With Me program to keep fit and encourage their pets to socialise with other dogs.

Walks are held at 7am on the first Sunday of the month at Dayman Park in Hervey Bay and at Anzac Park in Maryborough on the third Sunday of the month.

Information on dog behaviour, and ways to solve problems such as teaching a dog to stop pulling on leads when walking or barking and annoying the neighbours, is also given out at the walks.

## Community Centre finished

The Hervey Bay Community Centre in Pialba was officially opened on December 5, 2011.

The \$5.6 million project was overseen by Council which provided the land and \$1 million towards the project. The Queensland and Federal governments also committed funds to the project.

The centre:

- accommodates 20 services currently provided by the Neighbourhood Centre and Community Connect;
- provides office space for visiting services;
- provides meeting and activity space for more than 350 community and support groups.

The centre replaced the existing Neighbourhood Centre in Taylor Street, Pialba and provides office space for Community Connect which was renting a house in Taylor Street.





## Physical activity is good for you

Fraser Coast libraries helped residents improve their activity levels.

Less than half of Australia's adult population get enough physical activity every day leading to an increase in obesity and obesity-related diseases such as heart disease, high blood pressure, diabetes and osteoporosis.

To help residents walk their way to better health, Council joined the Wide Bay Public Health Unit in the 10,000 Steps program under which library members could borrow a pedometer for up to nine weeks.

Residents reserved pedometers the same way they reserved books from the library.

## Pet owners help keep chopper flying

Fraser Coast pet owners helped keep the AGL Action Rescue helicopter in the air.

Council donated \$4,300.25 to the service – representing 25 cents from the 17,201 cat and dog registrations paid by the due date.

The charity donation was on top of a discount pet owners received for paying on time.

About half of the flights made by the helicopter were to Fraser Island, the region's backyard and playground.

## Jamie's Ministry of Food Mobile Kitchen

Jamie Oliver's Ministry of Food Mobile Kitchen, a purpose-built kitchen

classroom on wheels, set up in the car park at the Brolga Theatre in Maryborough on Saturday April 14, 2012 for 11 weeks.

The program offered five-week basic cooking courses comprising one 90-minute class a week, where participants learnt Jamie's hints and shortcuts to cooking simple, nutritious and tasty meals using fresh ingredients.

Over the 11 weeks, 240 residents completed the course which covered meal planning, budgeting and shopping tips as well as key nutritional information.

Under the Healthy Communities Initiative, Council subsidised classes for adults not in full time employment.



Jamie Oliver's Ministry of Food Mobile Kitchen

## Inappropriate behaviour caught on film

CCTV cameras installed in the Maryborough CBD helped curb inappropriate behaviour.

Council installed four security cameras with a \$79,000 grant from the Federal Government's Regional and Local Community Infrastructure Program.

The cameras are activated by motion and record 24 hours a day.

Images of vandals ripping lights out of footpaths, petty vandalism and antisocial behaviour were recorded and given to the police.

Council received about seven calls a month from the police to review the video footage which was helpful in identifying misbehaviour. The footage was instrumental in identifying offenders and securing convictions before the courts.

Cameras have also been installed in Hervey Bay.

## Host of activities for Seniors' Expo

Seniors groups and Council staged a number of events to celebrate Seniors Week - August 2011.

The theme of Seniors Week was to recognise the contribution seniors make to many regional groups - whether it be for friendship, knowledge, staying active physically and mentally or just feeling they are a part of something bigger.

Activities included concerts, open days, car boot sale and mini-market, table tennis challenges, Mayoral Morning Teas, brain training, Healthy Ageing Forum and Seniors' Disco.

## Community Services Expo

More than 600 people attended the annual Maryborough Community Services Expo at the City Hall in September 2011.

The expo, which was part of Disability Action Week, was an opportunity for residents to see the range of community and government services available.



## Brolga Theatre hearing loop

A new audio loop system was installed at the Brolga Theatre and Convention Centre.

The audio loop enables people who wear a hearing aid to enjoy near perfect reception.

## Poppins opens marketing opportunities

Council was able to leverage off the success of Disney's award-winning Mary Poppins musical in Brisbane in 2012 to entice visitors to Maryborough, the birthplace of Mary Poppins' author P.L. Travers.

A full-page advertisement in the musical's program promoted Maryborough's unique connections and enticed visitors to take a "jolly holiday with Mary".

Verity Hunt-Ballard who played Mary Poppins in the musical, appeared at the 2011 Maryborough Mary Poppins Festival.

Survey results indicated the festival generated a direct spend of more than \$1.5 million and more than 12,000 people attended the one day event.

Results showed 64% of participants attended for the first-time; 32% of attendees were visitors to the region, 24.5% of whom were from intrastate; and 55% of visitors stayed one night or more in the region.

Council commenced investigations into growing the festival to a week-long event.

## Community plan consultation

The second round of public consultation on the Fraser Coast Community Plan was undertaken in July and August 2011.

The purpose of the Community Plan is to provide a foundation for residents, businesses, organisations and Council to work together to enhance the region.

It guides Council in the development of its five-year corporate plan, its long-term goals, financial and operational plans, and asset management.



To formulate the Community Plan, Council conducted a comprehensive 10-month community engagement process from November 2009 to August 2010 which attracted more than 4000 responses.

The feedback was analysed to ensure that the uniqueness of the region's distinct communities was represented and that the aspirations of youth, seniors, families, organisations, business and industry were reflected in a Draft Plan which was then presented to Council for adoption in September 2011.

The package was developed by Council in partnership with Tourism Fraser Coast.

### Community Event workshop

About 70 people attended a community event organisers' workshop featuring marketing expert Richard

Woodward and Alyte Creative's social media specialist Ben May.

Richard Woodward offered strategies to secure and retain sponsorship and Ben May demonstrated how to use social media.

The program also included information on accessing community grants and food safety standards.

The workshop was sponsored by Council and Events Queensland.

It was a component of Council's Regional Events Strategy and was aimed at building the event organising capacity of the regional community and increasing the capacity of our region to deliver sustainable events.

### RADF grants

Council invested almost \$60,000 into arts and cultural events through Regional Arts Development Fund grants in 2011-12.

The Regional Arts Development Fund (RADF) is a partnership between the Queensland Government and regional councils.

### Burrum Heads Skate Park opened

The new skate park at Burrum Heads is a community success story with the town's progress association and youths pitching in to raise funds.

The progress association contributed \$10,000 and young skaters added \$500 to the \$65,000 project by selling raffle tickets at the 2011 Burrum Heads Easter Fishing Competition.

Council funded the remainder of the project.

The modular system can be expanded, reconfigured or relocated.



Burrum Heads Skate Park



## Maryborough wins Friendliest Town Award

Maryborough took out the award for the friendliest town in Queensland at the Keep Australia Beautiful Queensland's Tidiest Towns Awards.

Projects that Maryborough entered in the Friendliest Town category were the Mary Poppins Festival in the Park, the Staycations Scheme and Discovery Trails.

Maryborough took out the award because it showed great initiative in welcoming visitors and offered them the opportunity to download Maryborough's inner-city tour using a smart phone or tablet. The tour identifies and describes the highlights, history and attractions of the historic township.

Maryborough was presented with a large billboard that is now displayed on the entrance to the city from the Bruce Highway declaring it as the Keep Australia Beautiful Queensland's Tidiest Towns Friendliest Town.

## Mower given to Burrum Recreation Reserve

A partnership between Council and the Burrum Recreation Reserve Committee has improved maintenance at the Torbanlea Sports reserve.

Council gave the reserve committee a 72-inch 4WD John Deere mower, which had been bound for auction, to help maintain the 26.4 hectare reserve.

Council received \$60,000 funding from the Federal Government's Regional and Local Community Infrastructure Program for improvements at the reserve.

In consultation with the reserve committee and reference to the

Torbanlea Recreation Reserve Master Plan, the funds were used to build an equestrian area and equipment/administration shed for the Burrum Active Riders, two shade structures and four 32-seat mini grandstands.

The reserve committee organise the Torbanlea Picnic Races which are an annual must-do event on South Queensland's rural calendar.



## Council invests in community facilities and events

New kitchens and billy cart derbies were backed through the community grants and community events schemes.

During 2011-12, Council invested \$117,746 in 51 community events and \$48,905 in 16 projects including:

- *Black Marques MRC - Fraser Coast Sprints 2012* \$5,000
- *Hervey Bay Gem and Mineral Club - 2012 Gem Show* \$1,500
- *Burrum Recreation Reserve - 2012 Torbanlea Picnic Races* \$3,000
- *Sunshine State Classic Country Music Association - Sunshine*
- *State Classic Country Music Stampede* \$2,000
- *Hervey Bay Council for the Arts - Talent Development Program* \$3,600
- *Hervey Bay Historical Society & Museum - Building repairs* \$3,965
- *Hervey Bay Historical Society & Museum - Step Back in Time* \$2,000
- *Maryborough & District Darts - Kitchen Upgrade* \$4,745
- *Maryborough & District Darts - Qld Darts Championships* \$750
- *Fraser Coast Tennis Association - Finish two courts* \$5,000
- *Tiaro & District Sports Club - Bail Up at Black Swamp Creek* \$1,000
- *Riding for the Disabled Maryborough - Kitchen upgrade* \$3,700
- *Poona Community Progress Association - Easter Family Fishing Competition* \$500
- *Wide Bay Hospital Museum Society - painting* \$4,609
- *Maryborough and District Hockey Association - U15 Boy's State Hockey Championships* \$863.64
- *QCWA Tiaro Branch - Kitchen upgrade* \$4,782
- *Glenwood Progress Association - 2012 Swap Meet* \$1,750
- *Coast Guard Sandy Straits - 2012 Family Fishing Competition* \$1,500
- *Hervey Bay Touch Association - 2012 State Cup* \$5,000
- *Fraser Coast Hervey Bay Probus Club - 2012 Funfest* \$976
- *Maryborough Horse Drawn Vehicle Club - 2012 Show Driving Championships* \$750





- *War Widows Guild Hervey Bay Sub Branch* - 2012 Friendship Day \$1,177
- *Maryborough District Antique Motor Club* - 2012 RACQ HMC Rally \$840
- *Bauple Community Shed* - Billy Cart Derby manufacture \$3,150
- *Hervey Bay Square Dance Club Inc* - 2012 State Convention \$1,050
- *Munna Creek Hall & Rec Assoc* - 2012 Country Music Festival \$2,000
- *Equestrian Federation of QLD* - 2012 Interschool Equestrian Championships \$2,400
- *Granville State School* - Disability Football Gala \$500
- *Burrum District Miners* - Jnr Rugby League Club Jock Butterfield Day \$750
- *Maryborough Bowls Club* - 2012 Mixed 4's Heritage Carnival \$500
- *Hervey Bay Triathlon Club* - Hervey Bay Hundred \$2,500

- *Toogoom and District Community Assoc* - Roller door \$750
- *Burrum Little Athletics* - Gas oven, etc \$5,000

### Calling all community groups

More than 60 people attended a free workshop for sports, recreation and community groups to learn about innovative media and event management.

The workshops also covered event planning, risk management, volunteer training and relevant legislation and were led by Leisa Donlan who has more than 15 years experience in the non-profit sector, and participated in more than 100 committees.

She also holds a Bachelor of Applied Science (Psychology) and is a fellow of the Australian Society of Association of Executives.

### BEAT IT strikes chronic disease

47 residents improved their health and fitness and lost weight by participating in BEAT IT, a 12-week physical activity and lifestyle program which included twice a week exercise classes and fortnightly lifestyle education classes with topics including healthy eating, motivation and home exercise.

BEAT IT was one of a number of programs available to residents under Council's Live Life Healthy Program

Other programs included Eat It, a six-week nutrition education program and HEAL, a 12-week healthy eating and active lifestyle program.

To ensure programs were affordable, the Live Life Healthy Program subsidised the cost, with most programs free or only \$5 for those over 18 not in fulltime work.



BEAT IT exercise program

## Sponsorship

Groups supported by Council sponsorship include:

- *Fraser Coast Show Society* \$10,000
- *Condy Park Kindergarten* - 2011 Teddy Bears Picnic \$2,800
- *Maryborough City Whistle Stop* \$3,620
- *Brolga Theatre* - Mary Poppins Film Night \$670
- *Tiaro Landcare* - Catch and Release Fishing Competition \$750
- *Maryborough Arts Society* \$2,400
- *Lions Club of Tiaro & District* \$750
- *Bauple & District Rec Grounds* - Bauple Bash 2011 \$750
- *Maryborough Brass Band* - Best of Brass 2012 \$8,000
- *Fraser Coast Cultural Festival* \$15,000
- *Glenwood Progress Association* - 2012 Swap Meet \$750
- *Fraser Coast Heritage Awards* - \$1,000
- *Teebar Show and Sports Association* - 2012 Country Stampede \$2,500
- *Hervey Bay Art Society* - 2012 Exhibition \$1,100
- *Hervey Bay Art Society* - 2012 Exhibition \$900
- *Maryborough Art Society* - 2012 Festival \$500
- *Maryborough BMX Club* - 2012 Maryborough Classic \$300
- *Hervey Bay Seafood Festival* - \$3,000
- *Tiaro Pony Club* - 2012 Gymkhana \$250
- *Maryborough Masters Games* - \$2,500

Mayoral sponsorships were provided to various community groups and not-for profit organisations as follows:

- Mayor Mick Kruger: July 2011 – April 2012 \$28,300
- Mayor Gerard O'Connell: May – June 2012 \$4,983

## Council supports jobseekers

Council joined forces with Energy Skills Queensland to help 30 Fraser Coast jobseekers gain valuable skills and training.

The group completed flood recovery work at River Heads which included projects ranging from erosion control, weed removal and guide post installation.

The participants also gained work experience with a number of drilling companies on mine sites in the Surat Basin.

All 30 participants received their Certificate Two in drilling which could help them secure employment in the booming resources sector.

## Discover the Fraser Coast by phone

Visitors were able to navigate their way around Fraser Coast attractions using an app on their smart phone.

Council received a Federal Government grant to develop the app to encourage visitors to stay longer and explore the region through interactive discovery trails.



## New clubhouse kicking goals

Football Hervey Bay's new state-of-the-art clubhouse was officially opened on May 19, 2012.

Council was the major financial force behind the new clubhouse, investing \$100,000 to help make the project a reality. Football Hervey Bay contributed \$30,000 to the project while the remaining \$70,000 was funded by the Australian Government through its Community Infrastructure Grants Program.

The clubhouse added to facilities at the Hervey Bay Sports and Leisure Centre and showcased a number of environmental design technologies including using rainwater from the roof and car park to irrigate the fields.

The facilities also cater to other sports including rugby league, hockey and tennis and will help attract more regional and state sporting events to stimulate the economy and showcase the Fraser Coast as a premier sporting destination.

## River Heads planning meeting

Almost 30 River Heads residents had their say on ways to develop common visions and goals to ensure the future prosperity of the area.

The Community Development Team held a planning meeting at the River Heads Community Hall on Saturday May 19, 2012 to encourage residents to share their vision for the community and discuss ways Council could support the River Heads community.



## Council connects through social media

Council broadened its communication strategies with the launch of Facebook sites for Council and Fraser Coast Opportunities to accompany websites and Twitter feeds.

The Facebook pages maximised Council's communication options and facilitated open dialogue with the community.

The Fraser Coast Opportunities Facebook page allowed businesses to keep up to date on Council projects and investment as part of a co-operative marketing strategy.

## Food and Pub Fest a great weekend

Approximately 700 people attended the inaugural Portside Food and Wine Fest in June 2012.

Initial feedback from stallholders and sponsors was positive and they were keen to work with Council to see the event grow.

The event will remain a part of the Pub Fest weekend.

## Good Neighbour Day winners

The title of the Friendliest Neighbourhood on the Fraser Coast was bestowed on Jarrah Court at Burrum Heads.

Residents in the street were given the title as part of the Neighbour Day celebrations organised by Council and the Queensland Department of Communities.

To improve neighbourly relations across the region, neighbourhoods were encouraged to get together on Neighbour Day, Sunday, March 25, 2012 for morning tea or a barbecue.

## New seating at Brolga

Tiered seating installed in the Federation Room at the Brolga Theatre increased the versatility of the venue.

The new seating provided 100 seats that can be electronically retracted against the wall when not required, thereby maintaining the flexible use of the Federation Room for a wide range of functions.

More seating can be added in front of the tiered seats to increase numbers up to 170 depending on production requirements.

The project was supported by a grant from Arts Queensland's Regional Infrastructure, Council and the Friends of the Brolga.



Celebrity chef James Reeson at the Portside Food and Wine Fest





- Council received almost \$12 million in funding under the Building Better Regional Cities Program.
- A new 10 year waste contract was awarded to Cleanaway.
- Work commenced on the \$4.9 million Fraser Coast Cultural Centre.
- Council hosted 32 job seekers for 6 months to help them gain skills and experience.
- More than 4000 job seekers attended the Mining and Gas Jobs Expo.





# Our Economy

## Building Better Regional Cities

Council was the only Queensland council to gain a federal grant and received almost \$12 million under the Building Better Regional Cities (BBRC) Program towards a \$22 million program to build roads and provide \$7 million in rebates to new home owners when they buy their land.

The program has two parts: the first is to build missing links in the Hervey Bay road network by 2014, and the second is to provide 700 eligible new home owners with a \$10,000 rebate when they buy their land or a house and land package.

Two main groups would benefit from the program: working families on low to moderate incomes living in regional centres who are suffering from cost of living pressures; and new residents who want to move into the area for jobs, and need homes.

The key road infrastructure components include:

- The extension of Urraween Road (Main Street to Doolong Road);
- The Urraween Distributor (Main Street to Bay Drive);
- The Urraween Road-Nissen Street-Madsen Road intersection upgrade;

- The Kawungan Distributor (Doolong Road to Doolong South Road and Samarai Drive-Rasmussens Road connection), and;
- The Samarai Drive/Rasmussens Road connection.

The residential developments include sites in the structure planned areas of Doolong Flats, off Urraween Road and along Main Street.

## New trucks clean up

A new ten-year waste contract was awarded to Cleanaway.

Cleanaway introduced a fleet of more than 15 purpose-built trucks to deliver the service.

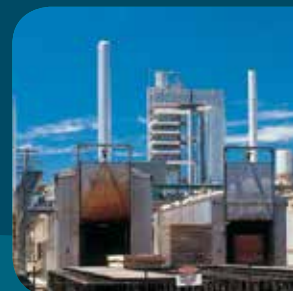
Twenty-two employees from the local area were engaged under the new contract, working from Cleanaway's new Material Recovery Facility in Dundowran.

*The Fraser Coast creates local jobs in a self-sustaining economy that recognises environmental sustainability. The employment base will be diverse and robust to buffer it from economic fluctuation.*

*Local business and industry are supported and education, training, research and skills development facilities are established to revitalise the region.*

*Partnerships are fostered to encourage investment, growth, infrastructure and access.*

*The Fraser Coast region brand is developed and promoted and recognised as a destination of choice that provides a positive experience for all ages.*



## Scholarships

Anthony Slack who is studying a Bachelor of Business through the USQ Faculty of Business and Law was the recipient of Council's \$2500 Marketing Scholarship awarded to the marketing student with the highest combined achievement in MKT1001 Introduction to Marketing and MKT1002 Consumer Behaviour.

Judith Postan who in 2012 was finishing her Bachelor of Commerce degree at USQ Fraser Coast, was the recipient of the \$2500 Fraser Coast Regional Council Scholarship which was awarded to the Second Year student with the highest cumulative Grade Point Average (GPA) from each of the four faculties of Business, Arts, Education and Sciences in 2011 at USQ Fraser Coast.

## Funds to attract investment

Council secured a \$150,000 grant from the Department of Employment, Economic Development and Innovation to assist in promoting and attracting investment to the region.

The funding recognised the investment Council made in promoting the region and the marketing partnerships developed through Fraser Coast Opportunities which involves Fraser Coast businesses, chambers of commerce, USQ, UDIA and Council.

Council used the funds to develop marketing strategies and material to promote and sell the region to investors.

Projects included:

- Creation of Fraser Coast Opportunities as a one-stop-shop for people looking to work, invest or learn on the Fraser Coast. It included services,

facilities, assistance and incentive packages;

- Development of regional marketing material including a 16-page investment and lifestyle brochure, fact sheets on the region's competitive advantages and opportunities for investment, and;
- A Fraser Coast promotional investment DVD with testimonials specifically targeted at key sectors.

The funds were also used to bring potential investors to the region to showcase facilities and services.



## Job skills boost

Council hosted 32 job seekers for six months work experience to help them gain valuable knowledge and skills from November 2011 to April 2012.

Under the program, a very broad group of people were placed in a diverse range of positions. All the participants gained valuable knowledge, skills, experience and exposure to a working environment as well as developing confidence to gain employment.

## Sod turned on Fraser Coast Cultural Centre

Work commenced on the Fraser Coast Cultural Centre in December 2011.

Local firm PBS Building won the \$4.9 million contract to build Stage One of the centre in Old Maryborough Road opposite the Hervey Bay library and gallery.

The first stage included a 1,400m<sup>2</sup> building to house the Fraser Coast Discovery Centre, café, administration area, toilets, art gallery, 33 car parking spaces and landscaping.

The centre will provide an all weather attraction that will use interactive technologies and activities to interpret all aspects of the region's unique environment, especially featuring the Hervey Bay Humpback Whales experience.

It will also add to the landscape of the civic precinct and help create the city's CBD.

The first stage was funded by a \$1.3 million Federal Government grant under the Rural and Local Community Infrastructure Program which was matched by Council.

When the new Cultural Centre is completed, the USQ Fraser Coast will expand its library into the former gallery space in the current library/gallery complex.

PBS believed that at least 90% of the contract would be undertaken by local contractors and suppliers which would inject \$4.4 million into the region's economy.



## Marine Industry Precinct

The State Government endorsed the Maryborough Marine Industry Precinct on the banks of the Mary River at Beaver Rock.

Backing by the Major Projects Office meant that all government departments would help Council work through the issues to move the project forward.

The Maryborough Marine Industry Precinct would be a world class marine industry park providing for ship and boat builders, equipment manufacturers, service providers, vessel refit and maintenance and other marine related industries.

The park would provide opportunities for vessel operators, business and regional employment and could provide more than 300 jobs over a 10-year period.

## Site set for Burrum Heads Boat Ramp

After almost 20 years of discussions, a proposed site off Riverview Drive Burrum Heads was identified for the development of a new two-lane boat ramp.

The decision came after an investigation into possible locations was launched by Council and the Department of Transport and Main Roads Boat Infrastructure and Waterways Management Branch.

Initial estimates put the cost of the two-lane ramp and associated car park and access channel at \$5.2 million.

Council is responsible for building the land-based infrastructure such as the car park, rigging and turning bays while the state government is responsible for building the ramp and access channel.

## Maryborough City Heart Clean up Day

Volunteers turned out in force for the Maryborough's CBD spring clean in time for the launch of a new marketing campaign.

Under the Maryborough City Heart campaign, new branding initiatives, including window front decals promoting the distinct character and personality, and the unique experiences of Maryborough's historic shopping precinct, were created and distributed.

Shoppers could join in the fun and go in the draw to win a \$500 shopping spree in the CBD by visiting the city centre and then posting messages on the 'I Love Maryborough' Facebook site.

The Maryborough City Heart project is a partnership between Council, the Maryborough Chamber of Commerce, the Maryborough CBD Renewal Group and the local business community.



Maryborough City Heart Clean up Day



## Queensland Mining and Gas Jobs Expo

More than 4,000 Wide Bay Burnett residents interested in working in the resource sector attended the Mining and Gas Jobs Expo at the Brolga Theatre in Maryborough in October 2011.

While mining companies were showcasing jobs available in the resource sector, Council showcased the region's capacity to service the resource sector with employees, goods and services.

The expo was organised by the Queensland Government in partnership with Council and major mining and gas industry employers.

## Alliance Airlines fly from Hervey Bay

The largest fly in fly out charter operator in Australia, Queensland-based Alliance Airlines, commenced services through Hervey Bay to the booming resource centres.

As part of the Live Here Work There campaign, Council aimed to attract workers and mining companies to the region.

A survey of mine workers conducted by Council indicated that many drove to work and there was potential to grow the number of flights from this area to the mines.

Alliance Airlines, which commenced operations in 2002, operates a fleet of 25 aircraft including the Fokker 100 and Fokker 70 jets and Fokker 50 turboprop aircraft in Western Australia, Northern Territory, South Australia, New South Wales and Victoria.

## New stormwater pipes for Dundowran

Council endorsed a \$70,000 project to improve stormwater drainage at Palmwood Drive in Dundowran.

The project diverts stormwater through 140 metres of new pipe past lagoons on private property to alleviate flooding in the street.

A debris bypass system will also be installed in Palmwood Drive stormwater pits to prevent leaves and litter blocking the pipes.



## Chapel Road rebuild

Chapel Road, Nikenbah, between Main Street and Woods Road, was closed to traffic from May 2012 for reconstruction.

The \$720,000 project included replacing 900 metres of Chapel Road with an eight-metre wide sealed section, new table drains and culverts to improve drainage.

The project joined on to a 650 metre section of Chapel Road that was rebuilt in 2008.

## Development Expressway delivers

Council processed the first three applications through its new fast tracking development system within 23 days of Development Expressway being launched in March 2012.

Development Expressway was devised by Council's development assessment team to fast track low risk and uncomplicated applications and reduce the time involved in assessing most applications.

Under the streamlined assessment process, Council guarantees a 10-day turnaround on a range of low risk applications.

The first application was for building works to a building listed on the Local Heritage Register which was approved within six days after being lodged.

The second application was for a material change of use for a new industrial shed at Maryborough which took nine days from lodgement to approval.

The third was for a material change of use for a new medical centre in Hervey Bay which took eight days to process.

Under Development Expressway, Council also expanded the number of applications that fell into its RiskSmart system, improved the functionality of PD Online to allow potential developers to determine what they could do on their land and the applications they require.

Information sheets and checklists were also created to help applicants through the development process.

Up to 70% of all development applications are processed through one of the Expressway initiatives.



## Carpark improvements

Lanson Civil rebuilt the Hervey Bay Aquatic Centre carpark and a section of Tavistock Street in April and May 2012.

The project included pavement repairs to the eastern half of the Aquatic Centre carpark and 150 metres of Tavistock Street from the Boundary Road intersection.

The project was funded through the Natural Disaster Relief and Recovery Arrangements (NDRRA) program.

## Doolong Road footpath

Construction commenced on a 500-metre section of footpath along the southern side of Doolong Road from the Baycrest Retirement Village to near Ian Avenue in May 2012.

When future road works are completed in 2013, the two-metre-wide walk/cycleway path will link the retirement village with the Kawungan neighbourhood shopping centre and the Link Mobility Corridor in the Hervey Bay CBD.

## More help for job creation

To boost employment across the region, Council, with the assistance of natural disaster recovery funding from the State Government, funded two Jobs and Skills Development Officers.

The officers co-ordinated employment and skills programs using several existing Queensland and federal government initiatives.

These programs included the Flexible Funding Pool, Apprenticeship Support, Community Work Placements, and Priority Skills.



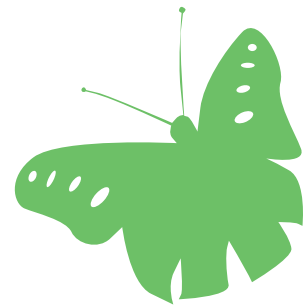
Hervey Bay Aquatic Centre carpark improvements





- Two floating harvesters cleared weed from stormwater detention basins in the Hervey Bay CBD.
- Council received 14 submissions on the Draft Fraser Coast Shoreline Erosion Management Report.
- Pet owners were offered discounted desexing and microchipping for their cats and dogs.
- Work commenced on pruning mangroves along the Mary River in March 2012.





# Our Environment

## Shoreline Erosion Management Plan Options Assessment

Fraser Coast residents had six weeks from 22 December 2011 to 3 February 2012 to comment on the Draft Fraser Coast Shoreline Erosion Management Options Assessment report.

14 submissions were formally received, and the report remains available on Council's website.

The 422-page report contained the history of investigations into the region's shoreline and erosion management options.

It also contained maps showing areas prone to erosion within the study areas as well as risk assessments, cost estimates, recommendations, and management options ranked in order of the extent to which they achieved social, economic, and environmental objectives, and of their compatibility with state and federal legislation.

## Weed harvester on stormwater basins

Two floating harvesters took four days to clear weed from stormwater detention basins in the Hervey Bay CBD at a cost of \$11,000.

The nutrient-rich weed was composted at the Nikenbah Transfer Station and turned into mulch.

Council has embarked on a long-term trial to use non-mechanical weed control methods.

As part of the trial a solar-powered pump was installed in the basin to improve water quality, slow weed growth, cut toxic blue-green algae outbreaks and bad smells, and control mosquitoes.

Excessive weed growth, especially in summer, can lead to fish kills.

The pump circulates 19,000 litres of water per minute creating a current in the basin improving the amount of dissolved oxygen in the water, especially at lower levels.

The oxygen-rich water and current helps nutrient-rich material settle to the bottom, cuts floating weed growth and blue-green algae growth.

The improved water quality boosts fish numbers which keep weed and algae growth under control.

*A diverse and healthy natural environment, with an abundance of native flora and fauna and rich ecosystems which can thrive with our awareness, commitment and action in caring for the environment.*

*That important habitats for native animals and plants are preserved and developed to ensure that a healthy ecosystem is sustained by protecting, conserving, monitoring and improving the natural environment.*



## Maryborough mangroves pruned

Work commenced on pruning and thinning mangroves along the City Reach of the Mary River in March 2012 following the acceptance of the Mangrove Management Strategy by the State Government.

Mangrove management is a key component of the Brolga to the Bridge Concept Plan which guides Council's plans to re-invigorate the Maryborough CBD.

The pruning will improve views of the river, allow public surveillance of the boardwalk and public jetty and maintain clear areas for existing and potential activities.

Sections of river bank near the Maryborough airport and the city's waste water treatment plant at Aubinville will be restored and revegetated to offset the lost vegetation.

## Desex and microchip pets

Fraser Coast pet owners were offered discounted de-sexing and microchipping of cats and dogs in a bid to reduce the population of unwanted animals.

Council partnered with the Maryborough Animal Refuge to offer desexing and microchipping at only \$100 per animal.

The Refuge Management Committee was able to secure the RSPCA PAWS Unit to operate at the refuge as part of an on-going program.

## Mayor's Environment Award recipients

The recipients of the 2012 Mayor's Environment Awards were:

**Hervey Bay Community Bank Community Environment Program Group Environmental Excellence Award:** *Poona Community Environment Program.*

The group was keen to protect the foreshore at Poona as well as educate the community. It meets regularly to weed and plant seedlings along Poona's foreshore Reserve.

Among their achievements for last year was hosting an event as part of Council's Coastal Communities Clean-up Day during which debris and weeds were removed, as well as guide posts installed along the foreshore walking trail.

**Urban Development Industry Association Excellence In Sustainable Development Award:** *Hervey Bay Community Centre.*

The Hervey Bay Community Centre was designed as a viable and liveable sustainable building, with exceptional water and energy saving features.

Internal water features and plants are part of the building's ventilation and air conditioning systems and to maximise energy savings, the building can be naturally ventilated and lit.

**Solahart Environmental Innovation in Business Award:** *Eco Queenslander Holiday Homes.*

Eco Queenslander's Sustainable Holiday Home Project commenced in October 2008 and shows that old homes can be retrofitted to enhance their sustainability without compromising comfort.

**GHD Sustainability Award:** *Granville State School.*

The school has embedded the Green and Healthy school attitude into its curriculum to create a positive behaviour for an environmental change. The aim is to increase student and community awareness of the school's environmental practises and their benefits and have students share their knowledge and practices with their parents and grandparents.

**Cardno Primary School Environment Project:** *Sunbury State School and St James Lutheran College.*

Sunbury State School commenced its environmental sustainability journey in 2007 with the Commonwealth Government Water Grant, and continued to implement new strategies each year.

To reduce waste the school introduced bins for fruit and vegetable scraps which they compost, use recycle bins and encourage children and staff to think about what can be recycled and collect printer cartridges for recycling.

To reduce their use of town water the school has installed water tanks to collect rainwater to flush toilets and for irrigation.

In 2010, St James Prep students developed the Traffic Light System which has now been adopted by the entire school to manage waste and educate students about sustainability.

The strategy helps students classify the waste they bring to school and how it should be disposed.



**Q Mulching Young Environmentalist of the Year:** *The Sandy Strait Young Greenies.*

Year 4 to 6 students volunteer for environmental jobs around the school. The first scheme encouraged was the use of compost buckets, which are distributed daily. The compost is used in garden beds around the school.

The school set up a greenhouse to look after seedlings, plant seeds and monitor the growth of donated plants and the new prep area has a new herb garden beside the sandpit.

Along with revamping existing garden beds with plants, shrubs and flowers, the school is restoring the Bush Tucker garden and setting nesting boxes around the generous garden/bushland areas to aid native wildlife.

**GHD Secondary School Environment Project:** *St Mary's College.*

All Year 10 students at the college help to maintain the Fay Smith Wetlands as part of a 'Mission' unit in their Religious Education. During the working bees they reflect on how they have an impact on the environment.

**Cartridge World Environmentalist of the Year:** *Zahra Datoo.*

Zahra is passionate about the environment and has participated in Council's Community Environment Program (CEP) for many years.

Working by herself as well she has gradually removed weeds and encouraged natural regeneration on the foreshore opposite her home at Toogoom. She has replanted natives to improve biodiversity and stop the weeds returning. The site is

regenerating rapidly and the frontal dune is stabilising rather than eroding.

As a result of her efforts Zahra has inspired others in her street to join her in protecting the foreshore.

**Mayor's Choice Award:** *Hervey Bay Propagators.*

Hervey Bay Propagators have expanded their operations since moving into a new nursery in the Hervey Bay Botanic Gardens.

The volunteers collect seeds from across the region to grow and has about 12,000 plants in stock in a variety of species and sizes.

In the past financial year the group supplied more than 7,000 plants to community groups, schools, community events across the region, as well as supplying plants for some Council Parks and revegetation projects.



Mayor's Environment Award winners - Sandy Strait Young Greenies





- The January 2011 floods left Council with a \$26.8 million repair bill.
- Council spent \$1.2 million replacing the bridge over Maria Creek at Howard.
- A \$250,000 project to repair the Burrum River Bridge was completed.
- An 80-year-old stormwater drain was replaced under Harland Carpark in Maryborough.

# Our Movement and Access



## Maria Creek Bridge works underway

A new bridge over Maria Creek at Howard was opened in June, 2012.

Council spent \$1.2million replacing the wooden bridge over the creek with a prestressed reinforced concrete bridge with shared pedestrian-cycle pathway.

The wooden bridge was replaced after an inspection indicated that one of its piles had failed and outer timber girders on most spans were severely rotted and cracked.

The project commenced in November 2011 and took six months to complete, one month longer than expected due to the wet conditions, especially in January and February, which delayed the installation of the supporting pylons.

The project also included a 2.5-metre-wide walk/cycle path across the bridge to ensure pedestrians and cyclists could use the bridge safely in wet weather.

## Burrum Bridge

A \$250,000 project to repair the Burrum River Bridge was undertaken in July 2011 and took five weeks to complete.

To minimise inconvenience, the project was arranged so that the bridge was closed for only the first five days.

The repairs were required to maintain the serviceability of the 90 year-old bridge deck. The surface was repaired and treated to improve its strength. It was then overlayed with asphalt to provide a smooth surface.

## Footpath closure

The Eli Waters Lagoon footpath was closed for two weeks in November 2011 to allow Council to complete repairs to the walkway which links Endeavour Way to Ibis Boulevard.

## Missing link

Council allocated \$160,000 to complete a missing section of Emerald Park Way, previously known as Urangan Street. Construction took approximately six weeks to complete. The roadway provided the link between Elizabeth Street and Robert Street.

*The Fraser Coast region has effective transport networks connecting the region with surrounding City centres and convenient pedestrian pathways to accommodate an active, healthy lifestyle.*

*A variety of transport options and extensive networks provide linkages to all areas of the community in accordance with need.*





## Tavistock Street parking

Sports enthusiasts find it easier to locate a car park after an upgrade of Tavistock Street in front of the sports ovals.

Lanson Civil undertook the \$224,000 project which included 20 on-street car parking spaces, drainage and kerb and channel.

A footpath links the on-street car parks to a 189-space car park between the soccer fields and the hockey grounds. Dedicated turning lanes were also installed to improve traffic flow into Boundary Road.

## Nissen Street roadworks

One of Hervey Bay's major roads, Nissen Street, was upgraded in a \$400,000 pavement rehabilitation project carried out by Lanson Civil.

The project covered approximately 380m of Nissen Street south of Chancellor Drive.

## Esplanade - Tavistock Street intersection revamp

Work was completed on a revamp of the intersection of the Esplanade and Tavistock Street in Hervey Bay in April, 2012.

The project included a raised intersection with a pedestrian crossing linking Nielsen Park with shops on the southern side of the Esplanade and paved pedestrian refuges on either side of Tavistock Street.

The project was undertaken as a result of feedback from businesses in the area.

The project followed on from work to expand a car park in Freshwater Street by 11 spaces.

## Disability Beach Access

Council committed to build three new disability access points at Torquay, Scarness and Pialba.

The ramps would replace beach access boardwalks at Torquay and Scarness that failed during storms and provide a new access point near the All Abilities Playground in Pialba.

Detailed designs and costings for the new ramps were commissioned.



## Harland Car Park drainage

An 80-year-old stormwater drain under the Harland carpark behind Council's Maryborough administration building parallel to Lennox Street was replaced as part of \$1.2 million project.

Approximately 130m of the hand-made concrete arch culvert was damaged by floods in January 2011 and required replacement.

New three-metre diameter pipes were installed to funnel stormwater from the CBD to the Mary River.

## Urangan seawall

Council approved plans to replace the 350-metre concrete seawall lining the Esplanade footpath in Urangan.

The current structure will be replaced with 118 new concrete tilt panels, each measuring three metres long by one metre high, separated and supported by stainless steel beams.

Seventeen of the panels will also be imprinted with a pattern resembling seagrass.

The seawall serves two purposes; firstly as a safety barrier for pedestrians and people using the footpath and secondly to stop a lot of the ocean spray coming onto the road and impeding traffic.

Local firm JAC Civil was awarded the \$350,000 tender with work scheduled to start in August 2012.

## Allerton Road

A 605m section of Allerton Road, Booral, was sealed in response to a request by the Booral Community Association.

Traffic on the road had increased and it had become the preferred route into Booral since roadworks on River Heads Road.

Under the \$125,000 project the existing gravel pavement was improved to a 6.5m wide sealed road.

## Multi-million dollar road repair bill

The January 2011 flood left Council with a \$26.8 million repair bill.

While Council received more than \$23 million in State and Federal Government funding for roadworks, \$3.5 million from reserves was needed to complete repairs.





The damage was caused by the prolonged wet and floods in the spring and summer of 2011. The Mary River rose twice splitting Maryborough in two and isolating Granville and the coastal communities.

Many roads in the western section of the region were also cut, washed away or destroyed as vehicles sunk into the water-logged ground.

Council applied for the funds from the Queensland Reconstruction Authority and under the federal government's Natural Disaster Relief and Recovery Arrangements (NDRRA).

### 30 minute parking for Scarness and Torquay

Council shortened parking limits of some Esplanade parking bays from two hours to 30 minutes in response to meetings and submissions from Esplanade businesses.

On the business side of the Esplanade at Scarness, 10 two-hour parking bays were converted to half-hour spots.

At Torquay, half of the angle parking bays on the eastern side of Bideford Street became two-hour spots.

No changes will be made at Urangan until a review of Council's parking strategy is complete.

### Reseal Program ramps up

Council's \$3.7 million reseal program ramped up in March 2012 after wet weather delays.

Resealing is designed to waterproof and prolong the life of the underlying pavement and to provide skid resistance.

Failure of the surface layer occurs by potholing, cracking, stripping (aggregate loss), flushing (the bitumen rises to the surface) or polishing (the aggregate loses its skid resistance).

Asphalt resurfacing has been included in the program where there is existing asphalt which requires replacement, or where the existing surface will not cope with higher traffic volumes or stresses brought about by turning traffic.

### Fraser Coast Walk Cycle Plan

The Draft Fraser Coast Walk Cycle Plan went on public exhibition in September 2010.

The draft plan outlines priorities for cycle paths, pedestrian walkways and shared facilities as well as the costs of implementing the strategy.


Projects are being prioritised for placement in the five-year capital works plan.



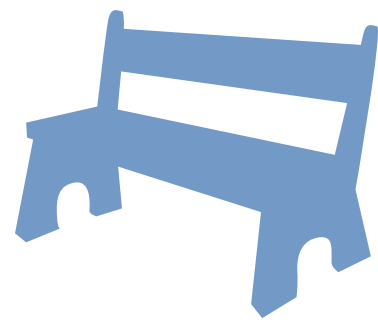
Esplanade parking



# Our Places and Spaces

- 
- A photograph of two women sitting on a wooden bench in a park. The woman on the left is wearing a maroon ruffled top and grey pants, while the woman on the right is wearing a tan sleeveless top and grey shorts. They are both smiling and looking at each other. In the background, there is a large, dark, circular sculpture with many small holes, and a white bicycle with a basket is parked nearby. The scene is set in a grassy area with trees and flowers.
- The 121-year-old Queens Park Rotunda was given a \$40,000 facelift.
  - WIN Constructions was appointed to rebuild the \$6.5 million Maryborough Aquatic Centre.
  - Fraser Coast Libraries received 383,785 visitors in 2011-12.
  - Council obtained a \$40,000 grant to help people with a disability participate in community events.





# Our Places and Spaces

## New sign for Old Maryborough Site

Timber salvaged during the refurbishment of the Urangan Pier in Hervey Bay was used to build an entry statement at the Original Maryborough Site on the corner of Alice and Aldridge Streets.

The timber from the pier, which opened in 1917, came from Fraser Island. It was trimmed and milled by Council's carpenters to create the new entry statement which has been inlaid with stainless steel lettering.

The entry statement is part of Council's plan to develop the site. Artefacts dug up from the site by archaeologists are on display in Customs House in Wharf Street.

## New heaters for Hervey Bay Aquatic Centre

New heaters were installed to heat the water in the 25 metre pool at the Hervey Bay Aquatic Centre.

Council allocated \$110,000 to install the heaters and a further \$7,000 to repair tiling around the pool.

The existing five heaters were replaced with two heaters. One of the five was still in a serviceable condition and was

kept as a spare for the learn-to-swim pool.

The heaters have increased centre usage by ensuring it is open for longer during the cooler months.

Council has also changed its fees and charges to make the centre more accessible by catering to clients with Seniors Cards, Companion Cards and other concession cards.

## Accessible Communities funding

Council obtained \$39,913 from the Australian Government's Accessible Communities Program for projects that support and assist people with a disability to actively participate in community activities.

Council received from the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), 50% of the total cost of constructing disability access ramps and pathways at the Burrum and District Museum and the historic Munna Creek Hall, and for the purchase of an additional pool wheelchair and the installation of a lifting hoist at the Hervey Bay Aquatic Centre.

*City entrances are welcoming and the unique aspects of towns and villages are reflected in vibrant hubs that invite community to meet and interact.*

*Growth within the region is well planned, managed and environmentally responsive whilst public areas provide benefits for the varying needs of the whole community.*





## Eli Waters-Dundowran Structure Plan adopted

Council adopted the Eli Waters-Dundowran Structure Plan at its Ordinary Meeting on April 4, 2012 to guide development of the area west of Hervey Bay.

Structure plans illustrate the layout of the area, the location of major roads, drains, open space, water and sewerage services, and the type of development desired in an area.

To determine residents' vision for the area, Council organised stakeholder and community information sessions in April 2010.

After considering submissions, Council developed a draft structure plan which went on public exhibition in December 2011 and January 2012.

A public meeting was held in December 2011 to go through the draft plan.

Council received 13 submissions on the draft plan which was then amended before being adopted.

The structure plan will be incorporated into Council's new Fraser Coast Planning Scheme that is currently being drafted.

## Structure plans on track

Council engaged Cardno HRP to prepare structure plans for the Nikenbah, St Helens and Granville Development Areas identified by the State Government's Wide Bay Burnett Regional Plan to cater for future growth.

Under the Wide Bay Burnett Regional Plan the Nikenbah Development Area will provide additional residential and employment growth opportunities.

The St Helens Development Area will deliver employment opportunities and some residential development.

The Granville Development Area may provide opportunities for residential development and employment expansion. It is intended that the area will primarily provide for residential growth, however opportunities for local services and employment will also be considered.



## Airport parking

As a result of public feedback, changes were made to the car park at the Hervey Bay airport drop off zones.

The changes included designated drop off zones for taxis, shuttle buses, disability parking and the general public in front of the terminal building.

The plans, which were approved by the Office of Transport Security, maintain the required unauthorised vehicle exclusion zone next to the entrance of the terminal.

## Airport Master Plan

The Fraser Coast has set itself as a major player in the aviation industry with the adoption of the Fraser Coast Airport Master Plan.

The plan will allow the Fraser Coast to firmly position itself as an aviation industry hub for aircraft maintenance and refurbishment, and aggressively pursue new business.

The plan covers the airports of Hervey Bay and Maryborough.

Council estimates that if the Hervey Bay airport precinct was developed to its full potential it would generate 1,432 jobs and inject \$71 million into the local economy stimulating the construction industry; creating jobs; attracting new, technology based businesses to the region; and positioning the Fraser Coast as a front runner in regional development initiatives.

In Maryborough, the plan examines the future development of the airport with commercial precincts, flying school operations, charter operations supporting the mining industry, aircraft servicing and maintenance, general aviation hangars, a residential airpark and retail outlets.

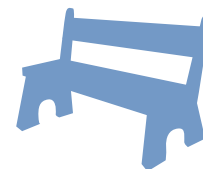
## Toy library on the move

Maryborough Toy Library and Special Needs Resource Centre was rebuilt.

The library relocated to a temporary home in Tinana while the work was carried out.

The renovations and extensions were funded by a \$281,870 grant from Non-School Organisations Commonwealth Special Education.

The toy library and special needs resource centre promotes skills development by providing stimulating and enhanced learning experiences



with quality toys, educational resources, play equipment and special disability equipment.

The library re-opened in January 2012.

### Pyjama Angels boost loans

Hundreds of children will develop a love of reading and going to the library thanks to Pyjama Angels armed with new Reach for Reading kits from Fraser Coast Libraries.

The Reach for Reading project helps children improve literacy skills and encourage a life-long love of reading and involvement with public libraries.

Children and young adults are tempted to read with kits that contain books, toys, games and DVDs put together by Fraser Coast Libraries which are used by Pyjama Angels.

The Reach for Reading project was developed by Fraser Coast Libraries with the help of a \$25,000 Expanding Horizon Grant for Family Literacy from the State Library of Queensland.

Council also invested \$15,500 from its collection development funds to buy resources for the kits.

### Library stats for 2011-12

- Number of days libraries open: 301
- Annual visitors: 383,785
- Annual loans: 914,648
- New members for 2011-12: 6,126
- Total membership as at June 30, 2012: 38,232 or 40% of the population
- New collections purchased in 2011-12 included e-audiobooks, family literacy kits, children's magazines; and Playaways (preloaded audio books in a portable device).

### Upgrade to Fisherman's Park

Fisherman's Park at Urangan, the home of the Hervey Bay Seafood Festival, was given a \$70,000 facelift.

The project included: installing stormwater pipes and profiling the drain to the north of Jetty Road; installing picnic shelter, two sets of tables, seating; moving the fencing to increase usability and creating a meeting place to the south.



Maryborough Toy Library

## Queens Park Rotunda restoration

The grand old lady of Queens Park, the Band Rotunda, was given a facelift.

The 121 year-old rotunda was stripped and repainted as part of a \$40,000 project funded equally by Council and the Community Memorials Restoration Program.

The spier atop the roof and ornate crown that surrounded the centre spier were removed so that corroded and broken ornate pieces could be replaced and repainted. New lights were installed and holes in main roof and concrete posts were repaired, the bitumen floor was levelled and concrete surrounds repaired and repainted.

The project was undertaken by Council staff with the assistance of local contractors.

The rotunda, along with the nearby Fairy Fountain, were imported from Glasgow in 1889, and opened in the Park in 1890 to acknowledge the contribution, in memory of Andrew Wedderburn Melville, to Maryborough.

## Maryborough Aquatic Centre redevelopment

Fraser Coast builder WIN Constructions was appointed to rebuild the Maryborough Aquatic Centre.

Council allocated \$6.5 million for the redevelopment of the ageing pool in John Street, Maryborough.

The project includes a water play area, repairs to the existing 25 metre heated pool, a new eight-lane 50 metre pool and a new hydro-therapy and learn to swim pool.

To commemorate the redevelopment a "last laps" celebration was held on the last Sunday of the September school holidays in 2011.

Council helped regular users, such as the swim club, triathlon club and masters swimmers to find alternative arrangements.

The project is expected to be completed in December 2012.



## Sports, Recreation and Events Precinct

Sporting groups were invited to participate in the development of a master plan for a new sport and recreation precinct to be built near the Hervey Bay airport.

Preliminary plans for the precinct were released in December 2011 ahead of the master planning consultation.

Land was needed for a range of sports to allow Hervey Bay and the region to keep pace with population growth and attract large events such as the state touch football carnival that was held in Hervey Bay last year which injected more than a million dollars into the local economy.

Ideas put forward included walk/cycle paths linking the precinct to nearby residential areas, car and bus parking, and a network of walk/cycle paths with secure bike parking facilities.

Nearby vegetated land could be used for walking, cross country running, orienteering competitions and possibly cross country mountain bike trails.

## Facelift for Maryborough Eventing course

The eventing course at the Maryborough Showgrounds and Equestrian Park was given a facelift to ensure it kept its position as one of the top three courses in the state.

Nationally recognised course designer Brendan Croese worked on the project which was finished in May 2012.

The first event at the revamped course attracted more than 200 participants from across the state.

The \$50,000 project was undertaken with funds from Council and Sport and Recreation Queensland.

## Maryborough CBD improvements

In December 2011, Council adopted plans to refurbish Kent and Adelaide Streets in the Maryborough CBD. It will also investigate the feasibility of a multi-storey car park on Council-owned land fronting Bazaar and Kent streets.

Council presented residents and businesses with four options to revamp parts of Adelaide and Kent streets, including a proposal to turn sections of Kent into a one-way street.

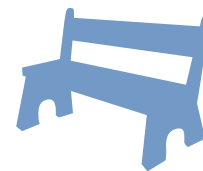
While residents and businesses had their say on the proposals at meetings in May 2012, extra consultation was organised for businesses in areas which would be affected by the changes.

The street redevelopment plans were added to the project list for inclusion in the future capital works budget.

## Scarness Foreshore Park upgrade

One of Hervey Bay's most popular parks, the park on the foreshore at Scarness, was given a facelift in a





project that commenced in February 2012.

The project focused on:

- Adding equipment to the playground;
- Removing the damaged access ramp next to the jetty;
- Installing a stair beach access near the jetty;
- Installing a disability compliant access point behind the multi-use court;
- Covered seating area on the observation deck at the head of the jetty;
- Landscaping to improve appearance and functionality; and
- Improved lighting for paths, car park to improve safety and accessibility at night.

## River Heads Reserve Community Open Day

Volunteers from Fraser Coast Regional Council's Community Environment Program and members of the River Heads Progress Association hosted an open day at the River Heads Reserve on May 19, 2012.

More than 2000 native plants were planted in the weeks leading up to the event by various volunteers and local job seekers working as part of federally funded flood recovery and job skilling programs.

Visitors also had an opportunity to lend a hand and plant a tree as part of the activities on the day.

The concept plan was developed four years ago and the River Heads Reserve will eventually include toilets, a sporting oval, more footpaths and a bird watching tower.

## Garden architect explains his vision

Stephen Perry – the landscape architect who helped design the Chinese Gardens feature at the Hervey Bay Botanic Gardens - gave visitors an in-depth explanation of his vision at a special function on April 19, 2012.

More than 30 guests were told how the gardens would include building materials that were sourced from China, including bricks, roof tiles and ornaments.

Construction crews from Council's Parks Department completed most of the work, with only special projects being outsourced to private contractors.

The Chinese Garden includes a moon gate and cloud wall, feature fountain, circular court, pond, timber bridge, pavilion and curved bench.



Scarness Foreshore Park stair beach access

# A lifestyle for everyone

*I love living in the Fraser Coast region because children can grow up to be adults in a relatively safe environment.*

*Also, the region offers great diversity. If you go to Maryborough, you get to experience a “country city” environment, rather than the traffic congestion in a metropolitan city like Brisbane, so it’s just right.*

*Likewise, Hervey Bay offers the advantages of a “coastal city” and the associated benefits of tourist attractions such as “whale watching”. There are also beach and fishing holiday destinations like Burrum Heads and Toogoom to visit too.*

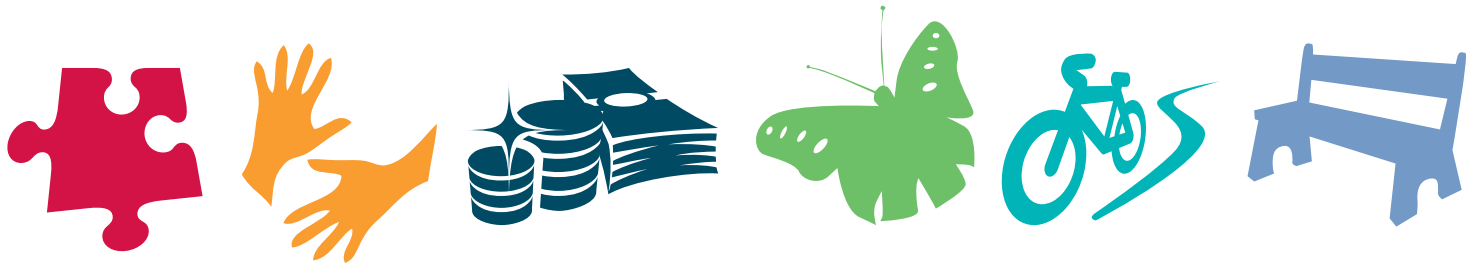
*Small country towns like Tiaro, Brooweena, Howard, and Torbanlea complete the picture. These areas allow residents, and/or visitors, to experience life in a rural community.”*

Sam Rogers - Woocoo



*“What do I love about living in the Fraser Coast? There are so many different things I could mention, the Fraser Coast is such a diverse and far reaching community. We have the beach, country, town, the awesome Mary River and of course the amazing people. But the two main things I love most would be the Great Sandy Biosphere and the Teebar Rodeo.”*

Jessica Stewart - Tiaro



*"I have lived in the seaside city of Hervey Bay since 1983.*

*I grew up in a country town and every Christmas holiday my family would travel to Hervey Bay. I have fond memories and it was an easy decision to transfer to Hervey Bay when the opportunity came.*

*I have seen the Fraser Coast region grow and expand, as the population has increased, to become the city it is today.*

*Our community now caters for numerous sports and lifestyle facilities to encourage more families to move to the Fraser Coast. We have great schools, great shopping facilities, great climate and the beach at our front door. I'm sure the Fraser Coast community will continue to grow."*

**Lesleigh Schiffke - Queensland Junior State Touch Football Club**

*"We have raised our kids here and have seen most of our grandkids born and raised here and now we have another generation to follow. Sometimes people complain about nothing to do here.*

*Our kids and grandkids have been involved in over 30 sporting and cultural organisations in addition to the simple pleasures of picnics, BBQ's beaches, walks to enjoy the natural topographical wonderland of our region..."*

**Elva & Ray Alloway - Maryborough**







# Statutory information

In addition to Council's continued implementation of its Corporate Plan and Operational Plan in accordance with its adopted strategies, as demonstrated in this report, Council is required to provide information on statutory requirements under the various legislation.

This section contains a range of information important to Council as an organisation, including:

- Statutory information;
- General organisational information relating to staff policies; and
- Other information considered of interest in an Annual Report.

## Councillors' Remuneration and Superannuation

Pursuant to Section 114(1)(a) and (b) of the Local Government (Finance, Plans and Reporting) Regulation 2010, Council resolved on 25 January 2012 the following Remuneration Rates and Superannuation Contributions to its Mayor, Deputy Mayor and Councillors effective January 1, 2012:

**Remuneration Rates** as a percentage of Reference Rate of \$137,149:

Mayor 95%, Deputy Mayor 62.5%, Councillors 55%.

**Superannuation Contributions** up to 12% of a Councillor's base remuneration provided that Councillors contribute 50% of Council's contribution.

Council, at its Post Election Meeting held 23 May 2012, resolved to authorise payment of the above Remuneration Rates and Superannuation Contributions to its Mayor, Deputy Mayor and Councillors.

## Expenses incurred by and facilities provided to Councillors

Pursuant to Section 114(1)(c) of the Local Government (Finance, Plans and Reporting) Regulation 2010, Councillors were provided with electronic equipment to enable them to perform their duties.

Resources included a computer workstation, printer, modem, iPad 3 and Blackberry.

Expenses were incurred for vehicle usage, conference registrations, accommodation, meals, travel expenses and telecommunications totalling \$156,461.00 for the financial year.

### Councillors' Remuneration, Superannuation and Expenses July 1, 2011 – May 14, 2012

Councillor	Gross Salary / Earnings (\$)	Council Superannuation Contribution Paid	Expenses (\$)
Cr Julie Arthur	72,545.00	8,705.00	14,801.00
Cr Sue Brooks	72,545.00	8,705.00	8,818.00
Cr David Dalglish*	81,967.00	9,836.00	17,128.00
Cr Linda Harris	72,545.00	8,705.00	10,014.00
Cr Debbie Hawes	72,545.00	8,705.00	7,351.00
Cr Barbara Hovard	72,545.00	8,705.00	5,680.00
Cr Mick Kruger**	122,498.00	14,700.00	28,561.00
Cr Belinda McNeven	72,545.00	8,705.00	10,845.00
Cr Les Muckan	72,545.00	8,705.00	18,869.00
Cr Anne Nioa	72,545.00	8,705.00	11,062.00
Cr Gerard O'Connell***	84,572.00	10,149.00	7,190.00

Gross Salary/Earnings include amalgamation loading: Mayor \$2397.12; Deputy Mayor \$1678.85; Councillors \$1471.15

\* Includes Deputy Mayor allowance 1/7/11 to 14/5/12

\*\* Includes Mayoral allowance 1/7/11 to 14/5/12

\*\*\* Includes Councillor 1/7/11 to 14/5/12; Mayoral allowance 15/5/12 to 30/6/12

Expenses relating to Conferences may include expenditure for more than one Councillor however only shown against one Councillor.

### New term Councillors May 15 – June 30, 2012

Councillor	Gross Salary / Earnings (\$)	Council Superannuation Contribution Paid	Expenses (\$)
Cr Darren Everard	6,963.00	801.00	1,467.00
Cr Robert Garland	6,963.00	836.00	913.00
Cr James Hansen	6,963.00	836.00	3,787.00
Cr Rolf Light	6,963.00	696.00	1,899.00
Cr Chris Loft	6,963.00	836.00	1,194.00
Cr Trevor McDonald*	7,675.00	921.00	808.00
Cr Gerard O'Connell	Refer table above	Refer table above	Refer table above
Cr Daniel Sanderson	6,963.00	836.00	1,523.00
Cr George Seymour	6,963.00	116.00	1,621.00
Cr Stuart Taylor	6,963.00	836.00	1,445.00
Cr Phil Truscott	6,963.00	836.00	1,485.00

\* Includes Councillor 15/5/12 to 22/5/12; Deputy Mayor allowance 23/5/12 to 30/6/12

Note: Superannuation contributions vary in accordance with Councillors' selected option for contribution rates.

New term Councillors' Expenses include vehicle costs and telecommunications.



## Expenses Reimbursement Policy

Pursuant to Section 114(1)(d) of the Local Government (Finance, Plans and Reporting) Regulation 2010, Council's Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy authorises the payment of reasonable expenses incurred, or to be incurred, by Councillors; and provides facilities, including administrative support staff, to assist Councillors to discharge their duties and responsibilities, having regard to local circumstances.

Amendments to Council's Policy were adopted at the Post Election Meeting held May 23, 2012.

The policy may be viewed on Council's website at [www.frasercoast.qld.gov.au](http://www.frasercoast.qld.gov.au).

## Councillors' Attendance at meetings

Pursuant to Section 114(1)(e) of the Local Government (Finance, Plans and Reporting) Regulation 2010, following is a table of Meeting Attendance by Councillors for the period July 2011 to April 2012:

Councillor	Number of meetings attended				Absent	
	Ordinary	P & D	Special	Total	Council Business	Ill/Annual Leave/ Special Leave
Mick Kruger	12	4	0	16	4	4
Julie Arthur	17	6	0	23	1	0
Sue Brooks	18	6	0	24	0	0
David Dalgleish	17	6	0	23	1	0
Linda Harris	11	5	0	16	0	8
Debbie Hawes	18	5	0	23	0	1
Barbara Hovard	16	5	0	21	1	2
Belinda McNeven	16	4	0	20	0	4
Les MucKan	17	6	0	23	1	0
Anne Nioa	15	4	0	19	1	4
Gerard O'Connell	18	5	0	23	0	1

Note: Meetings included: 18 x Ordinary Meetings and 6 x Planning & Development Services Committee Meetings  
The final Ordinary Meeting for the term of the 2008 – 2012 Council was held on Wednesday April 4, 2012.  
The Quadrennial Local Government Election was held on Saturday April 28, 2012.

The following table is meeting attendance by the new Councillors for the period May to June 2012:

Councillor	Number of meetings attended				Absent	
	Ordinary	P & D	Special	Total	Council Business	Ill/Annual Leave/ Special Leave
Gerard O'Connell	2	0	1	3	0	0
Darren Everard	2	0	1	3	0	0
Robert Garland	2	0	1	3	0	0
James Hansen	2	0	1	3	0	0
Rolf Light	2	0	1	3	0	0
Chris Loft	2	0	1	3	0	0
Trevor McDonald	2	0	1	3	0	0
Daniel Sanderson	2	0	1	3	0	0
George Seymour	2	0	1	3	0	0
Stuart Taylor	2	0	1	3	0	0
Phil Truscott	2	0	1	3	0	0

Note: Meetings included: 1 x Post Election Meeting and 2 x Ordinary Meetings.

## Councillors' Attendance at Conferences and Industry Events

Councillors attended the following conferences during the 2011-12 financial year:

Conference	Number of Councillors
Local Government Association of Queensland Annual Conference	3
Fraser Island Defenders Organisation 4th Biennial Great Sandy Conference	1
Destination Q Forum	1

## Councillors' Portfolios

At the Post Election Meeting held May 23, 2012, Council supported the introduction of a Portfolio system and appointed Councillors as follows:

Portfolio	Areas of responsibility	Councillor
Tourism & Regional Marketing	<ul style="list-style-type: none"> <li>Tourism Promotion</li> <li>Regional Marketing</li> </ul>	Cr Stuart Taylor
Aviation	<ul style="list-style-type: none"> <li>Aviation Development &amp; Attraction</li> <li>Airline Liaison</li> <li>Fly-in fly-out</li> </ul>	Cr Rolf Light
Sport, Recreation Open Space & Events	<ul style="list-style-type: none"> <li>Sporting facilities &amp; capacity building</li> <li>Open space &amp; recreation facilities</li> <li>Events &amp; Sports Tourism</li> <li>Security &amp; Safety - Open Space</li> </ul>	Cr Darren Everard
Community, Cultural & Family Services	<ul style="list-style-type: none"> <li>Youth Services</li> <li>Art &amp; Cultural Services</li> <li>Community Development</li> <li>Disability Services</li> <li>Heritage</li> <li>Seniors</li> </ul>	Cr George Seymour
Infrastructure Planning & Delivery	<ul style="list-style-type: none"> <li>Infrastructure Planning</li> <li>Transport Links &amp; Corridors</li> <li>Waste Management</li> </ul>	Cr Trevor McDonald
Waterways & Coastal Infrastructure	<ul style="list-style-type: none"> <li>Coastal Management</li> <li>Marine Infrastructure</li> </ul>	Cr Phil Truscott
Primary Production & Rural Infrastructure	<ul style="list-style-type: none"> <li>Liaison with primary production &amp; agricultural industries</li> <li>Weed &amp; Feral Animal Management</li> <li>River Streams &amp; Waterways</li> <li>Rural Infrastructure</li> </ul>	Cr James Hansen
Health, Education & Training	<ul style="list-style-type: none"> <li>Advocacy &amp; facilitation of education &amp; health services</li> <li>Job Mart</li> </ul>	Cr Robert Garland
Small Business, Manufacturing & Service Industry	<ul style="list-style-type: none"> <li>Advocacy &amp; facilitation of manufacturing &amp; service industries</li> <li>Resource sector supply chains</li> </ul>	Cr Chris Loft
City & Town Centre Development	<ul style="list-style-type: none"> <li>Revitalisation strategies for CBD &amp; townships</li> <li>Foreshore Redevelopment</li> <li>Car parking</li> <li>Security &amp; safety - CBD</li> </ul>	Cr Daniel Sanderson



## Council Representation

Fraser Coast Councillors represent the interests of the region on a number of Council Committees/Reference Groups and External Committees/Organisations including:

### (a) Council Committees:

Committee	Representation	Councillor
Audit Committee	2 Councillors	Cr Chris Loft Cr Rolf Light
Brolga Theatre Board Inc	4 Councillors (from 1 July 2012)	Mayor Cr Phil Truscott Cr George Seymour Cr Chris Loft Cr Robert Garland (Proxy / ex-officio)
Widelinx Pty Ltd	3 Councillors	Cr Stuart Taylor Cr Trevor McDonald Cr George Seymour

### (b) Council Reference Groups:

Reference Group	Councillor Representative
Fraser Coast Economic Development Reference Committee	Mayor
Fraser Coast Environmental Reference Committee	Cr Phil Truscott
Fraser Coast Inclusive Communities Reference Group	Cr George Seymour
Fraser Coast Heritage Reference Group	Cr George Seymour
Mungomery Vine Forest Committee	Cr Darren Everard
Sister Cities Community Reference Committee	Cr George Seymour

### (c) External Committees / Organisations:

Organisation	Portfolio / Councillor Representative
Anglican Parish Bell Restoration Appeal Committee	Cr Chris Loft
Dundowran Water Board	Cr Phil Truscott
Fraser Coast Education Alliance	Cr Robert Garland
Fraser Island World Heritage Community Advisory Committee	Cr Phil Truscott
Hervey Bay Chamber of Commerce	Cr Daniel Sanderson
Hervey Bay Safety Network	Cr Daniel Sanderson Cr Darren Everard
Local Disaster Management Group	Mayor (Proxy Deputy Mayor)
Maryborough Chamber of Commerce	Cr Daniel Sanderson
Maryborough & District Committee on the Ageing Inc.	Cr George Seymour
Maryborough Safety Network Committee	Cr Daniel Sanderson Cr Darren Everard

## (c) External Committees / Organisations (cont):

Organisation	Portfolio / Councillor Representative
Maryborough Technology Challenge Advisory Committee	Cr Darren Everard
Mary River Catchment Coordinating Committee	Cr Phil Truscott Cr James Hansen
Pub Fest Advisory Committee	Cr Darren Everard
Rural Fire Brigades	Cr James Hansen
Tiara & District Landcare Group	Cr James Hansen
Tourism Fraser Coast Ltd	Mayor (Proxy CEO) Cr Stuart Taylor
Wide Bay Burnett Aviation Group	Cr Rolf Light
Wide Bay Burnett Regional Organisation of Councils	Mayor CEO
Wide Bay Burnett Regional Roads Group	Cr Trevor McDonald
Wide Bay Burnett Regional Water Supply Strategy - Strategy Management Committee	Cr Trevor McDonald
Wide Bay Regional Planning Advisory Committee (RPAC)	Mayor (Proxy Cr Trevor McDonald)
UDIA Executive	Mayor

## Councillors and Employees' Overseas Travel

Pursuant to Section 116 of the Local Government (Finance, Plans and Reporting) Regulation 2010:

- No overseas travel was undertaken by Councillors in the 2011-12 financial year.
- Council employee, Executive Manager Business Operations, Martyn Walton undertook overseas travel to New Zealand during the reporting period. The purpose of the travel was to evaluate the processing options of a household green waste bin and hold discussions with local Councils and operators of the equipment. The cost of the overseas travel was: Flights \$468.88; Parking \$66.50; and Accommodation \$461.47.

## Code of Conduct for Councillors

Pursuant to Section 180(2) and (4) of the Local Government Act 2009, no orders or recommendations were made by the Regional Conduct Review Panel or Tribunal in the 2011-12 financial year.

Pursuant to Section 181 of the Local Government Act 2009, one order was made in respect to a complaint

against Cr David Dagleish for false public statements made relating to the health of a candidate running for Division 6. In accordance with Section 177(5)(b) of the Local Government Act 2009 Council's Chief Executive Officer determined that the complaint lodged would be dealt with as "inappropriate conduct by a Councillor" and the matter was referred to the Mayor for action.

In accordance with Section 181(1)(a)&(b), the Mayor took the following actions:

- The Councillor was reprimanded for the inappropriate conduct and made an apology to the complainant.
- The Councillor was advised that any repeat of the inappropriate conduct would be referred to the Department's Chief Executive as misconduct.

Pursuant to Section 114(h)(vi) and (vii) of the Local Government (Finance, Plans and Reporting) Regulation 2010, one complaint was heard by the Regional Conduct Review Panel and no complaints were heard by the Tribunal.

No complaints were dealt with pursuant to Sections 177(4), 177(5)(a), 177(6), 177(7) or 177(8) of the Local Government Act 2009.

### Administrative Action Complaints

Pursuant to Section 115 of the Local Government (Finance, Plans and Reporting) Regulation 2010:

Council's Complaints Management Process ensures that, to the greatest practicable extent, any complaint is dealt with fairly, promptly, professionally, in confidence (subject to any legal requirements) and in a manner respectful to the complainant.

Council treats complaints seriously and has implemented a policy and procedure with Council's endorsement. As per the policy, a complainant may lodge a complaint via written, electronic and verbal means.

Council received thirty-six complaints through this process. One complaint remained unresolved in the reporting period.

There were no unresolved Administrative Action Complaints carried over from 2010-11 financial year.

### Right to Information

23 Right to Information applications with 1 application cancelled (no fee received) and 2 Information Privacy applications were received during the 2011-12 reporting period. Reviews undertaken: Internal 3, External 4.

### Equal Employment Opportunity

Pursuant to Section 201A of the Local Government Act 2009, Fraser Coast Regional Council promoted equality of opportunity for all employees and potential employees by: raising commitment to and awareness of Equal Employment Opportunity (EEO) principles, developing best practice policies, procedures and guidelines; recognising that cultural diversity is an asset; utilising processes to ensure proper assessment of merit of applicants; and facilitating work/life balance.

Staff are encouraged to complete the EEO form when they commence with Council and an option for anonymity is provided if they do not wish to disclose.

The forms returned showed the following EEO identified groups:

- Women: 246
- Aboriginal & Torres Strait Islander: 4
- People with a Disability: 1
- Non English speaking background: 9

Council encourages the participation of members of the identified target groups who enhance the culture, work environment and capacity to achieve objectives. In the case of employment, all citizens compete equally for jobs and none was excluded on grounds such as gender or race. Council embraces the principles of merit and equity in recruitment and selection.

### Employees' Code of Conduct

Pursuant to Section 23 of the Public Sector Ethics Act 1994:

Section 15 (Preparation of 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.

Section 21 (Education and training): During the period 1/07/11 to 30/06/12 Fraser Coast Regional Council employees were educated and trained on the Code of Conduct during induction of new employees and, for existing employees, refresher as required by one-on-one, intranet notification and intranet document portal. In addition, refresher training is run every two years.

Section 22 (Procedures and practices of public sector entities): Fraser Coast Regional Council administrative procedures and management practices have proper regard for the Public Sector Ethics Act 1994 and the Code of Conduct through the development of best practice policies, procedures and guidelines which outline and support the ethics obligations of employees in the public sector.



## Senior Contract Employee Remuneration Package

Pursuant to Section 201 of the Local Government Act 2009, the total remuneration packages payable to senior contract employees, including the Chief Executive Officer and employees reporting directly to the Chief Executive Officer, are:

- 2 senior contract employees with a total remuneration package in the range of \$100,000 - \$130,000
- 3 senior contract employees with a total remuneration package in the range of \$185,000 - \$240,000
- 1 senior contract employee with a total remuneration package in the range of \$250,000 - \$279,000

Remuneration package includes salary and superannuation at 12%.

## Joint Local Government Activities

Pursuant to Section 119(1)(c) of the Local Government (Finance, Plans and Reporting) Regulation 2010, no Joint Local Government Activities were entered into during the reporting period.

## Changes to Tenders

Pursuant to Section 119(1)(d) of the Local Government (Finance, Plans and Reporting) Regulation 2010, no invitations were extended to change tenders under Section 177(7) of the Regulation during the reporting period.

## List of Registers

Pursuant to Section 119(1)(e) of the Local Government (Finance, Plans and Reporting) Regulation 2010, the following Fraser Coast

Regional Council Registers are kept and are open to inspection:

- Register of Beneficial Enterprises
- Register of Business Activities to which Competitive Neutrality Principles Apply
- Register of Contracts
- Register of Cost-recovery Fees
- Register of Councillors' Interests
- Register of Delegations by CEO
- Register of Local Laws
- Register of Restricted Dogs
- Register of Roads

## Internal Audit Report

Pursuant to Section 119(1)(g) of the Local Government (Finance, Plans and Reporting) Regulation 2010, following is the report on Internal Audits for the reporting period:

The Audit Committee approved a 3 year internal audit plan that consists of 10 audits for 2012-13, 9 audits for 2013-14 and 9 audits for the 2014-15 year. These audits are conducted by the Internal Auditor and the findings presented to the Audit Committee for approval and monitoring.

The 2011-12 year resulted in 5 audits completed, 2 in progress and 3 not started. The completed audits resulted in 9 action items for completion by the organisation.

## Shareholder's Delegates

Pursuant to section 76 of the Local Government (Beneficial Enterprises and Business Activities) Regulation 2010, Fraser Coast Regional Council had one Local Government Owned Corporation - Wide Bay Water Corporation during the reporting period. Council has not appointed any shareholder

delegates, but monitors its performance through a Statement of Corporate Intent.

In addition, Council had two other controlled entities, Widelinx Pty Ltd and The Brolga Theatre Board Inc. No shareholder delegates have been appointed by Council in relation to these entities, but the performance of the entities is monitored through representation at Board level in both instances including the Chair and additional directors.

### Competitive Neutrality

Pursuant to section 176 of the Local Government (Beneficial Enterprises and Business Activities) Regulation 2010, no complaints in relation to competitive neutrality were received during the reporting period.

### Commercial Business Units

Pursuant to Section 32 of the Local Government (Beneficial Enterprises and Business Activities) Regulation 2010, Council did not operate any commercial business units during the reporting period.

### Reserves and Controlled Roads

Pursuant to Section 118 of the Local Government (Finance, Plans and Reporting) Regulation 2010, Fraser Coast Regional Council controls:

- (a) 201,168 ha of reserve land under the Land Act 1994, (including 1,288 ha that are leased to sporting and community groups).
- (b) 1,085 kilometres sealed and 1,127 kilometres unsealed roads (Total: 2,212 kilometres) that Council does not own.

### Details of Special Rates and Charges

Pursuant to Section 119(1)(c)(ii) of the Local Government (Finance, Plans and Reporting) Regulation 2010 the following levies and charges were imposed:

**Council Rural Fire Levy** on rateable land not included in the Urban Fire Brigade area to raise funds for the

purchase and maintenance of buildings, land and/or equipment for the rural brigades. The levy was based on the requirements of the brigades as set out in their budgets and agreed to annually by Council.

**Fraser Island Garbage Levy** on rateable land within the designated area to raise revenue for the collection and disposal of garbage on Fraser Island.

**Sanitary Conversion Charge** on all rateable land in Howard that had an existing nightsoil service to fund the cost of an alternative sewerage treatment system to the above properties only.

### Summary of Concessions for Rates and Charges

In considering the application of concession under Chapter 2, Part 10 of the Local Government (Finance, Plans and Reporting) Regulation 2010, Fraser Coast Regional Council was guided by the principles of: Equity - having regard to the different levels of capacity to pay within the local community; Consistency - the same treatment for ratepayers receiving concessional rating; and Transparency - making clear the requirements necessary to receive concessions.

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

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

**Total expenditure was \$1,690,200 for the period July 1, 2011 to June 30, 2012.**

- (b) Assistance to recreation, sporting and community groups - Council also recognised that there were organisations which operate for the general benefit of the community with limited financial resources including schools, churches, welfare, youth organisations, emergency services, aged care and sporting organisations. Such organisations may

have received a concession based on their rates and charges.

**Total expenditure was \$495,339 for the period July 1, 2011 to June 30, 2012.**

(c) To encourage the prompt payment of rates and charges a 10% discount was allowed if all rates and charges were paid in 45 clear days after the issue of a rate notice.

**Total discount allowed was \$5,750,170 for the period July 1, 2011 to June 30, 2012.**

### **Community Financial Report, General Purpose Financial Statements and Auditor-General's Audit Report**

Pursuant to Sections 110 and 111 of the Local Government (Finance, Plans and Reporting) Regulation 2010:

The Community Financial Report follows this section of Statutory Information. The Report is intended to simplify complex financial information, making it easier to understand Council's income statement, balance sheet and cash flow statement which are prepared in accordance with legislation.

Council's General Purpose Financial Statements and Auditor-General's Audit Report appear at the end of the 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 103 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*.

## 1. 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 2012.

### 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 & accompanying notes.

#### **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 & investments.

#### **2. A Statement of Financial Position**

A 30 June 2012 snapshot of Council's financial position including its assets and liabilities.

#### **3. A Statement of Changes in Equity**

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

#### **4. 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 line numbers of the four primary financial statements.

## Fraser Coast Regional Council

### Community Financial Report for the year ended 30 June 2012

	Consolidated \$'000	Council \$'000	
<b>Statement of Comprehensive Income</b>			<b>Statement of Comprehensive Income</b>
Revenue	202,507	142,259	Shows the extent to which community equity has been increased or decreased by the net result of the year's activities.
Expenses	(174,267)	(118,433)	
<b>Net Result for year</b>	<b>28,240</b>	<b>23,826</b>	
Other comprehensive income	44,034	0	
<b>Total Comprehensive Income for year</b>	<b>72,274</b>	<b>23,826</b>	
<b>Statement of Changes in Equity</b>			<b>Statement of Changes in Equity</b>
Opening Balance	1,830,895	1,515,166	Shows the movement in total community equity as at 30 June 2012.
Asset revaluations and other movements	44,034	0	
Net result for year	28,240	23,826	
<b>Total Community Equity at end of year</b>	<b>1,903,169</b>	<b>1,538,992</b>	
<b>Statement of Cashflows</b>			<b>Statement of Cashflows</b>
Operating activities	41,650	44,994	Shows the nature and amount of Council's cash inflows and outflows from all activities. Council's consolidated cash held at the end of the reporting period was \$133.19 million compared to \$95.15 million as at 30 June 2011.
Investing activities	(18,095)	(12,532)	
Financing activities	14,482	6,073	
Net increase in cash held	38,037	38,535	
Cash at beginning of the year	95,154	86,530	
<b>Cash at end of the year</b>	<b>133,191</b>	<b>125,065</b>	
<b>Statement of Financial Position</b>			<b>Statement of Financial Position (Balance Sheet)</b>
Current assets (includes cash)	177,987	178,172	Shows the assets and liabilities which make up the community equity as at 30 June 2012.
Non current assets	1,922,992	1,481,504	
<b>Total Assets</b>	<b>2,100,979</b>	<b>1,659,676</b>	
Current Liabilities	36,193	49,031	
Non Current Liabilities	161,617	71,653	
<b>Total Liabilities</b>	<b>197,810</b>	<b>120,684</b>	
<b>Net Community Assets</b>	<b>1,903,169</b>	<b>1,538,992</b>	
Capital & Retained Surplus	1,463,910	1,248,918	
Asset Revaluation Reserve	328,873	179,688	
Reserves	110,386	110,386	
<b>Total Community Equity</b>	<b>1,903,169</b>	<b>1,538,992</b>	

### About the auditor's report

Council's financial statements are required to be audited by the Queensland Audit Office. The audit of many Queensland councils is 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.



## Fraser Coast Regional Council

Community Financial Report  
for the year ended 30 June 2012

## 2. An Overview of this year's financial result and financial position

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

#### Revenue in less expenses out = Net result for the year

The statement of comprehensive income includes ordinary revenues and expenses from the operating activities of Council and capital income and expenditure. Capital income and expenditure is money received or spent on assets and infrastructure items such as parks, roads, drains, coastal walls, water and sewerage infrastructure, land, buildings and plant and equipment. Capital income is usually sourced from grants, subsidies and developers contributions.

Operating expenditures are those required to run the day to day operations of Council, such as wages, maintenance costs, materials, depreciation and finance costs. The Statement of Comprehensive Income also shows other comprehensive income which includes increases to Council's Asset Revaluation Surplus.

#### Council's Result at a glance

	Consolidated 2012	Consolidated 2011	Council 2012	Council 2011
Operating Revenue	166,666,329	160,073,689	119,167,304	113,537,360
Operating Expenditure	167,336,340	165,512,461	114,211,401	115,485,798
<b>Net Result before Capital Revenue</b>	(670,011)	(5,438,772)	4,955,903	(1,948,438)
Capital Revenue	35,840,416	33,239,261	23,091,771	22,289,083
Capital Expenses	6,931,072	5,661,398	4,221,250	1,088,930
<b>Net Result</b>	<b>28,239,333</b>	<b>22,139,091</b>	<b>23,826,424</b>	<b>19,251,715</b>

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

Council's operating position is a surplus of \$4.9 million. This difference in actual result and the budgeted performance was predominantly due to additional operating grant income received that has been put aside for specific purposes.

Council's consolidated operating position as at 30 June 2012 is a loss of \$670,011.

## Fraser Coast Regional Council

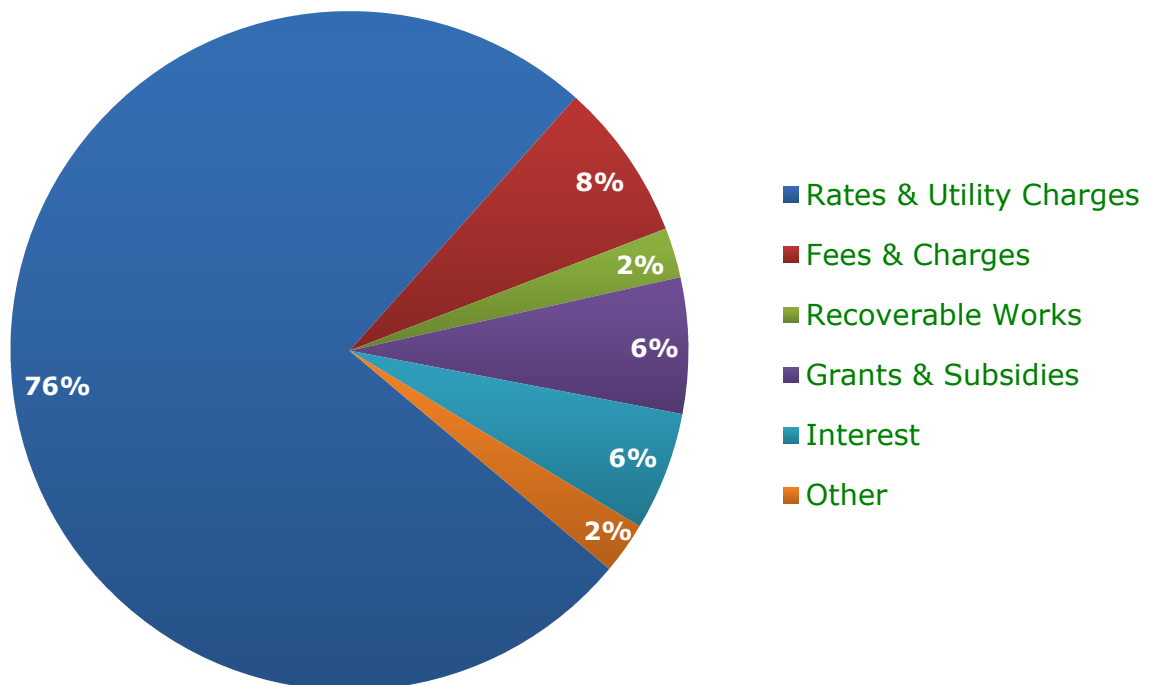
### Community Financial Report for the year ended 30 June 2012

#### 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 consolidated revenue is rates and charges, which totalled almost \$126 million or 76% of consolidated operating revenue for the financial year. The major sources of rates income include general rates, water access charges, water consumption charges and waste and wastewater disposal.

#### Where did the money come from? Operating Revenue



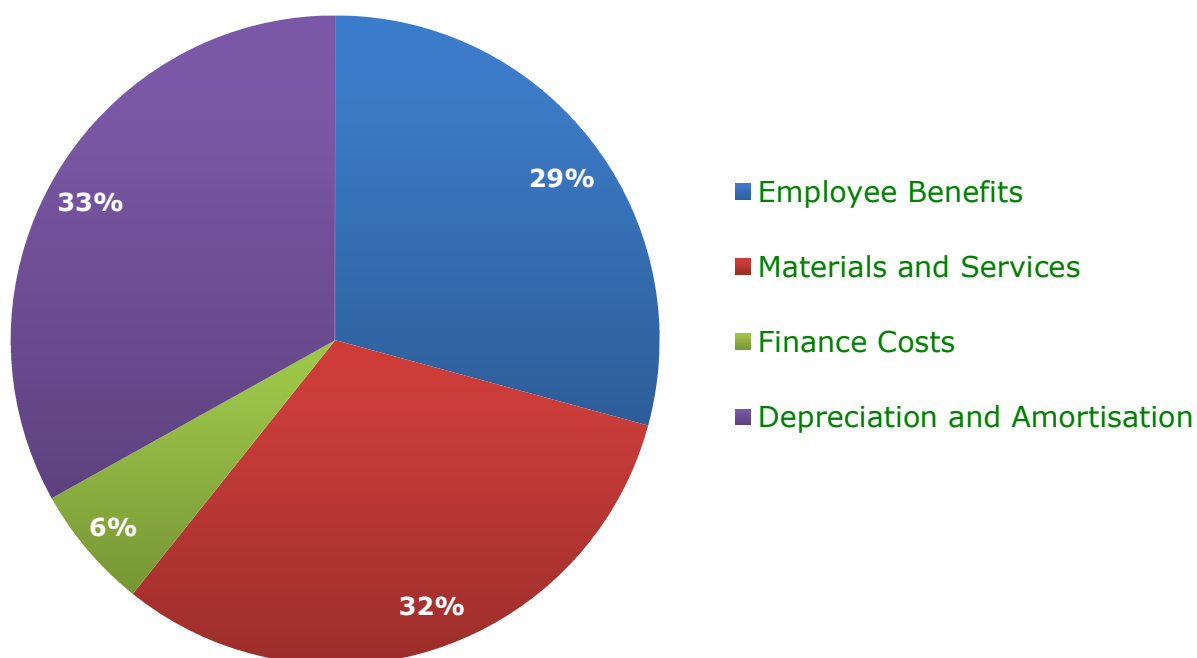
#### Council's Operating Revenue at a glance

	Consolidated 2012	Consolidated 2011	Council 2012	Council 2011
Rates & Charges	125,844,937	117,450,887	71,910,087	68,414,857
Fees & Charges	12,545,857	12,641,565	12,018,970	12,141,896
Interest & Investment Revenue	9,435,282	9,355,937	15,039,975	8,581,167
Operating Grants & Subsidies	10,801,583	9,724,080	10,668,576	8,596,371
Other Income	8,038,670	10,901,220	9,529,696	15,803,069
<b>Total Operating Revenue</b>	<b>166,666,329</b>	<b>160,073,689</b>	<b>119,167,304</b>	<b>113,537,360</b>

## Fraser Coast Regional Council

Community Financial Report  
for the year ended 30 June 2012**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?  
Operating Expenses****Council's Operating Expenditure at a glance**

	Consolidated 2012	Consolidated 2011	Council 2012	Council 2011
Employee Costs	48,905,788	49,961,510	34,758,174	35,070,613
Materials & Services	52,710,719	52,975,518	40,033,921	41,400,408
Finance Costs	10,355,679	10,453,480	4,438,501	5,271,491
Depreciation	55,364,154	52,121,953	34,980,805	33,743,286
<b>Total Operating Expenses</b>	<b>167,336,340</b>	<b>165,512,461</b>	<b>114,211,401</b>	<b>115,485,798</b>



## Fraser Coast Regional Council

### Community Financial Report for the year ended 30 June 2012

#### Council's Net Wealth

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

#### Council's Net Wealth

	Consolidated 2012	Consolidated 2011	Council 2012	Council 2011
Assets	2,100,978,661	2,012,064,174	1,659,676,751	1,610,948,366
Less Liabilities	197,809,597	181,168,547	120,684,783	95,782,822
<b>Equity</b>	<b>1,903,169,064</b>	<b>1,830,895,627</b>	<b>1,538,991,968</b>	<b>1,515,165,544</b>
Represented by:				
Retained surplus	1,463,910,411	1,441,280,102	1,248,917,955	1,230,700,555
Asset Revaluation surplus	328,872,887	284,838,783	179,688,247	179,688,247
Reserves	110,385,766	104,776,742	110,385,766	104,776,742
<b>Net Community Equity</b>	<b>1,903,169,064</b>	<b>1,830,895,627</b>	<b>1,538,991,968</b>	<b>1,515,165,544</b>

#### ASSETS

The value of community assets has increased rapidly in recent years as new infrastructure and other assets are provided to support the growing population. New infrastructure is acquired through Council investment and contributions by developers. Council eventually takes ownership and responsibility for replacement of community assets built by developers. These include roads, drainage, water and waste water infrastructure and parklands.

In addition, Council holds other short term assets including cash assets held in bank accounts and investments of approximately \$133 million. These cash reserves are funds Council is required to put aside for future projects such as replacement of roads and stormwater drainage systems.

#### LIABILITIES

Council's largest liability is its interest bearing loans with Queensland Treasury Corporation (QTC), which at 30 June 2012 stood at approximately \$76.1 million (consolidated \$171 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 borrowed a further \$8.79 million and repaid \$2.7 million (consolidated – borrowed \$22 million, repaid \$7.6 million). Affordability indicators show that Council is able to service its debt position.

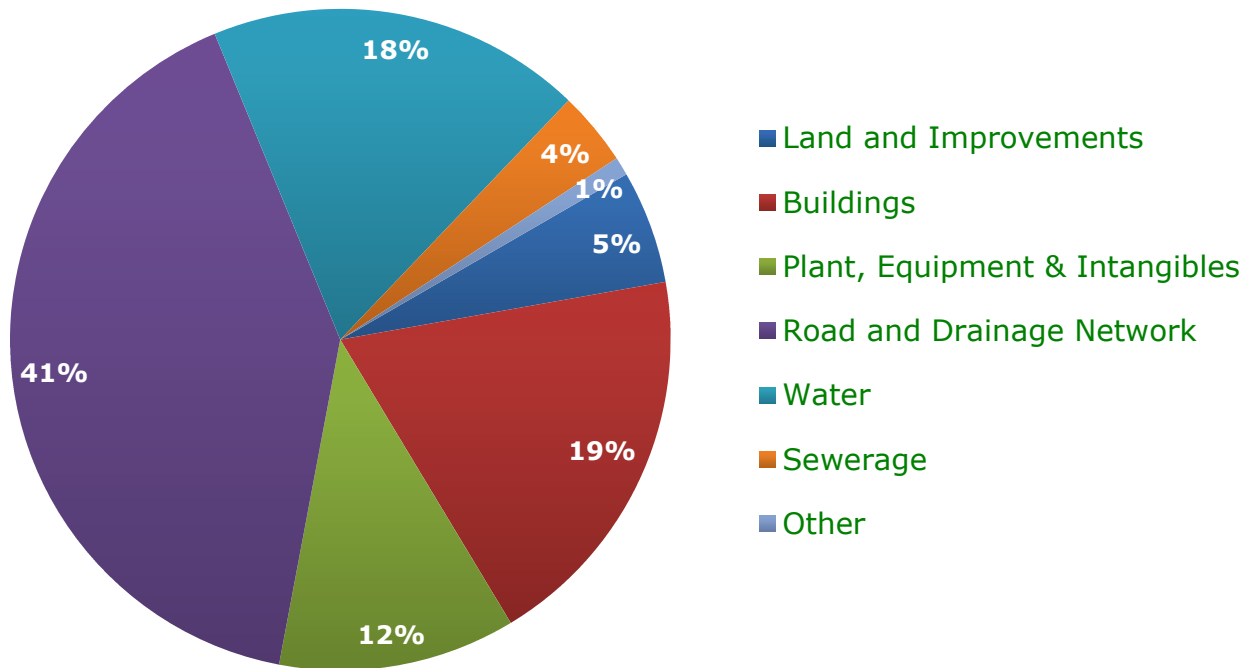
Fraser Coast Regional Council

Community Financial Report  
for the year ended 30 June 2012

**CAPITAL WORKS (investment in community infrastructure)**

Total capital additions to Council's non-current assets during the period totalled \$58.7 million. The majority of these were a result of the construction of new assets, funded from surplus funds, grants and subsidies, loans and cash reserves.

**Capital Additions at Cost**



### 3. 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: Local Government Act 2009 section 102(2)].

The financial sustainability indicators (in accordance with the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Financial Management Sustainability Guideline 2011 (March 2011)*) that Council must publish are shown in the following pages.

## Fraser Coast Regional Council

### Community Financial Report for the year ended 30 June 2012

#### Financial Sustainability

	Result 2012 \$	Target 2012	Indicator 2012	Indicator 2011
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#### Performance Indicators

##### 1. Working Capital Ratio

An indicator of the management of working capital and the extent to which liquid assets are available to meet short term financial obligations.

##### Consolidated

Current Assets	<b>177,987,048</b>	<b>1:1 - 1:4</b>	<b>4.92 : 1</b>	<b>4.11 : 1</b>
Current Liabilities	<b>36,192,517</b>			

##### Council

Current Assets	<b>178,172,206</b>	<b>1:1 - 1:4</b>	<b>3.63 : 1</b>	<b>4.42 : 1</b>
Current Liabilities	<b>49,031,415</b>			

##### 2. Operating Surplus Ratio

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

##### Consolidated

Net Operating Surplus	<b>(670,011)</b>	<b>0 - 10%</b>	<b>(0.40%)</b>	<b>(3.40%)</b>
Total Operating Revenue <sup>(1)</sup>	<b>166,666,329</b>			

##### Council

Net Operating Surplus	<b>4,955,903</b>	<b>0 - 10%</b>	<b>4.16%</b>	<b>(1.72%)</b>
Total Operating Revenue <sup>(1)</sup>	<b>119,167,304</b>			

##### 3. Net Financial Liabilities Ratio

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

##### Consolidated

Total Liabilities less Current Assets (less constrained reserves)	<b>130,208,315</b>	<b>less than 60%</b>	<b>78.13%</b>	<b>88.53%</b>
Total Operating Revenue <sup>(1)</sup>	<b>166,666,329</b>			

##### Council

Total Liabilities less Current Assets (less constrained reserves)	<b>52,898,343</b>	<b>less than 60%</b>	<b>44.39%</b>	<b>57.43%</b>
Total Operating Revenue <sup>(1)</sup>	<b>119,167,304</b>			

##### 4. Interest Coverage Ratio

An indicator of the extent to which operating revenues are committed to funding interest expense on loan borrowings.

##### Consolidated

Net Interest Expense <sup>(2)</sup>	<b>2,980,205</b>	<b>0 - 5%</b>	<b>1.79%</b>	<b>1.66%</b>
Total Operating Revenue <sup>(1)</sup>	<b>166,666,329</b>			

##### Council

Net Interest Expense <sup>(2)</sup>	<b>(2,597,853)</b>	<b>0 - 5%</b>	<b>(2.18%)</b>	<b>(1.47%)</b>
Total Operating Revenue <sup>(1)</sup>	<b>119,167,304</b>			



## Fraser Coast Regional Council

Community Financial Report  
for the year ended 30 June 2012

## Financial Sustainability continued

	Result 2012	Target 2012	Indicator 2012	Indicator 2011
	\$			

**5. Asset Sustainability Ratio**

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

**Consolidated**

Asset Renewals expenditure	<b>44,870,701</b>	<b>more than</b>	<b>81.05%</b>	<b>57.82%</b>
Depreciation Expense <sup>(3)</sup>	<b>55,364,154</b>	<b>90%</b>		

**Council**

Asset Renewals expenditure	<b>31,338,375</b>	<b>more than</b>	<b>89.59%</b>	<b>66.04%</b>
Depreciation Expense <sup>(3)</sup>	<b>34,980,805</b>	<b>90%</b>		

**6. Asset Consumption Ratio**

Shows the written down current value of the depreciable assets relative to their 'as new' value in today's prices. The ratio highlights the aged condition of the current stock of physical assets.

**Consolidated**

Written Down Value of Infrastructure Assets <sup>(4)</sup>	<b>1,610,183,507</b>	<b>40 - 80%</b>	<b>68.54%</b>	<b>68.40%</b>
Replacement Cost of Infrastructure Assets <sup>(5)</sup>	<b>2,349,178,940</b>			

**Council**

Written Down Value of Infrastructure Assets <sup>(4)</sup>	<b>923,852,738</b>	<b>40 - 80%</b>	<b>76.18%</b>	<b>73.45%</b>
Replacement Cost of Infrastructure Assets <sup>(5)</sup>	<b>1,212,682,931</b>			

Shows the written down current value of the depreciable assets relative to their 'as new' value in today's prices. The ratio highlights the aged condition of the current stock of physical assets.

**Notes**

<sup>(1)</sup> Includes only recurrent revenue disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of property, plant and equipment or financial assets.

<sup>(2)</sup> Includes interest on borrowings from the Queensland Treasury Corporation LESS interest and investment revenues disclosed in Note 3(d).

<sup>(3)</sup> Periodically required expenditure on existing assets during the year to return the service potential or the life of the asset up to that which it had originally.

<sup>(4)</sup> Written Down Value of infrastructure assets. Refer to Note 17 - Infrastructure assets includes road and bridge networks, drainage, water and sewerage networks and coastal infrastructure assets.

<sup>(5)</sup> The current value of the infrastructure assets, expressed in terms of current market value - that is, the cost to replace ALL of the existing infrastructure assets in the current market.

Ratios 1-6 are the relevant measures of financial sustainability as defined by the *Local Government (Finance, Plans and Reporting) Regulation 2010* s.99 (3).

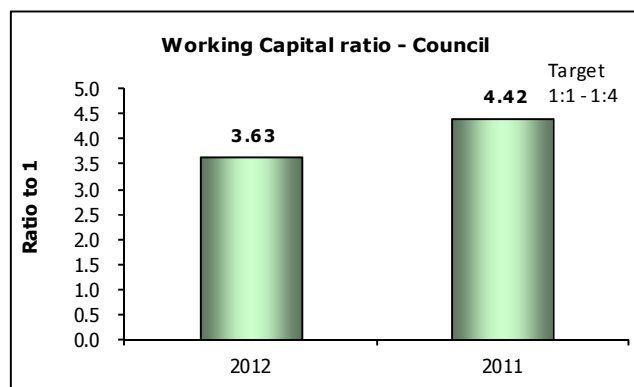
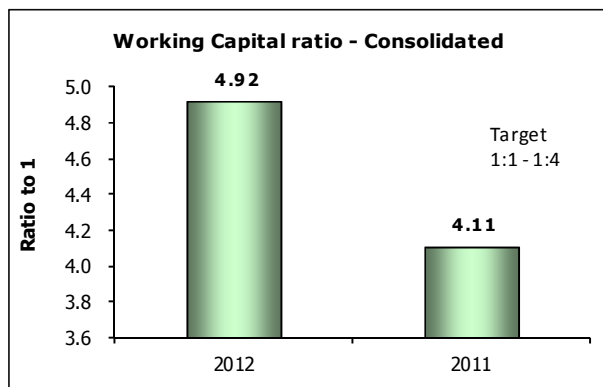
Definitions are sourced from the *Financial Management (Sustainability) Guideline 2011* as published by the Department of Local Government and Planning and Institute of Public Works Engineering Australia - Australian Infrastructure Financial Management Guidelines.

## Fraser Coast Regional Council

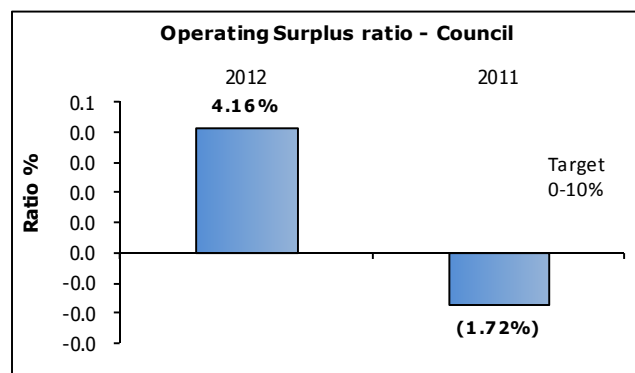
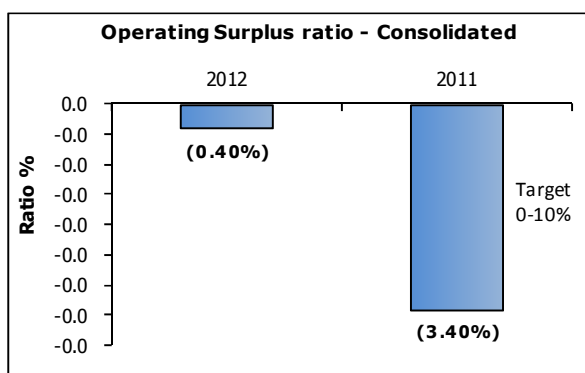
### Community Financial Report for the year ended 30 June 2012

#### Financial Sustainability

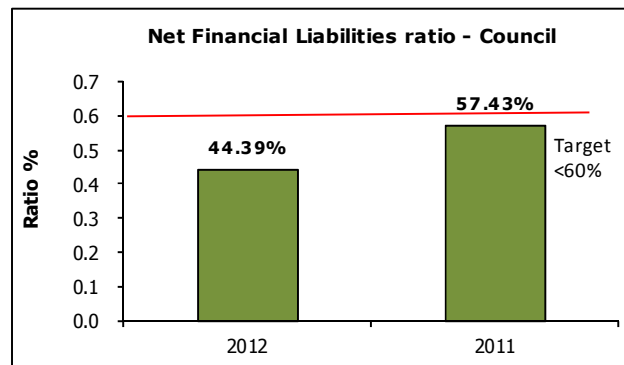
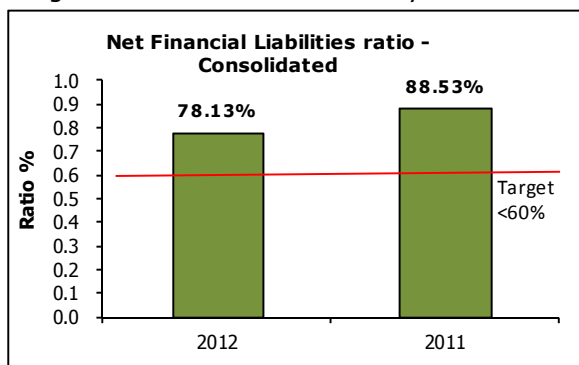
#### Performance Indicators - Graphs



Analysis: This ratio shows that Council and the consolidated entity have maintained a strong capacity to meet short-term obligations. Council's short term assets were 3.63 times the value of its short-term liabilities (consolidated 4.92 times), indicating a strong financial position to meet ongoing commitments. This is a very strong ratio outcome.



Analysis: The consolidated ratio is outside the limits, as a result of the small operating deficit for 2012, with operating expenditure exceeding operating income. This ratio has improved since 2011. Council has achieved a 4.16% operating surplus ratio, which is also an improvement from 2011. Council is committed to achieving strong operating surplus ratios in the future to ensure long-term financial sustainability.



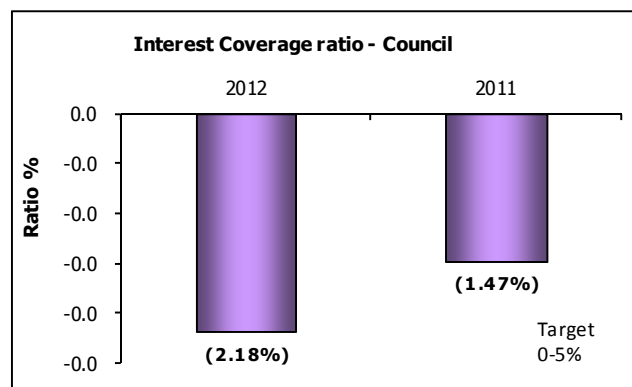
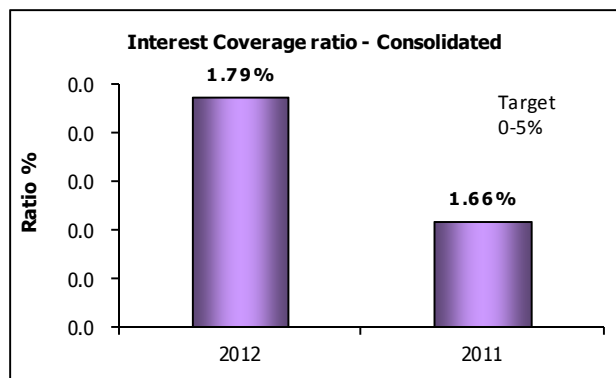
Analysis: Council calculates its net financial liabilities ratio excluding cash that has been constrained for a future purpose or retained as a result of unspent capital works. Council's ratio is currently within acceptable limits, however upon consolidation exceeds the recommended 60% upper limit. This is indicative of the high borrowing levels currently incurred to fund water and wastewater infrastructure in the region.

## Fraser Coast Regional Council

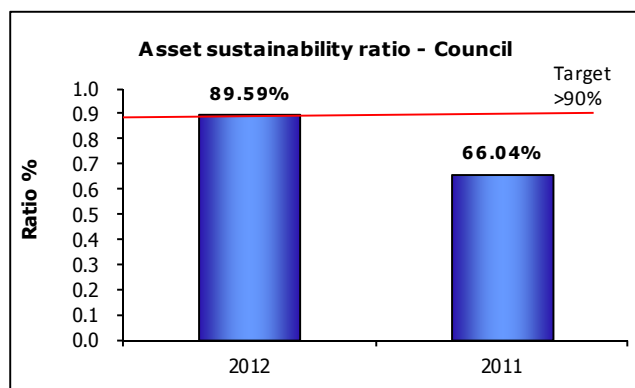
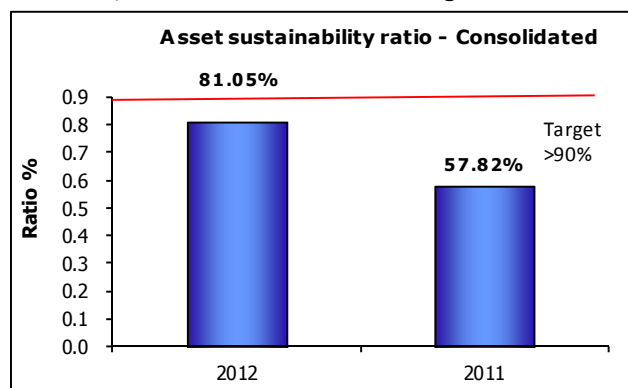
Community Financial Report  
for the year ended 30 June 2012

## Financial Sustainability

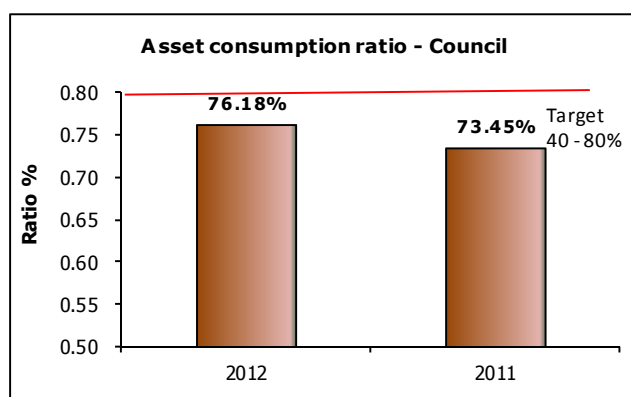
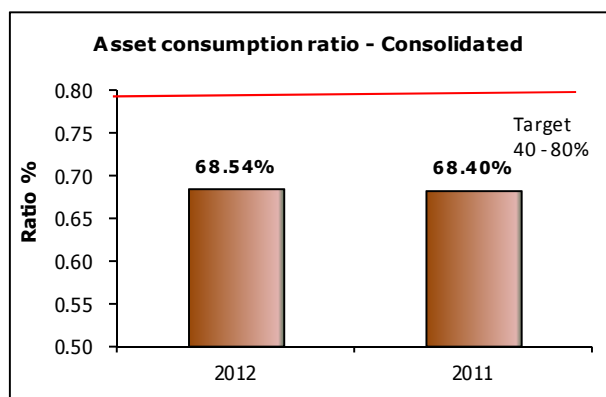
## Performance Indicators - Graphs



Analysis: Council's net interest coverage ratio signifies that Council is deriving more interest income from investments than it incurs paying interest on debt. This gives a negative ratio, which is a very positive financial outcome for Council. Upon consolidation, interest expense exceeds interest revenue, but is still within the target limits.



Analysis: Both Council and the consolidated entity asset sustainability ratios are below the target 90% limit. Both of these ratios have increased considerably in the last 12 months and Council is working towards further increasing this ratio. Better asset management plan data as a result of adequate asset management plans will further assist this ratio.



Analysis: For the year ended 30 June 2012, both Council and the consolidated entity ratios remain within the target range of 40 to 80%. A ratio above 80% indicates that assets are being replaced earlier than required, while a ratio below 40% indicates assets are run down and not being replaced within an acceptable time period. These results indicate that Council is replacing its assets on average at the appropriate time in the asset lifecycle.



## Fraser Coast Regional Council

### Community Financial Report for the year ended 30 June 2012

#### Forecast financial sustainability indicators Council

	Target	Actual 2012	Budget 2013	Long Term Financial Plan Projections								
				Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
<b>Ratio</b>												
Working Capital Ratio	1:1:4:1	3.63:1	4.26:1	4.41:1	4.57:1	4.73:1	4.91:1	5.04:1	5.17:1	5.45:1	5.73:1	6.07:1
Operating Surplus Ratio	0 - 10%	4%	(3%)	(3%)	(3%)	(2%)	(3%)	(1%)	3%	2%	2%	1%
Net Financial Liabilities Ratio	< 60%	44%	56%	53%	48%	47%	45%	39%	33%	30%	26%	26%
Interest Coverage Ratio	0 - 5%	(2%)	0.2%	1%	1%	1%	0.5%	0.4%	(0.1%)	(0.4%)	(0.6%)	(0.9%)
Asset Sustainability Ratio	> 90%	90%	79%	70%	71%	84%	81%	70%	75%	83%	75%	79%
Asset Consumption Ratio	40 - 80%	76%	69%	68%	66%	65%	63%	61%	60%	59%	57%	56%

## 4. Financial management strategy

Council is currently working to advance its forward financial planning. Currently work is continuing to implement changes in line with the *Local Government Act 2009*, including the better integration of asset management planning with the long term financial plan. Council's strategic long term financial plan details Council's current financial management strategy and is adopted in the revenue statement and budget. Fraser Coast Regional Council will continue its commitment to sound financial management through long term financial planning to ensure the success and stability of this region.

## Fraser Coast Regional Council

### General Purpose Financial Statements for the year ended 30 June 2012

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#### **Contents**

#### **1. Primary Financial Statements:**

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows

#### **2. Notes to the Financial Statements**

#### **3. Management Certificate**

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#### **Overview**

- (i) These financial statements are General Purpose Financial Statements and cover the operations of Fraser Coast Regional Council
  - (ii) All figures presented in these financial statements are presented in Australian Currency.
  - (iii) These financial statements were authorised for issue by Council on 01/11/12.  
Council has the power to amend and reissue the financial statements.
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## Fraser Coast Regional Council

### Statement of Comprehensive Income for the year ended 30 June 2012

	Notes	Consolidated		Council	
		2012	2011	2012	2011
		\$	\$	\$	\$
<b>Income</b>					
<b>Revenue</b>					
<b>Recurrent Revenue</b>					
Rates, Levies and Charges	3a	125,844,937	117,450,887	71,910,087	68,414,857
Fees and Charges	3b	12,545,857	12,641,565	12,018,970	12,141,896
Rental Income	3c	437,707	432,025	430,047	425,665
Interest & Investment Revenue	3d	9,435,282	9,355,937	15,039,975	8,581,167
Sales Revenue	3e	3,962,068	7,093,639	2,211,572	2,809,563
Other Income	3f	3,638,895	3,375,556	6,888,077	12,567,841
Grants, Subsidies, Contributions & Donations	4a	10,801,583	9,724,080	10,668,576	8,596,371
<b>Total Recurrent Revenue</b>		<b>166,666,329</b>	<b>160,073,689</b>	<b>119,167,304</b>	<b>113,537,360</b>
<b>Capital Revenue</b>					
Grants, Subsidies, Contributions & Donations	4b	35,424,840	31,454,882	22,826,129	22,254,864
<b>Total Revenue</b>		<b>202,091,169</b>	<b>191,528,571</b>	<b>141,993,433</b>	<b>135,792,224</b>
<b>Capital Income</b>	5	415,576	1,784,379	265,642	34,219
<b>Total Income</b>		<b>202,506,745</b>	<b>193,312,950</b>	<b>142,259,075</b>	<b>135,826,443</b>
<b>Expenses</b>					
<b>Recurrent Expenses</b>					
Employee Benefits	6	48,905,788	49,961,510	34,758,174	35,070,613
Materials and Services	7	52,710,719	52,975,518	40,033,921	41,400,408
Finance Costs	8	10,355,679	10,453,480	4,438,501	5,271,491
Depreciation and Amortisation	9	55,364,154	52,121,953	34,980,805	33,743,286
<b>Total Recurrent Expenses</b>		<b>167,336,340</b>	<b>165,512,461</b>	<b>114,211,401</b>	<b>115,485,798</b>
<b>Capital Expenses</b>	10	6,931,072	5,661,398	4,221,250	1,088,930
<b>Total Expenses</b>		<b>174,267,412</b>	<b>171,173,859</b>	<b>118,432,651</b>	<b>116,574,728</b>
<b>Net Result</b>		<b>28,239,333</b>	<b>22,139,091</b>	<b>23,826,424</b>	<b>19,251,715</b>
<b>Other Comprehensive Income</b>					
Increase in Asset Revaluation Surplus	24	44,034,104	59,657,900	-	29,405,468
<b>Total Other Comprehensive Income</b>		<b>44,034,104</b>	<b>59,657,900</b>	<b>-</b>	<b>29,405,468</b>
<b>Total Comprehensive Income</b>		<b>72,273,437</b>	<b>81,796,991</b>	<b>23,826,424</b>	<b>48,657,183</b>

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies



# Fraser Coast Regional Council

## Statement of Financial Position as at 30 June 2012

		Consolidated			Council		
	Notes	2012	2011	2010*	2012	2011	2010*
		\$	\$	\$	\$	\$	\$
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash & Cash Equivalents	11	133,191,023	95,154,252	103,010,273	125,065,002	86,530,477	100,138,161
Cash Investments	12	-	19,500,000	2,000,000	-	19,500,000	2,000,000
Trade & Other Receivables	13	43,621,183	28,361,527	22,186,790	52,748,684	28,971,652	23,107,184
Inventories	14	1,174,842	1,221,689	893,863	358,520	354,433	281,420
<b>Total Current Assets</b>		<b>177,987,048</b>	<b>144,237,468</b>	<b>128,090,926</b>	<b>178,172,206</b>	<b>135,356,562</b>	<b>125,526,765</b>
<b>Non-Current Assets</b>							
Trade & Other Receivables	13	-	-	-	73,500,000	-	15,627,374
Land Held for Development and Resale	15	2,037,979	1,755,979	1,755,979	2,037,979	1,755,979	1,755,979
Investment in Controlled Entities	16	1,991,000	1,991,000	1,991,000	223,743,349	297,243,349	297,243,349
Property, Plant & Equipment	17	1,917,251,105	1,863,353,140	1,802,637,909	1,181,419,866	1,176,135,612	1,143,205,676
Intangible Assets	18	1,120,603	726,587	1,001,643	803,351	456,864	641,933
Biological Assets	19	590,926	-	-	-	-	-
<b>Total Non-Current Assets</b>		<b>1,922,991,613</b>	<b>1,867,826,706</b>	<b>1,807,386,531</b>	<b>1,481,504,545</b>	<b>1,475,591,804</b>	<b>1,458,474,311</b>
<b>TOTAL ASSETS</b>		<b>2,100,978,661</b>	<b>2,012,064,174</b>	<b>1,935,477,457</b>	<b>1,659,676,751</b>	<b>1,610,948,366</b>	<b>1,584,001,076</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Trade & Other Payables	20	18,815,078	17,320,232	15,407,534	39,456,169	20,843,199	25,972,303
Borrowings	21	10,263,287	11,196,344	9,483,157	5,051,358	5,412,940	3,830,673
Provisions	22	5,802,230	6,016,317	6,254,373	4,017,842	4,082,356	4,499,633
Other Liabilities	23	1,311,922	529,397	527,114	506,046	270,946	342,436
<b>Total Current Liabilities</b>		<b>36,192,517</b>	<b>35,062,290</b>	<b>31,672,178</b>	<b>49,031,415</b>	<b>30,609,441</b>	<b>34,645,045</b>
<b>Non-Current Liabilities</b>							
Borrowings	21	160,828,931	145,415,054	154,006,749	71,082,998	64,649,865	82,505,412
Provisions	22	788,149	691,203	699,894	570,370	523,516	342,258
<b>Total Non-Current Liabilities</b>		<b>161,617,080</b>	<b>146,106,257</b>	<b>154,706,643</b>	<b>71,653,368</b>	<b>65,173,381</b>	<b>82,847,670</b>
<b>TOTAL LIABILITIES</b>		<b>197,809,597</b>	<b>181,168,547</b>	<b>186,378,821</b>	<b>120,684,783</b>	<b>95,782,822</b>	<b>117,492,715</b>
<b>Net Community Assets</b>		<b>1,903,169,064</b>	<b>1,830,895,627</b>	<b>1,749,098,636</b>	<b>1,538,991,968</b>	<b>1,515,165,544</b>	<b>1,466,508,361</b>
<b>COMMUNITY EQUITY</b>							
Asset Revaluation Surplus	24	328,872,887	284,838,783	225,180,883	179,688,247	179,688,247	150,282,779
Retained Surplus	25	1,463,910,411	1,441,280,102	1,440,813,352	1,248,917,955	1,230,700,555	1,233,121,181
Reserves	26	110,385,766	104,776,742	83,104,401	110,385,766	104,776,742	83,104,401
<b>Total Community Equity</b>		<b>1,903,169,064</b>	<b>1,830,895,627</b>	<b>1,749,098,636</b>	<b>1,538,991,968</b>	<b>1,515,165,544</b>	<b>1,466,508,361</b>

\* Council has made a retrospective restatement as a consequence of a correction of an error, and in accordance with AASB 101 has presented a Statement of Financial Position as at the beginning of the comparative period i.e. as at 1 July 2010. Details are disclosed in note 33.

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies

Fraser Coast Regional Council

Statement of Changes in Equity  
for the year ended 30 June 2012

Consolidated		Asset Revaluation Surplus	Retained Surplus	Other Reserves	Total Equity
	Notes	\$	\$	\$	\$
<b>Balance as at 1 July 2011</b>		284,838,783	1,441,280,102	104,776,742	1,830,895,627
Net Result		-	28,239,333	-	28,239,333
Other Comprehensive Income					
Increase in asset revaluation surplus	24	44,034,104	-	-	44,034,104
<b>Total Comprehensive Income</b>		<b>44,034,104</b>	<b>28,239,333</b>	<b>-</b>	<b>72,273,437</b>
Transfers to Reserves	25,26	-	(73,509,098)	73,509,098	-
Transfers from Reserves	25,26	-	67,900,074	(67,900,074)	-
<b>Balance as at 30 June 2012</b>		<b>328,872,887</b>	<b>1,463,910,411</b>	<b>110,385,766</b>	<b>1,903,169,064</b>

Consolidated		Asset Revaluation Surplus	Retained Surplus	Other Reserves	Total Equity
	Notes	\$	\$	\$	\$
<b>Balance as at 1 July 2010</b>		224,563,687	1,435,242,977	83,104,401	1,742,911,065
Correction of Prior Period Errors	33	617,196	5,570,375	-	6,187,571
<b>Restated Balance as at 1 July 2010</b>		<b>225,180,883</b>	<b>1,440,813,352</b>	<b>83,104,401</b>	<b>1,749,098,636</b>
Net Result		-	14,609,806	-	14,609,806
Correction of Prior Period Errors	17,33	83,395	7,529,285	-	7,612,680
Other Comprehensive Income					
Increase in asset revaluation surplus	24	59,574,505	-	-	59,574,505
<b>Total Comprehensive Income</b>		<b>59,657,900</b>	<b>22,139,091</b>	<b>-</b>	<b>81,796,991</b>
Transfers to Reserves	25,26	-	(72,128,998)	72,128,998	-
Transfers from Reserves	25,26	-	50,456,657	(50,456,657)	-
<b>Balance as at 30 June 2011</b>		<b>284,838,783</b>	<b>1,441,280,102</b>	<b>104,776,742</b>	<b>1,830,895,627</b>

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies

Fraser Coast Regional Council

Statement of Changes in Equity  
for the year ended 30 June 2012

Council		Asset Revaluation Surplus	Retained Surplus	Other Reserves	Total Equity
	Notes	\$	\$	\$	\$
<b>Balance as at 1 July 2011</b>		179,688,247	1,230,700,555	104,776,742	1,515,165,544
Net Result		-	23,826,424	-	23,826,424
<b>Total Comprehensive Income</b>		-	23,826,424	-	23,826,424
Transfers to Reserves	25,26	-	(73,509,098)	73,509,098	-
Transfers from Reserves	25,26	-	67,900,074	(67,900,074)	-
<b>Balance as at 30 June 2012</b>		<u>179,688,247</u>	<u>1,248,917,955</u>	<u>110,385,766</u>	<u>1,538,991,968</u>

Council		Asset Revaluation Surplus	Retained Surplus	Other Reserves	Total Equity
	Notes	\$	\$	\$	\$
<b>Balance as at 1 July 2010</b>		150,282,779	1,227,972,696	83,104,401	1,461,359,876
Correction of Prior Period Errors	33	-	5,148,485	-	5,148,485
<b>Restated Balance as at 1 July 2010</b>		<u>150,282,779</u>	<u>1,233,121,181</u>	<u>83,104,401</u>	<u>1,466,508,361</u>
Net Result		-	12,494,553	-	12,494,553
Correction of Prior Period Errors	33	-	6,757,162	-	6,757,162
Other Comprehensive Income					
Increase in asset revaluation surplus	24	29,405,468	-	-	29,405,468
<b>Total Comprehensive Income</b>		<u>29,405,468</u>	<u>19,251,715</u>	<u>-</u>	<u>48,657,183</u>
Transfers to Reserves	25,26	-	(72,128,998)	72,128,998	-
Transfers from Reserves	25,26	-	50,456,657	(50,456,657)	-
<b>Balance as at 30 June 2011</b>		<u>179,688,247</u>	<u>1,230,700,555</u>	<u>104,776,742</u>	<u>1,515,165,544</u>

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies



Fraser Coast Regional Council

Statement of Cash Flows  
for the year ended 30 June 2012

	Notes	Consolidated		Council	
		2012	2011	2012	2011
		\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers		123,915,390	126,904,152	69,038,438	77,368,453
Payments to Suppliers and Employees		(102,661,214)	(102,213,920)	(58,010,288)	(81,653,936)
		21,254,176	24,690,232	11,028,150	(4,285,483)
Investment & Interest Revenue Received		9,348,738	8,483,728	14,953,431	7,708,958
Rental Income		437,707	162,271	430,047	159,061
Non Capital Grants & Contributions		11,685,957	8,921,855	11,552,950	7,794,146
Other Income		9,280,039	9,545,585	9,264,730	5,961,920
Dividend Received		-	-	2,204,575	4,459,381
Income Tax Equivalent Received		-	-	-	3,566,039
Borrowing Costs		(10,356,773)	(10,037,969)	(4,439,595)	(4,942,628)
<b>Net Cash Inflow from Operating Activities</b>	32	<u>41,649,844</u>	<u>41,765,702</u>	<u>44,994,288</u>	<u>20,421,394</u>
<b>Cash Flows from Investing Activities</b>					
Proceeds from Sale of Investments		19,500,000	-	19,500,000	-
Proceeds from Sale of Property, Plant & Equipment		1,609,113	1,407,879	1,242,462	1,126,470
Capital Grants,Subsidies,Contributions & Donations		29,412,395	20,890,059	19,584,395	14,940,148
Purchase of Investments		-	(17,500,000)	-	(17,500,000)
Purchase of Property, Plant & Equipment		(67,834,752)	(47,225,146)	(42,299,972)	(31,668,900)
Payments for Intangible Assets		(741,703)	(315,367)	(559,293)	(280,250)
Payments for Biological Assets		(40,040)	-	-	-
Loans to Related Parties		-	-	(10,000,000)	-
<b>Net Cash Outflow from Investing Activities</b>		<u>(18,094,987)</u>	<u>(42,742,575)</u>	<u>(12,532,408)</u>	<u>(33,382,532)</u>
<b>Cash Flows from Financing Activities</b>					
Proceeds from Borrowings & Advances		22,094,400	22,949,156	8,794,400	7,629,300
Repayment of Borrowings & Advances		(7,612,486)	(29,828,304)	(2,721,755)	(8,275,846)
<b>Net Cash Flow Inflow/(outflow) from Financing Activities</b>		<u>14,481,914</u>	<u>(6,879,148)</u>	<u>6,072,645</u>	<u>(646,546)</u>
<b>Net Increase/(Decrease) for the year</b>		<u>38,036,771</u>	<u>(7,856,021)</u>	<u>38,534,525</u>	<u>(13,607,684)</u>
Cash & Cash Equivalents at the beginning of the financial year		95,154,252	103,010,273	86,530,477	100,138,161
<b>Cash &amp; Cash Equivalents at 30 June</b>	11	<u>133,191,023</u>	<u>95,154,252</u>	<u>125,065,002</u>	<u>86,530,477</u>

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies

## Fraser Coast Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2012

### Contents of the Notes accompanying the Financial Statements

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Note	Details
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| <b>33</b>   | Correction of Error   |
| <b>34</b>   | Events Occurring After the Reporting Date   |
| <b>35</b>   | Financial Instruments   |
| <b>36</b>   | National Competition Policy   |

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

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#### Note 1. Summary of Significant Accounting Policies

##### (a) Basis of Preparation

These general purpose financial statements are for the period 1 July 2011 to 30 June 2012 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting) Regulation 2010*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

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

##### (b) Statement of Compliance

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

##### (c) Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of Wide Bay Water Corporation as at 30 June 2012. Council and Wide Bay Water Corporation together form the economic entity which is referred to as the consolidated entity. The financial statements of the other controlled entities, Widelinx Pty Ltd and Brolga Theatre Inc. are included in note 30 but are not consolidated as they do not have a material effect on the results.

In the process of reporting Council as a single economic entity, all transactions with Wide Bay Water Corporation have been adjusted, where necessary, on consolidation to ensure that the financial report of the consolidated entity is prepared using accounting policies that are consistent with those of Council. Information on controlled entities is included in Note 1(p) and Note 30.

##### (d) Constitution

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

##### (e) Date of Authorisation

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

##### (f) Currency

Council uses the Australian dollar as its functional currency and its presentation currency.

##### (g) Adoption of New and Revised Accounting Standards

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

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

##### Effective 1 July 2012:

- AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income
- AASB 2011-13 Amendments to Australian Accounting Standard - Improvements to AASB 1049

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Effective 1 January 2013:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in other Entities
- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits (completely replaces existing standard)
- AASB 127 Separate Financial Statements (replaces the existing standard together with AASB 10)
- AASB 128 Investments in Associates and Joint Ventures (replaces the existing standard)
- 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
- AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
- AASB 2012-2 Amendments to Australian Accounting Standards - disclosures – offsetting financial assets and liabilities (AASB 7 & AASB 132)
- AASB 2012-4 Amendments to Australian Accounting Standards - Government Loans (AASB 1)
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual improvements 2009-2011 cycle (AASB 1, AASB 101, AASB 116, AASB 132, AASB 134 and Interpretation 2)

##### Effective 1 July 2013:

- AASB 1053 Application of Tiers of Australian Accounting Standards
- AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
- AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements

##### Effective 1 January 2014:

- AASB 2012-3 Amendments to Australian Accounting Standards - offsetting financial assets and liabilities (AASB 132)

##### Effective 1 January 2015:

- AASB 9 Financial Instruments (December 2009)

Management have yet to assess the impact that AASB 9 Financial Instruments and 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 is likely to have on the financial statements of Council as it is anticipated that further amendments will occur. Council does not expect to implement the amendments prior to the adoption date of 1 January 2015.

The reported results and position of Council will not change on adoption of the other pronouncements as they do not result in any changes to Council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. Council does not intend to adopt any of the pronouncements before their effective dates.

#### (h) Critical accounting judgements and key sources of estimation uncertainty

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



## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

are recognised in the period in which the estimate is revised and in future periods as relevant.

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

- Valuation and depreciation of Property, Plant & Equipment - Note 1(q) and Note 17
- Impairment of Property, Plant and Equipment - Note 1(t) and Note 10
- Provisions - Note 22
- Contingent Liabilities - Note 28

#### (i) Revenue

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

##### Rates and levies

Where rate monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of the rating period.

##### Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is placed in a reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the Capital Grants & Subsidies reserve. Council endeavours to spend all recurrent grants in the year received, any funds not expended are placed in the Operating Grants Reserve.

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

##### Non-cash contributions

Non-cash contributions with a value in excess of the recognition thresholds are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

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 the development becomes "on maintenance" (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

##### Cash contributions

Developers also pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as income when received.

##### Rental income

Rental revenue from investment and other property is recognised as income on a periodic straight line basis over the lease term.

##### Interest and dividends

Interest received from term deposits is accrued over the term of the investment. Dividends are recognised once they are formally declared by the directors of the controlled entity.

##### Sales revenue

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

Council generates revenues from a number of services including contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. 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.

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Fees and Charges

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

##### **(j) Financial Assets and Financial Liabilities**

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Fraser Coast Regional Council has categorised and measured the financial assets and financial liabilities held at the reporting date as follows:

##### Financial assets

- Cash and cash equivalents Note 1(k)
- Receivables - measured at amortised cost Note 1(l)

##### Financial liabilities

- Payables - measured at amortised cost Note 1(w)
- Borrowings - measured at amortised cost Note 1(x)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

The fair value of borrowings, as disclosed in Note 21 to the accounts, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if Council repaid it in full at the reporting date. As it is the intention of Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.

The fair value of trade receivables approximates the amortised cost less any impairment.

The fair value of payables approximates the amortised cost.

Fraser Coast Regional Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 35.

##### **(k) Cash and Cash Equivalents**

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

##### **(l) Receivables**

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

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

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

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (m) Inventories

Stores, raw materials and water held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

- goods to be supplied at no or nominal, charge, and
- goods to be used for the provision of services at no or nominal charge.

These goods are valued at cost, adjusted when applicable, for any loss of service potential.

##### (n) Land Held for Resale

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. As inventory this land is valued at the lower of cost or net realisable value. Inventory land is treated as a current asset except where it is anticipated that a material portion of land value will not be sold within 12 months. Land held beyond 12 months is reported as non-current inventory.

Profit arising upon sale of land is recognised in the Statement of Comprehensive Income on the signing of a valid unconditional contract of sale.

##### (o) Investments

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

##### (p) Investment in Controlled Entities

Council's investment in the controlled entity, Wide Bay Water Corporation, is accounted for at cost in Council's separate financial statements. This investment is eliminated in the financial statements of the economic entity upon consolidation. Fraser Coast Regional Council holds 100% of the shares in the controlled entity. The shares are measured at cost as fair value cannot be reliably measured.

##### (q) Property, Plant & Equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value

of less than \$1,000, 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.

The classes and useful lives of property, plant and equipment recognised by Council are displayed in the following table:

Category	Years
Land & Improvements	Land - not depreciated Improvements: 0-60
Buildings	30-100
Plant and Equipment	3-20
Infrastructure	
- Road & bridge network	10-100
- Water	20-80
- Sewerage	12-100
- Drainage	50-100
- Coastal Infrastructure	40-50
Other assets	7-100
Work in progress	not depreciated

##### Acquisition of assets

Acquisitions of assets are initially recorded at cost. 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.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

##### Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets is treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Valuation

Land and improvements, buildings and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 Property, Plant & Equipment. Other plant and equipment and work in progress are measured at cost.

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. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council uses internal engineers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with a suitable index. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 17.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation reserve, 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 to 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.

##### Capital work in progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

##### Depreciation

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 Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

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



## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

reporting date. Details of the range of estimated useful lives for each class of asset are shown above.

##### Land under roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where Council holds title or a financial lease over the asset. Fraser Coast Regional Council currently does not have any such land holdings.

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

##### **(r) Intangible Assets**

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

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

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

##### **(s) Biological Assets**

Council own a number of farms on which trees have been planted primarily for the purpose of beneficially reusing the recycled water from sewerage treatment plants. A number of the plantations have a commercial value due to a contract in place with Ergon Energy for the sale of the trees for timber poles. These plantations, due to their commercial nature are classed as biological assets. Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss. Fair value of the plantation classed as biological assets was determined using the net present value of the predicted net annual revenues discounted back to the current year using weighted average cost of capital. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs.

Standing timber is transferred to inventories at its fair value less estimated costs to sell at the date of harvest.

##### **(t) Impairment of Non-Current Assets**

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, 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. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognised immediately 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 reserve of the relevant class to the extent available.

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

##### **(u) Leases**

Leases of plant and equipment under which the Council as lessee/lessor assumes/transfers substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

##### Operating leases

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

## Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012**Note 1. Summary of Significant Accounting Policies (continued)****(v) Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

**(w) Liabilities - Employee Benefits**

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 20 as a payable.

Annual leave

A liability for annual leave is recognised. The liability, (based on the expected payment date) is calculated on current wage and salary levels and includes related employee on-costs. This liability represents an accrued expense and is reported in Note 20 as a payable.

Sick leave

Sick leave taken in the future will be met by future entitlements and hence no recognition of accrued sick leave entitlements has been made in these financial statements. No entitlement vests with the employee on termination.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 29.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates 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 Council's employment or other associated employment which would result in 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. This liability is reported in Note 22 as a provision.

**(x) Borrowings and Borrowing Costs**

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

In accordance with the *Local Government (Finance, Plans and Reporting) Regulation 2010* 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.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

**(y) 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.

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

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#### **Note 1. Summary of Significant Accounting Policies** (continued)

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 in the reserve in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

#### **(z) Retained Surplus**

This represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

#### **(aa) Reserves**

These reserves are cash backed and represent funds, from revenue sources that are accumulated to a perceived future requirement which is not currently a liability.

#### **Reserves for future capital expenditure**

##### Capital Grants & Subsidies reserve

This reserve is credited with all grants and subsidies received during the reporting period and constrained for the purpose of funding specific capital expenditure. As the funds are expended on capital assets, the equivalent amounts are transferred from the reserve to retained surplus. The closing balance reported at the end of the reporting period represents funds not yet expended and must be retained until the obligation is satisfied.

##### Loans reserve

This reserve holds funds for loans raised for capital works but not yet expended, being available for future spending on the projects for which the loans were raised.

##### Developer Contributions reserve

This reserve is credited with all contributions of monetary revenue received during the reporting period and constrained for the purpose of funding specific capital infrastructure.

##### Plant, Fleet & Housing reserve

This reserve provides funds for the future replacement of Council's plant and fleet and provides contributions towards the future funding of aged and disabled housing.

##### Waste reserve

This reserve is provided to accumulate surplus funds from the waste management fund for the future expansion or creation of waste facilities.

##### Future Asset Sustainability reserve

This reserve holds funds for future capital works and is put aside in order to address the future infrastructure and asset sustainability requirements of Council.

##### Environmental Levy reserve

This reserve accumulates funds raised through the Environmental levy for the future acquisition of natural areas.

##### Commercial & Business Activities reserves

These reserves hold funds intended to be invested in business enterprise and major projects and retained profits of commercial business undertakings by Council.

##### Land & Buildings reserve

This reserve holds proceeds from the sale of surplus Council land and building assets to be utilised for future purchases of land and buildings.

##### Contingency reserve

This reserve provides accumulated funds for future capital expenditure and emergent circumstances.

##### Other reserves

These reserves provide funds for other capital purposes.

#### **Reserves for future operational expenditure**

##### Operating Grants reserve

This reserve contains carry forward unspent operational grants for the funding of future specific operational expenditure.

##### Property Management reserve

This reserve contains funds for the maintenance and management of Council properties.

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

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#### **Note 1. Summary of Significant Accounting Policies** (continued)

##### Development Assessment reserve

This reserve holds development assessment fees subject to superseded planning scheme applications to fund the assessment of the applications and/or for the potential refunding of fees.

##### Operational reserve

This reserve provides funding for specific operational carry forward expenditure.

##### IT reserve

This reserve provides funds for the provision of future information technology upgrades and replacements.

##### Other Operational reserves

These reserves provide funds for future operational expenditure and emergent circumstances.

#### **(ab) National Competition Policy**

Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 36.

#### **(ac) Rounding and Comparatives**

Amounts included in the financial statements have been rounded to the nearest \$1 or, where the amount is \$0.50 or less, to zero.

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

#### **(ad) Trust funds held for outside parties**

Funds held in the trust account on behalf of outside parties 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) paid into the trust account by Council. 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.

The monies are disclosed in the notes to the financial statements for information purposes only in Note 31.

#### **(ae) Taxation**

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

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

Where an activity of the controlled entity of Council is subject to the tax equivalents regime, the income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income. These transactions are eliminated upon consolidation.

Council pays payroll tax to the Queensland Government on certain activities.



## Fraser Coast Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2012

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#### **Note 2(a) Council Functions - Component Descriptions**

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

##### **Government and Administration**

The provision of information and advice to the 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 the regions' opportunities and attributes to attract investment.

##### **Roads Infrastructure and Operations**

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

##### **Stormwater Drainage**

The maintenance and provision of stormwater drainage.

##### **Commercial Activities**

Covering the areas of Airport, Caravan Park Management and Commercial Waste.

##### **Community and Recreation**

Covering a variety of community related areas included Community Development, Community Housing, Parks and Recreation Facilities Management, Tourism, Museums, Art Gallery, 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.

# General Purpose Financial Statements

## Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

### Note 2(b) Analysis of Results by Function

2012 Functions	Gross Program Income		Total Income	Gross Program Expenses		Total Expenses	Net Result	Total Assets
	Grants and Subsidies	Other		Recurring	Capital			
	\$	\$	\$	\$	\$	\$	\$	\$
Government & Administration	11,324,496	81,424,489	92,748,985	(26,174,491)	-	(26,174,491)	66,574,494	599,187,137
Economic Development	3,331,646	48,973	3,380,619	(566,792)	-	(566,792)	2,813,827	433,542
Roads Infrastructure and Operations	11,277,224	5,860,343	17,137,567	(32,959,698)	(4,213,797)	(37,173,495)	(20,035,928)	716,070,825
Stormwater Drainage	-	804,808	804,808	(6,833,520)	(4,592)	(6,838,112)	(6,033,304)	211,510,317
Commercial Activities	-	4,442,898	4,442,898	(4,216,199)	(2,861)	(4,219,060)	223,838	29,818,683
Community & Recreation	2,395,122	1,325,813	3,720,935	(20,798,560)	-	(20,798,560)	(17,077,625)	84,146,881
Development Services	43,636	2,382,353	2,425,989	(4,536,762)	-	(4,536,762)	(2,110,773)	7,784
Environment & Health	11,418	2,654,427	2,665,845	(5,441,393)	-	(5,441,393)	(2,775,548)	9,611,608
Solid Waste Management	26,500	14,904,929	14,931,429	(12,683,986)	-	(12,683,986)	2,247,443	8,889,974
Total Council	28,410,042	113,849,033	142,259,075	(114,211,401)	(4,221,250)	(118,432,651)	23,826,424	1,659,676,751
Controlled Entity net of Eliminations	8,296,080	51,951,590	60,247,670	(53,124,939)	(2,709,822)	(55,834,761)	4,412,909	441,301,910
Total Consolidated	36,706,122	165,800,623	202,506,745	(167,336,340)	(6,931,072)	(174,267,412)	28,239,333	2,100,978,661

2011 Functions	Gross Program Income		Total Income	Gross Program Expenses		Total Expenses	Net Result	Total Assets
	Grants and Subsidies	Other		Recurring	Capital			
	\$	\$	\$	\$	\$	\$	\$	\$
Government & Administration	13,765,475	74,799,193	88,564,668	(29,506,030)	-	(29,506,030)	59,058,638	599,155,648
Economic Development	104,000	-	104,000	(307,491)	-	(307,491)	(203,491)	3,403,331
Roads Infrastructure and Operations	4,137,784	10,545,969	14,683,753	(31,914,194)	(1,087,106)	(33,001,300)	(18,317,547)	696,228,423
Stormwater Drainage	245,306	1,900,613	2,145,919	(6,932,751)	(1,824)	(6,934,575)	(4,788,656)	211,991,436
Commercial Activities	-	4,366,029	4,366,029	(4,630,549)	-	(4,630,549)	(264,520)	24,535,475
Community & Recreation	2,033,159	1,314,741	3,347,900	(19,804,621)	-	(19,804,621)	(16,456,721)	61,690,446
Development Services	10,000	3,045,461	3,055,461	(5,091,609)	-	(5,091,609)	(2,036,148)	-
Environment & Health	18,181	2,546,805	2,564,986	(5,019,684)	-	(5,019,684)	(2,454,698)	4,346,467
Solid Waste Management	36,500	16,957,227	16,993,727	(12,278,869)	-	(12,278,869)	4,714,858	9,597,140
Total Council	20,350,405	115,476,038	135,826,443	(115,485,798)	(1,088,930)	(116,574,728)	19,251,715	1,610,948,366
Controlled Entity net of Eliminations	4,024,050	53,462,457	57,486,507	(48,937,733)	(5,661,398)	(54,599,131)	2,887,376	401,115,808
Total Consolidated	24,374,455	168,938,495	193,312,950	(164,423,531)	(6,750,328)	(171,173,859)	22,139,091	2,012,064,174

Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

Notes	Consolidated		Council	
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>Note 3. Revenue Analysis</b>				
<b>(a) Rates, Levies and Charges</b>				
General Rates	62,974,067	60,336,461	62,974,067	60,336,461
Rural Fire Levy	446,540	442,027	446,540	442,027
Environmental Levy	1,277,455	1,207,823	1,277,455	1,207,823
Water	18,955,742	17,736,290	-	-
Water Consumption, Rental and Sundries	10,182,002	8,958,746	-	-
Sewerage	27,977,093	25,988,256	-	-
Sewerage Trade Waste	383,083	302,938	-	-
Waste Charges	15,216,719	14,108,102	15,216,719	14,108,102
	<u>137,412,701</u>	<u>129,080,643</u>	<u>79,914,781</u>	<u>76,094,413</u>
Less: Discounts	(9,403,240)	(9,622,665)	(5,840,170)	(5,672,465)
Less: Pensioner remissions	(2,164,524)	(2,007,091)	(2,164,524)	(2,007,091)
	<u>125,844,937</u>	<u>117,450,887</u>	<u>71,910,087</u>	<u>68,414,857</u>
<b>(b) Fees &amp; Charges</b>				
Caravan Park Fees	2,517,531	2,356,852	2,513,036	2,356,852
Licences and Registrations	1,053,691	959,679	1,053,691	959,679
Passenger Head Taxes	1,284,881	1,273,479	1,284,881	1,273,479
Planning Fees	1,041,820	1,498,070	1,041,820	1,498,070
Refuse Tip Fees	3,401,368	3,149,660	3,401,368	3,149,660
Other Fees and Charges	3,246,566	3,403,825	2,724,174	2,904,156
	<u>12,545,857</u>	<u>12,641,565</u>	<u>12,018,970</u>	<u>12,141,896</u>
<b>(c) Rental Income</b>				
Community Housing Rental Income	217,271	211,612	209,611	211,612
Other Property Rental Income	220,436	220,413	220,436	214,053
	<u>437,707</u>	<u>432,025</u>	<u>430,047</u>	<u>425,665</u>
<b>(d) Interest &amp; Investment Revenue</b>				
Interest on Investments	7,375,474	7,795,659	7,036,354	6,940,036
Interest on Loan to Wide Bay Water Corporation	-	-	-	639,125
Interest on Wide Bay Water Shareholder Loan	-	-	6,328,350	-
Interest on Wide Bay Water Working Capital Facility	-	-	317,828	-
Interest Received on State Government Fire Levy	77,699	56,384	77,699	56,384
Interest from Overdue Rates and Utility Charges	1,982,109	1,503,894	1,279,744	945,622
	<u>9,435,282</u>	<u>9,355,937</u>	<u>15,039,975</u>	<u>8,581,167</u>

## Fraser Coast Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2012

	Consolidated		Council	
	2012	2011	2012	2011
Notes	\$	\$	\$	\$

**Note 3. Revenue Analysis** (continued)**(e) Sales Revenue**

Contract and Recoverable Works	3,962,068	7,093,639	2,211,572	2,809,563
	<u>3,962,068</u>	<u>7,093,639</u>	<u>2,211,572</u>	<u>2,809,563</u>

The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. There are no contracts in progress at the end of the reporting period. The contract work carried out is not subject to retentions.

**(f) Other Income**

Dividend	-	-	-	3,777,685
Income Tax Equivalent	-	-	-	2,609,111
Competitive Neutrality Adjustments	-	-	2,318,363	2,232,163
Corporate Support Charges	-	-	1,356,420	893,000
Other Income	3,638,895	3,375,556	3,213,294	3,055,882
	<u>3,638,895</u>	<u>3,375,556</u>	<u>6,888,077</u>	<u>12,567,841</u>

**Note 4. Grants, Subsidies, Contributions and Donations****(a) Recurrent**

General Purpose Grants	9,063,694	7,086,386	8,930,687	7,086,386
Government Grants and Subsidies	1,737,889	2,637,694	1,737,889	1,509,985
	<u>10,801,583</u>	<u>9,724,080</u>	<u>10,668,576</u>	<u>8,596,371</u>

**(b) Capital****(i) Monetary revenue designated for Capital Funding:**

Government Grants and Subsidies	25,904,539	14,650,375	17,741,467	11,754,034
Contributions	3,507,856	6,239,684	1,842,928	3,186,114
	<u>29,412,395</u>	<u>20,890,059</u>	<u>19,584,395</u>	<u>14,940,148</u>

**(ii) Non-Monetary Revenue:**

Developer Contributed Assets	6,012,445	10,564,823	3,241,734	7,314,716
	<u>6,012,445</u>	<u>10,564,823</u>	<u>3,241,734</u>	<u>7,314,716</u>
	<u>35,424,840</u>	<u>31,454,882</u>	<u>22,826,129</u>	<u>22,254,864</u>



Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

Notes	Consolidated		Council	
	2012	2011	2012	2011
	\$	\$	\$	\$

**Note 4. Grants, Subsidies, Contributions and Donations** (continued)

Conditions over Contributions

Non-reciprocal Grants and Contributions which were obtained on the condition that they be expended in a general specified manner by the contributor but had not been expended at the reporting date.

Grants	9,943,152	4,749,827	9,943,152	4,749,827
Contributions	1,717,234	3,157,098	1,717,234	3,157,098
	<u>11,660,386</u>	<u>7,906,925</u>	<u>11,660,386</u>	<u>7,906,925</u>

Non-reciprocal Grants and Contributions which were recognised as revenues during a previous reporting period and were expended during the current reporting period.

Grants	3,455,508	752,179	3,455,508	752,179
Contributions	427,618	4,413,181	427,618	4,413,181
	<u>3,883,126</u>	<u>5,165,360</u>	<u>3,883,126</u>	<u>5,165,360</u>

**Note 5. Capital Income**

(a) Gain on disposal of non-current assets

Proceeds from the Sale of Plant & Equipment	1,309,113	915,152	942,462	633,743
Less: Book Value of Plant & Equipment Disposed	(1,181,863)	(900,782)	(896,820)	(615,831)
	<u>127,250</u>	<u>14,370</u>	<u>45,642</u>	<u>17,912</u>
Proceeds from Sale of Land and Buildings	300,000	492,727	300,000	492,727
Less: Book Value of Land Sold	(80,000)	(476,420)	(80,000)	(476,420)
	<u>220,000</u>	<u>16,307</u>	<u>220,000</u>	<u>16,307</u>

(b) Revaluations

Biological Assets	68,326	-	-	-
	<u>68,326</u>	<u>-</u>	<u>-</u>	<u>-</u>

(c) Other Income

Recovery of Prior Impairment of Capital Assets	-	1,753,702	-	-
	<u>-</u>	<u>1,753,702</u>	<u>-</u>	<u>-</u>
	<u>415,576</u>	<u>1,784,379</u>	<u>265,642</u>	<u>34,219</u>

In 2009/10 a loss on impairment of the Wide Bay Water Corporation's Wetside Water Park arose in respect of assets constructed. In 2010/11 impairment testing on this CGU was conducted via a discounted cashflow model. The results showed no existence of impairment indicators, therefore the impairment expense recognised in 2009/10 was reversed.

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

Notes	Consolidated		Council	
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>Note 6. Employee Benefits</b>				
Wages and Salaries	42,077,250	42,991,601	28,886,785	28,734,804
Annual, Sick & Long Service Leave Entitlements	5,736,596	5,657,877	3,946,103	4,064,206
Superannuation 29	5,343,572	5,074,373	3,762,543	3,508,740
Councillors' Remuneration	977,271	944,948	977,271	944,948
	<u>54,134,689</u>	<u>54,668,799</u>	<u>37,572,702</u>	<u>37,252,698</u>
Other Employee Related Expenses	<u>2,275,293</u>	<u>1,689,042</u>	<u>642,781</u>	<u>651,562</u>
	<u>56,409,982</u>	<u>56,357,841</u>	<u>38,215,483</u>	<u>37,904,260</u>
Less: Capitalised Employee Expenses	(7,504,194)	(6,396,331)	(3,457,309)	(2,833,647)
	<u>48,905,788</u>	<u>49,961,510</u>	<u>34,758,174</u>	<u>35,070,613</u>

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

### Note 7. Materials and Services

Advertising	449,213	616,527	383,836	519,083
Audit Fees - Queensland Audit Office	279,005	276,446	216,005	205,215
Brolga Theatre Contribution	431,548	416,955	431,548	416,955
Chemicals	1,643,479	1,629,305	61,067	101,577
Communication Expenses	1,106,737	943,207	876,798	508,460
Consultants and Contractors Fees	7,460,890	7,115,347	6,222,911	5,908,571
Directors Remuneration	127,678	137,454	-	-
Donations and Sponsorships Paid	2,557,054	1,139,348	1,285,330	1,115,969
Electricity & Gas Charges	5,163,254	4,942,668	2,854,130	2,701,482
Fuel and Oil	2,168,347	2,076,209	1,715,158	1,661,093
Insurance	2,058,484	1,984,736	1,272,474	1,308,564
Legal Fees	610,123	631,399	370,265	478,234
Plant Hire	2,992,204	3,603,393	2,561,381	3,463,815
Refuse Charges	2,728,684	2,432,541	2,503,171	2,416,561
Operating Leases - Rentals	287,315	249,657	109,831	141,822
Other Materials and Services	22,646,704	24,780,326	19,170,016	20,453,007
	<u>52,710,719</u>	<u>52,975,518</u>	<u>40,033,921</u>	<u>41,400,408</u>

Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

	Notes	Consolidated		Council	
		2012	2011	2012	2011
		\$	\$	\$	\$
<b>Note 8. Finance Costs</b>					
Finance Costs - Queensland Treasury Corporation		10,187,567	9,943,504	4,313,115	4,942,628
Bank Charges		177,663	182,836	164,535	170,655
Impairment of Receivables		(8,457)	232,035	(38,055)	157,568
Fair Value Adjustment on Loans (to Council)		(1,094)	640	(1,094)	640
Other Finance Costs		-	94,465	-	-
		<u>10,355,679</u>	<u>10,453,480</u>	<u>4,438,501</u>	<u>5,271,491</u>

**Note 9. Depreciation and Amortisation**

Depreciation of Non-Current Assets

Land and Site Improvements		1,749,866	2,943,562	1,749,866	2,943,562
Buildings		4,388,477	5,159,854	4,184,199	4,993,531
Plant and Equipment		5,993,985	4,517,401	4,806,887	3,419,771
Road and Bridge Network		18,594,800	17,066,905	18,594,800	17,066,905
Water		10,104,888	9,169,818	-	-
Sewerage		8,752,204	7,819,792	-	-
Drainage		3,884,337	3,679,080	3,884,337	3,679,080
Coastal Infrastructure Assets		1,044,196	584,939	1,044,196	584,939
Other Assets		392,502	590,179	392,502	590,179
	17	<u>54,905,255</u>	<u>51,531,530</u>	<u>34,656,787</u>	<u>33,277,967</u>

Amortisation of Intangible Assets

Computer Software		458,899	590,423	324,018	465,319
Total Amortisation of Intangible Assets	18	<u>458,899</u>	<u>590,423</u>	<u>324,018</u>	<u>465,319</u>
		<u>55,364,154</u>	<u>52,121,953</u>	<u>34,980,805</u>	<u>33,743,286</u>

# Fraser Coast Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2012

		Consolidated		Council	
		2012	2011	2012	2011
	Notes	\$	\$	\$	\$

### Note 10. Capital Expenses

#### (a) Revaluation

Downwards Revaluation of PP&E	17	-	473,916	-	-
		-	473,916	-	-

#### (b) Other capital expenses

Loss on Write-Off of Capital Assets		6,931,072	5,187,482	4,221,250	1,088,930
		6,931,072	5,187,482	4,221,250	1,088,930
		6,931,072	5,661,398	4,221,250	1,088,930

#### Details of write-offs are as follows:

Buildings	2,861	-	2,861	-
Plant and Equipment	-	1,824	-	1,824
Road and Bridge Network	4,213,796	1,087,106	4,213,796	1,087,106
Water	1,624,718	2,976,804	-	-
Sewerage	975,120	485,346	-	-
Drainage	4,593	-	4,593	-
Work in Progress	109,984	636,402	-	-
	6,931,072	5,187,482	4,221,250	1,088,930



Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

	Consolidated		Council	
	2012	2011	2012	2011
Notes	\$	\$	\$	\$

**Note 11. Cash and Cash Equivalents**

Cash and Cash Equivalents

Cash in Operating Bank Account	9,758,562	1,117,823	8,316,090	588,641
Cash in Other Banks and On Hand	29,950	35,643	27,950	31,964
Deposits at Call	24,801,261	20,693,936	18,119,712	12,603,022
Fixed Interest Investments	42,455,000	25,955,000	42,455,000	25,955,000
Variable Interest Deposits & Investments with QTC	56,146,250	47,351,850	56,146,250	47,351,850
	<u>133,191,023</u>	<u>95,154,252</u>	<u>125,065,002</u>	<u>86,530,477</u>

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

Unspent Government Grants and Subsidies	19,638,350	8,486,209	19,638,350	8,486,209
Unspent Developer Contributions	12,079,793	10,905,742	12,079,793	10,905,742
Unspent Loans & Borrowings	22,560,391	21,109,555	22,560,391	21,109,555
	<u>54,278,534</u>	<u>40,501,506</u>	<u>54,278,534</u>	<u>40,501,506</u>

Cash and deposits at call are held in the Commonwealth Bank in a normal business cheque account. On call accounts are also held with QTC. Other deposits are held with various institutions. Term deposits earn fixed interest over varying terms at interest rates of between 5.00% and 5.80% (2011: 5.72% and 6.45%).

All Wide Bay Water Corporation investments are held in the QTC cash management account bearing floating interest rates between 4.02% and 4.12% (2011: 5.08% and 5.57%).

**Note 12. Cash Investments**

Term Deposits realisable between 3 and 12 months	-	19,500,000	-	19,500,000
	<u>-</u>	<u>19,500,000</u>	<u>-</u>	<u>19,500,000</u>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2012

Notes	Consolidated		Council	
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>Note 13. Trade and Other Receivables</b>				
<b>Current</b>				
Rateable Revenue	33,195,162	15,852,446	33,195,162	15,852,446
Fees and Charges	1,161,208	1,065,171	1,161,208	1,065,171
GST Recoverable	1,375,986	1,218,108	859,032	921,791
Accrued Interest	2,622,272	2,535,728	2,622,272	2,535,728
Accrued Dividend	-	-	-	2,204,575
Accrued Grants & Subsidies	706,374	1,590,748	706,374	1,590,748
Prepayments	905,150	1,570,382	232,241	936,872
Wide Bay Water Working Capital Facility (i)	-	-	10,000,000	-
Other Debtors	3,794,662	4,691,214	4,096,610	4,026,591
	<u>43,760,814</u>	<u>28,523,797</u>	<u>52,872,899</u>	<u>29,133,922</u>
less: Impairment	<u>(139,631)</u>	<u>(162,270)</u>	<u>(124,215)</u>	<u>(162,270)</u>
	<u>43,621,183</u>	<u>28,361,527</u>	<u>52,748,684</u>	<u>28,971,652</u>
<b>Movement in accumulated Impairment Losses</b>				
Balance as at 1 July	162,270	69,477	162,270	69,477
add new provisions recognised during the year	15,416	92,793	-	92,793
less amounts already provided for & written off this year	(38,055)	-	(38,055)	-
Balance as at 30 June	<u>139,631</u>	<u>162,270</u>	<u>124,215</u>	<u>162,270</u>
<b>Non-Current</b>				
Wide Bay Water Shareholder Loan (ii)	16	-	73,500,000	-
		<u>-</u>	<u>73,500,000</u>	<u>-</u>

(i) On 17 August 2011, Council offered to provide Wide Bay Water Corporation with a Working Capital Facility to a limit of \$15,000,000. Interest of 7.05% per annum is receivable on the balance drawn down on the facility. At 30 June 2012, the facility had been drawn down to \$10,000,000.

Interest is charged on outstanding rates at 11% 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.

(ii) A deed of acknowledgement of debt was signed between Council and the Wide Bay Water Corporation (WBWC) on 29 July 2011. The deed converted part of Council's shareholding into debt to the amount of \$73,500,000. WBWC is to pay annual fixed interest of \$6,328,350 (8.61% per annum). The term of the loan is 5 years, and the principal is due to be repaid on 30 June 2016.

Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

	Notes	Consolidated		Council	
		2012	2011	2012	2011
		\$	\$	\$	\$
<b>Note 14. Inventories</b>					
Stores and Materials		1,137,029	1,192,688	320,707	325,432
Other		37,813	29,001	37,813	29,001
		<u>1,174,842</u>	<u>1,221,689</u>	<u>358,520</u>	<u>354,433</u>
<b>Note 15. Land Held for Development and Resale</b>					
Land		<u>2,037,979</u>	<u>1,755,979</u>	<u>2,037,979</u>	<u>1,755,979</u>
		<u>2,037,979</u>	<u>1,755,979</u>	<u>2,037,979</u>	<u>1,755,979</u>
<b>Movement in assets during the reporting period</b>					
Balance as at 1 July		1,755,979	1,755,979	1,755,979	1,755,979
Transfers from other asset categories		282,000	-	282,000	-
		<u>2,037,979</u>	<u>1,755,979</u>	<u>2,037,979</u>	<u>1,755,979</u>
<b>Note 16. Investment in Controlled Entities</b>					
Interest in Wide Bay Water Corporation		-	-	221,752,349	295,252,349
Investment in Wideline Pty Limited	30	<u>1,991,000</u>	<u>1,991,000</u>	<u>1,991,000</u>	<u>1,991,000</u>
		<u>1,991,000</u>	<u>1,991,000</u>	<u>223,743,349</u>	<u>297,243,349</u>
On 18 May 2011, Fraser Coast Regional Council resolved to reduce its issued share capital as sole shareholder in Wide Bay Water Corporation by \$73.5 million dollars to take effect on 1 July 2011. Wide Bay Water Corporation and Fraser Coast Regional Council entered into a deed of acknowledgement of debt for \$73.5 million on 29 July 2011.					
<b>Investment in Wide Bay Water Corporation</b>					
Balance as at 1 July		-	-	295,252,349	295,252,349
Transfer Wide Bay Water Shareholder Loan	14	-	-	(73,500,000)	-
Balance as at 30 June		<u>-</u>	<u>-</u>	<u>221,752,349</u>	<u>295,252,349</u>

Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

**Note 17. Property, Plant & Equipment**

<b>Consolidated</b>	Land and Site Improvements	Buildings	Plant and Equipment	Road and Bridge Network	Water	Sewerage	Drainage	Coastal Infrastructure	Other Assets	Works in Progress	Total
Basis of Measurement	Valuation 2012	Valuation 2012	Cost 2012	Valuation 2012	Valuation 2012	Valuation 2012	Valuation 2012	Valuation 2012	Cost 2012	Cost 2012	2012
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Values</b>											
Opening Gross Value	165,769,781	209,233,485	60,903,708	927,066,968	549,044,975	494,034,671	270,989,793	25,549,155	10,021,477	21,514,412	2,734,128,426
Additions at Cost	-	-	-	-	-	-	-	-	-	67,834,752	67,834,752
Contributed Assets at Valuation	-	-	-	2,738,107	1,321,910	1,448,801	503,627	-	-	-	6,012,445
Internal Transfers from WIP	3,255,454	11,270,269	6,078,796	17,781,294	9,463,574	679,872	2,975,599	-	531,334	(52,036,192)	-
Disposals	(80,000)	-	(3,868,597)	-	-	-	-	-	-	-	(3,948,597)
Write-Offs	(354,374)	(7,965)	(7,886,225)	(9,897,552)	(4,385,041)	(1,753,694)	(5,765)	-	(5,138,754)	(109,984)	(29,539,354)
Internal transfers between asset classes	(31,672,723)	(20,787,449)	645,535	46,433,432	(264,645)	(686,081)	681,366	4,966,594	(931,428)	-	(1,615,399)
Adjustments - Assetic System	(7,966)	-	-	-	-	-	383	-	-	-	(7,583)
Revaluation Adjustments to ARS	-	-	-	-	57,681,700	(47,190,104)	-	-	-	-	10,491,596
<b>Closing Gross Value</b>	136,910,172	199,708,340	55,873,217	984,122,249	612,862,473	446,533,465	275,145,003	30,515,749	4,482,629	37,202,987	2,783,356,285
<b>Accumulated Depreciation &amp; Impairment</b>											
Opening Gross Value	24,257,881	88,355,608	34,211,686	254,936,188	216,780,166	174,684,870	60,636,846	9,247,217	7,664,824	-	870,775,286
Depreciation provided in the period	1,749,866	4,388,477	5,993,985	18,594,800	10,104,888	8,752,204	3,884,337	1,044,196	392,502	-	54,905,255
Depreciation on Disposals	-	-	(2,686,734)	-	-	-	-	-	-	-	(2,686,734)
Depreciation on Write-Offs	(354,374)	(5,104)	(7,886,225)	(5,683,755)	(2,760,323)	(778,574)	(1,172)	-	(5,138,754)	-	(22,608,282)
Adjustments - Assetic System	430	(82)	582	993	-	-	(129)	-	-	-	1,794
Internal transfers between asset classes	(12,853,330)	(10,205,452)	(275,043)	20,981,966	(59,002)	(116,547)	264,005	2,024,767	(500,995)	-	(739,631)
Revaluation Adjustments to ARS	-	-	-	-	(4,315,429)	(29,227,079)	-	-	-	-	(33,542,508)
<b>Closing Accumulated Depreciation &amp; Impairment</b>	12,800,473	82,533,447	29,358,251	288,830,192	219,750,300	153,314,874	64,783,886	12,316,180	2,417,577	-	866,105,180
<b>Net Value as at 30 June 2012</b>	124,109,699	117,174,893	26,514,966	695,292,057	393,112,173	293,218,591	210,361,117	18,199,569	2,065,052	37,202,987	1,917,251,105



# General Purpose Financial Statements

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

#### Note 17. Property, Plant & Equipment (continued)

<b>Consolidated</b>	Land and Site Improvements	Buildings	Plant and Equipment	Road and Bridge Network	Water	Sewerage	Drainage	Coastal Infrastructure	Other Assets	Works in Progress	Total
Basis of Measurement	Valuation 2011	Valuation 2011	Cost 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Cost 2011	Cost 2011	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Values</b>											
Opening Gross Value	155,974,268	205,231,408	58,699,584	871,253,491	511,601,378	420,811,026	253,595,889	25,020,775	9,514,856	67,750,727	2,579,453,402
Correction to opening balance	15,056	-	-	3,247,496	912,857	392,266	1,948,523	-	-	-	6,516,198
Correction 10/11 Contributed Assets	-	-	-	5,542,096	167,293	609,740	1,363,539	-	-	-	7,682,668
Correction 10/11 WBWC Assets	-	-	-	-	77,769	6,821	-	-	-	-	84,590
Contributed Assets at Valuation	20,729	-	-	269,299	666,761	1,806,314	117,872	1,181	-	-	2,882,156
Additions at Cost	-	-	-	-	-	-	-	-	-	47,308,936	47,308,936
Internal Transfers from WIP	5,275,517	3,986,934	4,686,499	20,476,860	15,812,109	37,679,097	4,164,552	320,660	506,621	(92,908,849)	-
Disposals	(195,000)	(433,720)	(2,462,408)	-	-	-	-	-	-	-	(3,091,128)
Write-Offs	-	-	(19,967)	(1,863,022)	(10,049,557)	(745,569)	-	-	-	(636,402)	(13,314,517)
Transfers to Other Asset Classes	5,150,732	155,453	-	(5,512,723)	-	-	(1)	206,539	-	-	-
Revaluation Adjustments to ARS	20,887	268,953	-	33,653,471	29,856,365	33,474,976	9,799,420	-	-	-	107,074,072
Revaluation Adjustments to SOCI	(492,408)	24,457	-	-	-	-	-	-	-	-	(467,951)
<b>Closing Gross Value</b>	<b>165,769,781</b>	<b>209,233,485</b>	<b>60,903,708</b>	<b>927,066,968</b>	<b>549,044,975</b>	<b>494,034,671</b>	<b>270,989,793</b>	<b>25,549,155</b>	<b>10,021,477</b>	<b>21,514,412</b>	<b>2,734,128,426</b>
<b>Accumulated Depreciation &amp; Impairment</b>											
Opening Gross Value	18,770,267	83,192,950	31,274,054	229,341,792	195,529,702	154,450,705	54,724,931	8,644,018	7,074,645	-	783,003,064
Correction to opening balance	873	-	-	46,880	34,621	231,416	14,837	-	-	-	328,627
Correction 10/11 Contributed Assets	753	-	-	112,090	1,657	3,253	35,631	-	-	-	153,383
Correction 10/11 WBWC Assets	-	-	-	-	1,180	15	-	-	-	-	1,195
Depreciation provided in the period	2,942,809	5,159,854	4,517,401	16,954,815	9,168,161	7,816,539	3,643,449	584,939	590,179	-	51,378,147
Depreciation on Disposals	-	(152,300)	(1,561,626)	-	-	-	-	-	-	-	(1,713,926)
Depreciation on Write-Offs	-	-	(18,143)	(775,916)	(7,072,753)	(260,223)	-	-	-	-	(8,127,035)
Transfers to Other Asset Classes	2,543,179	11,459	-	(2,572,898)	-	-	-	18,260	-	-	-
Revaluation Adjustments to ARS	-	137,680	-	11,829,425	20,871,300	12,443,165	2,217,998	-	-	-	47,499,568
Revaluation Adjustments to SOCI	-	5,965	-	-	-	-	-	-	-	-	5,965
Impairment Adjustments to SOCI	-	-	-	-	(1,753,702)	-	-	-	-	-	(1,753,702)
<b>Closing Accumulated Depreciation &amp; Impairment</b>	<b>24,257,881</b>	<b>88,355,608</b>	<b>34,211,686</b>	<b>254,936,188</b>	<b>216,780,166</b>	<b>174,684,870</b>	<b>60,636,846</b>	<b>9,247,217</b>	<b>7,664,824</b>	<b>-</b>	<b>870,775,286</b>
<b>Net Value as at 30 June 2011</b>	<b>141,511,900</b>	<b>120,877,877</b>	<b>26,692,022</b>	<b>672,130,780</b>	<b>332,264,809</b>	<b>319,349,801</b>	<b>210,352,948</b>	<b>16,301,938</b>	<b>2,356,653</b>	<b>21,514,412</b>	<b>1,863,353,140</b>

Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

**Note 17. Property, Plant & Equipment** (continued)

<b>Council</b>	Land and Site Improvements	Buildings	Plant and Equipment	Road and Bridge Network	Water	Sewerage	Drainage	Coastal Infrastructure	Other Assets	Works in Progress	Total
Basis of Measurement	Valuation 2012	Valuation 2012	Cost 2012	Valuation 2012	Valuation 2012	Valuation 2012	Valuation 2012	Valuation 2012	Cost 2012	Cost 2012	2012
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Values</b>											
Opening Gross Value	148,823,592	202,595,762	47,224,890	927,066,968	-	-	270,989,793	25,549,155	10,021,477	15,128,633	1,647,400,271
Additions at Cost	-	-	-	-	-	-	-	-	-	42,299,972	42,299,972
Contributed Assets at Valuation	-	-	-	2,738,107	-	-	503,627	-	-	-	3,241,734
Internal Transfers from WIP	2,797,954	10,546,574	4,243,469	17,781,294	-	-	2,975,599	-	531,334	(38,876,224)	-
Disposals	(80,000)	-	(2,693,964)	-	-	-	-	-	-	-	(2,773,964)
Write-Offs	(354,374)	(7,965)	(7,886,225)	(9,897,552)	-	-	(5,765)	-	(5,138,754)	-	(23,290,635)
Adjustments - Assetic System	(7,966)	-	-	-	-	-	383	-	-	-	(7,583)
Internal transfers between asset classes	(31,672,723)	(20,943,962)	430,010	46,433,428	-	-	681,366	4,966,594	(931,428)	-	(1,036,715)
<b>Closing Gross Value</b>	<b>119,506,483</b>	<b>192,190,409</b>	<b>41,318,180</b>	<b>984,122,245</b>	<b>-</b>	<b>-</b>	<b>275,145,003</b>	<b>30,515,749</b>	<b>4,482,629</b>	<b>18,552,381</b>	<b>1,665,833,080</b>
<b>Accumulated Depreciation &amp; Impairment</b>											
Opening Gross Value	24,257,881	86,449,374	28,072,329	254,936,188	-	-	60,636,846	9,247,217	7,664,824	-	471,264,659
Depreciation provided in the period	1,749,866	4,184,199	4,806,887	18,594,800	-	-	3,884,337	1,044,196	392,502	-	34,656,787
Depreciation on Disposals	-	-	(1,797,144)	-	-	-	-	-	-	-	(1,797,144)
Depreciation on Write-Offs	(354,374)	(5,104)	(7,886,225)	(5,683,755)	-	-	(1,172)	-	(5,138,754)	-	(19,069,385)
Adjustments - Assetic System	430	(82)	582	993	-	-	(129)	-	-	-	1,794
Internal transfers between asset classes	(12,853,330)	(10,205,452)	(354,459)	20,981,967	-	-	264,005	2,024,767	(500,995)	-	(643,497)
<b>Closing Accumulated Depreciation &amp; Impairment</b>	<b>12,800,473</b>	<b>80,422,935</b>	<b>22,841,969</b>	<b>288,830,193</b>	<b>-</b>	<b>-</b>	<b>64,783,886</b>	<b>12,316,180</b>	<b>2,417,577</b>	<b>-</b>	<b>484,413,214</b>
<b>Net Value as at 30 June 2012</b>	<b>106,706,010</b>	<b>111,767,474</b>	<b>18,476,211</b>	<b>695,292,052</b>	<b>-</b>	<b>-</b>	<b>210,361,117</b>	<b>18,199,569</b>	<b>2,065,052</b>	<b>18,552,381</b>	<b>1,181,419,866</b>

Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

**Note 17. Property, Plant & Equipment** (continued)

<b>Council</b>	Land and Site Improvements	Buildings	Plant and Equipment	Road and Bridge Network	Water	Sewerage	Drainage	Coastal Infrastructure	Other Assets	Works in Progress	Total
Basis of Measurement	Valuation 2011	Valuation 2011	Cost 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Cost 2011	Cost 2011	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Values</b>											
Opening Gross Value	139,201,935	198,917,484	46,479,705	871,253,491	-	-	253,595,889	25,020,775	9,514,856	20,072,595	1,564,056,730
Correction to opening balance	15,056	-	-	3,247,496	-	-	1,948,523	-	-	-	5,211,075
Correction 10/11 Contributed Assets	-	-	-	5,542,096	-	-	1,363,539	-	-	-	6,905,635
Contributed Assets at Valuation	20,729	-	-	269,299	-	-	117,872	1,181	-	-	409,081
Additions at Cost	-	-	-	-	-	-	-	-	-	-	31,668,900
Internal Transfers from WIP	4,630,140	3,956,545	2,557,484	20,476,860	-	-	4,164,552	320,660	506,621	(36,612,862)	-
Disposals	(195,000)	(433,720)	(1,792,332)	-	-	-	-	-	-	-	(2,421,052)
Write-Offs	-	-	(19,967)	(1,863,022)	-	-	-	-	-	-	(1,882,989)
Internal transfers between asset classes	5,150,732	155,453	-	(5,512,723)	-	-	(1)	206,539	-	-	-
Revaluation Adjustments to ARS	-	-	-	33,653,471	-	-	9,799,420	-	-	-	43,452,891
<b>Closing Gross Value</b>	<b>148,823,592</b>	<b>202,595,762</b>	<b>47,224,890</b>	<b>927,066,968</b>	<b>-</b>	<b>-</b>	<b>270,989,793</b>	<b>25,549,155</b>	<b>10,021,477</b>	<b>15,128,633</b>	<b>1,647,400,271</b>
<b>Accumulated Depreciation &amp; Impairment</b>											
Opening Gross Value	18,770,267	81,596,684	25,847,202	229,341,792	-	-	54,724,931	8,644,018	7,074,645	-	425,999,539
Correction to opening balance	873	-	-	46,880	-	-	14,837	-	-	-	62,590
Correction to opening balance 10/11	753	-	-	112,090	-	-	35,631	-	-	-	148,473
Depreciation provided in the period	2,942,809	4,993,531	3,419,771	16,954,815	-	-	3,643,449	584,939	590,179	-	33,129,494
Depreciation on Disposals	-	(152,300)	(1,176,501)	-	-	-	-	-	-	-	(1,328,801)
Depreciation on Write-Offs	-	-	(18,143)	(775,916)	-	-	-	-	-	-	(794,059)
Revaluation Adjustments to ARS	-	-	-	11,829,425	-	-	2,217,998	-	-	-	14,047,423
Internal transfers between asset classes	2,543,179	11,459	-	(2,572,898)	-	-	-	18,260	-	-	-
<b>Closing Accumulated Depreciation &amp; Impairment</b>	<b>24,257,881</b>	<b>86,449,374</b>	<b>28,072,329</b>	<b>254,936,188</b>	<b>-</b>	<b>-</b>	<b>60,636,846</b>	<b>9,247,217</b>	<b>7,664,824</b>	<b>-</b>	<b>471,264,659</b>
<b>Net Value as at 30 June 2011</b>	<b>124,565,711</b>	<b>116,146,388</b>	<b>19,152,561</b>	<b>672,130,780</b>	<b>-</b>	<b>-</b>	<b>210,352,948</b>	<b>16,301,938</b>	<b>2,356,653</b>	<b>15,128,633</b>	<b>1,176,135,612</b>

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

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#### **Note 17. Property, Plant & Equipment (continued)**

##### **Land and improvements**

Land has been included at current market value as at 31 March 2009 as determined by Rushton Asset Val Pty Ltd, Valuer. Land acquired since that date is recorded at cost.

Land under infrastructure and reserve land does not have a value for the purpose of Fraser Coast Regional Council's financial statements.

##### **Buildings**

Buildings have been included at their written down replacement cost as at 31 March 2009 as valued by Rushton Asset Val Pty Ltd, Valuer. Buildings constructed and acquired since that date are recorded at cost.

##### **Plant and equipment**

All other plant and equipment have been recognised at historical cost less accumulated depreciation.

##### **Road and bridge network**

Road and Bridge infrastructure assets, with the exception of those assets brought on from the former Tiaro Shire and Woocoo Shire Councils, were valued according to unit rates calculated by Fraser Coast Regional Council's Strategic Asset Planning Department as at 30 June 2009. These unit rates were verified by Rushton Asset Val Pty Ltd, Valuer.

Road and Bridge infrastructure assets brought on from the former Tiaro Shire and Woocoo Shire Councils were indexed by 3.7% based on the Local Government Index for Queensland as at 30 June 2009.

Road and Bridge infrastructure assets were indexed as at 30 June 2011, using the Queensland Local Government Index increase of 3.8%.

No indexation of roads and bridges infrastructure assets occurred as at 30 June 2012 as the Queensland Local Government Index of -0.02% was deemed immaterial.

##### **Drainage**

Drainage infrastructure assets, with the exception of those assets brought on from the former Tiaro Shire and Woocoo Shire Councils, were valued according to unit rates calculated by Fraser Coast Regional Council's Strategic Asset Planning department as at 30 June 2009. These unit rates were verified by Rushton Asset Val Pty Ltd, Valuer.

Assets brought on from the former Tiaro Shire and Woocoo Shire Councils were indexed by 3.7 %, based on the local government index for Queensland as at 30 June 2009.

Drainage infrastructure assets were indexed as at 30 June 2011, using the Queensland Local Government Index increase of 3.8%.

No indexation of drainage infrastructure assets occurred as at 30 June 2012 as the Queensland Local Government Index of -0.02% was deemed immaterial.

##### **Coastal Infrastructure**

Coastal infrastructure assets have been included at their written down replacement cost at 31 March 2009 by Rushton Asset Val Pty Ltd, Valuer. Coastal Infrastructure assets constructed and acquired since that date are recorded at cost.

##### **Water and Wastewater Assets**

An independent external valuation of water and sewerage active assets was conducted by Cardno at 30 June 2012. The average increase was 6%. Cardno also provided unit rates to be applied to all passive assets at 30 June 2012. The rates were used to value all passive assets which resulted in an average decrease of 7.15%. In 2010/11, a desktop review of Hervey Bay water and sewerage active assets was conducted by Cardno which resulted to an average increase of 7.7%. Maryborough active assets and all passive assets were indexed by 3.75%.

##### **Other Assets**

All other assets recognised at historical cost less accumulated depreciation.



Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

Notes	Consolidated		Council	
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>Note 18. Intangible Assets</b>				
Intangible Assets are as follows:				
<b>Software</b>				
Opening gross carrying value as at 1 July	4,251,833	3,936,466	3,322,018	3,041,768
Additions	741,703	315,367	559,293	280,250
Disposals	(16,342)	-	-	-
Transfers from Property, Plant and Equipment	754,711	-	754,711	-
Closing gross carrying value as at 30 June	<u>5,731,905</u>	<u>4,251,833</u>	<u>4,636,022</u>	<u>3,322,018</u>
<b>Accumulated amortisation</b>				
Opening balance as at 1 July	3,525,246	2,934,823	2,865,154	2,399,835
Amortisation in period	458,899	590,423	324,018	465,319
Disposals	(16,342)	-	-	-
Transfers from Property, Plant and Equipment	643,499	-	643,499	-
Closing balance as at 30 June	<u>4,611,302</u>	<u>3,525,246</u>	<u>3,832,671</u>	<u>2,865,154</u>
Net carrying value as at 30 June	<u>1,120,603</u>	<u>726,587</u>	<u>803,351</u>	<u>456,864</u>
	<u>1,120,603</u>	<u>726,587</u>	<u>803,351</u>	<u>456,864</u>

Software assets have a finite life estimated between 2.5 and 10 years. Straight line amortisation has been used with no residual value.

**Note 19. Biological Assets**

Standing Timber

Balance as at 1 July	-	-	-	-
Purchases	40,040	-	-	-
Transfers between asset classes	482,560	-	-	-
Change in fair value less estimated costs to sell due to physical changes	68,326	-	-	-
Balance as at 30 June	<u>590,926</u>	<u>-</u>	<u>-</u>	<u>-</u>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2012

Notes	Consolidated		Council	
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>Note 20. Trade and Other Payables</b>				
<b>Current</b>				
Creditors and Accruals	12,491,715	11,454,181	35,410,531	16,716,159
Annual Leave	4,988,829	5,174,042	3,564,629	3,703,599
Other Employee Entitlements	340,052	348,121	215,312	207,470
Employee Related Accruals	265,697	215,971	265,697	215,971
Other	728,785	127,917	-	-
	<u>18,815,078</u>	<u>17,320,232</u>	<u>39,456,169</u>	<u>20,843,199</u>

Employee benefit expenses are calculated at current pay levels and adjusted for inflation and likely future changes in salary level. Further details on employee entitlements are reported in note 1w.

## Note 21. Borrowings

### (a) Bank Overdraft

Council does not have a bank overdraft facility.

### (b) Unsecured Borrowings

Unsecured borrowings are provided by the Queensland Treasury Corporation. All borrowings are in Australian dollars and are carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 July 2013 to 15 June 2030. There have been no defaults or breaches of the loan agreement during the period. Principal and interest repayments are made quarterly in arrears.

On 1 March 2011, the Fraser Coast Water loans previously held by Council were transferred to Wide Bay Water Corporation in the amount of \$15,627,374.

The QTC loan market value at the reporting date was \$78,489,957 (consolidated \$183,822,836). 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 accounts.

### Current

Loans - Queensland Treasury Corporation	10,263,287	11,196,344	5,051,358	5,412,940
	<u>10,263,287</u>	<u>11,196,344</u>	<u>5,051,358</u>	<u>5,412,940</u>

### Non-current

Loans - Queensland Treasury Corporation	160,828,931	145,415,054	71,082,998	64,649,865
	<u>160,828,931</u>	<u>145,415,054</u>	<u>71,082,998</u>	<u>64,649,865</u>

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

	Consolidated		Council	
	2012	2011	2012	2011
Notes	\$	\$	\$	\$

#### Note 21. Borrowings (continued)

##### Reconciliation of Loan Movements for the year

##### Loans - Queensland Treasury Corporation

Balance as at 1 July	156,611,398	163,489,906	70,062,805	86,336,085
Loans Raised	22,094,400	22,949,156	8,794,400	7,629,300
Market Value Adjustment	(1,094)	640	(1,094)	640
Wide Bay Water Loan Transfer	-	-	-	(15,627,374)
Principal Repayments	(7,612,486)	(29,828,304)	(2,721,755)	(8,275,846)
Balance as at 30 June	<u>171,092,218</u>	<u>156,611,398</u>	<u>76,134,356</u>	<u>70,062,805</u>

#### Note 22. Provisions

##### Current

Long Service Leave	<u>5,802,230</u>	<u>6,016,317</u>	<u>4,017,842</u>	<u>4,082,356</u>
	<u>5,802,230</u>	<u>6,016,317</u>	<u>4,017,842</u>	<u>4,082,356</u>

##### Non-current

Long Service Leave	<u>788,149</u>	<u>691,203</u>	<u>570,370</u>	<u>523,516</u>
	<u>788,149</u>	<u>691,203</u>	<u>570,370</u>	<u>523,516</u>

##### Details of movements in Long Service Leave provision:

Balance as at 1 July	6,707,520	6,954,267	4,605,872	4,841,891
Amount provided for in the period	1,005,716	756,869	702,822	756,869
Amount paid in the period	(1,122,857)	(1,003,616)	(720,482)	(992,888)
Balance as at 30 June	<u>6,590,379</u>	<u>6,707,520</u>	<u>4,588,212</u>	<u>4,605,872</u>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2012

	Consolidated		Council	
	2012	2011	2012	2011
Notes	\$	\$	\$	\$

### Note 23. Other Liabilities

#### Current

Unearned Revenue	517,896	190,085	27,358	15,424
Construction Retentions	794,026	339,312	478,688	255,522
	<u>1,311,922</u>	<u>529,397</u>	<u>506,046</u>	<u>270,946</u>

### Note 24. Asset Revaluation Surplus

#### Movements in the asset revaluation surplus:

Balance as at 1 July	284,838,783	225,180,883	179,688,247	150,282,779
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Net adjustment to non-current assets at end of period to reflect a change in current fair value:

Land and Site Improvements	-	20,887	-	-
Buildings	-	131,273	-	-
Road and Bridge Network	-	21,824,046	-	21,824,046
Water	61,997,129	9,061,654	-	-
Sewerage	(17,963,025)	21,038,618	-	-
Drainage	-	7,581,422	-	7,581,422
	<u>44,034,104</u>	<u>59,657,900</u>	<u>-</u>	<u>29,405,468</u>

Balance as at 30 June	<u>328,872,887</u>	<u>284,838,783</u>	<u>179,688,247</u>	<u>179,688,247</u>
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#### Asset revaluation surplus analysis

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

Land and Site Improvements	15,030,800	15,030,800	14,312,696	14,312,696
Buildings	7,622,235	7,622,235	7,046,879	7,046,879
Road and Bridge Network	94,862,240	94,862,240	94,862,240	94,862,240
Water	109,901,535	47,904,406	-	-
Sewerage	37,989,645	55,952,670	-	-
Drainage	58,458,255	58,458,255	58,458,255	58,458,255
Coastal Infrastructure Assets	5,008,177	5,008,177	5,008,177	5,008,177
	<u>328,872,887</u>	<u>284,838,783</u>	<u>179,688,247</u>	<u>179,688,247</u>



## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

	Notes	Consolidated		Council	
		2012	2011	2012	2011
		\$	\$	\$	\$
<b>Note 25. Retained Surplus</b>					
Movements in retained surplus:					
Balance at 1 July		1,441,280,102	1,435,242,977	1,230,700,555	1,227,972,696
Net Result Attributable to Council		28,239,333	22,139,091	23,826,424	19,251,715
Transfers (to)/ from capital reserves for future capital project funding, or from reserves funds that have been expended:					
Capital Grants & Subsidies Reserve		(6,476,887)	(4,215,726)	(6,476,887)	(4,215,726)
Loans Reserve		(1,450,836)	5,036,975	(1,450,836)	5,036,975
Developer Contribution Reserve		(1,215,051)	1,216,083	(1,215,051)	1,216,083
Plant, Fleet & Housing Reserve		852,378	(84,556)	852,378	(84,556)
Waste Reserve		(2,266,602)	(2,673,781)	(2,266,602)	(2,673,781)
Future Asset Sustainability Reserve		(10,883,343)	(14,641,902)	(10,883,343)	(14,641,902)
Environmental Levy Reserve		(769,803)	4,196	(769,803)	4,196
Commercial & Business Activities Reserves		509,780	26,059	509,780	26,059
Land & Building Reserve		1,175,481	689,596	1,175,481	689,596
Contingency Reserve		1,727,801	207,467	1,727,801	207,467
Other Reserves		5,012,896	(2,511,499)	5,012,896	(2,511,499)
Transfers (to)/ from recurrent reserves for future project funding, or from reserves funds that have been expended:					
Operating Grants Reserve		(2,169,571)	(399,531)	(2,169,571)	(399,531)
Property Management Reserve		1,623,282	(1,291,022)	1,623,282	(1,291,022)
Development Assessment Reserve		159,525	-	159,525	-
Operational Reserve		2,091,035	(122,263)	2,091,035	(122,263)
IT Reserve		3,208,273	(552,793)	3,208,273	(552,793)
Other Recurrent Reserves		3,262,618	(2,359,644)	3,262,618	(2,359,644)
Adjustment to Opening Balance	33	-	5,570,375	-	5,148,485
Balance at 30 June		<u>1,463,910,411</u>	<u>1,441,280,102</u>	<u>1,248,917,955</u>	<u>1,230,700,555</u>

Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

	Consolidated		Council	
	2012	2011	2012	2011
Notes	\$	\$	\$	\$

**Note 26. Reserves**

Reserves held for funding future capital expenditure:

Capital Grants & Subsidies Reserve	14,963,096	8,486,209	14,963,096	8,486,209
Loans Reserve	22,560,391	21,109,555	22,560,391	21,109,555
Developer Contribution Reserve	12,079,793	10,864,742	12,079,793	10,864,742
Plant, Fleet & Housing Reserves	867,639	1,720,017	867,639	1,720,017
Waste Reserve	7,658,995	5,392,393	7,658,995	5,392,393
Future Asset Sustainability Reserve	43,226,753	32,343,410	43,226,753	32,343,410
Environmental Levy Reserve	2,388,655	1,618,852	2,388,655	1,618,852
Commercial & Business Activities Reserves	-	509,780	-	509,780
Land & Building Reserve	-	1,175,481	-	1,175,481
Contingency Reserve	-	1,727,801	-	1,727,801
Other Reserves	-	5,012,896	-	5,012,896
	<u>103,745,322</u>	<u>89,961,136</u>	<u>103,745,322</u>	<u>89,961,136</u>

Reserves held for funding future recurrent expenditure:

Operating Grants Reserve	4,675,254	2,505,683	4,675,254	2,505,683
Property Management Reserve	-	1,623,282	-	1,623,282
Development Assessment Reserve	1,565,190	1,724,715	1,565,190	1,724,715
Operational Reserve	-	2,091,035	-	2,091,035
IT Reserve	-	3,208,273	-	3,208,273
Other Recurrent Reserves	400,000	3,662,618	400,000	3,662,618
	<u>6,640,444</u>	<u>14,815,606</u>	<u>6,640,444</u>	<u>14,815,606</u>
	<u>110,385,766</u>	<u>104,776,742</u>	<u>110,385,766</u>	<u>104,776,742</u>

Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

	Balance as at 1 July \$	Transfer from Retained Surplus \$	Transfer to Retained Surplus \$	Balance as at 30 June \$
Notes				

**Note 26. Reserves** (continued)

Movements in reserves - Current Year

**Capital Reserves**

Capital Grants & Subsidies Reserve	8,486,209	12,190,096	(5,713,209)	14,963,096
Loans Reserve	21,109,555	16,215,720	(14,764,884)	22,560,391
Developer Contribution Reserve	10,864,742	1,661,728	(446,677)	12,079,793
Plant, Fleet & Housing Reserves	1,720,017	13,971	(866,349)	867,639
Waste Reserve	5,392,393	2,959,847	(693,245)	7,658,995
Future Asset Sustainability Reserve	32,343,410	27,069,241	(16,185,898)	43,226,753
Environmental Levy Reserve	1,618,852	1,282,455	(512,652)	2,388,655
Commercial & Business Activities Reserves	509,780	-	(509,780)	-
Land & Building Reserve	1,175,481	-	(1,175,481)	-
Contingency Reserve	1,727,801	-	(1,727,801)	-
Other Reserves	5,012,896	4,596,583	(9,609,479)	-
	<u>89,961,136</u>	<u>65,989,641</u>	<u>(52,205,455)</u>	<u>103,745,322</u>

**Recurrent Reserves**

Operating Grants Reserve	2,505,683	4,167,932	(1,998,361)	4,675,254
Property Management Reserve	1,623,282	512,525	(2,135,807)	-
Development Assessment Reserve	1,724,715	-	(159,525)	1,565,190
Operational Reserve	2,091,035	712,000	(2,803,035)	-
IT Reserve	3,208,273	-	(3,208,273)	-
Other Recurrent Reserves	3,662,618	2,127,000	(5,389,618)	400,000
	<u>14,815,606</u>	<u>7,519,457</u>	<u>(15,694,619)</u>	<u>6,640,444</u>
	<u>104,776,742</u>	<u>73,509,098</u>	<u>(67,900,074)</u>	<u>110,385,766</u>

Movements in reserves - Prior Year

**Capital Reserves**

Capital Grants & Subsidies Reserve	4,270,483	11,754,034	(7,538,308)	8,486,209
Loans Reserve	26,146,530	14,912,364	(19,949,339)	21,109,555
Developer Contribution Reserve	12,080,824	3,033,979	(4,250,061)	10,864,742
Plant, Fleet & Housing Reserves	1,635,461	89,556	(5,000)	1,720,017
Waste Reserve	2,718,612	3,214,665	(540,884)	5,392,393
Future Asset Sustainability Reserve	17,701,508	29,106,139	(13,199,030)	32,343,410
Environmental Levy Reserve	1,623,048	1,207,823	(1,212,019)	1,618,852
Commercial & Business Activities Reserves	535,839	76,000	(102,059)	509,780
Land & Building Reserve	1,865,077	417,737	(1,107,333)	1,175,481
Contingency Reserve	1,935,268	-	(207,467)	1,727,801
Other Reserves	2,501,398	1,269,168	(22,877)	5,012,896
	<u>73,014,048</u>	<u>65,081,465</u>	<u>(48,134,377)</u>	<u>89,961,136</u>

**Recurrent Reserves**

Operating Grants Reserve	2,106,152	2,205,886	(1,806,355)	2,505,683
Property Management Reserve	332,260	1,291,022	-	1,623,282
Development Assessment Reserve	1,724,715	-	-	1,724,715
Operational Reserve	1,968,772	217,862	(95,599)	2,091,035
IT Reserve	2,655,480	912,793	(360,000)	3,208,273
Other Recurrent Reserves	1,302,974	2,419,970	(60,326)	3,662,618
	<u>10,090,353</u>	<u>7,047,533</u>	<u>(2,322,280)</u>	<u>14,815,606</u>
	<u>83,104,401</u>	<u>72,128,998</u>	<u>(50,456,657)</u>	<u>104,776,742</u>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2012

	Consolidated		Council	
	2012	2011	2012	2011
Notes	\$	\$	\$	\$

### Note 27. Commitments for Expenditure

#### (a) Capital Commitments

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

Infrastructure	18,461,538	8,822,031	14,499,812	7,514,422
Operating contracts	1,198,565	1,167,236	-	-
	<u>19,660,103</u>	<u>9,989,267</u>	<u>14,499,812</u>	<u>7,514,422</u>

These expenditures are payable as follows:

Within the next year	19,660,103	9,989,267	14,499,812	7,514,422
	<u>19,660,103</u>	<u>9,989,267</u>	<u>14,499,812</u>	<u>7,514,422</u>

Sources for Funding of Capital Commitments:

Unrestricted General Funds	19,660,103	9,989,267	14,499,812	7,514,422
	<u>19,660,103</u>	<u>9,989,267</u>	<u>14,499,812</u>	<u>7,514,422</u>

#### (b) Operating leases

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

Within one year	70,564	137,033	49,842	48,390
One to five years	225,001	303,132	225,001	214,934
Later than five years	207,213	267,122	207,213	267,122
	<u>502,778</u>	<u>707,287</u>	<u>482,056</u>	<u>530,446</u>



## Fraser Coast Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2012

#### Note 28. Contingent Liabilities

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

##### Legal Claims

Various claims are pending against the Wide Bay Water Corporation (WBWC). In the opinion of WBWC's solicitors, the potential loss on all claims should not exceed \$1,473,000 (2011: Nil).

##### 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 2011 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.

	Consolidated		Council	
	2012	2011	2012	2011
	\$	\$	\$	\$
Council's maximum exposure to the bank guarantee is:	1,472,205	1,486,969	1,172,162	1,218,677

## Fraser Coast Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2012

**Note 29. Superannuation**

Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB 119 Employee Benefits.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has two elements referred to as the Defined Benefits Fund (DBF) and the Accumulation Benefits Fund (ABF). The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the Local Government Act 2009.

The DBF is a defined benefit plan as defined in AASB 119. Council is not able to account for the DBF as a defined benefit plan in accordance with AASB 119 because the scheme is unable to account to Council for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the DBF, and is not an asset or liability of Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2011 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2009. The actuary indicated that "the DBF is in a very modest financial position with regard to the net asset coverage of vested liabilities. Investment returns will be volatile under the required investment strategy, particularly over short periods. The DBF therefore needs sufficient reserves to be able to withstand a reasonable range of such influences. Because the DBF is now running down and cash flows are negative, the VBI (vested benefit index) should not be allowed whenever possible to retreat below 100%. Once below 100%, benefits drawn reduce the available assets for remaining members and hence the net asset coverage of vested benefits declines further.

In order to withstand a one in ten 'low return' outcome, the DBF would need reserves of the order of 8% to 10% having regard to the investment strategy adopted. Given the current position of the DBF, such reserve can essentially only eventuate from either excess investment returns over salary increases or additional employer contributions.

Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. Under the Local Government Act 2009, the trustee of the scheme has the power to levy additional contributions on councils which have employees in the DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

The next actuarial investigation will be made as at 1 July 2012.

	Consolidated		Council	
	2012	2011	2012	2011
	\$	\$	\$	\$
The amount of Superannuation Contributions paid by Council to the Scheme in this Period for the benefit of employees was:	5,343,572	5,074,373	3,762,543	3,508,740

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

#### Note 30. Controlled Entities

##### Subsidiaries (i.e. Entities & Operations controlled by Council)

These consolidated financial statements incorporate the assets, liabilities and results of Wide Bay Water Corporation in accordance with AASB 127 and the accounting policy described in Note 1(c).

Wide Bay Water Corporation is a Local Government Owned Corporation wholly owned by Fraser Coast Regional Council. Wide Bay Water Corporation became a corporatised entity on 1 January 2002 in the State of Queensland under section 630 of the Local Government Act 1993 to administer water and wastewater functions of Council. Wide Bay Water Corporation carries on its business at its registered address at 29-31 Ellengowan Street Urangan.

##### Other Controlled Entities

Widelinx Pty Ltd was established in January 2005 to oversee the operations of a local communications venture and continues to actively trade. Council resolved at its ordinary meeting held on 3 December 2008, that it continue to support Widelinx financially.

The Brolga Theatre Board Inc. is an incorporated association, the principal activity of which is to operate and manage the Brolga Theatre in the provision of a range of cultural and community activities.

The assets, liabilities and net results of operations of the other controlled entities for the year ended 30 June 2012 are summarised below:

	<b>The Brolga Theatre Board Inc. 2012 \$</b>	<b>Widelinx Pty Ltd 2012 \$</b>
<b>Statement of Comprehensive Income</b>		
Operating Revenue	827,825	268,620
Operating Contribution (FCRC)	431,548	-
Operating Expenses	(1,257,403)	(260,710)
<b>Net Result</b>	<b>1,970</b>	<b>7,910</b>
<b>Statement of Financial Position</b>		
<b>Assets</b>		
Current Assets	123,136	764,778
Non-Current Assets	-	1,074,731
	<b>123,136</b>	<b>1,839,509</b>
<b>Liabilities</b>		
Current Liabilities	158,813	39,070
Non-Current Liabilities	25,356	350,000
	<b>184,169</b>	<b>389,070</b>
<b>Net Assets</b>	<b>(61,033)</b>	<b>1,450,439</b>
<b>Equity</b>		
Retained Deficit	(61,033)	(540,561)
Issued Capital	-	1,991,000
	<b>(61,033)</b>	<b>1,450,439</b>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2012

	Consolidated		Council	
	2012	2011	2012	2011
Notes	\$	\$	\$	\$

### Note 31. Trust Funds

#### 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

654,387	861,521	654,387	861,521
3,575,267	2,865,132	3,575,267	2,865,132
<u>4,229,654</u>	<u>3,726,653</u>	<u>4,229,654</u>	<u>3,726,653</u>

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

### Note 32. Reconciliation of Net Result for the year to Net Cash Inflow from Operating Activities

Net result	28,239,333	22,139,091	23,826,424	19,251,715
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#### Adjust for Non-cash and investing activities:

Depreciation and Amortisation	55,364,154	52,121,953	34,980,805	33,743,286
Reversal of previous Impairment losses	-	(1,753,702)	-	-
Fair Value Adjustment to Loans	(1,094)	640	(1,094)	640
Net Losses/(Gains) on Disposal of Assets	(415,576)	(30,677)	(265,642)	(34,219)
Capital Grants and Contributions	(35,424,840)	(31,454,882)	(22,826,129)	(22,254,864)
Capital Expenses	6,931,072	5,661,398	4,221,250	1,088,930
Other Capital Expenses	9,374	-	9,383	-
	<u>26,463,090</u>	<u>24,544,730</u>	<u>16,118,573</u>	<u>12,543,773</u>

#### Changes in operating assets and liabilities:

(Increase)/Decrease in Receivables	(15,237,017)	(6,193,811)	(13,738,977)	(5,821,097)
Increase/(Decrease) in Provision for Doubtful Debts	(22,639)	232,035	(38,055)	157,568
(Increase)/Decrease in Inventories	46,847	327,826	(4,087)	73,013
Increase/(Decrease) in Payables and Accruals	1,037,534	696,948	18,694,372	(5,557,473)
Increase/(Decrease) in Other Liabilities	1,239,837	137,713	153,698	9,914
Increase/(Decrease) in Employee Leave Entitlements	(117,141)	(118,830)	(17,660)	(236,019)
	<u>(13,052,579)</u>	<u>(4,918,119)</u>	<u>5,049,291</u>	<u>(11,374,094)</u>

Net cash inflow from Operating Activities	<u>41,649,844</u>	<u>41,765,702</u>	<u>44,994,288</u>	<u>20,421,394</u>
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## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

#### Note 33. Correction of Error

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the following prior period errors have been recognised by adjusting the opening balances at 1 July 2010 and the comparative amounts for 2010/11.

#### Recognition of prior period assets

Council recognised certain road and stormwater assets identified for the first time in 2011/12 which had not been previously identified. These related to assets contributed by developers in prior periods.

In addition, Wide Bay Water Corporation (WBWC) also recognised certain infrastructure assets for the first time in 2011/12 which had not been previously identified, and passive assets whose attributes had been corrected which resulted in a change in value. These related to assets constructed by WBWC in prior periods and also assets contributed by developers in prior periods.

	Consolidated		Council	
	2012	2011	2012	2011
Notes	\$	\$	\$	\$
<b>Effect on the financial statements is as follows:</b>				
Increase in property, plant and equipment	-	14,283,456	-	12,116,710
Increase in accumulated depreciation	-	(483,205)	-	(211,063)
Increase in equity	-	<u>13,800,251</u>	-	<u>11,905,647</u>
Increase in contribution revenue	-	7,682,668	-	6,905,635
Increase in depreciation expense	-	(153,383)	-	(148,473)
Increase in net result	-	<u>7,529,285</u>	-	<u>6,757,162</u>
Increase in asset revaluation surplus	-	83,395	-	-
	-	<u>7,612,680</u>	-	-
	At 30 June 2011	At 1 July 2010	At 30 June 2011	At 1 July 2010
<b>Details of Property Plant &amp; Equipment Corrections</b>				
Gross value PPE adjustments	14,283,456	6,516,198	12,116,710	5,211,075
Accumulated Depreciation relating to those assets	(483,205)	(328,627)	(211,063)	(62,590)
Fair value of adjusted assets	<u>13,800,251</u>	<u>6,187,571</u>	<u>11,905,647</u>	<u>5,148,485</u>
Increase in equity (asset revaluation surplus)	700,591	617,196	-	-
Increase in equity (retained surplus)	<u>13,099,660</u>	<u>5,570,375</u>	<u>11,905,647</u>	<u>5,148,485</u>
	<u>13,800,251</u>	<u>6,187,571</u>	<u>11,905,647</u>	<u>5,148,485</u>

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

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#### **Note 34. Events Occurring After the Reporting Date**

**Council is aware of the following "non adjusting events" that merit disclosure:**

##### **1. Clean Energy Legislation - Carbon Tax**

In 2011, the Australian Government introduced a Clean Energy Legislation package. One aspect of this legislation, which will impact upon Council directly and indirectly, is the introduction of a pricing mechanism for greenhouse gas emissions in the Australian Economy.

The pricing mechanism commences on 1 July 2012 and sets a fixed price path for the first three years (\$23 per tonne of CO<sub>2</sub> equivalent emissions adjusted in real terms by 2.5% per annum) before moving to a flexible price mechanism from 1 July 2015. It proposes a framework for setting a cap on greenhouse gas emissions by capping the number of carbon units available once the flexible price period commences, which can be adjusted over time to ensure that the government's reduction targets are met.

Council estimates that the Saltwater Creek landfill in Maryborough is a liable entity under the carbon pricing scheme from 1 July 2012. No liability arises in respect of the Becks Road, Granville, Tinana, Toogoom, Boonooroo or Aramara landfills or for any waste processed prior to 1 July 2012.

Council has undergone a tender process to construct and install landfill gas flaring at both the Saltwater Creek and Becks Road landfill sites as well as the possibility of electricity generation at the Saltwater Creek facility. A contract is anticipated to be awarded in October/November 2012. This contract is anticipated to eliminate or substantially reduce Council's liability in relation to the Saltwater Creek landfill site.

In addition to this, Council expects increased costs arising from the carbon pricing mechanism. The most significant of these will be electricity and fuel. Commonwealth Treasury modelling published in July 2011 in the document 'Strong growth, low pollution modelling for a carbon price' indicates that carbon pricing is expected to increase electricity prices by 10% within 5 years from 1 July 2012 and increase other costs by 0.7% on inflation. In addition, fuel tax credits will be progressively reduced over the initial fixed price period.

Council's latest financial modelling indicates that these impacts could be as much as \$300,000 for the 2012/13 year.

##### **2. Wide Bay Water Corporation - Public Benefit Assessment**

Fraser Coast Regional Council is responsible for the provision of water and wastewater services to residents and businesses across the Fraser Coast region. These services are currently provided on behalf of Council by Wide Water Corporation, the controlled entity operating under a local government owned corporation (LGOC) business model since 2002.

Council resolved on 20 June 2012 to review the appropriateness of the current business model via the undertaking of a Public Benefit Assessment (PBA). The objective of the PBA will be to decide which of the following reforms/business models under National Competition Policy and the Local Government Act 2009 would produce the greatest net benefit to the Fraser Coast community moving forward:

1. Retention of the current LGOC business structure;
2. Implementation of Full Cost Pricing; and
3. Implementation of a Commercialised Business unit model.

The PBA process involves a number of steps including two periods of community consultation. The draft PBA had been received by Council on 3 October 2012 and released for further public consultation. The final PBA is expected to be presented to Council in November 2012, at which point a decision will be made on which business model to adopt. The option implemented may have a significant impact on the Consolidated Entities financial statements going forward, however the impact is not able to be quantified at this stage.

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

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#### Note 35. Financial Instruments

Council's activities expose it to a variety of financial risks including; (i) interest rate risk, (ii) credit risk, and (iii) liquidity risk.

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council. Council minimises its exposure to financial risk in the following ways:

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia and in accordance with Council's adopted Investment Policy. Council does not invest in derivatives or other high risk investments.

When Council borrows, it borrows from the Queensland Treasury Corporation. Borrowing by Council is constrained by the provisions of the Statutory Bodies Financial Arrangements Act 1982.

Council measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement Method
Interest Rate Risk	Ageing analysis
Liquidity Risk	Maturity analysis
Credit Risk	Sensitivity analysis

#### Credit Risk Exposure

Credit risk exposure refers to the situation where Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

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 these debts.

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

Council is exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC) and deposits held with banks or other financial institutions (if applicable). The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with highly rated/regulated banks/financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote.

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

The maximum exposure to credit risk at the reporting date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

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

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2012

		Consolidated		Council	
		2012	2011	2012	2011
		\$	\$	\$	\$

### Note 35. Financial Instruments (continued)

Council's maximum exposure to credit risk is as follows:

#### Financial Assets

Cash and Cash Equivalents	11	133,191,023	95,154,252	125,065,002	86,530,477
Cash Investments	12	-	19,500,000	-	19,500,000
Receivables - Rates	13	33,195,162	15,852,446	33,195,162	15,852,446
Receivables - Other	13	9,520,871	10,938,699	92,821,281	12,182,334
		<u>175,907,056</u>	<u>141,445,397</u>	<u>251,081,445</u>	<u>134,065,257</u>

#### Other Credit Exposures

Guarantee	28	1,472,205	1,486,969	1,172,162	1,218,677
		<u>1,472,205</u>	<u>1,486,969</u>	<u>1,172,162</u>	<u>1,218,677</u>
		<u>177,379,261</u>	<u>142,932,366</u>	<u>252,253,607</u>	<u>135,283,934</u>

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

The following represents an analysis of the age of Council's financial assets that are either fully performing, past due or impaired:

#### Receivables

Fully Performing	1,732,427	4,441,261	1,565,406	5,908,514
Past due:				
- Less than 30 days overdue	22,486,992	2,142,734	22,486,992	2,142,734
- 30 to 60 days overdue	321,512	341,185	314,856	288,202
- 61 to 90 days overdue	34,077	824,399	21,785	823,195
- Over 90 days overdue	18,280,655	19,203,836	18,251,617	19,034,405
- Impaired	(139,631)	(162,270)	(124,215)	(162,270)
	<u>42,716,032</u>	<u>26,791,145</u>	<u>42,516,441</u>	<u>28,034,780</u>

#### Liquidity Risk

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

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

Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012

**Note 35. Financial Instruments (continued)**

Liquidity Risk (continued)

The following table sets out the liquidity risk of financial liabilities held by Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at the reporting date:

	0 to 1 year \$	1 to 5 years \$	Over 5 years \$	Total Contractual Cash Flows \$	Carrying Amount \$
<b>Consolidated</b>					
<b>2012</b>					
Trade and Other Payables	13,826,249	-	-	13,826,249	13,826,249
Loans - QTC	20,002,573	72,225,366	160,362,883	252,590,822	171,092,217
	<u>33,828,822</u>	<u>72,225,366</u>	<u>160,362,883</u>	<u>266,417,071</u>	<u>184,918,467</u>
<b>2011</b>					
Trade and Other Payables	11,930,219	-	-	11,930,219	11,930,219
Loans - QTC	20,832,759	76,013,119	132,880,284	229,726,162	156,611,398
	<u>32,762,978</u>	<u>76,013,119</u>	<u>132,880,284</u>	<u>241,656,381</u>	<u>168,541,617</u>
<b>Council</b>					
<b>2012</b>					
Trade and Other Payables	35,891,540	-	-	35,891,540	35,891,540
Loans - QTC	8,936,251	27,960,079	76,916,942	113,813,272	76,134,356
	<u>44,827,791</u>	<u>27,960,079</u>	<u>76,916,942</u>	<u>149,704,812</u>	<u>112,025,896</u>
<b>2011</b>					
Trade and Other Payables	16,923,629	-	-	16,923,629	16,923,629
Loans - QTC	9,728,174	33,057,589	63,017,334	105,803,097	70,062,805
	<u>26,651,803</u>	<u>33,057,589</u>	<u>63,017,334</u>	<u>122,726,726</u>	<u>86,986,434</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.

Unrestricted access was available at the reporting date to the Wide Bay Water Corporation in the form of lines of credit listed below:

	2012 \$	2011 \$
QTC Working Capital Facility	4,000,000	4,000,000

Interest Rate Risk

Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing only from the Queensland Treasury Corporation and having access to a mix of floating and fixed funding sources such that the desired interest rate risk exposure can be constructed. Interest rate risk in other areas is minimal.

Council does not undertake any hedging of interest rate risk.



## Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2012**Note 35. Financial Instruments (continued)**Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

	Net Carrying Amount		Profit (Loss)		Equity	
	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$
<b>Council</b>						
Financial Assets	82,582,052	80,043,513	825,821	800,435	825,821	800,435
Financial Liabilities	(76,134,356)	(76,134,356)	(761,344)	(700,628)	(761,344)	(700,628)
Net total	6,447,696	3,909,157	64,477	99,807	64,477	99,807
<b>Consolidated</b>						
Financial Assets	90,706,073	88,663,609	907,061	886,636	907,061	886,636
Financial Liabilities	(171,092,218)	(156,611,398)	(1,710,922)	(1,566,114)	(1,710,922)	(1,566,114)
Net total	(80,386,145)	(67,947,789)	(803,861)	(679,478)	(803,861)	(679,478)

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2012

#### Note 36. National Competition Policy

##### Activities to which the code of competitive conduct is applied

A "business activity" of a local government is divided into two categories:

(a) Roads business activity:

- (i) the construction or maintenance of state controlled roads for which the local government submits an offer to carry out work in response to a tender invitation, other than through a sole supplier arrangement.
- (ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

(b) Other business activity, referred to as type three activities, means the following:

- (i) trading in goods and services to clients in competition with the private sector, or
- (ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to its self. Excluded activities are (a) library services, and (b) an activity or part thereof prescribed by legislation.

Local government may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. 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 application of the CCC to the roads business activity is compulsory.

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred 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.

Council has determined the following Business Activities:

Caravan Parks  
Workshop & Plant Hire  
Solid Waste Management  
Airports  
Aquatic Centre

Financial performance of Business Activities subject to competition reforms:

	Caravan Parks 2012 \$	Workshop & Plant Hire 2012 \$	Solid Waste Management 2012 \$	Airports 2012 \$	Aquatic Centre 2012 \$
Revenue for services (Council)	-	7,892,277	-	-	-
Revenue for services (external clients)	2,581,594	162,911	18,080,242	1,800,628	709,621
Community service obligations	-	-	-	996,000	709,621
	2,581,594	8,055,188	18,080,242	2,796,628	1,419,242
Less : Expenditure	(1,282,123)	(4,149,113)	(13,428,246)	(1,896,990)	(1,096,085)
Surplus	<u>1,299,471</u>	<u>3,906,075</u>	<u>4,651,996</u>	<u>899,638</u>	<u>323,157</u>

## Fraser Coast Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2012

**Note 36. National Competition Policy** (continued)

Description of CSO's provided to business activities:

Activities	CSO Description	\$
Airports	Council has identified that a Community Service Obligation (CSO) should be implemented in regard to airport operations. The objective of this is to foster tourism economic development in the local authority area. This objective is consistent with the adopted Corporate Plan. The pricing structure for airport landing fees are currently not based on real commercial rates, but rather kept comparable to other Queensland regional airports with the objective of promoting tourism and economic development within the region.	996,000
Aquatic Centre	Council recognises the importance of providing community recreation and sporting facilities such as the Aquatic Centre. The provision of the service is consistent with the promotion of the Fraser Coast as a healthy region.	709,621

## Fraser Coast Regional Council

### General Purpose Financial Statements for the year ended 30 June 2012

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#### Management Certificate for the year ended 30 June 2012

These General Purpose Financial Statements have been prepared pursuant to:

Section 102 of the Local Government (Finance, Plans and Reporting) Regulation 2010 (the Regulation), and other prescribed requirements.

In accordance with Section 161 of the Regulation, we certify that these General Purpose Financial Statements:

- (i) have been prepared in accordance with the relevant accounting documents; and
- (ii) accurately reflect the Local Government's Financial Performance and Position for the financial year.

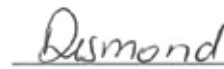
In addition we certify that, in our opinion:

- (i) the prescribed requirements of the Local Government Act 2009 and associated Regulations 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 in the previous pages, have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board); and
- (ii) the General Purpose Financial Statements present a true and fair view of the Council's and the Consolidated Entity's Financial Position as at 30 June 2012 and of their Financial Performance and Cash Flows for the financial year ended on that date.



Gerard O'Connell  
**MAYOR**

1 November 2012



Lisa Desmond  
**CHIEF EXECUTIVE OFFICER**

1 November 2012

## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Fraser Coast Regional Council

### Report on the Financial Report

I have audited the accompanying financial report of Fraser Coast Regional Council, which comprises the statements of financial position as at 30 June 2012, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer of the Council and the consolidated entity comprising the Council and the entities it controlled at the year's end and from time to time during the financial year.

#### *The Council's Responsibility for the Financial Report*

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting) Regulation 2010*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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



### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Fraser Coast Regional Council and the consolidated entity for the financial year 1 July 2011 to 30 June 2012 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

This auditor's report relates to the financial report of Fraser Coast Regional Council and the consolidated entity for the year ended 30 June 2012. Where the financial report is included on Fraser Coast Regional Council's website the Council is responsible for the integrity of Fraser Coast Regional Council's website and I have not been engaged to report on the integrity of Fraser Coast Regional Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.



J.J. EVANS  
(as Delegate of the Auditor-General of Queensland)

Brisbane  
1 November 2012



## FEEDBACK

If you have a comment or question about this Annual Report, please contact us:

Write: Fraser Coast Regional Council  
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