



Annual Report

2014/15



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AT A GLANCE

A lifestyle for everyone

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

There are 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 are 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 2014/15 financial year.

The report covers six key themes which outline a desired future and set goals for the Fraser Coast local government area.

The annual report also contains statutory information required by the *Local Government Act 2009* and *Local Government Regulation 2012* including Council's audited financial statements.



Message from Mayor & CEO

The 2014/15 financial year was filled with a number of key projects and developments that injected millions into our economy and helped build confidence in the region.

The Maryborough CBD received a lot of attention with the commencement of the \$3.2 million redevelopment of Adelaide Street between Kent and Ellena streets as part of the Imagine this City Strategy 2013-2018. The project is designed to help revitalise the CBD and replace old streetscapes with new footpaths and modern furniture.

More than half of Council's capital program was spent on rehabilitation works and upgrades to the region's extensive road and drainage network including major projects such as the Kawungan Way road network, which employed more than 250 people over the length of the project, and the reconstruction of Main Street.

There was a steady flow of development approvals including a gated lifestyle residential community and a 48-lot subdivision with farm accommodation at St Helens in Maryborough; a 41-lot subdivision, a six-storey 59 unit motel with restaurants and shops in Main Street, Hervey Bay and more stages of the Augustus subdivision on the Hervey Bay-Maryborough Road.

The Fraser Coast has one of the fastest growing populations in Queensland and Council has looked towards the future to plan for the expected population growth and to stimulate our local economy.

Over the past 12 months, Council adopted master plans for the:

- Original Maryborough Site;
- Hervey Bay CBD Urban Renewal; and
- Pioneer Park and Schultz Park.

The master plans consider the growth and improvement of key areas across the Fraser Coast, and provide strategies to guide the development of these areas.

The Fraser Coast Camping Options Strategy and Draft Economic Development Strategy were also developed to recognise the value of industry and maintain sustainable growth within our region.

In the 2014/15 financial year, around 80% of Council's entire \$179.45 million budget was spent with local suppliers and contractors which equates to more than \$74 million that was injected back into the local economy.

The focus has also been on creating more jobs for the region, outside of construction and tourism industries.

Council has been promoting the Avion development to create jobs in aviation; the Maryborough Industrial Estate to create jobs in logistics and the Maryborough Marine Precinct to create jobs in boat building and servicing.

The past 12 months have been filled with many challenges, plans and achievements. But we are moving forward and are committed as ever to our vision of ensuring the Fraser Coast remains a desirable place to live, work and play.

Gerard O'Connell – Mayor
Lisa Desmond – Chief Executive Officer

Councillors



Cr James Hansen – Division 1
Primary Production & Rural Infrastructure

It's a continual pleasure to support the people of Division One and to stand up for common sense and a push for "back to basics". I am glad to say that Council's Advancing Agriculture Committee continues to support the growth of primary production with more workshops for landholders, and also emphasise the need for rural infrastructure to support farming. I continue to work closely with all groups to achieve the best results for my division.



Cr Phil Truscott – Division 2
Cultural & Performing Arts

I have 46 different villages/suburbs within my division so it's hard to name all the individual road and infrastructure improvements in my area. However I'm proud to say Council has spent a record amount over the past 12 months. A highlight of my Cultural and Performing Arts Portfolio was the launch of the inaugural Street Life Festival which highlighted the local talent we have here in our region.



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

I continue to strongly advocate for our small business community through guiding Fraser Coast Opportunities to achieve worthwhile and practical goals. The overseas demand in Asia for Australian pure and green food will ensure a bright future for our local farming community. I look forward to continuing my contribution to this great community and appreciate the support I have received. I'm determined to push to retag this region "Family Friendly Fraser Coast."



Cr Daniel Sanderson – Division 4
City & Town Centre Development

The past 12 months have been extremely busy with a number of key projects rolling out across our region. From the Hervey Bay CBD Master Plan to the Maryborough CBD Revitalisation project, it has been very rewarding to see what were once ideas and concepts becoming realities. I am determined to continue to work consistently across a range of projects to ensure we build for the future.



Cr Rolf Light – Division 5
Community Resilience

Division Five continues to achieve significant infrastructure upgrades including the completion of the Toogoom Road upgrade which was a highlight for 2014/15. The region has also seen significant achievements with disaster preparedness and community resilience. Council, through our disaster levy, has for the first time, provided a structured program for vehicle replacement to ensure the Fraser Coast SES units have one of the most modern fleets in the state.

Councillors



Cr Trevor McDonald – Division 6

Infrastructure & Planning

This year many projects have been completed across Division 6 including the refurbishment of ESA Park at Point Vernon and the Lake at Eli Waters. My portfolio was also filled with major road projects such as the Kawungan Way road network and Main Street reconstruction which were highlights. As this is the last report for this term of Council, I would like to add that it has been an honour and a privilege to represent the people of Division 6.



Cr Stuart Taylor – Division 9

Tourism, Marketing & Communications

In my role as Division 9 and Tourism, Marketing and Communications Portfolio Councillor, a major highlight has been the improvements to the CCTV network which has seen over 30 additional cameras installed throughout the region. The Esplanade has seen an incredible facelift and the suburbs of Pialba, Scarness, Torquay and Urangan are continually being improved.



Cr Darren Everard – Division 7

Sport, Recreation, Open Space & Events

It is pleasing to see the popularity of the parks and open spaces across the region. Council staff should be commended on the work they have undertaken across the Fraser Coast.

In particular, I would like to highlight both the Esplanade in Hervey Bay and Brendan Hansen Park in Granville. I personally look forward to Council continuing to improve our facilities so that more people can enjoy them.



Cr George Seymour – Division 10

Community, Heritage & Family Services

This is the last annual report for the current Council. I believe it shows a Council that is working hard on behalf of our community. It is a Council that listens and is not afraid to try new things. This report documents a local democratic body contributing to the wellbeing of the community through our libraries, parks, events, health programs, museums, swimming pools, playgrounds, boat ramps and other facilities. We do this through sound financial practices, strategic planning and a commitment to the community we serve and love.



Cr Robert Garland – Division 8

Community Health, Education & Training

Another 12 months has flown by and has seen the 'Let's Get Fraser Coast Working' Program extended to include Skills4Work - a Work for the Dole initiative. The Seasonal Gardens at the Discovery Sphere were opened with much pride. The work of Council staff and CEP teams in planting over 45,000 trees, shrubs and seedlings across our region was a fine achievement. It was also rewarding to see the increase in animal registrations and decrease in customer action requests.

Executive Team



Wayne Sweeney
Director, Infrastructure Services

As I reflect on the achievement of the Infrastructure Services Directorate during the 2014/15 financial year, I realise how difficult it is to capture and document the diverse, and sometimes complex, range of capital works and maintenance projects delivered during this period.

At a time when private investment is slow it is reassuring that our local economy is stimulated by Council's significant investment in infrastructure and maintenance activities across the Fraser Coast region.

Council invested \$52.58 million and \$11.9 million in capital works and maintenance activities, respectively, of which, 80% was spent locally.

Given the backlog of infrastructure, particularly in the roads and drainage area, it is incumbent on the community and future councils to ensure that a steady growth in infrastructure and maintenance investment is achieved.

This continued investment will ensure that the Fraser Coast region continues to prosper and maintain its liveability and lifestyle environment.



Peter Smith
Director, Community & Development

Over the past 12 months, Council commenced a number of projects and initiatives to prepare for significant growth and to provide services and facilities to enhance the liveability of our region.

Master planning of key precincts either commenced or completed include; the: Hervey Bay CBD, Hervey Bay Esplanade Tourist Precincts, Medical Precincts, Education Precinct and the Original Maryborough Site.

A number of enhancements to the Portside Heritage Precinct in Maryborough and the Hervey Bay Aquatic Centre were completed to further improve the activities available.

A Fraser Coast Youth Strategy was launched which provides a framework for improving wellbeing outcomes for young people in our region.

Enhancement works were carried out to the Hervey Bay foreshore and major parks throughout the region as well as regeneration of a number of drainage and koala corridors.

Council launched the Reconciliation Action Plan 2015-2017 which outlines our commitment to existing projects and to develop new initiatives through a coordinated approach.



Alexis Hill
Director, Organisational Services

Organisational Services provides support for Council departments to service members of the community. It is responsible for: 644 employees, 500 computers, a \$119 million operational budget; as well as the management of multiple commercial units such as the caravan parks and airports.

The 2014/15 year has seen significant development in the shared services that Council provides Wide Bay Water Corporation with the successful implementation of Service Level Agreements for a number of departments.

One of the major activities this year was the establishment of 'Skills4Work', a Work for the Dole initiative. This initiative is a part of the Let's Get Fraser Coast Working Program which provides 50,000 hours of job placement to jobseekers.

Our caravan parks continue to grow and promote the region as a holiday destination and plans are in place for an extension to the Fraser Coast Airport for an additional departure lounge.

We are continually looking for ways to improve efficiency and this year has seen major improvements in the development and implementation of a mobility solution which allows Council staff to use technology whilst out in the field.

2014/15 Significant events

July 2014 6-13 NAIDOC Week		August 2014 1-31 Hervey Bay Whale Festival		September 2014 26 Maryborough Open House	
October 2014 18-19 Fraser Coast Koala Count		November 2014 9-10 Offshore Superboat Championships		December 2014 13 Explore-a-saurus Exhibition opened	
January 2015 26 Australia Day		February 2015 11 “What’s in the Water?” film screening, Brolga Theatre		March 2015 2 Clean up Australia Day	
April 2015 4-13 National Youth Week Events		May 2015 22-23 Fraser Coast Show		June 2015 14 Teebar Campdraft & Rodeo 27 Streetlife Festival	

Recognising customer service



Council is committed to the provision of timely, efficient, consistent and quality services provided by polite and helpful officers that meet our customers' expectations.



Justin was responsible for the design of the Maryborough CBD Revitalisation Project.

The project design consisted of 99 technical drawings, which were produced efficiently to a very tight schedule.

He achieved this by dedicating himself to the project over a three month period and worked longer hours.



On attending a Council office concerning a blocked drain which affected approximately 10 properties, Michelle very quickly produced the correct plan for the street and provided information which helped us to evaluate immediately where the blockage was.

This saved us many hours of unnecessary digging and expense.



The Maryborough Environment and Open Space Team were responsible for the planning and preparation of the Dawn of the ANZACS and the unveiling of the Duncan Chapman statue.

They spent many hours of hard work, had much patience and worked to tight timeframes. The area of the monument, the gardens and lawns are a credit to their skill and effort.



Jess always provides clear explanations and is happy to look into issues and answer questions to clarify. She meets the customer's expectations while still following Council's policies.

I cannot fault the customer service provided by Jess and appreciate having her support when needed.



Mark consistently demonstrates an exceptional level of performance in his role as Asset Management Officer to meet organisational goals.

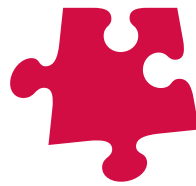
Mark undertakes his duties with great enthusiasm, diligence and attention to detail. Mark excels in his helpfulness, cooperation and communication across the organisation.



Julie represents the best interest of seniors in our community. The work that she has put into the project 'What's in the Water', shows her communication skills and dedication to her position.

She is always professional and seems to have a gift for making people feel indispensable. She is a great ambassador for the Fraser Coast Regional Council.

Key Theme



OUR GOVERNANCE

HOW WE GOVERN OURSELVES

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 is 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.

"We at Keystone Architects find the Fraser Coast Regional Council accessible at all levels. In our experience, the Council is delivering on the stated aspiration to create and foster positive relationships within the community.

They provide timely information and advice on their processes, which is invaluable to us, saving time, money and confusion.

Elected representatives and Council officers are willing to discuss any issues we or our clients may have, looking for win-win solutions."

Marion Graham, Architect



PLANNING SCHEME AMENDMENTS

Information sessions were held in February to take residents through proposed amendments to the Fraser Coast Planning Scheme.

These amendments will assist with the progress of the Maryborough Airpark based around the Maryborough Airport and the Fraser Coast Sports Precinct in Nikenbah.



FRASER COAST LOCAL LAWS

Council commenced community consultation in April for its Fraser Coast Local Laws.

The local laws are continually reviewed to make sure they meet residents' expectations, values and aspirations.

Feedback sessions were held for:

- Local Law Number 2 (Animal Management) 2011;
- Local Law Number 3 (Community and Environmental Management) 2011; and
- Local Law Number 4 (Local Government Controlled Areas, Facilities and Roads) 2011.



ORIGINAL MARYBOROUGH SITE MASTER PLAN

Council adopted the new Master Plan for the Original Maryborough Site in January.

The plan provides the framework for a quality residential development on a portion of the site while ensuring the enhancement of the adjoining heritage-listed open space.

Council has committed a minimum of **\$500,000** from the profits of the residential development to implement the Heritage Precinct and Parkland concept contained within the Master Plan.

The first meeting of the Original Maryborough Site Heritage Precinct and Parklands Committee was held in April. The 11-member committee will help develop concepts for the development of the Heritage Precinct and Parklands.



ALERT GAUGES

An automated flood monitor was installed in the Mary River Parklands (Portside) in January as part of Council's Alert Network.

The monitor sends radio signals to Mt Kanigan which are then relayed to the Bureau of Meteorology to help make better predictions on river movements and expected flood heights.

The monitor which costs about **\$40,000** is part of a network of 19 rain and flood monitors.

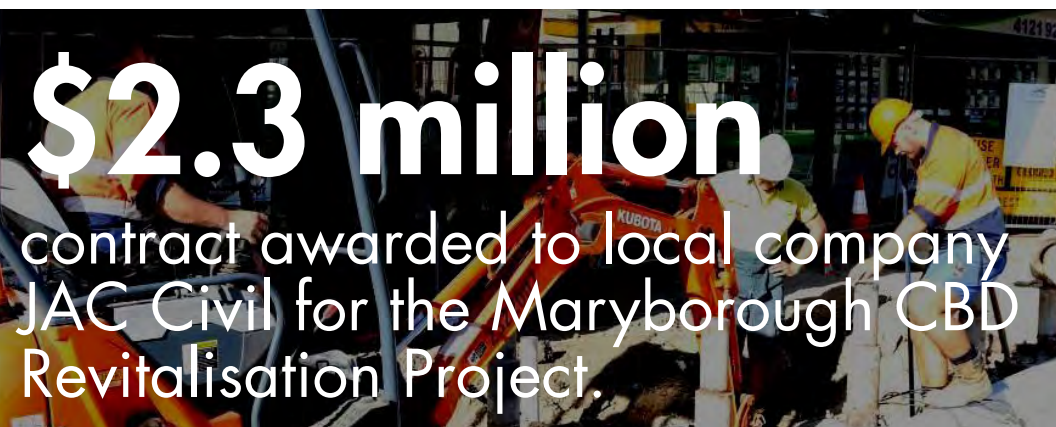


ESPLANADE TOURIST PRECINCT MASTER PLAN

In November, work commenced to develop master plans for the Hervey Bay foreshore tourist precincts (Pialba, Torquay, Scarness and Urangan).

The project covers road, pedestrian and cycleway circulation and connectivity including:

- potential options for one-way flows;
- car parking on land behind the Esplanade;
- traffic calming; and
- the potential for a separate bikeway in high use areas.



\$2.3 million
contract awarded to local company JAC Civil for the Maryborough CBD Revitalisation Project.

MARYBOROUGH CBD REVITALISATION PROJECT

Work on the Maryborough CBD Revitalisation Project commenced in April.

The work began at the intersection of Kent and Adelaide streets and moved down Kent Street towards Bazaar Street.

The project is a part of the Imagine This City Strategy 2013-2018 which aims to create and strengthen the CBD and the local community.



DRAFT ECONOMIC DEVELOPMENT STRATEGY

The Draft Fraser Coast Economic Development Strategy was released for public feedback in June.

The draft strategy is built around six pillars: Business, Industry and construction; Aviation; Retirement facilities, Aged care and health services; Education and training; Agriculture; and Tourism and events.

The strategy is designed to help the region focus on common objectives and reinforces the direction of Council with the business sector.

MASTER PLAN FOR PIONEER PARK AND SCHULTZ PARK

In March, Council adopted the Master Plan for Pioneer Park and Schultz Park in Maryborough.

The plan includes: revegetation of Schultz Creek which runs through both parks and into the Mary River; planting a corridor of koala food trees to link forested areas in Pioneer Park; and a koala interpretive display in the new gateway area off Gympie Road.

HERVEY BAY CBD URBAN RENEWAL MASTER PLAN

In June, Council adopted the Hervey Bay CBD Urban Renewal Master Plan.

The plan focuses on the Pialba CBD along Main Street between Boat Harbour Drive and the Esplanade including the PCYC, USQ, Hervey Bay Library and City Park along the Link Mobility Corridor.

It aims to accommodate a diversity of uses and activities within a green urban area. The master plan will guide Council as it develops the Pialba CBD over the next 20 years.



87,327 site bookings made at Council caravan parks.



FRASER COAST CAMPING OPTIONS STRATEGY

Council adopted the Fraser Coast Camping Options Strategy in March.

Recommendations from the strategy include:

- expanding bush camping sites across the region;
- installing more dump points; and
- creating stop and shop areas in Hervey Bay and Maryborough.

The strategy was developed by the Fraser Coast Camping Stakeholders Group which comprised representatives from the caravan industry, chambers of commerce and Council.

The recommendations also called on Council to:

- review its planning laws to facilitate the establishment of new camping and caravan parks;
- offer incentives to attract investors to the region; and
- review local laws to tackle illegal camping.

Key Theme



OUR COMMUNITY

HOW WE LIVE

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.

"Rough estimates indicate that there are approximately 6 million volunteers in Australia doing a great job for our country and I am just one of them."

Since retiring to the Fraser Coast some twenty odd years ago, I have involved myself with several volunteer community organisations including: Rotary, Scouts, RSL and the Australian Volunteer Coast Guard.

Our community is a safe and friendly place in which to live, thanks to the many volunteer organisations that give freely of their time, knowledge, experience and compassion; helping your community in times of disaster and crisis or just to assist someone down on their luck."

Jukka Manttari - Community Volunteer



STREET LIFE FESTIVAL

The inaugural Street Life Festival was launched in June.

The festival featured a busking competition, live music, theatre, art exhibitions, fashion and art markets.



YOUTH AND COMMUNITY DEVELOPMENT GRANTS

In October, Council allocated funds through its Youth and Community Development Grants to support projects that:

- Raise awareness of the importance of mental health and wellbeing;
- Acknowledge the valuable contribution people of all abilities make to our community;
- Celebrate the right of children to enjoy childhood; and
- Increase community awareness and education about mental health issues.

The successful grants were awarded to:

- Bauple Recreation Grounds Association - \$500 to hold a Youth Disco to celebrate Children's Week;
- Community Lifestyle Agency - \$1,000 for a Fraser Coast unified and inclusive sports day;
- PCYC International Day of a Disability - \$1,000 for a modified Olympics event.



FLOOD MAPS

Interactive flood maps for Maryborough and surrounds were made available in September on Council's website.

The maps show the potential extent of flooding based on half-metre increments.

They are a warning and guide for residents to assess the likelihood that their property would be inundated.



VOLUNTEERS EXPO

More than 40 community groups and organisations were on display at the Fraser Coast Volunteers Expo in May.

They showcased themselves to residents, who attended to see what opportunities exist for volunteer work across the region. More than 500 people attended on the day.



FRASER COAST AUSTRALIA DAY AWARDS

The 2015 Australia Day award recipients were:

- Community Group of the Year – Community Help Group
- Community Event of the Year – Hervey Bay Historical Village and Museum September Special Day
- Junior Sportsperson of the Year – Jessica Switzer
- Sportsperson of the Year – Susan Pattel
- Mayoral Commendation – Aldridge Year 10 Boys Volleyball Team
- Junior Cultural Award of the Year – Liam Taylor
- Cultural Award of the Year – Glen Miller
- Junior Citizen of the Year – Denya Hopkins
- Citizen of the Year – Nancy Bates

MARYBOROUGH OPEN HOUSE

The third annual Maryborough Open House was held in September.

Over 30 of Maryborough's heritage buildings, including private residences and government buildings, opened their doors to the public free of charge.

The event highlights one of the region's great assets – Maryborough's rich history.



COMMUNITY GRANTS

Council provided \$57,379 in grants for community projects and activities, \$40,950 for regional events, \$9,300 for community Christmas and New Year's Eve celebrations and \$6,626 for Australia Day events.

Some of the successful applicants included:

- Maryborough and District Cricket Association - \$2,000 for New Year's Eve celebration;
- Lions Club of Tiaro and District - \$1,000 for 2014 Children's Christmas Party;
- Fraser Coast Wildlife Sanctuary - \$5,000 for purchase of commercial cold room;
- Tinana Football Club - \$5,000 to upgrade soccer fields;
- Hervey Bay Triathlon Club - \$5,000 to stage the 2014 Hervey Bay 100.

NATIONAL YOUTH WEEK GRANTS

Grants were made available to community groups, individuals and organisations to help plan and host local events during Youth Week (April 10 to April 19).

National Youth Week grants were given out for the following activities:

- Reconnect & Youth Network agencies – for Fraser Coast Youth Festival, \$3,000
- Community Lifestyle, Maryborough – for Neon Dance Run, \$750
- Maryborough City Church – for Graffiti Dance Party, \$1,500
- Bauple & District Recreation Grounds – for Skirmish Day, \$2,100

VEHICLE FOR BURRUM HEADS

In March, Council presented the Burrum Heads SES with a new Colorado four-wheel-drive dual cab ute.

The vehicle was purchased with funds from the Disaster Levy.

The levy raises \$520,000 annually which is used to fund Council's Disaster Management program which includes the operation of six SES units across the region.



\$4,672

raised from pet registration to help
Bayside Transformations.



COMMUNITY CHAMPIONS

Council recognised the following Community Champions for their contribution and efforts within the community:

- Rick MacDonald – dedication to youth and athletics
- Greg and Cherie Ryan – Maaroom Progress Association
- Judy Allen – Palliative Care
- Lesleigh Schiffke, Russell Jenkins and Jodie Houston - Hervey Bay Touch Association
- Natalie and Valerie Richardson – animal rescue
- Lachlan Amodeo – Taekwondo World Championships
- Bernie Nicolle and Kerrie Bartlett – community involvement in Glenwood
- Lex Kunst – Munna Creek Music Festival
- Danny and Bronwyn Carson – Firefighters Golf Championships
- Janet Newman – Christmas Day Lunch

Key Theme



OUR ECONOMY

OUR JOBS AND OUR LIFESTYLE

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 and varied experience for all ages.

"The Fraser Coast is a fantastic region, with so much to offer our local community and tourists. With the revitalisation of the Maryborough CBD, I am confident that our city will continue to grow and overcome the challenges previously experienced by small business.

This will have such a positive impact on our local economy by providing more employment and will allow shoppers more choice within the local community. By effectively showcasing what the Fraser Coast has to offer in new and contemporary ways we will attract more people to our wonderful region.

Potential investors and future business owners should consider Maryborough as a prosperous option."

Lida Nielsen - Owner, The Land of Sweets



INFRASTRUCTURE CHARGES INCENTIVES ADMINISTRATIVE POLICY

Council extended the Infrastructure Charges Incentives Administrative Policy for another 12 months.

The objective of the policy is to provide subsidised infrastructure charges as an incentive for development within the Fraser Coast Regional Council area. It will expire in February 2016.



RATE CONCESSIONS



Council provided \$1.77 million in rate concessions to almost 11,800 pensioners across the region.

Residents are eligible for rate concessions if they are in receipt of a pension from the Commonwealth Government, and comply with the guidelines established by the Queensland Department of Communities, Child Safety and Disability Services for the State Government Rate Subsidy Scheme.

BUDGET HIGHLIGHTS

Striking the balance was the focus of Council's 2015/16 Budget brought down in June.

Highlights include:

- **\$46.62 million** to build and repair 1,447 km sealed roads and 820km of unsealed roads, 342km of unformed roads, 43 road bridges, 273km of footpath and 1,085 of kerb and channelling;
- **\$13.85 million** for waste collection;
- **\$13.93 million** to maintain and upgrade recreational facilities including 447 parks and gardens, 10 sporting fields, 90 amenity blocks, 101 playgrounds and the Maryborough Showgrounds and Equestrian Park;
- **\$505,000** to support community and welfare organisations, emergency services, sporting and recreational groups, and schools;
- **\$5.02 million** for Brolga Theatre, Tourism, Marketing, Events, Art Galleries, Portside Precinct and Fraser Coast Cultural Centre;
- **\$734,000** for the operation of our two aquatic centres: including two 50m pools, two heated pools, a hydrotherapy pool & kids' pools;
- **\$1.8 million** for health and compliance which includes managing over 25,000 registered animals;
- **100,000** trees, shrubs and flowers planted to improve the sustainability and ambience of our region;
- **\$1.1 million** for coastal protection to preserve our coastal assets;
- **\$3.07 million** for funding 2 libraries and 3 branch libraries which includes 42,100 members and over 800,000 loans;
- **\$570,000** to support emergency groups and community resilience.

LOCAL SPEND

Council injected more than **\$74 million** into the local economy in the 2014/15 financial year.

Around 80% of Council's budget was spent locally with suppliers and contractors.



HOUSING AFFORDABILITY REBATES

Council awarded 156 rebates as part of the Hervey Bay Housing Affordability Scheme.

The \$12,000 grants are available to first home buyers who buy homes or house and land packages in key housing estates until 2016.

The rebates are part of the Building Better Regional Cities Program – a joint project between Council and the Federal Government to provide affordable housing.



INCENTIVES TO STIMULATE MARYBOROUGH

In December, Council resolved to develop three new incentive packages to stimulate the Maryborough economy.

The incentives include:

- A \$5,000 Liveability Lifestyle Package;
- "Over 55" resort-style developments; and
- Encouraging intensive agricultural industries to create jobs.

Council will apply for State and Federal Government funding to develop the \$5,000 Lifestyle Liveability Package. As part of the package, people buying homes or house and land packages in targeted Maryborough estates would receive \$5,000 to be spent in local businesses on goods and services such as landscaping, furnishings or plumbing supplies.



STOCKLAND OFFICIAL OPENING

Stockland shopping centre in Hervey Bay was officially opened in July 2014.

The \$116 million dollar project was a landmark development for the Fraser Coast. It was the biggest retail development in the region and provided hundreds of local jobs during the construction process and created hundreds of ongoing positions in retail and hospitality.

\$55 million

of Council's 2015/16 budget will be allocated on infrastructure.



LET'S GET FRASER COAST WORKING

In November, Council welcomed its 50th participant as part of the Let's Get Fraser Coast Working Program.

The program is designed to offer work experience within various Council departments including parks, IT, engineering, stores and human resources for people who are looking to re-enter the workforce or change careers.

The program commenced in 2013 and to date has had 183 participants.

SISTER CITY DELEGATION

In September, Council sent a sister city delegation to both Japan and China.

The delegation included the Mayor, the CEO, Councillor Trevor McDonald and Councillor Chris Loft.

They visited a high tech precinct and spoke with precinct directors and business people about opportunities on the Fraser Coast.

The delegation also attended the opening of the Australian-themed garden in Leshan and a business festival in Japan.



COUNCIL STAFF

Council filled **104** vacancies in the 2014/15 financial year.

The staff ranged from casual, to full time and contract and were employed in a range of areas including human resources, information technology, compliance, aquatic centres and customer service. Council is one of the largest employers on the Fraser Coast with 644 employees.

Key Theme



OUR ENVIRONMENT

OUR NATURAL AREAS

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.

"Since the start of the green army project, it has been a pleasure to work alongside Council to achieve sustainable environmental outcomes.

Council has supported the project and Conservation Volunteers Australia to assist all participants of the program to gain real training to better prepare them for full time employment in conservation.

I look forward to continuing our relationship with Council to develop great environmental sites within our region."

Ricky Rowland - Green Army Supervisor, Conservation Volunteers Australia



FISHING LINE BINS IN TOOGOOM

In August, Council crews installed a number of fishing line bins around the freshwater lakes at Toogoom to protect the resident wildlife from errant fishing lines and old fishing tackle. The PVC bins were decorated by local primary school students as part of a Council environmental awareness program which focused on the impacts litter can have on local waterways and wildlife.



KOALA CONSULTATIVE COMMITTEE

In January 2015, Council decided to make the Koala Consultative Committee a formal reference group of Council.

The committee was set up to help Council develop a Koala Action Plan for key urban koala habitats at Tinana and Booral.

The Koala Consultative Committee will spearhead Council's work to protect, manage and enhance koala habitat on Council land; improve data collection on Fraser Coast koala populations; undertake education and community awareness and assist in eco-tourism promotion, particularly the promotion of Pioneer Park as a koala habitat tourist destination.

NATIONAL TREE DAY

More than 700 native seedlings were planted during National Tree Day in July at Pioneer Park, Maryborough.

The park is home to a number of koalas and work was carried out to replenish their local food sources and encourage more to the area by planting eucalypts.

Around 100 people participated in the event. A smaller event was also held at the Hillyard Street Reserve in Hervey Bay with over 100 trees planted.



LANDFILL INFORMATION DAY

In July, Councillors and Waste Officers from Gladstone, North and South Burnett, and Brisbane visited the Fraser Coast to inspect a Maryborough landfill cell and state-of-the-art Reuse and Recycle Centre.



PRO-AQUA LAUNCH

In December, Council unveiled a new ProAqua water dispenser at Pier Park in Hervey Bay.

The water machine is effectively a high tech version of a drinking fountain. Customers can refill their reuseable water bottles with still or sparkling water for a fraction of the cost of bottled water.

The machine is designed to reduce the amount of plastic water or drink bottles that end up as pollution or in landfill.

STIRLING DRIVE IMPROVEMENTS

Council's Parks crews planted a number of casuarina trees along Stirling Drive in Hervey Bay as part of the Eli Creek Upper Reach Vegetation Project.

The vegetation program was designed to regenerate bushland and connect and improve biodiversity along the region's green corridors.



45 volunteers

at the Community Nursery take care of 40,000 seedlings.

FERAL ANIMAL MANAGEMENT WORKSHOPS

Council teamed up with the Burnett Mary Regional Group in March to host a series of Feral Animal Management Workshops.

The free sessions offered advice on a number of topics including options for controlling feral pigs, cats, dogs and foxes as well as accessories for safe trapping.



WASTE AND RECYCLING INFORMATION SESSION

Council's Material Recovery Facility (MRF) in Dundowran opened its doors to the public in November.

The information session offered locals and visitors the opportunity to view the workings of the facility and learn about what happens to their recycling once it is collected.



23 school visits

to the Material Recovery Facility (MRF)

BUSHCARE'S MAJOR DAY OUT

More than 100 people participated in Bushcare's Major Day Out during September at the River Heads Reserve. The day included bird watching, guided tours, guest speakers and displays of native animals and plants.

A special planting session was also held to encourage the Native Oleander in the area. Bushcare's Major Day Out is a national day designed to give residents the opportunity to learn more about native bushland.



SHADE FOR MOBILITY CORRIDOR

More than **12,000** plants ranging from seedlings to advanced trees were planted along the Link Mobility Corridor between Urraween Road and Bay Drive.

The project was designed to re-establish the bushland, attract wildlife and create a beautiful environment. It will also help improve the water quality in Eli Creek and reduce the need for mowing.

Key Theme



OUR MOVEMENT & ACCESS

HOW WE GET AROUND

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.

"JAC Civil is part owned by descendants of some of the Maryborough districts' original pioneer families and we are immensely proud to be involved with projects such as the Maryborough CBD Revitalisation. JACC's involvement in any undertaking that improves access, safety and ease of mobility for both pedestrians and road users, brings a special sense of satisfaction to all of our staff, especially when those projects are within the beautiful towns and cities of the Fraser Coast."

"We are delighted to have been involved in access and mobility improvement projects in Maryborough, Hervey Bay and Tiaro in recent years and are particularly proud of the Maryborough CBD Revitalisation works and the positive effect it will have on access to the CBD and improved mobility for all for many years to come."

Glen Grohn - Managing Director, JAC Civil



FRASER COAST WALK CYCLE STRATEGY

Council adopted the Fraser Coast Walk Cycle Strategy in March. The strategy lists the projects in order of priority across the region. It is a 20-year strategy which will allow for planning of development and funding. Council is looking to invest more than **\$47 million** into the cycle network over the next 20 years.



KAWUNGAN WAY

In July, Council officially opened the Kawungan Way road network, which links Doolong Road with Doolong South Road and Samarai Drive in Hervey Bay.

The works were part of the Building Better Regional Cities Program – a **\$22 million** dollar project to link medical, retail, housing and education precincts to the Hervey Bay CBD. The road, which stretches for 2.5km and includes four roundabouts, will ease traffic congestion in Hervey Bay. The project was completed by local firm Sunstate Group and employed more than 250 people over the length of the work.



MAIN STREET RECONSTRUCTION

Main Street, between Torquay Road and the Esplanade was given a facelift in December.

The works included rebuilding the roadway, replacing old kerb and channel, replacing footpaths and improving shop accesses as well as better lighting, new road surfacing and line marking.



CAR PARKS

The medical precinct car park on Nissen Street was opened in October. The car park provides 111 spaces for people visiting the Hervey Bay Hospital, St Stephens Hospital and the other medical services in the precinct. Council invested more than **\$1.7 million** to develop the car park in Nissen Street as well as the Charles Street car park which opened in September.



URANGAN FLANKS SEALING PROGRAM

\$400,000 was allocated to a flank sealing program to stop garbage trucks from breaking up road edges in parts of Urangan.

Flank sealing is the sealing of the unsurfaced section of the road between the existing bitumen surface and the kerb. The four areas targeted were: 280 metres of Gibbs Street; 65 metres of Mitta Way; a 180 metre section of Richard Street and 200 metres of Shell Street.

ESA CAR PARK IMPROVEMENTS

The ESA car park and access road was revamped in March at Point Vernon.

The project improved the access road and formalised the parking.

The gravel car parks were replaced with reinforced turf and the amenities block was also refurbished.



\$70,000

For shared walk/cycleway project in Scarness.

COVE BOULEVARD WORKS

In March, work commenced on Cove Boulevard which was funded under the NDRRA program. This construction was undertaken in preparation for the **\$6.9 million** reconstruction project for River Heads Road.

The project for River Heads Road is jointly funded by the Federal Government (\$3.75 million) and Council (\$3.2 million).



SALTWATER CREEK BRIDGE CCTV FOOTAGE

Residents can now log onto the Council's website to view CCTV footage of the Saltwater Creek Bridge in Maryborough.

The images are taken every 15 minutes so people can check the water levels to see if the road is still open.

CCTV FOOTAGE

In June, the final CCTV camera was installed as part of the Maryborough CBD Safety Enhancement project.

There are now a total of **33 cameras** installed within the CBD including:

- 4 cameras – Queens Park;
- 4 cameras – Portside Precinct;
- 2 cameras – Mary River Parklands;
- 4 cameras – Kent/Richmond streets;
- 4 cameras – Kent/Bazaar streets;
- 4 cameras – Kent/Adelaide streets;
- 4 cameras – Kent/Lennox streets;
- 3 cameras – Ellena/Lennox streets;
- 4 cameras – Ellena/Adelaide streets.

The project was funded by the Federal Government as part of the Safer Streets Program.



GRANVILLE HALL CAR PARK

The car park at the Granville Hall was upgraded in April.

A new surface was laid and line marking undertaken.

The car park is used on school days by parents who drop off and pick up their children from the Granville State School which is next door to the Hall.

FOOTPATHS IMPROVE SAFETY

Council completed a footpath along Kent Street in June. The footpath was identified in the Walk and Cycle Strategy.

Around **\$80,000** was invested from Council's capital works budget to complete the work.

The footpath will complement future infrastructure works in the area and it will also improve safety for pedestrians and vehicles.



OLD TOOGOOM ROAD

In June, 790 metres of Old Toogoom Road was rebuilt.

Council received **\$1 million** from the Federal Government to undertake the work.

The project, which started at the intersection of Old Toogoom Road and the Torbanlea-Pialba Road, was the final piece of the 5.5km road that needed to be rebuilt.

Key Theme



OUR PLACES & SPACES

WHERE WE LIVE, WORK AND PLAY

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.

"I enjoy the beauty of nature and the lovely outdoor spaces on the Fraser Coast.

We often go to the activities and entertainment Council provides like Sunday Riverside.

It's a time to catch up with family and friends and socialise in a relaxed and gorgeous setting. We sing and dance and laugh.

These moments are far more enjoyable when we can take in the scenery and the beautiful atmosphere."

Lupita Arrevillaga de Skuse - Resident



e-BOOKING SYSTEM

A new e-Booking system was launched in March so residents can hire Council facilities and open spaces online.

Bookings can be made for recreational activities, club meetings, weddings and other outdoor events. Customers can check available dates, book the venue, make a payment and receive confirmation of the transaction.



BOND STORE REFURBISHMENT

Maryborough's Bond Store Museum began its transformation in May with the installation of more than 15 new interactive and interpretive displays.

The displays are intended to reflect the original purpose of the building and will include information about produce, industry and immigration.

The Portside Museums Refurbishment project is a joint initiative of Council and the Queensland Government.



BUTCHULLA SEASON GARDEN

A new seasonal garden was opened in May at the Fraser Coast Cultural Centre.

The creation of the garden was a collaborative effort between Council and the Butchulla Elders. The design and landscape of the garden highlights the important connection between the Butchulla people and their country and shares information about the local seasons and signs with residents and visitors.

The artworks for the interpretive signs were created by local artists recommended by the Elders.

AE FIELDING PARK UPGRADE

Pathways and bollards were installed at AE Fielding Park, Mungar in August. The **\$24,000** project included bollards to restrict vehicles from damaging existing paths, the replacement of guttering on the amenities block and awnings installed over the entrances as well as the installation of concrete pathways and new picnic tables.



PORTSIDE GATEWAY GRANT

Council was awarded **\$160,000** in funding through the Queensland Government's Local Government Grants and Subsidies Program for refurbishment of Maryborough's Portside Precinct.

Part of the project includes the installation of additional and refurbished interpretive signage and displays within the Customs Residence Grounds, Customs House and the Bond Store Museum.



DOG OFF-LEASH AND AGILITY AREAS

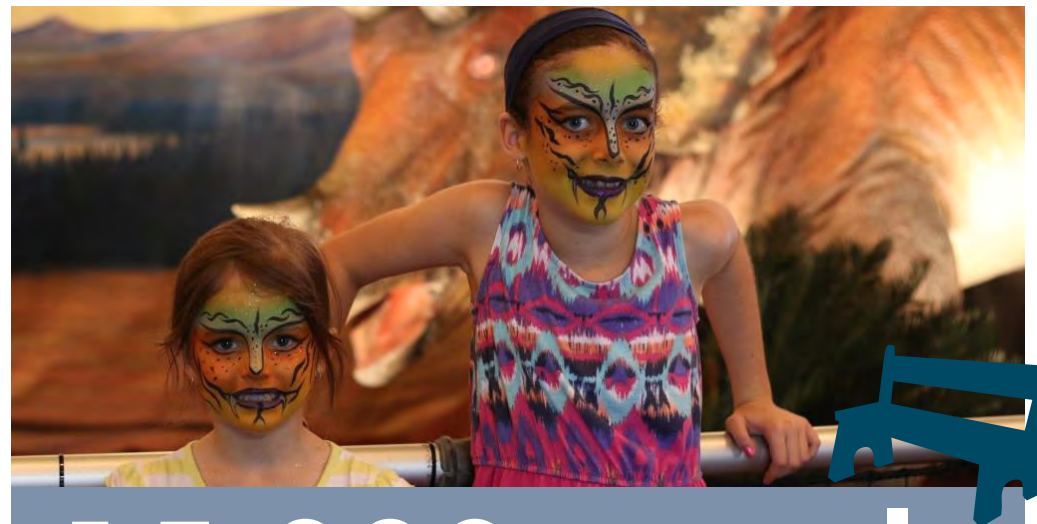
Council invested **\$86,000** to build nine new dog exercise areas across the Fraser Coast.

The two off-leash agility parks are at 84 Gympie Road, Tinana and at the former landfill on Becks Road, Hervey Bay.

The areas have shelters and seating, doggy bag dispensers, water and agility equipment.

The agility equipment includes weave poles, tunnels, hurdles, bridge and jump throughs.

The other seven sites are in: Neptune Street, Maryborough; Raward Road, Denman Camp Road and Hervey Street in Hervey Bay; Peterson Road, Caignish; Delrose Court, Toogoom and Seafarer Drive, River Heads.



15,000 people

visited the Explore-a-saurus exhibition at City Hall, Maryborough.

PETRIE PARK IMPROVEMENTS

Petrie Park at Tiaro was given a facelift in August.

The **\$80,000** project involved rebuilding a concrete retaining wall and pathway around the toilet block as well as upgrading the facilities and structures.



SCARNESS ROCKWALL

The reconstruction of a 400 metre section of the Scarness Beach rockwall was completed in March.

The work focused on the rockwall about 100 metres east and 300 metres west of the Scarness Jetty.



BRENDAN HANSEN PARK UPGRADE

Stage Two of the Brendan Hansen Park upgrade was completed in December.

Council invested **\$87,000** in the project which included a shelter with table and seating, exercise stations, additional solar lights and a new skate area.

Stage One which was completed in 2014 included the installation of a picnic shelter with lights, table and seats; four sets of tables and seats, pathways to link existing picnic tables, drinking fountains, solar lighting and distance markers along the pathway circuits.

TECHNOLOGY TOOL BAR

The Fraser Coast Libraries launched a Technology Tool Bar at its branches in Hervey Bay and Maryborough. The tool bar is a gadget-topped workbench with five different technology tools to explore, including smart devices and laptops.



INTERPRETIVE CENTRE

The Interpretive Centre in Tiaro opened in September.

The centre provides visitors with information on the Mary River and its unique inhabitants such as the lungfish, Mary River Turtle, Mary River Cod as well as Indigenous totems and information.

The centre, covered by a shade structure beside the Tiaro Visitor Information Centre, is linked by stairs and a pathway to outdoor displays in the park. The layout of the centre and signage was developed in conjunction with the Tiaro Landcare Group which has been at the forefront of raising awareness about the Mary River Turtle.



Statutory Information

INDEX OF LEGISLATIVE REQUIREMENTS

State Government legislation requires Council to include specific information in its Annual Report. The table below provides an index for easy reference to the location of the legislative requirements disclosed within this Annual Report:

Local Government Act 2009

Requirement	Title	Page/s
Section 41	Identifying beneficial enterprises	35
Section 45(a)(b)(c)(d)	Identifying significant business activities	35
Section 201(1)(a)(b)(2)(3)(4)	Senior management remuneration	35

Local Government Regulation 2012

Requirement	Title	Page/s
Section 183(a)	General purpose financial statement audited by the Auditor-General	50-122
Section 183(b)	Current-year financial sustainability statement audited by the Auditor-General	116
Section 183(c)	Long-term financial sustainability statement (refer Section 178)	120
Section 183(d)	Auditor-General's audit reports about the general purpose financial statement and the current-year financial sustainability statement	113-114 & 118-119
Section 184	Community financial report	42-49
Section 185(a)(b)	Particular resolutions	35
Section 186 (a)(b)(c)(d)(i)(ii)(e)(i)(ii)(iii) (f)(i)(ii)(iii)(iv)(v)(vi)(vii)(viii)	Councillors	35-39
Section 187 (1)(a)(b)(2)(a)(i)(ii)(iii)(b)	Administrative Action Complaints	39
Section 188 (1)(a)(b)(c)(d)(e)(2)	Overseas Travel	39
Section 189 (a)(b)(i)(ii)	Expenditure on grants to community organisations	39
Section 190 (1)(a)(b)(c)(d)(i)(ii)(e)(f)(g)(h)(i)(j)(2) (a)(b)(c)(i)(ii)(iii)(d)	Assessment of 5-year corporate plan and annual operational plan	10-33
Section 190(1)(c)	Annual operations report for each commercial business unit	40
Section 190(1)(d)(i)(ii)	Service facility or activity: (i) supplied by another local government under an agreement for conducting a joint government activity; (ii) for which the local government levied special rates or charges for the financial year	40
Section 190(1)(e)	Tenders	40
Section 190(1)(f)	Registers	40
Section 190(1)(g)	Concessions	40
Section 190(1)(h)	Internal audit	41
Section 190(1)(i)	Investigation notices - competitive neutrality complaints	41
Section 190(1)(j)	Responses on QCA's recommendations on competitive neutrality complaints	41
Section 190(2)(a)(b)(c)(d)	Annual operations report for a commercial business unit	40

Beneficial Enterprises

Pursuant to section 41 of the *Local Government Act 2009*, following is a list of beneficial enterprises conducted by Council during the 2014/15 financial year:

- Widelinx Pty Ltd
- Fraser Coast Opportunities Ltd

Business Activities

Pursuant to Section 45(a) of the *Local Government Act 2009*, following is a list of business activities conducted during the 2014/15 financial year:

- Caravan Parks
- Airports
- Broilga Theatre
- Building Certification

Significant Business Activities

Pursuant to Section 45(b) of the *Local Government Act 2009*, following are business activities identified as Significant Business Activities:

- Fraser Coast Waste

Pursuant to Section 45(c) of the *Local Government Act 2009*, the competitive neutrality principle was applied to Fraser Coast Waste.

Pursuant to Section 45(d) of the *Local Government Act 2009*, there were no new significant business activities in 2014/15.

Senior Management Remuneration Package

Pursuant to Section 201(1)(a) of the *Local Government Act 2009*, the total of all remuneration packages payable to the senior management of Council, including the Chief Executive Officer, and employees whose position ordinarily would be considered to be a senior position in the local government's corporate structure, for the 2014/15 financial year was \$1,066,784.

Pursuant to Section 201(1)(b)(2)(3)(4) of the *Local Government Act 2009*, following is the number of employees in senior management who were paid each band of remuneration:

- \$200,000 to \$300,000 - 3
- \$300,000 to \$400,000 - 1

Senior Management Remuneration Package includes salary paid or payable and superannuation at 12%.

Expenses Reimbursement Policy

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.

Pursuant to Section 185(a) of the *Local Government Regulation 2012*, amendments to Council's Policy were adopted under Section 250(1) of the Regulation at Special Meeting held 17 June 2015.

Resolutions made setting amounts for each different type of non-current physical asset

Pursuant to Section 185(b) of the *Local Government Regulation 2012*, during the 2014/15 year, there were no resolutions made under Section 206(2) of the Regulation, setting an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.

Councillors' Remuneration and Superannuation

Pursuant to Section 244 of the *Local Government Regulation 2012*, the Queensland Independent Remuneration Tribunal, in December 2013, determined a general increase of 4.5 per cent in the reference rate applicable to Mayors, Deputy Mayors and Councillors for the period 1 July 2014 to 30 June 2015.

Remuneration Rates as a percentage of Reference Rate of \$146,904:

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

The increase of 4.5% was the first increase for elected representatives for a period of 18 months.

Superannuation Contributions of 12% of a Councillor's base remuneration.

Pursuant to Section 186(a) of the *Local Government Regulation 2012*, totals of remuneration and superannuation contributions paid to each Councillor during the 2014/15 financial year appear in the table following.



Expenses incurred by and facilities provided to Councillors

Pursuant to Section 186(b) of the *Local Government Regulation 2012*, Councillors were provided with electronic equipment to enable them to perform their duties. Resources included a computer workstation/iPad Air 2, printer, modem and Smart Phone.

Expenses were incurred for vehicle usage, conference registrations, accommodation, meals, travel expenses and telecommunications totalling \$144,106 for the financial year. Details are in the table following.

Councillors' Remuneration, Superannuation and Expenses 1 July 2014 - 30 June 2015

Councillor	Gross Salary/Earnings (\$)	Council Superannuation Contribution Paid (\$)	Expenses (\$)
Cr Darren Everard	83,757	10,051	12,748
Cr Robert Garland**	85,367	10,244	12,803
Cr James Hansen	83,757	10,051	12,781
Cr Rolf Light	83,757	10,051	12,925
Cr Chris Loft	83,757	10,051	10,070
Cr Trevor McDonald	83,757	10,051	9,801
Cr Gerard O'Connell	144,672	17,361	21,491
Cr Daniel Sanderson	83,757	10,051	10,427
Cr George Seymour	83,757	10,051	10,477
Cr Stuart Taylor *	94,264	11,228	13,884
Cr Phil Truscott	83,757	9,460	16,701
Total	994,359	118,650	144,106

* Includes Deputy Mayor allowance 1/7/14 to 5/5/15

** Includes Deputy Mayor allowance 6/5/15 to 30/6/15

Councillors' Attendance at Meetings

Pursuant to Section 186(c) of the *Local Government Regulation 2012*, following is a table of Meeting Attendance by Councillors for the period July 2014 to June 2015:

Councillor	Ordinary Meetings Attended	Special Meetings Attended	Total Number of Meetings Attended	Absent on Official Council Business	Ill/Annual Leave/Special Leave	Total Number of Meetings Held
Cr Gerard O'Connell	16	1	17	0	0	17
Cr Darren Everard	15	1	16	0	1	17
Cr Robert Garland	16	1	17	0	0	17
Cr James Hansen	16	1	17	0	0	17
Cr Rolf Light	15	1	16	0	1	17
Cr Chris Loft	15	1	16	1	0	17
Cr Trevor McDonald	16	1	17	0	0	17
Cr Daniel Sanderson	16	1	17	0	0	17
Cr George Seymour	14	1	15	1	1	17
Cr Stuart Taylor	16	1	17	0	0	17
Cr Phil Truscott	16	1	17	0	0	17

Note: Meetings included: 16 x Ordinary Meetings
1 x Special Meetings

Councillors' Attendance at Conferences and Industry Events

Councillors attended the following conferences/industry events during the 2014/15 financial year:

Conference / Industry Event	Number of Councillors
Avalon Air Show Melbourne	2
Local Government Association of Queensland Conference, Mackay	2
Museums Australia National Conference, Sydney	1
Regional Round Table Meeting, Cairns	2
RegionsQ Showcase, Brisbane	1

Councillor Portfolios

Councillor Portfolios for 2015 are as follows:

Portfolio	Areas or Priority	Councillor
Tourism, Marketing & Communications	<ul style="list-style-type: none"> Tourism Promotion Regional Marketing & Communications 	Cr Stuart Taylor
Sport, Recreation, Open Space & Events	<ul style="list-style-type: none"> Sporting facilities & capacity building Open space & recreation facilities Events & Sports Tourism 	Cr Darren Everard
Community, Heritage & Family Services	<ul style="list-style-type: none"> Youth Services Library Services Community Development Disability Services Heritage Seniors 	Cr George Seymour
Cultural & Performing Arts	<ul style="list-style-type: none"> Brolga Theatre - Performing Arts Gatakers Artspace & Hervey Bay Regional Art Gallery Community Theatres Cultural Services & Events 	Cr Phil Truscott
Infrastructure & Planning	<ul style="list-style-type: none"> Infrastructure Planning (eg Walk & Cycle, Carparking Strategy, Priority Infrastructure Plans, Structure Plans etc, Planning Scheme) Planning & Development matters including industry liaison & engagement Stormwater & Drainage Strategy Coastal Management Marine Infrastructure 	Cr Trevor McDonald
Primary Production & Rural Infrastructure	<ul style="list-style-type: none"> Liaison with primary production, agricultural and seafood industries Weed & Feral Animal Management River Streams & Waterways Rural Infrastructure 	Cr James Hansen
Community Health, Education & Training	<ul style="list-style-type: none"> Advocacy & Facilitation of Community Health, Education & Training Services Careers & Jobs Expo "Let's Get Fraser Coast Working" Group Animal Management Working Group Community Health Programs Waste Management Education Programs Fraser Coast Education Alliance - Education Precinct 	Cr Robert Garland
Small Business, Manufacturing & Service Industry	<ul style="list-style-type: none"> Small Business Manufacturing & Service Industries Resource sector supply chains 	Cr Chris Loft
City & Town Centre Development	<ul style="list-style-type: none"> Revitalisation strategies for CBD & Townships CBD Revitalisation / Maryborough City Heart Branding Esplanade Development / Foreshore Enhancement Nodes, Infrastructure & Precinct Creation Imagine this City / Imagine Fraser Coast / Community Plan Investment Attraction & Town Planning 	Cr Daniel Sanderson
Economic Development	<ul style="list-style-type: none"> Investment Attraction Economic Development Incentives Aviation 	Cr Gerard O'Connell
Community Resilience	<ul style="list-style-type: none"> Community Resilience Disaster & Preparedness Volunteering SES Rural Fire Warden Programs LDMG Volunteering Committee (promote volunteerism & participation) Disaster Levy Committee 	Cr Rolf Light

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 2015
Audit Committee	2 Councillors	Mayor Cr Rolf Light Cr Chris Loft (Observer)

(b) Council Reference Groups:

Reference Group	Councillor Representative 2015
Advancing Agriculture Advisory Group	Cr James Hansen Cr Chris Loft
Fraser Coast Inclusive Communities Reference Group	Cr George Seymour
Fraser Coast Heritage Reference Group	Cr George Seymour
Mungomery Vine Forest Committee	Cr Trevor McDonald
Sister Cities Community Reference Committee	Cr George Seymour

(c) External Committees / Organisations:

Organisation	Portfolio / Councillor Representative 2015
Fraser Coast Education Alliance	Cr Robert Garland
Fraser Coast Opportunities Ltd (FCO)	Mayor Cr Darren Everard Cr Chris Loft Cr Stuart Taylor
FCO Event Advisory Group	Cr Darren Everard Cr Phil Truscott
FCO Investment Attraction Advisory Group	Cr Christ Loft Cr Daniel Sanderson Cr James Hansen
FCO Tourism Advisory Group	Cr Stuart Taylor Cr Robert Garland
Fraser Island World Heritage Community Advisory Committee	Cr George Seymour
Hervey Bay Chamber of Commerce	Cr Daniel Sanderson
Hervey Bay Safety Network	Cr Daniel Sanderson
Local Disaster Management Group	Mayor, Cr Stuart Taylor
Maryborough Chamber of Commerce	Cr Daniel Sanderson
Maryborough & District Committee on the Ageing Inc	Cr George Seymour
Maryborough Safety Network Committee	Cr Daniel Sanderson
Mary River Catchment Coordinating Committee	Cr James Hansen
Rural Fire Brigades	Cr James Hansen or Cr Rolf Light
Tiaro & District Landcare Group	Cr James Hansen
UDIA Fraser Coast Executive	Mayor
Water & Wastewater Advisory Committee	Mayor, Cr Robert Garland, Cr Stuart Taylor, Cr Trevor McDonald, Cr George Seymour
Wide Bay Burnett Regional Organisation of Councils (WBBROC)	Mayor (Proxy Deputy Mayor)
Wide Bay Burnett Regional Roads Group	Cr Trevor McDonald
Wide Bay Burnett Regional Water Supply Strategy - Strategy Management Committee	Part of WBBROC
Wide Bay Regional Planning Advisory Committee (RPAC)	Mayor (Proxy Cr Trevor McDonald)
Wide Bay Water Corporation	Mayor
Widelinx Pty Ltd	Cr Stuart Taylor Cr Trevor McDonald

Code of Conduct for Councillors

Section of Local Government Regulation 2012	Number of Complaints/ Orders	Recommendation Section of Local Government Act 2009
186(d)(i)	0	180(2) or (4)
186(d)(ii)	1	181
186(e)(i)	-	180 or 181 - Cr Darren Everard
186(e)(ii)	-	Disclosure of email correspondence without approval
186(e)(iii)	-	<ul style="list-style-type: none"> Written Apology Training in Code of Conduct and Queensland Information Privacy Act
186(f)(i)	1	No further action taken under Section 176C(2)
186(f)(ii)	0	176C(3)(a)(i)
186(f)(iii)	1	176C(3)(a)(ii) or (b) (i) (refer complaint listed above in accordance with 186(d)(ii))
186(f)(iv)	0	176C(4)(a)
186(f)(v)	0	n/a
186(f)(vi)	0	n/a
186(f)(vii)	0	n/a
186(f)(viii)	0	176C(6)

Administrative Action Complaints

Pursuant to Section 187(1)(a) and (b) of the *Local Government Regulation 2012*:

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.

Pursuant to Section 187(2)(a) of the *Local Government Regulation 2012*:

- (i) 108 Administrative Action Complaints were received by Council;
- (ii) 96 Administrative Action Complaints were resolved under the complaints management process;
- (iii) 12 Administrative Action Complaints were not resolved under the complaints management process.

Pursuant to Section 187(2)(b), 173 Administrative Action Complaints under Section 187(2)(a)(iii) of the *Local Government Regulation 2012*, were made in a previous financial year.

Councillors and Employees' Overseas Travel

Pursuant to Section 188(1) and (2) of the *Local Government Regulation 2012*, the following Councillors and Employees undertook overseas travel in an official capacity during the 2014/15 financial year:

China and Japan:

- **Names of Councillors:** Mayor Gerard O'Connell, (Cr Chris Loft and Cr Trevor McDonald - at own cost)
- **Name and position of Employee:** Lisa Desmond – Chief Executive Officer
- **Destination:** Leshan, China and Kasukabe, Japan
- **Purpose:** Sister and Friendship City Visit – Renew relations
- **Cost:** \$4,977.83 incl GST

United States of America:

- **Name and position of Employee:** Davendra Naidu – Group Manager Infrastructure Delivery
- **Destination:** United States of America
- **Purpose:** Gain knowledge and experience in the design, manufacture and testing of composite piles and the performance of this new technology in marine environment
- **Cost:** \$4,718.31 incl GST

Council Expenditure on Grants to Community Organisations

Pursuant to Section 189(a) of the *Local Government Regulation 2012*, Council's expenditure on grants to community organisations for the 2014/15 financial year totalled \$230,643. \$159,360 was invested in community groups for upgrades to sporting and community facilities and \$71,283 was invested in supporting regional events.

Councillors' Discretionary Fund Expenditure

Pursuant to Section 189(b) of the *Local Government Regulation 2012*:

- \$1,100,000 discretionary funding was approved



for capital works for community purposes. Total expenditure for the reporting period was \$812,281. An amount of \$263,757 was approved to be carried forward into the next reporting period with the balance of \$23,962 in savings being redirected to Council's Asset Sustainability Reserve.

- There was no expenditure from Councillors' Discretionary Fund for community organisations during 2014/15.

Mayor's Community Benefit Fund - Donations received and donations out

- Donations Received - Nil
- Donations Out - \$2,000

Commercial Business Units

Pursuant to Section 190(1)(c) and (2)(a) to (d) of the *Local Government Regulation 2012*, Council did not operate any commercial business units during the reporting period.

Service Facility or Activity

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

Special Rates and Charges

Pursuant to Section 190(1)(d)(ii) of the *Local Government Regulation 2012*, details of any action taken for, and expenditure on, a service, facility or activity for which Council levied special rates or charges for the 2014/15 financial year are as follows:

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.

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

Changes to Tenders

Pursuant to Section 190(1)(e) of the *Local Government Regulation 2012*, no invitations were extended to change tenders under Section 228(7) of the Regulation during the reporting period.

List of Registers kept by Council

Pursuant to Section 190(1)(f) of the *Local Government Regulation 2012*, 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 Roads

Summary of Concessions for Rates and Charges granted by Council

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

- Equity - having regard to the different levels of capacity to pay within the local community;
- Consistency - the same treatment for ratepayers receiving concessional rating;
- 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 \$1,774,056 for the period 1 July 2014 to 30 June, 2015.

- (b) Other concessions including assistance to recreation, sporting and community groups - Council recognises 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. Conservation areas rates rebate, Council provides a concession to responsible land owners who are responding to the growing impacts of climate change by preserving, restoring and protecting the natural environment. Council has also committed to providing assistance for the preservation, restoration and maintenance of properties of local heritage significance. These properties receive a Local Heritage Register Rebate.

Total expenditure on other concessions was \$620,141 for the period 1 July 2014 to 30 June 2015.

- (c) To encourage the prompt payment of rates and charges a 10% discount was allowed if all annual rates and charges were paid in 45 clear days after the issue of a rate notice and 7.5% discount was allowed if all water and sewerage charges were paid in 30 clear days after the issue of a water and sewerage notice.

Total discount allowed was \$11,197,857 (consolidated) for the period 1 July 2014 to 30 June 2015.

Internal Audit Report

Pursuant to Section 190(1)(h) of the *Local Government Regulation 2012*, following is the report on Internal Audits for the reporting period:

The Audit Committee approved a 3 year internal audit plan that consists of 7 audits for 2013/2014, 8 audits for 2014/2015 and 9 audits for the 2015/16 year. These audits are conducted by the Internal Auditor and the findings presented to the Audit Committee for approval and monitoring.

The 2014/15 year resulted in 8 audits completed and commenced. The completed audits resulted in 30 action items for completion by the organisation. The Internal Auditor, the Chief Executive Officer and the Audit Committee continue to monitor any unresolved issues.

Equal Opportunity in Employment

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: 281
- Aboriginal & Torres Strait Islander: 19
- People with a Disability: 8
- Non English speaking background: 19

Competitive Neutrality Complaints

Pursuant to section 190(1)(i) and (j) of the *Local Government Regulation 2012*, no complaints in relation to competitive neutrality were received during the reporting period.

Right to Information

15 Right to Information applications and 8 Information Privacy applications were received during the 2014/15 reporting period. Reviews undertaken: Internal 1, External 0.

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 1/07/14 to 30/06/15 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, Learning Seat eLearning program, intranet notification and intranet document portal.

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.

General Purpose Financial Statement, Current-year Financial Sustainability Statement, Long term Financial Sustainability Statement, Auditor-General's Audit Reports and Community Financial Report

Pursuant to Sections 183(a)(b)(c)(d) and 184 of the *Local Government Regulation 2012*:

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 financial statements which are prepared in accordance with legislation.

Council's General Purpose Financial Statement, Current-year Financial Sustainability Statement, Long Term Financial Sustainability Statement and Auditor-General's Audit Reports appear following the Community Financial Report.

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

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 2015.

About the management certificate

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

About the financial statements

The financial statements incorporate four primary financial statements and accompanying notes. The statements assist in providing a high level picture of Council finances for the 2014/15 year. In addition, there are three ratios which must be reported by all local governments, for both the current year and a forecast for the next ten financial years. These ratios are measures of financial sustainability and the calculations are required to be audited.

1. A Statement of Comprehensive Income

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

2. A Statement of Financial Position

A 30 June 2015 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.

6. Financial Sustainability Statements

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

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

Statement of Comprehensive Income	Consolidated \$'000	Council \$'000	Purpose
Total income	248,039	183,637	Shows the extent to which community equity has been increased or decreased, showing all revenue earned and expenses incurred for the financial year.
Total expenses	(194,395)	(136,123)	
Net Result for year	53,644	47,514	
Other comprehensive income	75,461	0	
Total Comprehensive Income for year	129,105	47,514	
Statement of Changes in Equity	Consolidated \$'000	Council \$'000	Purpose
Opening Balance	2,014,031	1,662,922	Shows the movement in total community equity (what the Council is worth) as at 30 June 2015.
Net result for year	53,644	47,514	
Asset revaluations	75,461	0	
Other movements	1,103	0	
Total Community Equity at end of year	2,144,239	1,710,436	
Statement of Cash Flows	Consolidated \$'000	Council \$'000	Purpose
Operating activities	79,714	62,105	Shows the nature and amount of Council's cash inflows and outflows from all activities. Council's consolidated cash held at 30 June 2015 was \$177.80 million up from \$146.93 million at 30 June 2014.
Investing activities	(34,419)	(26,086)	
Financing activities	(14,423)	(8,161)	
Net increase in cash held	30,872	27,858	
Cash at beginning of the year	146,928	142,032	
Cash at end of the year	177,800	169,890	
Statement of Financial Position	Consolidated \$'000	Council \$'000	Purpose
Cash and investments	177,800	169,890	Shows the assets and liabilities which make up the community equity as at 30 June 2015.
Other current assets	44,985	43,778	
Non current assets	2,113,309	1,625,571	
Total Assets	2,336,094	1,839,239	
Current liabilities	39,862	58,129	
Non Current liabilities	151,993	70,674	
Total Liabilities	191,855	128,803	
Net Community Assets	2,144,239	1,710,436	
Capital and retained surplus	1,738,525	1,527,299	
Asset revaluation surplus	405,714	183,137	
Total Community Equity	2,144,239	1,710,436	

About the auditor's report

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

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 2015 \$'000	Consolidated 2014 \$'000	Council 2015 \$'000	Council 2014 \$'000
Operating revenue	195,744	179,746	141,868	127,001
Operating expenditure	181,274	175,694	128,575	122,862
Net result before capital revenue	14,470	4,052	13,293	4,139
Capital revenue	52,295	45,188	41,769	38,890
Capital expenses	13,121	20,745	7,548	18,091
Net result	53,644	28,495	47,514	24,938

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 \$13.29 million, and the consolidated operating position as at 30 June 2015 is a surplus of \$14.47 million.

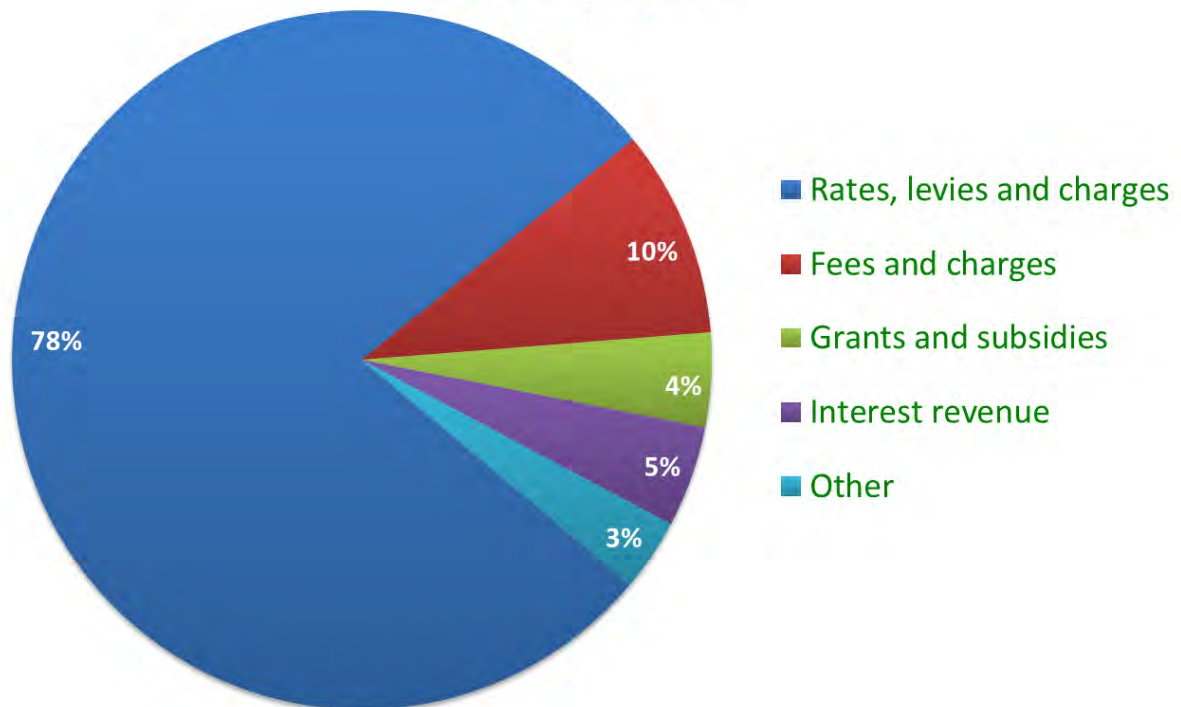


REVENUE

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 \$152.7 million or 78% 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 charges.

Where did the money come from? Operating revenue



Council's operating revenue at a glance

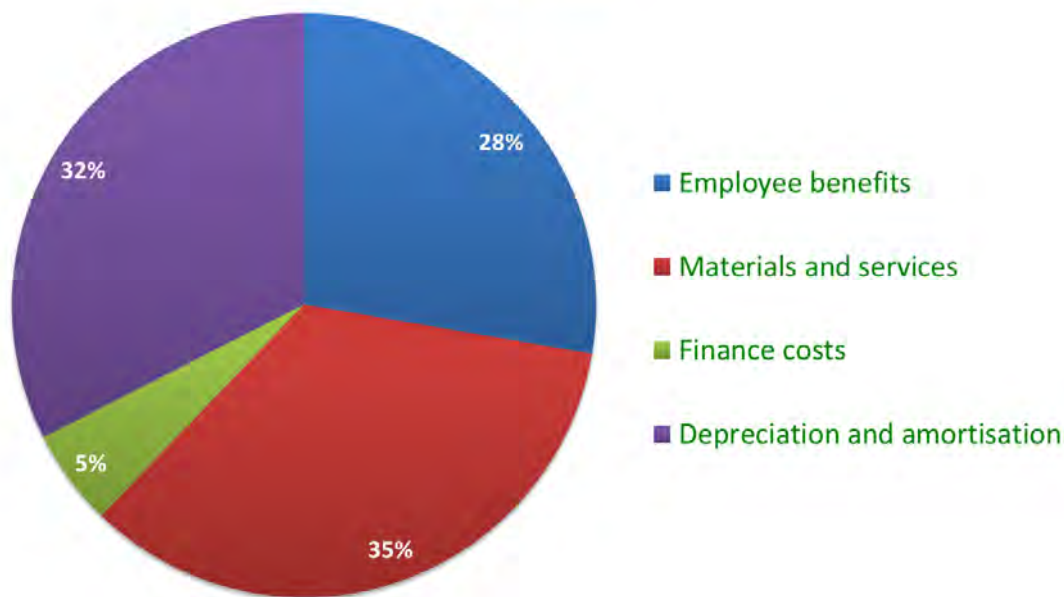
	Consolidated 2015 \$'000	Consolidated 2014 \$'000	Council 2015 \$'000	Council 2014 \$'000
Rates, levies and charges	152,702	143,125	88,948	81,596
Fees and charges	18,839	16,342	18,134	15,516
Interest revenue	9,159	8,902	14,235	14,049
Operating grants and subsidies	8,522	4,970	8,506	4,952
Other income	6,522	6,407	12,045	10,888
Total operating revenue	195,744	179,746	141,868	127,001

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 2015 \$'000	Consolidated 2014 \$'000	Council 2015 \$'000	Council 2014 \$'000
Employee benefits	50,199	49,206	37,486	36,130
Materials and services	62,551	60,465	49,868	47,863
Finance costs	9,646	10,168	3,977	4,158
Depreciation and amortisation	58,878	55,855	37,244	34,711
Total operating expenses	181,274	175,694	128,575	122,862

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 2015 \$'000	Consolidated 2014 \$'000	Council 2015 \$'000	Council 2014 \$'000
Assets	2,336,094	2,222,637	1,839,239	1,796,622
Less liabilities	191,855	208,606	128,803	133,700
Equity	2,144,239	2,014,031	1,710,436	1,662,922
Represented by:				
Retained surplus	1,738,525	1,683,778	1,527,299	1,479,785
Asset revaluation surplus	405,714	330,253	183,137	183,137
Net community equity	2,144,239	2,014,031	1,710,436	1,662,922

ASSETS

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. The value of community assets has increased by about \$113.5 million mainly due to the revaluation of Wide Bay Water Corporation assets plus the inclusion of a number of infrastructure assets in the asset registers that had not previously been recognised, following a comprehensive review of Council's asset databases.

In addition, Council holds other short term assets including cash assets held in bank accounts and investments of approximately \$169.9 million (consolidated \$177.8 million). These cash reserves are funds Council is required to put aside for future projects such as replacement of roads, stormwater drainage, water and wastewater systems.

LIABILITIES

Council's largest liability is its interest bearing loans with Queensland Treasury Corporation (QTC), which at 30 June 2015 stood at approximately \$66.7 million (consolidated \$154.3 million).

Council undertakes a loan borrowing program to fund new major facilities that are constructed to service community needs. In the current financial year, neither Council or Wide Bay Water Corporation borrowed any money, but repaid \$8.16 million (consolidated – repaid \$14.42 million). Affordability indicators show that Council is comfortably able to service its debt position.

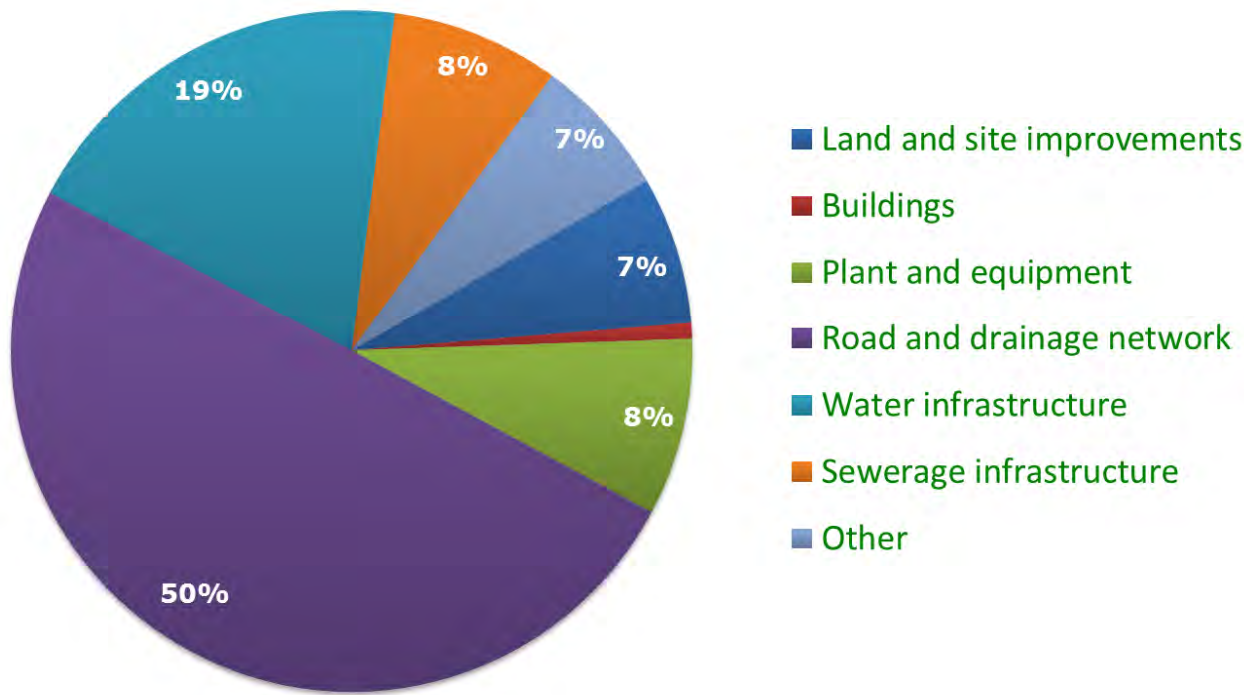
EQUITY

This represents the net value of total community assets, i.e. what our community owns. Part of equity includes the cash held by Council, of which there are internal restrictions on the majority of the cash it holds (e.g. for future capital works).

CAPITAL WORKS (investment in community infrastructure)

Total capital additions to Council’s non-current assets during the period totalled \$77.7 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: Financial Management (Sustainability) Guideline 2013].

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



Financial sustainability indicator	How the measure is calculated	Target	Consolidated	Council
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0% - 10%	7.39%	9.37%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	Greater than 90%	72.52%	92.95%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Less than 60%	(15.80%)	(59.82%)

4. Financial management strategy

Fraser Coast Regional Council is continuing its commitment to advance its forward financial planning processes. Council has developed a strategic Long Term Financial Plan which defines the high level financial policies, commitments and parameters that guide the development of service levels, rating and other income, expenditure and treasury management decisions. The strategic Long Term Financial Plan is a ten year rolling plan adopted each year with the annual budget. The key objective of the Strategic Long Term Financial Plan is:

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

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

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

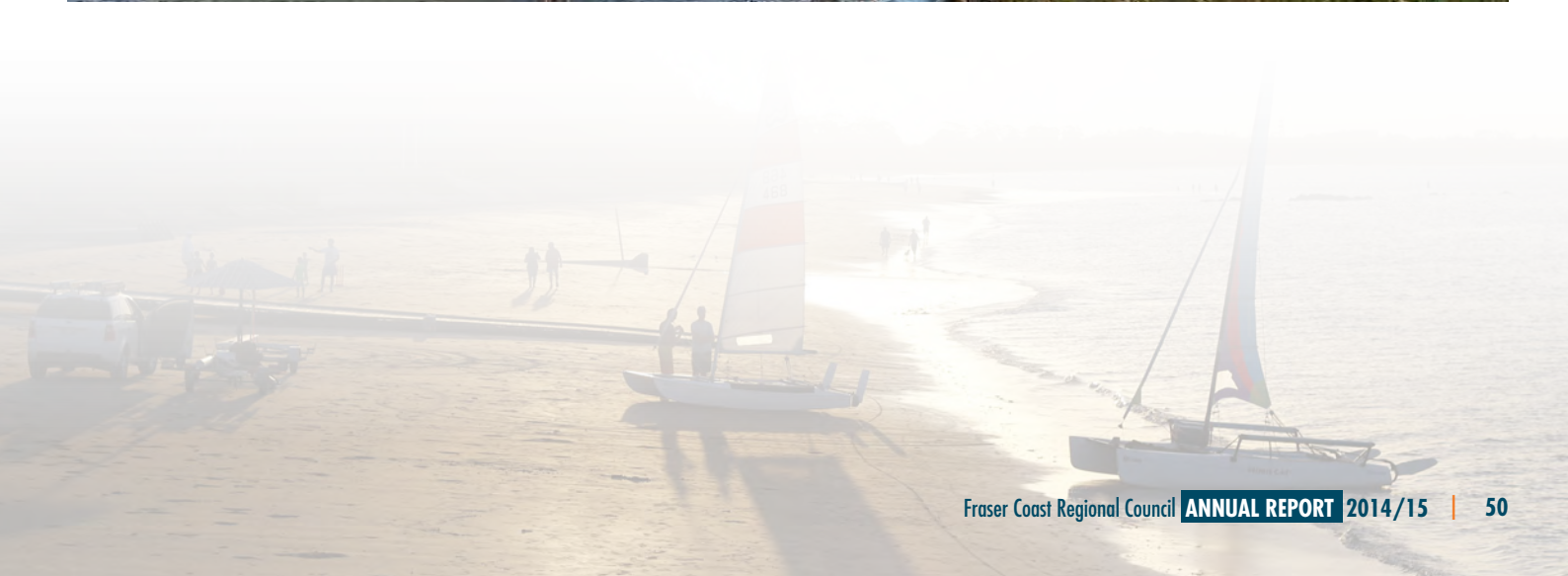
Further enhancement and integration of the Long Term Financial Plan and Asset Management Plans, will assist Council in meeting its strategic objectives through the delivery of efficient and effective essential community services and the provision of key infrastructure that meets community expectations.

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

- Asset Management Plans - further enhancement and refinement of Asset Management Plans for the replacement and renewal of infrastructure including asset condition assessments;
- Service levels - continued review of service levels for the provision of operational and capital works which are clearly articulated and communicated to the community; and
- Funding strategy - commitment to a forward funding strategy that underpins the strategic and operational objectives of Council.

Fraser Coast Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015



General purpose financial statements
for the year ended 30 June 2015

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Overview

- (i) These financial statements are general purpose financial statements and cover the consolidated operations for Fraser Coast Regional Council.
 - (ii) All figures presented in these financial statements are presented in Australian currency.
 - (iii) These financial statements were authorised for issue by Council on 15/10/15.
-

Statement of Comprehensive Income

for the year ended 30 June 2015

		Consolidated		Council	
		Restated		Restated	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Income					
Revenue					
Recurrent revenue					
Rates, levies and charges	3a	152,702	143,125	88,948	81,596
Fees and charges	3b	18,839	16,342	18,134	15,516
Rental income		411	416	369	370
Interest revenue	3c	9,159	8,902	14,235	14,049
Sales revenue		2,072	2,207	1,543	1,525
Other income	3d	4,039	3,784	10,133	8,993
Grants, subsidies, contributions and donations	4a	8,522	4,970	8,506	4,952
Total recurrent revenue		195,744	179,746	141,868	127,001
Capital revenue					
Grants, subsidies, contributions and donations	4b	40,328	31,218	29,900	25,091
Total revenue		236,072	210,964	171,768	152,092
Capital income	5	11,967	13,970	11,869	13,799
Total income		248,039	224,934	183,637	165,891
Expenses					
Recurrent expenses					
Employee benefits	6	50,199	49,206	37,486	36,130
Materials and services	7	62,551	60,465	49,868	47,863
Finance costs	8	9,646	10,168	3,977	4,158
Depreciation and amortisation	9 & 28	58,878	55,855	37,244	34,711
Total recurrent expenses		181,274	175,694	128,575	122,862
Capital expenses	10	13,121	20,745	7,548	18,091
Total expenses		194,395	196,439	136,123	140,953
Net result		53,644	28,495	47,514	24,938
Other comprehensive income					
<i>Items that will not be reclassified subsequently to net result</i>					
Increase in asset revaluation surplus	21	75,461	16,573	-	16,573
Total other comprehensive income		75,461	16,573	-	16,573
Total comprehensive income		129,105	45,068	47,514	41,511

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

Statement of Financial Position

as at 30 June 2015

			Consolidated	Restated		Council	Restated
	Notes	2015	Restated	2013*	2015	Restated	2013*
		\$'000	2014	2013*	\$'000	2014	2013*
			\$'000	\$'000		\$'000	\$'000
ASSETS							
Current assets							
Cash and cash equivalents	11(a)	157,800	146,928	147,880	149,890	142,032	142,664
Investments	11(b)	20,000	-	-	20,000	-	-
Trade and other receivables	12	43,868	52,952	50,189	43,246	52,040	47,367
Inventories		1,117	1,418	1,227	532	732	482
Total current assets		222,785	201,298	199,296	213,668	194,804	190,513
Non-current assets							
Trade and other receivables	12	-	-	-	73,500	73,500	73,500
Land held for development and resale	13	5,293	4,824	2,031	5,293	4,824	2,031
Investment in controlled entities	14	1,991	1,991	1,991	223,743	223,743	223,743
Property, plant and equipment	15	2,104,050	2,012,581	1,978,186	1,322,579	1,299,237	1,264,079
Intangible assets	17	562	718	812	456	514	630
Biological assets		1,413	1,225	1,024	-	-	-
Total non-current assets		2,113,309	2,021,339	1,984,044	1,625,571	1,601,818	1,563,983
Total assets		2,336,094	2,222,637	2,183,340	1,839,239	1,796,622	1,754,496
LIABILITIES							
Current liabilities							
Trade and other payables	18	17,775	20,987	22,163	44,463	42,169	43,011
Borrowings	19	15,006	12,351	15,777	8,518	6,084	9,353
Provisions	20	6,206	6,448	5,947	4,441	4,634	4,160
Other liabilities		875	644	1,053	707	476	729
Total current liabilities		39,862	40,430	44,940	58,129	53,363	57,253
Non-current liabilities							
Borrowings	19	139,278	156,356	158,773	58,158	68,753	65,358
Provisions	20	12,715	11,820	10,664	12,516	11,584	10,475
Total non-current liabilities		151,993	168,176	169,437	70,674	80,337	75,833
Total liabilities		191,855	208,606	214,377	128,803	133,700	133,086
Net community assets		2,144,239	2,014,031	1,968,963	1,710,436	1,662,922	1,621,410
COMMUNITY EQUITY							
Asset revaluation surplus	21	405,714	330,253	313,680	183,137	183,137	166,564
Retained surplus		1,738,525	1,683,778	1,655,283	1,527,299	1,479,785	1,454,846
Total community equity		2,144,239	2,014,031	1,968,963	1,710,436	1,662,922	1,621,410

* 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 2013. Details are disclosed in Note 28.

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

Statement of Changes in Equity

for the year ended 30 June 2015

	Notes	Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
Consolidated				
2015				
Balance as at 1 July 2014		330,253	1,683,778	2,014,031
Correction of prior period errors (WBWC)	28	-	1,103	1,103
Net result		-	53,644	53,644
Other comprehensive income				
Increase in asset revaluation surplus	21	75,461	-	75,461
Total comprehensive income		<u>75,461</u>	<u>53,644</u>	<u>129,105</u>
Balance as at 30 June 2015		<u>405,714</u>	<u>1,738,525</u>	<u>2,144,239</u>
2014				
Balance as at 1 July 2013		313,680	1,556,181	1,869,861
Correction of prior period errors *	28	-	99,102	99,102
Restated balance as at 1 July 2013		<u>313,680</u>	<u>1,655,283</u>	<u>1,968,963</u>
Net result		-	28,535	28,535
Correction of prior period errors *	28	-	(40)	(40)
Restated net result		<u>-</u>	<u>28,495</u>	<u>28,495</u>
Other comprehensive income				
Increase in asset revaluation surplus	21	16,573	-	16,573
Total comprehensive income - restated		<u>16,573</u>	<u>28,495</u>	<u>45,068</u>
Balance as at 30 June 2014 - restated		<u>330,253</u>	<u>1,683,778</u>	<u>2,014,031</u>
Council				
2015				
Balance as at 1 July 2014		183,137	1,479,785	1,662,922
Net result		-	47,514	47,514
Total comprehensive income		<u>-</u>	<u>47,514</u>	<u>47,514</u>
Balance as at 30 June 2015		<u>183,137</u>	<u>1,527,299</u>	<u>1,710,436</u>
2014				
Balance as at 1 July 2013		166,564	1,355,745	1,522,309
Correction of prior period errors *	28	-	99,102	99,102
Restated balance as at 1 July 2013		<u>166,564</u>	<u>1,454,847</u>	<u>1,621,411</u>
Net result		-	24,978	24,978
Correction of prior period errors *	28	-	(40)	(40)
Restated net result		<u>-</u>	<u>24,938</u>	<u>24,938</u>
Other comprehensive income				
Increase in asset revaluation surplus	21	16,573	-	16,573
Total comprehensive income - restated		<u>16,573</u>	<u>24,938</u>	<u>41,511</u>
Balance as at 30 June 2014 - restated		<u>183,137</u>	<u>1,479,785</u>	<u>1,662,922</u>

* 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 2013. Details are disclosed in Note 28.

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

Statement of Cash Flows
for the year ended 30 June 2015

		Consolidated		Council	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash flows from operating activities					
Receipts from customers		181,978	158,622	113,801	97,998
Payments to suppliers and employees		(118,169)	(113,708)	(87,287)	(87,654)
		63,809	44,914	26,514	10,344
Investment and interest revenue received		9,753	8,322	14,830	13,469
Rental income		413	416	371	370
Non-capital grants and contributions		8,567	5,751	8,552	5,734
Other income		6,704	6,463	11,819	4,025
Competitive neutrality adjustments		-	-	2,167	2,895
Corporate support charges		-	-	1,716	409
Borrowing costs		(9,532)	(10,016)	(3,864)	(4,006)
Net cash inflows from operating activities	27	<u>79,714</u>	<u>55,850</u>	<u>62,105</u>	<u>33,240</u>
Cash flows from investing activities					
Proceeds from sale of land held for resale		228	189	228	189
Proceeds from sale of property, plant and equipment		1,694	1,033	691	779
Capital grants, subsidies, contributions and donations		21,163	18,800	16,531	16,681
Net movement in cash investments		(20,000)	-	(20,000)	-
Purchase/construction of property, plant and equipment		(57,359)	(70,557)	(43,403)	(51,385)
Purchase of interest in associate		-	(113)	-	(113)
Payments for intangible assets		(145)	(318)	(133)	(156)
Net cash outflows from investing activities		<u>(54,419)</u>	<u>(50,966)</u>	<u>(46,086)</u>	<u>(34,005)</u>
Cash flows from financing activities					
Proceeds from borrowings		-	8,966	-	8,966
Repayment of borrowings		(14,423)	(14,802)	(8,161)	(8,833)
Net cash outflows (inflows) from financing activities		<u>(14,423)</u>	<u>(5,836)</u>	<u>(8,161)</u>	<u>133</u>
Net increase (decrease) for the year		<u>10,872</u>	<u>(952)</u>	<u>7,858</u>	<u>(632)</u>
Cash and cash equivalents at the beginning of the financial year		146,928	147,880	142,032	142,664
Total cash and cash equivalents at the end of the financial year	11(a)	<u>157,800</u>	<u>146,928</u>	<u>149,890</u>	<u>142,032</u>
Investments					
Term deposits > 3 months	11(b)	20,000	-	20,000	-
Total cash, cash equivalents and investments	11	<u>177,800</u>	<u>146,928</u>	<u>169,890</u>	<u>142,032</u>

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

Notes to the financial statements for the year ended 30 June 2015

Contents of the notes accompanying the financial statements

Note Details

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- 2(a)** Council functions - component descriptions
- 2(b)** Council functions - analysis of results by function
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- 5** Capital income
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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 2014 to 30 June 2015 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. 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 (AASB).

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

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

These financial statements have been prepared under the historical cost convention except for the following:

- Financial assets and liabilities, certain classes of property, plant and equipment and investment property which are measured at fair value; and
- Assets held for sale which are measured at fair value less cost of disposal.

Recurrent/capital classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income on the following basis:

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

The following transactions are classified as either "capital income" or "capital expenses" depending

on whether they result in accounting gains or losses:

- Disposal of non-current assets;
- Discount rate adjustments to restoration provisions; and
- Revaluations of investment property and property, plant and equipment.

All other revenue and expenses have been classified as "recurrent".

(b) Statement of compliance

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 (the Corporation) and its results for the year ended 30 June 2015. Council and the 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 Fraser Coast Opportunities Ltd are included in Note 25 but are not consolidated as they do not have a material effect on the results.

Council entered into a joint venture agreement on 14 April 2015 for a development being conducted by Fraser Coast Residential Airpark Pty Ltd. Works are scheduled to commence in November 2015 with sales not anticipated until the 2015/16 year. As the impact of this joint venture is not expected to be material to Council's overall operations, no separate disclosures have been made in relation to this joint venture.

In the process of reporting Council as a single economic entity, all transactions with the

Notes to the financial statements for the year ended 30 June 2015

Note 1. Summary of significant accounting policies continued

Corporation have been eliminated. In addition, the accounting policies of the 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, with the exception of the impairment of the Corporation's waterpark assets in 2013, where Council reflected the impairment on consolidation. Information on controlled entities is included in Note 1(k) and Note 25.

(d) Adoption of new and revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting period. These standards comprised AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, AASB 127 (revised 2011) *Separate Financial Statements* and AASB 128 (revised 2011) *Investments in Associates and Joint Ventures*. The impact of these standards is summarised below:

AASB 11 *Joint Arrangements* replaced AASB 131 *Interests in Joint Ventures* for the 2014-15 financial year. AASB 11 specifies how a joint arrangement, where two or more parties have control, should be accounted for. Under AASB 11, joint arrangements are classified as either joint operations or joint ventures and this, in turn, determines the accounting treatment. This classification is based on the rights and obligations of the parties and, when relevant, other facts and circumstances. Previously, AASB 131 classified joint arrangements based primarily on legal form. Under that standard there were three types of joint arrangements - jointly controlled entities, jointly controlled operations and jointly controlled assets.

AASB 12 is a new disclosure standard applicable to interests in subsidiaries, joint ventures, associates and unconsolidated structured entities. In general

applying this standard will result in greater disclosure.

AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* relieves not-for-profit public sector entities from various disclosures specified in AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. This standard applies to annual reporting periods beginning on or after 1 July 2016. Early application is permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 July 2016. Council has applied this standard for the current reporting period beginning 1 July 2014 (refer Note 16).

Council has not applied any other Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Council applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial statements, AASB 9 *Financial Instruments* is the only new accounting standard with a future application date that is expected to have a material impact on Council's financial statements.

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

Notes to the financial statements for the year ended 30 June 2015

Note 1. Summary of significant accounting policies continued

As a result, Council will be required to measure its financial assets, including its investment in Wide Bay Water Corporation at fair value.

AASB 15 *Revenue from Contracts with Customers* is effective from 1 January 2018 and will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

Due to its recent release, Council is still reviewing the method of measurement and recognition of revenue to identify whether AASB 15 *Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified.

AASB 124 *Related Parties* is effective from 1 July 2016. It is currently expected that Councillors, the Chief Executive Officer and Directors would be considered key management personnel. In addition, Wide Bay Water Corporation, Fraser Coast Residential Airpark Pty Ltd, Wideline Pty Ltd and Fraser Coast Opportunities Ltd would be considered related parties under AASB 124. As a result, Council will need to capture and report transactions with each of the listed entities. Council is currently considering methods for collecting the related party transactions prior to the application of this standard.

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

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

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and

other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

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

- Valuation and depreciation of property, plant and equipment - Note 1(l) and Note 15
- Impairment of property, plant and equipment - Note 1(n) and Note 10
- Employee benefits and provisions - Note 1(p), Note 1(r) and Note 20
- Contingent liabilities - Note 23.

(f) Revenue

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 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. Internal restrictions that have been placed on Council's cash and cash equivalents are disclosed in note 11.

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 expensed as used.

Physical assets contributed to Council by developers in the form of roadworks, stormwater, water and wastewater infrastructure and park equipment are

Notes to the financial statements for the year ended 30 June 2015

Note 1. Summary of significant accounting policies continued

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 the development plan is sealed.

Interest

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

Interest received from the shareholder loan with Wide Bay Water Corporation is accrued daily, payable on 30 June and 31 December of each calendar year in arrears calculated up to that day.

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.

(g) 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(h))
- Investments (Note 1(k))
- Trade and other receivables - measured at amortised cost (Note 1(i))

Financial liabilities

- Trade and other payables - measured at amortised cost (Note 1(o))
- Borrowings - measured at amortised cost (Note 1(q))

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 30.

(h) Cash and cash equivalents

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

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary or future use which is disclosed in Note 11.

(i) Trade and other 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,

Notes to the financial statements for the year ended 30 June 2015

Note 1. Summary of significant accounting policies continued

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.

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.

(j) Land held for development and resale

Land acquired by Council with the intention of reselling it (with or without further development) is classified as land held for development and resale. This land is valued at the lower of cost or net realisable value. This land held for resale is treated as inventories except where it is anticipated that a material portion of land value will not be sold within 12 months. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

(k) Investments

Term deposits in excess of three months are reported as cash investments and are disclosed in Note 11.

Council's investment in Wide Bay Water Corporation is accounted for at cost in Council's separate financial statements. This investment is eliminated in the financial statements upon consolidation. Fraser Coast Regional Council holds 100% of the shares in Wide Bay Water Corporation. The shares are currently measured at cost in the financial statements.

(l) Property, plant and 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	not depreciated
Site improvements	10-100
Buildings	50-60
Plant and equipment	3-5
Infrastructure	
- Road & bridge network	10-125
- Water infrastructure	20-80
- Sewerage infrastructure	12-100
- Drainage	60-100
- Coastal infrastructure	20-50
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 is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Capital and operating expenditure

Direct labour and materials and an appropriate proportion of labour overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and

Notes to the financial statements for the year ended 30 June 2015

Note 1. Summary of significant accounting policies continued

commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

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

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* and AASB 13 *Fair Value Measurement*. 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 will either engage independent, professionally qualified valuers to assess the movement in valuation indices or perform a “desktop” valuation or use internal engineers and asset managers to assess the condition and cost assumptions in respect of Council’s infrastructure asset classes. The valuer’s methodologies in determining indexation percentages for the construction costs of infrastructure assets are derived using appropriate assumptions, professional experience and tools available to them. When a desktop valuation is performed, management provides updated information to the valuer regarding additions, deletions, impairments and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes. Together these are used to form the basis of a valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements and buildings asset classes in the intervening years, management use relevant price indices or other reliable measures that can be used to estimate the current values of these classes.

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 16.

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying

Notes to the financial statements for the year ended 30 June 2015

Note 1. Summary of significant accounting policies continued

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 the Council.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The

condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in the table in Note 1 (l).

(m) Intangible assets

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

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. Details of the estimated useful lives assigned to intangible assets is shown in Note 17.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the

Notes to the financial statements for the year ended 30 June 2015

Note 1. Summary of significant accounting policies continued

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.

(o) Trade and other 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.

(p) Employee benefits

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 18 as a payable.

Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 18 as a payable.

As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

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 24.

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 20 as a provision.

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

(q) 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 Regulation 2012*, Council adopts an annual debt policy that sets

Notes to the financial statements for the year ended 30 June 2015

Note 1. Summary of significant accounting policies continued

out Council's planned borrowings for the next ten 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 complies with the Queensland Treasury Corporation's borrowing guidelines and aims to 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.

(r) Restoration provision

A provision is made for the cost of restoration in respect of landfill sites where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required; discounted to current day values using the average interest rate of Council's term investments at 30 June 2015.

The provision represents the present value of the anticipated future costs associated with the closure of the landfill sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Changes in the provision are recognised as an expense. Estimated closure dates for Council's landfills are between 1991 and 2033 and expenditure is expected from 2015 to 2063. Details can be found in Note 20.

(s) Asset revaluation surplus

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

Increases and decreases on revaluation are offset within a class of assets.

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

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

(t) National Competition Policy

Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 31.

(u) Rounding and comparatives

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

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

(v) 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

Notes to the financial statements for the year ended 30 June 2015

Note 1. Summary of significant accounting policies continued

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 26.

(w) 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 Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

Wide Bay Water Corporation pays an income tax equivalent to Council in accordance with the requirements of the *Local Government Act 2009*.

Where an activity of Wide Bay Water Corporation 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.



Notes to the financial statements for the year ended 30 June 2015

Note 2(a) Council functions - component descriptions

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

Government and administration

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

Economic development

To increase business activity and employment by promoting 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 including 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.

Notes to the financial statements
for the year ended 30 June 2015

Note 2(b) analysis of results by function

2015 Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Total assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Government and administration	4,434	100,053	3,541	(344)	107,684	(29,138)	(17)	(29,155)	75,349	78,529	623,797
Economic development	-	5	20	-	25	(267)	-	(267)	(262)	(242)	-
Roads infrastructure and operations	3,090	1,603	3,943	26,497	35,133	(41,596)	(4,892)	(46,488)	(36,903)	(11,355)	740,822
Stormwater drainage	-	-	-	5,915	5,915	(9,305)	-	(9,305)	(9,305)	(3,390)	334,349
Commercial activities	-	6,339	-	-	6,339	(4,994)	-	(4,994)	1,345	1,345	31,325
Community and recreation	972	896	694	1,489	4,051	(19,978)	(2,191)	(22,169)	(18,110)	(18,118)	78,465
Development services	-	3,513	-	-	3,513	(3,299)	-	(3,299)	214	214	16
Environment and health	10	4,127	6	10	4,153	(6,964)	-	(6,964)	(2,827)	(2,811)	16,417
Solid waste management	-	16,826	-	(2)	16,824	(13,034)	(448)	(13,482)	3,792	3,342	14,048
Total Council	8,506	133,362	8,204	33,565	183,637	(128,575)	(7,548)	(136,123)	13,293	47,514	1,839,239
Controlled entity net of eliminations	16	53,860	-	10,526	64,402	(52,699)	(5,573)	(58,272)	1,177	6,130	496,855
Total Consolidated	8,522	187,222	8,204	44,091	248,039	(181,274)	(13,121)	(194,395)	14,470	53,644	2,336,094

2014 Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Total assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
Government and administration	1,586	92,576	4,788	199	99,149	(29,091)	(5,591)	(34,682)	65,071	64,467	609,915
Economic development	-	8	62	97	167	(266)	-	(266)	(258)	(99)	-
Roads infrastructure and operations	2,425	1,623	6,315	9,724	20,087	(38,697)	(10,966)	(49,663)	(34,649)	(29,576)	714,712
Stormwater drainage - restated	-	12	-	14,487	14,499	(7,134)	(108)	(7,242)	(7,122)	7,257	331,957
Commercial activities	-	4,931	-	-	4,931	(4,092)	-	(4,092)	839	839	31,792
Community and recreation	920	620	614	2,604	4,758	(21,062)	(214)	(21,276)	(19,522)	(16,518)	80,117
Development services	-	2,581	-	-	2,581	(3,539)	-	(3,539)	(958)	(958)	4
Environment and health	21	3,722	-	-	3,743	(6,314)	-	(6,314)	(2,571)	(2,571)	15,562
Solid waste management	-	15,976	-	-	15,976	(12,667)	(1,212)	(13,879)	3,309	2,097	12,563
Total Council - restated	4,952	122,049	11,779	27,111	165,891	(122,862)	(18,091)	(140,953)	4,139	24,938	1,796,622
Controlled entity net of eliminations	18	52,727	70	6,228	59,043	(52,832)	(2,654)	(55,486)	(87)	3,557	426,015
Total Consolidated - restated	4,970	174,776	11,849	33,339	224,934	(175,694)	(20,745)	(196,439)	4,052	28,495	2,222,637

Notes to the financial statements

for the year ended 30 June 2015

	Note	Consolidated		Council	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000

Note 3. Revenue analysis

(a) Rates, levies and charges

General rates		75,364	71,940	75,364	71,940
Rural fire levy		378	378	378	378
Environmental levy		-	736	-	736
Disaster levy		515	490	515	490
Toogoom seawall revetment levy		597	-	597	-
Infrastructure levy		3,721	-	3,721	-
Water charges		22,022	20,847	-	-
Water consumption charges		12,211	12,822	-	-
Sewerage charges		33,233	31,486	-	-
Sewerage trade waste charges		460	437	-	-
Waste charges		17,793	16,878	17,793	16,878
		<u>166,294</u>	<u>156,014</u>	<u>98,368</u>	<u>90,422</u>
Less: discounts		(11,198)	(10,660)	(7,026)	(6,597)
Less: pensioner remissions and concessions		(2,394)	(2,229)	(2,394)	(2,229)
		<u>152,702</u>	<u>143,125</u>	<u>88,948</u>	<u>81,596</u>

(b) Fees and charges

Change of ownership fees		304	275	304	275
Building and development fees		356	444	356	444
Caravan park fees		2,988	2,880	2,979	2,874
Wide Bay Water Corporation fees		696	802	-	-
Licences and registrations		1,358	1,327	1,358	1,327
Pool fees		1,305	1,217	1,305	1,217
Airport landing fees		108	106	108	106
Refuse tip fees		4,090	4,001	4,090	4,001
Plumbing and drainage fees		788	786	788	786
Search fees		528	516	528	516
Interment fees		529	508	529	508
Lodgement fees		433	407	433	407
Passenger head taxes		1,539	1,301	1,539	1,301
Planning fees		1,759	685	1,759	685
Security screening revenue		969	-	969	-
Other fees and charges		1,089	1,087	1,089	1,069
		<u>18,839</u>	<u>16,342</u>	<u>18,134</u>	<u>15,516</u>

(c) Interest revenue

Interest received on investments		6,692	6,451	6,352	6,163
Interest on Wide Bay Water shareholder loan		-	-	6,328	6,328
Interest received on State Government fire levy		106	98	106	98
Interest from overdue rates and utility charges		2,361	2,353	1,449	1,460
		<u>9,159</u>	<u>8,902</u>	<u>14,235</u>	<u>14,049</u>

Notes to the financial statements

for the year ended 30 June 2015

Note	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 3. Revenue analysis continued				
(d) Other income				
Competitive neutrality adjustments	-	-	2,167	2,826
Corporate support charges	-	-	1,716	410
Income tax equivalent	-	-	2,619	2,290
Airport income	425	333	425	333
Brolga theatre performance income	579	546	579	546
Commission income	165	182	165	182
Fuel tax credits	218	150	218	150
Insurance receipts	15	205	15	205
Lease income	351	408	351	408
Payroll tax refunds	1	255	1	255
Backflow prevention income	149	130	149	130
Expense reimbursements	458	393	458	393
Vaccination income	86	160	86	160
Vector control income	165	117	165	117
Other income	1,427	905	1,019	588
	<u>4,039</u>	<u>3,784</u>	<u>10,133</u>	<u>8,993</u>

Note 4. Grants, subsidies, contributions and donations

(a) Recurrent

General purpose grants	7,442	3,932	7,426	3,914
Government grants and subsidies	1,080	1,038	1,080	1,038
	<u>8,522</u>	<u>4,970</u>	<u>8,506</u>	<u>4,952</u>

(b) Capital

(i) Monetary revenue designated for capital funding:

Government grants and subsidies	8,204	11,849	8,204	11,779
Contributions	12,959	6,951	8,327	4,902
	<u>21,163</u>	<u>18,800</u>	<u>16,531</u>	<u>16,681</u>

(ii) Non-monetary revenue:

Developer contributed assets	17,877	12,418	13,369	8,410
Wide Bay Water prior year non-monetary adjustment	28 1,288	-	-	-
	<u>19,165</u>	<u>12,418</u>	<u>13,369</u>	<u>8,410</u>
	<u>40,328</u>	<u>31,218</u>	<u>29,900</u>	<u>25,091</u>

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	1,499	660	1,499	660
Contributions	7,893	14	7,893	14
	<u>9,392</u>	<u>674</u>	<u>9,392</u>	<u>674</u>

Non-reciprocal grants and contributions which were recognised as revenue during a previous reporting period and were expended during the current reporting period.

Grants	1,776	3,056	1,776	3,056
Contributions	1,625	2,933	1,625	2,933
	<u>3,401</u>	<u>5,989</u>	<u>3,401</u>	<u>5,989</u>

Notes to the financial statements

for the year ended 30 June 2015

		Consolidated		Council	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000

Note 5. Capital income

(a) Gain/(loss) on disposal of non-current assets

Proceeds from the sale of property, plant and equipment

Less: carrying value of property, plant and equipment disposed of

15

(b) Revaluations

Biological assets

27

(c) Land held for resale

Proceeds from the disposal

Less: carrying value of assets disposed

(d) Other

Previously unrecorded assets [#]

15

Total capital income

[#] The previously unrecorded assets includes the net impact of recording the initial recognition of discovered assets, and assets written off relating to prior periods for the road and bridge network assets (2014: land and site improvements, drainage and coastal infrastructure assets). Management have not presented a restated prior period position as the net impact of the errors identified is not considered material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Note 6. Employee benefits

Wages and salaries		43,440	43,060	31,944	31,182
Annual, sick and long service leave entitlements		5,478	5,456	4,025	3,926
Superannuation	24	5,216	5,023	3,810	3,611
Councillors' remuneration		977	940	977	940
		<u>55,111</u>	<u>54,479</u>	<u>40,756</u>	<u>39,659</u>
Other employee related expenses		2,043	2,117	647	621
		<u>57,154</u>	<u>56,596</u>	<u>41,403</u>	<u>40,280</u>
Less: capitalised employee expenses		(6,955)	(7,390)	(3,917)	(4,150)
		<u>50,199</u>	<u>49,206</u>	<u>37,486</u>	<u>36,130</u>

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

Notes to the financial statements

for the year ended 30 June 2015

	Consolidated		Council	
	2015	2014	2015	2014
Note	\$'000	\$'000	\$'000	\$'000
Note 7. Materials and services				
Advertising and marketing	374	288	301	232
Audit fees - Queensland Audit Office *	289	391	207	313
Chemicals	1,672	1,593	177	130
Cleaning	652	669	636	647
Communication expenses	1,058	965	769	716
Consultants and contractors	6,902	6,593	5,987	5,541
Computer licences and maintenance	1,787	1,665	1,209	1,122
Contributions - Fraser Coast Opportunities	2,215	1,728	2,215	1,728
Directors' remuneration	70	48	-	-
Donations, sponsorships and contributions	951	894	928	886
Electricity and gas charges	6,690	6,639	3,512	3,204
Fuel and oil	1,799	2,010	1,432	1,613
Insurance	2,395	2,607	1,516	1,710
Government charges and licences	353	364	314	309
Memberships and subscriptions	503	454	435	396
Legal fees	574	535	358	394
Plant hire	2,441	2,247	2,280	2,091
Refuse charges	3,653	3,621	3,585	3,555
Repairs and maintenance	2,237	1,879	1,704	1,403
Rentals - operating leases	79	97	63	70
Services	4,952	3,935	3,477	2,442
Materials	3,958	3,164	3,321	2,709
Management fees	905	1,059	905	1,059
Work in progress expensed	4,342	9,156	4,342	9,156
Electrical and water infrastructure expensed	5,423	2,913	5,423	2,913
Workshop expenditure	1,281	1,544	900	1,144
Other materials and services	4,996	3,407	3,872	2,380
	<u>62,551</u>	<u>60,465</u>	<u>49,868</u>	<u>47,863</u>

*Queensland Audit Office fees in respect of the audit of the 2015 year are \$197,000 for Council, and \$280,400 for the consolidated entity (2014: \$197,250 and \$287,000).

Notes to the financial statements

for the year ended 30 June 2015

	Note	Consolidated		Council	
		2015	Restated	2015	Restated
		\$'000	2014	\$'000	2014
			\$'000		\$'000
Note 8. Finance costs					
Finance costs - Queensland Treasury Corporation		9,299	9,773	3,655	3,780
Bank charges		234	222	221	206
Impairment of receivables		-	21	(12)	20
Refuse restoration		113	159	113	159
Fair value adjustment on loans (to Council)		-	(7)	-	(7)
		<u>9,646</u>	<u>10,168</u>	<u>3,977</u>	<u>4,158</u>
Note 9. Depreciation and amortisation					
(a) Depreciation of non-current assets					
Land and site improvements		1,962	1,764	1,962	1,764
Buildings		4,429	4,708	4,173	4,461
Plant and equipment		5,319	4,981	3,887	3,574
Road and bridge network		20,345	19,364	20,345	19,364
Water infrastructure		11,617	11,029	-	-
Sewerage infrastructure		8,247	8,331	-	-
Drainage *		5,664	4,111	5,664	4,111
Coastal infrastructure		493	624	493	624
Other assets		529	541	529	541
	15	<u>58,605</u>	<u>55,453</u>	<u>37,053</u>	<u>34,439</u>
(b) Amortisation of intangible assets					
Computer software	17	<u>273</u>	<u>402</u>	<u>191</u>	<u>272</u>
		<u>273</u>	<u>402</u>	<u>191</u>	<u>272</u>
Total depreciation and amortisation		<u>58,878</u>	<u>55,855</u>	<u>37,244</u>	<u>34,711</u>

* Certain prior period restatements were made to Drainage assets. Refer to note 28 for further details.

Notes to the financial statements

for the year ended 30 June 2015

		Consolidated		Council		
	Notes	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 10. Capital expenses						
(a) Provision for restoration of land						
Discount rate adjustment - refuse restoration		20	425	1,212	425	1,212
			425	1,212	425	1,212
(b) Revaluation decrement						
Downwards revaluation of property, plant and equipment		15	-	1,481	-	1,481
			-	1,481	-	1,481
(c) Other capital expenses						
Loss on write-off of assets			12,329	17,843	6,866	15,199
Loss on impairment		15	80	-	-	-
Loss on write-off of intangible assets			30	10	-	-
Loss on acquisition of interest in associate			-	113	-	113
Opening balance asset adjustment			257	86	257	86
			12,696	18,052	7,123	15,398
Total capital expenses			13,121	20,745	7,548	18,091
Details of write-offs are as follows:						
Buildings			8	25	8	25
Buildings (prior period adjustment) *			-	3,490	-	3,490
Land and site improvements			450	93	450	93
Plant and equipment			438	430	10	396
Road and bridge network			3,886	4,304	3,886	4,304
Road and bridge network (prior period adjustment) *			-	6,577	-	6,577
Water			2,589	1,082	-	-
Sewerage			947	823	-	-
Drainage			747	108	747	108
Work in progress			1,499	705	-	-
Coastal infrastructure			1,765	34	1,765	34
Other assets			-	172	-	172
			12,329	17,843	6,866	15,199

* The above listing of write-offs includes the net impact of recording the initial recognition of discovered assets, and assets written off relating to periods prior to the year ended 30 June 2014 for the buildings and road and bridge network asset classes carried out in the previous financial period. Management had not presented a restated prior period position for that period, as the net impact of the errors identified was not considered material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Notes to the financial statements

for the year ended 30 June 2015

	Consolidated		Council	
	2015	2014	2015	2014
Note	\$'000	\$'000	\$'000	\$'000
Note 11. Cash, cash equivalents and investments				
(a) Cash and cash equivalents				
Cash in operating bank account	1,375	477	804	115
Cash on hand	38	33	37	32
Investments with Queensland Treasury Corporation (QTC)*	114,387	70,918	107,049	66,385
Term deposits	42,000	75,500	42,000	75,500
	<u>157,800</u>	<u>146,928</u>	<u>149,890</u>	<u>142,032</u>
(b) Investments				
Term deposits > 3 months	20,000	-	20,000	-
	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
	<u>177,800</u>	<u>146,928</u>	<u>169,890</u>	<u>142,032</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 and cash investments earn fixed interest over varying terms at interest rates of between 2.60% and 3.50% (2014: 3.45% and 3.71%).

* Investments with QTC for the 2014 year included investments of \$60,214,638 which was part of a Debt Offset Facility arrangement originally set up on 26 June 2009. This facility was closed on 5 June 2015 with the funds deposited into Council's QTC cash fund account (at call), or transferred to a term deposit with another institution.

All Wide Bay Water Corporation investments are held in the QTC cash management account bearing floating interest rates between 2.77% and 3.85% (2014: 3.22% and 4.01%).

Restricted cash, cash equivalents and investments

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

Cash from external sources internally restricted for specific use at the reporting date relate to the following cash assets:

Unspent government grants and subsidies	9,707	21,038	9,707	21,038
Unspent developer contributions	16,055	9,732	16,055	9,732
Unspent loans and borrowings	11,142	13,880	11,142	13,880

Internally imposed expenditure restrictions as at the reporting date:

Funds restricted for aged housing	892	868	892	868
Funds restricted for waste	14,712	12,270	14,712	12,270
Future asset replacement	79,193	53,958	79,193	53,958
Funds restricted for Environmental Levy	2,543	2,717	2,543	2,717
Property sinking fund	4,796	3,594	4,796	3,594
Commercial and business activities fund	7,028	5,640	7,028	5,640
Development assessment funds	1,723	1,723	1,723	1,723
Future recurrent expenditure	1,000	800	1,000	800
Disaster management levy	141	149	141	149
Total unspent restricted cash	<u>148,932</u>	<u>126,369</u>	<u>148,932</u>	<u>126,369</u>

Notes to the financial statements

for the year ended 30 June 2015

		Consolidated		Council	
	Notes	2015	2014	2015	2014
	Note	\$'000	\$'000	\$'000	\$'000
Note 12. Trade and other receivables					
Current					
Rateable revenue		31,164	38,226	31,164	38,226
Fees and charges		1,788	5,299	1,576	1,628
Deferred infrastructure charges		2,260	-	2,260	-
GST recoverable		1,337	1,572	932	983
Accrued interest		3,250	3,844	3,250	3,844
Prepayments		2,006	2,084	1,149	1,199
Accrued income tax equivalents		-	-	829	2,290
Other debtors		2,073	1,957	2,088	3,899
		<u>43,878</u>	<u>52,982</u>	<u>43,248</u>	<u>52,069</u>
Impairment		<u>(10)</u>	<u>(30)</u>	<u>(2)</u>	<u>(29)</u>
		<u>43,868</u>	<u>52,952</u>	<u>43,246</u>	<u>52,040</u>
Movement in accumulated impairment losses					
Balance as at 1 July		30	29	29	13
Impairment movements during the year		<u>(20)</u>	<u>1</u>	<u>(27)</u>	<u>16</u>
Balance as at 30 June		<u>10</u>	<u>30</u>	<u>2</u>	<u>29</u>
Non-current					
Wide Bay Water shareholder loan		-	-	73,500	73,500
		-	-	73,500	73,500

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.

A deed of acknowledgement of debt (the deed) was signed between Council and 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 ending on 30 June 2016, however there is no intention by Council to call upon WBWC to repay in part or in full any principal amount of the debt during the 2015/16 financial year, providing no event of default occurs during that period. In addition, as WBWC is expected to transition back under Council on 1 July 2016, the shareholder loan is expected to be negotiated at that time as part of the transition process. If the transition does not take place as expected on 1 July 2016, the terms and conditions of the deed would be renegotiated at that time.

Note 13. Land held for development and resale

Non-current

Land held for development and sale			5,293	4,824	5,293	4,824
			<u>5,293</u>	<u>4,824</u>	<u>5,293</u>	<u>4,824</u>
Movement in assets during the reporting period						
Balance as at 1 July			4,824	2,031	4,824	2,031
Carrying value of land disposed			(10)	-	(10)	-
Transfers from other asset categories	15		479	3,212	479	3,212
Transfers to Inventories held for sale			-	(419)	-	(419)
Balance as at 30 June			<u>5,293</u>	<u>4,824</u>	<u>5,293</u>	<u>4,824</u>

Note 14. Investment in controlled entities

Interest in Wide Bay Water Corporation			-	-	221,752	221,752
Investment in Widelinx Pty Limited			1,991	1,991	1,991	1,991
			<u>1,991</u>	<u>1,991</u>	<u>223,743</u>	<u>223,743</u>

The shares in Widelinx Pty Ltd and Wide Bay Water Corporation are not traded on an active market and are shown at cost.

Note 15. Property, plant and equipment

Consolidated - 30 June 2015	Land and site improvements	Buildings	Plant and equipment	Road and bridge network	Water infrastructure	Sewerage infrastructure	Drainage	Coastal infrastructure	Other assets	Works in progress	Total
Measurement basis	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost/FV	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening gross balance - at cost	-	-	57,984	-	-	-	-	-	5,799	30,840	94,623
Opening gross balance - at fair value	139,124	210,694	-	1,014,185	623,003	450,986	481,559	23,853	-	-	2,943,404
Opening gross balance	139,124	210,694	57,984	1,014,185	623,003	450,986	481,559	23,853	5,799	30,840	3,038,027
Work in progress transfers to property, plant and equipment	5,464	592	6,532	21,423	13,507	3,229	3,950	4,488	541	(59,726)	-
Contributed assets at valuation	-	-	-	8,609	1,526	2,982	4,760	-	-	-	17,877
Disposals	(620)	(6)	(5,915)	-	-	-	-	-	-	-	(6,541)
Write-offs	(676)	(15)	(946)	(6,722)	(7,288)	(2,098)	(974)	(4,110)	-	(1,499)	(24,328)
Impairment loss (recognised income) (Note 10)	-	-	-	-	(80)	-	-	-	-	-	(80)
Revaluation increments to other comprehensive income (asset revaluation surplus)	413	334	-	-	(5,298)	103,826	-	-	-	-	99,275
Work in progress additions *	-	-	-	-	-	-	-	-	-	57,359	57,359
Adjustments and transfers (change in landfill assets - note 20)	33	-	-	-	-	-	-	-	-	-	33
Transfers from/(to) land held for development and resale (note 13)	(479)	-	-	-	-	-	-	-	-	-	(479)
Aggregated prior year adjustments **	-	-	-	15,310	-	-	-	-	-	-	15,310
Transfers from/(to) inventories	(45)	-	-	-	-	-	-	-	-	-	(45)
Adjustment for Wide Bay Water prior year error **	-	-	-	-	3,001	(5,604)	-	-	-	-	(2,603)
Total consolidated gross value of property, plant and equipment - at cost	-	-	57,655	-	-	-	-	-	6,340	26,974	90,969
Total consolidated gross value of property, plant and equipment - at fair value	143,214	211,599	-	1,052,805	628,371	553,321	489,295	24,231	-	-	3,102,836
Total consolidated gross value of property, plant and equipment	143,214	211,599	57,655	1,052,805	628,371	553,321	489,295	24,231	6,340	26,974	3,193,805
Opening accumulated depreciation & impairment	17,573	93,054	31,271	302,239	248,881	162,967	156,365	10,029	3,068	-	1,025,447
Depreciation provided in the period	1,962	4,429	5,319	20,345	11,617	8,247	5,664	493	529	-	58,605
Depreciation on disposals	-	(2)	(4,442)	-	-	-	-	-	-	-	(4,444)
Depreciation on write-offs	(226)	(7)	(508)	(2,836)	(4,699)	(1,151)	(227)	(2,345)	-	-	(11,999)
Revaluation increments to other comprehensive income (asset revaluation surplus)	-	(346)	-	-	(13,172)	31,927	-	-	-	-	18,409
Adjustments and transfers	251	-	(1)	(16)	-	-	13	10	-	-	257
Aggregated prior year adjustments **	-	-	-	3,069	-	-	-	-	-	-	3,069
Adjustment for Wide Bay Water prior year error **	-	-	-	-	2,279	(1,868)	-	-	-	-	411
Total consolidated accumulated depreciation and impairment of property, plant and equipment	19,560	97,128	31,639	322,801	244,906	200,122	161,815	8,187	3,597	-	1,089,755
Total consolidated net book value of property, plant and equipment	123,654	114,471	26,016	730,004	383,465	353,199	327,480	16,044	2,743	26,974	2,104,050
*Asset additions comprise											
Asset renewals	-	-	-	-	-	-	-	-	-	42,499	42,499
Other additions	-	-	-	-	-	-	-	-	-	14,860	14,860
Total asset additions	-	-	-	-	-	-	-	-	-	57,359	57,359

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

Note 15. Property, plant and equipment

Consolidated - 30 June 2014 - restated	Land and site improvements	Buildings	Plant and equipment	Road and bridge network	Water infrastructure	Sewerage infrastructure	Drainage	Coastal infrastructure	Other assets	Works in progress	Total
	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost/FV	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement basis											
Opening gross balance - at cost	-	-	57,183	-	-	-	-	-	5,757	36,292	99,232
Opening gross balance - at fair value	131,171	212,717	-	976,847	618,420	447,276	281,211	20,484	-	-	2,688,126
Opening gross balance	131,171	212,717	57,183	976,847	618,420	447,276	281,211	20,484	5,757	36,292	2,787,358
Adjustment for assets not previously recognised in prior periods	-	-	-	-	-	-	121,759	-	-	-	121,759
Adjustment for assets incorrectly recognised during prior periods	-	-	-	-	-	-	(22,001)	-	-	-	(22,001)
Opening gross balance - restated (Note 28)	131,171	212,717	57,183	976,847	618,420	447,276	380,969	20,484	5,757	36,292	2,887,116
Work in progress transfers to property, plant and equipment	10,541	3,770	6,545	33,687	5,395	3,207	7,919	3,673	567	(75,304)	-
Contributed assets at valuation	150	-	-	6,015	1,582	2,254	2,245	-	-	-	12,246
Disposals	-	-	(3,093)	-	-	-	-	-	-	-	(3,093)
Write-offs	(241)	(100)	(2,651)	(9,897)	(2,220)	(1,863)	(131)	(370)	(525)	(705)	(18,703)
Revaluation decrements to income	-	-	-	-	-	-	-	(1,767)	-	-	(1,767)
Revaluation decrements to other comprehensive income (asset revaluation surplus)	-	-	-	-	-	-	41,711	-	-	-	41,711
Revaluation increments to other comprehensive income (asset revaluation surplus)	146	689	-	12,361	-	-	-	-	-	-	13,196
Work in progress additions *	-	-	-	-	-	-	-	-	-	70,557	70,557
Adjustments and transfers	540	-	-	445	(174)	112	15	(769)	-	-	169
Transfers from/(to) land held for development and resale (note 13)	(3,212)	-	-	-	-	-	-	-	-	-	(3,212)
Aggregated prior year adjustments **	29	(6,382)	-	(5,273)	-	-	48,831	2,602	-	-	39,807
Total consolidated gross value of property, plant and equipment - at cost	-	-	57,984	-	-	-	-	-	5,799	30,840	94,623
Total consolidated gross value of property, plant and equipment - at fair value - restated	139,124	210,694	-	1,014,185	623,003	450,986	481,559	23,853	-	-	2,943,404
Total consolidated gross value of property, plant and equipment - restated	139,124	210,694	57,984	1,014,185	623,003	450,986	481,559	23,853	5,799	30,840	3,038,027
Opening accumulated depreciation and impairment	15,631	89,764	30,542	295,954	238,909	155,992	68,824	9,751	2,908	-	908,275
Adjustment for assets not previously recognised in prior periods	-	-	-	-	-	-	2,925	-	-	-	2,925
Adjustment for assets incorrectly recognised during prior periods	-	-	-	-	-	-	(2,269)	-	-	-	(2,269)
Opening accumulated depreciation and impairment - restated (Note 28)	15,631	89,764	30,542	295,954	238,909	155,992	69,480	9,751	2,908	-	908,931
Depreciation provided in the period - restated	1,764	4,708	4,981	19,364	11,029	8,331	4,111	624	541	-	55,453
Depreciation on disposals	-	-	(2,045)	-	-	-	-	-	-	-	(2,045)
Depreciation on write-offs	(148)	(75)	(2,221)	(5,593)	(1,138)	(1,040)	(24)	(336)	(352)	-	(10,927)
Revaluation decrements to income	-	-	-	-	-	-	-	(286)	-	-	(286)
Revaluation decrements to other comprehensive income (asset revaluation surplus)	-	-	-	-	-	-	45,640	-	-	-	45,640
Revaluation increments to other comprehensive income (asset revaluation surplus)	155	1,548	-	(9,009)	-	-	-	-	-	-	(7,306)
Adjustments and transfers	176	-	-	105	81	(316)	3	(284)	-	-	(235)
Aggregated prior year adjustments	6	(2,892)	-	1,304	-	-	37,155	562	-	-	36,135
Other movements	(11)	-	14	114	-	-	-	(2)	(29)	-	86
Total consolidated accumulated depreciation and impairment of property, plant and equipment - restated	17,573	93,054	31,271	302,239	248,881	162,967	156,365	10,029	3,068	-	1,025,447
Total consolidated net book value of property, plant and equipment - restated	121,551	117,640	26,713	711,946	374,122	288,019	325,194	13,824	2,731	30,840	2,012,581
*Asset additions comprise											
Asset renewals	-	-	-	-	-	-	-	-	-	32,456	32,456
Other additions	-	-	-	-	-	-	-	-	-	38,101	38,101
Total asset additions	-	-	-	-	-	-	-	-	-	70,557	70,557

Note 15. Property, plant and equipment

Council - 30 June 2015											
	Land and site improvements	Buildings	Plant and equipment	Road and bridge network	Water infrastructure	Sewerage infrastructure	Drainage	Coastal infrastructure	Other assets	Works in progress	Total
Measurement basis	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost/FV	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening gross balance - at cost	-	-	42,766	-	-	-	-	-	5,799	14,298	62,863
Opening gross balance - at fair value	118,293	202,313	-	1,014,185	-	-	481,559	23,853	-	-	1,840,203
Opening gross balance	118,293	202,313	42,766	1,014,185	-	-	481,559	23,853	5,799	14,298	1,903,066
Work in progress transfers to property, plant and equipment	5,464	565	4,513	21,423	-	-	3,950	4,488	541	(40,944)	-
Contributed assets at valuation	-	-	-	8,609	-	-	4,760	-	-	-	13,369
Disposals	-	-	(4,520)	-	-	-	-	-	-	-	(4,520)
Write-offs	(676)	(15)	(16)	(6,722)	-	-	(974)	(4,110)	-	-	(12,513)
Work in progress additions *	-	-	-	-	-	-	-	-	-	43,403	43,403
Adjustments and transfers (change in landfill assets - note 20)	33	-	-	-	-	-	-	-	-	-	33
Transfers from/(to) land held for development and resale (note 13)	(479)	-	-	-	-	-	-	-	-	-	(479)
Aggregated prior year adjustments **	-	-	-	15,310	-	-	-	-	-	-	15,310
Transfers from/(to) inventories	(45)	-	-	-	-	-	-	-	-	-	(45)
Total Council gross value of property, plant and equipment - at cost	-	-	42,743	-	-	-	-	-	6,340	16,757	65,840
Total Council gross value of property, plant and equipment - at fair value	122,590	202,863	-	1,052,805	-	-	489,295	24,231	-	-	1,891,784
Total Council gross value of property, plant and equipment	122,590	202,863	42,743	1,052,805	-	-	489,295	24,231	6,340	16,757	1,957,624
Opening accumulated depreciation & impairment	17,573	90,497	24,058	302,239	-	-	156,365	10,029	3,068	-	603,829
Depreciation provided in the period	1,962	4,173	3,887	20,345	-	-	5,664	493	529	-	37,053
Depreciation on disposals	-	-	(3,516)	-	-	-	-	-	-	-	(3,516)
Depreciation on write-offs	(226)	(7)	(6)	(2,836)	-	-	(227)	(2,345)	-	-	(5,647)
Adjustments and transfers	251	-	(1)	(16)	-	-	13	10	-	-	257
Aggregated prior year adjustments **	-	-	-	3,069	-	-	-	-	-	-	3,069
Total Council accumulated depreciation of property, plant and equipment	19,560	94,663	24,422	322,801	-	-	161,815	8,187	3,597	-	635,045
Total consolidated accumulated depreciation and impairment of property, plant and equipment	19,560	94,663	24,422	322,801	-	-	161,815	8,187	3,597	-	635,045
Total Council net book value of property, plant and equipment	103,030	108,200	18,321	730,004	-	-	327,480	16,044	2,743	16,757	1,322,579
*Asset additions comprise											
Asset renewals	-	-	-	-	-	-	-	-	-	34,439	34,439
Other additions	-	-	-	-	-	-	-	-	-	8,964	8,964
Total asset additions	-	-	-	-	-	-	-	-	-	43,403	43,403

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

Note 15. Property, plant and equipment**Council - 30 June 2014 - restated**

	Land and site improvements	Buildings	Plant and equipment	Road and bridge network	Water infrastructure	Sewerage infrastructure	Drainage	Coastal infrastructure	Other assets	Works in progress	Total
Measurement basis	Fair Value \$'000	Fair Value \$'000	Cost \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Cost \$'000	Cost/FV \$'000	\$'000
Opening gross balance - at cost	-	-	41,748	-	-	-	-	-	5,757	24,061	71,566
Opening gross balance - at fair value	113,713	205,128	-	976,847	-	-	281,211	20,484	-	-	1,597,383
Opening gross balance	113,713	205,128	41,748	976,847	-	-	281,211	20,484	5,757	24,061	1,668,949
Adjustment for assets not previously recognised in prior periods	-	-	-	-	-	-	121,759	-	-	-	121,759
Adjustment for assets incorrectly recognised during prior periods	-	-	-	-	-	-	(22,001)	-	-	-	(22,001)
Opening gross balance - restated (Note 28)	113,713	205,128	41,748	976,847	-	-	380,969	20,484	5,757	24,061	1,768,707
Work in progress transfers to property, plant and equipment	7,168	2,978	5,157	33,687	-	-	7,919	3,673	567	(61,149)	-
Contributed assets at valuation	150	-	-	6,015	-	-	2,245	-	-	-	8,410
Disposals	-	-	(2,384)	-	-	-	-	-	-	-	(2,384)
Write-offs	(241)	(100)	(1,755)	(9,897)	-	-	(131)	(370)	(525)	-	(13,019)
Revaluation decrements to income	-	-	-	-	-	-	-	(1,767)	-	-	(1,767)
Revaluation decrements to other comprehensive income (asset revaluation surplus)	-	-	-	-	-	-	41,711	-	-	-	41,711
Revaluation increments to other comprehensive income (asset revaluation surplus)	146	689	-	12,361	-	-	-	-	-	-	13,196
Work in progress additions	-	-	-	-	-	-	-	-	-	51,386	51,386
Adjustments and transfers	540	-	-	445	-	-	15	(769)	-	-	231
Transfers from/(to) land held for development and resale (note 13)	(3,212)	-	-	-	-	-	-	-	-	-	(3,212)
Aggregated prior year adjustments	29	(6,382)	-	(5,273)	-	-	48,831	2,602	-	-	39,807
Total Council gross value of property, plant and equipment - at cost	-	-	42,766	-	-	-	-	-	5,799	14,298	62,863
Total Council gross value of property, plant and equipment - at fair value - restated	118,293	202,313	-	1,014,185	-	-	481,559	23,853	-	-	1,840,203
Total Council gross value of property, plant and equipment - restated	118,293	202,313	42,766	1,014,185	-	-	481,559	23,853	5,799	14,298	1,903,066
Opening accumulated depreciation and impairment	15,631	87,455	23,449	295,954	-	-	68,824	9,751	2,908	-	503,972
Adjustment for assets not previously recognised in prior periods	-	-	-	-	-	-	2,925	-	-	-	2,925
Adjustment for assets incorrectly recognised during prior periods	-	-	-	-	-	-	(2,269)	-	-	-	(2,269)
Opening accumulated depreciation and impairment - restated (Note 28)	15,631	87,455	23,449	295,954	-	-	69,480	9,751	2,908	-	504,628
Depreciation provided in the period - restated	1,764	4,461	3,574	19,364	-	-	4,111	624	541	-	34,439
Depreciation on disposals	-	-	(1,620)	-	-	-	-	-	-	-	(1,620)
Depreciation on write-offs	(148)	(75)	(1,359)	(5,593)	-	-	(24)	(336)	(352)	-	(7,887)
Revaluation decrements to income	-	-	-	-	-	-	-	(286)	-	-	(286)
Revaluation decrements to other comprehensive income (asset revaluation surplus)	-	-	-	-	-	-	45,640	-	-	-	45,640
Revaluation increments to other comprehensive income (asset revaluation surplus)	155	1,548	-	(9,009)	-	-	-	-	-	-	(7,306)
Adjustments and transfers	176	-	-	105	-	-	3	(284)	-	-	-
Aggregated prior year adjustments	6	(2,892)	-	1,304	-	-	37,155	562	-	-	36,135
Other movements	(11)	-	14	114	-	-	-	(2)	(29)	-	86
Total Council accumulated depreciation of property, plant and equipment - restated	17,573	90,497	24,058	302,239	-	-	156,365	10,029	3,068	-	603,829
Total Council accumulated depreciation and impairment of property, plant and equipment - restated	17,573	90,497	24,058	302,239	-	-	156,365	10,029	3,068	-	603,829
Total Council net book value of property, plant and equipment - restated	100,720	111,816	18,708	711,946	-	-	325,194	13,824	2,731	14,298	1,299,237
*Asset additions comprise											
Asset renewals	-	-	-	-	-	-	-	-	-	26,021	26,021
Other additions	-	-	-	-	-	-	-	-	-	25,365	25,365
Total asset additions	-	-	-	-	-	-	-	-	-	51,386	51,386

Notes to the financial statements

for the year ended 30 June 2015

Note 16. Fair value measurements

(i) Recognised fair value measurements

Council measures and recognises the following assets at fair value on a recurring basis:

- Property, plant and equipment
 - Land and site improvements
 - Buildings
 - Road and bridge network
 - Water infrastructure
 - Sewerage infrastructure
 - Drainage
 - Coastal infrastructure assets

Council does not measure any liabilities at fair value on a recurring basis.

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 19 is provided by QTC and represents the contractual undiscounted cash flows at the reporting date (level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (level 2).

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading Land (level 2).

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

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

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

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

Notes to the financial statements

for the year ended 30 June 2015

Note 16. Fair value measurements continued

The table below presents Council's assets and liabilities measured and recognised at fair value at 30 June 2015.

2015		Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated				
Recurring fair value measurements				
Land	15	89,608	-	89,608
Site improvements	15	-	34,046	34,046
Buildings	15	-	114,471	114,471
Road and bridge network	15	-	730,004	730,004
Water infrastructure	15	-	383,465	383,465
Sewerage infrastructure	15	-	353,199	353,199
Drainage	15	-	327,480	327,480
Coastal infrastructure	15	-	16,044	16,044
Biological assets		-	1,413	1,413
Total		89,608	1,960,122	2,049,730
Non-recurring fair value measurements				
Land held for development and resale	13	5,293	-	5,293

2015		Level 2 \$'000	Level 3 \$'000	Total \$'000
Council				
Recurring fair value measurements				
Land	15	68,984	-	68,984
Site improvements	15	-	34,046	34,046
Buildings	15	-	108,200	108,200
Road and bridge network	15	-	730,004	730,004
Drainage	15	-	327,480	327,480
Coastal infrastructure	15	-	16,044	16,044
Total		68,984	1,215,774	1,284,758
Non-recurring fair value measurements				
Land held for development and resale	13	5,293	-	5,293

2014		Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated				
Recurring fair value measurements				
Land	15	86,927	-	86,927
Site improvements	15	-	34,624	34,624
Buildings	15	4,642	112,998	117,640
Road and bridge network	15	-	711,946	711,946
Water infrastructure	15	-	374,122	374,122
Sewerage infrastructure	15	-	288,019	288,019
Drainage - restated *	15	-	325,196	325,196
Coastal infrastructure	15	-	13,824	13,824
Biological assets		-	1,225	1,225
Total - restated		91,569	1,861,954	1,953,523
Non-recurring fair value measurements				
Land held for development and resale	13	4,824	-	4,824

* Certain prior period restatements were made to drainage assets. Refer to Note 28 for further details.

Notes to the financial statements

for the year ended 30 June 2015

Note 16. Fair value measurements continued

2014		Level 2 \$'000	Level 3 \$'000	Total \$'000
Council				
Recurring fair value measurements				
Land	15	66,096	-	66,096
Site improvements	15	-	34,624	34,624
Buildings	15	-	111,815	111,815
Road and bridge network	15	-	711,946	711,946
Drainage - restated *	15	-	325,196	325,196
Coastal infrastructure	15	-	13,824	13,824
Total - restated		66,096	1,197,405	1,263,501
Non-recurring fair value measurements				
Land held for development and resale	13	4,824	-	4,824

* Certain prior period restatements were made to drainage assets. Refer to Note 28 for further details.

During 2014/15 the administration buildings from Wide Bay Water Corporation (WBWC) were transferred from level 2 to level 3 based on the valuation report from independent valuer, APV Pty Ltd.

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

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

Specific valuation techniques used to value Council (FCRC) assets comprise:

Land (level 2)

Land fair values of FCRC were determined by independent valuer, AssetVal Pty Ltd effective 30 June 2014. The land fair values have been measured by the Market Approach by direct comparison, an accepted valuation methodology under AASB 13. Level 2 valuation inputs were utilised, being sales transactions of other properties within the region, and adjusted for differences between key attributes of the properties. The main input is the price per square metre or price per hectare of land area. The Market Approach is deemed a level 2 input.

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

Buildings and site improvements (level 3)

The fair value of buildings and land improvements of FCRC were also determined by independent valuer, AssetVal Pty Ltd effective 30 June 2014. Where there is an active and liquid market as evidenced by sales transactions of similar property types, the Market Approach by direct comparison, Income or Summation methods can be utilised, and is an accepted valuation methodology under AASB 13. If a Market Approach is adopted, the building valuation is deemed to be a level 2 input.

Due to the predominantly specialised nature of local government buildings, the valuations have been undertaken on a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13. The cost approach is deemed to be a level 3 input. As a benchmark, the valuations have been prepared on an abbreviated bill of quantity methodology, and have relied upon costing references contained within Rawlinsons Australia Construction Handbook 2013 and 2014 encompassing civil works and building costs. AssetVal also has a database built up from research of building and site improvement costs. Actual costs of improvements identified during valuation exercises and also through research and contact with suppliers and builders were utilised.

Notes to the financial statements

for the year ended 30 June 2015

Note 16. Fair value measurements continued

In determining the level of accumulated depreciation for major assets, the asset has been disaggregated into significant components which exhibit different patterns of consumption (useful lives). The condition assessment is applied on a component basis. While the replacement cost of assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of residual value and useful life) were also required (level 3).

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

All road and bridge network and drainage network infrastructure assets were valued by independent valuer APV Pty Ltd as at 30 June 2014 using level 3 valuation inputs using the cost approach.

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

During the year there were a number of new projects completed where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2, given the low proportion of the total portfolio that these represented and the likelihood that in future valuations they would most likely be valued at level 3 the valuers have adopted a policy that all road and stormwater network infrastructure assets are deemed to be valued at level 3.

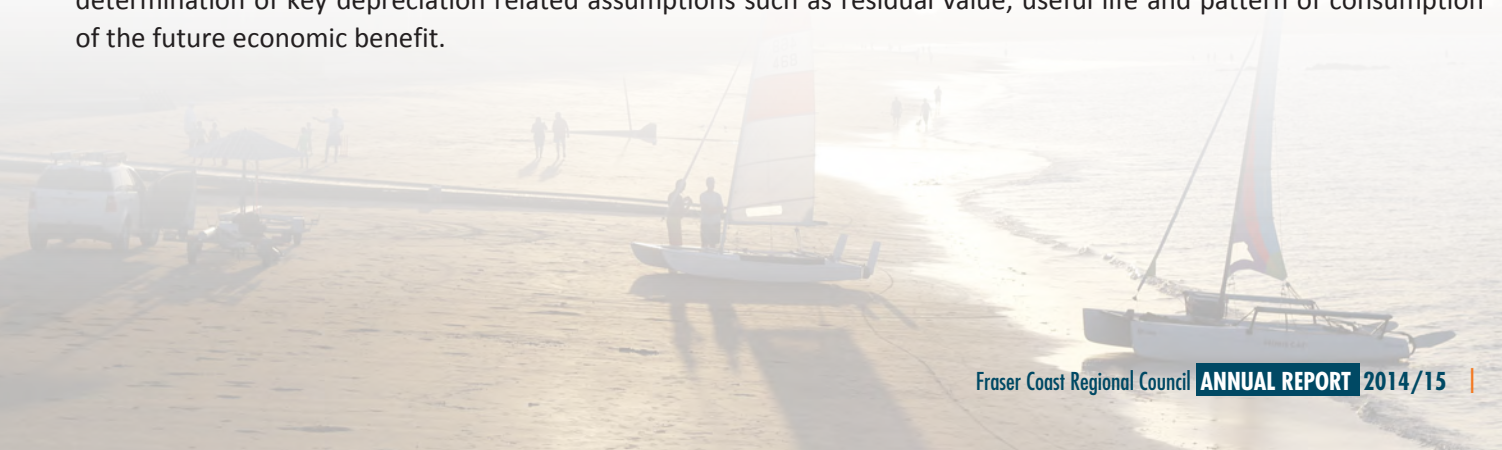
The main level 3 inputs used were derived and evaluated as follows:

Asset condition - The nature of road network and stormwater network infrastructure is that there is a very large number of assets which comprise the networks and as a result it is not physically possible to inspect every asset for the purposes of completing a valuation. As a consequence reliance is placed on the accuracy of data held in the asset management system and its associated internal controls.

To provide assurance over the accuracy of this information and taking into account the cost-benefit of undertaking physical inspections, the valuation relies upon a sampling approach (5% to 10% of each asset type) where the data held in the system is verified by a physical inspection. While the sampling approach, combined with internal controls associated with the asset management system, provides a high level of comfort over the condition data held in the asset management system it does not provide a guarantee that all the data is correct and the condition as recorded is valid as at the date of valuation.

Relationship between asset consumption rating scale and the level of consumed service potential

Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of accumulated depreciation. In order to achieve this, the valuer determines an asset consumption rating scale for each asset type based on the inter-relationship between a range of factors. These factors and their relationship to the fair value require professional judgement and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit.



Notes to the financial statements

for the year ended 30 June 2015

Note 16. Fair value measurements continued

Roads, bridge and drainage network

Current replacement cost

Council utilises additional sub-categories in its road and bridge network, which include footpath, kerb and channel, carparks, traffic signals, electrical conduit and bus shelters. Council assumes that pavements are constructed to depths of between 200mm and 300mm. Unit rates for components are based on contractor rates for similar recent projects, verified by APV Pty Ltd in the valuations.

Council also utilises sub-categories in its stormwater drainage network, which includes stormwater pipes, stormwater pits, open drains, gross pollution traps and stormwater detention basins.

Accumulated depreciation

In determining the level of accumulated depreciation, roads and stormwater drainage were disaggregated into significant components which exhibited different useful lives.

Estimates of expired service potential and remaining useful lives were determined on a straight-line basis based on industry standard practices and past experience, supported by maintenance programs.

Condition score	Description	Valuation profile (straight-line)
0H / 0M	Very high level of remaining service potential	100.00% / 92.50%
1H / 1M	High level of remaining service potential	85.00% / 67.50%
2H / 2M	Adequate level of remaining service potential	50.00% / 37.50%
3H / 3M	Adequate level of remaining service potential but with some issues indicating the need for action in the short to medium term	25.00% / 17.50%
4H / 4M	Barely adequate level of remaining service potential requiring action to be taken in the short term	10.00% / 5.00%
5H / 5M	Asset is now unacceptable and must be closed or renewed	0.00%
6H / 6M	End of life	0.00%

These consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take account of the experience and understanding of Council's asset management and finance staff. The results of the valuation were further evaluated by confirmation against Council's own understanding of the assets and the level of remaining service potential.

Estimated useful lives are disclosed in Note 1 (I).

Notes to the financial statements

for the year ended 30 June 2015

Note 16. Fair value measurements continued

Coastal infrastructure assets – calculation of written down current replacement cost

A full valuation of coastal infrastructure assets was undertaken by independent valuers, APV Pty Ltd, effective 30 June 2014. Each asset is assessed individually, with the valuation varying according to the material type used for construction, condition and size.

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

The quantitative disclosures of the remaining service potential relating to each corresponding condition score for each of the patterns of consumption utilised in this valuation are as follows:

		%RSP of depreciable amount
Consumption score	Description	Straight-line
0	New or very good condition – very high level of remaining service potential	100%
1	Not new but in very good condition with no indicators of any future obsolescence and providing a high level of remaining service potential	85%
2	Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence	50%
3	Providing an adequate level of remaining service potential but there are some concerns over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to mid-term	25%
4	Indicators showing the need to renew, upgrade or scrap in near future. Should be reflected by inclusion in the Capital Works Plan to renew or replace in short term. Very low level of remaining service potential	10%
5	At intervention point. No longer providing an acceptable level of service. If remedial action is not taken immediately the asset will need to be closed or decommissioned	0%
6	Theoretical end of life	Fully written off

Notes to the financial statements

for the year ended 30 June 2015

Note 16. Fair value measurements continued

Specific valuation techniques used to value WBWC assets comprise:

Land (level 2)

Land fair values of WBWC were determined by independent valuer, APV Pty Ltd effective 30 June 2015. The portfolio is valued in accordance with AASB 116. Depending upon the unique circumstances of each lot, land has been valued using a range of approaches. Where there is an active market the 'market approach' has been adopted. For other types of land the 'cost approach' was adopted.

Details of each approach are:

- Market (direct comparison) - This has been applied to land held in freehold title and has been assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of land with similar characteristics and was then adjusted to reflect condition and comparability. As this was based on observable evidence they have been classified as level 2.
- Cost (direct comparison) - The valuation of some restricted or otherwise non-saleable land has been valued using the cost approach. This approach was used where, assuming if WBWC need to purchase the land or acquire additional land from an adjoining neighbour, the value of that land could be determined based on known zoning and town planning restrictions. This was determined by comparison to recent sales of land with similar characteristics, and was then adjusted to reflect condition and comparability. As this was based on observable evidence they have been classified as Level 2.

Buildings (level 3)

The fair value of buildings of WBWC were also determined by independent valuer, APV Pty Ltd effective 30 June 2015. The valuation of buildings, structural improvements and site services includes those items that form a part of the building services installation (e.g. heating, cooling, fire alarms, and general lighting etc.).

Details of the approach are:

- Cost (depreciated) - This includes specialised buildings as well as some residential properties that were located in isolated locations where there was no evidence to support a market approach. Under this approach the cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. The valuer disaggregated the building into different components and for each component determined a value based on the inter-relationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and pattern of consumption of the future economic benefit.

Inputs to the valuation include the design and construction, average cost of construction, condition and consumption score for each component. As these are supported by observable evidence obtained via inspection and market evidence they have been classified as level 2 inputs. The unobservable inputs (such as estimates of residual value, pattern of consumption and (based on the asset consumption score) its relationship to the assessed level of remaining service potential of the depreciable amount) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

Notes to the financial statements for the year ended 30 June 2015

Note 16. Fair value measurements continued

Water and sewerage infrastructure – calculation of written down current replacement cost Water and sewerage infrastructure assets (level 3)

Water and sewerage infrastructure fair values were determined by an independent valuer, APV Pty Ltd as at 30 June 2015. All water network infrastructure assets were valued using level 3 valuation inputs using the cost approach.

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

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

APV cost models were derived from the following sources:

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

Factors taken into account in determining replacement costs included:

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

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



Notes to the financial statements

for the year ended 30 June 2015

Note 16. Fair value measurements continued

Accumulated depreciation

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for active assets), the assets were allocated a condition assessment, which was used to estimate remaining useful life as tabled below:

Condition rating	Condition description	Remaining useful life %
0H / 0M	New - new or very good condition	100% of useful life
1H / 1M	As new/excellent - asset "as new"	90-95% of useful life
2H / 2M	Good - aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence.	65-75% of useful life
3H / 3M	Fair - asset is reliable and operates as intended, but its appearance and structural integrity are questionable.	35-50% of useful life
4H / 4M	Poor - asset still operates, but does not meet intended duty or does not appear sound.	10-20% of useful life
5H / 5M	Unserviceable - asset is not functioning / needs immediate attention.	0% of useful life
6	End of life - theoretical end of life	Fully written off

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

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

Notes to the financial statements

for the year ended 30 June 2015

Note 16. Fair value measurements continued

(iii) Changes in fair value measurements using significant unobservable inputs (level 3)

The changes in level 3 assets with recurring fair value measurements are detailed below. There has been transfers between Level 2 and 3 measurements during this financial year for WBWC's administration buildings. This was a result of the external revaluation by APV Pty Ltd as at 30th June 2015, determining all buildings to have a level 3 valuation inputs, due to the extensive professional judgement required with the unobservable inputs such as estimates of residual value, pattern of consumption and its relationship to the assessed level of remaining service potential of the depreciable amount.

Changes in non specialised buildings (level 3)

	Consolidated \$'000	Council \$'000
Opening gross value as at 1 July 2014	204,048	202,313
Additions	592	565
Disposals	(6)	-
Write offs	(15)	(15)
Revaluation adjustment to other comprehensive income	334	-
Transfers between level 2 and level 3	6,646	-
Closing gross value as at 30 June 2015	211,599	202,863
Opening accumulated depreciation as at 1 July 2014	91,400	90,497
Depreciation provided in the period	4,429	4,173
Depreciation on disposals	(2)	-
Depreciation on write offs	(7)	(7)
Revaluation adjustment to other comprehensive income	(346)	-
Transfers between level 2 and level 3	1,654	-
Closing accumulated depreciation as at 30 June 2015	97,128	94,663

(iv) Valuation processes

Council engages external, independent and qualified valuers to determine the fair value of the entities land, buildings, and infrastructure on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

Following the comprehensive revaluation of road and bridge network, stormwater drainage network and coastal infrastructure asset classes in 2014 by APV Pty Ltd and the desktop revaluation of land, land improvements and buildings asset classes by AssetVal Pty Ltd, Council reviewed revaluation indices to determine whether there had been a material change in indices during the period 1 July 2014 to 30 June 2015. APV Pty Ltd provided indices for each asset class they comprehensively revalued in 2014, and Council utilised the Queensland Local Government Cost Index for 2014/15 for the remaining asset classes. In each case, the change in the indices was less than Council's threshold for accounting for the impact of revaluation, which is five per cent, therefore no fair value adjustment was recorded during 2014/15.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period.

Notes to the financial statements
for the year ended 30 June 2015

		Consolidated		Council	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 17. Intangible assets					
Intangible assets are as follows:					
Intangible assets represent identifiable non-monetary asset without physical substance					
Software					
Gross carrying value					
Opening gross carrying value as at 1 July		6,136	5,854	4,914	4,758
Additions		145	318	133	156
Write offs		(217)	(36)	-	-
Closing gross carrying value as at 30 June		6,064	6,136	5,047	4,914
Accumulated amortisation					
Opening balance as at 1 July		(5,418)	(5,042)	(4,400)	(4,128)
Amortisation charges	9	(273)	(402)	(191)	(272)
Write offs		189	26	-	-
Net carrying value as at 30 June		562	718	456	514

Software assets have a finite life estimated between 2.5 and 10 years. Straight line amortisation has been used with no residual value.

Note 18. Trade and other payables

Current

Creditors and accruals	11,678	15,014	39,968	38,077
Annual leave	5,077	4,930	3,733	3,611
Other employee entitlements	285	331	159	176
Employee related accruals	721	702	603	305
Short term performance payments	14	10	-	-
	17,775	20,987	44,463	42,169

Notes to the financial statements
for the year ended 30 June 2015

	Consolidated		Council	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000

Note 19. Borrowings

Current

Loans - QTC	15,006	12,351	8,518	6,084
	<u>15,006</u>	<u>12,351</u>	<u>8,518</u>	<u>6,084</u>

Non-current

Loans - QTC	139,278	156,356	58,158	68,753
	<u>139,278</u>	<u>156,356</u>	<u>58,158</u>	<u>68,753</u>

Reconciliation of loan movements for the year

Balance as at 1 July	168,707	174,550	74,837	74,711
Loans raised	-	8,966	-	8,966
Market value adjustment	-	(7)	-	(7)
Principal repayments	(14,423)	(14,802)	(8,161)	(8,833)
Balance as at 30 June	<u>154,284</u>	<u>168,707</u>	<u>66,676</u>	<u>74,837</u>

Unsecured borrowings are provided by QTC. All borrowings are denominated 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 26 September 2016 to 11 July 2030.

There have been no defaults or breaches of the loan agreement during the period. Principal and interest repayments are made quarterly in arrears.

The QTC loan market value at the reporting date was \$69,453,182 (2014: \$77,288,507), consolidated \$169,916,515 (2014: \$182,915,397). 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.

Wide Bay Water Corporation has a working capital facility with QTC which was approved 11 July 2007 with a limit of \$4,000,000. As at 30 June 2015, no part of this facility has been drawn down (2014 \$nil). There is no limit on the frequency or number of draw downs and repayments that Wide Bay Water Corporation may make during the currency of this facility, however it is subject to an annual review each July.

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

Notes to the financial statements
for the year ended 30 June 2015

	Note	Consolidated		Council	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000

Note 20. Provisions

Current

Long service leave		5,868	5,654	4,103	3,840
Refuse restoration		338	794	338	794
		<u>6,206</u>	<u>6,448</u>	<u>4,441</u>	<u>4,634</u>

Non-current

Long service leave		615	747	416	511
Refuse restoration		12,100	11,073	12,100	11,073
		<u>12,715</u>	<u>11,820</u>	<u>12,516</u>	<u>11,584</u>

Details of movements in long service leave provision:

Balance as at 1 July		6,401	6,346	4,351	4,369
Amount provided for in the period		904	1,071	755	674
Amount paid in the period		(822)	(1,016)	(587)	(692)
Balance as at 30 June		<u>6,483</u>	<u>6,401</u>	<u>4,519</u>	<u>4,351</u>

Details of movements in refuse restoration provision:

Balance as at 1 July		11,867	10,265	11,867	10,265
Increase in provision due to unwinding of discount		113	159	113	159
Increase/(decrease) in provision due to change in discount rate	10	425	1,212	425	1,212
Change in landfill assets	27	33	231	33	231
Balance as at 30 June		<u>12,438</u>	<u>11,867</u>	<u>12,438</u>	<u>11,867</u>

Refuse restoration

This is the present value of the estimated cost of restoring Council's landfill sites to a useable state at the end of their useful lives. The projected cost is the present value of the estimated cost of restoring the landfill sites after closure and allowing a period for settlement.

Expected closure dates of the sites range from 1991 to 2033 and expenditure is expected from 2015 to 2063.

Notes to the financial statements
for the year ended 30 June 2015

		Consolidated		Council	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 21. Asset revaluation surplus					
Movements in the asset revaluation surplus:					
Balance as at 1 July		330,253	313,680	183,137	166,564
Net adjustment to non-current assets at end of period to reflect a change in current fair value:					
Land and site improvements	15	413	(9)	-	(9)
Buildings	15	680	(859)	-	(859)
Road and bridge network	15	-	21,370	-	21,370
Water infrastructure	15	7,874	-	-	-
Sewerage infrastructure	15	71,899	-	-	-
Drainage	15	-	(3,929)	-	(3,929)
Duplicated sewerage infrastructure asset	28	(5,405)	-	-	-
		<u>75,461</u>	<u>16,573</u>	<u>-</u>	<u>16,573</u>
Balance as at 30 June		<u>405,714</u>	<u>330,253</u>	<u>183,137</u>	<u>183,137</u>

Asset revaluation surplus analysis

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

Land and site improvements	7,151	6,738	6,020	6,020
Buildings	7,612	6,932	6,356	6,356
Road and bridge network	116,232	116,232	116,232	116,232
Water infrastructure	115,706	107,832	-	-
Sewerage infrastructure	104,484	37,990	-	-
Drainage	54,529	54,529	54,529	54,529
Balance as at 30 June	<u>405,714</u>	<u>330,253</u>	<u>183,137</u>	<u>183,137</u>

Note 22. Commitments for expenditure

(a) Contractual commitments (exclusive of GST)

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

Infrastructure contracts	15,274	12,719	10,354	11,330
Pest control	94	116	94	116
Garbage collection contract	30,240	34,148	30,240	34,148
Security services	282	384	282	384
Cleaning, landscaping and ranger services	1,710	192	851	-
Other	14	22	14	22
	<u>47,614</u>	<u>47,581</u>	<u>41,835</u>	<u>46,000</u>

These expenditures are payable as follows:

Within the next year	20,621	16,965	14,842	15,384
Later than one year and not later than 5 years	17,813	17,014	17,813	17,014
Later than 5 years	9,180	13,602	9,180	13,602
Total payable	<u>47,614</u>	<u>47,581</u>	<u>41,835</u>	<u>46,000</u>

(b) Operating leases (non-cancellable)

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

Within one year	58	69	58	56
One to five years	251	301	251	243
Later than five years	16	82	16	82
	<u>325</u>	<u>452</u>	<u>325</u>	<u>381</u>

The lease contract is for a period of 20 years, commencing 1 October 2000. The annual rent is indexed annually with a review every 5 years. The next review is due 1 October 2015. Under the terms of the lease, Council has the option to purchase the land if offered by the lessor.

Note 23. Contingent liabilities

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

Legal claims

In the opinion of Council's and Wide Bay Water 's solicitors, there are no claims pending against either entity (2014: 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 2014 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's Workers Compensation Authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$1,030,840 (Consolidated \$1,366,773).

Note 24. 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 three elements referred to as:

- The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund;
- The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; 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*.

Council does not have any employees who are members of the CDBF and, therefore, is not exposed to the obligations, assets or costs associated with this fund.

The Regional DBF is a defined benefit plan as defined in AASB 119. Council is not able to account for the Regional 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. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

Notes to the financial statements for the year ended 30 June 2015

Note 24. Superannuation continued

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the Regional 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.

As at the reporting date, 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 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."

Following the previous actuarial assessment in 2009, councils were 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 Regional DBF members. In the 2012 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

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 Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

There are currently 71 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 71 councils. Fraser Coast Regional Council made less than 4% of the total contributions to the plan for the 2014/15 financial year.

The most recent actuarial investigation was made on 1 July 2015.

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	5,216	5,023	3,810	3,611

Note 25. Controlled entities

Subsidiaries

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 the water and wastewater functions of Council. Wide Bay Water Corporation carries on its business at its registered address at 29-31 Ellengowan Street Urangan.

Council undertook a public benefit assessment (PBA) in 2012 to determine the most effective and efficient corporate structure to deliver water and sewerage services to the Fraser Coast region. The PBA identified in excess of \$4 million in annual savings through the removal of duplicated costs by undertaking delivery of these services by a commercial business unit rather than the present local government owned corporation. Council resolved in November 2012, to commence processes to transition Wide Bay Water Corporation to a commercial business unit of Council. Just prior to the scheduled transition date of 1 March 2013, an issue arose regarding the potential payment of \$65 million in transfer duty.

As Wide Bay Water Corporation is responsible for the provision of water and wastewater functions to the community, Council is committed to working with the Corporation towards achieving the transition. In the interim, consideration of other opportunities for savings will be considered to ensure the best value for money outcome for ratepayers. Council implemented a number of shared services arrangements with Wide Bay Water Corporation during the reporting period and will continue with these, with more to be implemented over the coming financial year.

Council has confirmed its ongoing support of the Corporation in respect of financing activities between the two entities. Further it is anticipated, notwithstanding the initiatives described above, that the Corporation will continue to operate as a separate entity up to 30 June 2016 (inclusive).

Joint ventures

At the ordinary Council meeting held 25 March 2015, Council delegated to the CEO the authority to enter into a Joint Venture Agreement and Deed of Consent to Security for the development of a residential airpark at the Maryborough Airport. The joint venture agreement details that the relationship of the parties is that of a joint venture and is limited to carrying out of the development. The development is being conducted by the development entity Fraser Coast Residential Airpark Pty Ltd. The agreement is dated 14 April 2015. Works are scheduled to commence in November 2015 and sales are not anticipated until the 2015/16 year. Council is responsible for providing the land on which the joint venture is going to be developed. The agreement states that land remains an asset of Council until sold.

As the contractual arrangement dictates each parties share in the profit or loss relating to the activities, and that each party is liable to the arrangement only to the extent of their investments in the arrangement or their respective obligations to contribute to the arrangement, this is an indication of a joint venture rather than a joint operation.

As the impact of this joint venture is not expected to be material to Council's overall operations, and as there have only been minor set-up transactions incurred to the reporting date, no separate disclosures are intended to be made in the 2014/15 financial statements in relation to this joint venture.

Note 25. Controlled entities continued

Unconsolidated controlled entities

Fraser Coast Regional Council has two controlled entities that are not consolidated, because their size and nature means that they are not material to Council operations.

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 will continue to support Widelinx financially.

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

A summary of the above entities, their assets, liabilities and net results of operations for the year ended 30 June 2015 are summarised below:

	Fraser Coast Opportunities Ltd 2015 \$'000	Widelinx Pty Ltd 2015 \$'000
Income and expenses		
Operating revenue	4,984	280
Operating expenses	(4,859)	(236)
Net result	125	44
Assets		
Current assets	822	1,185
Non-current assets	62	687
	884	1,872
Liabilities		
Current liabilities	517	71
Non-current liabilities	35	250
	552	321
Net assets	332	1,551

Notes to the financial statements
for the year ended 30 June 2015

	Note	Consolidated		Council	
		2015 \$'000	Restated 2014 \$'000	2015 \$'000	Restated 2014 \$'000

Note 26. 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

1,041	1,086	1,041	1,086
3,152	3,187	3,152	3,187
<u>4,193</u>	<u>4,273</u>	<u>4,193</u>	<u>4,273</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 27. Reconciliation of net result for the year to net cash inflows from operating activities

Net result		53,644	28,495	47,514	24,938
Adjust for non-cash and investing activities:					
Capital grants and contributions	4(b)	(40,328)	(31,218)	(29,900)	(25,091)
Net (gains)/losses on disposal of assets	5(a)&(c)	462	(30)	372	(60)
Revaluations (Biological assets)	5(b)	(188)	(201)	-	-
Other capital items	5(d)	(12,241)	(13,739)	(12,241)	(13,739)
Depreciation and amortisation	9	58,878	55,855	37,244	34,711
Downwards valuation of property, plant and equipment	10(b)	-	1,481	-	1,481
Capital expenses	10(c)	12,696	18,052	7,123	15,398
Increase/(decrease) in provision for doubtful debts	12	(20)	1	(27)	16
Increase/(decrease) in inventories held for sale		(232)	275	(232)	275
Fair value adjustments to loans	19	-	(7)	-	(7)
Change in landfill assets	20	(33)	(231)	(33)	(231)
		<u>18,994</u>	<u>30,238</u>	<u>2,306</u>	<u>12,753</u>
Changes in operating assets and liabilities:					
(Increase)/decrease in trade and other receivables	12	9,104	(2,765)	8,821	(4,689)
(Increase)/decrease in inventories		301	(191)	200	(250)
Increase/(decrease) in trade and other payables	18	(3,212)	(1,175)	2,294	(841)
Increase/(decrease) in leave provisions	20	82	56	168	(19)
Increase/(decrease) in restoration provision	20	571	1,601	571	1,601
Increase/(decrease) in other liabilities		230	(409)	231	(253)
		<u>7,076</u>	<u>(2,883)</u>	<u>12,285</u>	<u>(4,451)</u>
Net cash inflows from operating activities		<u>79,714</u>	<u>55,850</u>	<u>62,105</u>	<u>33,240</u>

Note 28. Correction of errors

Correction of errors relating to a previous reporting period

In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the prior period errors at (a) and (b) below have been recognised by adjusting the opening balances at 1 July 2013 and the comparative amounts for 2013/14. As the net impact of the error corrections at (c), (d) and (e) below were not considered material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, a restated prior position has not been presented and the corrections have been processed in the current year.

(a) Initial recognition of non-current assets (Drainage infrastructure assets)

The initial recognition of non-current assets relates to certain stormwater assets that should have been included in previous years' financial statements but have only been identified and placed into the financial asset register during the current reporting period. The majority of these relate to open drain and detention basin assets which in previous years, had not been captured under the capitalisation processes prior to the amalgamation of Hervey Bay City Council, Maryborough City Council, Tiara Shire Council and Woocoo Shire Council in 2008. The assets were identified and validated using spatial assessment of topographic and aerial imagery for all stormwater catchments in the Fraser Coast Region, ensuring there were logical connections to the existing stormwater infrastructure network. Further physical inspections of assets were also carried out to confirm relevant engineering attributes where required. The value of this correction is detailed following (b) below:

(b) Derecognition of non-current assets (Drainage infrastructure assets)

As part of a data cleansing initiative which preceded the revaluation of infrastructure assets in 2013/14, a comprehensive review of infrastructure asset management data was commenced during 2013/14 and substantially completed in 2014/15. The review identified various assets recognised on the Statement of Financial Position relating to prior periods. These resulted from a combination of duplicate asset entries and financial recognition of assets controlled by the Department of Transport and Main Roads, Queensland Rail or private entities. The value of this correction is detailed below:

	Note	Council 2014 \$'000
Initial recognition and derecognition of non-current assets		
Initial recognition of non-current assets		118,715
Derecognition of non-current assets		(19,653)
Correction of error	28 (f)	<u>99,062</u>

(c) Initial recognition and derecognition of non-current assets (Road and Bridge network infrastructure assets)

In addition to the recognition and derecognition of drainage infrastructure assets mentioned above, certain road and bridge network assets were identified that related to prior periods. Much of which was due to the verification of the existence of items that had been spatially recognised in the mapping systems prior to Council amalgamation, but not contained in asset registers. Further, assets that had been recognised in prior periods were found to be either duplicate entries or assets that were controlled by entities other than Council, and as such were derecognised during the financial year. As the net impact of these errors identified is not considered material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, management have not presented a restated prior position.

	Note	Council 2015 \$'000
Road and bridge network assets		
Previously unrecorded assets		20,700
Write-off of assets derecognised		(8,459)
Previously unrecorded assets (net)	5	<u>12,241</u>

Notes to the financial statements
for the year ended 30 June 2015

Note 28. Correction of errors continued

(d) Correction of duplicate assets (Wide Bay Water Corporation - WBWC)

In the process of valuing WBWC's assets at 30 June 2014, a duplication of infrastructure assets recognised in previous years was identified. The adjustments below were recognised in the current financial year. Management have not presented a restated prior period position as the net impact of errors identified is not considered material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

	Note	Consolidated 2015 \$'000
Property, plant and equipment - Cost		(6,379)
Property, plant and equipment - Accumulated depreciation		2,077
Decrease in asset revaluation surplus	21	5,405
Retained earnings		1,103

(e) Corrections from annual asset reviews (WBWC)

As part of WBWC's ongoing annual review of infrastructure assets, engineers periodically identify components of assets not previously appropriately accounted for or recognised. These items predominantly relate to underground passive assets and data gathering equipment used in water meters. The correcting entries were recognised in the current financial year through profit or loss. Management have not presented a restated prior period position as the net impact of errors identified is not considered to be material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

	Note	Consolidated 2015 \$'000
Property, plant and equipment - Cost		3,777
Property, plant and equipment - Accumulated depreciation		(2,489)
Profit or loss	4(b)(ii)	1,288

Aggregate adjustment on property, plant and equipment

Property, plant and equipment - Cost	15	(2,603)
Property, plant and equipment - Accumulated depreciation	15	(411)

Notes to the financial statements
for the year ended 30 June 2015

Note 28 (f). Correction of errors continued

		Consolidated			Council		
	Note	Audited 2014 \$'000	Correction of error \$'000	Restated 2014 \$'000	Audited 2014 \$'000	Correction of error \$'000	Restated 2014 \$'000
Statement of Comprehensive Income (extract)							
Recurrent expenses							
Depreciation and amortisation	9	55,815	40	55,855	34,671	40	34,711
Total recurrent expenses		175,654	40	175,694	122,822	40	122,862
Total expenses		196,399	40	196,439	140,913	40	140,953
Net result		28,535	(40)	28,495	24,978	(40)	24,938
Note 9. Depreciation and amortisation							
Drainage		4,071	40	4,111	4,071	40	4,111
Total depreciation and amortisation		55,815	40	55,855	34,671	40	34,711
Statement of Financial Position (extract)							
Non-current assets							
Property, plant and equipment	(a)(b)	1,913,519	99,062	2,012,581	1,200,175	99,062	1,299,237
Total non-current assets		1,922,277	99,062	2,021,339	1,502,756	99,062	1,601,818
Total assets		2,123,575	99,062	2,222,637	1,697,560	99,062	1,796,622
Net community assets		1,914,969	99,062	2,014,031	1,563,860	99,062	1,662,922
Community equity							
Retained surplus	(a)(b)	1,584,716	99,062	1,683,778	1,380,723	99,062	1,479,785
Total community equity		1,914,969	99,062	2,014,031	1,563,860	99,062	1,662,922
Note 15. Property, plant and equipment							
Drainage							
Asset values							
Opening gross value at 1 July 2013	(a)(b)	281,211	99,758	380,969	281,211	99,758	380,969
Closing gross value at 30 June 2014		381,802	99,758	481,560	381,802	99,758	481,560
Accumulated depreciation and impairment							
Opening accumulated depreciation at 1 July 2013	(a)(b)	68,824	656	69,480	68,824	656	69,480
Depreciation provided in period		4,071	40	4,111	4,071	40	4,111
Closing accumulated depreciation at 30 June 2014		155,669	696	156,365	155,669	696	156,365
Net asset values							
Opening net asset value at 1 July 2013	(a)(b)	212,387	99,102	311,489	212,387	99,102	311,489
Closing net asset value at 30 June 2014		226,132	99,062	325,194	226,132	99,062	325,194

Notes to the financial statements
for the year ended 30 June 2015

Note 28 (f). Correction of errors continued

	Note	Consolidated			Council		
		Audited 2014 \$'000	Correction of error \$'000	Restated 2014 \$'000	Audited 2014 \$'000	Correction of error \$'000	Restated 2014 \$'000
Total property, plant and equipment							
Asset values							
Opening gross value at 1 July 2013	(a)(b)	2,787,358	99,758	2,887,116	1,668,949	99,758	1,768,707
Closing gross asset value at 30 June 2014		2,938,269	99,758	3,038,027	1,803,308	99,758	1,903,066
Accumulated depreciation and impairment							
Opening accumulated depreciation at 1 July 2013	(a)(b)	908,275	656	908,931	503,972	656	504,628
Closing accumulated depreciation at 30 June 2014		1,024,750	696	1,025,446	603,133	696	603,829
Net asset values							
Opening net asset value at 1 July 2013	(a)(b)	1,879,083	99,102	1,978,185	1,164,977	99,102	1,264,079
Closing net asset value at 30 June 2014		1,913,519	99,062	2,012,581	1,200,175	99,062	1,299,237
Opening gross value stormwater drainage network at 1 July 2013							
Adjustment for assets not previously recognised in prior periods		-	121,759	121,759	-	121,759	121,759
Adjustment for assets incorrectly recognised during prior periods	(a)(b)	-	(22,001)	(22,001)	-	(22,001)	(22,001)
		-	99,758	99,758	-	99,758	99,758
Closing gross value stormwater drainage network at 30 June 2014							
Adjustment for assets not previously recognised in prior periods		-	121,759	121,759	-	121,759	121,759
Adjustment for assets incorrectly recognised during prior periods	(a)(b)	-	(22,001)	(22,001)	-	(22,001)	(22,001)
		-	99,758	99,758	-	99,758	99,758
Opening accumulated depreciation stormwater drainage network at 1 July 2013							
Adjustment for assets not previously recognised in prior periods		-	2,925	2,925	-	2,925	2,925
Adjustment for assets incorrectly recognised during prior periods	(a)(b)	-	(2,269)	(2,269)	-	(2,269)	(2,269)
		-	656	656	-	656	656
Closing accumulated depreciation stormwater drainage network at 30 June 2014							
Adjustment for assets not previously recognised in prior periods		-	3,044	3,044	-	3,044	3,044
Adjustment for assets incorrectly recognised during prior periods		-	(2,348)	(2,348)	-	(2,348)	(2,348)
		-	696	696	-	696	696
Retained surplus							
Opening balance at 1 July 2013	(a)(b)	1,556,181	99,102	1,655,283	1,355,745	99,102	1,454,847
Net result		28,535	(40)	28,495	24,978	(40)	24,938
Closing balance at 30 June 2014		1,584,716	99,062	1,683,778	1,380,723	99,062	1,479,785
Note 27. Reconciliation of net result for the year to net cash inflow from operating activities							
Net result		28,535	(40)	28,495	24,978	(40)	24,938
Depreciation and amortisation	9	55,815	40	55,855	34,671	40	34,711
Total adjustments for non-cash and investing activities		30,198	40	30,238	12,713	40	12,753
Net cash inflow from operating activities		55,850	-	55,850	33,240	-	33,240

Notes to the financial statements for the year ended 30 June 2015

Note 29. Events after the reporting period

There were no material adjusting or non-adjusting events after the reporting date.

Note 30. Financial instruments

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

Credit risk
Liquidity risk
Market risk

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

Financial risk management

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

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

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

Council does not enter into derivatives.

Credit risk exposure

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

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

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

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

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

		Consolidated		Council	
		2015	2014	2015	2014
	Notes	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	11(a)	157,800	146,928	149,890	142,032
Term deposits > 3 months	11(b)	20,000	-	20,000	-
Receivables - rates	12	31,164	38,226	31,164	38,226
Receivables - other	12	10,698	12,642	84,433	86,115
		219,662	197,796	285,487	266,373
Other credit exposures					
Guarantee	23	1,367	1,718	1,031	1,314
		1,367	1,718	1,031	1,314
Total		221,029	199,514	286,518	267,687

Notes to the financial statements for the year ended 30 June 2015

Note 30. Financial instruments continued

Cash and cash equivalents and term deposits > 3 months

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

Other financial assets

Other investments are held with financial institutions, which are rated A1⁺ to A2 based on rating agency Standard and Poor's and Moody ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

Trade and other receivables

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

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

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

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

	Notes	Consolidated		Council	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Receivables					
Fully performing		18,834	23,544	19,089	21,575
Past due:					
- Less than 30 days overdue		1,784	1,617	1,784	1,685
- 30 to 60 days overdue		104	393	84	474
- 61 to 90 days overdue		2,401	2,760	2,400	2,755
- Over 90 days overdue		18,749	22,584	18,742	24,381
- Impaired		(10)	(30)	(2)	(29)
	12	<u>41,862</u>	<u>50,868</u>	<u>42,097</u>	<u>50,841</u>

Liquidity risk

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

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

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 19. The following lines of credit were available to Wide Bay Water Corporation at the end of the reporting period:

QTC working capital facility	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>-</u>
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Notes to the financial statements for the year ended 30 June 2015

Note 30. Financial instruments continued

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

	Notes	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows	Carrying amount
Consolidated						
2015						
Trade and other payables	18	12,399	-	-	12,399	12,399
Loans - QTC	19	22,737	89,181	87,380	199,298	154,284
		<u>35,136</u>	<u>89,181</u>	<u>87,380</u>	<u>211,697</u>	<u>166,683</u>
2014						
Trade and other payables	18	15,716	-	-	15,716	15,716
Loans - QTC	19	21,696	84,540	120,766	227,002	168,707
		<u>37,412</u>	<u>84,540</u>	<u>120,766</u>	<u>242,718</u>	<u>184,423</u>
Council						
2015						
Trade and other payables	18	40,571	-	-	40,571	40,571
Loans - QTC	19	10,837	41,581	27,268	79,686	66,676
		<u>51,408</u>	<u>41,581</u>	<u>27,268</u>	<u>120,257</u>	<u>107,247</u>
2014						
Trade and other payables	18	38,382	-	-	38,382	38,382
Loans - QTC	19	9,796	36,940	49,314	96,050	74,837
		<u>48,178</u>	<u>36,940</u>	<u>49,314</u>	<u>134,432</u>	<u>113,219</u>

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

Market risk

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

Interest rate risk

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

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

Sensitivity

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

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

Notes to the financial statements
for the year ended 30 June 2015

Note 30. Financial instruments continued

	Notes	Net carrying amount \$'000	Effect on net result		Effect on equity	
			1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
Consolidated						
2015						
Investments with QTC	11(a)	114,387	1,144	(1,144)	1,144	(1,144)
Other cash	11(a)	1,375	14	(14)	14	(14)
Loans - QTC	19	(154,284)	(1,543)	1,543	(1,543)	1,543
Net		<u>(38,522)</u>	<u>(385)</u>	<u>385</u>	<u>(385)</u>	<u>385</u>
2014						
Investments with QTC	11(a)	70,918	709	(709)	709	(709)
Other cash	11(a)	477	5	(5)	5	(5)
Loans - QTC	19	(168,707)	(1,687)	1,687	(1,687)	1,687
Net		<u>(97,312)</u>	<u>(973)</u>	<u>973</u>	<u>(973)</u>	<u>973</u>
Council						
2015						
Investments with QTC	11(a)	107,049	1,070	(1,070)	1,070	(1,070)
Other cash	11(a)	804	8	(8)	8	(8)
Loans - QTC	19	(66,676)	(667)	667	(667)	667
Net		<u>41,177</u>	<u>412</u>	<u>(412)</u>	<u>412</u>	<u>(412)</u>
2014						
Investments with QTC	11(a)	66,385	664	(664)	664	(664)
Other cash	11(a)	115	1	(1)	1	(1)
Loans - QTC	19	(74,837)	(748)	748	(748)	748
Net		<u>(8,337)</u>	<u>(83)</u>	<u>83</u>	<u>(83)</u>	<u>83</u>

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

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

QTC Client Specific Pool - client specific pool products are often rebalanced to a target benchmark duration.

Fair value

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

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

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

Notes to the financial statements
for the year ended 30 June 2015

Note 30. Financial instruments continued

		Carrying value		Fair value	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Consolidated					
Financial assets					
Cash and cash equivalents	11(a)	43,413	76,010	43,413	76,010
Investments with QTC	11(a)	114,387	70,918	114,387	70,918
Term deposits > 3 months	11(b)	20,000	-	20,000	-
Trade and other receivables	12	41,862	50,868	41,862	50,868
Total financial assets		219,662	197,796	219,662	197,796
Financial liabilities					
Trade and other payables	18	12,399	15,716	12,399	15,716
Loans - QTC	19	154,284	168,707	154,284	168,707
Total financial liabilities		166,683	184,423	166,683	184,423
Council					
Financial assets					
Cash and cash equivalents	11(a)	42,841	75,647	42,841	75,647
Investments with QTC	11(a)	107,049	66,385	107,049	66,385
Term deposits > 3 months	11(b)	20,000	-	20,000	-
Trade and other receivables	12	115,597	124,341	115,597	124,341
Total financial assets		285,487	266,373	285,487	266,373
Financial Liabilities					
Trade and other payables	18	40,571	38,382	40,571	38,382
Loans - QTC	19	66,676	74,837	66,676	74,837
Total financial liabilities		107,247	113,219	107,247	113,219

Fair value hierarchy

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

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

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

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

Notes to the financial statements
for the year ended 30 June 2015

Note 30. Financial instruments continued

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

	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated					
2015					
Financial assets					
Cash and cash equivalents	11(a)	43,413	-	-	43,413
Investments with QTC	11(a)	114,387	-	-	114,387
Term deposits > 3 months	11(b)	20,000	-	-	20,000
Total financial assets		177,800	-	-	177,800

	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated					
2014					
Financial assets					
Cash and cash equivalents	11(a)	76,010	-	-	76,010
Investments with QTC	11(a)	70,918	-	-	70,918
Total financial assets		146,928	-	-	146,928

	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Council					
2015					
Financial assets					
Cash and cash equivalents	11(a)	42,841	-	-	42,841
Investments with QTC	11(a)	107,049	-	-	107,049
Term deposits > 3 months	11(b)	20,000	-	-	20,000
Total financial assets		169,890	-	-	169,890

	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Council					
2014					
Financial assets					
Cash and cash equivalents	11(a)	75,647	-	-	75,647
Investments with QTC	11(a)	66,385	-	-	66,385
Total financial assets		142,032	-	-	142,032

Notes to the financial statements for the year ended 30 June 2015

Note 31. National competition policy

Business activities to which the code of competitive conduct is applied

A "business activity" of a local government is any activity that involves trading in goods or services.

The code of competitive conduct (CCC) must be applied to the following business activities:

(a) A building certifying activity that:

- (i) involves performing building certifying functions within the meaning of the *Building Act*, section 8; and
- (ii) is prescribed under a regulation*.

* Section 38 of the *Local Government Regulation 2012* lists the local government's whose activities are prescribed building certification activities.

(b) A roads activity, other than a roads activity for which business is conducted only through a sole supplier arrangement, that involves:

- (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.
- (ii) construction or road maintenance on another local government's roads which the local government has put out to tender.

Each local government may elect to apply a Code of Competitive Conduct (CCC) to any other identified business activities. However, for any with current expenditure of \$300,000 or more, the local government must decide, by resolution each year, whether to apply the CCC to that activity.

Under the competitive neutrality principle, an entity that is conducting a business activity in competition with the private sector should not enjoy a net advantage over competitors only because the entity is in the public sector.

The competitive neutrality principle may be applied by commercialisation or full cost pricing. This includes removing any competitive advantage or disadvantage, where possible, and charging for goods and services at full cost.

In addition, the cost of performing community service obligations, less any revenue received from carrying out those obligations, must be treated as revenue for the business activity.

A community service obligation is an obligation the local government imposes on a business activity that is not in its commercial interest, for example, giving a concession to pensioners. A local government's financial statements must contain an activity statement for each business activity to which the CCC applies.

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

Caravan parks
Fraser Coast Waste
Fraser Coast Airport
Brolga Theatre
Building certification

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

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

Notes to the financial statements
for the year ended 30 June 2015

Note 31. National competition policy continued

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

	Brolga Theatre \$'000	Building certification \$'000	Caravan parks \$'000	Fraser Coast Waste \$'000	Fraser Coast Airport \$'000
2015					
Revenue for services provided to external clients	903	238	3,049	20,263	3,142
Community service obligations	478	-	-	330	1,120
	1,381	238	3,049	20,593	4,262
Less : expenditure	(2,372)	(241)	(1,715)	(14,106)	(3,444)
Surplus/(deficit)	(991)	(3)	1,334	6,487	818

Description of CSO's provided to business activities:

Activities	CSO description	\$'000
Fraser Coast Airport	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 and economic development in the local authority area. This objective is consistent with the adopted Corporate Plan. The pricing structure for airport landing fees is not currently 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.	1,120
Fraser Coast Waste	Council has identified a number of CSO's in relation to the provision of waste services throughout the region. Council provides and services street litter bins throughout the region. Public recycling services are also provided in high profile, high use areas. These services are recognised as a CSO. In addition, Council provides vouchers to charitable organisations and schools allowing those organisations to dispose of a certain amount of waste for free. This service is also recognised as a CSO.	330
Brolga Theatre	Council has identified a CSO in relation to the Brolga Theatre. Council requires the Brolga Theatre to operate first class facilities and to provide a range of high quality cultural performances to residents in the region at a cost equivalent to prices in major cities. Council requires all trading areas, other than live theatre performances to operate on a commercial basis and produce profitable results. Council recognises a CSO to cover the Theatre's net operating loss excluding asset depreciation.	478

General purpose financial statements
for the year ended 30 June 2015

Management certificate
for the year ended 30 June 2015

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

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

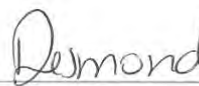
- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out in the previous pages, present a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



Gerard O'Connell

MAYOR

15/10/2015



Lisa Desmond

CHIEF EXECUTIVE OFFICER

15/10/2015



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 2015, 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 Regulation 2012*, 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 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



P J FLEMMING FCPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

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Current year financial sustainability statement for the year ended 30 June 2015

Measures of financial sustainability

Council's performance at 30 June 2015 against key financial ratios and targets

	2015 Consolidated	2015 Council	Target
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Performance indicators

1. Operating surplus ratio

<u>Net result (excluding capital items)</u>	7.39%	9.37%	0 - 10%
Total operating revenue (excluding capital items)			

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

2. Asset sustainability ratio

<u>Capital expenditure on the replacement of assets (renewals)</u>	72.52%	92.95%	more than 90%
Depreciation expense			

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

3. Net financial liabilities ratio

<u>Total liabilities less current assets</u>	(15.80%)	(59.82%)	less than 60%
Total operating revenue (excluding capital items)			

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

Note 1 - Basis of preparation

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

The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2015.

Current year financial sustainability statement
for the year ended 30 June 2015

Certificate of accuracy

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

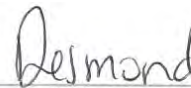
In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability statement has been accurately calculated.



Gerard O'Connell

MAYOR

15/10/2015



Lisa Desmond

CHIEF EXECUTIVE OFFICER

15/10/2015

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Fraser Coast Regional Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Fraser Coast Regional Council for the year ended 30 June 2015, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Current-Year Financial Sustainability Statement

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

Auditor's Responsibility

My responsibility is to express an opinion on the current-year financial sustainability statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. 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 statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

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.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Fraser Coast Regional Council, for the year ended 30 June 2015, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

P J FLEMMING FCPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

Measures of financial sustainability

Council's performance at 30 June 2015 against key financial ratios and targets and projected forecast performance.

	Target	Actual 2015	2016	2017	2018	2019	Forecast					
							2020	2021	2022	2023	2024	2025

Performance indicators - consolidated

1. Operating surplus ratio

Net result (excluding capital items)

Total operating revenue (excluding capital items)	0 - 10%	7.39%	2.88%	3.51%	5.09%	6.42%	7.46%	8.35%	9.49%	10.98%	12.27%	13.45%
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An indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals)

Depreciation expense	more than 90%	72.52%	87.61%	81.76%	78.97%	73.79%	71.71%	68.47%	75.79%	74.13%	74.14%	68.10%
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An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net financial liabilities ratio

Total liabilities less current assets

Total operating revenue (excluding capital items)	less than 60%	(15.80%)	26.84%	28.91%	22.42%	18.26%	15.60%	11.52%	1.33%	(12.43%)	(25.03%)	(41.30%)
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Measures of financial sustainability continued

Performance indicators - Council

	Target	Actual 2015	2016	2017	2018	2019	Forecast		2020	2021	2022	2023	2024	2025
--	--------	----------------	------	------	------	------	----------	--	------	------	------	------	------	------

1. Operating surplus ratio

Net result (excluding capital items)

Total operating revenue (excluding capital items)

0 - 10% 9.37% 3.88% 4.02% 4.44% 5.29% 5.58% 5.84% 6.19% 6.19% 6.81% 7.18%

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

2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals)

Depreciation expense

more
than
90% 92.95% 99.13% 88.66% 91.40% 92.18% 90.03% 84.60% 87.06% 86.87% 87.20% 84.86%

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

3. Net financial liabilities ratio

Total liabilities less current assets

Total operating revenue (excluding capital items)

less than
60% (59.82%) (17.31%) (13.30%) (14.95%) (12.90%) (15.11%) (18.70%) (20.76%) (24.99%) (29.55%) (34.64%)

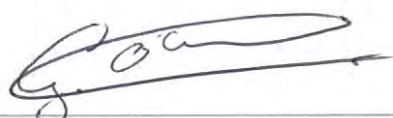
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Certificate of accuracy

for the long-term financial sustainability statement prepared as at 30 June 2015

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

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



Gerard O'Connell
MAYOR

15/10/2015



Lisa Desmond
CHIEF EXECUTIVE OFFICER

15/10/2015

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