



# 2022-23 Annual Report





📍 Butchulla Warriors' Memorial, Maryborough

## ACKNOWLEDGEMENT OF COUNTRY

**Fraser Coast Regional Council acknowledges the Traditional Custodians of this region, the Butchulla (Badtjala) people to the east, and the Kabi Kabi (Gubbi Gubbi) people to the west.**

**We recognise the cultural and spiritual practices of Aboriginal and Torres Strait Islander peoples across our nation, and their continuing connection to the lands in which we live and work today.**

**We pay our respects to all elders past, present and emerging.**

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## MAYOR'S MESSAGE

**Our focus for 2022/23 was centred around building better communities together – with Council working hard to ensure our region continues to flourish and grow.**

And we are certainly growing. The building boom showed no signs of slowing as more and more people realise the Fraser Coast is one of the best places in the world to live, work and play.

Council continued to work on maintaining and improving local roads, with a major new east-west road connection through Hervey Bay, the Boundary Road extension, passing the halfway point.

We completed a significant refurbishment of the Maryborough Showgrounds Main Hall in time for the annual Fraser Coast Show, while work continued on a major redevelopment of the Scarness Caravan Park.

The Fraser Coast has a colourful and vibrant cultural life, and Council is keen to ensure our community has opportunities to appreciate its arts, heritage and cultural diversity.

As a measure of our success, Council can point to increasing numbers visiting our facilities such as the Story Bank in Maryborough where more than 15,000 people visited the interactive museum.

The figures not only point to the facility's popularity, but also reinforce our belief that the Story Bank would attract people to the region, especially the Maryborough CBD.

More than 10,000 visitors flocked through the doors to view nine different exhibitions at the renovated Hervey Bay Regional Gallery, while a new monument to the Butchulla people was unveiled in Queens Park in Maryborough in a major step for reconciliation locally.

WetSide Water Park continued to go from strength to strength with the opening of the new Aqua Ninja course, the first of its kind in Australia. More than 10,000 people visited WetSide between Boxing Day and New Year's Eve in 2022 – the largest number of visitors in a week since the park opened 13 years ago.

The Fraser Coast hosted multiple significant state sporting events and championships throughout the year, along with visits from Queensland's premier football team, the Brisbane Roar, and the Queensland Reds rugby union squad.

Many of the events were held at the Sports and Recreation Precinct and brought thousands of visitors to the region, showcasing how valuable this facility is to ensure we have a healthy and active community and a strong and growing economy.

I'd like to conclude by saying thank you to my Council colleagues and the Council staff who have worked so hard to deliver the services and infrastructure our growing community needs.

Together we will continue to ensure the Fraser Coast is a great place to visit and an even greater place to live.

**Cr George Seymour**

*Mayor*





## CEO'S MESSAGE

It has been a busy year at Council as we have forged ahead with the development and endorsement of a number of significant strategies and plans, including our new five-year Corporate Plan.

This plan will underpin everything we do as a Council and guide how we deliver community services and infrastructure while protecting the region's unique natural environment and lifestyle.

Throughout 2022/23, Council continued to work on the Hervey Bay City Centre revitalisation project, with a building contractor appointed to advance the new Library and Council Administration Centre.

Council and its waste collection contractor improved the waste collection program and schedule, which resulted in fewer truck movements and consequently, a reduction in greenhouse gas emissions.

The year also saw the adoption of the K'gari (Fraser Island) Waste Management and Resource Recovery Strategy for the next decade.

This important strategy was developed in collaboration with stakeholders including the Department of Environment and Science, Queensland Park and Wildlife Services, the Butchulla community, island residents, tourism operators, and visitors.

This strategy aids in preserving the island's world-heritage and cultural values while guiding resource allocation and project timelines for waste management and resource recovery.

A highlight for one of our smaller communities was the development and endorsement of the Glenwood Community Plan, which sets the vision and direction for the future of the community for the next 20 years.

In the sphere of sustainability, Council took steps to involve community groups in tree planting programs as part of their Greening the Fraser Coast Strategy, with plans to plant 100,000 trees by 2030.

A Domestic Animal Management Strategy was introduced, encompassing aspects like responsible pet ownership education, registration requirements, law enforcement, and the operation of animal pounds and adoption centres.

Council's dedication to community welfare was reflected in the improved community grants scheme, ensuring diverse opportunities for participation in cultural events.

The Maryborough Aquatic Centre team's resilience and hard work following setbacks after the 2022 floods were acknowledged with the best large swim centre award.

Council's commitment to maintaining a unique lifestyle while promoting a safe and healthy community was evidenced by its care of our many parks, gardens, and playgrounds, while a new Biosecurity Plan was adopted to safeguard against plant and animal pests.

These developments collectively underscore the Council's unwavering focus on fostering better communities, promoting sustainable practices, and enhancing cultural appreciation across the Fraser Coast.

Finally, I would just like to thank the hardworking Council staff for their commitment and dedication to serving the community on the Fraser Coast and bringing Council's vision to life.

**Ken Diehm**

*Chief Executive Officer*

# REGIONAL SNAPSHOT

The Fraser Coast is continually growing and changing.



**438**

Council owned and operated buildings and community facilities



**293km**

of coastline and foreshore



**1,419**

open space and environmental areas including reserves and parkland



**2,700km**

of roads and footpaths



**7,105km<sup>2</sup>**

total land size



**115,173**

population, that's 16.2 people per km<sup>2</sup>



**51 years**

median age



**1.84 million**

visitors per year





# MEET OUR COUNCILLORS

Our Council consists of the Mayor and 10 Councillors, each representing their local division. Residents have the opportunity to elect a divisional Councillor and a Mayor every four years.

**Cr George Seymour**  
Mayor



**Cr James Hansen**  
Division 1



**Cr David Lewis**  
Division 6



**Cr Phil Truscott**  
Division 2



**Cr Darren Everard**  
Division 7



**Cr Paul Truscott**  
Division 3



**Cr Denis Chapman**  
Division 8



**Cr Daniel Sanderson**  
Division 4



**Cr David Lee**  
Division 9



**Cr Jade Wellings**  
Division 5

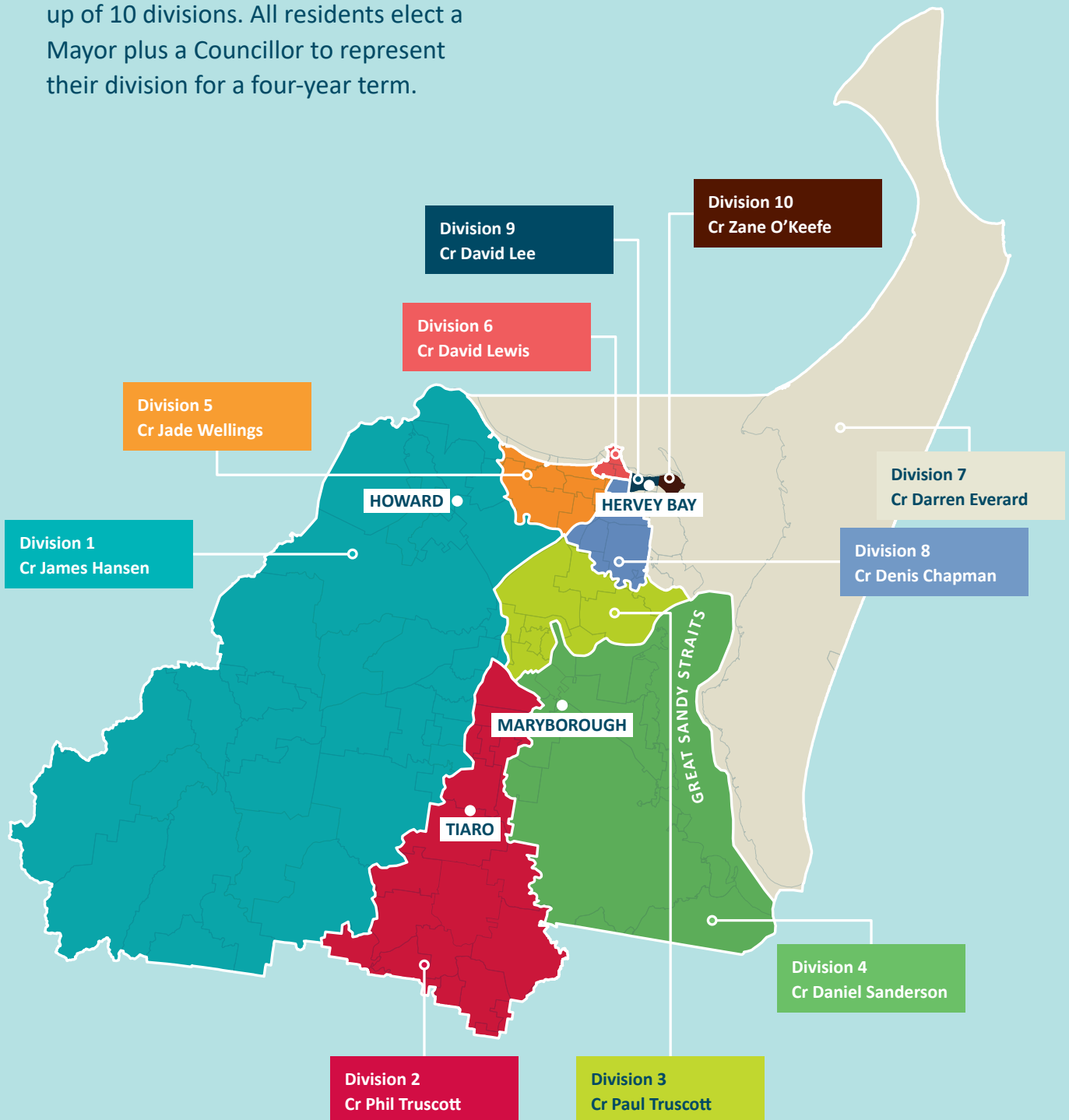


**Cr Zane O'Keefe**  
Division 10



# OUR REGION'S DIVISIONS

The Fraser Coast Council region is made up of 10 divisions. All residents elect a Mayor plus a Councillor to represent their division for a four-year term.





# EXECUTIVE LEADERSHIP TEAM

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



**Ken Diehm**  
Chief Executive Officer



**Gerard Carlyon**  
Director Development  
and Community



**Keith Parsons**  
Director Organisational Services



**Mark Vanner**  
Director Wide Bay Water  
and Waste Services



**Davendra Naidu**  
Director Infrastructure Services

# COUNCIL PERFORMANCE OVERVIEW



Council's vision and main strategic priorities are set through the Corporate Plan. This charts the path forward for Council and guides service delivery through five key themes. Our annual Operational Plan translates these themes into measurable actions and details how we deliver quality services to the community. Overall performance is set out in our quarterly performance reports, summarising our progress against long-term targets and the progress of major initiatives. This is critical in ensuring we are building better communities while achieving our corporate objectives.

2022/23 marked the final year of the 2018-2023 Corporate Plan, and our achievements against the key themes and outcomes of that strategy over the last five years are summarised in this section.







## THEME 1: GOVERNANCE

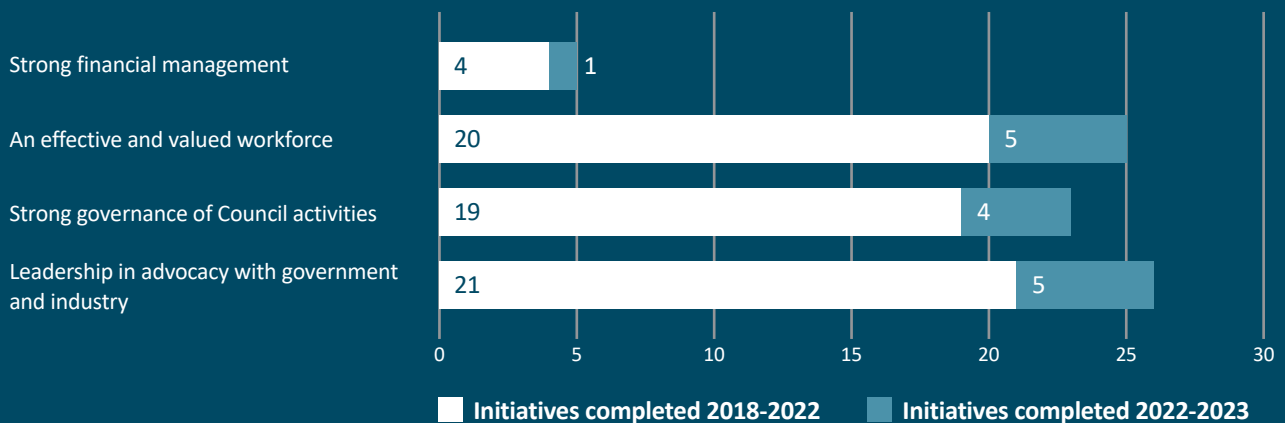
*An effective organisation providing excellent service delivery through strong leadership, democratic principles and effective management of people, assets and finances.*

79

Corporate Plan 2018  
– 2023 Initiatives  
Completed

15

Delivered via the  
Operational Plan  
2022/23



## THEME 2: LIFESTYLE

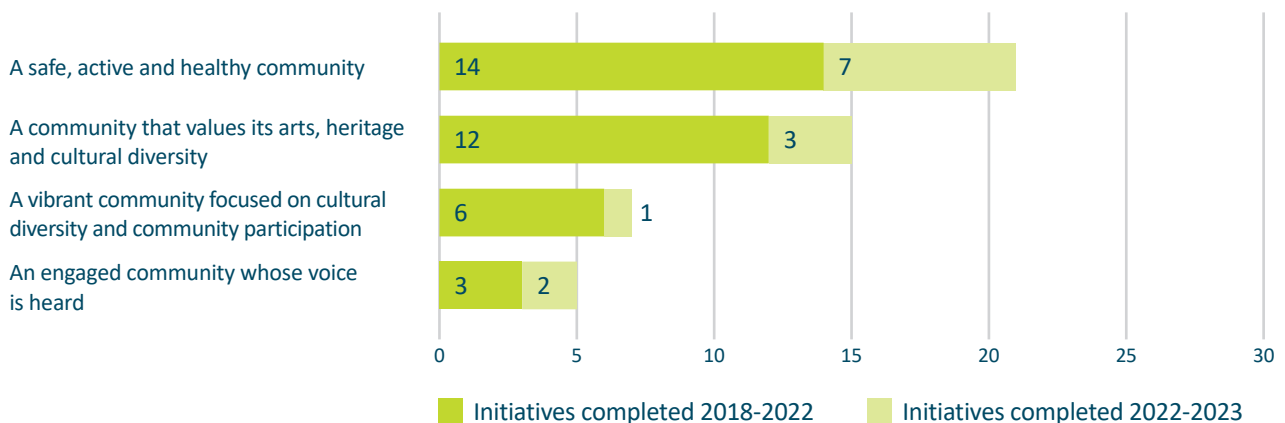
*A safe and vibrant community that promotes a preferred place to live.*

48

Corporate Plan 2018  
– 2023 Initiatives  
Completed

13

Delivered via the  
Operational Plan  
2022/23





## THEME 3: PROSPERITY

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

35

Corporate Plan 2018  
– 2023 Initiatives  
Completed

2

Delivered via the  
Operational Plan  
2022/23

Carefully managed locations and precincts

8

Strong jobs growth

7

2

A growing tourism industry that capitalises on the full range of opportunities

10

A strong, diversified and innovative economy

8

■ Initiatives completed 2018-2022

■ Initiatives completed 2022-2023



## THEME 4: NATURAL ENVIRONMENT

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

33

Corporate Plan 2018  
– 2023 Initiatives  
Completed

7

Delivered via the  
Operational Plan  
2022/23

Protection and enhancement of our natural environment assets

5

3

Easy access for all to the natural assets of the region

5

Manage waste in a sustainable way

4

3

Sustainable practices are applied to all Council operations

12

1

■ Initiatives completed 2018-2022

■ Initiatives completed 2022-2023





## THEME 5:

# BUILT ENVIRONMENT

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

62

Corporate Plan 2018  
– 2023 Initiatives  
Completed

9

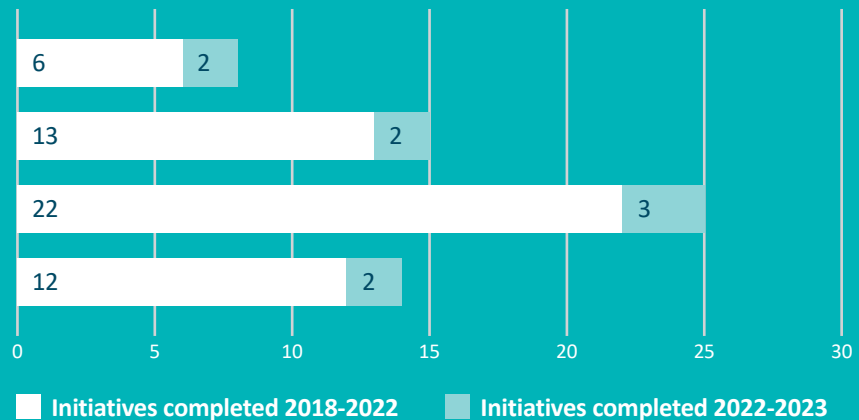
Delivered via the  
Operational Plan  
2022/23

Transport provisions that service the wider community

Quality transport networks to support access across the region

Integrated planning to support current and future needs of the region and growth

Water, wastewater and stormwater networks that support the current and future needs of the community



## Looking to the Future

Throughout the financial year, Council redeveloped and realigned its strategic direction in consultation with the community. Shared aspirations for the future of the Fraser Coast were crystallised through the engagement process, and distilled into five focus areas:

### FOCUS AREA 1

**Connected,  
Inclusive  
Communities and  
Spaces**



### FOCUS AREA 2

**Resilient and  
Environmentally  
Responsible  
Region**



### FOCUS AREA 3

**Focused  
Service  
Delivery**



### FOCUS AREA 4

**Focused  
Organisation  
and Leadership**



### FOCUS AREA 5

**Engaged  
and Agile  
Workforce**



On 28 June 2023, Council adopted the *2023-2028 Corporate Plan*, which provides a clear framework to Council in decision-making and policy directions, prioritising and delivering services, programs, projects, and facilities to the community.

# STATUTORY INFORMATION





# MAYOR AND COUNCILLORS

## Councillor Remuneration and Expenses

Fraser Coast Mayor and Councillors were remunerated in accordance with the maximum remuneration rates published by the Local Government Remuneration Commission. Superannuation contributions were paid at a rate of 12% of a Councillor's base remuneration.

In accordance with section 186(1)(a) and (b) of the *Local Government Regulation 2012*, Council is required to report:

- the total remuneration paid to each Councillor, including superannuation; and
- the total expenses incurred by, and the facilities provided to, each Councillor under the Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy.

These figures are shown below for the 2022/23 financial year.

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

Councillor	Remuneration	Superannuation	Expenses	Total
Cr George Seymour	\$161,222	\$19,347	\$21,773	\$202,342
Cr James Hansen	\$93,339	\$11,201	\$25,047	\$129,587
Cr Philip Truscott*	\$93,339	\$11,201	\$28,777	\$133,317
Cr Paul Truscott**	\$103,030	\$12,364	\$22,636	\$138,030
Cr Daniel Sanderson	\$93,339	\$11,201	\$25,182	\$129,722
Cr Jade Wellings	\$93,339	\$11,201	\$18,770	\$123,310
Cr David Lewis	\$93,339	\$11,201	\$16,112	\$120,652
Cr Darren Everard	\$93,339	\$11,201	\$14,722	\$119,262
Cr Denis Chapman***	\$96,425	\$11,571	\$27,327	\$135,323
Cr David Lee	\$93,339	\$11,201	\$12,412	\$116,952
Cr Zane O'Keefe	\$93,339	\$11,201	\$17,980	\$122,520
<b>TOTAL</b>	<b>\$1,107,389</b>	<b>\$132,890</b>	<b>\$230,738</b>	<b>\$1,471,017</b>

\*Total expenses reported for Cr Philip Truscott include an overpayment of \$1,311.96 for private vehicle reimbursement expenses, which will be reimbursed to Council in the next reporting period.

\*\*Includes Deputy Mayor allowance for Cr Paul Truscott for the period 1 July 2022 until 22 March 2023.

\*\*\*Includes Deputy Mayor allowance for Cr Denis Chapman for the period 22 March 2023 until 30 June 2023.

# MAYOR AND COUNCILLORS

## Council Meeting Attendance

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

Twelve ordinary meetings and three special meetings were held during the period 1 July 2022 to 30 June 2023 and the attendance of Councillors is detailed below.

Councillor	Ordinary meetings attended	Special meetings attended
Cr George Seymour	10 of 12	3 of 3
Cr James Hansen	10 of 12	2 of 3
Cr Phil Truscott	12 of 12	3 of 3
Cr Paul Truscott	12 of 12	3 of 3
Cr Daniel Sanderson	12 of 12	3 of 3
Cr Jade Wellings	11 of 12	3 of 3
Cr David Lewis	11 of 12	2 of 3
Cr Darren Everard	10 of 12	2 of 3
Cr Denis Chapman	12 of 12	2 of 3
Cr David Lee	12 of 12	3 of 3
Cr Zane O'Keefe	11 of 12	3 of 3

## Councillor Conduct

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

There were two orders made under section 150AH(1) of the *Local Government Act 2009*.

Councillor	Description of the unsuitable meeting conduct, inappropriate conduct or misconduct	Summary of the decision, order or recommendation made
Councillor Hansen	Inappropriate Conduct – COM2022/23-026 The councillor made a derogatory comment on the Fraser Coast Regional Council's Facebook page about a council employee, which breached the Code of Conduct for Councillors in Queensland.	Having found that the councillor engaged in inappropriate conduct, Council made the following orders: a) An order reprimanding Councillor Hansen for the conduct; and b) An order that if Councillor Hansen engages in any further instance of inappropriate conduct relating to the use of social media, it will be treated as misconduct.
Councillor Hansen	Inappropriate Conduct – COM2022/23-064 The councillor failed to carry out his responsibilities conscientiously and in the best interests of Council and the community by not attending meetings of external committees that he had been appointed to.	Having found that the councillor engaged in inappropriate conduct, Council made the following orders: No action be taken against the Councillor.

## Councillor Conduct continued...

Section and requirement		Number
150P(2)(a)	Complaints referred to the assessor under section 150P(2)(a) of the <i>Local Government Act 2009</i> (the Act) by the local government, a councillor of the local government or the chief executive officer of the local government.	4
150P(3)	Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission.	0
150R(2)	Notices given to the assessor when a local government official becomes aware of information indicating a councillor may have engaged in conduct that would be inappropriate conduct or misconduct under section 150R(2) of the Act.	5
150S(2)(a)	Notices given to the assessor under section 150S(2)(a) of the Act when a local government decides under section 150AG to take action to discipline the councillor for inappropriate conduct on 3 occasions during a period of 1 year; or the local government has previously made an order that a particular type of conduct engaged in by a councillor will be dealt with as misconduct and reasonably suspects the councillor has engaged in the same type of conduct again.	0
150W(1)(a)	Decisions made by the assessor to dismiss the complaint about the conduct under section 150X.	5
150W(1)(b)	Decisions made by the assessor to refer the suspected inappropriate conduct to the local government to deal with.	2
150W (1)(e)	Decisions made by the assessor to take no further action in relation to the conduct under section 150Y.	3
150AC(3)(a)	Referral notices accompanied by a recommendation that the conduct should be referred to another entity for consideration as mentioned in section 150AC(3)(a) of the Act.	0
150AF(4)(a)	Occasions information was given by the local government to the assessor under section 150AF(4)(a) of the Act.	9
Chapter 5A, part 3, division 5	Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor.	2
Chapter 5A, part 3, division 6	Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct.	0
150I(2)	Orders made by the chairperson under section 150I(2) of the Act	0
150AH(1)	Orders made by the local government under section 150AH(1) of the Act	2
150AR(1)	Decisions, orders and recommendations made by the conduct tribunal under section 150AR(1) of the Act.	0



# CORPORATE GOVERNANCE

## Senior Management Remuneration

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

Remuneration Value Range	Number of Senior Executives
\$250,000 to \$350,000	4
\$350,000 to \$450,000	1

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

Senior management remuneration package includes salary paid or payable and includes superannuation at 12%, vehicle allowance and professional development allowance. The total remuneration packages payable to senior management for the financial year was \$1,795,416.

## Chief Executive Officer Remuneration

The Chief Executive Officer remuneration package for the 2022/23 financial year was as follows:

CEO Total Remuneration 2022/23	\$445,486
Gross Salary (Payroll)	\$388,986
Superannuation (Capped)	\$27,500
Motor Vehicle – Deemed Nominal Value	\$25,000
Professional Development	\$4,000
(Subtotal)	\$445,486
Gross Salary (Payroll)	\$388,986
Less PAYG	\$153,514
Less Superannuation Deduction	\$22,354
<b>Net Salary Paid</b>	<b>\$213,118</b>

## Administrative Action Complaints

Council's Governance Team continues to manage customer complaints pursuant to the Administrative Action Complaints Policy (AACP) as required by section 268(1) of the *Local Government Act 2009*. The policy provides a framework promoting fairness, confidentiality and transparency of complaint management.

There were 43 Administrative Action Complaints lodged and subsequently resolved by the Governance Investigation Team this financial year. In addition, 58 requests to review a penalty infringement notice (PIN) were dealt with by Regulatory Services through the internal review process. This is reflected in the below figure of complaints dealt with outside of the AACP.

All complaints, including requests to review PINs, were finalised within 60 business days of receipt.

As per the reporting requirements of section 187 of the *Local Government Regulation 2012*, Council's complaints data is outlined in the table below:

Item	2022/23
Number of Administrative Action Complaints made	101
Number of Administrative Action Complaints resolved under the complaints management process	43
Number of Administrative Action Complaints not resolved under the complaints management process	58
Number of Administrative Action Complaints not resolved that were made in a previous financial year	0

The increase in complaint numbers is following Council's application of the guidance received from the Department of State Development, Infrastructure, Local Government and Planning to include requests to review PINS within AAC numbers. Council has commenced this, with requests for a review of parking fines and other PINS now included.

## Beneficial Enterprises

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

## Significant Business Activities

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

- Wide Bay Water
- Fraser Coast Waste

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

- Wide Bay Water
- Fraser Coast Waste

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

## Competitive Neutrality Complaints

In accordance with section 190(1)(i) and (j) of the *Local Government Regulation 2012*, Council is required to provide a summary of investigation notices for competitive neutrality complaints during the financial year. No competitive neutrality complaints were received during the reporting period.

## Particular Resolutions

In accordance with section 185 of the *Local Government Regulation 2012*, Council must advise of particular resolutions made under section 250(1) and section 206(2) of the *Local Government Regulation 2012*.

The Reimbursement of Expense and Provision of Facilities for Councillors Policy was amended by Council at Ordinary Meeting held 28 June 2023.

The resolution was as follows:

### FCRC Ordinary Meeting No. 6/23 – Wednesday 28 June 2023.

#### ORD 11.2.8 Councillor Discretionary Funds Policy & Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy

Resolution (Denis Chapman/Paul Truscott)

That Council:

1. Resolve to endorse the Councillor Discretionary Funds Council Policy – CP010 (Attachment 1) as approved on 15 June 2022.
2. Resolve to amend the Reimbursement of Expenses & Provision of Facilities for Mayor and Councillors Council Policy – CP012 (Attachment 2) as provided for in Attachment 3.

(Carried unanimously)

In accordance with Section 185(b) of the *Local Government Regulation 2012*, there were no resolutions passed during the financial year in relation to section 206(2) of the *Local Government Regulation 2012*, 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.

## Overseas Travel

In accordance with section 188 of the *Local Government Regulation 2012*, no overseas travel expenses were incurred by Councillors or Council employees in an official capacity during the 2022/23 financial year.

## Expenditure on Grants to Community Organisations

In accordance with section 189(1)(a) of the *Local Government Regulation 2012*, the following table provides a summary of the expenditure for the financial year on grants to community organisations. The table also includes expenditure allocated through Council's Regional Event Strategy.

Program	Expenditure
Community Grants – Rounds 1-4	\$262,761.72
Community Grants – Anzac Day	\$4,700.00
Community Grants – Australia Day	\$6,761.18
Community Grants – Festive Events	\$10,010.00
Community Grants – Small Township Festive Decorations	\$5,856.00
Individual Excellence and Development Grants – Sport, Science, Technology, Engineering, Arts and Mathematics	\$4,100.00
Sport and Recreation Capital Assistance	\$85,149.81
Community Celebration Sponsorship – Events	\$89,400.00
Community Celebration Sponsorship – Non-Events	\$29,543.91
Regional Event Sponsorship	\$365,671.40
Fee Waivers and In-kind support for events and activities	\$116,464.87
<b>TOTAL</b>	<b>\$980,418.89</b>



## Councillors' Discretionary Fund Expenditure

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

Councillor discretionary funding for 2022/23 was as follows:

- The prescribed amount was **\$80,645** (0.1% of the previous year's general rates)
- The budgeted amount was **\$80,641**
- Each Councillor had a budget of **\$7,331**
- The total amount spent was **\$68,511**

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

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

### Mayor – Cr George Seymour

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Maryborough District Orchid Society Inc. – Funds towards cost of advertising the show, ribbons and engraved trophies.	23-Aug-22	\$465.00	\$465.00
Mansong Qld Inc. – Assist with transport costs to Christmas function in Tiaro.	24-Oct-22	\$80.00	\$80.00
Burrum Heads Progress Association Inc. – Transport and hire of children's inflatable jumping castle/slide for Burrum Heads Village Christmas party.	21-Nov-22	\$320.00	\$320.00
The Scout Association of Australia Qld Branch Inc. – Towards line trimmer for educational garden.	13-Jan-23	\$390.00	\$390.00
AFL Queensland Limited – Airfares & accommodation for 4 players to attend AFL Community Camp (Hervey Bay) & catering and room hire for 30-person function for local teachers and volunteers.	24-Jan-23	\$3,000.00	\$3,000.00
Zephyr Street Performing Arts Community Theatre Inc. – Towards providing a defibrillator, new floor coverings & a computer for promotion assistant.	08-May-23	\$76.00	\$76.00
Hervey Bay Historical Society Museum Association Inc. – Towards production and printing of a full colour book of the history of the Museum to be donated to attendees at 50th anniversary celebration and donated to schools and libraries.	08-May-23	\$3,000.00	\$3,000.00
<b>TOTAL</b>		<b>\$7,331.00</b>	<b>\$7,331.00</b>

### Division 1 – Cr James Hansen

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Howard and District Progress Assoc Inc. – Towards installing air conditioning in print room.	11-Oct-22	\$1,600.00	\$1,600.00
Mansong Qld Inc. – Assist with transport costs for members to Christmas function in Tiaro.	24-Oct-22	\$80.00	\$80.00
Ordinary Hero Australia (OHAU) – Towards hire of portable toilets & lighting for 'Park'd' event.	08-Nov-22	\$311.66	\$311.66
Burrum Heads Progress Association Inc. – Transport and hire of children's inflatable jumping castle/slide for Burrum Heads Village Christmas party.	23-Nov-22	\$320.00	\$320.00
Woocoo Historical Society Inc. – To support Pioneer Day – Brooweena, including insurance, bus hire, advertising & entertainment cost and hire of portable toilet and generator.	29-Mar-23	\$1,000.00	\$1,000.00
Bauple Progress Association Inc. – Funds towards "Bear Hunt" BBQ event.	18-Apr-23	\$200.00	\$200.00
Small Schools District Sport Committee c/o Bauple State School – Portable toilet hire for car park to ease congestion and increase safety.	06-Jun-23	\$376.00	\$376.00
Lions Club of Maryborough Inc. – Towards purchase new chip warmer for the chip van.	09-Jun-23	\$430.00	\$430.00
Burrum District Community Men's Shed Inc. – Additional tools for workshop incl. drill sharpener, saw blades, drill set & batteries.	20-Jun-23	\$1,000.00	\$1,000.00
Burrum District Community Men's Shed Inc. – Digital Vernier Caliper-RIDVC8.	20-Jun-23	\$64.90	\$64.90
<b>TOTAL</b>		<b>\$5,382.56</b>	<b>\$5,382.56</b>

## Division 2 – Cr Phil Truscott

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Lakeside Sports and Croquet Club – Assist in purchasing croquet balls and markers for use at the Lifestyle Village.	23-Aug-22	\$800.00	\$800.00
Mary River Catchment Coordinating Assoc Inc. – To fund the purchase of a multi-probe device for use in monitoring in the Waterwatch networks.	13-Sep-22	\$350.00	\$350.00
Tiaro & District Chamber of Commerce Inc. – For the purchase of tear drop banners for Tiaro community use.	11-Oct-22	\$1,500.00	\$1,500.00
Mansong Qld Inc. – Assist with transport costs for members to Christmas function in Tiaro.	24-Oct-22	\$80.00	\$80.00
Maryborough Choral Society Inc. – To purchase upgraded music for choir members.	24-Oct-22	\$500.00	\$500.00
Wide Bay Snaggers Inc. – To help supply 2 replacement marquees.	07-Nov-22	\$200.00	\$200.00
Ordinary Hero Australia (OHAU) – Towards hire of portable toilets & lighting for 'Park'd' event.	08-Nov-22	\$311.66	\$311.66
Fraser Coast Agriculture Show Society Inc. – To purchase 2 marquees, walls, weights and pegs for the Fraser Coast Agricultural Show.	14-Dec-22	\$250.00	\$250.00
Bauple & District Recreation Ground Assoc Inc. – Funds towards providing kids activities at the annual festive BBQ.	14-Dec-22	\$200.00	\$200.00
Maryborough City Progress Association Inc. – To assist in provisioning entertainment at Mary Christmas CBD Street Party December 2022.	16-Jan-23	\$700.00	\$700.00
Bauple Progress Association Inc. – Funds towards "Bear Hunt" BBQ event.	18-Apr-23	\$300.00	\$300.00
Zephyr Street Performing Arts Community Theatre Inc. – Towards providing a defibrillator, new floor coverings & a computer for promotion assistant.	08-May-23	\$200.00	\$200.00
Lions Club of Maryborough Inc. – Towards purchase new chip warmer for the chip van.	09-Jun-23	\$300.00	\$300.00
Maryborough District Orchid Society Inc. – Funds towards cost of advertising the show, ribbons and engraved trophies.	16-Jun-23	\$100.00	\$100.00
Tiaro Primary P&C Assoc. – Towards medals and certificates for student academic awards.	27-Jun-23	\$200.00	\$200.00
<b>TOTAL</b>		<b>\$5,991.66</b>	<b>\$5,991.66</b>

## Division 3 – Cr Paul Truscott

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Lupton Park Community Garden Association Inc. – Purchase of topsoil, sand and cracker dust for preparation of gardens for summer.	13-Sep-22	\$580.00	\$580.00
Mansong Qld Inc. – Assist with transport costs for members to Christmas function in Tiaro.	24-Oct-22	\$80.00	\$80.00
Wide Bay Snaggers Inc. – To help supply 2 replacement marquees.	07-Nov-22	\$250.00	\$250.00
Ordinary Hero Australia (OHAU) – Towards hire of portable toilets & lighting for 'Park'd' event.	08-Nov-22	\$311.67	\$311.67
QCWA Branch Urangan – To assist with new hot water system, new circuit and an isolator for the stove to assist with catering.	29-Nov-22	\$250.00	\$250.00
Independent Riders Australia Pty Ltd. – Towards food for distribution to participants at start of 'Fraser Coast Toy Run' event.	29-Nov-22	\$175.00	\$175.00
Maryborough Central Primary P&C Assoc. – Towards funding an IPAD for the school tuckshop to assist in online ordering and payment.	13-Dec-22	\$200.00	\$200.00
Neighbourhood Centre Maryborough Inc. – Funds to provide catering at "Creative Freedom @ the Centre" under the Youth Network Program.	14-Dec-22	\$400.00	\$400.00
Fraser Coast Agriculture Show Society Inc. – To purchase 2 marquees, walls, weights and pegs for the Fraser Coast Agricultural Show.	14-Dec-22	\$500.00	\$500.00
Maryborough City Progress Association Inc. – To assist in provisioning entertainment at Mary Christmas CBD Street Party December 2022.	16-Jan-23	\$500.00	\$500.00
Maryborough & District Animal Refuge Society Inc. – To purchase A4 sign holders for dog pens.	03-Mar-23	\$434.40	\$434.40

Neighbourhood Centre Maryborough Inc. – Funds towards hosting and implementing the "Out and About 2023" event in celebration of Youth Week.	11-Apr-23	\$623.84	\$623.84
Maryborough State High School P&C Assoc. – Funds towards flights for special guests for the 'Fraser POP Festival' event.	24-May-23	\$1,500.00	\$1,500.00
The Smith Family – Funds to assist 'View Australia' in catering for their annual gala (awareness and training) lunch.	24-May-23	\$250.00	\$250.00
Lions Club of Maryborough Inc. – Towards purchase new chip warmer for the chip van.	09-Jun-23	\$430.00	\$430.00
Maryborough District Orchid Society Inc. – Funds towards cost of advertising the show, ribbons and engraved trophies.	16-Jun-23	\$200.00	\$200.00
Maryborough Amateur Basketball Association Inc. – Purchase of new basketballs for junior & senior fixtures.	16-Jun-23	\$500.00	\$500.00
<b>TOTAL</b>		<b>\$7,184.91</b>	<b>\$7,184.91</b>

#### ***Division 4 – Cr Daniel Sanderson***

<b>Project</b>	<b>Date</b>	<b>Amount Funded (\$)</b>	<b>Amount Spent (\$)</b>
Maryborough Choral Society Inc. – To purchase upgraded music for choir members.	23-Aug-22	\$500.00	\$500.00
Red Nose Ltd. – Venue hire cost for inaugural 'Fraser Coast Walk to Remember'.	13-Sep-22	\$400.00	\$400.00
Mansong Qld Inc. – Assist with transport costs for members to Christmas function in Tiaro.	24-Oct-22	\$80.00	\$80.00
Ordinary Hero Australia (OHAU) – Towards hire of portable toilets & lighting for 'Park'd' event.	08-Nov-22	\$311.66	\$311.66
Independent Riders Australia Pty Ltd. – Towards food for distribution to participants at start of 'Fraser Coast Toy Run' event.	29-Nov-22	\$175.00	\$175.00
Maryborough Central Primary P&C Assoc. – Towards funding an IPAD for the school tuckshop to assist in online ordering and payment.	13-Dec-22	\$200.00	\$200.00
Fraser Coast Agriculture Show Society Inc. – To purchase 2 marquees, walls, weights and pegs for the Fraser Coast Agricultural Show.	14-Dec-22	\$500.00	\$500.00
Neighbourhood Centre Maryborough Inc. – Funds towards hosting and implementing the "Out and About 2023" event in celebration of Youth Week.	11-Apr-23	\$623.84	\$623.84
Albert State School – To assist with purchase of resources and activities for Under 8's Day celebrations.	08-May-23	\$250.00	\$250.00
Maryborough State High School P&C Assoc. – Funds towards flights for special guests for the 'Fraser POP Festival' event.	24-May-23	\$500.00	\$500.00
Lions Club of Maryborough Inc. – Towards purchase new chip warmer for the chip van.	09-Jun-23	\$430.00	\$430.00
Maryborough District Orchid Society Inc. – Funds towards cost of advertising the show, ribbons and engraved trophies.	16-Jun-23	\$100.00	\$100.00
<b>TOTAL</b>		<b>\$4,070.50</b>	<b>\$4,070.50</b>

#### ***Division 5 – Cr Jade Wellings***

<b>Project</b>	<b>Date</b>	<b>Amount Funded (\$)</b>	<b>Amount Spent (\$)</b>
Nikenbah Historical Railway Village Inc. – To purchase materials needed to refurbish tracks for the use of miniature train rides in the Historical Village.	28-Sep-22	\$1,025.00	\$1,025.00
Mansong Qld Inc. – Assist with transport costs for members to Christmas function in Tiaro.	24-Oct-22	\$80.00	\$80.00
Wide Bay Snaggers Inc. – To help supply 2 replacement marquees.	07-Nov-22	\$300.00	\$300.00
QCWA Branch Urgan – To assist with new hot water system, new circuit and an isolator for the stove to assist with catering.	29-Nov-22	\$184.43	\$184.43
Neighbourhood Centre Maryborough Inc. – Provide catering at Creative Freedom at the Centre under the Youth Network Program.	14-Dec-22	\$400.00	\$400.00
Fraser Coast Agriculture Show Society Inc. – To purchase 2 marquees, walls, weights and pegs for the Fraser Coast Agricultural Show.	14-Dec-22	\$300.00	\$300.00
Toogoom Fishing Club Inc. – To assist with insurance premiums for the Toogoom Family Fishing Competition.	15-Dec-22	\$500.00	\$500.00



Fraser Coast Bicycle Users Group Inc. – To support and improve surface of an 11km Section of the 'Rail Trail'.	11-Apr-23	\$1,000.00	\$1,000.00
Toogoom & District Community Association Inc. – Provide food for sale at the Toogoom Community Hall during 'Brolga Live' events.	19-Apr-23	\$500.00	\$500.00
Zephyr Street Performing Arts Community Theatre Inc. – Towards providing a defibrillator, new floor coverings & a computer for promotion assistant.	09-May-23	\$300.00	\$300.00
Riding for the Disabled Association Hervey Bay Inc. – Purchase refrigerator for storing ice packs etc for volunteer riders.	18-May-23	\$908.18	\$908.18
The Smith Family – To assist 'View Australia' who hold meetings for disadvantaged and vulnerable children.	24-May-23	\$250.00	\$250.00
Maryborough District Orchid Society Inc. – Funds towards cost of advertising the show, ribbons and engraved trophies.	20-Jun-23	\$120.00	\$120.00
<b>TOTAL</b>		<b>\$5,867.61</b>	<b>\$5,867.61</b>

### ***Division 6 – Cr David Lewis***

<b>Project</b>	<b>Date</b>	<b>Amount Funded (\$)</b>	<b>Amount Spent (\$)</b>
Hervey Bay Amateur Fishing Club Inc. – To provide a portable first aid bag for the club.	25-Aug-22	\$229.00	\$229.00
Hervey Bay Swimming Club Inc. – To provide funds to assist with the running of the long course swim meet.	13-Sep-22	\$350.00	\$350.00
Hervey Bay State High School P&C Assoc. – To assist with hire of 20 waste bins for annual swap meet.	24-Oct-22	\$525.45	\$525.45
Mansong Qld Inc. – Assist with transport costs for members to Christmas function in Tiaro.	24-Oct-22	\$40.00	\$40.00
QCWA Branch Urangan – To assist with new hot water system, new circuit and an isolator for the stove to assist with catering.	29-Nov-22	\$1,000.00	\$1,000.00
Hervey Bay Amateur Fishing Club Inc. – To assist with costs for 30 disadvantaged students to go on fishing excursions to connect and build relationships.	16-May-23	\$2,225.00	\$2,225.00
Myriam Cottage Inc. – To provide for electrical maintenance of premises.	20-Jun-23	\$1,876.60	\$1,876.60
<b>TOTAL</b>		<b>\$6,246.05</b>	<b>\$6,246.05</b>

### ***Division 7 – Cr Darren Everard***

<b>Project</b>	<b>Date</b>	<b>Amount Funded (\$)</b>	<b>Amount Spent (\$)</b>
Fraser Coast Anglican College – Cost for traffic management for road closure for formal.	15-Aug-22	\$350.00	\$350.00
Hervey Bay Physio Thunder Basketball Club Inc. – To purchase equipment for the club to be of use to current and future coaches.	24-Aug-22	\$2,378.66	\$2,378.66
Fraser Coast Chorus Inc. – To purchase music and assist with fees.	11-Oct-22	\$1,000.00	\$1,000.00
Wide Bay Snaggers Inc. – To help supply 2 replacement marquees.	07-Nov-22	\$200.00	\$200.00
River Heads Fishing Club Inc. – Supply 2 x wheelie bins to assist fundraising (recycling cans/bottles) and printing consumables (ink).	19-Apr-23	\$393.96	\$393.96
Hervey Bay Touch Association Inc. – To purchase replacement footballs and update first aid kit.	09-Jun-23	\$878.00	\$878.00
Cool Country Incorporated – Embroidery of band shirts for club band.	16-Jun-23	\$356.95	\$356.95
Turtles in Trouble Rescue Inc. – Purchase of custom Turtles In Trouble Rescue circular decals to identify equipment and assets.	16-Jun-23	\$313.50	\$313.50
Fraser Coast Community Radio Inc. – To purchase roving microphone to assist with local not for profit events and replace worn visitor headset.	20-Jun-23	\$600.00	\$600.00
<b>TOTAL</b>		<b>\$6,471.07</b>	<b>\$6,471.07</b>

### Division 8 – Cr Denis Chapman

Project	Date	Amount Funded (\$)	Amount Spent (\$)
QCWA Branch Urangan – To assist with new hot water system, new circuit and an isolator for the stove to assist with catering.	26-Nov-22	\$1,000.00	\$1,000.00
We Care 2 Inc. – To assist in provision of disabled access to and from new toilet block.	15-Mar-23	\$1,000.00	\$1,000.00
Woocoo Historical Society Inc. – To support Pioneer Day – Brooweena, including insurance, bus hire, advertising & entertainment cost and hire of portable toilet and generator.	29-Mar-23	\$1,000.00	\$1,000.00
Fraser Coast Bicycle Users Group Inc. – To support and improve surface of an 11km Section of the 'Rail Trail'.	11-Apr-23	\$1,000.00	\$1,000.00
Kindness Works Ltd – To assist with the supply and installation of air-conditioning in a community shopfront called 'The Lounge', which provides a drop-in spot for those experiencing homelessness or living rough.	08-May-23	\$1,000.00	\$1,000.00
Nikenbah Historical Railway Village Inc. – To print promotional leaflets for distribution at fund raising events e.g. Bunnings Sausage Sizzle.	16-Jun-23	\$300.00	\$300.00
Bundaberg Health Services Foundation – In conjunction with Hervey Bay Hospital Authority to purchase a Raizer Lifting Chair to assist nursing staff.	20-Jun-23	\$1,000.00	\$1,000.00
Fraser Coast Hospice Association Inc. – Support for Hospice Awareness Breakfast by assisting with venue hire, guest speaker and advertising in paper to promote event.	20-Jun-23	\$1,000.00	\$1,000.00
<b>TOTAL</b>		<b>\$7,300.00</b>	<b>\$7,300.00</b>

### Division 9 – Cr David Lee

Project	Date	Amount Funded (\$)	Amount Spent (\$)
Hervey Bay Croquet & Mallet Sports Club Inc. – Providing assistance with travel, accommodation and catering cost for visiting referees for tournament.	23-Aug-22	\$500.00	\$500.00
Wide Bay Women's Health Centre Inc. – Providing funding to cover the booking of Scarness Park Rotunda for female service users Christmas celebration.	12-Oct-22	\$90.45	\$90.45
Mansong Qld Inc. – Assist with transport costs for members to Christmas function in Tiaro.	24-Oct-22	\$80.00	\$80.00
Wide Bay Snaggers Inc. – To help supply 2 replacement marquees.	07-Nov-22	\$200.00	\$200.00
Kal'ang Respite Care Centre Aboriginal Corporation. – To assist in rejuvenation of native wildlife by planting trees and educate and encourage community participation.	13-Jan-23	\$108.00	\$108.00
We Care 2 Inc. – To assist in purchase 2 new PC monitors for use by office staff to assist Emergency Relief clients.	19-Apr-23	\$452.74	\$452.74
Beach House Fishing Club Inc. – Towards Mental Health Men's BBQ Breakfast.	19-Apr-23	\$800.00	\$800.00
Hervey Bay Historical Society Museum Association Inc. – Towards production and printing of a full colour book of the history of the Museum to be donated to attendees at 50th anniversary celebration, and donated to schools and libraries.	08-May-23	\$3,000.00	\$3,000.00
Hervey Bay Bowls Club Inc. – To assist with cost of catering for Calcutta Night at May Pairs Carnival.	06-Jun-23	\$500.00	\$500.00
Hervey Bay Croquet & Mallet Sports Club Inc. – Provide assistance with travel, accommodation and catering cost for 3 'out of town' referees for tournament.	09-Jun-23	\$500.00	\$500.00
Sunshine Coast Family Contact Centre Association Inc. – To supply new outdoor basketball system and 70cm bike and helmets for Harmony House Hervey Bay.	16-Jun-23	\$989.09	\$989.09
<b>TOTAL</b>		<b>\$7,220.28</b>	<b>\$7,220.28</b>

### Division 10 – Cr Zane O'Keefe

Project	Date	Amount Funded (\$)	Amount Spent (\$)
QCWA Branch Urangan – To assist with new hot water system, new circuit and an isolator for the stove to assist with catering.	30-Nov-22	\$2,000.00	\$2,000.00
Fraser Coast Bicycle Users Group Inc. – To support and improve surface of an 11km Section of the 'Rail Trail'.	12-Apr-23	\$3,445.00	\$3,445.00
<b>TOTAL</b>		<b>\$5,445.00</b>	<b>\$5,445.00</b>

## Mayor's Community Benefit Fund

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

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

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

Donations from the fund during the financial year are presented below:

Date	Amount	Purpose
08-Sep-22	\$500	Funeral Expenses

*There were no funds donated into the Community Benefit Fund during the reporting period.*

On the 26 April 2023, Council resolved to discontinue the Mayor's Community Benefit Fund and distribute the balance of funds held in trust as soon as possible in accordance with the purpose of the fund.

## Mayor's Donations and Sponsorship

A summary of expenditure for the financial year from the Donation and Sponsorship Fund is outlined below:

Date	Recipient	Purpose	Amount
01-Aug-22	Country Ramblers	Sponsorship – Towards costs associated with performing & equipment	\$250
17-Aug-22	Urangan State High School	Sponsorship – Towards awards night	\$450
17-Aug-22	Hervey Bay Performing Arts College	Donation – Towards students competing at the Varsity Summit Junior Worlds in Orlando 2023	\$1,500
24-Aug-22	Aldridge State High School	Sponsorship – Towards 'Fraser Coast Regional Council Humanities Award'	\$100
25-Aug-22	Walloo Junior Rugby League	Donation – Towards 'Positively Blue 2022' Rugby League Carnival-Sept'22	\$500
12-Oct-22	Mary River Lions Club	Donation – Towards advent calendar program	\$300
22-Nov-22	Bayside Transformations	Sponsorship – Christmas Festivities	\$300
15-Dec-22	Mary River Lions Club	Donation – Towards cost for the advent calendar for each group	\$100
15-Feb-23	Wanderers Australia	Sponsorship – Junior Girls Rugby League Tour for S. Godbee	\$200
23-Feb-23	Hervey Bay Art Society	Sponsorship – Towards 39th Annual Regional Competitive Art Exhibition	\$700
27-Mar-23	Wanderers Australia	Sponsorship – Junior Girls Rugby League Tour for L. Simpson	\$200
29-Mar-23	Churches of Christ	Sponsorship – Foster & Kinship Care Week 2023	\$2,000
26-Apr-23	Fraser Coast Anglican College	Sponsorship – Community Under 8's Day	\$2,000
02-May-23	University of the Third Age	Sponsorship – 'Connection' Writing Competition Anthology	\$3,666
15-May-23	Maryborough BMX Club Inc.	Sponsorship – Open Day June 2023	\$150
25-May-23	Fraser Coast Anglican College	Sponsorship – Fraser Flames Football Club for 'Kappa Women's Super Cup'	\$2,000
12-Jun-23	Ingenia War Memorial Committee	Sponsorship – Ingenia War Memorial	\$2,000
23-Jun-23	Hervey Bay Pickleball Club	Sponsorship – Hervey Bay Pickleball Club Courts	\$1,000
<b>TOTAL</b>			<b>\$17,416</b>



## Details of Special Rates and Charges

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

In accordance with 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 2022/23 financial year are as follows:

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

## Summary of Concessions for Rates and Charges

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

In considering the application of concession under section 190(1)(g), Fraser Coast Regional Council was guided by the principles of:

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

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

- i. Concessions for pensioners – Council recognised that certain classes of pensioners have contributed rates over a period of time and/

or are restricted by a fixed income and should be afforded a concession in respect of rates and charges. **Total expense was \$2,466,638.69 for the period 1 July 2022 to 30 June 2023.**

- ii. Other concessions including assistance for religious entities, community & welfare, care facilities for aged persons and persons with disabilities and emergency services. Council recognised that certain organisations operate for the general benefit of the community, rely mainly on volunteer labour, often with limited financial resources and should be afforded a concession in respect of rates and charges. Council committed to providing assistance for the preservation, restoration, and protection of environmentally significant land. Owners of conservation land are provided a rate concession to recognize and support their efforts in maintaining the conservation land. Council committed to providing assistance to ratepayers where payment of rates and charges, due to their financial circumstances, will cause hardship as determined in accordance with the Financial Hardship policy principles. Council may provide assistance to ratepayers to encourage the economic development of all or part of the region. Council committed to providing assistance to ratepayers by limiting increases in the combined water and wastewater utility charges levied on those ratepayers in the previous financial year. **Total expense was \$1,233,190.04 for the period 1 July 2022 to 30 June 2023.**

## Concessions to Ratepayers for 2022/23

Type of Concession	Concessions granted
Pensioner Concession	\$2,466,638.69
Other concessions including assistance for religious entities, community & welfare, care facilities for aged persons and persons with disabilities and emergency services.	\$1,233,190.04
<b>TOTAL</b>	<b>\$3,699,828.73</b>

## Changes to Council Tenders

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

## Council Registers

In accordance with section 190(1)(f) of the *Local Government Regulation 2012*, Council kept the following registers:

- Register of Beneficial Enterprises
- Register of Business Activities to which Competitive Neutrality Principles Apply
- Register of Contracts over \$200,000 or more
- Register of Cost-recovery Fees
- Register of Interests of a Councillor and their Related Persons
- Register of Interests for CEO and Senior Executive Employees
- Register of Delegations – Council to CEO and CEO to Officers and/or Contractors
- Register of Local Laws
- Register of Roads
- Register of Assets
- Testable Backflow Prevention Devices Register
- Infrastructure Charges Register
- Register of Local Heritage
- Councillor Conduct Register
- Register of Panel Arrangement Suppliers
- Register of Directions from the Mayor to the Chief Executive Officer

## Internal Audit Function

In accordance with section 105(1) of the *Local Government Act 2009* the internal audit function has been established as an integral component of Council's corporate governance framework. The Internal Audit function operates in accordance with the Internal Audit Policy and Charter, which is endorsed by the Audit and Risk Committee each year. The Charter sets out the mandate, roles and responsibilities of the internal audit function. The key role of the internal audit function is to assist Council, the Audit and Risk Committee, the Chief Executive Officer and other levels of Management, to properly discharge their responsibilities and achieve sound managerial control over all Council activities. Audits provide independent advice and assurance to Council and management that policies,

operations, systems and procedures meet appropriate standards of accountability, regulatory compliance, effectiveness, efficiency and propriety. In accordance with section 190(1)(h) of the *Local Government Regulation 2012*, audits and other activities undertaken during the financial year included:

- Internal audit reviews:
  - o Workforce planning
  - o Heavy fleet asset maintenance
  - o Procurement purchase orders
  - o Continuous improvement
  - o Working from home fraud impact
  - o Effectiveness of steering committees
  - o Cyber security culture and awareness
- Audit and Risk Committee preparation, facilitation and assistance
- Consulting, advice, assistance and presentations
- Internal audit planning, including risk based assurance mapping
- Management of audit actions register.

## Audit and Risk Committee

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

The Audit and Risk Committee also:

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

## Meetings

In the period 1 July 2022 to 30 June 2023, the Audit and Risk Committee formally met on four occasions. Member attendance at meetings was as follows:

Member	Meetings Attended	Total Meetings
Cr David Lee	4	4
Cr Zane O’Keefe	3	4
Mr Michael Parkinson <sup>1</sup>	2	2
Mr Vivek Chopra <sup>3</sup>	4	4
Mr Jake Matuzic <sup>4</sup>	4	4
Ms Mel Jacobs <sup>2</sup>	2	2

<sup>1</sup> Mr Michael Parkinson resigned from the committee at the conclusion of the 27 September 2022 meeting.

<sup>2</sup> Council appointed Ms Mel Jacobs as an independent member of the committee at the Council meeting held 28 September 2022.

<sup>3</sup> Independent committee chairperson, Mr Vivek Chopra resigned from the committee at the conclusion of the 30 May 2023 meeting.

<sup>4</sup> Council appointed Mr Jake Matuzic as independent chairperson of the Audit and Risk Committee at the Council meeting held 28 June 2023.

Open communication lines are maintained by scheduling regular meetings which are open to interested Councillors and are attended by a range of staff. Meeting attendance is available by video or audio link or in person. In accordance with good practice, the Committee also meets in camera and privately with each of management, External Audit and Internal Audit from time to time.



# PUBLIC SECTOR ETHICS

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

Below provides the information pertaining to Council's actions taken:

## *Employees' Code of Conduct*

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

- integrity and impartiality;
- promoting the public good;
- commitment to the system of government; and
- accountability and transparency.

## *Education and Training*

During the period 1 July 2022 to 30 June 2023 Fraser Coast Regional Council employees were provided with various education and training programs, which included but are not limited to:

- training on the Code of Conduct – during induction of new employees as well as refresher courses available for existing employees;
- leadership development program to build people manager capability and effectiveness;
- an online learning portal providing education on a range of skill development such as work health and safety and the management of record systems.

## *Procedures and practices of public sector entities*

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

# COMMUNITY FINANCIAL REPORT



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

# ABOUT COUNCIL'S END OF YEAR FINANCIAL STATEMENTS

## *What you will find in the financial statements*

The audited financial statements of Council set out the financial performance, financial position, cash flows and the net wealth of Council for the financial year ended 30 June 2023.

## *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 2022/23 year. In addition, there are three ratios which must be reported by all local governments, for both the current year and a forecast for the next ten financial years. These ratios are measures of financial sustainability and the calculations are required to be audited.

### **1. A Statement of Comprehensive Income**

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

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

This is a snapshot of Council's financial position as at 30 June 2023 which includes its assets and liabilities.

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

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

### **4. A Statement of Cash Flows**

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

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

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

### **6. Financial Sustainability Statements**

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

## *About the auditor's report*

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

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

Statement of Comprehensive Income		2023 \$'000	2022 \$'000	Purpose
Total income		324,035	287,977	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		(272,366)	(255,251)	
<b>Net result for year</b>		<b>51,669</b>	<b>32,726</b>	
Other comprehensive income		258,323	134,438	
<b>Total comprehensive income for year</b>		<b>309,992</b>	<b>167,164</b>	
Statement of Changes in Equity		2023 \$'000	2022 \$'000	Purpose
Opening balance		2,795,506	2,631,213	Shows the movement in total community equity (what the Council is worth) as at 30 June 2023.
Net result for year		51,669	32,726	
Asset revaluations		258,323	134,438	
Other movements		0	(2,871)	
<b>Total community equity at end of year</b>		<b>3,105,498</b>	<b>2,795,506</b>	
Statement of Cash Flows		2023 \$'000	2022 \$'000	Purpose
Operating activities		60,158	81,407	Shows the nature and amount of Council's cash inflows and outflows from all activities. At 30 June 2023, Council had \$90.5 million in cash. In addition it had a further \$89.7 million invested in term deposits. Total cash and investments was \$180.2 million, down from \$193.7 million at 30 June 2022.
Investing activities		(66,017)	(59,621)	
Financing activities		(13,127)	(12,411)	
Net increase (decrease) in cash held		(18,986)	9,375	
Cash at beginning of the year		109,500	100,125	
<b>Cash at end of the year</b>		<b>90,514</b>	<b>109,500</b>	
Statement of Financial Position		2023 \$'000	2022 \$'000	Purpose
Cash and cash equivalents		90,514	109,500	Shows the assets and liabilities which make up the community equity as at 30 June 2023.
Cash investments		89,700	84,200	
Other current assets		31,853	30,061	
Non-current assets		3,053,713	2,731,753	
<b>Total assets</b>		<b>3,265,780</b>	<b>2,955,514</b>	
Current liabilities		85,960	82,578	
Non-current liabilities		74,322	77,430	
<b>Total liabilities</b>		<b>160,282</b>	<b>160,008</b>	
<b>Net community assets</b>		<b>3,105,498</b>	<b>2,795,506</b>	
Asset revaluation surplus		1,060,095	801,772	
Capital and retained surplus		2,045,403	1,993,734	
<b>Total community equity</b>		<b>3,105,498</b>	<b>2,795,506</b>	



# AN OVERVIEW OF THIS YEAR'S FINANCIAL RESULT AND FINANCIAL POSITION

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

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

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

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

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

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

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

Council's operating position is a deficit for the period ended 30 June 2023 of \$3.6 million compared to the 30 June 2022 deficit of \$0.2 million.

## *Council's result at a glance*

	2023 \$'000	2022 \$'000
Operating revenue	249,232	235,678
Operating expenditure	252,832	235,882
<b>Net result before capital revenue</b>	<b>(3,600)</b>	<b>(204)</b>
Capital revenue	74,803	52,299
Capital expenses	19,534	19,369
<b>Net result</b>	<b>51,669</b>	<b>32,726</b>

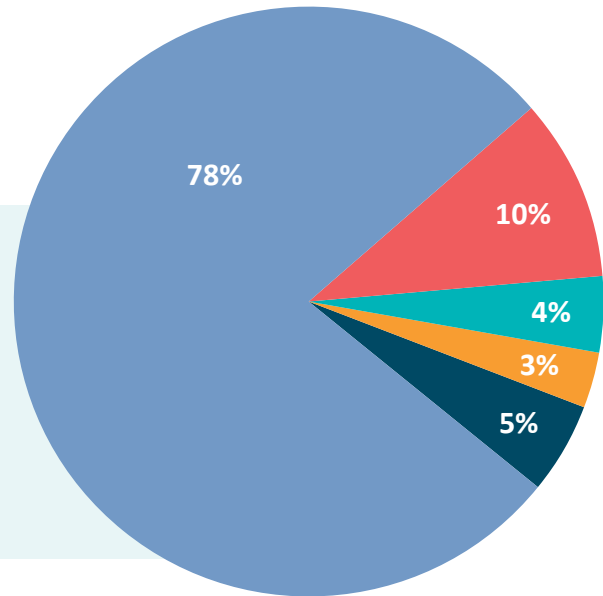
## Revenue

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

Council's main source of revenue is rates and charges, which totalled \$193.69 million or 78% of Council operating revenue for the financial year. The major sources of rates income include general rates, water access charges, water consumption charges and waste and sewerage disposal charges.

### Where did the money come from? Council operating revenue

<b>78%</b>	<b>Rates, levies and charges</b>
<b>10%</b>	<b>Fees and charges</b>
<b>4%</b>	<b>Grants and subsidies</b>
<b>3%</b>	<b>Interest revenue</b>
<b>5%</b>	<b>Other</b>



## Council's operating revenue at a glance

	2023 \$'000	2022 \$'000
Rates, levies and charges	193,687	182,808
Fees and charges	25,836	25,269
Interest revenue	6,875	2,192
Operating grants and subsidies	11,307	15,566
Other income	11,527	9,843
<b>Total operating revenue</b>	<b>249,232</b>	<b>235,678</b>

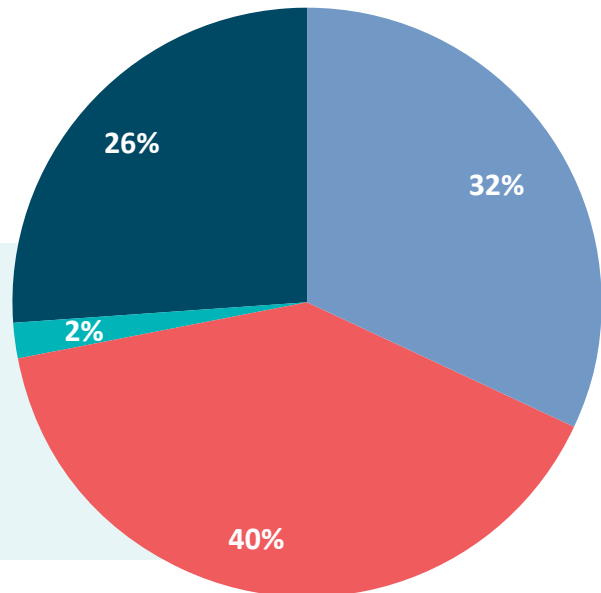
## Expenses

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

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

#### How was the money spent? Council operating expenses

32%	Employee benefits
40%	Materials and services
2%	Finance costs
26%	Depreciation and amortisation



### Council's operating expenditure at a glance

	2023 \$'000	2022 \$'000
Employee benefits	80,933	80,903
Materials and services	102,068	90,448
Finance costs	4,622	4,387
Depreciation and amortisation	65,209	60,144
<b>Total operating expenses</b>	<b>252,832</b>	<b>235,882</b>

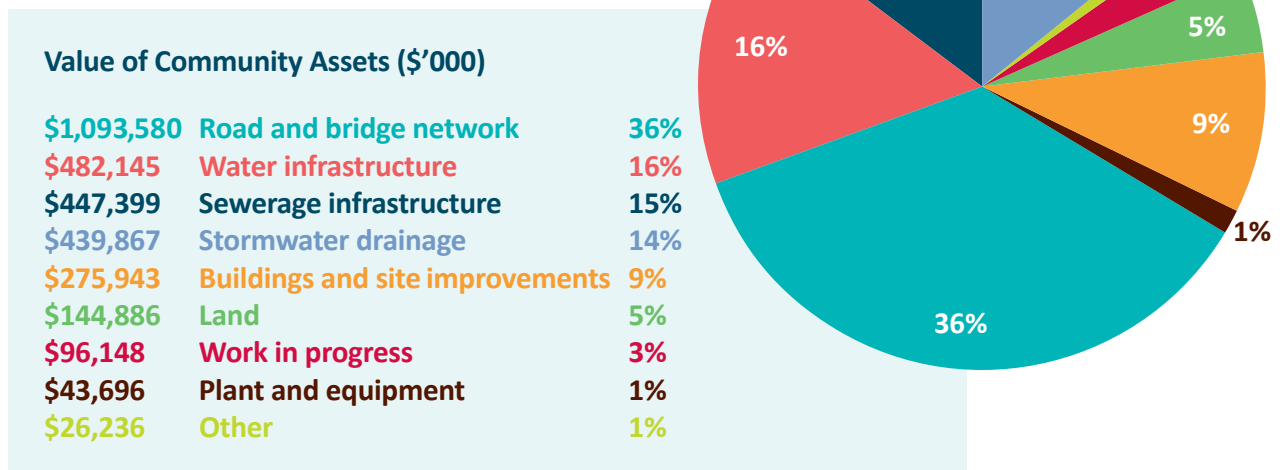
### Council's net worth

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

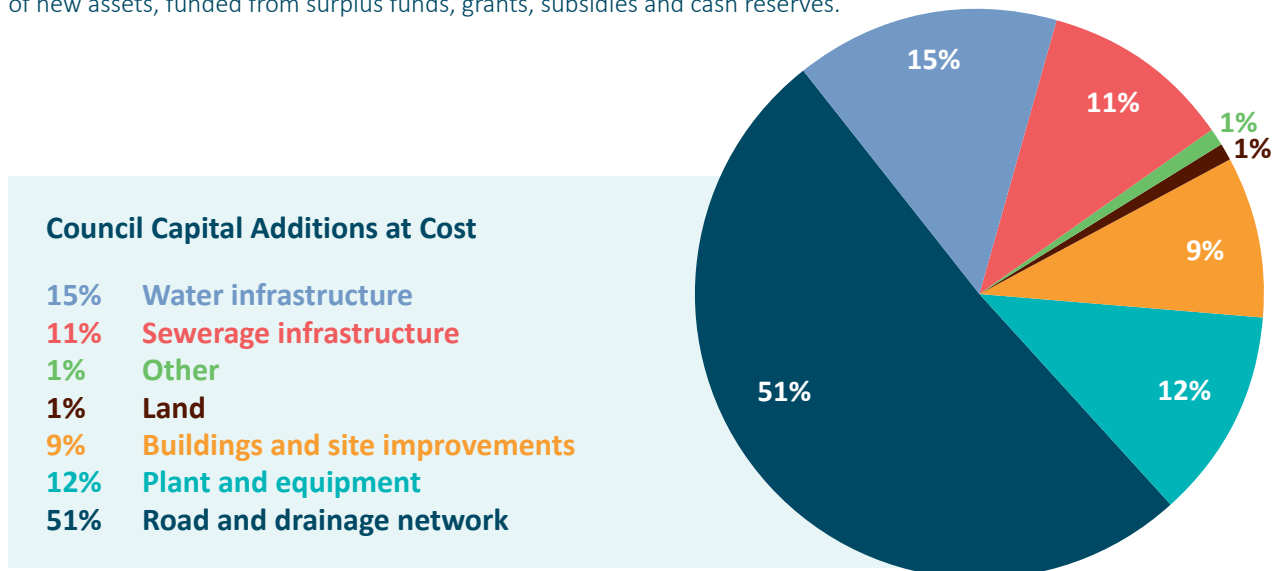
	2023 \$'000	2022 \$'000
Assets	3,265,780	2,955,514
Less liabilities	160,282	160,008
<b>Equity</b>	<b>3,105,498</b>	<b>2,795,506</b>
Represented by:		
Asset revaluation surplus	1,060,095	801,772
Retained surplus	2,045,403	1,993,734
<b>Net community equity</b>	<b>3,105,498</b>	<b>2,795,506</b>

## Assets

New infrastructure is acquired through Council investment and contributions by developers. Council takes ownership and responsibility for replacement of community assets built by developers on completion of the development. These include roads, drainage, water and sewerage infrastructure and parklands. The value of community assets (property, plant and equipment) is \$3.05 billion (2022 \$2.73 billion), which represents 99.88% of Council's non-current assets.



Total gross capital additions to Council's non-current assets during the period totalled \$91.90 million (2022 \$88.76 million). The majority of these were as a result of the construction of new assets, funded from surplus funds, grants, subsidies and cash reserves.



In addition, Council holds other short term assets including cash assets held in bank accounts and investments of \$180.20 million (2022 \$193.70 million). In order to maximise investment returns, Council had invested over \$89.70 million (2022 \$84.20 million) in term deposits greater than 3 months. The cash holdings include funds Council is required to put aside for future projects such as replacement of roads, stormwater drainage, water and sewerage systems, in addition to funds raised for specific purposes (community, recreation, environment and disaster management).



## **Liabilities**

Council's largest liability is its interest bearing loans with Queensland Treasury Corporation (QTC), which at 30 June 2023 was \$33.37 million (2022 \$46.13 million).

Council undertakes a loan borrowing program to fund new major facilities that are constructed to service community needs. In the current financial year, Council did not borrow any money, but repaid \$12.75 million. Debt levels continue to be significantly lower than they were immediately prior to the council amalgamations in 2008. Affordability indicators show that Council continues to be able to comfortably service its debt position.

Councils have an obligation to ensure they plan for rehabilitating landfill (rubbish tip) sites up until, and after the sites reach capacity and are closed. Council recognises a provision to account for the cost of restoring Council landfill sites for when (and after) the sites are expected to close. Costs for restoration includes things like closure and site management plans, capping, re-vegetation and remediation of landfill cells, maintenance of fencing, roads etc, vegetation and stormwater management and other ongoing compliance costs. As at 30 June 2023, the value of the refuse restoration provision was \$42.62 million (2022 \$33.79 million).

## **Equity**

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

# FINANCIAL SUSTAINABILITY MEASURES

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

Financial sustainability is defined as when a *"Local Government is able to maintain its financial capital and infrastructure capital over the long term"* [source: Financial Management (Sustainability) Guideline 2013].

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

Financial sustainability indicator	How the measure is calculated	Target	2023	2022
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0% – 10%	(1.44%)	(0.09%)
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	Greater than 90%	44.49%	80.58%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Less than + 60%	(20.78%)	(27.05%)

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

- Operating surplus ratio – indicates the extent to which revenues raised by Council (rates, fees and charges) cover operational expenses (employee, materials and services costs, depreciation and loan interest payments), which is then available for capital funding or other purposes.
- Asset sustainability ratio- is an approximation of the extent to which the infrastructure assets managed by a local government (roads, drainage, water and sewerage assets) are being replaced as they reach the end of their useful lives, so as not to create a burden on future ratepayers to have to replace assets in poor condition.
- Net financial liabilities ratio- indicates the extent to which the net financial liabilities (mostly loan borrowings) of Council can be covered by its operating revenues (rates, fees and charges).

## Council performance indicator

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

Council performance indicator	How the measure is calculated	Target	2023	2022
Current ratio	Current assets divided by current liabilities	Greater than 1 : 1	2.47:1	2.71:1

# FINANCIAL MANAGEMENT STRATEGY

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

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

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

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

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

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

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

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

## Asset Management and infrastructure investment

- Refine a fully integrated LTFP that incorporates the elements of financial sustainability and integrates with Asset Management Plans;

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

## Funding strategy

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

# FINANCIAL STATEMENTS





# Fraser Coast Regional Council

## General Purpose Financial Statements for the year ended 30 June 2023

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## Fraser Coast Regional Council

General Purpose Financial Statements  
for the year ended 30 June 2023

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# Fraser Coast Regional Council

## Statement of Comprehensive Income for the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	193,687	182,808
Fees and charges	3b	25,836	25,269
Sales revenue	3c	5,187	3,683
Grants, subsidies, contributions and donations	3d	11,307	15,566
<b>Total recurrent revenue</b>		<b>236,017</b>	<b>227,326</b>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	3d	72,251	48,380
<b>Total capital revenue</b>		<b>72,251</b>	<b>48,380</b>
<b>Other recurrent income</b>			
Rental income		1,066	975
Interest received	4a	6,875	2,192
Other income	4b	5,274	5,185
Capital income	5	2,552	3,919
<b>Total other recurrent income</b>		<b>15,767</b>	<b>12,271</b>
<b>Total income</b>		<b>324,035</b>	<b>287,977</b>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	80,933	80,903
Materials and services	7	102,068	90,448
Finance costs	8	4,622	4,387
Depreciation and amortisation:			
- Property, plant and equipment	14	64,725	59,736
- Intangible assets		106	107
- Right of use assets		378	301
<b>Total recurrent expenses</b>		<b>252,832</b>	<b>235,882</b>
<b>Capital expenses</b>			
Capital expenses	9	19,534	19,369
<b>Total capital expenses</b>		<b>19,534</b>	<b>19,369</b>
<b>Total expenses</b>		<b>272,366</b>	<b>255,251</b>
<b>Net Result</b>		<b>51,669</b>	<b>32,726</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Impairment reversal/ (loss) relating to property, plant and equipment		350	(2,528)
Increase in asset revaluation surplus	20	257,973	136,966
<b>Total other comprehensive income for the year</b>		<b>258,323</b>	<b>134,438</b>
<b>Total comprehensive income for the year</b>		<b>309,992</b>	<b>167,164</b>

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

# Fraser Coast Regional Council

## Statement of Financial Position as at 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	90,514	109,500
Investments	10	89,700	84,200
Receivables	11	7,535	10,967
Inventories		2,891	2,579
Other assets	12	21,427	16,515
<b>Total current assets</b>		<b>212,067</b>	<b>223,761</b>
<b>Non-current assets</b>			
Receivables	11	1,285	1,288
Property, plant and equipment	14	3,049,900	2,725,342
Right of use assets		815	571
Intangible assets		790	896
Other assets	12	923	857
Non-current assets held for sale	13	—	2,799
<b>Total non-current assets</b>		<b>3,053,713</b>	<b>2,731,753</b>
<b>Total Assets</b>		<b>3,265,780</b>	<b>2,955,514</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	16	41,619	36,080
Contract liabilities	15	10,181	11,205
Borrowings	17	11,301	12,832
Lease liabilities		386	321
Provisions	18	15,234	15,258
Other liabilities	19	7,239	6,882
<b>Total current liabilities</b>		<b>85,960</b>	<b>82,578</b>
<b>Non-current liabilities</b>			
Borrowings	17	22,072	33,293
Lease liabilities		436	254
Provisions	18	43,179	34,149
Other liabilities	19	8,635	9,734
<b>Total non-current liabilities</b>		<b>74,322</b>	<b>77,430</b>
<b>Total Liabilities</b>		<b>160,282</b>	<b>160,008</b>
<b>Net community assets</b>		<b>3,105,498</b>	<b>2,795,506</b>
<b>Community equity</b>			
Asset revaluation surplus	20	1,060,095	801,772
Retained surplus		2,045,403	1,993,734
<b>Total community equity</b>		<b>3,105,498</b>	<b>2,795,506</b>

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



## Fraser Coast Regional Council

### Statement of Changes in Equity for the year ended 30 June 2023

	Notes	Asset revaluation surplus \$ '000	Retained surplus \$ '000	Total equity \$ '000
<b>2023</b>				
Balance as at 1 July		801,772	1,993,734	2,795,506
Net result		–	51,669	51,669
Other comprehensive income for the year				
- Increase in asset revaluation surplus	20	257,973	–	257,973
- Impairment reversal/ (loss) relating to property, plant and equipment	14	350	–	350
Other comprehensive income		258,323	–	258,323
Total comprehensive income for the year		258,323	51,669	309,992
Balance as at 30 June		1,060,095	2,045,403	3,105,498
<b>2022</b>				
Balance as at 1 July		667,334	1,963,879	2,631,213
Correction of immaterial prior period error		–	(2,871)	(2,871)
Restated balance as at 1 July		667,334	1,961,008	2,628,342
Net result		–	32,726	32,726
Other comprehensive income for the year				
- Increase in asset revaluation surplus	20	136,966	–	136,966
- Impairment reversal/ (loss) relating to property, plant and equipment	14	(2,528)	–	(2,528)
Other comprehensive income		134,438	–	134,438
Total comprehensive income for the year		134,438	32,726	167,164
Balance as at 30 June		801,772	1,993,734	2,795,506

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

# Fraser Coast Regional Council

## Statement of Cash Flows for the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
<b>Cash flows from operating activities</b>			
Receipts from customers		222,622	220,823
Payments to suppliers and employees		(190,264)	(178,401)
		<u>32,358</u>	<u>42,422</u>
Interest received		5,319	3,124
Rental income		1,157	1,014
Non capital grants and contributions		11,504	15,771
Other income		13,126	22,756
Borrowing costs		(3,306)	(3,680)
<b>Net cash flow from operating activities</b>	24	<u>60,158</u>	<u>81,407</u>
<b>Cash flows from investing activities</b>			
Net movement in investments		(5,500)	(10,500)
Proceeds from sale of land held for sale		—	800
Proceeds from sale of property, plant and equipment		1,623	1,693
Grants, subsidies, contributions and donations		47,563	34,577
Payments for property, plant and equipment		(109,703)	(86,191)
<b>Net cash flow used in investing activities</b>		<u>(66,017)</u>	<u>(59,621)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(12,752)	(12,113)
Repayments made on leases (principal only)		(375)	(298)
<b>Net cash flow used in financing activities</b>		<u>(13,127)</u>	<u>(12,411)</u>
<b>Net (decrease)/ increase for the year in cash and cash equivalents</b>		<u>(18,986)</u>	<u>9,375</u>
Cash and cash equivalents at the beginning of the financial year		109,500	100,125
<b>Total cash and cash equivalents at the end of the financial year</b>	10	<u>90,514</u>	<u>109,500</u>

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

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 1. Information about these financial statements

#### (a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2022 to 30 June 2023. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

#### (b) Basis of Consolidation

Council forms the economic entity which is referred to in these financial statements as the Council. The financial statements of controlled entity, Fraser Coast Tourism & Events Ltd is included in Note 30 but is not consolidated as it does not have a material effect on the results. The financial statements of controlled entities are included in the consolidated financial statements only where material by size or nature, from the date when control commences until the date when control ceases.

#### (c) Adoption of new and revised Accounting Standards

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2022. The adoption of the new standards has not resulted in a material impact on reported position, performance and cash flows.

#### (d) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023. These standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards and interpretations are not expected to have a material impact for Council.

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

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

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

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

#### (f) Rounding and Comparatives

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

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

#### (g) Volunteer Services

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

#### (h) Peppercorn leases

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

#### (i) Taxation

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

# Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2023

## Note 2. Analysis of results by function

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### (a) Council functions – component descriptions

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

#### Governance and administration

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

#### Economic development

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

#### Roads infrastructure and operations

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

#### Stormwater drainage

The maintenance and provision of stormwater drainage.

#### Commercial activities

Covering the areas of airports and caravan park management.

#### Community and recreation

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

#### Development services

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

#### Environment and health

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

#### Solid waste management

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

#### Water management

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

#### Sewerage management

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



# Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2023

## Note 2. Analysis of results by function (continued)

### (b) Council functions - analysis of results by function

Functions	Gross program income			Gross program expenses			Net result from recurring operations		Net result assets \$ '000		
	Recurring grants \$ '000	Recurring other \$ '000	Capital grants \$ '000	Capital other \$ '000	Total income \$ '000	Recurring \$ '000	Capital \$ '000	Total expenses \$ '000			
2023											
Governance and administration	7,134	104,112	14,080	1,476	126,802	(45,628)	(5,384)	(51,012)	65,618	75,790	352,685
Economic development	710	47	–	–	757	(2,831)	(725)	(3,556)	(2,074)	(2,799)	40
Roads infrastructure and operations	2,209	3,373	12,536	26,230	44,348	(46,994)	(9,704)	(56,698)	(41,412)	(12,350)	1,100,835
Stormwater drainage	320	–	–	1,529	1,849	(2,414)	–	(2,414)	(2,094)	(565)	440,618
Commercial activities	–	7,090	–	391	7,481	(6,426)	–	(6,426)	664	1,055	78,845
Community and recreation	591	844	1,596	2,440	5,471	(36,292)	(19)	(36,311)	(34,857)	(30,840)	170,479
Development services	–	5,108	–	–	5,108	(6,913)	–	(6,913)	(1,805)	(1,805)	–
Environment and health	33	4,107	–	40	4,180	(12,092)	–	(12,092)	(7,952)	(7,912)	4,757
Solid waste management	93	30,325	90	–	30,508	(28,630)	–	(28,630)	1,788	1,878	73,602
Water management	187	42,134	746	4,350	47,417	(37,176)	(904)	(38,080)	5,145	9,337	581,118
Sewerage management	30	40,785	563	8,736	50,114	(27,436)	(2,798)	(30,234)	13,379	19,880	462,801
Total	11,307	237,925	29,611	45,192	324,035	(252,832)	(19,534)	(272,366)	(3,600)	51,669	3,265,780
2022											
Governance and administration	9,910	96,787	3,352	3,718	113,767	(49,814)	(4,387)	(54,201)	56,883	59,566	362,966
Economic development	269	12	–	–	281	(2,767)	–	(2,767)	(2,486)	(2,486)	–
Roads infrastructure and operations	3,803	2,224	8,217	20,756	35,000	(43,323)	(11,340)	(54,663)	(37,296)	(19,663)	932,287
Stormwater drainage	–	1	–	1,017	1,018	(1,592)	–	(1,592)	(1,591)	(574)	421,503
Commercial activities	858	6,583	1	–	7,442	(5,830)	–	(5,830)	1,611	1,612	60,059
Community and recreation	434	480	2,667	1,432	5,013	(34,932)	–	(34,932)	(34,018)	(29,919)	154,169
Development services	118	5,892	–	–	6,010	(6,853)	–	(6,853)	(843)	(843)	–
Environment and health	23	3,511	–	–	3,534	(10,802)	–	(10,802)	(7,268)	(7,268)	4,388
Solid waste management	102	28,870	120	–	29,092	(22,209)	–	(22,209)	6,763	6,883	62,245
Water management	34	42,600	991	4,082	47,707	(32,845)	(636)	(33,481)	9,789	14,226	537,603
Sewerage management	15	33,152	550	5,396	39,113	(24,915)	(3,006)	(27,921)	8,252	11,192	420,294
Total	15,566	220,112	15,898	36,401	287,977	(235,882)	(19,369)	(255,251)	(204)	32,726	2,955,514

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 3. Revenue

	2023 \$ '000	2022 \$ '000
<b>(a) Rates, levies and charges</b>		
Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. If a ratepayer pays their rates before they are levied, these prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	85,180	80,705
Water charges	26,615	25,235
Water consumption charges	16,407	15,075
Sewerage charges	40,857	38,494
Sewerage trade waste charges	643	577
Waste charges	22,522	21,276
Disaster levy	1,108	1,094
Toogoom seawall revetment levy	52	97
Infrastructure levy	4,003	3,954
<b>Total rates and utility charge revenue</b>	<b>197,387</b>	<b>186,507</b>
Less: pensioner remissions and concessions	(3,700)	(3,699)
<b>Total rates, levies and charges</b>	<b>193,687</b>	<b>182,808</b>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 3. Revenue (continued)

#### (b) Fees and charges

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

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

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

Infringements are recognised on issue of the infringement notice.

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

	2023 \$ '000	2022 \$ '000
Building and development fees	277	253
Licences and registrations	1,169	1,218
Airport landing fees	93	95
Change of ownership fees	312	433
Caravan park fees	3,408	3,295
Pool fees	1,444	1,109
Refuse tip fees	6,704	6,725
Plumbing and drainage fees	1,688	1,755
Search fees	942	1,279
Interment fees	783	666
Lodgement fees	483	437
Passenger head taxes	1,228	579
Planning fees	2,964	3,362
Security screening revenue	1,558	2,044
Special water meter reading fees	224	302
Water allocation fees	247	221
Trade waste compliance fees	513	333
Other fees and charges	1,799	1,163
<b>Total fees and charges</b>	<b>25,836</b>	<b>25,269</b>

#### (c) Sales revenue

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

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

	2023 \$ '000	2022 \$ '000
Contract and recoverable works	5,187	3,683
<b>Total sales revenue</b>	<b>5,187</b>	<b>3,683</b>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 3. Revenue (continued)

#### (d) Grants, subsidies, contributions and donations

##### **Grant income under AASB 15**

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

##### **Grant income under AASB 1058**

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

##### **Capital grants**

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

##### **Contributions**

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

	2023 \$ '000	2022 \$ '000
(i) Recurrent		
General purpose grants *	5,933	10,781
Government grants and subsidies	5,374	4,785
<b>Total recurrent grants, subsidies, contributions and donations</b>	<b>11,307</b>	<b>15,566</b>

(\*) During the prior reporting period Council received \$6,560,342 of the 2022/23 Financial Assistance Grant from the Commonwealth Government in advance. Council normally receives 50% of the grant in advance.



# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 3. Revenue (continued)

	Notes	2023 \$ '000	2022 \$ '000
<b>(ii) Capital</b>			
Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.			
Contributions		18,905	13,073
Government grants and subsidies **		29,611	15,898
Developer contributed assets	14	23,735	19,409
<b>Total capital grants, subsidies, contributions and donations</b>		<b>72,251</b>	<b>48,380</b>

(\*\*) During the reporting period Council received \$3,000,000 from the Commonwealth Government and Queensland Reconstruction Authority as part of the Resilient Homes Fund Voluntary Home Buy-Back scheme. These funds are used by Council to purchase eligible flood affected homes, subsequent demolition and re-zoning of the land. Council also received \$2,171,436 from the Queensland Reconstruction Authority for the reconstruction of essential public assets that were damaged in the 2022 flood events. At 30 June 2023 \$935,936 has been recognised as income following completion of related works. The remaining amount unspent is recognised as a contract liability.

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

	2023		2022	
	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000
Grants and subsidies	13,394	27,524	18,837	12,627
Contributions	42,640	–	32,482	–
	<b>56,034</b>	<b>27,524</b>	<b>51,319</b>	<b>12,627</b>

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2023

#### Note 4. Interest and other income

	2023 \$ '000	2022 \$ '000
<b>(a) Interest received</b>		
Interest received from investments and term deposits is accrued over the term of the investment.		
Interest received from investments and term deposits	6,260	1,286
Interest from overdue rates and utility charges	615	906
<b>Total interest received</b>	<b>6,875</b>	<b>2,192</b>
<b>(b) Other income</b>		
Airport income	429	295
Brolga theatre performance income	333	310
Commission income	183	216
Fuel tax credits	284	331
Insurance receipts	166	176
Expense reimbursements	177	303
Reuse and recycling income	2,025	1,880
Other income	1,677	1,674
<b>Total other income</b>	<b>5,274</b>	<b>5,185</b>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 5. Capital income

	Notes	2023 \$ '000	2022 \$ '000
<b>(a) Gain / loss on disposal of non-current assets</b>			
Proceeds from the sale of property, plant and equipment		1,623	1,693
Less: carrying value of property, plant and equipment disposed	14	(852)	(870)
		<u>771</u>	<u>823</u>
<b>(b) Revaluations</b>			
Biological assets		66	5
		<u>66</u>	<u>5</u>
<b>(c) Non-current assets held for sale</b>			
Proceeds from the sale of land held for sale		—	800
Less: carrying value of land held for sale disposed <sup>#</sup>	13	(50)	(874)
		<u>(50)</u>	<u>(74)</u>
<b>(d) Other</b>			
Previously unrecorded road and bridge network assets <sup>*</sup>	26	—	103
Previously unrecorded water infrastructure assets <sup>*</sup>	26	530	—
Previously unrecorded sewerage infrastructure assets <sup>*</sup>	26	504	—
Previously unrecorded stormwater drainage assets <sup>*</sup>	26	—	81
Previously unrecorded coastal infrastructure assets <sup>*</sup>	26	—	12
Reversal of prior year revaluation decrement (coastal infrastructure) <sup>**</sup>		731	2,969
		<u>1,765</u>	<u>3,165</u>
<b>Total capital income</b>		<u>2,552</u>	<u>3,919</u>

(#) During the reporting period Council gifted a block of land that was held for sale to the State Government to provide social and affordable housing.

(\*) The previously unrecorded assets include the written down value of recording the initial recognition of discovered assets relating to prior periods for water and sewerage infrastructure assets (2022 - road and bridge network assets, stormwater drainage, coastal infrastructure assets). Management have not presented a restated prior period position as the net impact of the above errors identified in Note 26 are not considered material in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

(\*\*) In previous reporting periods, Council had recognised revaluation decrements in the coastal infrastructure class of property, plant and equipment totalling \$4,349,802. A partial reversal of the decrement was recognised in the 2018 reporting period for \$649,527. A further partial reversal of the prior year decrement was recognised in the prior reporting period for \$2,968,876 following the comprehensive valuation of this class of assets. At 30 June 2023 the remaining revaluation decrement of \$731,399 was reversed following the revaluation of coastal infrastructure.

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2023

#### Note 6. Employee benefits

	Notes	2023 \$ '000	2022 \$ '000
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		68,438	69,297
Councillors' remuneration		1,112	1,091
Annual, sick and long service leave entitlements		9,600	8,848
Superannuation	23	8,889	8,107
		<u>88,039</u>	<u>87,343</u>
Other employee related expenses		1,638	1,406
		<u>89,677</u>	<u>88,749</u>
Less: capitalised employee expenses		(8,744)	(7,846)
<b>Total Employee benefits</b>		<u>80,933</u>	<u>80,903</u>

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

	2023 Number	2022 Number
Total Council employees at the reporting date:		
Elected members	11	11
Staff	901	869
<b>Total full time equivalent employees</b>	<u>912</u>	<u>880</u>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 7. Materials and services

	2023 \$ '000	2022 \$ '000
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Advertising and marketing	407	324
Audit fees *	209	199
Capital work in progress expensed	1,311	455
Chemicals	4,317	3,793
Cleaning	1,314	1,174
Communication expenses	1,337	1,631
Computer licences and maintenance	5,487	5,115
Consultants and contractors	19,568	20,935
Contributions - Fraser Coast Tourism & Events	1,620	1,706
Donations, sponsorships and contributions	1,274	2,043
Electricity and gas charges	10,878	6,505
Fuel and oil	2,964	2,507
Government charges and licences	1,886	1,226
Insurance	3,443	2,692
Legal fees	876	755
Management fees	6,576	3,673
Materials	7,132	6,226
Memberships and subscriptions	510	656
Plant hire	2,180	1,791
Refuse charges	9,508	5,586
Repairs and maintenance	2,088	4,408
Security services	1,573	1,243
Services	3,627	3,725
Traffic control	2,278	2,377
Waste levy expense	6,013	6,800
Waste levy refund **	(3,958)	(3,595)
Workshop expenditure	2,458	1,483
Other materials and services	5,192	5,015
<b>Total materials and services</b>	<b>102,068</b>	<b>90,448</b>

(\*) Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$215,500 (2022: \$199,000).

(\*\*) The State government rebated \$3,958,499 of the State Waste Levy to mitigate the direct impacts on households (2022: \$3,594,848).

### Note 8. Finance costs

	Notes	2023 \$ '000	2022 \$ '000
Finance costs charged by the Queensland Treasury Corporation (QTC)		2,450	3,250
Bank charges		301	322
Impairment of receivables		559	123
Interest on leases		13	3
Refuse restoration - unwinding of discount	18	1,299	689
<b>Total finance costs</b>		<b>4,622</b>	<b>4,387</b>



# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 9. Capital expenses

	Notes	2023 \$ '000	2022 \$ '000
Loss on write-off of assets		14,215	17,394
Assets transferred to third parties		1,305	1,745
Aggregated asset adjustments in respect of prior years (assets derecognised)	26	—	230
Asset reconstruction costs due to flood events <sup>#</sup>		981	—
Capital grant expense <sup>*</sup>		3,033	—
<b>Total capital expenses</b>		<b>19,534</b>	<b>19,369</b>
<b>Loss on write-off of assets</b>			
Land		260	—
Buildings and site improvements		2,041	3,856
Plant and equipment		50	152
Road and bridge network		6,812	7,251
Water infrastructure		1,384	1,061
Sewerage infrastructure		2,797	3,006
Stormwater drainage		573	1,357
Coastal infrastructure		279	711
Other assets		19	—
		<b>14,215</b>	<b>17,394</b>
<b>Aggregated asset adjustments in respect of prior years</b>			
Coastal infrastructure		—	230
		<b>—</b>	<b>230</b>

(#) During the reporting period Council undertook the reconstruction of essential public assets damaged in the 2022 flood events. These works were funded by the Queensland Reconstruction Authority with the funding recognised in Note 3(ii) Capital Revenue. As the works were to bring the assets back to the condition prior to the flood event, these costs have been expensed with the impairment of assets recognised in the previous reporting period reversed.

(\*) During the reporting period Council incurred costs related to the Voluntary Home Buy-Back Scheme for flood affected properties. This program was funded by the Commonwealth Government and Queensland Reconstruction Authority with the funding recognised in Note 3(ii) Capital Revenue. As only the portion of the costs related to the acquisition of the land is a recognisable non-financial asset of Council, the remaining costs related to the buy-back scheme including purchase of buildings and related demolition costs, have been recognised as a capital grant expense.

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 10. Cash and cash equivalents

	2023 \$ '000	2022 \$ '000
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.		
<b>Cash and cash equivalents</b>		
Cash in operating bank account	14,839	10,520
Deposits at call	2,000	15,000
Cash on hand	25	26
Investments with Queensland Treasury Corporation (QTC)	73,650	83,954
<b>Balance per Statement of Cashflows</b>	<b>90,514</b>	<b>109,500</b>

#### Investments

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

Term deposits	89,700	84,200
<b>Total investments</b>	<b>89,700</b>	<b>84,200</b>

Cash in operating bank account is held at the Commonwealth Bank of Australia in a normal business cheque account. Investments with QTC are on call. Term deposits are held with various institutions. Term deposits earn fixed interest over varying terms at interest rates of between 3.70% and 5.65% (2022: 0.67% and 4.00%).

Council may be exposed to credit risk through its investments in term deposits and the QTC Cash Fund. Term deposits are held with financial institutions, which are rated A1+ to A2 based on rating agency Standard and Poor's and Moody ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Refer also to Note 28 for further information relating to credit risk.

#### Restricted and internally allocated cash and cash equivalents

Cash and cash equivalents	90,514	109,500
Less: externally imposed restrictions on cash <sup>(i)</sup>	(62,010)	(65,542)
<b>Unrestricted cash</b>	<b>28,504</b>	<b>43,958</b>

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

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

Unspent government grants and subsidies	11,863	12,605
Unspent developer contributions	37,577	39,003
Funds restricted for aged housing	353	254
Waste levy received in advance *	12,217	13,680
<b>Total externally imposed restrictions on cash assets</b>	<b>62,010</b>	<b>65,542</b>

\*Cash and cash equivalents at 30 June 2023 includes \$12,216,895 (2022: \$13,680,144) from the State Government to mitigate the direct impacts on households of the State Waste Levy. This money has been set aside to help fund Council's waste levy expense until 30 June 2027.

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

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

Funds restricted for Environmental Levy	134	213
Funds restricted for Disaster Management Levy	1,986	1,633
<b>Total internally allocated cash</b>	<b>2,120</b>	<b>1,846</b>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 10. Cash and cash equivalents (continued)

	2023 \$ '000	2022 \$ '000
<b>Trust Funds</b>		
In accordance with the <i>Local Government Act 2009</i> and <i>Local Government Regulation 2012</i> , a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.		
<b>Trust funds held for outside parties</b>		
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities *	1,637	795
Security deposits	7,258	6,623
	<b>8,895</b>	<b>7,418</b>

(\*) During the reporting period Council conducted the sale of properties to recover outstanding rates and charges. At 30 June 2023 Council held \$1,486,075 awaiting settlement in relation to these properties.

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 11. Receivables

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

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

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

	2023 \$ '000	2022 \$ '000
<b>Current</b>		
Rates and charges	4,618	7,233
Other debtors	2,226	2,498
Fees and charges	827	900
Deferred infrastructure charges	375	407
<b>Total</b>	<b>8,046</b>	<b>11,038</b>
Less: loss allowance	(511)	(71)
<b>Total current receivables</b>	<b>7,535</b>	<b>10,967</b>
<b>Non-current</b>		
Deferred infrastructure charges	1,285	1,288
<b>Total non-current receivables</b>	<b>1,285</b>	<b>1,288</b>

#### Credit risk

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts. In effect this power protects Council against credit risk in the case of defaults. Therefore generally for rates debtors the credit risk is low.

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

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

Council does not require collateral in respect of trade and other receivables.

#### Accounting policies - receivables

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

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

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

#### Accounting policies - grouping

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

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 11. Receivables (continued)

Rateable revenue: Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts. This results in immaterial expected credit losses. Impairment will exist if arrears are deemed to be greater than the proceeds Council will receive from the sale of the respective property.

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

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

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

	2023 \$ '000	2022 \$ '000
The exposure to credit risk for trade receivables by type of counterparty was as follows:		
Rates and utility charges	4,618	7,233
State and Commonwealth Government	66	559
Other	4,136	4,463
<b>Total</b>	<b>8,820</b>	<b>12,255</b>

#### Movement in loss allowance is as follows:

Opening balance at 1 July	71	114
Add: additional impairments recognised	559	123
Less: impairment debts written off during the year	(119)	(166)
<b>Closing balance at 30 June</b>	<b>511</b>	<b>71</b>

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

#### Disclosure - credit risk exposure and impairment of receivables

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

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



# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 11. Receivables (continued)

2023	Closing balance \$ '000
Ageing	
A summary of Council's exposure to credit risk for which the impairment requirements of <i>AASB 9 Financial Instruments</i> have been applied, being for other debtors.	
Fully performing	672
30-60 days	339
61-90 days	44
90+ days	1,171
Loss allowance	(511)
Total	1,715
Not subject to impairment	
Rates and utility charges	4,618
Fees and charges	827
Deferred infrastructure charges	1,660
	7,105
Total	8,820

2022	Closing balance \$ '000
Ageing	
Fully performing	2,210
30-60 days	169
61-90 days	8
90+ days	111
Loss allowance	(71)
Total	2,427
Not subject to impairment	
Rates and utility charges	7,233
Fees and charges	900
Deferred infrastructure charges	1,695
	9,828
Total	12,255

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2023

#### Note 12. Other assets

	2023 \$ '000	2022 \$ '000
<b>Current</b>		
Water charges not yet levied	9,667	8,427
GST receivable	2,730	2,004
Prepayments	4,625	2,612
Other income accruals	1,300	1,938
Interest accruals	3,077	1,521
Other assets	28	13
<b>Total current other assets</b>	<b>21,427</b>	<b>16,515</b>
<b>Non-current</b>		
Biological assets	923	857
<b>Total non-current other assets</b>	<b>923</b>	<b>857</b>

#### Note 13. Non-current assets Held for Sale

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

At 30 June 2023, it was determined that the land is no longer actively marketed for sale, and has been transferred to the land class of assets in property, plant and equipment.

	2023 \$ '000	2022 \$ '000
<b>Non-Current</b>		
<b>Non-current assets held for sale</b>		
Land	—	2,799
<b>Total non-current assets held for sale</b>	<b>—</b>	<b>2,799</b>

	2023 \$ '000	2022 \$ '000
Notes		

#### Movement in assets held for sale during the reporting period

<b>Opening balance as at 1 July</b>		2,799	3,673
Less: carrying value of land disposed	5	(50)	(874)
Less: assets no longer classified as held for sale		(2,749)	—
<b>Closing balance as at 30 June</b>		<b>—</b>	<b>2,799</b>

## Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2023

### Note 14. Property, plant and equipment

30 June 2023												
Measurement basis	Note	Land	Buildings and site improvements	Plant and equipment	Road and bridge network	Water infrastructure	Sewerage infrastructure	Stormwater drainage	Coastal infrastructure	Other assets	Works in progress	Total
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening gross balance		127,147	338,622	92,281	1,347,613	777,995	696,755	651,789	34,043	10,383	54,613	4,131,241
Work in progress additions		-	-	-	-	-	-	-	-	-	109,703	109,703
Contributed assets at valuation		-	118	-	10,852	1,910	5,117	5,738	-	-	-	23,735
Disposals	3(d) 5(a)	-	-	-	-	-	-	-	-	-	-	(3,505)
Write-offs	9	(260)	(3,210)	(719)	(12,895)	(4,512)	(6,801)	(884)	(625)	(21)	-	(29,927)
Reversal of prior period revaluation decrements to income		-	-	-	-	-	-	-	1,134	-	-	1,134
Revaluation increments to equity (asset revaluation surplus)	20	14,279	30,373	-	168,382	75,864	82,071	32,812	2,123	-	-	405,904
Work in progress transfers to property, plant and equipment *		971	8,178	11,253	27,903	11,663	4,595	2,704	513	388	(68,168)	-
Transfer from held for sale category		2,749	-	-	-	-	-	-	-	-	-	2,749
Initial recognition of discovered assets	5(d)	-	-	-	-	1,172	1,297	-	-	-	-	2,469
Total gross value of property, plant and equipment		144,886	374,081	99,310	1,541,855	864,092	783,034	692,159	37,188	10,750	96,148	4,643,503
Opening accumulated depreciation and impairment		-	85,492	51,347	387,136	336,679	290,817	234,875	11,655	7,898	-	1,405,899
Depreciation expense		-	5,838	7,589	18,152	13,607	12,408	5,792	750	589	-	64,725
Depreciation on disposals	5(a)	-	-	(2,653)	-	-	-	-	-	-	-	(2,653)
Depreciation on write-offs	9	-	(1,169)	(669)	(6,083)	(3,128)	(4,004)	(311)	(346)	(2)	-	(15,712)
Impairment loss reversal (recognised in equity)	20	-	-	-	(330)	-	-	(20)	-	-	-	(350)
Reversal of prior period revaluation decrements to income	5(d)	-	-	-	-	-	-	-	403	-	-	403
Revaluation increments to equity (asset revaluation surplus)	20	-	7,977	-	49,400	34,147	35,621	11,956	755	-	-	139,856
Initial recognition of discovered assets	5(d)	-	-	-	-	642	793	-	-	-	-	1,435
Total accumulated depreciation and impairment of property, plant and equipment		-	98,138	55,614	448,275	381,947	335,635	252,292	13,217	8,485	-	1,593,603
Total net book value of property, plant and equipment		144,886	275,943	43,696	1,093,580	482,145	447,399	439,867	23,971	2,265	96,148	3,049,900
Range of estimated useful life (years)												
		Land - not depreciated	20-150	3-10	15-200	5-130	5-130	60-140	25-90	7-100	-	-
*Asset additions comprise												
Asset renewals		168	2,413	8,841	14,728	3,584	1,928	1,992	513	70	-	34,237
Other additions		803	5,765	2,412	13,175	8,079	2,667	712	-	318	-	33,931
Total asset additions		971	8,178	11,253	27,903	11,663	4,595	2,704	513	388	-	68,168

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

# Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2023

## Note 14. Property, plant and equipment

30 June 2022		Land	Buildings and site improvements	Plant and equipment	Road and bridge network	Water infrastructure	Sewerage infrastructure	Stormwater drainage	Coastal infrastructure	Other assets	Works in progress	Total
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Measurement basis		Fair Value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	Cost	
Note	Opening gross balance	112,231	312,662	86,000	1,328,515	715,325	654,847	570,291	31,116	9,990	37,776	3,858,753
	Work in progress additions	-	-	-	5,854	1,766	-	8,476	-	-	86,191	86,191
	Contributed assets at valuation	-	32	-	-	-	3,281	-	-	-	-	19,409
	Disposals	-	-	(4,252)	-	-	-	-	-	-	-	(4,252)
	Write-offs	-	(6,773)	(942)	(13,288)	(3,277)	(7,554)	(1,881)	(886)	-	-	(34,601)
	Write offs (prior period adjustment)	-	-	-	-	-	-	-	(276)	-	-	(276)
	Revaluation increments to equity (asset revaluation surplus)	14,693	25,165	-	-	57,710	35,261	69,772	-	-	-	202,601
	Work in progress transfers to property, plant and equipment *	223	7,536	11,475	26,429	6,471	10,920	5,047	860	393	(69,354)	-
	Adjustments and other transfers	-	-	-	-	-	-	-	-	-	-	-
	Initial recognition of discovered assets	-	-	-	103	-	-	-	29	-	-	216
Total gross value of property, plant and equipment		127,147	338,622	92,281	1,347,613	777,995	696,755	651,789	34,043	10,383	54,613	4,131,241
5(a) 9 20 20 5(d)	Opening accumulated depreciation and impairment	-	75,934	48,638	373,375	299,788	268,060	205,309	11,078	7,325	-	1,289,507
	Correction to opening balances	-	-	-	-	1,505	1,366	-	-	-	-	2,871
	Depreciation expense	-	5,479	6,881	17,854	12,317	11,015	5,067	550	573	-	59,736
	Depreciation on disposals	-	-	(3,382)	-	-	-	-	-	-	-	(3,382)
	Depreciation on write-offs	-	(2,917)	(790)	(6,037)	(2,216)	(4,548)	(524)	(175)	-	-	(17,207)
	Depreciation on write offs (prior period adjustment)	-	-	-	-	-	-	-	(46)	-	-	(46)
	Impairment loss (recognised in equity)	-	535	-	1,944	-	-	49	-	-	-	2,528
	Reversal of prior period revaluation decrements to income	-	-	-	-	-	-	-	231	-	-	231
	Revaluation increments to equity (asset revaluation surplus)	-	6,461	-	-	25,285	14,924	24,971	-	-	-	71,641
	Initial recognition of discovered assets	-	-	-	-	-	-	3	17	-	-	20
Total accumulated depreciation and impairment property, plant and equipment		-	85,492	51,347	387,136	336,679	290,817	234,875	11,655	7,898	-	1,405,899
Total net book value of property, plant and equipment		127,147	253,130	40,934	960,477	441,316	405,938	416,914	22,388	2,485	54,613	2,725,342
Range of estimated useful life (years)		Land - not depreciated	30-100	3-10	15-150	5-130	5-130	60-140	25-90	7-100	-	-
**Asset additions comprise												
223	Asset renewals	-	5,629	8,232	19,485	4,322	9,050	1,943	860	100	-	49,621
	Other additions	223	1,907	3,243	6,944	2,149	1,870	3,104	-	293	-	19,733
	Total asset additions	223	7,536	11,475	26,429	6,471	10,920	5,047	860	393	-	69,354

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

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 14. Property, plant and equipment

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#### (a) Recognition

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

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

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

#### (b) Measurement

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

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

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

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

#### (c) Depreciation

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

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

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

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

#### (d) Impairment

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

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



# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 14. Property, plant and equipment (continued)

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

During the prior reporting period, Council assessed for impairment on infrastructure assets that were damaged during adverse weather events. The impairment loss was recognised against the relevant assets and offset against the revaluation surplus of the relevant asset classes. In the current reporting period, as these damaged assets were rectified, Council has reversed the related impairment as the asset is no longer impaired.

#### (e) Valuation

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

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

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

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

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

Fair values are classified into three levels as follows:

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

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

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

Council's fair value measurements are categorised as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

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

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 14. Property, plant and equipment (continued)

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

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)
Land (Level 2)	Market approach by direct comparison	30/06/2019	APV	8.20% - 12.80% index applied (from 1 July 2022 to 30 June 2023)

#### Key assumptions and estimates (related data sources)

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

Buildings and site improvements (Level 2) \$ '000 2023: 1,094 2022: 999	Market approach by direct comparison, income or summation methods	30/06/2021	APV	10.0% index applied (from 1 July 2022 to 30 June 2023)
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#### Key assumptions and estimates (related data sources)

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

Buildings and site improvements (Level 3) \$ '000 2023: 274,849 2022: 252,131	Current replacement cost	30/06/2021	APV	8.50% - 10.00% index applied (from 1 July 2022 to 30 June 2023)
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#### Key assumptions and estimates (related data sources)

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

Road and bridge network infrastructure (Level 3)	Current replacement cost	30/06/2020	APV	8.10% - 13.80% index applied (from 1 July 2020 to 30 June 2023)
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# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 14. Property, plant and equipment (continued)

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

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

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

<b>Stormwater infrastructure (Level 3)</b>	Current replacement cost	30/06/2021	APV	5.10% index applied to gross pollutant traps, open drains, pipes and detention structures (from 1 July 2022 to 30 June 2023)  3.90% index applied to stormwater pits (from 1 July 2022 to 30 June 2023)
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#### Key assumptions and estimates (related data sources)

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

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

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

<b>Water and sewerage infrastructure (Level 3)</b>	Current replacement cost	30/06/2020	APV	9.40% - 20.00% index applied to water infrastructure (from 1 July 2022 to 30 June 2023)  9.70% - 20.00% index applied to sewerage infrastructure (from 1 July 2022 to 30 June 2023)
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# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 14. Property, plant and equipment (continued)

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

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

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

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

Coastal infrastructure (Level 3)	Current replacement cost	30/06/2022	APV	9.60% index applied (from 1 July 2022 to 30 June 2023)
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#### Key assumptions and estimates (related data sources)

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

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2023

#### Note 15. Contract balances

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

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

	2023 \$ '000	2022 \$ '000
<b>Contract liabilities</b>		
<b>Current</b>		
Funds received upfront to construct Council controlled assets	9,314	10,267
Funds received in advance of services provided	867	938
<b>Total contract liabilities</b>	<b>10,181</b>	<b>11,205</b>

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

Funds to construct Council controlled assets	7,140	2,838
Deposits received in advance of services provided	787	418
<b>Total revenue included in the contract liability</b>	<b>7,927</b>	<b>3,256</b>

#### Satisfaction of contract liabilities

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income in the next financial year.

#### Note 16. Payables

	2023 \$ '000	2022 \$ '000
<b>Current</b>		
Creditors and accruals	30,566	24,751
Prepaid rates	10,574	10,814
Employee entitlements	479	515
<b>Total current payables</b>	<b>41,619</b>	<b>36,080</b>

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



# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 17. Borrowings

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

All borrowings are denominated in Australian dollars and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 21 January 2024 to 15 December 2030. There have been no defaults or breaches of the loan agreement during the period.

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

	2023 \$ '000	2022 \$ '000
<b>Current</b>		
Loans - Queensland Treasury Corporation	11,301	12,832
<b>Total current borrowings</b>	<b>11,301</b>	<b>12,832</b>
<b>Non-current</b>		
Loans - Queensland Treasury Corporation	22,072	33,293
<b>Total non-current borrowings</b>	<b>22,072</b>	<b>33,293</b>

#### Reconciliation of loan movements for the year

Opening balance at 1 July	46,125	58,238
Principal repayments	(12,752)	(12,113)
<b>Closing balance at 30 June</b>	<b>33,373</b>	<b>46,125</b>

The QTC loan market value at the reporting date was \$34,252,802 (2022: \$48,477,934). This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for the term, no provision is required to be made in these statements.

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

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 18. Provisions

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

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

#### *Long service leave*

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

#### *Refuse restoration*

A provision is made for the cost of restoration in respect of landfill sites where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required; discounted to current day values using the 30 year Commonwealth Government bond rate at 30 June 2023.

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

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

	2023 \$ '000	2022 \$ '000
<b>Current</b>		
Annual leave	7,116	7,135
Long service leave	7,861	7,523
Refuse restoration	257	600
<b>Total current provisions</b>	<b>15,234</b>	<b>15,258</b>
<b>Non-current</b>		
Long service leave	820	958
Refuse restoration	42,359	33,191
<b>Total non-current provisions</b>	<b>43,179</b>	<b>34,149</b>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 18. Provisions (continued)

	Notes	2023 \$ '000	2022 \$ '000
<b>Details of movements in non-employee benefit provisions</b>			
<b>Refuse restoration</b>			
Balance at beginning of financial year		33,791	39,361
Additional provision	20	11,342	5,843
Decrease due to payments		(549)	(253)
Increase in provision due to unwinding of discount	8	1,299	689
Decrease in provision due to change in discount rate and inflation rates	20	(3,267)	(11,849)
<b>Balance at end of financial year</b>		<b>42,616</b>	<b>33,791</b>

#### Refuse restoration

This is the present value of the estimated cost of restoring Council's landfill sites to a useable state at the end of their useful lives. The projected cost is the present value of the estimated cost of restoring the landfill sites after closure and allowing a period for settlement. Expected closure dates to the public of the sites range from 2022 to 2052 and expenditure is expected from 2022 to 2084.

### Note 19. Other liabilities

	2023 \$ '000	2022 \$ '000
Other liabilities relate to amounts received where Council has a further obligation to discharge the funds.		
Waste levy refund received in advance are amounts rebated by the State government to mitigate the direct impact on households. The State government has paid the refunds in advance until 30 June 2027, which will be recognised as an expense offset in the relevant financial years.		
Construction retentions are amounts Council withhold from paying contractors until the contracted project is completed to a satisfactory standard within an agreed time period.		
<b>Current</b>		
Waste levy refund received in advance	3,582	3,946
Other liabilities	82	—
Unearned revenue	392	435
Construction retentions	3,183	2,501
<b>Total current other liabilities</b>	<b>7,239</b>	<b>6,882</b>
<b>Non-current</b>		
Waste levy refund received in advance	8,635	9,734
<b>Total non-current other liabilities</b>	<b>8,635</b>	<b>9,734</b>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 20. Asset revaluation surplus

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

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

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

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

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

	Note	2023 \$ '000	2022 \$ '000
<b>Movements in the asset revaluation surplus</b>			
<b>Balance as at 1 July</b>		801,772	667,334
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Land	14	14,279	14,693
Buildings and site improvements (revaluation)	14	22,396	18,704
Buildings and site improvements (impairment)	14	-	(535)
Buildings and site improvements (movements in restoration provision)	18	(8,075)	6,006
Road and bridge network (revaluation)	14	118,982	-
Road and bridge network (impairment reversal/ (impairment))	14	330	(1,944)
Water infrastructure	14	41,717	32,425
Sewerage infrastructure	14	46,450	20,337
Stormwater drainage	14	20,856	44,801
Stormwater drainage (impairment reversal/ (impairment))	14	20	(49)
Coastal infrastructure	14	1,368	-
<b>Net movements in the asset revaluation surplus</b>		<b>258,323</b>	<b>134,438</b>
<b>Balance as at 30 June</b>		<b>1,060,095</b>	<b>801,772</b>
<b>Asset revaluation surplus analysis</b>			
The closing balance of the asset revaluation surplus comprises the following asset categories:			
Land		59,244	44,965
Buildings and site improvements		104,474	90,153
Road and bridge network		328,306	208,994
Water infrastructure		211,040	169,323
Sewerage infrastructure		205,605	159,155
Stormwater drainage		150,058	129,182
Coastal infrastructure		1,368	-
		<b>1,060,095</b>	<b>801,772</b>

## Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2023

### Note 21. Commitments for expenditure

	2023 \$ '000	2022 \$ '000
<b>Contractual commitments</b>		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Infrastructure contracts	38,278	42,887
Pest control	37	53
Garbage collection contract	131,382	143,798
Cleaning services	961	1,934
Security services	233	457
Security screening	2,797	2,574
	<u>173,688</u>	<u>191,703</u>
These expenditures are payable as follows:		
Within the next year	53,323	57,467
Later than one year and not later than 5 years	56,989	56,538
Later than 5 years	63,376	77,698
Total payable	<u>173,688</u>	<u>191,703</u>

### Note 22. Contingent liabilities

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

#### Local Government Mutual

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

As at 30 June 2022 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

#### Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's Workers Compensation Authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$2,767,976.

#### Legal claims

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

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



## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2023

#### Note 23. Superannuation - regional defined benefit fund

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

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

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

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

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

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

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

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

	Notes	2023 \$ '000	2022 \$ '000
Superannuation contributions made to the Regional Defined Benefits Fund		595	675
Other superannuation contributions for employees		8,294	7,432
Total superannuation contributions paid by Council for employees	6	8,889	8,107

# Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2023

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

	Notes	2023 \$ '000	2022 \$ '000
<b>Net operating result from statement of comprehensive income</b>		<b>51,669</b>	<b>32,726</b>
<b>Non-cash items</b>			
Depreciation and amortisation		65,209	60,144
Reversal of prior period property, plant and equipment revaluation decrements costed direct to the income statement	5	(731)	(2,969)
Changes in estimated refuse restoration costs to asset revaluation surplus		(8,075)	6,006
		<b>56,403</b>	<b>63,181</b>
<b>Losses/(gains) recognised on fair value re-measurements through the statement of comprehensive income</b>			
Revaluations on biological assets	5	(66)	(5)
		<b>(66)</b>	<b>(5)</b>
<b>Investing and development activities</b>			
Net (profit)/loss on disposal of assets		(721)	(749)
Capital grants and contributions		(72,251)	(48,380)
Capital expenses		14,215	17,624
Other capital items		(1,034)	(196)
		<b>(59,791)</b>	<b>(31,701)</b>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/decrease in receivables		2,995	6,530
Increase/(decrease) in loss allowance		440	(43)
(Increase)/decrease in inventories		(312)	(159)
(Increase)/decrease in other assets		(4,912)	3,308
Increase/(decrease) in payables		5,539	(3,619)
Increase/(decrease) in contract liabilities (excluding capital grants)		(71)	423
Increase/(decrease) in employee leave entitlements		181	1,353
Increase/(decrease) in other provisions		8,825	(5,570)
Increase/(decrease) in other liabilities		(742)	14,983
		<b>11,943</b>	<b>17,206</b>
<b>Net cash provided from operating activities from the statement of cash flows</b>		<b>60,158</b>	<b>81,407</b>

## Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2023

### Note 25. Reconciliation of liabilities arising from finance activities

	as at 30/06/22			as at 30/06/23
	Opening Balance \$ '000	Cashflows \$ '000	Non-cash changes (new leases) \$ '000	Closing balance \$ '000
Borrowings	46,125	(12,752)	–	33,373
Lease liability	575	(375)	622	822
	<u>46,700</u>	<u>(13,127)</u>	<u>622</u>	<u>34,195</u>

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

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 26. Correction of error

#### Initial recognition and derecognition of non-current assets

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

- During the regular updating of asset dimensions from comparing water and sewerage network asset register data to spatial data, a number of commissioned assets were identified in the asset register showing as Council-owned, non-financial assets. These assets were held in the previous asset register at no value as they were not under the ownership of the former Wide Bay Water Corporation. This data has now been transitioned to Council's new asset management solution, applying adopted unit rates and standard useful lives to recognise the fair value of the assets.
- As part of the Wide Bay Water commercial business unit ongoing review of infrastructure assets, assets are identified that are not previously appropriately accounted for or recognised. These items predominantly relate to the records of historic underground network assets. Asset record corrections are confirmed through acquisition of new information during excavation and maintenance work or subsurface visual inspections via CCTV pipe survey.
- A comprehensive revaluation of the coastal infrastructure asset class was carried out during the previous reporting period. A total of two assets that were not recorded in the asset register were discovered during the inspection process. Further, three assets that had been disposed, demolished or unable to be located were derecognised as a result of the comprehensive valuation process.

	Note	2023 \$ '000	2022 \$ '000
<b>Initial recognition of previously unrecorded non-current assets</b>			
Road and bridge network assets	5	-	103
Water infrastructure assets	5	530	-
Sewerage infrastructure assets	5	504	-
Stormwater drainage assets	5	-	81
Coastal infrastructure assets	5	-	12
<b>Total</b>		<b>1,034</b>	<b>196</b>

	Note	2023 \$ '000	2022 \$ '000
<b>Initial derecognition of non-current assets</b>			
Coastal infrastructure	9	-	230
<b>Total</b>		<b>-</b>	<b>230</b>
<b>Net prior period correction</b>		<b>1,034</b>	<b>(34)</b>

## Fraser Coast Regional Council

### Notes to the Financial Statements for the year ended 30 June 2023

#### Note 27. Events after the reporting period

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There were no material adjusting events after the balance date.

After the reporting period but prior to the authorisation of these financial statements, at its ordinary meeting held on 26 July 2023, Council resolved to accept the tender for the design and construction of a Library and Administration Centre (incorporating Disaster Resilience Centre) for a guaranteed maximum price of \$108,753,838 including provisional sums, excluding GST. This event is considered non-adjusting and the financial statements have not been adjusted for its impact.

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 28. Financial instruments and financial risk management

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#### (a) Financial assets and financial liabilities

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

Credit risk  
Liquidity risk  
Market risk  
Interest rate risk

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

#### Risk management framework

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

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

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

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

Council does not enter into derivative contracts.

#### Credit risk exposure

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

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

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

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

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

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

#### Liquidity risk

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

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



# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

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

#### Exposure to liquidity risk

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

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

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

	Notes	0 to 1 year \$ '000	1 to 5 years \$ '000	Over 5 years \$ '000	Total contractual cash flows \$ '000	Carrying amount \$ '000
<b>2023</b>						
Payables	16	30,566	–	–	30,566	30,566
Loans - QTC	17	12,832	18,563	7,164	38,559	33,373
		<u>43,398</u>	<u>18,563</u>	<u>7,164</u>	<u>69,125</u>	<u>63,939</u>
<b>2022</b>						
Payables	16	24,751	–	–	24,751	24,751
Loans - QTC	17	15,201	27,892	10,667	53,760	46,125
		<u>39,952</u>	<u>27,892</u>	<u>10,667</u>	<u>78,511</u>	<u>70,876</u>

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

#### Market risk

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

#### Interest rate risk

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

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

#### Sensitivity

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

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

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

## Fraser Coast Regional Council

Notes to the Financial Statements  
for the year ended 30 June 2023

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

		Net carrying amount	Net result		Equity	
	Notes	\$ '000	1% increase \$ '000	1% decrease \$ '000	1% increase \$ '000	1% decrease \$ '000
<b>2023</b>						
Investments with QTC	10	73,650	737	(737)	737	(737)
Other cash	10	16,839	168	(168)	168	(168)
Loans - QTC *	17	(33,373)	—	—	—	—
<b>Net</b>		<b>57,116</b>	<b>905</b>	<b>(905)</b>	<b>905</b>	<b>(905)</b>
<b>2022</b>						
Investments with QTC	10	83,954	840	(840)	840	(840)
Other cash	10	25,520	255	(255)	255	(255)
Loans - QTC *	17	(46,125)	—	—	—	—
<b>Net</b>		<b>63,349</b>	<b>1,095</b>	<b>(1,095)</b>	<b>1,095</b>	<b>(1,095)</b>

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

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

#### (b) Fair value

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

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

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

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 29. National competition policy

#### Business activities to which the code of competitive conduct is applied

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

- Wide Bay Water
- Fraser Coast Waste

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

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

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

	Fraser Coast Waste \$ '000	Wide Bay Water \$ '000
<b>2023</b>		
Revenue for services provided to the Council	186	1,996
Revenue for services provided to external clients	31,844	89,871
Community service obligations	409	1,131
	<b>32,439</b>	<b>92,998</b>
Less : expenditure	(29,479)	(69,063)
Less: net competitive neutrality adjustments	(215)	(481)
Surplus/(deficit)	<b>2,745</b>	<b>23,454</b>

#### Description of CSO's provided to business activities:

Activities	CSO description	2023 \$ '000
Wide Bay Water	Council provides discounted water and sewerage services to community and sporting bodies which is identified as a Community Service Obligation (CSO). In addition, the State Government sets the maximum regulated infrastructure charges able to be collected from developers, to which Council has provided certain discounts and incentives to developers, this has also been identified by Council as a CSO for the Wide Bay Water commercial business unit.	1,131
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.	409

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 30. Controlled entities that have not been consolidated

#### Unconsolidated controlled entities

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

#### Fraser Coast Tourism & Events Ltd

Fraser Coast Tourism & Events Ltd (FCTE) is a controlled entity of Council which undertakes the functions of marketing, events and tourism services on behalf of Council for the direct benefit of the Fraser Coast Region. FCTE is a not-for-profit company limited by guarantee constituted under the *Corporations Act 2001*. The entity commenced operations on 1 July 2013 with the transfer of Tourism Fraser Coast on 1 September 2013.

At its meeting on 28 September 2022, Council endorsed a new 3-year Funding Agreement with FCTE expiring 30 June 2025.

The board currently consists of seven directors, including the Mayor.

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

	2023 (unaudited) \$ '000	2022 \$ '000
<b>Income and expenses</b>		
Operating revenue	3,064	3,360
Operating expenses	(3,230)	(3,304)
<b>Net result</b>	<b>(166)</b>	<b>56</b>
<b>Assets</b>		
Current assets	1,491	1,791
Non-current assets	82	57
<b>Total assets</b>	<b>1,573</b>	<b>1,848</b>
<b>Liabilities</b>		
Current liabilities	998	1,291
Non-current liabilities	218	35
<b>Total liabilities</b>	<b>1,216</b>	<b>1,326</b>
<b>Net assets</b>	<b>357</b>	<b>522</b>

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 31. Transactions with related parties

#### (a) Subsidiaries

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

The following transactions occurred with subsidiaries:

Subsidiary	Goods and services supplied to Council on normal terms and conditions	2023 \$ '000	2022 \$ '000
Fraser Coast Tourism & Events Ltd	Tourism and events services supplied to Council	1,876	1,913
Total		1,876	1,913

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

In addition, FCTE utilises fleet items from Council. They are hired to FCTE on the same basis as Council's internal plant and fleet hire rates. Further, FCTE pay for Council waste services to service events. The total of these transactions are listed below:

Payments by FCTE to Council	2023 \$ '000	2022 \$ '000
Reimbursements for outgoings	49	64
Other reimbursements	1	13
Motor vehicle hire	20	20
Total	70	97

#### (b) Key management personnel (KMP)

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

	2023 \$ '000	2022 \$ '000
The compensation paid to key management personnel comprises:		
Short-term employee benefits	2,998	2,938
Post-employment benefits	279	274
Long-term benefits	35	21
Total	3,312	3,233

# Fraser Coast Regional Council

## Notes to the Financial Statements for the year ended 30 June 2023

### Note 31. Transactions with related parties (continued)

#### (c) Other Related Parties

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

Details of transaction	2023 \$ '000	2022 \$ '000
Employee expenses for close family members of KMP 1	4	-
Other transactions with entities controlled by KMP or close family members of KMP 2	-	30
<b>Total</b>	<b>4</b>	<b>30</b>

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

#### (d) Outstanding balances

The following balances were outstanding at the end of the reporting period in relation to transactions with related parties.

Details of outstanding balances	2023 \$ '000	2022 \$ '000
Amount payable to Councillors	(1)	-
Amount receivable from FCTE	9	-
<b>Total</b>	<b>8</b>	<b>-</b>

#### (e) Loans and guarantees to/from related parties

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

#### (f) Commitments to/from other related parties

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

#### (g) Transactions with related parties that have not been disclosed

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

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

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



## Fraser Coast Regional Council

### General Purpose Financial Statements for the year ended 30 June 2023

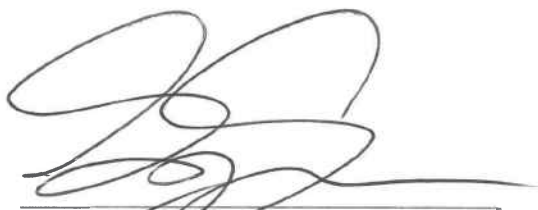
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#### Management Certificate for the year ended 30 June 2023

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 1 to 49, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



George Seymour  
Mayor  
26 September 2023



Ken Diehm  
Chief Executive Officer  
26 September 2023

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Fraser Coast Regional Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Fraser Coast Regional Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2023, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the certificate given by the Mayor and Chief Executive Officer.

#### Basis for opinion

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

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

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

#### Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Fraser Coast Regional Council's annual report for the year ended 30 June 2023 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

### **Responsibilities of the councillors for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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

### **Report on other legal and regulatory requirements**

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

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

### **Prescribed requirements scope**

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



David Adams  
as delegate of the Auditor-General

29 September 2023

Queensland Audit Office  
Brisbane

# Fraser Coast Regional Council

## General Purpose Financial Statements for the year ended 30 June 2023

### Current Year Financial Sustainability Statement

	Actual 2023	Target
<b>Measures of financial sustainability</b>		
<b>1. Operating surplus ratio</b>		
Net result (excluding capital items)		
Total operating revenue (excluding capital items)	(1.44)%	0% - 10%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
<b>2. Asset sustainability ratio</b>		
Capital expenditure on the replacement of assets (renewals)		
Depreciation expense	44.49%	> 90.00%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		
<b>3. Net financial liabilities ratio</b>		
Total liabilities less current assets		
Total operating revenue (excluding capital items)	(20.78)%	< 60.00%
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

#### Note 1 - basis of preparation

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

The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2023.

## Fraser Coast Regional Council

General Purpose Financial Statements  
for the year ended 30 June 2023


### Certificate of Accuracy

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#### Current Year Financial Sustainability Statement Certificate of Accuracy for the year ended 30 June 2023

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

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



George Seymour

**Mayor**

26 September 2023



Ken Diehm

**Chief Executive Officer**

26 September 2023



## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Fraser Coast Regional Council

### Report on the Current-Year Financial Sustainability Statement

#### Opinion

I have audited the accompanying current year financial sustainability statement of Fraser Coast Regional Council for the year ended 30 June 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Fraser Coast Regional Council for the year ended 30 June 2023 has been accurately calculated.

#### Basis of opinion

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

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

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

#### Emphasis of matter – basis of accounting

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

#### Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Fraser Coast Regional Council's annual report for the year ended 30 June 2023 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the general purpose financial report.

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

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

#### **Responsibilities of the councillors for the current year financial sustainability statement**

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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



David Adams  
as delegate of the Auditor-General

29 September 2023

Queensland Audit Office  
Brisbane

# Fraser Coast Regional Council

## General Purpose Financial Statements for the year ended 30 June 2023

### Unaudited Long-Term Financial Sustainability Statement

	Target 2023	Actual 2023	2024	2025	2026	2027	Forecast 2028	2029	2030	2031	2032	2033
<b>Measures of financial sustainability</b>												
<b>1. Operating surplus ratio</b>												
Net result (excluding capital items)		(1.44%)	(2.82%)	(1.52%)	1.09%	0.85%	1.20%	1.91%	1.58%	1.59%	1.95%	2.54%
Total operating revenue (excluding capital items)	0 – 10%											
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
<b>2. Asset sustainability ratio</b>												
Capital expenditure on the replacement of assets (renewals)	> 90%	44.49%	104.43%	97.74%	107.47%	101.44%	93.47%	88.65%	90.35%	93.23%	94.26%	85.56%
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.												
<b>3. Net financial liabilities ratio</b>												
Total liabilities less current assets	< 60%	(20.41%)	2.17%	13.88%	24.50%	24.37%	22.77%	16.02%	8.53%	2.19%	(7.90%)	(21.90%)
Total operating revenue (excluding capital items)												

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

#### Fraser Coast Regional Council Financial Management Strategy

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

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

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

## Fraser Coast Regional Council

General Purpose Financial Statements  
for the year ended 30 June 2023

### Certificate of Accuracy - Long Term Financial Sustainability Statement

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

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



George Seymour  
Mayor  
26 September 2023



Ken Diehm  
Chief Executive Officer  
26 September 2023

# GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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








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WIDE BAY  
**water**



A Business Unit of  Fraser Coast  
REGIONAL COUNCIL

# ANNUAL OPERATIONS REPORT

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A LOOK BACK

2022/23











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## OVERVIEW

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

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

The report provides a summary of WBW's major activities over the 2022/23 reporting year, including an assessment of our performance against the financial and non-financial targets defined in the WBW Annual Performance Plan 2022/23.

## About us

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

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

WBW remains a proactive member of the water industry, contributing to research and innovation, improvements in service delivery, and partnership services with other water utilities.

WBW is governed by an Executive Management Team, and Non-Executive Advisory Committee that consists of external members and Councillors and is appointed under s264 of the

Local Government Regulation 2012. The organisation continues to adopt best-practice standards in service and performance delivery that support its operations and their compliance with the broad regulatory environment in which it operates. WBW hold third party accreditations in Quality (ISO 9001) and Food Safety (ISO 22000).

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

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

## Annual Performance Plan

The WBW Annual Performance Plan 2022/23 was resolved by Council at its Special Meeting No. 3 held on Tuesday 14 June 2022.

The Annual Performance Plan (the Plan) was established in accordance with the requirements of section 175 (2) of the Local Government Regulation 2012. The Plan outlines the nature and extent of WBW's operations, its vision and objectives, and the financial and non-financial performance targets that guided its operations in the 2022/23 year.

No changes were made to the Performance Plan during 2022/23.

## Local directions

There were no local government directions issued to WBW during 2022/23.





# OBJECTIVES

## Vision

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



## Business objectives



### Lifestyle

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



### Governance

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



### Built environment

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



### Natural environment

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



### Prosperity

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



# GOVERNANCE STRUCTURE & COMMITTEE



## Cliff Searle CHAIRMAN

Cliff was admitted as a Member of the Association of Hydraulic Services Consultants Australia (Qld) Inc. (AHSCA) in 1993 and in 2015 was awarded a life membership.

In 1985, Cliff was elected as an Alderman for the Hervey Bay City Council and re-elected in 1989. During his six-year period in Council, his major focus was water and sewerage.

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

Cliff is an avid golfer and spends many days enjoying his favorite pastime.



## David Lee

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

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



## Darren Everard

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

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

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



### Peter Borrows

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

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



### Randal McLellan

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

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

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





# GOVERNANCE STRUCTURE & COMMITTEE

## Member attendance at Committee meetings

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

## Committee meeting dates 01/07/22 – 30/06/23

19 August 2022
16 September 2022
21 October 2022
18 November 2022
17 February 2023
24 March 2023
21 April 2023
18 May 2023
23 June 2023





## EXECUTIVE TEAM



**Mark Vanner**  
**DIRECTOR**

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

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

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



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

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

Darren has gained 37 years engineering experience after commencing his career with BHP as a mechanical engineering trainee in 1986 where he was dual indentured to obtain his Fitting and Turning Trade Certificate and an Associate Diploma of Mechanical Engineering. During his employment with BHP and then Linde Gas, he predominantly held positions in asset maintenance management with responsibilities for heavy engineering steel and gas sites including large industrial wastewater treatment plants. This diverse career path has provided Darren with a very broad and in-depth level of skills, knowledge and he now has 19 years' experience in the Australian water industry.



## EXECUTIVE TEAM



### **Cameron Ansell** **EXECUTIVE MANAGER PROCESS OPERATIONS**

With 20 years' experience in the water industry across the agricultural and Local Government sectors, Cameron as Executive Manager of Process Operations, leads a team operating Council's water and sewage treatment plants, recycled water scheme's and the WaterOne Laboratory.

Cameron gained 20 years of considerable operational experience in delivering safe drinking water supplies and sewage treatment services on behalf of various communities. He holds an Associate Degree in Engineering (Environmental) and is currently completing a Bachelor of Engineering (Environmental), both through the University of Southern Queensland.



### **Trevor Dean** **EXECUTIVE MANAGER ENGINEERING AND TECHNICAL SERVICES**

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

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

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



**Megan Gibbs**  
**BUSINESS SERVICES MANAGER**

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

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



**Umur Natus-Yildiz**  
**EXECUTIVE MANAGER WASTE SERVICES**

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

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

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

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



# PERFORMANCE SUMMARY

## Key Financial Performance

2022/23 Annual Financial Performance Indicators and Targets

Indicator	Frequency	Unit	Target	June 22/23	Explanation	Calculation
Operating Surplus Ratio	Annual	%	>20%	25.4%	Indicates the extent to which revenues (utility charges, fees & charges etc.) raised cover operational expenses (employee, materials & services, depreciation & loan interest payments) which is then available for capital funding or other purposes. It represents % of profit each \$ of revenue generates.	Net result (excluding capital items) divided by total operating revenue (excluding capital items)
Dividend ratio	Annual	%	>20%	41.7%	The dividend payout ratio is the amount of dividends paid to owners (FCRC) relative to the amount of total net income of the entity. The amount that is not paid out in dividends is held to fund growth. The amount that is kept is called retained earnings.	Dividend/Net Operating Profit After Tax
Debt servicing ratio (I&R / revenue)	Annual	%	<30%	14.0%	The debt service coverage ratio, also known as "debt coverage ratio", is the ratio of cash available to debt servicing for loan interest & principal payments. It is used as a measurement of an entity's ability to produce enough cash to cover its debt repayments. It is the % of revenue used to repay debt.	Interest & Redemption Payments / Revenue
Interest Cover (EBITDA/interest expense)	Annual	Times	>8	31.1	Times interest coverage ratio is a measure of an entities ability to honor its debt payments. It may be calculated as either EBIT or EBITDA divided by the total interest payable.	EBITDA (earnings before interest, tax, depreciation & amortisation) / Interest Expense
Total Distribution to FCRC	Annual	\$m	\$14.72	17.1		
- Dividends			5,200,000	5,200,000	Paid to Owner (FCRC) from after tax profits	Refer "Dividend Ratio" above
- Tax			9,000,000	11,256,765	Paid to Owner (FCRC)	In accordance with LGTER regime legislation
- Competitive Neutrality			517,050	677,821	In accordance with the Competitive Neutrality principles contained in Local Govt. Act 2009 & Local Govt. Regulation 2012	Based on calculated 5 year ave. debt margin on QTC borrowing rate

# Key Non-Financial Performance

2022/23 Annual Non-Financial Performance Indicators and Targets

Hervey Bay and Maryborough	Unit	Target	Actual
<b>Water</b>			
<b>Continuity and reliability of water supply</b>			
Time for restoration of service within five hours – percentage of unplanned incidents	%	95%	<b>92% #1</b>
Minimum water pressure at the property boundary for 99% of connected properties (on enquiry or complaint)	kPa	200	<b>&gt;200</b>
Minimum flow at the property boundary for 90% of connected properties (on enquiry or complaint)	L/min	>20	<b>&gt;20</b>
System water loss	ILL	1.5	<b>.91</b>
<b>Water quality</b>			
Water at the point of delivery will meet National Health and Medical Research Council Health Guidelines for Australian Drinking Water	%	100%	<b>99.4% #2</b>
Water quality at point of delivery (physical and chemical parameters) will meet National Health and Medical Research Council Aesthetic Drinking Water Guidelines (not including Chlorine, taste or odour)	%	>95%	<b>100%</b>
<b>New service connections — water</b>			
Installation of all 20mm and 25mm diameter service connections within maximum 20 working days	%	95%	<b>88% #3</b>
Service connections greater than 25mm diameter:			
a. Design and notification of construction price (average time from completed application)	Working days	<10	<b>4</b>
b. Construction time (average time from payment of fees) subject to building and development regulations being met	Working days	<20	<b>19</b>
<b>Sewerage</b>			
<b>Effective transport of waste effluent</b>			
Total sewage overflows per 100km main	Number	<10	<b>0.12</b>
Sewage overflows on to customer property per 1,000 connections	Number	<5	<b>0.37</b>
Sewer odour complaints per 1,000 connections	Number	<10	<b>1.9</b>
Effluent complies to Environmental Licence	%	100%	<b>99.9% #4</b>
Effluent reuse as percentage of Average Dry weather flow	%	90%	<b>97%</b>
<b>New service connections – sewer</b>			
Completion of new sewer connections:			
a. Design and notification of construction price (average time from completed application)	Working days	<10	<b>3</b>
b. Construction time (average time from payment of fees) subject to building and development regulations being met	Working days	<20	<b>10</b>
<b>Queensland Government – Reportable indicators</b>			
QG 4.5 Total water main breaks per 100km of water main	Number	<20	<b>7.82</b>
QG 4.6 Total sewerage main breaks and chokes per 100km sewerage main	Number	<60	<b>3.83</b>
QG 4.7 Incidence of unplanned interruptions to supply per 1000 connected properties	Number	<100	<b>28.77</b>
QG 4.8 Average response time for incidents causing an interruption to supply	Minutes	<60	<b>31</b>
QG 4.9 Average response time for incidents causing an interruption to sewage collection	Minutes	<60	<b>25</b>
QG 4.10 Drinking water quality complaints per 1000 connected properties	Number	<5	<b>1.52</b>
QG 4.11 Total water and sewerage complaints per 1000 connected properties	Number	<40	<b>13.82</b>

#1 Access difficulties to multiple main breaks in various locations (middle of roadways, under driveways, under paved areas, deep run mains).

#2 Due to 34 THM exceedances (Hervey Bay Scheme) generally during warmer months.

#3 Due to site access difficulties, staff availability to handle volume of new connections.

#4 Exceedance (suspended solids) Pulgul STP.



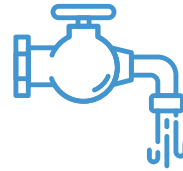


# OPERATIONAL SUMMARY

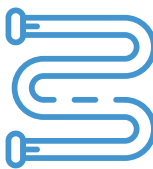
## Water



**1,167 km**  
total water mains



**41,876**  
connected water



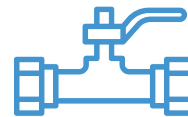
**13 km**  
of new distribution network  
water mains constructed



**593**  
new services

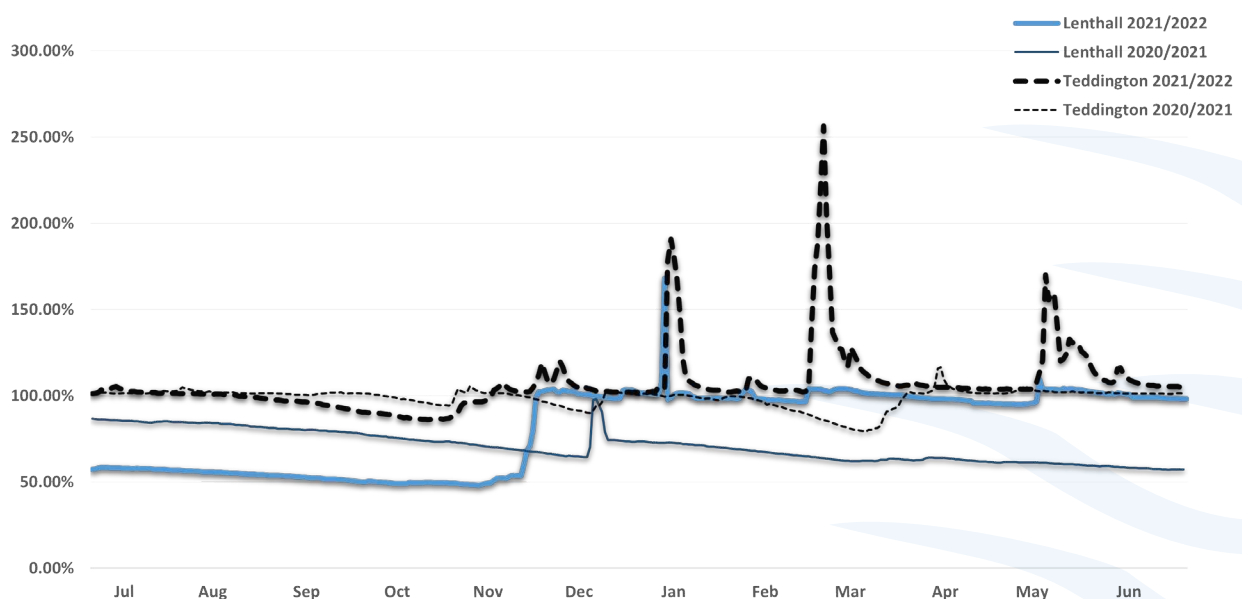


**8432 ML**  
potable water treated and  
delivered to customers



**5,935**  
water meters installed

## Reservoir Levels





Water testing at Teddington Water Treatment Plant



# OPERATIONAL SUMMARY

## Sewer



**819 km**

total sewerage mains



**6,698 ML**

sewage collected and treated



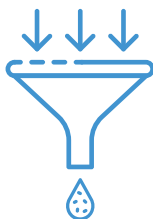
**4.8 km**

gravity sewer mains relined



**35,402**

connected sewage services



**8.5 km**

new gravity collection sewers constructed by developers



**30.24 km**

sewer network cleaned and CCTV inspected









# OPERATIONAL SUMMARY

## Engineering



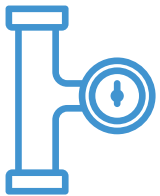
**\$16.4M**

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



### Major growth projects

- Major capacity increase of Pulgul STP, Hervey Bay



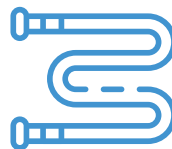
### Major renewal projects

- Sewer Relining Program
- Hythe Street rising main replacement
- Residential meter replacements, Hervey Bay and Maryborough



### Major improvement projects

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



### Major projects

- Aubinville STP refurbishment and inlet works replacement, Maryborough
- Urraween Pump Station
- Howard Sewage Scheme Pumping Station and Treatment Facility





# OPERATIONAL SUMMARY

## Environment



Wide Bay Water continue to work closely with the environmental regulator at the Department of Environment and Science (DES), developing a strong working relationship.

Subsequently, the DES have not requested a compliance audit of any Wide Bay Water environmentally relevant activities, and close-out times for low to medium risk non-compliances have been very low (<5 days).

A single high risk environmental incident was experienced in August following a chemical spill at the Urraween Reservoir, which triggered an Environmental Protection Order (EPO). All conditions of the EPO have since been addressed and various projects are now underway to improve environmental compliance for chemical storage and dosing facilities across Wide Bay Water.



 Lenthals Dam



 Teddington Weir





## Resource Operation Licenses

Wide Bay Water collaborated with and made a formal submission to the Department of Regional Development, Manufacturing and Water for the development of a fit for purpose replacement to the Mary Basin Water Plan.



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



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



 Pulgul Sewage Treatment Plant



# OPERATIONAL SUMMARY

## Reuse



### 97% Achieved

combined reuse percentage on the Fraser Coast of 97% of Average Dry Weather Flow received at the regions STPs.



### Effluent reuse

5332ML Effluent Reuse treated effluent recycled for use on agriculture, sports fields, golf courses and industry.



### 6083m<sup>3</sup>

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



Hebblewhite Hardwood Plantation





## Third Party Usage

Comprised 47% of overall usage.



 Hebblewhite Hardwood Plantation





# OPERATIONAL SUMMARY



## ISO 9001

Quality  
Management  
Certification



## ISO 22000

Food Safety  
Management  
Certification



## ISO 17025

Laboratory  
Management  
Certification









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