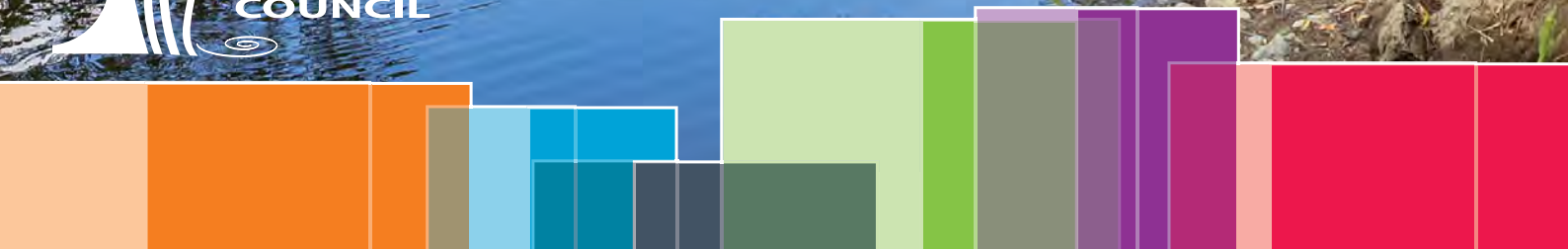


# ANNUAL REPORT

2020/2021





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The purpose of the Annual Report 2020/2021 is to highlight a range of achievements and the progress made across the period in furthering Council's vision, goals, strategies and outcomes as identified in the Corporate Plan 2017-2022 and associated planning documents.

The annual report is aligned to five key strategic themes that form the basis of Council's corporate and operational plans.

The key strategic themes are:

- our infrastructure;
- our community;
- our economy;
- our environment; and
- our organisation.



# Message from the Mayor

It is not an exaggeration to say that 2020/2021 has tested our world, nation, state and community in ways we have not seen before and are unlikely to see again in our lifetime.

To date, our region as a whole has withstood the brunt of the COVID-19 Pandemic as has our organisation.

The writing of our Annual Report allows us to reflect on the past year and look at the learnings, highlights and some of the successes of this Council for the 2020/2021 financial year.

In this Annual Report you will see data which reflects an increasingly solid albeit far from perfect financial position.

When this Council was elected in 2020, it was on the mandate we reflected the community's expectation in our spending. This is our first full financial year as your new Council, and with our focus squarely on our financial position we have made progress in this space. We adopted a "back to basics" approach to our business and as you will see in this document, it has meant the difference between business continuity and possible administration.

What is not reflected in this report, but is none the less equally if not more important, is the dedication and professionalism of this organisation's staff. Without their diligence and commitment, our position would have no doubt been far more dire.

I would like to take this opportunity to thank personally and on behalf of Council, our staff for their work and support. Council plays many roles in a community, from road maintenance to libraries and waste services, we have council staff going above and beyond for this community. It is incredibly important to me that Council continues to enable its staff to perform.

The information displayed in this document reflects a workforce that have gone above and beyond, during some pretty trying times. Thank you.

Annual Reports by their very nature are not the most exciting read, but they are extremely important in reflecting the year-on-year performance of an organisation.

I would encourage residents to look through this document as a point of reference of where your council has improved on years past, and where opportunities for improvement lay for the future.

Along with my fellow Councillors and staff, I am very much looking forward to seeing where we can take your Council moving forward.

*Cr Glen Hartwig,  
Mayor*





# Chief Executive Officer's overview

Welcome to this year's annual report. I would like to provide a snapshot of the year in review and the progress council has made in its "back to basics" approach.

From July 2020, we embarked on a full organisational review to better understand the financial and organisational challenges. It was clear that council's financial cash position was of concern and immediate steps were required to mitigate that risk and commence budget repair.

A number of issues were also identified early around maintenance and replacement of our assets. In particular, focus was on our roads, water, wastewater and buildings. We also commenced reviews of our technology systems, processes, procurement, contracts and tendering, and planning.

As a result, council's focus this year and into the future is on maintenance on our infrastructure, better decision making around projects, community service and a proactive approach to a "how can we help you" culture.

Council also launched a Transparency Hub located on council's website. This provides an opportunity to better understand the business of council, revenue and expenditure.

It has been an extremely busy year. While managing the ongoing COVID-19 impacts, we have brought council back to a small surplus in 2020/2021 financial year and are committed to rebuilding our financial sustainability. Our Council and staff have committed to laying the foundation for the future which is timely as we have also experienced significant growth in the region.

It is also true that organisational change needed to be made. Some of our decisions, while difficult, were necessary to transform the organisation to meet the current and future needs of this region.

I look forward to the future and delivering for the Council, organisation and community.

*Shane Gray, CEO*



# Your councillors



**Cr Glen Hartwig, Mayor**

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**Cr Jess Milne, Division 1**

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**Cr Dolly Jensen, Division 2**

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**Cr Shane Waldock, Division 3**

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**Cr Bruce Devereaux, Division 4**

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**Cr Dan Stewart, Division 5**

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**Cr Hilary Smerdon, Division 6, Deputy Mayor**

0499 080 913

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**Cr Warren Polley, Division 7**

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**Cr Bob Fredman, Division 8**

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# Our region

Located in South-East Queensland, the Gympie region includes a combination of rural, urban and coastal areas across 6,900 square kilometres. Gympie is the main population centre but a considerable proportion of the population live in many smaller communities. These include Amamoor, Cooloola Cove, Curra, Goomeri, Gunalda, Imbil, Kandanga, Kilkivan, Kybong, Miva, Rainbow Beach, Tin Can Bay, Traveston and Woolooga.

Approximately 50,000 residents live in the region, with an increase in population of more than 15,000 expected over the next 20 years. Agriculture remains a key industry, with a focus on beef production and forestry. The region has maintained tourism trade drawn to the unique heritage, scenic and coastal attractions of the area.

Our focus is to work with our community, provide strong leadership and certainty, and be accountable to our community to ensure our region:

- is friendly and a great place to live;
- provides people with access to vibrant towns, and rural and coastal lifestyle opportunities;
- is family oriented;
- maintains a strong culture and history;
- values and protects its natural environment;
- capitalises on its geographical location;
- enables quality infrastructure;
- supports established businesses and industry while developing opportunities for emerging industries; and
- experiences planned growth through continued economic development.







## Our vision and corporate values

**“** *Our vision for the region is to be the natural choice to live, work and play.* **”**

**“** *Our purpose is to actively serve our community and plan for the future of the region.* **”**

### CONSISTENT

Our actions will reflect Council's guidelines and practices at all times.

### APPRECIATIVE

We value the opportunities we have, and look for the best in our people, our organisation and our community.

### COMMUNICATIVE


We will keep people informed, consult with the community and will actively listen to and respond to their input.

### RESPECTFUL

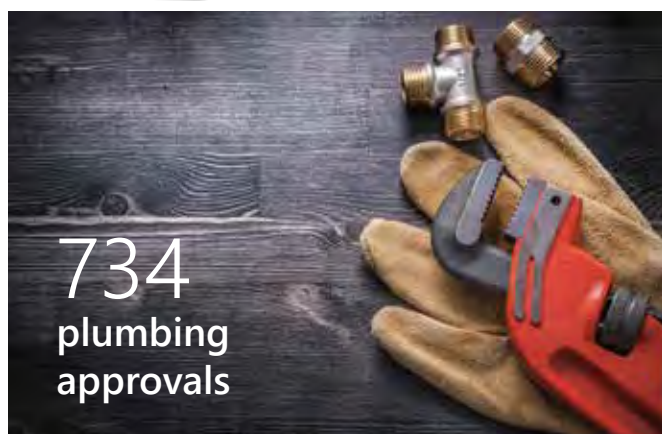
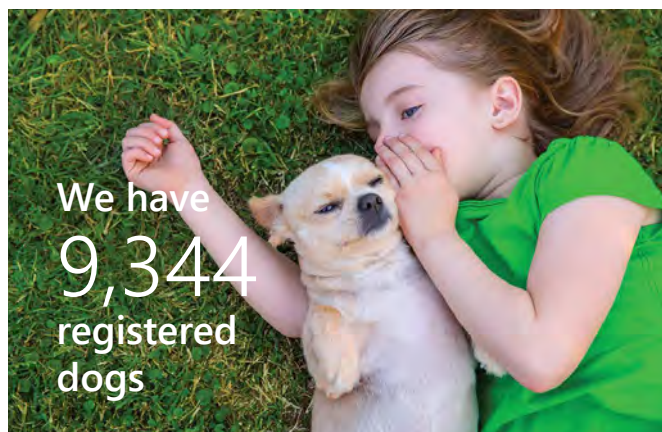
We treat people with dignity, courtesy and respect. We recognise and support everyone's contributions.

### ACCOUNTABLE

We take responsibility for our actions, we will be accessible and fair.



# The year in review





# The year in review

## First Nations Monument in Memorial Park

Thousands of Aboriginal and Torres Strait Islander service men and women have fought for and defended Australia in military service. While they have sacrificed their lives alongside fellow Australians, First Nations people's military contribution and cultural heritage has not always been duly recognised.

A dedication ceremony was held at Memorial Park in Gympie on Monday, 7 June that unveiled a new monument honouring First Nations service men and women who fought and defended Australia in the military service. The monument will be a permanent honour for First Nations military service people. This reconciliation initiative was proudly supported by the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships through the Celebrating Reconciliation Small Grants Program.



## Wheels on Mary

Gympie Regional Council and RSEA Safety Motorsport Australia Rally Championship held the first Wheels on Mary event at Gympie's iconic Mary Street on Friday, 21 May.

The family friendly event celebrated the Gympie region being selected to host the Accent Benchtops Rally Queensland from Friday, 21 to Sunday, 23 May. This event was the public's chance to meet the drivers and take photos alongside their cars before the teams hit the track.

The event showcased all 78 cars involved in the rally that packed Mary Street, from the Smithfield Street intersection to the Five Ways Roundabout. The festivities also featured live music and fare supplied by local food vendors.



# The year in review



## Goomeri Hall of Memory Asset Renewal Project

The Goomeri Hall of Memory is a state heritage listed war memorial and an imperative part of Goomeri history. The hall was constructed in 1926 to commemorate all those in the district who had served in WW1, and at an extension, those who served in subsequent wars.

During a routine inspection of the building, council maintenance officers identified deterioration of the historic building and grounds. The Goomeri Hall of Memory Asset Renewal Project aimed to restore the building exterior to its former glory. The works included repairs to the external building, external paint finish, replacement of the dilapidated pine trees, installation of signage, security upgrades and restoration of the original coat of arms.

The Goomeri Hall of Memory Asset Renewal Project was an initiative by the Queensland Government through the Works 4 Qld program. Delivered by Council's Asset Facilities Project Management team.

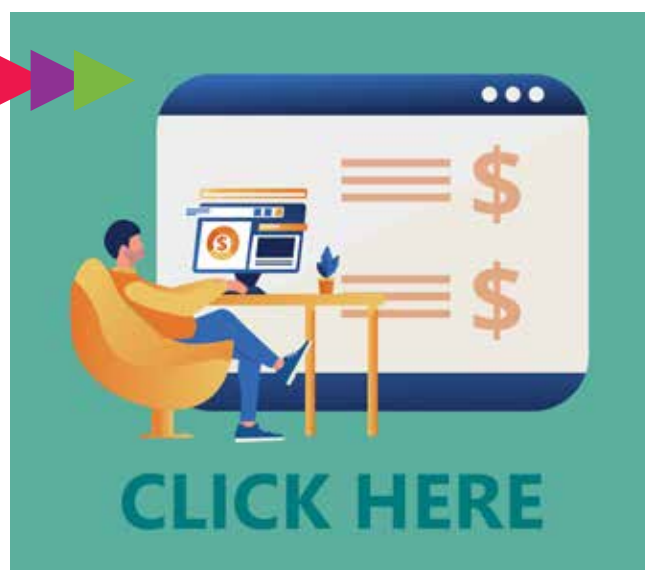
## Gympie Regional Council Transparency Hub

Here you will find information on Council's finances, contractual and procurement information, capital works and organisational budgets and Councillor expenditure.

The aim of the hub is to provide residents, rate payers and the wider public an insight into how Council does business.

The Gympie Regional Council Transparency Hub is a first for the region and will be updated with new data regularly.

Take the time to have a look around the site.





# The year in review

## Groundwater Road Widening

This project involved widening an existing sealed 700 metre section of Groundwater Road, between Cox Road and Sorensen Road Roundabout Southside.

It also included adding kerb and channel, strengthening the pavement, adding storm water drainage pits and pipes and a concrete pathway.

The project cost \$1,037,232 to complete and was a joint state and local government initiative.



## Forage Gympie Region

Forage Gympie Region was a partnership between Gympie Regional Council and the producers, farm shops, restaurants and local businesses of our region.

Events that were part of Forage Gympie Region spanned the entire month of May and included The Rattler Tasting Train, Cooloola Farmers Trail, Mary Valley GourMAY Degustation at Kandanga Country Club, the 6th Annual Big Rosella Festival at Petersen's Farm, Paella in the Paddock at Cooloola Berries, Forage Farms Farm Tour, Mother's Day High Tea at the Historic Gympie Station, The Gympie Show, New Moon Dinner, a Fermenting and Gut Health workshop and the Friday Long Lunch at the Kandanga Farm Store, Taste of the Mary Valley at Amamoor Lodge, Baupal Park Farm Tour, the Goomeri Pumpkin Festival and the Dinner under the Stars event at Goomeri.





# The year in review



## Billabong Park Skate Facility

The new skate facility is designed for beginner and intermediate users and includes an open bowl, multiple kerbs and ledges and a quarter pipe.

Included in the new facility is a recreation space which consists of a shade shelter, concrete seating, a multi-use basketball half court, amenities and a spectator area. Two community engagement sessions relating to the design of the facility occurred in March and May 2019, and the feedback provided was implemented in the final design of the facility.

The project is a joint initiative of Gympie Regional Council and the Queensland Government's \$600 million Works 4 Qld program.



# Councillor and senior management reporting requirements

## Councillors

The Queensland State Government has appointed a Local Government Remuneration Commission to set the remuneration of for Mayors, Deputy Mayor and councillors. Gympie Regional Council is a category 3 council and councillors can be paid up to a maximum of the amount determined by the commission on an annual basis.

Information on the commission can be found at <https://www.statedevelopment.qld.gov.au/local-government/governance/local-government-remuneration-commission>

The following table shows the remuneration paid to councillors for the 2020/2021 financial year. It also includes superannuation paid for councillors.


Councillor Remuneration 1 July 2020 to 30 June 2021									
	Cr Hartwig	Cr Smerdon	Cr Milne	Cr Jensen	Cr Waldock	Cr Devereaux	Cr Stewart	Cr Polley	Cr Fredman
Remuneration	130,584.00	81,615.00	69,372.00	69,372.00	69,372.00	69,372.00	69,372.00	69,372.00	69,372.00
Superannuation Contributions	15,669.95	9,793.94	8,324.66	8,324.66	8,324.66	8,324.66	8,324.66	8,324.66	8,324.66
<b>Total Remuneration</b>	<b>146,253.95</b>	<b>91,408.94</b>	<b>77,696.66</b>	<b>77,696.66</b>	<b>77,696.66</b>	<b>77,696.66</b>	<b>77,696.66</b>	<b>77,696.66</b>	<b>77,696.66</b>

Councillors are entitled to access to council facilities and to claim expenses reimbursement for certain costs that are incurred undertaking their duties. The entitlements are set out in the Councillor Expenses Reimbursement Policy adopted on 16 June 2016.

The policy provides for costs of attendance at conferences, training and other local government related activities which a councillor might undertake to be effective in their role.

The following table summarises these costs.

Councillor's Extra Costs 1 July 2020 to 30 June 2021									
	Cr Hartwig	Cr Smerdon	Cr Milne	Cr Jensen	Cr Waldock	Cr Devereaux	Cr Stewart	Cr Polley	Cr Fredman
Cost of Council Vehicle Provided	–	8,173.20	–	8,173.20	–	2,020.70	5,119.40	–	–
Vehicle Allowance	8,000.00	–	8,000.00	–	8,000.00	6,022.12	2,989.09	8,000.00	8,000.00
Phone/iPad Network and Call Costs	846.86	600.00	600.00	600.00	600.00	600.68	600.00	600.00	601.36
<b>Total Remuneration</b>	<b>8,846.86</b>	<b>8,773.20</b>	<b>8,600.00</b>	<b>8,773.20</b>	<b>8,600.00</b>	<b>8,643.50</b>	<b>8,708.49</b>	<b>8,600.00</b>	<b>8,601.36</b>



A key part of the councillor's role is to attend Council meetings. Council must hold at least one ordinary meeting per month and may call special meetings to make urgent decisions. The number of meetings attended by councillors during the year is set out in the table below.

Councillor	Ordinary Meetings (12)	Special Ordinary Meetings (5)	Total Meetings (17)
Cr Glen Hartwig	12	5	17
Cr Hilary Smerdon	12	5	17
Cr Jess Milne	12	5	17
Cr Dolly Jensen	12	5	17
Cr Shane Waldock	12	4	16
Cr Bruce Devereaux	12	5	17
Cr Dan Stewart	12	5	17
Cr Warren Polley	12	5	17
Cr Bob Fredman	12	5	17



## Complaints about councillors

The table below provides information on complaints received regarding the performance and conduct of councillors.

Type of activity in relation to complaints about Councillors	Number of complaints for 2020/2021
Orders made against councillors for unsuitable meeting conduct	0
Orders for disciplinary action made by Council against councillors	0
Orders for disciplinary action made by the conduct tribunal against councillors	1
Complaints about councillor conduct referred to the assessor by Council	5
Number of complaints referred to the Crime and Corruption Commission	1
Notices given to the assessor about Councillor inappropriate conduct or misconduct	0
Notices given to the assessor about councillor repeated unsuitable meeting conduct (3 occasions in 1 year)	0
Complaints dismissed by the assessor	9
Complaints about inappropriate conduct referred to Council for investigation	5
Complaints where the assessor determined no further action should be taken	8
Complaints referred by the assessor to Council for referral to another agency	0
Complaints referred by the assessor to Council as inappropriate conduct and the Council advised the assessor there was an indication of misconduct	0
Complaints referred by Council to another entity for investigation	0
Complaints heard by the conduct tribunal	2

## Information in relation to orders against councillors

Only one order was made against a councillor during the financial year.

Councillor Name	Description of the Conduct	Summary of Decision/Order
Dan Stewart	The councillor released information to the public via his Facebook page that he knew, or should reasonably have known, was information that was confidential to Council.	The Tribunal determined, on the balance of probabilities, that the allegation was sustained and therefore the councillor engaged in misconduct. The councillor was ordered to pay \$700, undertake training at their own expense and make a public admission.

There were no resolutions made by Council in 2020/2021 in relation to the reimbursement of expenses and provision of facilities for councillors.

## Senior Management

The total remuneration of the senior management of Council for the reporting period was \$1,407,676. This includes any lump sum payments. Over the period, the number of directorates reduced from four to three. The remunerations set out in the table below represents the packages for senior management (CEO and directors) employed as at 30 June 2021.

Remuneration Band	No. Senior Management Employees in Remuneration Band
\$200,000 to \$300,000	4

# Other statutory information

## Particular resolutions and changes to tenders

There were no Council resolutions about valuation of non-current physical assets. During the financial year, Council made three changes to tenders where all tenderers were invited to submit new, additional, or clarified submissions. Those changes were:

- providing an extension of the validity period
- revised scope of works
- pricing schedule and the provision of additional specification information.

## Administrative action complaints

Council is committed to a continuous improvement approach with ongoing development and monitoring of appropriate systems, practices, procedures, policies and services that seek to improve Council's overall performance. For complaints covered by the Administrative Actions Complaints Process, Council will endeavour to ensure that:

- a) an affected person who is dissatisfied about a decision or other action of the Council, can easily and simply lodge a complaint;
- b) affected persons have access to information on the complaints process and, if necessary, assistance to make their complaint;

- c) affected persons are responded to as efficiently and quickly as possible;
- d) there is a fair, objective, consistent and confidential (subject to any legal requirements) treatment of affected persons;
- e) a person whose rights, interests or legitimate expectations could be affected by a Council decision or action has the right to a non-biased, impartial hearing;
- f) all relevant, credible and disputed issues are properly examined with Council's decision on a complaint matter being supported by evidence;
- g) affected persons are treated with respect;
- h) where a complaint is upheld, an appropriate form of redress that is fair to both the affected person and Council is fully considered;
- i) staff are made aware of Council's Administrative Action Complaints Process with complaints handling staff to receive appropriate training in all relevant processes and procedures;
- j) except for complaints made anonymously, Council will inform an affected person in writing of the local government's decision about the complaint and the reasons for the decision; and
- k) affected persons will be provided with information on any internal and external review options available.

The Administrative Action Complaints process information can be accessed on Council's website.

Administrative Action Complaints	2019/2020	2020/2021
Number of complaints received by council (excluding parking)	33	10
Number of parking fine complaints received by council	N/A*	57
Total number of complaints	33*	67
Number of Complaints Resolved	33	58
Number of Complaints Not Resolved	0	9
Number of Complaints Carried Forward	0	9

\*Disputed parking fine complaints were not recorded as Administrative Action Complaints for 2019/2020. The nine carried forward relate to parking fine complaints.

## Overseas travel

There was no overseas travel undertaken by councillors or employee of council in their official capacity during this reporting period.



# Grants

## Community Grants

Recipient	Project	Amount
LifeFlight Foundation Ltd	LifeFlight – air medical rescue	\$20,000.00
Qld Rally Championship	Hire costs for showgrounds, etc	\$5285.00
Goomeri Pumpkin Festival Inc	Goomeri Pumpkin Festival	\$50,000.00
Kilkivan Great Horseride Inc	Kilkivan Horseride	\$10,000.00
Gympie District Show Society	Gympie Show	\$40,000.00
Booubyjan Hall and Community Association	Hall insurance	\$1007.38
Cedar Pocket School of Arts Inc	Hall insurance	\$1007.38
Chatsworth Hall Committee Inc	Hall insurance	\$1134.57
Community Information and Resource Service Association Inc	Hall insurance	\$1007.38
Cooloola Coast Senior Citizens Community Complex Inc	Hall insurance	\$1007.38
Curra Community Hall Inc	Hall insurance	\$1031.94
Goomboorian Memorial Hall Committee Inc	Hall insurance	\$1029.38
Kandanga Creek Hall Committee Inc	Hall insurance	\$1007.38
Kandanga Public Hall Association Inc	Hall insurance	\$1007.38
Kia Ora Memorial Hall Inc	Hall insurance	\$1007.38
Langshaw Hall Committee Inc	Hall insurance	\$1007.38
Long Flat Hall Committee Inc	Hall insurance	\$1007.38
Lower Wonga Hall and Recreation Association Inc	Hall insurance	\$1007.38
Manumbar Campdraft and Hall Association Inc	Hall insurance	\$1007.38
Mary Valley Lions Club Inc	Hall insurance	\$1007.38
Mothar Mountain Hall Committee Inc	Hall insurance	\$1007.38
Pie Creek Community Hall Association Inc	Hall insurance	\$1007.38
RSL of Australia (QLD Branch) Mary Valley Sub Branch Inc	Hall insurance	\$267.85
Tansey Show Society Inc	Hall insurance	\$1007.38
Traveston Progress Association Inc	Hall insurance	\$1007.38
Veteran Hall Social Committee Inc	Hall insurance	\$1007.38
Widgee Community Complex Inc	Hall insurance	\$1007.38
Wolvi and District War Memorial Hall Inc	Hall insurance	\$1007.38
Theebine Memorial Recreations Centre Inc	Hall insurance	\$975.00
Glastonbury Hall and Recreation Association Inc	Hall insurance	\$900.00
Cooloola Coastcare Association Inc	Rehabilitation of Tin Can Bay Inlet Stage 2	\$13,165.00
Mary River Catchment Coordination Association	Water quality activities and education	\$24,308.00
Gympie & District Landcare Group Inc	Biological controls and community workshops	\$30,370.00
Koala Action Gympie Region Inc	Creating a koala aware community	\$11,110.00

Recipient	Project	Amount
Australian Native Animals Rescue and Rehabilitation Association Inc	Wildlife rescue, wildlife carer workshops	\$2,500.00
Australian Native Animals Rescue and Rehabilitation Association Inc	Wildlife food, medical supplies and digital scales	\$12,744.55
Gympie & District Landcare Group Inc	Messmate Park Tree planting/weed management, biological controls breeding, release and monitoring, small capital items	\$18,955.45
Mary River Catchment Coordination Association	Waterwatch program	\$20,515.00
Goomeri Golf Club Inc	Solar power	\$7992.00
Cooloola Coast Kart Club Inc	Portable track lighting system	\$10,000.00
Cooloola BMX Club Inc	Foam post pads	\$1765.00
Gunalda District Campdraft Association	Tree lopping and pruning	\$5000.00
Gympie Medical Transport	Contribution for additional vehicle	\$5000.00
Little Haven Cooloola/Sunshine Coast Palliative Care Inc	Security system	\$5000.00
Cooloola Shire State Emergency Service Support Group Inc	Air-conditioning Imbil SES building	\$4300.00
Tin Can Bay Sailability Inc	First aid courses	\$1156.00
Tin Can Bay Fishing Club Inc	Skill development	\$1598.00
Imbil Rail Park Inc	Dinner under the stars	\$3500.00
PGA	Gympie Golf Pro-Am	\$5000.00
Squash Australia LTD	Gympie satellite event	\$5000.00
C & SD Dixon Wild and Co	Wild and Co Hells Bells Adventure Race	\$4000.00
Hockey Australia	Under 13 Girls State Hockey Championships	\$8000.00
Gympie Pistol Club Inc	Upgrade facilities	\$10,000.00
Australian Institute of Country Music	Painting, plumbing and fan installation	\$10,000.00
Gympie & District Historical Society Inc	Solar panels	\$5535.00
Tin Can Bay Model Flying Club Inc	Cladding and spectator seating	\$2574.00
Kilkivan Country Club Inc	Air-conditioning	\$5000.00
Kia Ora & Districts Pony Club	Roof for horse day yards	\$10,000.00
Gympie and District Tennis Association	Car park earthworks	\$10,000.00
Dagun Community Group Inc	Roof and garden restoration	\$5287.00
Gympie Model Flyers Inc	Safety and pilot training and equipment	\$3000.00
Gympie Meals on Wheels Inc	Defensive driver courses	\$2760.00
Gympie Combined Probus Club Inc	Defibrillator and CPR training	\$1756.00
Kandanga Tennis Club Inc	Affiliation fees and audit costs	\$993.00
Traveston Progress Association Inc	Tables	\$1983.00
Goomeri Bowls Club Inc	Carpet	\$2000.00
Gympie Gymnastics Club	Steam cleaning	\$1714.00
Gympie Model Flyers Inc	Repair and improvement of surface	\$2000.00
Gympie Saloon Car Club Ltd	COVID sanitisation protocols	\$1646.00
Gympie Clay Target Club Inc	COVID sanitisation protocols	\$674.00



Recipient	Project	Amount
Creative Arts Gympie Region	Website development	\$2000.00
Cooloola Cove Residents and Friends Inc	Printing and venue hire	\$835.00
Gympie South Amateur Swimming Club	Affiliation fees and pool hire	\$1773.00
Gympie and District Riding for Disabled	Rates and electricity	\$1791.00
Cooloola Community Orchestra Inc	Print music and advertising	\$1125.00
The Albert Bowls Club Inc	COVID sanitisation protocols	\$1509.00
Gympie and District Tennis Association	Insurance and COVID sanitisation protocols	\$1513.00
Tin Can Bay Model Flying Club Inc	Ground upkeep and canteen stock	\$1968.00
Gympie and District Hockey Association Inc	Electricity and COVID sanitisation protocols	\$1936.00
Wolvi and District War Memorial Hall	Electricity and audit	\$1488.00
The Gympie Bone Museum Project Ltd	Rent for museum space	\$1980.00
Long Flat Hall Committee Inc	COVID sanitisation protocols	\$1283.00
Queensland Country Women's Association Gympie Branch	Rent and advertising	\$1255.00
Tansey Show Society Inc	Electricity and operating expenses	\$2000.00
U3A Gympie Inc	Venue hire and COVID sanitisation protocols	\$1955.00
One Mile Sports Association Inc	Install new water line	\$2000.00
Gympie Squash Racquets Association Inc	Upgrade facilities for COVID sanitisation protocols	\$1500.00
Cooloola BMX Club	Restock canteen and COVID sanitisation protocols	\$1296.00
Australian Volunteer Coastguard (Tin Can Bay)	Vessel maintenance	\$2000.00
Gympie Queens Park Tennis Club Inc	Affiliation fees	\$2000.00

## Regional Arts Development Fund Grants

Recipient	Project	Amount
Australian Institute of Country Music	Research and development of a curriculum for a musicianship master series	\$5000.00
Amanda Foreman	Rediscovering Gold in Gympie, "The town that saved Queensland" – a photographic exploration of the heart and spirit of Gympie's oldest dwellings	\$4500.00
Tammy Brennan	Digital reconceptualisation of "The Daughters Opera"	\$7400.00
Geraldine Douw	Women's singing group for mental health	\$2500.00
Tin Can Bay Men's Shed	Weekend wood carving course	\$1200.00
Cooloola Community Orchestra	Twilight Melodies Concert	\$616.00
Ethan Roberts	Recoding three new songs written by Aspy Jones	\$2500.00

## Service Grants

A total of \$493,059 was spent by council on services to sporting club facilities. This included \$92,930 for overall supervision.

These are services provided to community organisations for maintenance and upkeep of grounds and infrastructure.

There are no cash payments made to these organisations under this part of the grants program. The costs below reflect the costs for each facility excluding the overall supervision.

Recipient	Project	Amount
Albert Park	Maintenance and upkeep of grounds and infrastructure.	\$94,738.00
Gunalda Cricket	Maintenance and upkeep of grounds and infrastructure.	\$359.00
Gympie Hockey	Maintenance and upkeep of grounds and infrastructure.	\$34,696.00
Jack Spicer Oval	Maintenance and upkeep of grounds and infrastructure.	\$4899.00
Jack Stokes	Maintenance and upkeep of grounds and infrastructure.	\$27,630.00
Jim Greiger	Maintenance and upkeep of grounds and infrastructure.	\$7335.00
One Mile	Maintenance and upkeep of grounds and infrastructure.	\$201,597.00
Rainbow Beach Sports Oval	Maintenance and upkeep of grounds and infrastructure.	\$2175.00
Six Mile AFL	Maintenance and upkeep of grounds and infrastructure.	\$16,557.00
Tom Steele Sports Oval	Maintenance and upkeep of grounds and infrastructure.	\$908.00
Kilkivan Sports/Tennis/Weier Oval	Maintenance and upkeep of grounds and infrastructure.	\$7812.00
Woollooga Tennis Court	Maintenance and upkeep of grounds and infrastructure.	\$1422.00



## Concession Grants

These grants are rates and changes concessions provided by Council to community organisations. There are no cash payments made to these organisations under this part of the grants program.

Recipient	Project	Amount
Skill Centred Queensland Inc	Full rates	\$7373.75
Scout Association of Australia QLD Branch - Cartwright Road	Half water access charge, half water consumption	\$363.05
Masonic Lodge Gympie	Half general rate	\$609.18
Scout Association of Australia QLD Branch - Nashville Scout Group	Half water access charge, half water consumption	\$455.39
Australian Red Cross Society	Half garbage, half water access charge, half water consumption	\$590.84
Mary Valley Show Society Inc	Half water access charge, half water consumption	\$1401.01
Lodge Telford No 291	Half general rate	\$558.64
Scout Association of Australia QLD Branch - Imbil	Half water access charge, half water consumption	\$240.43
Kandanga Tennis Club Inc	Half garbage, half water access charge, half water consumption	\$425.97
Racecourse & Showgrounds Administration Committee	Sewerage charge, water access charge	\$30,109.10
United Friendly Society Association	General rate	\$1675.89
Australian Volunteer Coastguard Association Inc	Half garbage, half sewerage charge, half water access charge, half water consumption	\$1076.48
TS Quiberon Unit Support Group Inc	Full rates	\$1112.55
Lions Club	Full sewerage, half garbage, half water access charge, half water consumption	\$1467.66
Roadcraft	General rate	\$17,200.10
Nahrunda Park Co-Operative Society Ltd	Half general rate	\$558.64
Queensland Country Women's Association - Miva	Half general rate	\$558.64
Trustees of Theebine Lodge No 400 of Ancient and Accepted Masons	General rate	\$1117.26
Goomeri & District Show Society Inc	Half sewerage charge	\$4179.70
Union Church of Kilkivan Inc	Half sewerage charge	\$511.80
Kilkivan Kindergarten Association	Full rates	\$2349.78

# Annual assessment of strategic direction, operations and performance

Council's operations are guided by a number of strategic planning documents. These include the Corporate Plan 2017-2022 and the Operational Plan 2020/2021. The Corporate Plan provides the Council's administration with a high level indication of the direction that Council wants to take in delivery of services, construction of assets, management of finances and support for community.

The Corporate Plan has five strategic themes of focus. These are:

1. infrastructure
2. community
3. economy
4. environment
5. organisation.

The Operational Plan focuses on a range of deliverables that contributed to the achievement of the Corporate Plan. These achievements were subject to quarterly reporting and a summary of these matters have been included in this annual report.

Significant information gathering and assessment of infrastructure assets and services were undertaken this financial year.

This included collection of valuation data, condition assessment and service levels to enable the establishment and ongoing review of robust asset management plans. Council increased the information available to the public through the council's Facebook page in relation to upcoming road maintenance and works and parks maintenance.

Preliminary analysis has also been undertaken on the future water, wastewater and waste needs of the community. Increasing the water allocation to council is a high priority as it the extension of airspace at the Gympie landfill. Extending the landfill life contributes positively to the financial and environmental position of council. Consideration of a green waste bin service was closely linked with the landfill project.

Another important aspect of infrastructure management has been the consideration of the cyber security and the use of automation for monitoring and operating service systems. This is part of a broad agenda to modernise the way council does its business.

Council has also advocated to State Government agencies in relation to roads of regional significance, water security, waste licensing and land use planning.







The capital works program is a fundamental pillar of service delivery and by end of June 2021, council had delivered a \$29.3 million program which was 90.6 per cent of the revised capital works budget.

Council's 2020/2021 budget was adopted in July 2020 and amended in October 2020, February 2021 and May 2021. The original capital budget was \$40.9 million and the amended budget May 2021 was \$31.8 million.

The budget reductions were mainly in the areas of:

- Fleet - \$900,000 due to rationalisation and strategy
- Information Technology - \$900,000 as Council has now approved moving to a new cloud based system
- Sewerage works - \$1.3 million which relates to the timing of Gympie pump station works
- Works for Qld - \$3 million, particularly due to the Civic Centre becoming a Covid Vaccine Hub
- Tozer Street RV Park which is now proposed for the showgrounds
- Waste transfer station - \$2.3 million. The strategy has been to seek approval to extend the life of the current landfill and commence this project in future years. This project is to be funded by loan borrowings
- Water budget - \$800,000 mainly due to timing of the Goomeri Treatment Plant upgrade works
- Sporting fields - \$950,000 while staff worked on developing an assessment of potential sites which is to be delivered for consideration to Council in 2021/2022.

The final capital spend for the year was \$29.3 million, an underspend of \$2.5 million compared to the revised capital budget, adopted at the 26 May 2021 Council meeting. The actual capital expenditure for the 2020/2021 financial year included:

- \$320,000 for buildings
- \$750,000 on intangibles
- \$800,000 for parks, sporting facilities and trails
- \$1.422 million for plant and equipment
- \$2 million on other assets
- \$4.7 million was water and wastewater
- \$18.9 million for roads, drainage and bridges.



The findings of the Royal Commission into Age Care Quality and Safety were mapped to recommended actions for the Gympie region. A review of sporting needs was undertaken by council staff. The analysis focused on the whole of council area requirements from current and future perspectives. This review provided information on sporting field shortages that would emerge as the communities grow.

COVID-19 has also hit the broader community hard and council delivered a local recovery plan which was finalised on 30 June 2021. Part of this initiative was COVID-19 community grants which were available to community organisations. Council distributed \$44,217 between 27 community groups as part of this initiative.

COVID-19 Works for Qld projects were also delivered by Council and was a stimulus for the community. Hall, sporting fields, parks, pools as well as water and waste assets received capital upgrades and renewals to the tune of \$2.4 million.

Despite the impacts of COVID-19, council saw a boom in development and building applications across the region. During the financial year 72 material change of use applications, 78 reconfiguring a lot applications, 62 operational works permits, 8 building work assessable under the planning scheme applications and one application under the superseded planning scheme were assessed and determined.

This was a total of 221 applications. That is almost one application determined every day that council was open to the public.

It was a similar scenario for the building sector. There was a total of 1744 building applications approved across the council area during the financial year. That equated to \$207,209,446 worth of building work. Council building certifiers processed 508 of these applications.

The issues of water security and commercial/industrial growth for the region has been a focus in respect to balancing the environment and development.

During the financial year, Council resolved to develop a new planning scheme. Councillors participated in a number of workshops and the scoping of the work plan is complete. This will be a multi-year project.

Other projects that were undertaken to assist the stimulation of the economy were the development of an RV strategy and a policy for commercial use of public land. This policy will consider the commercial use of public open space, including sport, recreation areas, environmental management and conservation areas.

As part of its commitment to tourism, economic development and culture, council completed a heritage study which lists and assesses historical buildings and places within the region that have historical significance.







Through the year council also facilitated a number of very successful community and tourism events despite the difficulties of ongoing COVID-19 outbreaks and shut downs. These included Mary Christmas, Forage Gympie Region, Australia Day celebrations and supported many community events through grants and sponsorships. The Mayor welcomed 65 new Australian citizens into the community.

Council also secured the Queensland round of the Australian Rally Championships which was hosted in Gympie.

Council also displayed its agility by developing a 10 course online program to assist community groups to upskill in relation to event organisation, professional presentation and COVID-19 recovery strategies.

The gallery featured many exhibitions including the Du Reitz Arts Awards, Jacaranda Acquisitive Drawing Award, Hi Artworks (local schools) and Reflections exhibition.

COVID-19 did not stop the libraries delivering a full range of services. WriteFest, for example, became a virtual event. Broad sectors of the community benefited from programs such as Kids Learn to Sew, Tech Help and Sourdough and Cheese Making.

Commissioner's Gully posed a flying fox issue for residents of the area and council provided a range of engagement activities including surveying residents, reducing weeds and monitoring the roost. The development of a flying fox management plan was commenced to manage the Commissioner's Gully as well as an old roost at Widgee Crossing.

This has been a complex issue and council has been aware that it has taken a toll on the local residents. The state and commonwealth legislation however provided a complex set of rules and regulations to navigate.

The management of feral animals and declared weeds including Giant Rats Tail grass, which is a huge concern, was ongoing through the year. The Main Roads Department Gympie Bypass Project commenced monitoring feral animals on offset land provided by council. This project provides habitat for animals displaced by the bypass works.

Council provided \$133,668 in grants for environmental projects in the financial year. These included foreshore management, habitat improvements, wildlife care and development and the breeding and distribution of biological controls.

There were a number of reviews of the organisation during the year. The Chief Executive Officer provided a CEO Report Card 100 Day Response to Council. The organisation's corporate structure was revised and new directors appointed. The CPA Financial Management Review – Report was publicly released. That report listed three priority areas and nine actions. Many of these matters have been addressed through the year.

The Queensland Treasury Corporation (QTC) also provided advice to Council on a roadmap for financial, operational and process improvement. Their recommendations led to a business improvement plan with five key recommendations.

The initiatives from these reviews and reports include investigating electronic management systems, reviewing procurement processes, and reviewing cyber security.

There was also a review of the Rattler Railway Company's (RRC) structure and this was presented to Council. Further work was undertaken on assessing the risk to council of the RRC operations and how these risk might be mitigated.

The organisation also started the process of reviewing each of its services.

Council also focused on its disaster preparedness and commenced reviewing all its disaster management support documentation.

## List of business activities

Council has three activities that require the application of competitive neutrality principles. These are building certification, combined water and sewerage, and waste services. Council does not operate any commercial business units.

There were no competitive neutrality complaints in relation to the operation of the business activities during the financial year.

## Summary of rate rebates and concessions

Council provides a rate remission \$160 per annum for eligible pensioners. The total remissions provided to pensioners for 2020/2021 was \$699,798.

## Internal Audit Report

Council has an Audit and Risk Committee to deal with its internal and external audit matters and risk issues. That Committee met four times during the financial year. The committee has five members; three are independent and two are elected members.

Each meeting the committee considers the internal audit progress report and the rolling forward audit plan. The committee reviews specific internal audit matters and provides recommendations to Council on actions that arise from the audit work.

At each meeting the latest financial statements including the financial ratios are considered. Updates are delivered on risk management, by the CEO and via an action sheet. Matters that were considered by the committee were:

- Pits and quarry use and rehabilitation provisions
- Strategic asset management plans
- External audit (QAO) report
- Review of the CPA Report actions
- Cyber security and ICT systems/ICT business plan
- QTC Business Improvement Program
- Fleet management and strategy
- Water business unit matters
- Risk management
- Policy reviews.



# Community Financial Report 2020-2021

The Community Financial Report is presented in accordance with the *Local Government Regulation 2012*, s179, which requires that this report accompany the Financial Statements in the Annual Report.

The Community Financial Report intent is to simplify complex financial information, assisting readers to evaluate council's financial performance and financial position in a form easily understood by the community.

The General Purpose Financial Statements are a record of Council's financial performance for the year ended 30 June 2021.

The report highlights areas of importance to allow interested stakeholders the opportunity to make their own informed decisions. The four key financial statements for 2020/2021 and the key performance indicators are described as follows:

- **Statement of Comprehensive Income** - shows revenue, expenses and asset revaluation adjustments for the 2020/2021 year.
- **Statement of Financial Position** - shows the assets and liabilities which make up the community equity as at 30 June 2021.
- **Statement of Changes In Equity** - shows the movement in total community equity.
- **Statement of Cash Flows** - shows the nature and amount of Council's cash inflows and outflows from all activities.
- **Financial Sustainability Ratios** - for reviewing Council performance and sustainability.

## Statement of Comprehensive Income

This statement shows council's financial performance for the year. The Statement of Comprehensive Income includes both operating revenue and expenses, and capital revenue and expenses and shows whether council's financial operations for the year has resulted in a surplus or deficit. It reflects how the money received from council operations is spent providing services to the community.

	2019	2020	2021
Operating Revenue	\$89.61M	\$95.49M	\$100.21M
Operating Expenses	\$104.20M	\$101.79M	\$100.16M
<b>Operating Result</b>	<b>(\$14.59M)</b>	<b>(\$6.30M)</b>	<b>\$0.05M</b>
Capital Revenues	\$23.15M	\$15.16M	\$18.92M
Capital Expenses	\$5.73M	\$2.42M	\$4.29M
<b>Net Result Attributable to Council</b>	<b>\$2.83M</b>	<b>\$6.44M</b>	<b>\$14.68M</b>
Asset Revaluation in period	(\$22.51M)	(\$6.41M)	\$358.62M
<b>Total Comprehensive income for the period</b>	<b>(\$19.68M)</b>	<b>\$0.03M</b>	<b>\$373.29M</b>

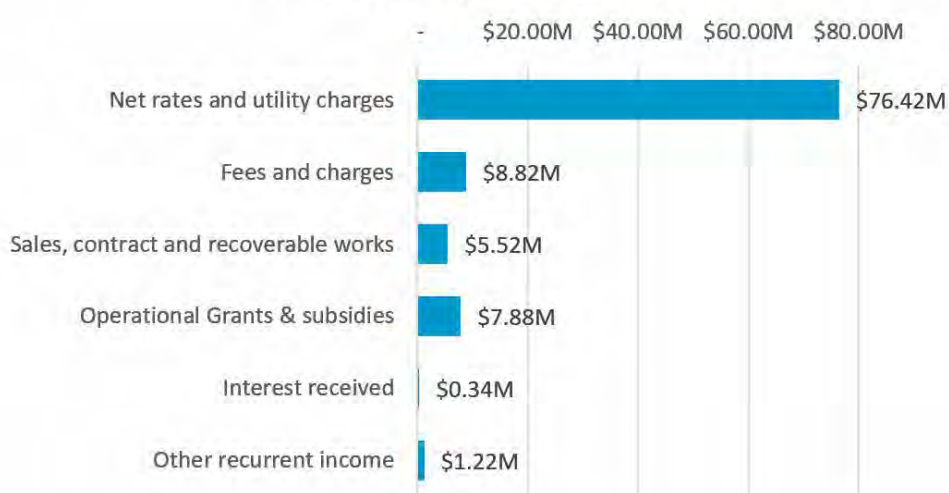
## Council's Revenue

Total income (revenue) for 2020/2021 was \$119.12 million, being \$100.21 million from operations and \$18.92 million from capital sources. The major source of operating revenue was rates and utility charges of \$76.42 million or around 76 per cent of the total operating revenue. The number of rateable properties in the Region was 25,864 (2019-2020 25,557). Operating revenue is income from council's day to day operations, such as rates, fees and charges, interest on investments, sales of contract and recoverable works, grants, subsidies, contributions and donations.

	2019	2020	2021
<b>Recurrent revenue:</b>			
Rates and utility charges	\$72.80M	\$78.27M	\$81.22M
Less discounts	(\$4.15M)	(\$4.53M)	(\$4.80M)
<b>Net rates and utility charges</b>	<b>\$68.65M</b>	<b>\$73.74M</b>	<b>\$76.42M</b>
Fees and charges	\$6.38M	\$6.72M	\$8.82M
Sales, contract and recoverable works	\$4.64M	\$4.63M	\$5.52M
Operational grants and subsidies	\$6.24M	\$8.27M	\$7.88M
Interest received	\$1.95M	\$0.87M	\$0.34M
Other recurrent income	\$1.76M	\$1.26M	\$1.22M
<b>Total recurrent revenue</b>	<b>\$89.61M</b>	<b>\$95.49M</b>	<b>\$100.21M</b>
<b>Capital Revenues</b>	<b>\$23.15M</b>	<b>\$15.17M</b>	<b>\$18.92M</b>

As rates and charges make up 76 per cent of operating revenue, council has a low reliance on external funding – this provides council with financial flexibility and assists in determining its rates and charges income and not have significant reliance on grants and subsidies which is out of its control.

### 2020/2021 Operating Revenue



While operating revenues are used to fund the day to day operations of council, capital revenues are used to invest in renewing, upgrading, or increasing council's asset base. The majority of capital revenues come from State and Federal Government grants and subsidies, with additional amounts received from land developers in the form of infrastructure charges or contributed assets such as parks or roads and drainage in new developments.



## Council's Expenses

Council provides a wide range of more than 100 different services to the community. Work is completed by council staff and contractors. Council policy is to encourage the use of local suppliers, where possible, so that the money stays within our community and boosts the local economy.

Services provided by council include planning and development, economic development, tourism, recreation and sport, community and culture, health and environment, waste management, water and sewerage, and roads infrastructure. Operating expenses are the day to day costs of running the organisation, such as wages, maintenance, materials, depreciation and finance costs.

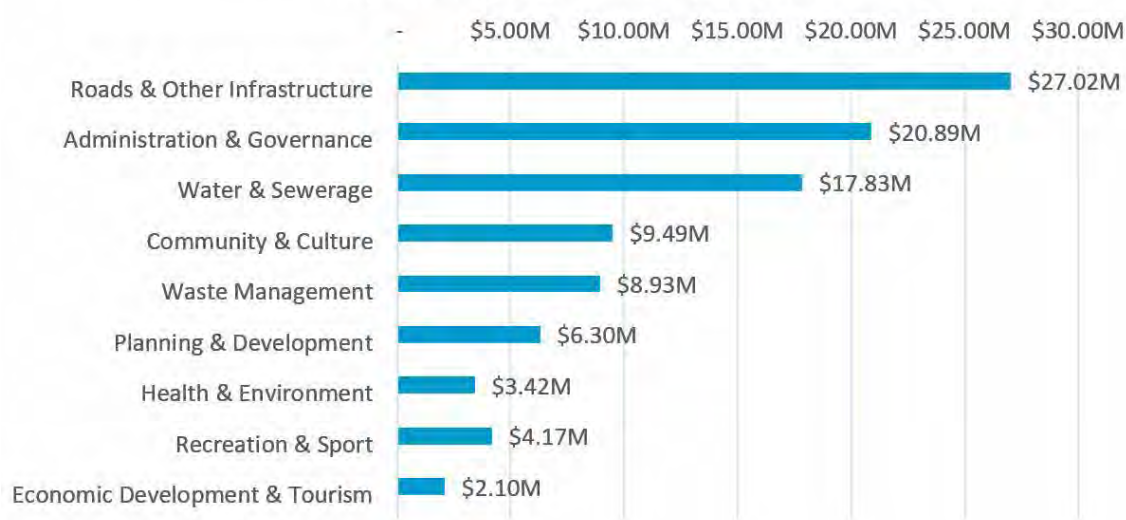
### Recurrent expenses:

	2019	2020	2021
Employee costs	\$40.74M	\$40.47M	\$39.24M
Materials and services	\$41.14M	\$39.80M	\$38.72M
Depreciation and amortisation	\$20.94M	\$20.22M	\$20.95M
Finance costs	\$1.38M	\$1.30M	\$1.25M
<b>Total recurrent expenses</b>	<b>\$104.20M</b>	<b>\$101.79M</b>	<b>\$100.16M</b>

### 2020/2021 Operating Expenses



### Operating Expenses by Service



## Statement of Financial Position

The Statement of Financial Position shows what council owns (assets), what council owes (liabilities) and our net community wealth (equity).

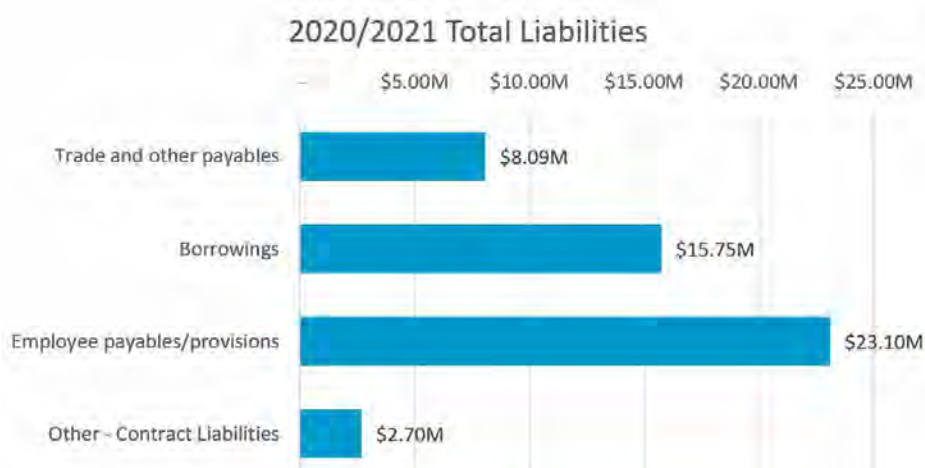
### Council's Assets

The total value of assets was \$1,546.95 million (2019/2020 \$1,174.36 million). Council's assets include land and buildings, roads, water and sewerage infrastructure, other infrastructure, plant and equipment and intangibles. In addition, council holds other short term assets including amounts owed by debtors, cash held in bank accounts of \$1.2 million and has investments of approximately \$38.53 million to assist with the funding of future operations of council including the provision of infrastructure projects. Although the value of community assets has decreased, council's funding of these assets is provided through cash resources, grants, contributions and where appropriate, loan funding.



### Council's Liabilities

The total liabilities of council were \$49.64 million (2019/2020 \$50.34 million restated). Council's liabilities include amounts owing to employees for annual leave, employee related accruals, long service leave and sick leave entitlements of \$12.78 million (2019/2020 \$13.01 million), amounts payable to suppliers funds received in advance and contractors \$6.65 million (2019/2020 \$6.53 million), contract liabilities \$2.7 million (2019/2020 \$2.5 million), refuse dump restoration and quarry rehabilitation \$11.51 million (2019/2020 \$11.24 million), and loans \$15.75 million (2019/2020 \$17.07 million). Affordability indicators show that council is well placed to service its debt position.





## Council's Community Equity

Council's Community Equity is the wealth of the region (what our community owns). It is the result of council's assets less council's liabilities. In 2020/2021, our Community Equity was \$1,497.31 million (2019/2020 \$1,124.02 million Restated).

	2019	2020	2021
Total Assets	\$1,178.35M	\$1,174.36M	\$1,546.95M
Less Total Liabilities	\$51.28M	\$50.34M	\$49.64M
<b>Equity</b>	<b>\$1,127.07M</b>	<b>\$1,124.02M</b>	<b>\$1,497.31M</b>
Represented by			
Retained Surplus	\$738.65M	\$742.01M	\$756.68M
Asset Revaluation Surplus	\$388.42M	\$382.01M	\$740.63M
	<b>\$1,127.07M</b>	<b>\$1,124.02M</b>	<b>\$1,497.31M</b>

## Statement of Cash Flows

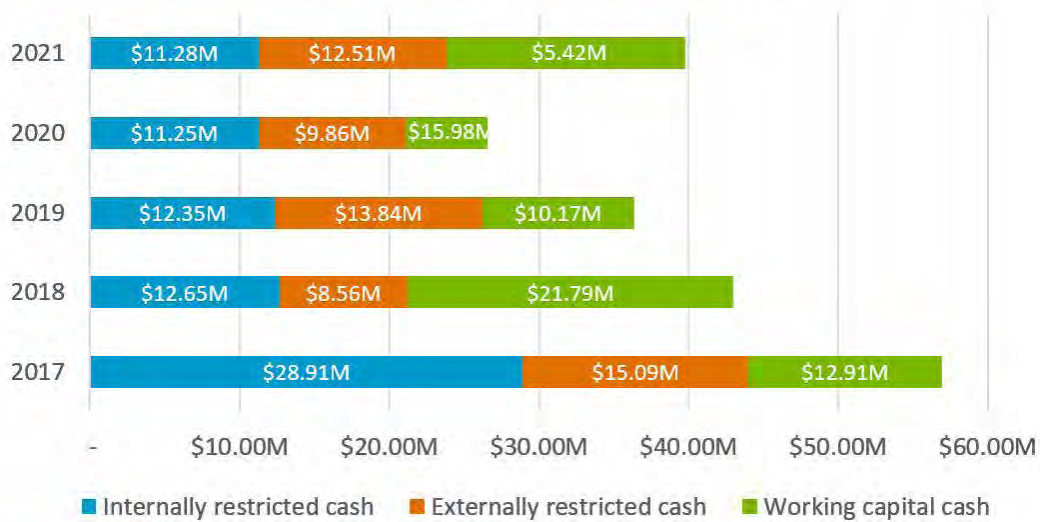
The Statement of Cash Flows shows how council receives and spends money during the year. Council's cash held at the end of the reporting period was \$39.76 million (2019/2020 \$26.53 million). Cash on hand consists of:

- **Working capital cash** - to meet the day to day funding requirements; and
- **Restricted cash** - funds set aside by council to meet grant and contribution obligations as well as its own requirements for future identified capital and operating projects.

	2019	2020	2021
Net cash inflow (outflow) from Operating activities	\$10.18M	\$16.65M	\$28.62M
Net cash inflow (outflow) from Investing activities	(\$15.66M)	(\$25.24M)	(\$14.07M)
Net cash inflow (outflow) from Financing activities	(\$1.15M)	(\$1.24M)	(\$1.32M)
<b>Net increase (decrease) in cash held</b>	<b>(\$6.63M)</b>	<b>(\$9.83M)</b>	<b>\$13.23M</b>
Cash at beginning of reporting period	\$43.00M	\$36.36M	\$26.53M
<b>Cash Balance</b>	<b>\$36.36M</b>	<b>\$26.53M</b>	<b>\$39.76M</b>



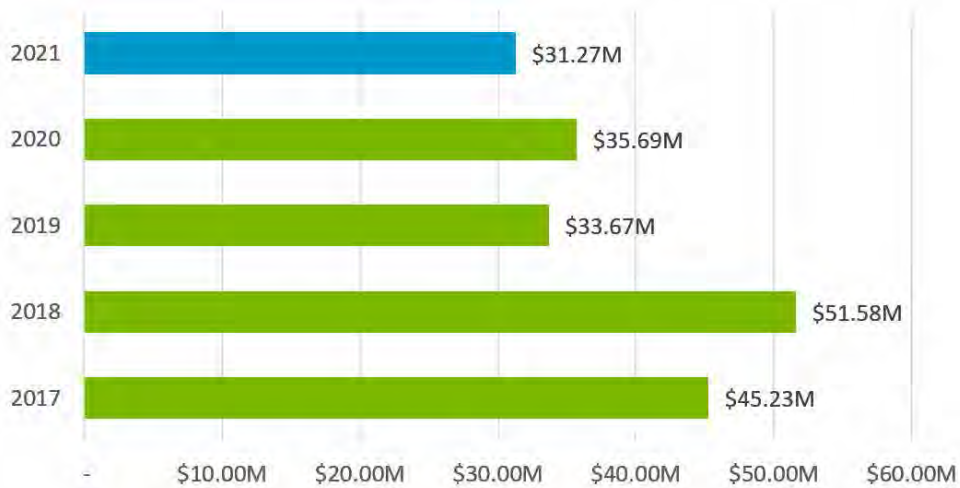
## Breakdown of Cash Balances



## Capital Expenditure

Capital expenditure is monies spent on assets and infrastructure, such as parks, roads, water and sewerage, land, buildings, plant and equipment. During the financial year council spent \$31.27 million on capital works with 63 per cent going towards renewing existing assets with the balance directed at upgrades or new assets to provide higher levels of service to the community.

## Total Capital Expenditure



Major capital projects completed during the year included:

- Revitalisation of the Cooloola Coast Esplanade
- Our Towns Implementation – Rainbow Beach
- Goomeri Pool Plant Filtration Replacement
- Saleyards Works for Queensland Project
- Irrigation One Mile Sports Complex – 2 fields
- Billabong Park Skate Facility – Cooloola Cove.



# Council's Financial Sustainability

## Financial Management Strategy

As part of the 2020/2021 budget, council adopted a financial sustainability policy which outlines the approach to be taken to achieve financial sustainability. Responsible ongoing financial management by council will achieve the following objectives:

- Council operates in an efficient and effective manner, minimising general rate increases
- Ongoing operating surpluses to ensure council's equity is not degraded and future financial risk can be adequately mitigated
- Appropriate collection of cash funds for ongoing infrastructure and asset replacement and renewal
- Informed decisions are made on discretionary new operating and/or capital investment proposals (i.e. business cases including whole of life cost analysis)
- Infrastructure and assets are maintained to required service levels
- Debt levels are minimised and returns on cash holdings maximised
- Achievement of the financial sustainability benchmarks set by legislation.

The focus for the 2021/2022 budget is on financial repair and the return to core services as needed by the community in order to get back to a strong financial foundation. This will be achieved through the five pillars outlined in the 2021/2022 Operational Plan:

- Budget repair leading to a balanced budget
- Improved focus on infrastructure maintenance and delivery
- Efficient service delivery
- Better decision making for projects with a focus on community benefits and outcomes
- A proactive approach to planning and 'open for business' culture.

## Council's Financial Sustainability Ratios

Section 178 (1) of the *Local Government Regulation 2012*, requires council to calculate and disclose financial sustainability indicators. The ratios and targets are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Racing and Multicultural Affairs.

Council's performance as at 30 June 2021 against these measures is shown in the following table.

Ratio	Explanation	Calculation	Target	2021	Target Met	Comment
Operating surplus ratio	Measures the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.	Operating Surplus (Net result excluding all capital items) divided by total operating revenue (excluding capital items).	Between 0% and 10%	0.05%	✓	While council has met its target, Council's budget requires further repair to comfortably meet this target.
Asset sustainability ratio	This ratio reflects the extent to which infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	>90%	95.76%	✓	This ratio is over the target amount due to a focus on renewal capital works during the year balancing out expenditure on new assets.
Net financial liabilities ratio	Measures the extent to which net financial liabilities of Council can be repaid from operating revenue.	Total liabilities less current assets divided by total operating revenue.	< 60%	1.01%	✓	This ratio is well within the target range due to a relatively low level of debt and other liabilities.

The long term financial forecast shows surpluses from 2022 onwards as well as only minor fluctuations in the net financial liabilities ratio. The forecast for the Asset Sustainability Ratio are derived from the expected level of capital works for each asset class however the amounts will change as improved asset management plans are put in place. The forecast is reviewed on a regular basis and updated for changes in circumstances or assumptions.



# Appendix A: List of business activities

Further to the requirements of s45(a) of the Act the following list of business activities is presented as aligned to the key strategic themes of Council's Corporate Plan 2017-2022.

<b>Our Infrastructure ... well planned, integrated and safe</b>	Aerodromes Asset construction Caravan parks Community facilities Depot and workshop operations Design Disaster management Engineering operations and administration Fleet/plant operations Footpaths, verges and non-developed land Foreshores Department of Transport and Main Roads (contract work)	Other recoverable works Parks Public amenities Quarry strategy and operations Saleyards Sewerage administration, planning and design Sewerage maintenance Sewerage operations Swimming pools Water administration, planning and design Water maintenance Water operations
<b>Our Economy ... dynamic, productive and resilient</b>	Development assessment and compliance Destination Gympie Region Economic development	Events and festivals Industry development Strategic and regional planning
<b>Our Organisation ... accountable, responsive, efficient and innovative</b>	Asset Management System Business continuity Capital works Change management Community engagement Council business operations Council executive management Councillor support services Customer contact Election services Financial accounting Geographical Information Systems Governance – Legal Information and communication technology system	Insurance Internal audit Internal systems Management accounting Media and public relations People and organisational development Procurement management and stores Property management Rating Records management Right to Information and Privacy Risk management Work health and safety
<b>Our Environment ... sustainable, well-managed and accessible</b>	Animal control services Energy efficiency Environmental health regulation Building regulatory services Cemetery management Environmental planning	Environmental protection Environmental services Lands protection Local Law services Plumbing regulatory services Waste management
<b>Our Community ... active, diverse, creative and engaged</b>	Art Gallery Arts and culture Community development Gympie Aquatic Recreation Centre Heritage facilities and museums Heritage planning and awareness Libraries	Open space and recreation Cultural development Social Planning Community Facilities Management Club Development Community Grants Venues

# Gympie Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2021

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## General Purpose Financial Statements

for the year ended 30 June 2021

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# Statement of Comprehensive Income

for the year ended 30 June 2021

		Consolidated		Council	
		2021	2020	2021	2020
	Notes	\$'000	\$'000	\$'000	\$'000
			Restated		Restated
<b>Income</b>					
<b>Revenue</b>					
<b>Recurrent revenue</b>					
Rates, levies and charges	3a	76,419	73,737	76,419	73,737
Fees and charges	3b	8,804	8,332	8,823	6,720
Sales revenue	3c	7,776	4,626	5,518	4,626
Grants, subsidies, contributions and donations	3d	8,048	8,170	7,882	8,273
<b>Total recurrent revenue</b>		<b>101,047</b>	<b>94,865</b>	<b>98,642</b>	<b>93,356</b>
<b>Capital revenue</b>					
Grants, subsidies, contributions and donations	3d	18,916	14,133	18,916	14,133
<b>Total capital revenue</b>		<b>18,916</b>	<b>14,133</b>	<b>18,916</b>	<b>14,133</b>
<b>Other income</b>					
Interest received	4(b)	343	867	343	867
Other income	4(a)	1,722	1,749	1,222	1,264
Capital income	5	-	1,032	-	1,032
<b>Total other income</b>		<b>2,065</b>	<b>3,648</b>	<b>1,565</b>	<b>3,163</b>
<b>Total income</b>		<b>122,028</b>	<b>112,646</b>	<b>119,123</b>	<b>110,652</b>
<b>Expenses</b>					
<b>Recurrent expenses</b>					
Employee benefits	6	40,785	41,921	39,235	40,471
Materials and services	7	39,430	39,817	38,723	39,802
Finance costs	8	1,248	1,312	1,248	1,303
Depreciation and amortisation:					
- Property, plant and equipment	14	20,694	20,053	20,625	19,942
- Intangible assets	15	329	276	325	274
<b>Total recurrent expenses</b>		<b>102,486</b>	<b>103,379</b>	<b>100,156</b>	<b>101,792</b>
<b>Other expenses</b>					
Capital expenses	9	4,289	2,548	4,289	2,422
<b>Total other expenses</b>		<b>4,289</b>	<b>2,548</b>	<b>4,289</b>	<b>2,422</b>
<b>Total expenses</b>		<b>106,775</b>	<b>105,927</b>	<b>104,445</b>	<b>104,214</b>
<b>Net result</b>		<b>15,253</b>	<b>6,719</b>	<b>14,678</b>	<b>6,438</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to net result</b>					
Increase/(decrease) in asset revaluation surplus	14	358,616	(6,406)	358,616	(6,406)
<b>Total other comprehensive income for the year</b>		<b>358,616</b>	<b>(6,406)</b>	<b>358,616</b>	<b>(6,406)</b>
<b>Total comprehensive income for the year</b>		<b>373,869</b>	<b>313</b>	<b>373,294</b>	<b>32</b>



# Statement of Financial Position

as at 30 June 2021

		Consolidated		Council	
		2021	2020	2021	2020
	Notes	\$'000	\$'000	\$'000	\$'000
			Restated		Restated
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	40,362	26,687	39,763	26,531
Receivables	11	6,604	11,729	6,678	11,726
Inventories	12	1,397	2,109	1,315	1,910
Contract assets	16	869	-	869	-
Other assets	13	52	61	-	300
<b>Total current assets</b>		<b>49,284</b>	<b>40,586</b>	<b>48,625</b>	<b>40,467</b>
<b>Non-current assets</b>					
Receivables	11	-	-	810	950
Property, plant and equipment	14	1,497,414	1,132,356	1,496,752	1,132,091
Intangible assets	15	780	866	761	852
<b>Total non-current assets</b>		<b>1,498,194</b>	<b>1,133,222</b>	<b>1,498,323</b>	<b>1,133,893</b>
<b>TOTAL ASSETS</b>		<b>1,547,478</b>	<b>1,173,808</b>	<b>1,546,948</b>	<b>1,174,360</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Payables	18	8,187	7,478	8,092	7,509
Contract liabilities	16	2,698	2,495	2,698	2,495
Borrowings	19	1,531	1,396	1,453	1,365
Provisions	20	10,186	10,707	10,100	10,633
Other liabilities	21	353	-	-	-
<b>Total current liabilities</b>		<b>22,955</b>	<b>22,076</b>	<b>22,343</b>	<b>22,002</b>
<b>Non-current liabilities</b>					
Borrowings	19	14,301	15,731	14,294	15,703
Provisions	20	12,999	12,646	12,999	12,637
<b>Total non-current liabilities</b>		<b>27,300</b>	<b>28,377</b>	<b>27,293</b>	<b>28,340</b>
<b>TOTAL LIABILITIES</b>		<b>50,255</b>	<b>50,453</b>	<b>49,636</b>	<b>50,342</b>
<b>Net community assets</b>		<b>1,497,223</b>	<b>1,123,355</b>	<b>1,497,312</b>	<b>1,124,018</b>
<b>COMMUNITY EQUITY</b>					
Asset revaluation surplus	22	740,629	382,013	740,629	382,013
Retained surplus/(deficiency)		756,594	741,342	756,683	742,005
<b>Total community equity</b>		<b>1,497,223</b>	<b>1,123,355</b>	<b>1,497,312</b>	<b>1,124,018</b>

# Statement of Changes in Equity

for the year ended 30 June 2021

Consolidated		Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
	Notes			
<b>2021</b>				
<b>Balance as at 1 July 2020, restated</b>		382,013	741,341	<b>1,123,354</b>
<b>Net result</b>		-	15,253	<b>15,253</b>
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	14	358,616	-	<b>358,616</b>
<b>Other comprehensive income</b>		<b>358,616</b>	<b>-</b>	<b>358,616</b>
<b>Total comprehensive income for the year</b>		<b>358,616</b>	<b>15,253</b>	<b>373,869</b>
<b>Balance as at 30 June 2021</b>		<b>740,629</b>	<b>756,594</b>	<b>1,497,223</b>

Consolidated		Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
	Notes			
<b>2020</b>				
<b>Balance as at 1 July 2019</b>		388,419	737,702	<b>1,126,121</b>
Correction of prior period errors	27	-	(3,080)	<b>(3,080)</b>
<b>Restated balance at 1 July 2019</b>		<b>388,419</b>	<b>734,622</b>	<b>1,123,041</b>
<b>Net result, restated</b>		-	6,719	<b>6,719</b>
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	14	(6,406)	-	<b>(6,406)</b>
<b>Other comprehensive income</b>		<b>(6,406)</b>	<b>-</b>	<b>(6,406)</b>
<b>Total comprehensive income for the year, restated</b>		<b>(6,406)</b>	<b>6,719</b>	<b>313</b>
<b>Balance as at 30 June 2020, previously reported</b>		<b>382,013</b>	<b>743,057</b>	<b>1,125,070</b>
Net effect of restatements		-	(1,715)	<b>(1,715)</b>
<b>Total restatements for the year</b>		<b>-</b>	<b>(1,715)</b>	<b>(1,715)</b>
<b>Balance as at 30 June 2020, restated</b>		<b>382,013</b>	<b>741,342</b>	<b>1,123,355</b>

# Statement of Changes in Equity

for the year ended 30 June 2021

Council		Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
	Notes			
<b>2021</b>				
<b>Balance as at 1 July 2020, restated</b>		382,013	742,005	<b>1,124,018</b>
<b>Net result</b>		-	14,678	<b>14,678</b>
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	14	358,616	-	<b>358,616</b>
<b>Other comprehensive income</b>		<b>358,616</b>	<b>-</b>	<b>358,616</b>
<b>Total comprehensive income for the year</b>		<b>358,616</b>	<b>14,678</b>	<b>373,294</b>
<b>Balance as at 30 June 2021</b>		<b>740,629</b>	<b>756,683</b>	<b>1,497,312</b>

Council		Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
	Notes			
<b>2020</b>				
<b>Balance as at 1 July 2019</b>		388,419	738,646	<b>1,127,065</b>
Correction of prior period errors	27	-	(3,080)	<b>(3,080)</b>
<b>Restated balance at 1 July 2019</b>		<b>388,419</b>	<b>735,566</b>	<b>1,123,985</b>
<b>Net result, restated</b>		-	6,438	<b>6,438</b>
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	14	(6,406)	-	<b>(6,406)</b>
<b>Other comprehensive income</b>		<b>(6,406)</b>	<b>-</b>	<b>(6,406)</b>
<b>Total comprehensive income for the year, restated</b>		<b>(6,406)</b>	<b>6,438</b>	<b>32</b>
<b>Balance as at 30 June 2020, previously reported</b>		<b>382,013</b>	<b>743,720</b>	<b>1,125,733</b>
Net effect of restatements		-	(1,715)	<b>(1,715)</b>
<b>Balance as at 30 June 2020, restated</b>		<b>382,013</b>	<b>742,005</b>	<b>1,124,018</b>



# Statement of Cash Flows

for the year ended 30 June 2021

		Consolidated		Council	
		2021	2020	2021	2020
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
Receipts from customers		106,161	96,489	103,240	94,853
Payments to suppliers and employees		(85,358)	(88,118)	(82,996)	(86,044)
		20,803	8,371	20,244	8,809
<b>Receipts:</b>					
Interest received		364	867	363	867
Non capital grants and contributions		9,499	8,534	9,260	8,272
<b>Payments:</b>					
Borrowing costs		(1,254)	(1,312)	(1,248)	(1,303)
<hr/>					
<b>Net cash - operating activities</b>	26	<u>29,412</u>	<u>16,460</u>	<u>28,619</u>	<u>16,645</u>
<b>Cash Flows from investing activities</b>					
<b>Receipts:</b>					
Proceeds from sale of property, plant and equipment		741	598	741	588
Grants, subsidies, contributions and donations		9,287	9,907	9,287	9,857
<b>Payments:</b>					
Payments for property, plant and equipment		(24,286)	(35,672)	(24,017)	(35,688)
Payments for intangible assets		(83)	-	(77)	-
<hr/>					
<b>Net cash - investing activities</b>		<u>(14,341)</u>	<u>(25,167)</u>	<u>(14,066)</u>	<u>(25,243)</u>
<b>Cash flows from financing activities</b>					
<b>Payments:</b>					
Repayment of borrowings		(1,396)	(1,248)	(1,321)	(1,235)
<hr/>					
<b>Net cash flow - financing activities</b>		<u>(1,396)</u>	<u>(1,248)</u>	<u>(1,321)</u>	<u>(1,235)</u>
<hr/>					
<b>Net increase/(decrease) for the year</b>		<u>13,675</u>	<u>(9,955)</u>	<u>13,232</u>	<u>(9,833)</u>
plus: <b>cash and cash equivalents - beginning</b>		26,687	36,642	26,531	36,364
<hr/>					
<b>Cash and cash equivalents - closing</b>	10	<u>40,362</u>	<u>26,687</u>	<u>39,763</u>	<u>26,531</u>

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 1. Information about these financial statements

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#### (a) Constitution

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

#### (b) Basis of preparation

These general purpose financial statements are for the year 1 July 2020 to 30 June 2021 and have been prepared in compliance with the requirements of 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 for 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.

#### (c) Basis of Consolidation

Council and its controlled entity, Rattler Railway Company Ltd, together form the consolidated entity. The financial statements of the Rattler Railway Company Ltd are included in the consolidated financial statements where material by size or nature, from the date when control commences until the date when control ceases.

Transactions between the Council and Rattler Railway Company Ltd have been eliminated when preparing the consolidated accounts. The accounting policies of Rattler Railway Company Ltd have been adjusted on consolidation where necessary, to ensure the financial report of the Rattler Railway Company Ltd is prepared using accounting policies that are consistent with those of the Council. Information on Rattler Railway Company Ltd is included at Note 32 Transactions with related parties.

#### (d) Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-

General for final signature. This is the date on which the Management Certificate is signed.

#### (e) New and revised Accounting Standards adopted during the year

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2020, none of the standards had a material impact on reported position, performance and cash flows.

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

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards which are not yet effective are not expected to have a material impact on Council's financial statements.

#### (g) Estimates and Judgements

Councils make 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:

- Valuation, impairment and depreciation of Property, Plant & Equipment - Note 14
- Provisions - Note 19
- Contingencies - Note 23
- Revenue recognition - Note 3

#### (h) Rounding and Comparatives

Amounts included in the financial statements are rounded to the nearest thousand (\$,000). Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 1. Information about these financial statements (continued)

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

#### (i) Volunteer Services

Council currently has volunteers providing services in the Art Gallery, libraries, Visitor Information Centre, cemeteries and various other Council facilities. Council has elected to not recognise the fair value of volunteer services under AASB 1058 as Council would not have purchased these services if they were not donated.

#### (j) 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 the Australian Tax Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

#### (k) COVID-19

The Gympie Regional Council local government area has been fortunate to not be subject to any COVID-19 related lockdowns during the financial year.

There have been some impacts to Council due to COVID-19, such as event cancellations or postponements. However, these have not had a material impact on Council's financial position.

The potential impact of COVID-19 on reported property, plant and equipment values as at 30 June 2021 is considered immaterial. Council's infrastructure assets are measured at fair value. Movement in unit rates for assets valued at current replacement cost were assessed during 2020-21 with no material adjustments deemed necessary for COVID-19.

Council's controlled entity, Rattler Railway Company Ltd, assessed the impact of the COVID-19 pandemic on operations due to facilities closures. Due to the nature of Rattler operations, revenue foregone from inability to operate is offset by reduction of associated operating expenses, so that the pandemic has not had a reportable effect.



## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 2(a). Council functions - component descriptions

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

#### **Organisational Structure Changes**

During the 2020-21 financial year, Council has progressively implemented a series of restructures as the executive team and senior leadership team have been confirmed. Several senior managers will be commencing employment with council in early 2021-22 and while additional minor restructures are possible, the functions of Council as reported below and in Note 2(b) reflect the structure of Council as at the 30 June 2021.

Details relating to Council functions and activities as at 30 June 2021 and reported in Note 2(b) are as follows:

#### **Office of the CEO**

Incorporates elected members of Council, Governance, Marketing and Communication, People and Organisational Development (including Workplace Health and Safety) and Assets Facilities Branch.

Responsible for open, accountable and transparent Council operations, development of strategic economic and tourism activities, corporate risk management, co-ordination of disaster management, workforce planning, supports sound resource management, and enables effective and efficient management of Council assets and resources.

#### **Directorate of Corporate Financial Services**

Provides business support services across Council including Finance Branch (including procurement and insurance), Information Technology Branch and Community Engagement.

Provides expertise and support for economic and community development, and management of financial resources.

Provides information and technology system solutions to delivery council's services efficiently.

Enhances and preserves the lifestyle of all residents of, and visitors to, the Region by providing community access to council information and opportunities for recreation, leisure, cultural enrichment, and heritage preservation.

#### **Directorate of Infrastructure**

Provides well-constructed, safe and efficient infrastructure networks and engineering services which meet community needs, such as roads, kerb and channel, storm water drainage, lighting, footpaths and pathways.

Supports and provides public facilities upgrades, replacement and maintenance services across the Region, including parks and gardens, quarry maintenance and rehabilitation, and management of the Region's depots.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 2(a). Council functions - component descriptions (continued)

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#### **Directorate of Community Sustainability**

Provides a planning framework that stimulates and co-ordinates investments in the Region while respecting the environmental values, community values and infrastructure needs to enhance the lifestyle of residents.

Manages development in the Region within the frameworks of legislation, regulations and by-laws, which includes Environmental Health and Regulatory Services areas.

#### **Water Business Unit**

Meets community need for potable water through efficient purchase, treatment, storage and distribution of water to consumers.

Protects public health, safety and the environment through provision of an efficient system for safe collection, transportation, treatment and disposal of sewerage waste.

#### **Waste Program**

Protects and supports our community and natural environment by sustainably managing refuse which includes collection, recycling and disposal of domestic, commercial and industrial solid waste, and planning for, delivering and maintaining the community's solid waste infrastructure in compliance with legislation.

Provision for rehabilitation of waste facilities at the end of their useful life.

# Notes to the Financial Statements

for the year ended 30 June 2021

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

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Office of the CEO	200	1,142	564	-	1,906	(17,093)	(89)	(17,182)	(15,751)	(15,276)	129,389
Directorate of Corporate Financial Services	3,748	43,477	-	-	47,225	(18,478)	(61)	(18,539)	28,747	30,986	73,987
Directorate of Infrastructure	1,984	7,804	12,708	-	22,496	(28,647)	(4,135)	(32,782)	(18,859)	(10,286)	1,051,380
Directorate of Community Sustainability	499	5,381	1,096	-	6,976	(9,247)	-	(9,247)	(3,367)	(2,271)	7,769
Water Business Unit	-	24,419	3,948	-	28,367	(17,725)	(4)	(17,729)	6,694	10,638	273,636
Waste Program	1,451	10,102	600	-	12,153	(8,966)	-	(8,966)	2,587	3,187	10,787
Total Council	7,882	92,325	18,916	-	119,123	(100,156)	(4,289)	(104,445)	51	16,978	1,546,948
Eliminations	166	2,739	-	-	2,905	(2,330)	-	(2,330)	575	575	530
Total Consolidated	8,048	95,064	18,916	-	122,028	(102,486)	(4,289)	(106,775)	626	17,553	1,547,478

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
2020 (restated)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Office of the CEO	23	10	-	-	33	(6,355)	-	(6,355)	(6,322)	(6,322)	17,492
Directorate of Corporate and Community Services	4,586	43,542	724	44	48,896	(28,681)	(267)	(28,948)	19,447	21,313	94,814
Directorate of Infrastructure	2,032	7,235	8,989	(111)	18,145	(29,431)	(1,854)	(31,285)	(20,164)	(13,140)	783,702
Directorate of Planning and Development	246	4,251	1,391	-	5,888	(10,857)	-	(10,857)	(6,360)	(4,969)	32,508
Water Business Unit	-	22,852	3,029	-	25,881	(17,686)	(301)	(17,987)	5,166	7,894	234,248
Waste Program	1,385	9,324	-	1,099	11,808	(8,781)	-	(8,781)	1,928	3,027	11,596
Total Council	8,272	87,214	14,133	1,032	110,651	(101,791)	(2,422)	(104,213)	(6,305)	7,803	1,174,360
Eliminations	(102)	2,097	-	-	1,995	(1,588)	(126)	(1,714)	407	281	(552)
Total Consolidated	8,170	89,311	14,133	1,032	112,646	(103,379)	(2,548)	(105,927)	(5,898)	8,084	1,173,808



# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Revenue

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Notes		Restated		Restated
<b>(a). Rates, levies and charges</b>				
Rates and annual charges are recognised as revenue when Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.				
General rates	44,650	43,300	44,650	43,300
Separate rates	4,091	3,931	4,091	3,931
Special levies	2,291	2,202	2,291	2,202
Water	6,202	5,931	6,202	5,931
Water consumption, rental and sundries	4,573	4,395	4,573	4,395
Sewerage	11,688	11,140	11,688	11,140
Garbage charges	7,721	7,367	7,721	7,367
<b>Total rates and utility charge revenue</b>	<b>81,216</b>	<b>78,266</b>	<b>81,216</b>	<b>78,266</b>
Less: discounts	(4,097)	(3,862)	(4,097)	(3,862)
Less: pensioner remissions	(700)	(667)	(700)	(667)
<b><u>TOTAL RATES, LEVIES AND CHARGES</u></b>	<b><u>76,419</u></b>	<b><u>73,737</u></b>	<b><u>76,419</u></b>	<b><u>73,737</u></b>

## (b). Fees and charges

Revenue arising from fees and charges are recognised at the point in time when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. 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 all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

User fees and charges include revenue from train ticket sales, water and sewerage services, and saleyards fees.

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Revenue (continued)

Notes	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>(b). Fees and charges (continued)</b>				
Fines and infringements	41	45	41	45
Licences and permits	196	179	197	179
Search fees	630	386	630	386
Building fees and charges	1,161	891	1,161	891
Development fees	1,016	812	1,016	812
Animal registrations	196	124	196	124
Inspection fees	1,504	792	1,504	792
Sewerage trade waste	321	98	321	98
Parking fees and fines	81	72	81	72
Other statutory charges	2,481	2,025	2,499	2,025
User fees and charges	1,177	2,908	1,177	1,296
<b><u>TOTAL FEES AND CHARGES</u></b>	<b><u>8,804</u></b>	<b><u>8,332</u></b>	<b><u>8,823</u></b>	<b><u>6,720</u></b>

## (c). Sales revenue

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. The contract work carried out is not subject to retentions.

Transport and main roads	4,226	3,646	4,226	3,646
Water sales	1,032	929	1,032	929
Sale of goods and services	2,518	51	260	51
<b><u>TOTAL SALES REVENUE</u></b>	<b><u>7,776</u></b>	<b><u>4,626</u></b>	<b><u>5,518</u></b>	<b><u>4,626</u></b>

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 3. Revenue (continued)

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

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

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when control of each performance obligation is satisfied.

Payment terms vary depending on the terms of the grant - cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be some performance obligations where control transfers at a point in time, and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods, being either costs or time incurred, are deemed to be the most appropriate methods to reflect the transfer of benefit.

Council has not received any grant income based on an agreement which is enforceable and contains sufficiently specific performance obligations.

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

Assets arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset, which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised, then income is recognised for any remaining asset value at the time that the asset is received.

##### **Capital grants**

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control, and which are enforceable, are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

##### **Donations and contributions**

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the Council.

Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.



# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Revenue (continued)

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Notes		Restated		Restated

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

#### (i) Recurrent

General purpose grants	5,492	5,646	5,404	5,748
State government subsidies and grants	2,478	2,515	2,478	2,515
Donations	12	9	-	10
Contributions	66	-	-	-

#### TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS

8,048	8,170	7,882	8,273
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#### (ii) Capital

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

State government subsidies and grants	11,331	7,037	11,331	7,037
Donations	2,516	3,690	2,516	3,690
Contributions	5,069	3,406	5,069	3,406

#### TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS

18,916	14,133	18,916	14,133
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	2021		2020 - Restated	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
	\$'000	\$'000	\$'000	\$'000

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

#### Consolidated

Grants and subsidies	11,677	7,624	7,578	7,619
Donations	2,527	-	3,700	-
Contributions	5,136	-	3,406	-
	19,340	7,624	14,684	7,619

#### Council

Grants and subsidies	11,589	7,624	7,681	7,619
Donations	2,515	-	3,700	-
Contributions	5,070	-	3,406	-
	19,174	7,624	14,787	7,619

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 4. Interest and other income

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000

#### (a). Other income

Rental Income includes income derived from property management such as leases and rentals, library and hall rentals.

Other Income includes miscellaneous sales such as sign sales and recycling, plan and survey sales and minor plant

Rental income	605	434	518	434
Other income	1,117	1,315	704	830
<b><u>TOTAL OTHER INCOME</u></b>	<b><u>1,722</u></b>	<b><u>1,749</u></b>	<b><u>1,222</u></b>	<b><u>1,264</u></b>

#### (b). Interest received

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

Interest received from investments and term deposits	5	453	5	453
Interest from overdue rates and utility charges	338	414	338	414
<b><u>TOTAL INTEREST RECEIVED</u></b>	<b><u>343</u></b>	<b><u>867</u></b>	<b><u>343</u></b>	<b><u>867</u></b>

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 5. Capital income

		Consolidated		Council	
	Notes	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(a) Gain / (loss) on disposal of non-current assets					
Proceeds from the disposal of property, plant and equipment		-	1,112	-	1,112
Less: carrying value of disposed property, plant and equipment	14	-	(1,052)	-	(1,052)
Gain / (loss) on disposal of non-current assets		-	60	-	60
(b) Provision for restoration of land					
Decrease of landfill rehabilitation provision *	20	-	1,099	-	1,099
Increase of quarries rehabilitation provision **	20	-	(127)	-	(127)
Other		-	-	-	-
		-	972	-	972
<u>TOTAL CAPITAL INCOME</u>		-	1,032	-	1,032



# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 6. Employee benefits

		Consolidated		Council	
		2021	2020	2021	2020
	Notes	\$'000	\$'000	\$'000	\$'000
Employee benefit expenses are recorded when the service has been provided by the employee.					
Wages and salaries		31,923	32,328	30,568	31,059
Councillors remuneration		840	783	840	783
Annual, sick and long service leave entitlements		7,298	6,967	7,298	6,938
Superannuation	25	4,621	4,602	4,504	4,491
		44,682	44,680	43,210	43,271
Other employee related expenses		1,396	1,304	1,318	1,263
		46,078	45,984	44,528	44,534
Less: capitalised employee expenses		(5,293)	(4,063)	(5,293)	(4,063)
<b>TOTAL EMPLOYEE BENEFITS</b>		40,785	41,921	39,235	40,471

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

### Additional information:

Total Council employees at the reporting date:

Elected members	9	9	9	9
Administration staff	302	305	274	289
Depot and outdoors staff	195	197	195	197
<b>Total full time equivalent employees</b>	<b><u>506</u></b>	<b><u>511</u></b>	<b><u>478</u></b>	<b><u>495</u></b>

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 7. Materials and services

Notes	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Expenses are recorded on an accruals basis as Council receives the goods or services.				
Agency personnel costs	163	123	163	118
Advertising and marketing expense	360	430	234	299
Audit of annual financial statements by the Auditor-General of Queensland *	143	121	125	104
Chemicals	794	753	794	753
Cleaning	-	20	-	-
Communications and IT	592	794	592	762
Consultants	2,422	2,038	2,422	2,038
Contract expenditure	7,307	7,540	7,307	7,540
Donations, sponsorships and grants	335	834	785	1,523
Energy (electricity and gas)	1,976	2,051	1,976	1,984
Equipment less than \$5,000	268	242	268	228
Fuel and oil	1,000	1,313	1,000	1,243
Repairs and maintenance	8,979	8,800	8,704	8,641
Insurance	1,390	1,974	1,342	1,919
Legal fees	391	793	391	790
Licences	1,921	1,317	1,921	1,315
Plant hire	423	642	423	640
Professional development, training	135	353	135	314
Professional membership and subscription	360	314	360	296
Publications	292	288	292	288
Rentals and leases	310	274	265	230
Travel and accommodation	29	80	29	75
Waste levy	2,293	1,698	2,293	1,698
Water	372	403	372	403
Other materials and services	7,175	6,622	6,530	6,601
<b><u>TOTAL MATERIALS AND SERVICES</u></b>	<b><u>39,430</u></b>	<b><u>39,817</u></b>	<b><u>38,723</u></b>	<b><u>39,802</u></b>

\* Total audit fees quoted by the Queensland Audit Office relating to the 2020-2021 financial statements are \$125,000 for Council and \$18,250 for Rattler Railway Company Limited (2020: \$104,000 and \$17,100 respectively).

Notes to the Financial Statements  
for the year ended 30 June 2021

Note 8. Finance costs

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000
Finance costs charged by the Queensland Treasury Corporation	1,122	1,209	1,122	1,209
Bank charges	126	103	126	94
<b><u>TOTAL FINANCE COSTS</u></b>	<b><u>1,248</u></b>	<b><u>1,312</u></b>	<b><u>1,248</u></b>	<b><u>1,303</u></b>



Notes to the Financial Statements  
for the year ended 30 June 2021

Note 9. Capital expenses

		Consolidated		Council	
		2021	2020	2021	2020
	Notes	\$'000	\$'000	\$'000	\$'000
<b>a) Loss on disposal of non-current assets</b>					
Proceeds from the disposal of property, plant and equipment		741	-	741	-
Less: carrying value of disposed property, plant and equipment	14	(776)	-	(776)	-
		<u>35</u>	<u>-</u>	<u>35</u>	<u>-</u>
<b>Loss on disposal of non-current assets</b>		<u>35</u>	<u>-</u>	<u>35</u>	<u>-</u>
<b>(b) Provision for restoration of land</b>					
	20				
Increase in landfill restoration provision		-	-	-	-
Increase in quarry restoration provision		266	-	266	-
		<u>266</u>	<u>-</u>	<u>266</u>	<u>-</u>
<b>(c) Other capital expenses</b>					
Loss on write-off of assets		3,988	2,548	3,988	2,422
		<u>3,988</u>	<u>2,548</u>	<u>3,988</u>	<u>2,422</u>
<b><u>TOTAL CAPITAL EXPENSES</u></b>					
		<u>4,289</u>	<u>2,548</u>	<u>4,289</u>	<u>2,422</u>

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 10. Cash and cash equivalents

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'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, 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, and bank overdrafts.

Cash is held with the Commonwealth Bank in a business cheque account and in short term deposits with the Queensland Treasury Corporation.

Cash at bank and on hand	1,833	658	1,234	502
Deposits at call *	38,529	25,029	38,529	25,029
Short term deposits *	-	1,000	-	1,000
<b><u>TOTAL CASH AND CASH EQUIVALENTS</u></b>	<b><u>40,362</u></b>	<b><u>26,687</u></b>	<b><u>39,763</u></b>	<b><u>26,531</u></b>

\* Those investments where time to maturity from date of purchase is less than 3 months

### Restricted and internally allocated cash and cash equivalents

Cash and cash equivalents	40,362	26,687	39,763	26,531
Less: externally imposed restrictions on cash	(12,511)	(9,862)	(12,511)	(9,862)
<b><u>Unrestricted cash</u></b>	<b><u>27,851</u></b>	<b><u>16,825</u></b>	<b><u>27,252</u></b>	<b><u>16,669</u></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	3,637	3,665	3,637	3,665
Unspent developer contributions	8,874	6,197	8,874	6,197
<b><u>Total externally imposed restrictions on cash assets</u></b>	<b><u>12,511</u></b>	<b><u>9,862</u></b>	<b><u>12,511</u></b>	<b><u>9,862</u></b>

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

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

Future capital works	11,275	11,245	11,275	11,245
<b><u>Total internally allocated cash</u></b>	<b><u>11,275</u></b>	<b><u>11,245</u></b>	<b><u>11,275</u></b>	<b><u>11,245</u></b>

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 10. Cash and cash equivalents

(continued)

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000

#### Trust funds

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties.

Funds held in the trust account include those funds from the sale of land for arrears in rates, security deposits lodged to guarantee performance and unclaimed monies (eg unidentified deposits). The Council performs only a custodial 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 these financial statements since Council has no control over the assets.

#### Trust funds held for outside parties

Monies collected or held on behalf of other entities yet

to be paid out to or on behalf of those entities

Security deposits

2,121	2,170	2,121	2,170
46	79	46	79
<u>2,167</u>	<u>2,249</u>	<u>2,167</u>	<u>2,249</u>

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 11. Receivables

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000

Receivables, loans and advances are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery, or advance. Settlement of receivables is required with 30 days after the invoice is issued. Terms for loans and advances are dependent upon the recipient. Security is not normally obtained.

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

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

### Current

Rateable revenue and utility charges	4,594	8,036	4,594	8,036
Fees and charges	763	1,855	763	1,848
Other debtors	712	1,455	696	1,409
Loans and advances to controlled entities and associates	-	-	90	50
Interest on investments	-	20	-	20
GST receivable	740	531	740	531
<b>Total</b>	<b>6,809</b>	<b>11,897</b>	<b>6,883</b>	<b>11,894</b>

### less: Provision for impairment

Other	(205)	(168)	(205)	(168)
<b>Total provision for impairment - receivables</b>	<b>(205)</b>	<b>(168)</b>	<b>(205)</b>	<b>(168)</b>

### TOTAL CURRENT RECEIVABLES

<b>6,604</b>	<b>11,729</b>	<b>6,678</b>	<b>11,726</b>
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### Non-current

Loans and advances to controlled entities and associates	-	-	810	950
<b><u>TOTAL NON-CURRENT RECEIVABLES</u></b>	<b>-</b>	<b>-</b>	<b>810</b>	<b>950</b>

### Receivables credit risk

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low.

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



## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 11. Receivables (continued)

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#### Receivables credit risk (continued)

By the nature of the Council's operations, there is no geographical concentration of risk in the Council's area.

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

#### Accounting policies

##### Accounting policies - receivables

Receivables are measured at amortised cost which approximates fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery ie the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

##### Accounting policies - grouping

When Council has no reasonable expectation of recovering an amount owned 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 (ECL) and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

Council has identified 3 distinctive groupings of its receivables: rates and charges, statutory charges and other debtors.

**Rates and charges:** Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts and therefore the ECL is immaterial.

Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

**Statutory charges:** In some limited circumstances Council may write off impaired statutory charges. Internal historical data shows no material defaults have occurred, and as such, an expected credit loss of fees and charges is not calculated.

**Other debtors:** Council identifies other debtors as receivables which are not rates and charges or statutory charges.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 11. Receivables (continued)

	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Movement in accumulated impairment losses is as follows:</b>				
Opening balance at 1 July	(168)	(260)	(168)	(260)
<i>Add</i>				
Additional impairments recognised	(53)	(56)	(53)	(56)
<i>Less</i>				
Impairment debts written off during the year	16	148	16	148
<b>Balance at the end of the year</b>	<u>(205)</u>	<u>(168)</u>	<u>(205)</u>	<u>(168)</u>

Loans relate to a loan made to the Rattler Railway Company Limited, a related party which is the subject of consolidated accounts detailed at Note 30 Transactions with related parties. The loan to the Rattler Railway Company Limited is interest free, and was to total a maximum principal of \$1,100,000 with repayment of the principal amount to be made in full on or before 31 December 2030. The loan was fully drawn down in 2018-2019.

#### 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 uses a provision matrix to measure the expected credit losses on statutory charges and other debtors. Loss rates are calculated separately for groupings with similar loss patterns. The calculations reflect historical observed default rates calculated using credit losses experienced on past transactions from the last 6 years for each group. Loss rates are based on actual credit loss experience over the past 6 years, current conditions and the Council's view of economic conditions over the expected lives of the receivables. Council has determined there are three material groupings for measuring expected credit losses based on a combination of their statutory status, Council's policies and procedures, sale of services and goods, and risk default profiles of these revenue streams.

In Council's statements after reviewing macro economic conditions, Council reached the conclusion that forwards looking conditions indicated no foreseeable expected deviations from historically calculated ratios, thus no forward looking adjustments were made.

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

Interest is charged on outstanding rates (8.53% per annum from 1 July 2020, 9.83% for 2019-2020, and previously 11% per annum). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 12. Inventories

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000

Stores and raw materials are valued at the lower of cost or net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads.

Costs are assigned on the basis of weighted average cost except for land, where the costs are allocated to the relevant parcel.

Inventories held for distribution are:

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

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

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

### (a) Inventories held for distribution

Quarry and road materials	651	1,106	651	1,106
Stores and materials	746	942	664	743
	<u>1,397</u>	<u>2,048</u>	<u>1,315</u>	<u>1,849</u>
(b) Land purchased for development and sale	-	61	-	61
	<u>-</u>	<u>61</u>	<u>-</u>	<u>61</u>
<u>TOTAL CURRENT INVENTORIES</u>	<u>1,397</u>	<u>2,109</u>	<u>1,315</u>	<u>1,910</u>

The land previously held for sale is located in the former Tiaro Shire Council, purchased prior to 2008 amalgamation of part of Tiaro Shire Council into Gympie Regional Council. The land was originally purchased for construction of a works depot and waste site, determined to be unnecessary following amalgamation.

## Note 13. Other assets

Prepayments	52	61	-	300
	<u>52</u>	<u>61</u>	<u>-</u>	<u>300</u>
<u>TOTAL CURRENT OTHER ASSETS</u>	<u>52</u>	<u>61</u>	<u>-</u>	<u>300</u>

Notes to the Financial Statements  
for the year ended 30 June 2021

Note 14. Property, plant and equipment

Consolidated - 30 June 2021		Capital work in progress	Land and site improvements	Buildings	Heavy plant	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Other infrastructure	Rail	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement basis	Note	Cost	Fair value	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	
Opening gross balance - at cost		42,789	-	-	-	10,781	-	-	-	-	-	53,570
Opening gross balance - at fair value		-	62,942	166,430	13,572	-	821,258	206,583	208,460	18,683	17,642	1,515,570
Opening gross balance		42,789	62,942	166,430	13,572	10,781	821,258	206,583	208,460	18,683	17,642	1,569,140
Additions*		28,694	65	27	-	219	1,434	402	712	-	140	31,693
Disposals	5, 9	-	(115)	(106)	(547)	(831)	-	-	-	-	-	(1,599)
Write-offs	5, 9	-	(284)	(388)	-	(36)	(5,112)	(7)	(11)	-	-	(5,838)
Revaluation decrements to equity (ARS)		-	(470)	-	-	-	(5,784)	(5,109)	(2,680)	-	-	(14,043)
Revaluation increments to equity (ARS)		-	232	-	-	-	385,445	15,892	13,880	-	-	415,449
Work in progress transfers		(28,612)	4,032	1,564	1,345	66	12,284	5,245	2,690	726	660	-
Adjustments and other transfers		-	(1,826)	-	178	(178)	1,826	-	-	-	-	-
Total consolidated gross value of property, plant and equipment - at cost		42,871	-	-	-	10,021	-	-	-	-	-	52,892
Total consolidated gross value of property, plant and equipment - at fair value		-	64,576	167,527	14,548	-	1,211,351	223,006	223,051	19,409	18,442	1,941,910
Total consolidated gross value of property, plant and equipment		42,871	64,576	167,527	14,548	10,021	1,211,351	223,006	223,051	19,409	18,442	1,994,802
Opening accumulated depreciation		-	5,685	79,500	3,514	4,174	143,740	114,056	82,243	3,023	806	436,741
Depreciation expense		-	1,101	3,023	1,261	882	6,447	3,689	3,409	376	506	20,694
Disposals	5, 9	-	(38)	(99)	(196)	(440)	-	-	-	-	-	(773)
Write-offs	5, 9	-	(99)	(319)	-	-	(1,633)	(6)	(7)	-	-	(2,064)
Revaluation decrements to equity (ARS)		-	-	-	-	-	65,681	-	-	-	-	65,681
Revaluation increments to equity (ARS)		-	-	-	-	-	-	(17,054)	(5,837)	-	-	(22,891)
Adjustments and other transfers		-	(584)	-	84	(84)	584	-	-	-	-	-
Total consolidated accumulated depreciation of property, plant and equipment		-	6,065	82,105	4,663	4,532	214,819	100,685	79,808	3,399	1,312	497,388
Total consolidated impairment of property, plant and equipment		-	-	-	-	-	-	-	-	-	-	-
Total consolidated accumulated depreciation and impairment property, plant and equipment		-	6,065	82,105	4,663	4,532	214,819	100,685	79,808	3,399	1,312	497,388
Total consolidated net book value of property, plant and equipment		42,871	58,511	85,422	9,885	5,489	996,532	122,321	143,243	16,010	17,130	1,497,414
Other information												
Range of estimated useful life (years)		Not depreciated	Land not depreciated. Site improvements: 5-183	15-160	4-100	3-40	10-180	10-100	5-100	17.5-105	35-40	
*Asset additions comprise												
Asset renewals		19,751	65	-	-	219	59	-	-	-	140	20,234
Other additions		8,943	-	27	-	-	1,375	402	712	-	-	11,459
Total asset additions		28,694	65	27	-	219	1,434	402	712	-	140	31,693



Notes to the Financial Statements  
for the year ended 30 June 2021

Note 14. Property, plant and equipment

Consolidated - 30 June 2020		Capital work in progress	Land and site improvements	Buildings	Heavy plant	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Other infrastructure	Rail	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement basis	Note	Cost	Fair value	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	
Opening gross balance - at cost		39,197	-	-	-	9,770	-	-	-	-	-	48,967
Opening gross balance - at fair value		-	62,400	163,624	12,479	-	812,521	205,294	207,657	18,683	15,223	1,497,881
Opening gross balance		39,197	62,400	163,624	12,479	9,770	812,521	205,294	207,657	18,683	15,223	1,546,848
Additions*		31,001	-	-	657	365	1,962	1,146	412	-	129	35,672
Disposals	5, 9	-	(209)	-	(481)	(884)	-	-	-	-	(60)	(1,634)
Write-offs	5, 9	-	-	-	-	-	(3,776)	(37)	(845)	-	-	(4,658)
Revaluation decrements to equity (ARS)		-	(15)	(27)	-	-	(10,163)	(369)	(680)	(1)	(10)	(11,265)
Revaluation increments to equity (ARS)		-	10	1	-	-	4,846	7	-	-	-	4,864
Work in progress transfers		(26,725)	756	2,833	916	1,529	15,871	542	1,917	1	2,360	-
Adjustments and other transfers		(683)	-	-	-	-	-	-	-	-	-	(683)
Total consolidated gross value of property, plant and equipment - at cost		42,790	-	-	-	10,780	-	-	-	-	-	53,570
Total consolidated gross value of property, plant and equipment - at fair value		-	62,942	166,431	13,571	-	821,261	206,583	208,461	18,683	17,642	1,515,574
Total consolidated gross value of property, plant and equipment		42,790	62,942	166,431	13,571	10,780	821,261	206,583	208,461	18,683	17,642	1,569,144
Opening accumulated depreciation		-	5,262	76,545	2,486	3,815	139,170	110,395	79,378	2,687	305	420,043
Depreciation expense		-	424	2,955	1,110	859	6,730	3,668	3,426	336	545	20,053
Disposals	5, 9	-	-	-	(82)	(500)	-	-	-	-	-	(582)
Write-offs	5, 9	-	-	-	-	-	(2,160)	(22)	(559)	-	-	(2,741)
Revaluation decrements to equity (ARS)		-	-	-	-	-	-	15	-	-	-	15
Total consolidated accumulated depreciation of property, plant and equipment		-	5,686	79,500	3,514	4,174	143,740	114,056	82,245	3,023	850	436,788
Total consolidated net book value of property, plant and equipment		42,790	57,256	86,931	10,057	6,606	677,521	92,527	126,216	15,660	16,792	1,132,356
Other information												
			Land not depreciated. Site improvements:									
Range of estimated useful life (years)		Not depreciated	5-183	15-160	4-100	3-40	10-180	10-100	5-100	17.5-105	35-40	
*Asset additions comprise												
Asset renewals		18,918	-	-	657	335	-	-	-	-	-	19,910
Other additions		12,083	-	-	-	30	1,962	1,146	412	-	129	15,762
Total asset additions		31,001	-	-	657	365	1,962	1,146	412	-	129	35,672

Notes to the Financial Statements  
for the year ended 30 June 2021

Note 14. Property, plant and equipment

Council - 30 June 2021		Capital work in progress	Land and site improvements	Buildings	Heavy plant	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Other infrastructure	Rail	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement basis	Note	Cost	Fair value	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	
Opening gross balance - at cost		42,789	-	-	-	10,375	-	-	-	-	-	53,164
Opening gross balance - at fair value		-	62,934	166,430	13,572	-	821,258	206,583	208,460	18,683	17,583	1,515,503
Opening gross balance		42,789	62,934	166,430	13,572	10,375	821,258	206,583	208,460	18,683	17,583	1,568,667
Additions*		28,694	-	27	-	-	1,434	402	712	-	-	31,269
Disposals	5, 9	-	(115)	(106)	(547)	(831)	-	-	-	-	-	(1,599)
Write-offs	5, 9	-	(284)	(388)	-	(36)	(5,112)	(7)	(11)	-	-	(5,838)
Revaluation decrements to equity (ARS)		-	(470)	-	-	-	(5,784)	(5,109)	(2,680)	-	-	(14,043)
Revaluation increments to equity (ARS)		-	232	-	-	-	385,445	15,892	13,880	-	-	415,449
Work in progress transfers		(28,612)	4,032	1,564	1,345	66	12,284	5,245	2,690	726	660	-
Adjustments and other transfers		-	(1,826)	-	178	(178)	1,826	-	-	-	-	-
Total gross value of property, plant and equipment - at cost		42,871	-	-	-	9,396	-	-	-	-	-	52,267
Total gross value of property, plant and equipment - at fair value		-	64,503	167,527	14,548	-	1,211,351	223,006	223,051	19,409	18,243	1,941,638
Total gross value of property, plant and equipment		42,871	64,503	167,527	14,548	9,396	1,211,351	223,006	223,051	19,409	18,243	1,993,905
Opening accumulated depreciation		-	5,685	79,500	3,514	4,008	143,740	114,056	82,243	3,023	806	436,575
Depreciation expense		-	1,101	3,023	1,261	817	6,447	3,689	3,409	376	502	20,625
Disposals	5, 9	-	(38)	(99)	(196)	(440)	-	-	-	-	-	(773)
Write-offs	5, 9	-	(99)	(319)	-	-	(1,633)	(6)	(7)	-	-	(2,064)
Revaluation decrements to equity (ARS)		-	-	-	-	-	65,681	-	-	-	-	65,681
Revaluation increments to equity (ARS)		-	-	-	-	-	-	(17,054)	(5,837)	-	-	(22,891)
Adjustments and other transfers		-	(584)	-	84	(84)	584	-	-	-	-	-
Total accumulated depreciation of property, plant and equipment		-	6,065	82,105	4,663	4,301	214,819	100,685	79,808	3,399	1,308	497,153
Total accumulated depreciation and impairment property, plant and equipment		-	6,065	82,105	4,663	4,301	214,819	100,685	79,808	3,399	1,308	497,153
Total net book value of property, plant and equipment		42,871	58,438	85,422	9,885	5,095	996,532	122,321	143,243	16,010	16,935	1,496,752
Other information												
Range of estimated useful life (years)		Not depreciated	Land not depreciated. Site improvements: 5-183	15-160	4-100	3-40	10-180	10-100	5-100	17.5-105	35-40	
*Asset additions comprise												
Asset renewals		19,751	-	-	-	-	-	-	-	-	-	19,751
Other additions		8,943	-	27	-	-	1,434	402	712	-	-	11,518
Total asset additions		28,694	-	27	-	-	1,434	402	712	-	-	31,269

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 14. Property, plant and equipment

Council - 30 June 2020		Capital work in progress	Land and site improvements	Buildings	Heavy plant	Plant and equipment	Road, bridge and drainage network	Water	Sewerage	Other infrastructure	Rail	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement basis	Note	Cost	Fair value	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	
Opening gross balance - at cost		39,197	-	-	-	9,396	-	-	-	-	-	48,593
Opening gross balance - at fair value		-	62,391	163,624	12,479	-	812,518	205,294	207,657	18,683	15,223	1,497,869
Opening gross balance		39,197	62,391	163,624	12,479	9,396	812,518	205,294	207,657	18,683	15,223	1,546,462
Additions*		12,083	-	-	-	-	1,962	1,146	412	-	-	15,603
Disposals	5, 9	-	(209)	-	(481)	(884)	-	-	-	-	-	(1,574)
Write-offs	5, 9	-	-	-	-	-	(3,776)	(37)	(845)	-	(175)	(4,833)
Revaluation decrements to equity (ARS)		-	(15)	(27)	-	-	(10,163)	(369)	(680)	(1)	-	(11,255)
Revaluation increments to equity (ARS)		-	10	1	-	-	4,846	7	-	-	-	4,864
Work in progress transfers		(26,725)	756	2,833	916	1,529	15,871	542	1,917	1	2,360	-
Adjustments and other transfers		(683)	-	-	-	-	-	-	-	-	-	(683)
Total gross value of property, plant and equipment - at cost		42,790	-	-	-	10,376	-	-	-	-	-	53,166
Total gross value of property, plant and equipment - at fair value		-	62,933	166,431	13,571	-	821,258	206,583	208,461	18,683	17,583	1,515,503
Total gross value of property, plant and equipment		42,790	62,933	166,431	13,571	10,376	821,258	206,583	208,461	18,683	17,583	1,568,669
Opening accumulated depreciation		-	5,262	76,545	2,486	3,717	139,170	110,395	79,378	2,687	305	419,945
Depreciation expense		-	423	2,955	1,110	793	6,730	3,668	3,426	336	501	19,942
Disposals	5, 9	-	-	-	(82)	(500)	-	-	-	-	-	(582)
Write-offs	5, 9	-	-	-	-	-	(2,160)	(22)	(559)	-	-	(2,741)
Revaluation decrements to equity (ARS)		-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)		-	-	-	-	-	-	15	-	-	-	15
Work in progress transfers		-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers		-	-	-	-	-	-	-	-	-	-	-
Total accumulated depreciation of property, plant and equipment		-	5,685	79,500	3,514	4,010	143,740	114,056	82,245	3,023	806	436,579
Total net book value of property, plant and equipment		42,790	57,248	86,931	10,057	6,366	677,518	92,527	126,216	15,660	16,777	1,132,091
Other information												
Range of estimated useful life (years)		Not depreciated	Land not depreciated. Site improvements: 5-183	15-160	4-100	3-40	10-180	10-100	5-100	17.5-105	35-40	
*Asset additions comprise												
Asset renewals		18,918	-	-	657	335	-	-	-	-	175	20,085
Other additions		12,083	-	-	-	-	1,962	1,146	412	-	-	15,603
Total asset additions		31,001	-	-	657	335	1,962	1,146	412	-	175	35,688

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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#### (a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold or maintenance expenditure.

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the components of parks.

Land under roads and reserve land under the Land Act 1994 or Land Title Act 1994 is controlled by Queensland State Government and not recognised in the Council financial statements.

#### (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 consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges are recognised as assets and revenue at fair value.

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised against the asset revaluation surplus.



## Notes to the Financial Statements

for the year ended 30 June 2021

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

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#### (c) Depreciation

Land, work in progress, certain cultural and heritage assets with heritage listing, road formations and formation work associated with the construction of dams, levee banks and reservoirs are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

The useful life of leasehold improvements is the shorter of the useful life of the asset or the remaining life of the lease.

Where assets have separately identifiable components, these components have separately assigned useful lives.

Depreciation methods, estimated useful lives and residual values 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.

#### **Key judgements and estimates:**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

#### (d) Impairment

Property, plant and equipment held at cost 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.

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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#### (e) Valuation

##### Key judgements and estimates

Some of the Council's assets and liabilities are measured at fair value for financial reporting purposes.

#### (i) Valuation

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. At least once every 5 years, council performs full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes:

- a management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.
- A "desktop" valuation for land and improvements, buildings and major plant asset classes which involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the income statement, in that case the increase is taken to the income statement to the extent of the previous decrease.

Revaluation decreases are recognised in the asset revaluation surplus, where there is sufficient amount available in the asset revaluation surplus relating to that asset class. Where there isn't sufficient amount available in the surplus, the decrease is recognised in the statement of comprehensive income.

Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the statement of comprehensive income.

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.

In accordance with AASB 13 fair value measurements are categorised on the following basis:

**Level 1:** Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability.

**Level 3:** Fair value based on unobservable inputs for the asset and liability.

Notes to the Financial Statements  
for the year ended 30 June 2021

Note 14. Property, plant and equipment (continued)

(f) Valuation (continued)

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land (Level 2)	Market Value	30/06/2018	AssetVal Pty Ltd	Sales price per square metre of comparable properties, adjusted for differences in key attributes such as area, location and other general site characteristics.	Nil	Nil
Land & Site Improvements (Level 3)	Current Replacement Cost	30/06/2018	AssetVal Pty Ltd	Cost Approach using depreciated replacement cost. Published or available market data for recent projects, and/or published cost guides are utilised where available.	Nil	Nil
Buildings (Level 2)	Market Value	30/06/2018	AssetVal Pty Ltd	Sales price per square metre of comparable properties, adjusted for differences in key attributes such as condition.	Nil	Nil
Buildings (Level 3)	Current Replacement Cost	30/06/2018	AssetVal Pty Ltd	Componentising the buildings into significant parts with different useful lives and taking into account a range of factors such as functionality, capability, utilisation and obsolescence.	Nil	Nil
Heavy Plant (Level 2)	Market Value	30/06/2021	Pickles Valuations	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value.	Nil	Nil

## Notes to the Financial Statements

for the year ended 30 June 2021

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

## (f) Valuation (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Roads, Bridges, Drainage (Level 3)	Current Replacement Cost	30/06/2021	Shepherd Services Pty Ltd	Existing supply contract rates for raw materials appropriate for the asset based on age, size, location and condition Labour rates based on Council's EBA Average cost of outsourced projects Remaining life of assets including existing conditions.	Nil	Nil
Water & Sewerage (Level 3)	Current Replacement Cost	31/03/2021	Shepherd Services Pty Ltd	Split into 4 distinct areas based on geographic and environmental factors Development, soil and depth factors taking into account current condition Gross replacement cost per m2 based on appropriate materials Remaining useful lives and physical obsolescence.	Nil	Nil

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.



## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 15. Intangible assets

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000

Intangible assets is made up of computer software with a cost or other value exceeding \$50,000. Computer software which costs less than \$50,000 is expensed.

Intangible assets are amortised on a straight-line basis over the period of expected benefit to Council.

Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate.

Intangible assets are as follows;

#### Software

<b>Opening gross carrying value</b>	1,764	1,154	1,743	1,147
Additions	9	14	-	-
Disposals	-	(87)	-	(87)
Work in progress transfer	235	683	235	683
<b>Closing gross carrying value</b>	<u>2,008</u>	<u>1,764</u>	<u>1,978</u>	<u>1,743</u>
<b>Opening accumulated amortisation and impairment</b>	(898)	(677)	(891)	(672)
Amortisation charges	(329)	(276)	(325)	(274)
Amortisation on disposals	-	55	-	55
<b>Closing accumulated amortisation and impairment</b>	<u>(1,228)</u>	<u>(898)</u>	<u>(1,217)</u>	<u>(891)</u>
<b>Net carrying value at end of financial year</b>	<u>780</u>	<u>866</u>	<u>761</u>	<u>852</u>

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 16. Contract balances

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Notes		Restated		Restated

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset this gives rise to a contract liability.

#### (a) Contract assets

##### Current

Contract assets	869	-	869	-
<b><u>TOTAL CURRENT CONTRACT ASSETS</u></b>	<b><u>869</u></b>	<b><u>-</u></b>	<b><u>869</u></b>	<b><u>-</u></b>

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 16. Contract balances

	Notes	Consolidated		Council	
		2021 \$'000	2020 \$'000 Restated	2021 \$'000	2020 \$'000 Restated

### (b) Contract liabilities

#### Current

##### Grants:

Funds received upfront to construct Council controlled assets

	2,623	2,495	2,623	2,495
Other	75	-	75	-
<b>Total grants</b>	<b>2,698</b>	<b>2,495</b>	<b>2,698</b>	<b>2,495</b>

<b>TOTAL CURRENT CONTRACT LIABILITIES</b>	<b>2,698</b>	<b>2,495</b>	<b>2,698</b>	<b>2,495</b>
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Revenue recognised that was included in the contract liability balance at the beginning of the year

Nil

Funds to construct Council controlled assets	2,824	1,365	2,824	1,365
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<b>Total revenue included in the contract liability</b>	<b>2,824</b>	<b>1,365</b>	<b>2,824</b>	<b>1,365</b>
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## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 17. Leases

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#### Council as a lessee

Council has leases in place over a building, and equipment. Council does not have any vehicle or heavy equipment leases.

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (eg CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

#### Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (ie leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Council has elected to measure the right of use asset arising from leases at significantly below market value (concessionary leases), at cost which is based on the associated lease liability at initial recognition.

#### Terms and conditions of leases

##### Buildings

Council leases one building which is used for offices - Wesley Hall. The lease was for 3 years with two 3-year renewal options, the first of which has been exercised, taking the current lease to 31 August 2021. Council will not be exercising the second option.

##### Equipment

Council leases a number of communication tower site accesses, which are considered low value and are not subject to lease accounting.



## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 17. Leases (continued)

Notes	Consolidated		Council	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000

#### Amounts included in the statement of comprehensive income related to leases

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee.

#### Expenses

Expenses relating to short-term leases	248	194	248	194
Expenses relating to low-value assets	17	36	17	36
<b>Net expense relating to leases</b>	<b>265</b>	<b>230</b>	<b>265</b>	<b>230</b>

#### Leases at significantly below market value - concessionary / peppercorn leases

Council has a number of leases at significantly below market value for land and buildings which are used for:

- access to communication towers
- airport
- land for Council depot outpost
- sports and recreation ground sites
- livestock saleyards site
- historic railway site
- historic rail rolling stock

The leases are generally between 2 and 50 years and require payments between \$1 and \$25,000 per annum. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 17. Leases (continued)

#### Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.

The lease income is recognised on a straight-line basis over the lease term.

Council has a number of properties which are rented/leased to community members as a community service, at concessional rates.

### Note 18. Payables

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000
Creditors	3,408	3,734	3,313	3,818
Prepaid rates	3,333	2,710	3,333	2,710
Other entitlements	251	-	251	-
Employee related accruals	1,195	1,034	1,195	981
<b><u>TOTAL CURRENT PAYABLES</u></b>	<b><u>8,187</u></b>	<b><u>7,478</u></b>	<b><u>8,092</u></b>	<b><u>7,509</u></b>

Note: In 2020, employee leave provisions were included with payables. Employee leave provisions are now included with provisions.

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 19. Borrowings

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000

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 in \$AUD denominated amounts and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2027 to 15 June 2030. There have been no defaults or breaches of the loan agreement during the period.

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

### Current

Loans - Queensland Treasury Corporation	1,453	1,365	1,453	1,365
Loans - other	78	31	-	-
<b><u>TOTAL CURRENT BORROWINGS</u></b>	<b><u>1,531</u></b>	<b><u>1,396</u></b>	<b><u>1,453</u></b>	<b><u>1,365</u></b>

### Non-current

Loans - Queensland Treasury Corporation	14,294	15,703	14,294	15,703
Loans - other	7	28	-	-
<b><u>TOTAL NON-CURRENT BORROWINGS</u></b>	<b><u>14,301</u></b>	<b><u>15,731</u></b>	<b><u>14,294</u></b>	<b><u>15,703</u></b>

### Reconciliation of loan movements for the year

#### Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	17,127	18,375	17,068	18,303
Principal repayments	(1,321)	(1,248)	(1,321)	(1,235)
<b><u>Book value at end of financial year</u></b>	<b><u>15,806</u></b>	<b><u>17,127</u></b>	<b><u>15,747</u></b>	<b><u>17,068</u></b>

The QTC loan market value at the reporting date is \$19.671 million (2020: \$22.018 million). This represents the value of the debt if the Council repaid at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts.

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

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 20. Provisions

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

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

Council has an obligation to pay a vested sick leave amount on termination to employees with more than 5 years of service and who commenced with Council before certification of the Gympie Regional Council Certified Agreement 2018 on 25 March 2019. Council therefore recognises a liability for this obligation.

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 outflows to their present value.

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

#### **Refuse dump restoration and quarry rehabilitation**

A provision is made for the cost of restoring refuse dumps and quarries where it is probable the Council will be liable, or required, to do this when the use of the facilities is complete.

Council operates three refuse dump (waste) facilities in the region:

Bonnick Road, Gympie

Tin Can Bay

Gunalda

The provision for refuse restoration is calculated as the present value of the anticipated future costs associated with the closure of the dump 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.

Due to the long term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.



Notes to the Financial Statements  
for the year ended 30 June 2021

Note 20. Provisions (continued)

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The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

As landfill sites are on state reserves which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised.

The provision for quarry rehabilitation represents the present value of the anticipated future costs associated with the closure of the quarries, filling the basin, and reclamation and rehabilitation of these sites:

Boundary Pit	Hall Road Pit	Running Creek Pit 2
Edwards Pit	Lord Nelson Pit	Saleyards Pit
Fleming Pit	Mcintosh Pit	Trinity Pit
Goomeri Tip Pit	Mt Olive Pit	Upper Widgee Road Pit 1
Gould Pit		

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.

Due to 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 quarry rehabilitation is reviewed at least annually and updated based on the facts and circumstances available at the time.

Quarries that are situated on Council controlled land are classified as land and improvement assets. Changes in the provision arising from the passing of time are added to or deducted from the asset revaluation surplus for land. 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.

Notes to the Financial Statements  
for the year ended 30 June 2021

Note 20. Provisions (continued)

		Consolidated		Council	
	Notes	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>					
Annual leave		3,699	3,624	3,613	3,624
Long service leave		3,950	4,230	3,950	4,156
Sick leave		1,915	2,302	1,915	2,302
Other entitlements		422	299	422	299
Sub total - aggregate employee benefits		9,986	10,455	9,900	10,381
Quarry sites		-	52	-	52
Landfill sites		200	200	200	200
<b><u>TOTAL CURRENT PROVISIONS</u></b>		<b><u>10,186</u></b>	<b><u>10,707</u></b>	<b><u>10,100</u></b>	<b><u>10,633</u></b>
<b>Non-current</b>					
Long service leave		1,688	1,419	1,688	1,419
Sick leave		-	234	-	225
Sub total - aggregate employee benefits		1,688	1,653	1,688	1,644
Quarry sites		625	307	625	307
Landfill sites		10,686	10,686	10,686	10,686
<b><u>TOTAL NON-CURRENT PROVISIONS</u></b>		<b><u>12,999</u></b>	<b><u>12,646</u></b>	<b><u>12,999</u></b>	<b><u>12,637</u></b>

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 20. Provisions (continued)

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000

### Details of movements in provisions:

#### Quarry sites

Balance at beginning of financial year	359	359	359	359
Additional provision	259	-	259	-
Amounts used	-	(127)	-	(127)
Increase/(decrease) in provision due to change in discount rate	7	-	7	-
Provisions recognised/(derecognised)	-	127	-	127
Balance at end of financial year	625	359	625	359

#### Landfill sites

Balance at beginning of financial year	10,886	11,985	10,886	11,985
Additional provision	-	-	-	-
Increase in provision due to unwinding of discount	-	-	-	-
Increase/(decrease) in provision due to change in discount rate	-	-	-	-
Provisions recognised/(derecognised)	-	(1,099)	-	(1,099)
Balance at end of financial year	10,886	10,886	10,886	10,886

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 21. Other liabilities

	Notes	Consolidated		Council	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
			Restated		Restated
Other liabilities		353	-	-	-
<b><u>TOTAL CURRENT OTHER LIABILITIES</u></b>		<b><u>353</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

Rates paid in advance are included with Payables. Refer to Note 17 Payables.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 22. Asset revaluation surplus

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000

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 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.

#### Asset revaluation surplus closing balances

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

Land & site improvements	11,945	12,183	11,945	12,183
Buildings	19,264	19,264	19,264	19,264
Road, bridge and drainage	572,225	258,245	572,225	258,245
Water	72,644	44,807	72,644	44,807
Sewerage	55,907	38,870	55,907	38,870
Other infrastructure	8,644	8,644	8,644	8,644
<b>Closing balance in the asset revaluation reserve</b>	<b>740,629</b>	<b>382,013</b>	<b>740,629</b>	<b>382,013</b>



# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 23. Commitments for expenditure

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000

### Capital commitments (exclusive of GST)

Capital expenditure contracted for at balance date but not provided for in the financial statements is payable as follows:

#### Property, plant and equipment

Road, draining and bridge network	2,675	1,260	2,675	1,260
Water	120	437	120	437
Other	855	3,867	855	3,867
<b>Total commitments</b>	<b>3,650</b>	<b>5,564</b>	<b>3,650</b>	<b>5,564</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 24. Contingent liabilities

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

#### Local Government Mutual

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

As at 30 June 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

#### Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the 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. The Council's maximum exposure to the bank guarantee is \$1,475,432.

#### Insurance claims pending

	Notes	Consolidated		Council	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Insurance claims pending		147	121	147	121
		<u>147</u>	<u>121</u>	<u>147</u>	<u>121</u>

There are various claims pending against the Council. In the opinion of the Council's legal advisors, the potential loss on all claims at 30 June 2021 should not exceed the total stated. The Council has disclaimed liability in all cases and no provision has been made in the financial statements pertaining to these claims.

In September 2019, Council provided a letter of comfort to the Rattler Railway Company Ltd to provide adequate financial support to ensure business continuity. The letter of comfort represents a contingent liability until 30 June 2022.

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 25. Superannuation - regional defined benefit fund

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

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

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

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

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

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

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

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

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

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

	Consolidated		Council	
	2021	2020	2021	2020
Notes	\$'000	\$'000	\$'000	\$'000
Superannuation contributions made to the Regional Defined Benefits Fund	201	281	201	281
Other superannuation contributions for employees	4,420	4,321	4,303	4,210
Total superannuation contributions paid by Council for employees	4,621	4,602	4,504	4,491

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 26. Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	Consolidated		Council	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Notes		Restated		Restated
Net operating result from income statement	15,253	6,719	14,678	6,438
Non-cash items				
Depreciation and amortisation	21,023	20,329	20,950	20,216
	<u>21,023</u>	<u>20,329</u>	<u>20,950</u>	<u>20,216</u>
Investing and development activities				
Net (profit)/loss on disposal of assets	35	(60)	35	(60)
Non cash capital grants, contributions and additions	(17,620)	(11,360)	(17,508)	(11,005)
Capital expenses	4,775	2,548	4,775	2,422
	<u>(12,810)</u>	<u>(8,872)</u>	<u>(12,698)</u>	<u>(8,643)</u>
Changes in operating assets and liabilities:				
(Increase)/decrease in receivables	5,420	(1,327)	5,048	(1,247)
(Increase)/decrease in inventories	582	844	595	960
(Increase)/decrease in contract assets	(869)	-	(869)	-
(Increase)/decrease in other assets	241	494	300	340
Increase/(decrease) in payables	528	308	583	645
Increase/(decrease) in contract liabilities	203	(596)	203	(596)
Increase/(decrease) in other provisions	(159)	(1,439)	(171)	(1,468)
	<u>5,946</u>	<u>(1,716)</u>	<u>5,689</u>	<u>(1,366)</u>
Net cash provided from/(used in) operating activities from the statement of cash flows	<u>29,412</u>	<u>16,460</u>	<u>28,619</u>	<u>16,645</u>

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 27. Correction of error

Due to errors identified by Queensland Audit Office (QAO) during the financial statement audit, Council has restated its financial statements for the year ended 30 June 2020.

The errors relate to Council's recognition of Works for Queensland grant funding following the initial application of AASB 1058 and AASB 15 to Council's financial statements.

		Original balance as presented at 1 July 2019 \$'000	Adjustment \$'000	Restated balance at 1 July 2019 \$'000
	Notes			
<b>Consolidated</b>				
(i) - Retained surplus		737,702	(3,080)	734,622
(i) - Contract liability	16	780	3,080	3,860
Total current liabilities		20,361	3,080	23,441
<b>Total liabilities</b>		<b>48,738</b>	<b>3,080</b>	<b>51,818</b>
<b>Total community assets</b>		<b>1,125,070</b>	<b>(3,080)</b>	<b>1,121,990</b>
<b>Council</b>				
(i) - Retained surplus		738,646	(3,080)	735,566
(i) - Contract liability	16	780	3,080	3,860
Total current liabilities		20,287	3,080	23,367
<b>Total liabilities</b>		<b>48,627</b>	<b>3,080</b>	<b>51,707</b>
<b>Total community assets</b>		<b>1,125,733</b>	<b>(3,080)</b>	<b>1,122,653</b>



# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 27. Correction of error (continued)

	Notes	Original balance with prior year adjustments as at 30 June 2020 \$'000	Adjustment \$'000	Restated balance as at 30 June 2020 \$'000
<b>Comparative figures for 30 June 2020</b>				
<b>Consolidated</b>				
(ii) - Contract liability	16	3,860	(1,365)	2,495
Total current liabilities		23,441	(1,365)	22,076
Total liabilities		51,818	(1,365)	50,453
<b>Net community assets</b>		<b>1,121,990</b>	<b>1,365</b>	<b>1,123,355</b>
(ii) - Capital revenue - grants		12,768	1,365	14,133
Total income		111,281	1,365	112,646
<b>Total comprehensive income for the year</b>		<b>(1,052)</b>	<b>1,365</b>	<b>313</b>
<b>Council</b>				
(ii) - Contract liability	16	3,860	(1,365)	2,495
Total current liabilities		23,367	(1,365)	22,002
<b>Total liabilities</b>		<b>51,707</b>	<b>(1,365)</b>	<b>50,342</b>
<b>Net community assets</b>		<b>1,122,653</b>	<b>1,365</b>	<b>1,124,018</b>
(ii) - Capital revenue - grants		12,768	1,365	14,133
Total income		111,281	1,365	112,646
<b>Total comprehensive income for the year</b>		<b>(1,333)</b>	<b>1,365</b>	<b>32</b>

### Description of errors

(i) - Correction of recognition of Works for Queensland grant funding received in June 2019 which should have been recognised as a contract liability in accordance with AASB 1058.

(ii) - Recognise capital revenue as a result of progress of works completed during the 2020 financial year.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 28. Changes in accounting policy

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Council made no changes in any accounting policies during the year.

### Note 29. Events after the reporting period

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Events that occur after the reporting date represent one of two types:

#### **(i) Events that have provided evidence of conditions that existed at the reporting date**

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2021.

#### **(ii) Events that have provided evidence of conditions that arose after the reporting date**

These financial statements (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2021 and which are only indicative of conditions that arose after 30 June 2021.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 30. 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; **(i)** credit risk, **(ii)** liquidity risk, and **(iii)** market risk.

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

#### Financial risk management

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

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. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Council's audit and risk management committee oversees how management monitors compliance with Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. Council's audit and risk management 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 and risk management committee.

Council does not enter into derivatives.

#### Credit risk

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 the Council's investments and receivables.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

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 the Council.

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

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 30. Financial instruments and financial risk management (continued)

### Liquidity risk

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

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

### Exposure to liquidity risk

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

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. Refer to Note 18 Borrowings.

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

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
<b>Consolidated</b>					
<b>2021</b>					
Payables	8,311	-	-	8,311	8,187
Loans - QTC	2,443	9,772	8,625	20,840	15,747
Loans - other	28	10	-	38	85
	<u>10,782</u>	<u>9,782</u>	<u>8,625</u>	<u>29,189</u>	<u>24,019</u>
<b>2020</b>					
Payables	7,478	-	-	7,478	7,478
Loans - QTC	2,443	9,772	11,068	23,283	17,068
Loans - other	31	28	-	59	59
	<u>9,952</u>	<u>9,800</u>	<u>11,068</u>	<u>30,820</u>	<u>24,605</u>

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 30. Financial instruments and financial risk management (continued)

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
<b>Council</b>					
<b>2021</b>					
Payables	8,092	-	-	8,092	8,092
Loans - QTC	2,443	9,772	8,625	20,840	15,747
Loans - other	-	-	-	-	-
	<u>10,535</u>	<u>9,772</u>	<u>8,625</u>	<u>28,932</u>	<u>23,839</u>
<b>2020</b>					
Payables	7,509	-	-	7,509	7,509
Loans - QTC	2,443	9,772	11,068	23,283	17,068
Loans - other	-	-	-	-	-
	<u>9,952</u>	<u>9,772</u>	<u>11,068</u>	<u>30,792</u>	<u>24,577</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

The Council is exposed to interest rate risk through investments and borrowings with QTC.

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

#### Sensitivity

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



# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 30. Financial instruments and financial risk management (continued)

	Net carrying amount \$'000	Net result		Equity	
		1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
<b>Consolidated</b>					
<b>2021</b>					
QTC cash fund	39,691	397	(397)	397	(397)
Loans - QTC	(15,747)	-	-	-	-
Loans - other	-	-	-	-	-
<b>Net</b>	<b>23,944</b>	<b>397</b>	<b>(397)</b>	<b>397</b>	<b>(397)</b>
<b>2020</b>					
QTC cash fund	25,029	250	(250)	250	(250)
Loans - QTC	(17,068)	-	-	-	-
Loans - other	(59)	-	-	-	-
<b>Net</b>	<b>7,902</b>	<b>250</b>	<b>(250)</b>	<b>250</b>	<b>(250)</b>
<b>Council</b>					
<b>2021</b>					
QTC cash fund	39,691	397	(397)	397	(397)
Loans - QTC	(15,747)	-	-	-	-
Loans - other	-	-	-	-	-
<b>Net</b>	<b>23,944</b>	<b>397</b>	<b>(397)</b>	<b>397</b>	<b>(397)</b>
<b>2020</b>					
QTC cash fund	25,029	250	(250)	250	(250)
Loans - QTC	(17,068)	-	-	-	-
Loans - other	-	-	-	-	-
<b>Net</b>	<b>7,961</b>	<b>250</b>	<b>(250)</b>	<b>250</b>	<b>(250)</b>

In relation to the QTC loans held by the 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.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 31. 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:

Building certification	Commercial business unit
Water and sewerage	Significant business activity full cost pricing
Refuse management	Significant business activity full cost pricing

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 activities cost(s) which would not be incurred if the primary objective of the activities was to make a profit. The 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 the Council.

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

	Building certification \$'000	Water and sewerage \$'000	Refuse management \$'000
Revenue for services provided to the Council	-	-	113
Revenue for services provided to external clients	1,120	28,358	11,552
Community service obligations	-	692	575
	1,120	29,050	12,240
Less: expenditure	(293)	(17,645)	(9,854)
Surplus/(deficit)	827	11,405	2,386

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

Activities	CSO description	Actual \$'000
Water and sewerage	Council services	692
Refuse management	Cleaning and refuse collection services	575

Notes to the Financial Statements  
for the year ended 30 June 2021

Note 32. Transactions with related parties

(a) Subsidiaries (i.e. entities and operations controlled by Council)

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 and the accounting policy described in Note 1.

Name of operation/entity	Principal activity and place of business
1. Rattler Railway Company Ltd	Mary Valley Rattler Steam Train Tourism Venture Tozer Street, Gympie

Interests in subsidiary	Voting rights	
	2021	2020
Council's interest in subsidiary	100%	100%

Relationship

The Rattler Railway Company Limited currently has \$900,000 owing on its loan from Council, originally loaned at \$1,100,000. Rattler Railway Company Limited made a \$50,000 payment to Council in respect of its loan instalment due in 2021-2022. Council waived the payment of \$50,000 in respect of the payment falling due for the 2020-2021 loan repayment. Council provided a \$100,000 operating grant to the Rattler Railway Company Limited in 2020-2021. In September 2019, Council provided a letter of comfort to the Rattler Railway Company Limited to provide adequate financial support to ensure its business continuity. The letter of comfort expires on 30 June 2022.

# Notes to the Financial Statements

for the year ended 30 June 2021

## Note 32. Transactions with related parties (continued)

### (a) Subsidiaries (ie. entities and operations controlled by Council) (continued)

#### Transactions with subsidiaries

	2021 \$000	2020 \$000
<b>Grants and subsidies provided by Council</b>		
Operating grants	100	340
Waiver of 2019-2020 loan instalment	-	50
Waiver of 2020-2021 loan instalment	50	-
Sleeper refurbishment grant	300	299
Donated rolling stock assets	-	116
<b>Total</b>	<b>450</b>	<b>805</b>
<b>Loan repayment</b>		
Advance (2019-2020 loan instalment waived)	50	50
Payment by Rattler Railway Company Limited of 2021-2022 loan instalment	50	-
	<b>100</b>	<b>50</b>
<b>Goods and services supplied by Council, on normal terms and conditions</b>		
Rates charged by Council	17	9
Rolling stock/restoration	-	75
Catering/promotion/other services	1	11
<b>Total</b>	<b>18</b>	<b>95</b>

### (b) Key management personnel

#### Transactions with key management personnel

KMP includes the Mayor, councillors, Council's Chief Executive Officer and executive management.

The compensation paid to key management personnel for comprises:

	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Short-term employee benefits	1,619	1,777	1,509	1,682
Post-employment benefits	173	179	163	170
Long-term benefits	-	134	-	134
Termination benefits	275	255	275	255
<b>Total</b>	<b>2,067</b>	<b>2,345</b>	<b>1,947</b>	<b>2,241</b>

## Notes to the Financial Statements for the year ended 30 June 2021

### Note 32. Transactions with related parties (continued)

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#### (c) Transactions with other related parties

Other related parties include the close family members of the 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.

There are no close family members of KMP that are employed by Council.

There were no significant related party transactions during the year and all transactions were at arms length.

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

Most of the entities and people that are related parties of Council, live and operate with the Gympie Region. Therefore, on a regular basis, ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of the Gympie Aquatic Recreation Centre
- Dog registration
- Borrowing books from a Council library

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.



# Gympie Regional Council

## General Purpose Financial Statements for the year ended 30 June 2021

### Management Certificate for the year ended 30 June 2021

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

  
Cr Glen Hartwig

MAYOR

3rd December 2021

  
Mr Shane Gray

CHIEF EXECUTIVE OFFICER

3rd December 2021

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Gympie Regional Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Gympie Regional Council (the council) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2021, and of their 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 statements of financial position as at 30 June 2021, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

#### Basis for opinion

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

I am independent of the council and group 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 Gympie Regional Council's annual report for the year ended 30 June 2021 was the current year financial sustainability statement, long-term financial sustainability statement and the annual report itself.

The councillors are responsible for the other information.

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

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

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

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

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

The councillors are also responsible for assessing the council's and group'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 group.

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

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

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

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

- Conclude on the appropriateness of the council's and group'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 or group'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 or group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

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 2021:

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

### **Prescribed requirements scope**

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



Michael Claydon  
as delegate of the Auditor-General

6 December 2021

Queensland Audit Office  
Brisbane

## Current Year Financial Sustainability Statement for the year ended 30 June 2021

	Consolidated	Council	Target
	2021	2021	2021

### Measures of financial sustainability

Council's performance at 30 June 2021 against key financial ratios and targets.

### Performance indicators

#### 1. Operating surplus ratio

<u>Net result (excluding capital items)</u>	<b>0.61%</b>	<b>0.05%</b>	<b>0 - 10%</b>
Total operating revenue (excluding capital items)			

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

#### 2. Asset sustainability ratio

<u>Capital expenditure on the replacement of assets (renewals)</u>	<b>95.44%</b>	<b>95.76%</b>	<b>more than 90%</b>
Depreciation expense			

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

#### 3. Net financial liabilities ratio

<u>Total liabilities less current assets</u>	<b>0.94%</b>	<b>1.01%</b>	<b>less than 60%</b>
Total operating revenue (excluding capital items)			

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

### Note 1 - basis of preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2021.



## Gympie Regional Council

### Current Year Financial Sustainability Statement for the year ended 30 June 2021

### Certificate of Accuracy for the year ended 30 June 2021

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.



Cr Glen Hartwig

**MAYOR**

3rd December 2021



Mr Shane Gray

**CHIEF EXECUTIVE OFFICER**

3rd December 2021

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Gympie Regional Council

### Report on the current-year financial sustainability statement

#### Opinion

I have audited the accompanying current-year financial sustainability statement of Gympie Regional Council for the year ended 30 June 2021, 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 Gympie Regional Council for the year ended 30 June 2021 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 Gympie Regional Council's annual report for the year ended 30 June 2021 was the general purpose financial statements, long-term financial sustainability statement and the annual report itself.

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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

*M. Claydon*

Michael Claydon  
as delegate of the Auditor-General

6 December 2021

Queensland Audit Office  
Brisbane

## Unaudited Long-Term Financial Sustainability Statement

prepared as at 30 June 2021

	Target 2021	Actual 2021	2022	2023	2024	2025	Forecast 2026	2027	2028	2029	2030
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### Measures of financial sustainability

Council's performance at 30 June 2021 against key financial ratios and targets.

### Performance indicators

#### 1. Operating surplus ratio

Net result (excluding capital items) <sup>(1)</sup>

Total operating revenue (excluding capital items) <sup>(2)</sup>

0 - 10%	0.05%	0.10%	1.20%	1.80%	1.10%	0.40%	0.40%	1.10%	2.10%	1.80%
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An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

#### 2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals) <sup>(3)</sup>

Depreciation expense

> 90%	95.76%	99.50%	122.20%	116.90%	109.40%	88.90%	99.30%	137.30%	135.20%	98.70%
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An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

#### 3. Net financial liabilities ratio

Total liabilities less current assets

Total operating revenue (excluding capital items) <sup>(2)</sup>

< 60%	1.01%	-6.60%	5.50%	8.30%	2.50%	-2.80%	-10.90%	-9.80%	-10.10%	-19.50%
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.



### Unaudited Long-Term Financial Sustainability Statement (continued) prepared as at 30 June 2021

#### Measures of financial sustainability (continued)

##### **Gympie 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.

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term.

The three sustainability indicators, set by the Department of State Development, Infrastructure, Local Government and Planning to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

The table above summarises how we performed against set targets for the three key financial performance indicators established in our financial strategy. In summary, we achieved or bettered three of the financial targets, performing strongly in our ability to generate cash from day-to-day operations, meeting all financial commitments in the financial year, and keeping debt to conservative and manageable levels. This was achieved while making ongoing investment in community infrastructure.

Unaudited Long-Term Financial Sustainability Statement

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2021

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.



Cr Glen Hartwig

**MAYOR**

3rd December 2021



Mr Shane Gray

**CHIEF EXECUTIVE OFFICER**

3rd December 2021

# Appendix C: Councillor Expenses Reimbursement Policy

## COUNCILLOR EXPENSES REIMBURSEMENT POLICY

### Preface:

#### 1.1 Legislative requirements:

Section 250 of the *Local Government Regulation 2012* requires that a local government must adopt an expenses reimbursement policy which may be amended by resolution at any time.

In summary the regulation states:

- The *expenses reimbursement policy* is a policy providing for —
    - (a) payment of reasonable expenses incurred, or to be incurred, by councillors for discharging their duties and responsibilities as councillors;
    - (b) provision of facilities to councillors for that purpose.
  - As soon as practicable after a local government adopts or amends its expenses reimbursement policy, the local government must—
    - (a) ensure a copy of the policy may be inspected and purchased by the public at the local government's public office; and
    - (b) publish the policy on the local government's website.
- The price for purchasing a copy of the policy must be no more than the cost to the local government of making the copy available for purchase.
- A local government can not resolve that a meeting at which a proposed expenses reimbursement policy is discussed (including its adoption or amendment, for example) be closed.

## **Definitions**

**CEO:** Council's Chief Executive Officer.

**Expenses:** These expenses relate to actual expenses deemed necessary and required for the business of Gympie Regional Council. In addition, expenses are payments reasonably incurred, or to be incurred, in connection with Councillors discharging their duties. The expenses may be either reimbursed to Councillors or paid direct by Council. Expenses are not included as remuneration. All expense amounts quoted throughout the policy are ex GST.

**Facilities:** Facilities provided to Councillors are the "tools of trade" required to enable them to perform their duties with relative ease and at a standard appropriate to fulfil the community expectation of their role.

**Official Council Business:** Activities conducted on behalf of Council where a Councillor is required to undertake certain tasks to satisfy legislative requirements or achieve business objectives for the Council. Official Council business should result in a benefit being achieved either for the local government and/or the local community: This includes:

- Attendance at Council, Committee and Briefing Meetings;
- Attendance at prescribed Local Government training/workshops, seminars and conferences;
- Attendance at civic ceremonies and community events where a formal invitation has been received inviting Councillors in their capacity to undertake official duty;
- Attending public meetings, annual meetings or presentation dinners where invited as a Councillor;
- Attending meetings of community groups where invited to speak about Council programs or initiatives;
- Attending private meetings with constituents, where arranged through official council channels and details of discussions are documented in official records or diaries;
- Attending Civic Reception functions on behalf of the Mayor; and
- Attending organised meetings/inspections/community consultations pertaining to Committee responsibilities.

**Private Use of Council Vehicle:** Use of a Council vehicle for other than official Council business is private use. For the purposes of this policy only, however, private use does **not** include:

- Travel between a Councillor's home and official Council business;
- Any incidental deviations from the direct travel route where the distance travelled is not material (eg. a Councillor who is attending official Council business could stop enroute at the corner store, provided that the Councillor does not make a significant deviation from the most direct route.)

The home garaging of a Council vehicle is permitted.

## **Professional Development**

### **a) Mandatory Training:**

Where one or more Councillors are required to attend training courses, workshops, seminars or conferences for skills development related to a Councillor's role. Examples of this type of training include Councillor induction, code of conduct, meeting procedures and legislative obligations. Attendance at conferences includes major industry events eg Australian Local Government Association (ALGA), Local Government Association of Queensland (LGAQ) and Australian Local Government Women's Association (ALGWA) or specific events that are relevant to all Councillors or Committee members.

### **b) Discretionary training:**

Where a Councillor identifies a need to attend a conference, seminar, workshop or training to improve skills relevant to their role as a Councillor, other than mandatory training, the Council may allow for the expenses to be covered to a limit of \$5,000 available to each Councillor during their current term in office. The Mayor or Chief Executive Officer is to approve the attendance of a Councillor to the conference, seminar, workshop or training prior to the expense being incurred.

## **Policy**

### **1.2 Statement of Principles**

Gympie Regional Council acknowledges the core principles underpinning the *Local Government Act 2009*, those being:

- (a) transparent and effective processes, and decision-making in the public interest;
- (b) sustainable development and management of assets and infrastructure, and delivery of effective services;
- (c) democratic representation, social inclusion and meaningful community engagement;
- (d) good governance of, and by, local government;
- (e) ethical and legal behaviour of Councillors and local government employees.

Council has formulated this policy in line with the above principles.

## **2.0 Expenses**

### **2.1 Professional Development**

Council will reimburse expenses incurred for mandatory professional development; and discretionary professional development. Council will meet registration fees, course fees and entrance fees together with reasonable travel, accommodation and sustenance expenses.

- Registrations should, where practicable, be made in sufficient time to take advantage of "early bird" discounts.
- Councillors will provide a verbal or written report on the outcomes of any Professional Development.



## **2.2 Travel as required to represent Council**

Councillors may incur travel costs to attend statutory Council meetings, committee meetings, briefings, and travel to attend conferences, training workshops and seminars.

- Any vehicle usage must comply with section 3.1 of this policy.
- If using their own private vehicles, Councillors are required to keep a log book with details to substantiate the relevance and distance of the travel. Where appropriate Councillor's private vehicle usage may be reimbursed by Council if the total travel claim does not exceed the cost of the same travel using economy flights plus the cost of all related taxi transfers.
- Councillors are to maintain the log book and are to calculate the amount of reimbursement in accordance with the scale prescribed by Directive Number 14/10 (or the most current directive) made pursuant to section 54(1) of the *Public Service Act 2008*.
- Travel between a Councillor's home and official Council business is included for the purpose of calculating any reimbursement applicable.
- From an insurance viewpoint Councillor's own vehicles should be covered by either a comprehensive or a third party property damage insurance policy. Councillors are required to produce evidence that the insurance policy has been endorsed to indemnify Gympie Regional Council. It is understood this is a standard type endorsement available on request from all insurance companies. Council will refund any endorsement fees.
- The amount reimbursed will be calculated on the actual mileage travelled by the Councillor.
- Councillors are required to travel via the most direct route using the most economical and efficient mode of transport.
- All Councillor travel approved by Council will be booked and paid for by Council. This will occur as soon as practicable after the decision to attend the event to ensure the most economical method of travel is attained.
- Airline tickets are not transferable and can only be procured for the Councillor's travel on Council business. They cannot be transferred to offset any other unapproved expenses (eg the costs of a spouse accompanying the Councillor).
- Economy class is to be used where possible unless a specific resolution of Council specifies another class.

## **2.3 Accommodation**

Councillors may need to stay away overnight to attend to Council business, however for this to be considered as an expense of Council written approval must be obtained from the Mayor/CEO prior to incurring any expense.

When attending conferences, seminars, training workshops or courses, and where available, Councillors must utilize the package offered by the conference organisers, unless a more suitable or more economical venue convenient to the event can be obtained.

In all other cases, written approval must be obtained from the Mayor/CEO prior to the incurring of the expense for accommodation costs to be reimbursed.

All Councillor accommodation for Council business will be booked and paid by Council.

Council will pay for the most economical deal available, however where possible the standard for Councillors' accommodation should be four star rating.

## **2.4 Hospitality Expenses**

Councillors may have occasion to incur hospitality expenses while conducting Council business apart from civic receptions organised by Council.

The maximum amount of hospitality expenses which may be reimbursed:

- for Councillors is \$500 per financial year.
- for the Mayor is \$ 4,000 per financial year.
- Reimbursement for hospitality expenses may include alcoholic beverages when supply of such beverages meets established social customs.

## **2.5 Meal allowance**

Gympie Regional Council shall reimburse the cost of sustenance for Councillors who are travelling for Council business related reasons including professional development when:

- the Councillor incurs the cost personally and
- a meal is not provided within the registration costs of the approved activity/event or during a flight.

The amount reimbursed shall be:

- The actual amount, or ;
- For meals the following limits shall apply:
  - Breakfast \$25.00
  - Lunch \$30.00
  - Dinner \$45.00

No alcohol shall be paid for by Council as part of the meal allowance.

## **2.6 Incidental allowance**

Up to \$20 per day may be paid by Gympie Regional Council to cover any incidental costs incurred by Councillors required to travel and who are away from home overnight for official Council business.

Examples of incidentals include but may not be limited to: tea/coffee; newspapers; telephone.

Incidental expenses must be verified by providing receipts.

## **2.7 Travel Transfer Costs**

Any travel transfer expenses associated with Councillors travelling for Council approved business will be reimbursed.

Examples of travel transfer expenses include train, taxi, bus and ferry fares.

Cab charge vouchers may also be used where Councillors are required to undertake duties relating to the business of Council.

### **3.0 Facilities**

#### **Provision of Facilities**

All facilities provided to Councillors remain the property of Council and must be returned when a Councillor's term expires.

#### **Private Use of Council Owned Facilities**

The provision of facilities for use by Councillors is based upon the principle that *no private benefit is to be gained* from the facilities provided to Councillors.

The facilities are to be used for Council business only unless prior written approval has been granted by the Mayor or CEO.

### **3.1 Gympie Regional Council Office based Administrative tools**

For the Mayor specifically:

- An office.
- An administration officer for secretarial support.
- Use of a Council maintained vehicle as detailed below.

Mayor's Vehicle:

The Mayor shall be provided with use of a Council owned vehicle for use on Council business for each term of Council:

- The vehicle shall be a mid-large sized sedan or wagon with fuel efficient engine similar to a Hyundai i40 premium wagon.
- At all times the vehicle is to be driven by only the Mayor, the Mayor's spouse or partner, a Councillor or a Gympie Regional Council employee.
- In an emergency situation another person may drive the vehicle.
- Private use of the motor vehicle may be utilised by one of the following options:

**Option 1:** The Mayor may purchase private use rights of a motor vehicle for private use within Queensland subject to contribution of 2% of the base Mayoral salary.

**Option 2:** If option 1 is not chosen private use of the vehicle should be minimal and in line with the principle that no private benefit be gained from the facilities provided to the Councillors. Incidental private use of the Council owned vehicle is to be reimbursed to Council on a monthly basis.

Where Option 2 is chosen, the Mayor is to maintain a log book detailing all private usage. The amount of reimbursement to Council for private usage will be in accordance with the scale prescribed by Directive Number 14/10 (or the most current directive) made pursuant to section 54(1) of the Public Service Act 2008.

- Fuel for the Council owned vehicle will be provided by Council.
- Car parking at the local government office premises and when away from that premises reimbursement of parking costs paid by the Mayor when attending to official Council business.
- Council will be responsible for the ongoing maintenance and wear and tear costs of the Council owned vehicle.
- Any fines incurred while travelling in a Council owned vehicle or a privately owned vehicle while attending to Council business will be the responsibility of the Mayor or other driver if applicable.
- It is the Mayor's responsibility to ensure that he/she or any other driver as is applicable, are legally licensed to drive the Council vehicle or to drive a private vehicle while attending to official Council business.
- Gympie Regional Council will accept no responsibility for unlicensed or illegal driving matters.

#### For all Councillors:

- Communal office space - with an office provided in Gympie, Imbil library, Kilkivan Branch office and Tin Can Bay library and basic stationery for use in that office.
- Postage for items of Council business.
- Name badge
- Safety equipment (eg safety helmet, vest, shoes, safety glasses where necessary).
- 3G Internet access and broadband dependant on location.
- Email access.
- Publications.
- Stationery.
- Shared access to office equipment.

#### For Councillors (excluding the Mayor):

- A Council maintained vehicle for Council business, as detailed below.

#### Councillor Vehicle (excluding the Mayor):

Each Councillor (excluding the Mayor) shall be provided with use of a Council owned vehicle for use on Council business for each term of Council:

- The vehicle shall be to a maximum standard of an entry level mid size AWD sports utility vehicle diesel automatic (SUV).
- At all times the vehicle is to be driven by a Councillor or Gympie Regional Council employee.
- The Councillor's spouse or partner may drive the vehicle only at such a time as the Councillor is incapacitated or in such other circumstances as would reasonably require that the Councillor's spouse or partner drive the vehicle.

- In an emergency situation another person may drive the vehicle.
- Private use of the motor vehicle may be utilised by one of the following options:

**Option 1:** A Councillor may purchase private use rights of a Council vehicle for private use within Queensland subject to contribution of 2% of the base Councillor salary.

**Option 2:** If option 1 is not chosen private use of the vehicle should be minimal and in line with the principle that no private benefit be gained from the facilities provided to the Councillors. Incidental private use of the Council owned vehicle is to be reimbursed to Council on a monthly basis.

Where Option 2 is chosen, the Councillor is to maintain a log book detailing private usage. The amount of reimbursement to Council for private usage will be in accordance with the scale prescribed by Directive Number 14/10 (or the most current directive) made pursuant to the section 54(1) of the Public Service Act 2008.

- Fuel for the Council owned vehicle will be provided by Council.
- Car parking at the local government office premises and when away from that premises reimbursement of parking costs paid by Councillors while attending to official Council business.
- Council will be responsible for the ongoing maintenance and wear and tear costs of the Council owned vehicle.
- Any fines incurred while travelling in a Council owned vehicle or privately owned vehicle while attending to Council business will be the responsibility of the Councillor or other driver if applicable.
- It is the Councillor's responsibility to ensure that he/she or any other driver as applicable, are legally licensed to drive the Council vehicle or to drive a private vehicle while attending to official Council business.
- Gympie Regional Council will accept no responsibility for unlicensed or illegal driving matters.

#### Permanent use of a private vehicle by a Councillor in place of a Council supplied vehicle

A Councillor may choose to use their own privately supplied vehicle in place of accepting a Council supplied vehicle for use on Council business for each term of Council. In such circumstances an annual allowance of \$8000, payable on a fortnightly pro-rata basis, will be paid to the Councillor to cover all costs associated with the supply and use of the private vehicle. The allowance is to cover costs including but not limited to fuel, oils, tyres, insurance, registration, depreciation, hire of a replacement vehicle if required, repair, maintenance and any other costs associated with the supply and use of the private vehicle.

A Council supplied vehicle will not be made available to a Councillor for use on Council business where an annual allowance is paid to the Councillor for use of a privately supplied vehicle.

### **3.2 Home Office:**

Council shall provide each Councillor with:

- A mobile computer device with appropriate software and accessories as decided by the CEO.
- A smart phone. Call costs of up to \$90 per month will be paid for by Council. Councillors will be invoiced periodically for any excess call costs incurred above the monthly allowance where applicable.
- Multi-function printer and consumables.
- Basic stationery.
- Maintenance of Council owned equipment.

### **3.3 Legal Costs and Insurance Cover:**

Council may decide to cover costs incurred through any inquiry, investigation, hearing or legal proceeding into the conduct of a Councillor, or arising out of or in connection with, the Councillor's performance of his/her functions.

Councillors may be covered under Council insurance policies while discharging civic duties. Specifically insurance cover may be provided for public liability, professional indemnity, Councillor's liability, personal accident, international and domestic travel insurance.

### **3.4 Other:**

The Chief Executive Officer will provide an administration process to facilitate payment of private reimbursement costs to Council.





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