

ANNUAL REPORT

2021/2022



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The purpose of the Annual Report 2021/2022 is to highlight the achievements and progress made across the period in furthering council's vision, goals, strategies and outcomes identified in the Corporate Plan 2017-2022.

This Annual Report is the final report relating to the Corporate Plan 2017-2022 which expired on 30 June 2022. Accordingly, and as a key performance indicator of the Operational Plan 2021/2022, Council adopted a new Corporate Plan 2022-2027 at its Ordinary Meeting on 25 May 2022. The Key Response Areas for the Corporate Plan 2022-2027 are as follows:

1. Community and Environment
2. Infrastructure and Economic Opportunity
3. Organisation.

Please note that all information provided in this report is current as at 30 June 2022.

Acknowledgement of Country

Gympie Regional Council acknowledges the Traditional Owners of the land on which we work, the Kabi Kabi/Gubbi Gubbi, Wakka Wakka and Butchulla Peoples. We also pay respect to the broader First Nations community and elders past, present and future.



Message from the Mayor

I think it's fair to say that the Gympie region has faced its fair share of challenges over the last couple of years. Looking back at last year's annual report, I spoke about COVID-19 and the negative impacts it had on businesses, residents, and Gympie Regional Council as a whole.

Unfortunately, the 2021/2022 financial year would prove to be one of the most challenging on record. Our region would continue to deal with the ongoing effects of COVID-19, in addition to facing three wet weather events in as many months, one of which was the biggest in living memory. The fallout from the February flood alone has had devastating impacts throughout the community that will take years to recover from.

To see so many businesses and homes inundated with water was heartbreaking and many of those people have not been able to return due to the amount of damage the rising floodwater caused.

As a council, we will continue to follow our back to basics approach, but with early estimates indicating that the cost to repair our vital road network and infrastructure is over \$100 million, our focus has shifted to rebuilding our region.

However, it has not all been bad news this year. Council has still managed to provide its high level of service that the community expects, as well as hosting some outstanding community events throughout the year, including the Australia Day Awards, Citizenship Ceremonies, the 2022 Du Rietz Art Awards, multiple Night at the Flicks events, and WriteFest, just to name a few.

There were also a number of major events that took place this year which council supported, including the Gympie Show and the Gympie Music Muster which made its triumphant return after a two-year hiatus due to COVID-19.

This annual report allows council and the community to see how we performed against our budget predictions, as well as our performance against prior years. Given the circumstances that I mentioned, to still be able to deliver a positive financial position is something that everyone within the organisation should be proud of and it speaks to the high calibre of staff we have working in the organisation.

Finally, I would like to thank all of council's staff who helped our region during the floods, throughout the recovery process or who have done their part to keep our region going through these difficult times.

Thank you.

*Cr Glen Hartwig,
Mayor*



Acting Chief Executive Officer's overview

The Gympie region has been through a lot this year, with three major flood events, one of which was the biggest in living memory having devastating impacts on our community. Further to that, a substantial rise in the cost of living and the ongoing impacts of COVID-19 have continued to provide economic challenges for not only residents and local businesses but council as well.

To put it into perspective for the community, some of the major impacts of the three flood events include:

- A 455 per cent increase in tonnage that was disposed at council's waste facilities between March and April 2022. This equates to 50 per cent of council's annual waste being received in only eight weeks
- Two hundred and ninety-one residential properties had minor to severe flood damage during the February event
- Two of the region's major cultural assets, the Gympie Civic Centre and Alluvial Gallery, were damaged due to inundation
- There was extensive damage to signature parks, playgrounds, community pools and memorial sites
- During the February flood event, 27 sewer pump stations were without power, including the region's four major stations
- Five water treatment plants were not operational between one and three days during the February event
- Thirty per cent of council's roads sustained some form of damage from the 2022 flood events with assessments still on-going. The extent of the damage from these incidents ranged from pothole and pavement repairs to landslides with entire sections of roads washed away.

As a result of the above impacts, the organisation has had to redirect a lot of our resources - financial and human - to help rebuild our region. The rebuilding effort has placed significant economic constraints on the organisation, which has resulted in a number of larger projects being delayed until further notice while we prioritise recovery works.

Through these trying times, council has still managed to undertake or complete a number of major transformational change projects that will help us to deliver a superior level of service to the community.

These include an organisational restructure and signing a contract with Queensland based software supplier Technology One to deliver a new integrated Enterprise Resource Planning (ERP) and Electronic Document Records Management (EDRM) solution. The new integrated solution will transform council's business processes, procedures, and systems to support council's needs now and into the future.

Finally, I would like to thank all of council's staff for their hard work and commitment during the 2021/2022 financial year. It is because of your collective efforts that we were able to guide the region through what was one of the most challenging periods in recent history.

*David Lewis,
Acting Chief Executive Officer*



Your councillors



Cr Glen Hartwig, Mayor
0437 722 931
mayorhartwig@gympie.qld.gov.au



Cr Jess Milne, Division 1
0436 282 707
jess.milne@gympie.qld.gov.au



Cr Dolly Jensen, Division 2
0436 306 226
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Cr Shane Waldock, Division 3
0436 344 857
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0499 080 913
hilary.smerdon@gympie.qld.gov.au



Cr Warren Polley, Division 7
0436 307 489
warren.polley@gympie.qld.gov.au



Cr Bob Fredman, Division 8
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Our region

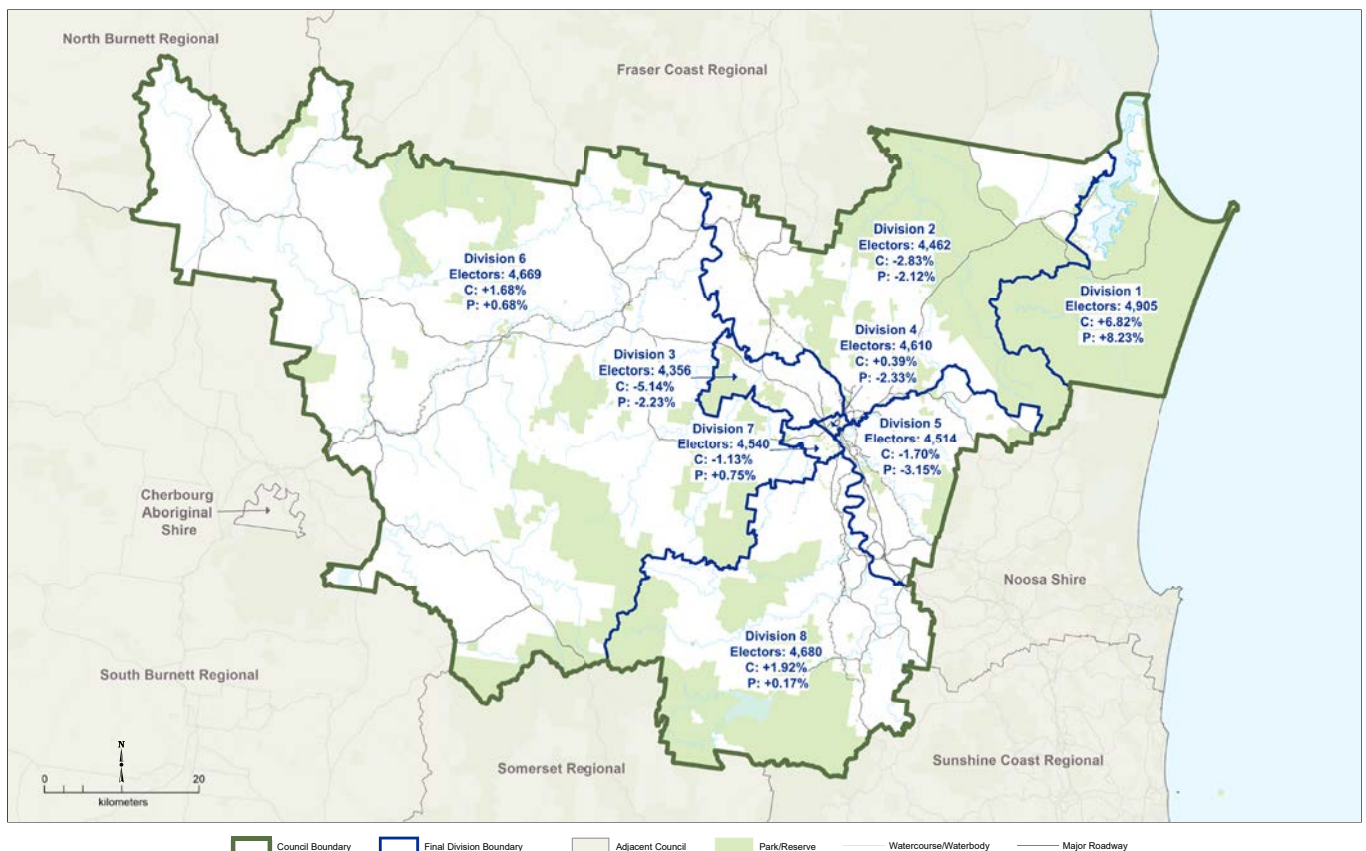
Located in South-East Queensland, the Gympie region includes a combination of rural, urban and coastal areas across 6,900 square kilometres. Gympie is the main population centre but a considerable proportion of the population live in many smaller communities. These include Amamoor, Cooloola Cove, Curra,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

Approximately 53,700 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 a vibrant 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
- experiences planned growth through continued economic development.

GYMPIE REGIONAL
Final Electoral Divisions



This product was created using datasets from various authoritative sources and is intended as a guide only to display final divisional boundaries. The digital GIS data is available FREE to download from Queensland Spatial Catalogue, or Qspatial, at <http://qldspatial.information.qld.gov.au>. Elector deviation is referenced as C (Current) and P (Projected). © The State of Queensland - 2019 (Department of Natural Resources, Mines and Energy). © Electoral Commission of Queensland 2019, Creative Commons (CC BY)

Our vision and corporate values

(2017-2022 Corporate Plan)

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

“ Our purpose:
*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.

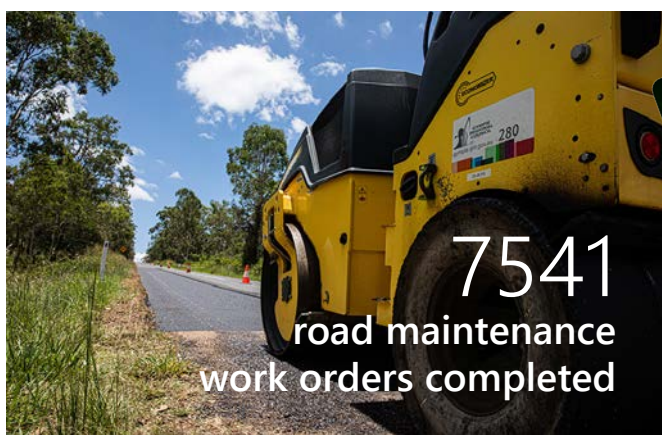
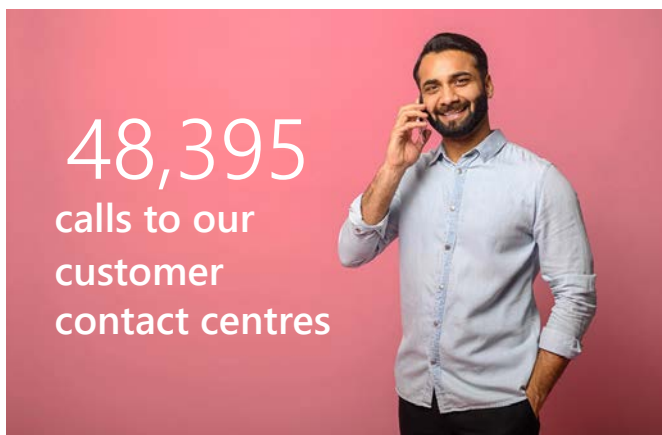
RESPECTFUL

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 at a glance



The year in review - flood recovery

Flood recovery was a primary focus for council in the second half of the financial year, following the January, February and May 2022 flood events.

The aftermath of the severe weather events are still being felt across the region, with significant impacts to our natural environment, waste, infrastructure, social and community spaces.

Infrastructure and built environment

It has been identified that 30 per cent of council's roads sustained some form of damage from the 2022 flood events, with assessments still on-going. The extent of the damage ranged from pothole and pavement repairs to landslides with entire sections of roads washed away. Council's crews continue to work hard, responding to thousands of emergency repairs around the region.

Extensive damage to Gympie's CBD, popular parks, playgrounds, community pools, military memorial sites, heritage listed assets, community halls, and public amenities were reported after the 2022 floods. Council worked hard to reinstate these assets to the community with some reopening only a few weeks later.

After the February flood, the Australian Defence Force (ADF) assisted council's crews in the clean-up. During their visit to the region, the ADF removed flood debris from 80 houses and 10 businesses, cleared flood debris and trees from the River to Rail Trail, cleaned three parks and removed four tonnes of debris to clear access to Exhibition Road and Kidd Bridge. Ray Myers Road at Imbil was severely damaged during the February flood. The road was reinforced with laid bedrock and culvert piping to provide temporary access for flood-affected residents.





Waste and Environment

One of council's biggest challenges in the recovery space was management of the inordinate amount of waste caused by the destruction made by the three major weather events.

In a typical month, council manages between 3000-4000 tons of waste. Following the February flood, the Gympie Waste Management Facility at Bonnick Road recorded over 8000 tons as residents, businesses and community groups began their clean-up. Unfortunately, the majority of this waste was not recyclable as it was heavily contaminated.

Measures have been taken to better understand the community's behaviour towards recycling. Since October 2021, a number of waste education workshops and programs have been established. Eleven schools participated in council's Waste Education Program with 1128 students attending the sessions. Council's aim in waste education is to instill a waste-wise culture within our community with the objective of reducing the volume of waste entering landfill.

Human and social

During the January flood, places of refuge were established at Kilkivan, Goomeri and Imbil for stranded people. February was the largest of the floods, which displaced many residents and visitors with over 460 people accommodated at four established evacuation centres.

Psychological distress and anxiety, compounded by the mental health impacts of COVID-19 and previous disasters, were significant challenges for the Gympie community. To ease some of these challenges, council, alongside Community Recovery Queensland, coordinated the opening of the Gympie Recovery Hub. This essential service connected residents to a range of government bodies and support services including disaster payments, emergency housing assistance, insurance claim assistance and more.

In April, Gympie Regional Council also collaborated with the Queensland State Government on a housing recovery solution 'Local Housing Action Plan'. As part of the action plan, 26 temporary homes were made available at the Gympie Caravan Park for local residents in urgent need of housing as a result of the flood events.

Our path forward

While the recovery efforts are far from over, council is committed to building and fostering a resilient community. A number of grants have already been secured to assist with bettering our roads network and the investment into a dedicated recovery officer.

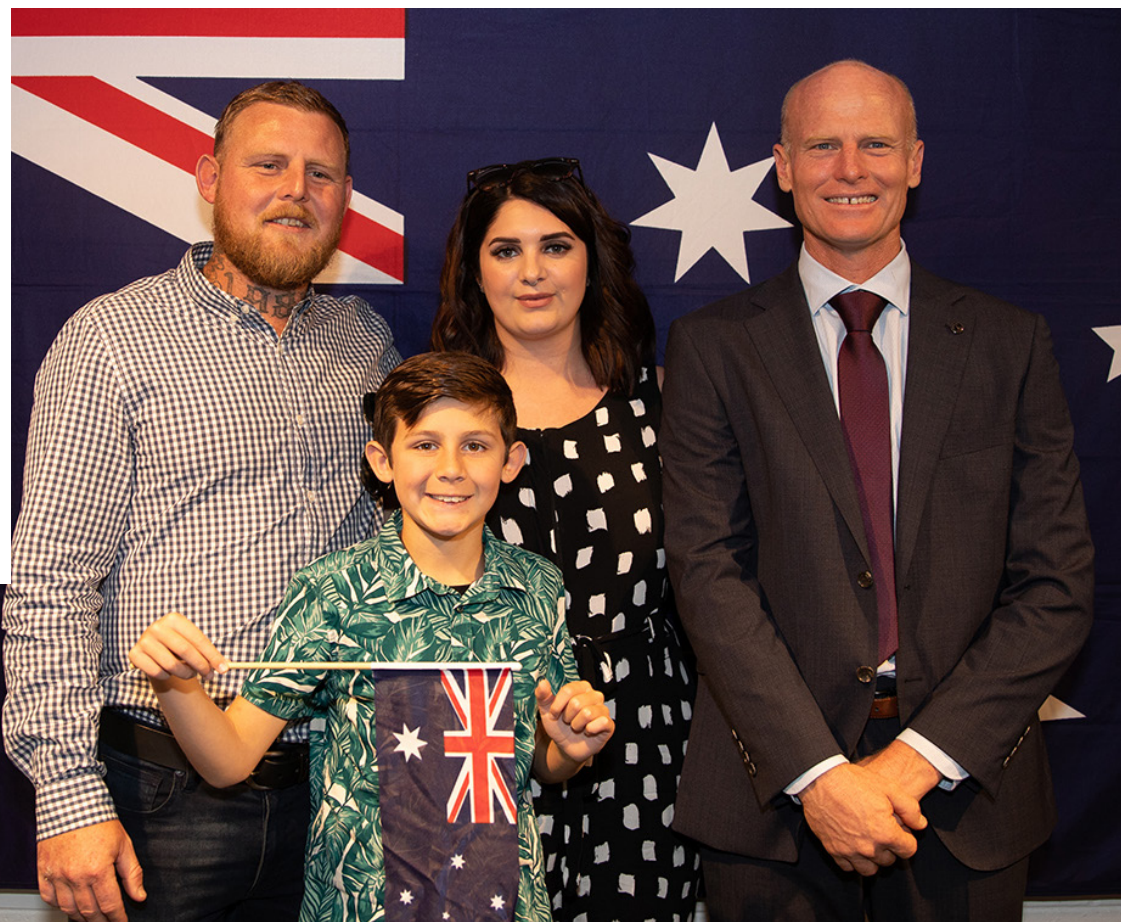
Over the next few years, we will be working in areas of community development, disaster management and building infrastructure to better strengthen our region against future disaster events.

The year in review

Citizenship Ceremonies

Gympie Regional Council held five Citizenship Ceremonies and welcomed a total of 154 new citizens to our region.

Family and friends looked on as our newest Australians said the pledge and sang our national anthem.



10th Anniversary of the All Abilities Playground and renovations

In September 2021, Gympie Regional Council celebrated the 10th Anniversary of the All Abilities Playground (situated at Lake Alford, Gympie) and the 20th anniversary of Access Advisory Committee, who played an integral part in getting this project off the ground in 2007. To complement the celebrations, the playground facility received a renovation which included replacing the playground's entire rubber softfall surface.

Goomeri Skate Park Renovation

The upgraded skate facility was designed to increase park usability, focusing in particular on beginner to intermediate skill levels.

Guided by public consultation in late 2020, the works included removal of the existing wooden ramps and installation of new modern concrete finish ramps with wider tops. This new design also included opportunities for play and recreational activities with the installation of two handball courts.

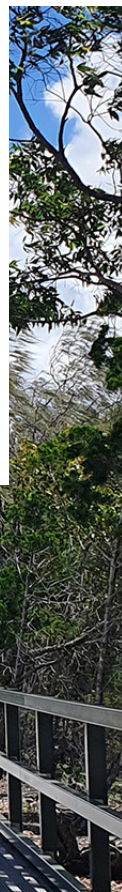
The Goomeri Skate Park was completed in September 2021 and is an initiative of the Queensland Government through the Works 4 Queensland (WQ4) Program.



Norman Point Boardwalk

The Tin Can Bay foreshore is popular for walkers and cyclists seeking to absorb the natural views of the bay and native wildlife. The new boardwalk stretches from Cod Street through to Norman Point and further improves access for residents and tourists.

The Tin Can Bay Cod Street to Norman Point Boardwalk Project was jointly funded by Gympie Regional Council and the Queensland Government's Building our Regions funding program.



Gympie Regional Gallery

Themes of boundaries, belonging, collaboration and Zoonotic diseases filled the Gallery spaces over the course of the year. Many were direct creative responses to the global events that occurred in 2020.

In 2021, the Du Rietz Art Awards featured over 100 high calibre finalists from nearly 190 entries. Interest in these awards continues to grow, with entries from across the country. In 2021, the major 2D prize was awarded to an artist from Western Australia.

Major touring shows included the Jacaranda Acquisitive Drawing Award from Grafton Regional Gallery and ZOONOSIS toured by Museum and Gallery Services Queensland. A highlight from the year was the viewing of the Wesleyan Commemorative Quilt created in 1893, the same year as Gympie's 'Greatest Flood'.

It gave viewers the chance to seek comfort in the past and reflect on their most recent flooding experiences.

Gallery Statistics

5,738	Gallery visitors
729	Gallery volunteer hours
24	Number of exhibitions
10	Opening events
263	Recreational workshops and events held on council premises
5	School holiday events
146	Number of young people participating in school holiday activities
7	Group visits



Gympie Regional Libraries

Gympie Regional Libraries provide a vibrant, community-focused service, supporting lifelong learning with opportunities for people of all ages to participate in today's high-tech, knowledge-driven world. Libraries are dynamic community hubs, embracing the future while preserving our heritage, empowering residents to discover new skills, pursue knowledge, create ideas, connect with others, and share what inspires them.

First 5 Forever Storytime sessions for pre-school age babies and children were held at all libraries on a weekly basis, with outreach sessions being held at childcare centres, pre-schools and kindergartens. To celebrate the "Stories for Little Queenslanders Program", Library staff collaborated with Communications and Marketing, Parks and Signs staff to implement a Story Walk at Lake Alford during the June/July School Holidays.

Utilising funding secured through the Federal Government's 'Engaging Science Grants Program' and in partnership with 'It's Rocket Science', Gympie Regional Libraries ran workshops in May and June allowing children in grades 3-6 to discover the wonders of flight and space science. Tailored for these year levels, the exciting experiment-based programs are aligned to the Australian Achievement Standards of the Australian Curriculum for science, technologies and mathematics.

WriteFest 2021 provided a three day program of workshops and talks in a hybrid format (physical/digital) with well over 350 people in attendance.

Gympie Library provided a regular home library service for community members who were not able to visit the library in person. This service made over 1200 deliveries, totalling 17,029 books, magazines and DVDs to house-bound Gympie residents.

The Gympie Library Makerspace offered patrons access to emerging technologies such as 3D printing, Virtual Reality and Robotics. The Makerspace also provided a place for community groups, as well as like-minded individuals, to meet, collaborate and share while simultaneously allowing the library to connect with people who would not normally utilise traditional library facilities. The popularity of the Gympie Library Makerspace has continued to grow with over 4500 people making use of the space during the last financial year.

A major project, Voices of the Valley, was completed in 2021 after receiving grant funding from the State Library of Queensland. Voices of the Valley is an engaging oral and visual presentation of the history of the Mary Valley, which will preserve and enrich the Gympie region's heritage for future generations.



This project aimed to collect, collate and make available reminiscences of life in the Mary Valley, as recalled by long-term residents. Twenty-one people were interviewed and 26 videos were edited and uploaded to the website, along with over 260 photographs from personal collections.

The Australian Heritage Festival is held each year by the National Trust of Australia. In collaboration with the Gympie Family History Society, the Gympie Bone Museum, the Kilkivan District Museum and the Gympie Library Monday Craft Group, informative sessions were held at various locations in the region, with over 90 people attending the sessions. The sessions included the history of the Dairy Industry, Central Mary Street, Businesses of Imbil, and the Kandanga Cemetery. During May, snippets of local history were posted on Facebook to share our region's cultural heritage and to encourage engagement, which saw us reach over 17,000 people and receive over 1900 social post likes and comments.

Gympie Regional Libraries understand the importance of engaging with our online community. Library staff interact with the community via Facebook, Instagram, Gympie Regional Libraries Blog, YouTube, and TikTok (Gympie Regional Libraries TikTok page was created in 2022).

As at June 2022:

- Facebook has 3354 followers, a total of 4840 visits and has reached 75,762 people
- Instagram has 1107 followers, a total of 252 visits and has reached 2079 people
- YouTube has 222 followers and a total of 41,822 views. The most popular video has 9244 views. The most popular age group accessing the library YouTube channel are 25-34 year olds
- TikTok has 22 followers and a total of 23,771 views. The most popular TikTok has 19,700 views with 3266 likes
- Gympie Regional Memories Blog (GRM) has 24,922 views. The most popular GRM blog post was Floods of Gympie with 4878 views.

Library Statistics

184,946	Library visitors
569,205	Items checked out and downloaded
147,886	Online visitation
86,170	Physical library collection
40,786	Items requests
32,826	Wifi sessions
13,355	People attended library programs



First Nations Regional Partnership Project

The First Nations Regional Partnership Project, supported by Regional Arts Development Fund (RADF), was a partnership between Gympie Regional Council, Sunshine Coast Council and Noosa Shire Council as a council initiated project for the three local government areas identified as Kabi Kabi/Gubbi Gubbi and Jinibara country. Over five months, the aim of this project was to develop meaningful and continued connections with First Nations artists and cultural practitioners who live in the Gympie, Noosa and Sunshine Coast regions.

Outcomes from the project include recommendations for ongoing First Nations Initiative and events and the investment in First Nations skills and capacity.

Snapshot of achievements

- 4** Facilitated First Nations only events
- 15** First Nations community meetings attended
- 5** Community meetings
- 8** First Nations community events attended
- 11** First Nations exhibitions and performances attended
- 8** Industry meetings and masterclasses
- 18** Reflection and debrief sessions
- 100** Blak Creatives Facebook Group (100 members)

FIRST NATIONS MOB LIVING ON KABI KABI & JINIBARA COUNTRY



BLAK CREATIVES GATHERING

COMING TOGETHER AS FIRST NATIONS ARTISTS TO YARN ABOUT WHAT YOU WANNA SEE IN COMMUNITY

NAMBA (NAMBOUR)
16TH AUGUST 10-12PM
2ND SPACE, NAMBA (NAMBOUR)

WANTIMA (NOOSA)
18TH AUGUST 10-12PM
NOOSA REGIONAL ART GALLERY

GIMPI GIMPI (GYMPIE)
24TH AUGUST 10-12PM
GYMPIE ART GALLERY

MORNING TEA PROVIDED

Contact Bridgette: 0405190418 or Lulu 0420818213



MOB ONLY EVENT

ARTIST YARN Q&A WITH FIONA FOLEY

MEET WITH US AND FIONA FOLEY FOR AN OPPORTUNITY TO SPEAK WITH A SENIOR INDIGENOUS ARTIST ABOUT YOUR PRACTICE, THE ARTS SECTOR OR ASK QUESTIONS ABOUT HER WORK.

HER CURRENT EXHIBITION 'NGUTHURU-NUR' IS ON IN NOOSA GALLERY

FIONA FOLEY (BADTJALA) IS AN ESTABLISHED SENIOR INDIGENOUS ARTIST, CURATOR, WRITER AND ACADEMIC. HER BROAD ARTISTIC AND CULTURAL PRACTICE INCLUDES PAINTING, PRINTMAKING, PHOTOGRAPHY, SCULPTURE, MIXED-MEDIA, FOUND OBJECTS AND INSTALLATION. SHE EXPLORES TOPICS SUCH AS POLITICS, CULTURE, OWNERSHIP, LANGUAGE AND IDENTITY

SATURDAY 3RD SEPTEMBER
NOOSA REGIONAL ART GALLERY
10:30AM EXHIBITION WALK THROUGH
11AM ARTIST Q&A

Contact Bridgette: 0405190418 or Lulu 0420818213

Biosecurity and Sustainable Land Management

The Biosecurity Unit is responsible for promoting a coordinated approach to invasive plant and animal management in the Gympie region. Council has a risk-based approach to invasive species management, and by way of the actions described below, the Biosecurity Unit has achieved some important biosecurity objectives.

During the year, council undertook various programs to manage biosecurity, including:

■ Raising awareness

The team attended several community events to educate land users about what their responsibilities are with regard to biosecurity, how to identify invasive species, and the range of management options available. These events were the Goomeri Show, Valley Bee Day, Gympie Landcare, Mary River Festival, Living off the Grid, and local markets across the region. Internal training was also conducted for council staff.

■ Monitoring, preparedness and land user education

Preventing new pest species from becoming established in the region is the most cost effective and efficient means of reducing impacts to business owners and our natural environment. The team developed pest prevention plans, actively monitored likely points of entry for weeds and identified neighbouring councils where pest infestations are close to the Gympie boundary. The team actively monitored feral animals, including feral pigs, wild dogs and deer populations, that cause impacts to the economy and environment. They also worked with landholders to develop management strategies to reduce these feral populations.

■ Upskilling the community

Council biosecurity officers met with groups and individual landholders to provide advice and guidance on complex invasive species management techniques. This included private property assessment or biosecurity risks, advice on best practice pest management options and hands-on, on-ground demonstrations of pest control actions. This aimed to grow the capacity for landholders to be able to effectively manage pest species and the impacts they cause on their own land.

■ Consulting and collaborating with land users

The biosecurity team has been collaborating with neighbouring councils in the planning and execution of predator control programs, which support endangered native species that inhabit the Mary River. These programs target fox, wild dog and feral cat populations. The team also continued to work with Biosecurity Queensland (BQ) to eradicate Bitou bush from the coastal areas of the region, and collaborated with Natural Resource Groups such as Gympie Landcare and BQ in raising awareness and distributing bio-controls for Opuntia species, Cat's Claw Creeper and Salvinia.

■ Performing control actions

The biosecurity team is responsible for managing invasive species on council controlled land, including council reserves, waste and sewerage management facilities, quarries and the extensive road reserve network that covers the Gympie region.

Bitou bush survey – Rainbow Beach



Councillor and senior management reporting requirements

Councillors

The Queensland State Government has appointed a Local Government Remuneration Commission to set the remuneration for Mayors, Deputy Mayors and councillors. Gympie Regional Council is a category three 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 2021/2022 financial year. It also includes superannuation paid for councillors.

Councillor Remuneration 1 July 2021 to 30 June 2022									
	Cr Hartwig	Cr Smerdon	Cr Milne	Cr Jensen	Cr Waldock	Cr Devereaux	Cr Stewart	Cr Polley	Cr Fredman
Remuneration	133,196.00	83,247.00	70,759.00	70,759.00	70,759.00	70,759.00	70,759.00	70,759.00	70,759.00
Superannuation Contributions	15,983.51	9,989.74	8,491.08	8,491.08	8,491.08	8,491.08	8,491.08	8,491.08	8,491.08
Total Remuneration	149,179.51	93,236.74	79,250.08	79,250.08	79,250.08	79,250.08	79,250.08	79,250.08	79,250.08

Councillors are entitled to access 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 23 February 2022 (M03/02/22).

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 2021 to 30 June 2022									
	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	-	8,173.20	-	-	-
Vehicle Allowance	8,000.00	-	8,000.00	-	8,000.00	-	8,000.00	8,000.00	8,000.00
Phone/iPad Network and Call Costs	841.96	599.66	598.80	598.80	598.80	598.80	598.80	598.80	598.80
Total Remuneration	8,841.96	8,772.86	8,598.80	8,772.00	8,598.80	8,772.00	8,598.80	8,598.80	8,598.80

A key part of a 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 (4)	Total Meetings (17)
Cr Glen Hartwig	12	4	16
Cr Hilary Smerdon	12	4	16
Cr Jess Milne	12	4	16
Cr Dolly Jensen	11	4	15
Cr Shane Waldock	12	4	16
Cr Bruce Devereaux	12	4	16
Cr Dan Stewart	12	2	14
Cr Warren Polley	12	4	16
Cr Bob Fredman	11	4	15



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 2021/2022
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	0
Complaints about councillor conduct referred to the assessor by Council and others	32
Number of complaints referred to the Crime and Corruption Commission	0
Notices given to the assessor about Councillor inappropriate conduct or misconduct	0
Notices given to the assessor about councillor repeated unsuitable meeting conduct (three occasions in one year)	0
Complaints dismissed by the assessor	18
Complaints about inappropriate conduct referred to Council for investigation	1
Complaints where the assessor determined no further action should be taken	8
Complaints referred by the assessor to Council for referral to another agency	1
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	0
Complaints dismissed by the Crime and Corruption Commission	1

Information in relation to orders against councillors

There were no orders made against a councillor during the financial year.

Senior Management

The total remuneration of the senior management of council for the reporting period was \$1,076,326. This includes any lump sum payments. The remunerations set out in the table below represents the packages for senior management (CEO and directors) employed as at 30 June 2022.

Remuneration Band	No. Senior Management Positions 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. As stipulated by Section 190(1)(e) of the Local Government Regulation 2012 (the Regulation), the number of invitations to change tenders under s 228(7) during the financial year was two.

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 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	2021/2022
Number of complaints received by council (excluding parking)	33	10	13
Number of parking fine complaints received by council	N/A*	57	44
Total number of complaints	33*	67	57
Number of Complaints Resolved	33	58	48
Number of Complaints Not Resolved	0	9	9
Number of Complaints Carried Forward	0	9**	0

*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 employees of council in their official capacity during this reporting period.

Registers

In accordance with s 190(1)(f) of the Regulation, below is a list of the registers kept by council.

- Asset Register
- Building Statistics of Monthly Approvals
- Cemetery Interment Register
- Cemetery Plot Register
- Contact with Lobbyists Register
- Contracts Register
- Councillor Conduct Register
- Cost Recovery Fees Register
- Delegations Register
- Dog Registration Register
- Excess Animal Approvals Register
- Fees and Charges Register
- Food Business Licence Register
- Food Safety Program Register
- Gifts/Hospitality Register
- Higher Risk Personal Appearance Services Business Register
- Infrastructure Agreements' Register
- Infrastructure Charges Register
- Local Heritage Register
- Policy Register
- Prescribed Activity Register
- Penalty Infringement Notice Register
- Register of Development Applications
- Register of Impounded Abandoned Vehicles
- Register of Impounded Dogs and Cats
- Register of Impounded Livestock (Cattle and Horses)
- Register of Interests (councillor and senior executive employees)
- Register of Itinerant Vendors
- Register of Local Law Prescribed Activity Approvals
- Register of Pre-Qualified Suppliers
- Register of Permits and Inspection Certificates
- Register of Testable Backflow Prevention Devices
- Register for Greywater Use and On-Site Sewage Facilities
- Register of Show Cause and Enforcement Notices
- Regulated Dog Register
- Reportable Loss of Assets Register
- Road Register
- Trade Waste Register

Grants

Community Development Grants

Recipient	Project	Amount
Gympie Medical Transport Inc.	Projector, whiteboard for GMT and not for profit group meetings	\$3000
Goomeri RSL Sub Branch	Goomeri ANZAC Day 2022	\$1401
Mary Valley RSL Sub Branch	Mary Valley RSL Anzac Day 2022 Commemoration	\$1410
Gympie Chamber of Commerce Inc.	Mary Christmas Street Festival	\$5000
Cooloola Cove Residents and Friends Inc.	Christmas at the Cove	\$2800
Gympie Gymnastics Club	GymAbility - increase movement programs for young children in our community through equipment purchase	\$3000
Tin Can Bay RSL Sub Branch	Tin Can Bay ANZAC Day 2022	\$1550
Gympie and District Landcare Group Incorporated	The purchase of equipment and items that will assist our volunteers in performing their duties comfortably and safely	\$2648
Gympie Family History Society Inc.	Written Resource Digitisation - scanning and printing	\$719
Gympie Golf Club Inc.	Implement member score card scanning technology and hardware	\$3000
Gympie Amateur Basketball Association	Volunteer training in first aid, coaching and refereeing	\$3000
Mary Valley Rail Trail Association Inc.	Website development	\$1918
Gympie Snooker Club Inc.	Kyborg Hall upgrade - vinyl flooring to kitchen, foyer and seating area	\$5876
Tin Can Bay Community and Men's Shed Inc.	New lathe	\$3000
Weeroona Association Inc.	Garden Connect - an outdoor facility to engage more people from the community	\$2800
Cooloola BMX Club Inc.	Installation of a Mylaps timing system to record and display racing times on the BMX track	\$4859
Imbil Community Sports Club Inc.	Exterior lighting upgrade	\$7700
Imbil Rail Park Inc.	The fencing of Proud Mary (C17 Locomotive Imbil)	\$7600
Numabulla Men's Shed Inc.	Amenities extension	\$10,000
Theebine Memorial Recreation Centre Inc.	Hall insurance	\$1000
Glastonbury Hall and Recreation Association Inc.	Hall insurance	\$1000
Gunalda Community Hall	Hall insurance	\$796
Widgee District Hall and Recreation Assoc. Inc.	Hall insurance	\$1000
Little Kids Day Out - organising committee	Little Kids Day Out - 2022 Event	\$4900
Tin Can Bay Fishing Club Inc	Club & Community Garden Rejuvenation Project	\$2484
Gympie Performing Arts Collaboration Inc	Night of Nonsense	\$3000
Gympie Stroke Support Group	Promote community awareness of stroke support group	\$2500
Manumbar Campdraft & Hall Assoc	Goods to help with community events	\$3000
Off Grid Events Inc	Off Grid Lifestyle Expo 2022	\$4400

Recipient	Project	Amount
Gympie District Beef Liaison Group Inc	Education and Innovation: Beef Industry's Future Prosperity	\$5000
Numabulla Men's Shed Inc.	Shed conversion for certification	\$10,000
Wolvi and District War Memorial Hall Inc.	Wolvi Hall Communications upgrade	\$5050
Tin Can Bay Model Flying Club	Dedicated car spot for people with disabilities	\$2552
Gympie Snooker Club Inc	Kybong Hall rainwater	\$7237
Gympie Clay Target Club Inc	Construct Concrete Access Ramp	\$10,000
The Scout Association of Australia Queensland Branch Inc - Imbil Mary Valley Scout Group	Provide lighting on Scout grounds	\$3381
Rotary Club of Gympie	Get Fit with Rotary	\$10,000
Dagun Community Group Inc.	Dagun Station Precinct consolidation	\$10,000
Cooloola Coast Kart Club Inc	Replacing PA system at Cooloola Coast Kart Club track after floods	\$10,000
Gympie & District Historical Society Inc	Interpretive signage	\$3000
Kilkivan Veteran's and Community Men's Shed Association Inc.	Support to Kilkivan Community, Health and Region	\$1085
The Compass Institute Inc	Gympie campus woodwork equipment	\$3000
Rainbow Beach Chamber of Commerce and Tourism	Delivery of new Visit Rainbow Beach website for local business	\$3000
Noosa District Working Equitation Inc	Multi event timer	\$2416
Gympie and District Hockey Association	Whipper snipper and PA system	\$2272

Environment Categories

Recipient	Project	Amount
Cooloola Coastcare Association Inc	Rehabilitation of Tin Can Inlet Stage 2	\$13,165
Mary River Catchment Coordination Association	Water quality activities and education	\$24,308
Gympie & District Landcare Group Incorporated	Biological controls and community workshops	\$30,370
Koala Action Gympie Regional Inc	Creating a koala aware community	\$11,110
Australian Native Animals Rescue and Rehabilitation Association	Wildlife rescue and wildlife carer workshops	\$2500
Mary River Catchment Coordination Association	Waterwatch program, calibration and purchase of testing equipment, educational materials, wages for program supervision and data management	\$20,515
Gympie & District Landcare Group Incorporated	Messmate Park tree planting/weed management, biological controls breed, release and monitor, small capital items	\$18,955.45
Australian Native Animals Rescue and Rehabilitation Association	Wildlife food, medical supplies and digital scales	\$12,744.55

Regional Arts Development Fund Grants

Recipient	Project	Amount
Honeybee Creative LTD	Bee Creative Dayz, two days of creative workshops offering various creative endeavours, encouraging to people of all abilities	\$5163
Anne Harris	Belonging: public exhibition program including an exhibition, public performances and a series of workshops	\$8000
Leeroy Todd Photo and Film	Creative Intrigue – stories of unique and ancient arts documentary project of two local artists	\$5000
North Node Drama Studio	Social Action Theatre, a theatrical program to support people with gambling issues and their families in the Gympie community.	\$5000
Sonia Louise Cozens	Woeful Wednesdays – COVID-19, menopause and other wellness disasters literary project	\$5000
The Genus Inc.	The Quarter – exploring beyond the surface project report, which validated the project as worthwhile to be undertaken in three stages: the sound trail, the map and the greening of the route.	\$5000
Gaylene Johnston on behalf of Hannah Johnston	AHEP – Australian Honours Ensemble Program and SHEP – State Honours Ensemble Program, to study and participate in the Symphony Orchestra at the Conservatorium of Music	\$1095
Emily Murphy	Voices of the Valley – Compilation Music Album (Stage 1)	\$5000
Community information Resource Services Inc. T/A Rainbow Beach Community Centre	Illustrated Children's Book - A walk in Rainbow Beach	\$5000
Perseverance Street Theatre Company Limited	GRIT The Cabaret – performance project	\$8000
Gympie Community Place Inc.	Focus on Gympie – a kid's eye view captures and celebrates the voices and the views of children in the Gympie region	\$8000
Bila Bakonyi	An historic snapshot of Imbil - photographic storybook of the people	\$4000

Service Grants

A total of \$500,643 was spent by council on services to sporting club facilities. This included \$88,434 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.	\$106,130
Gunalda Cricket Club	Maintenance and upkeep of grounds and infrastructure.	\$1186
Gympie Hockey	Maintenance and upkeep of grounds and infrastructure.	\$35,024
Jack Spicer Oval	Maintenance and upkeep of grounds and infrastructure.	\$4966
Jack Stokes	Maintenance and upkeep of grounds and infrastructure.	\$33,114
Jim Greiger	Maintenance and upkeep of grounds and infrastructure.	\$6651
One Mile	Maintenance and upkeep of grounds and infrastructure.	\$196,946
Rainbow Beach Sports Oval	Maintenance and upkeep of grounds and infrastructure.	\$7496
Six Mile AFL	Maintenance and upkeep of grounds and infrastructure.	\$20,008
Tom Steele Sports Oval	Maintenance and upkeep of grounds and infrastructure.	\$608

Concession Grants

These grants are rates and charges 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	\$7607.00
Scout Association of Australia QLD Branch - Cartwright Road	Half water access charge, half water consumption	\$409.52
Masonic Lodge Gympie	Half general rate	\$811.64
Scout Association of Australia QLD Branch - Nashville Scout Group	Half water access charge, half water consumption	\$758.94
Australian Red Cross Society	Half garbage, half water access charge, half water consumption	\$528.46
Mary Valley Show Society Inc	Half water access charge, half water consumption	\$2038.71
Lodge Telford No 291	Half general rate	\$792.68
Scout Association of Australia QLD Branch - Imbil	Half water access charge, half water consumption	\$242.78
Kandanga Tennis Club Inc	Half garbage, half water access charge, half water consumption	\$441.16
Racecourse & Showgrounds Administration Committee	Sewerage charge, water access charge	\$30,786.70
Australian Volunteer Coastguard Association Inc	Half garbage, half sewerage charge, half water access charge, half water consumption	\$1177.61
TS Quiberon Unit Support Group Inc	Full rates	\$1008.62
Lions Club	Full sewerage, half garbage, half water access charge, half water consumption	\$1531.96
Roadcraft	General rate	\$20,722.72
Nahrunda Park Co-Operative Society Ltd	Half general rate	\$697.68
Queensland Country Women's Association - Miva	Half general rate	\$792.68
Trustees of Theebine Lodge No 400 of Ancient and Accepted Masons	General rate	\$1585.36
Goomeri & District Show Society Inc	Half sewerage charge	\$4287.50
Union Church of Kilkivan Inc	Half sewerage charge	\$525.00
Kilkivan Kindergarten Association	Full rates	\$2,392.42
Total		\$79,139.14

Annual assessment of strategic direction, operations and performance

Council's operations are guided by a number of strategic corporate planning documents that are endorsed by Council. These include the Corporate Plan 2017-2022 and the Operational Plan 2021/2022.

This Annual Report is the final report relating to the Corporate Plan 2017-2022 which expired on 30 June 2022. Accordingly, Council adopted a new Corporate Plan 2022-2027 at its Ordinary Meeting on 25 May 2022. In 2021/2022 Gympie Regional Council embarked on its journey to undertake transformational change across the organisation.

Adopted by Council on 30 June 2021, the Operational Plan 2021/2022 set out the activities that would contribute to achieving the administration's responsibilities for organisational change management, process improvement to support the service to community as well as the delivery of asset management and service to community.

Each quarter, the Chief Executive Officer (CEO) is required to report on progress towards achieving the operational plan. A summary of these achievements are included in this Annual Report. The Operational Plan Quarterly Reports are also publicly available on Council's website as they are included as attachments in the relevant Ordinary Meeting Agenda.



Our Community

Our community faced significant challenges during the 2021/2022 financial year, with three significant rainfall and flooding events between January – May 2022, and the ongoing effects of COVID-19 that also impacted our day-to-day life.

During the 2022 rain and flooding events, the Mayor, councillors, disaster management and recovery leads also met with the Prime Minister, Queensland Premier and Queensland Deputy Premier, Queensland Minister for Communities, Housing and Digital Economy and State Recovery Coordinators Major Jake Ellwood and The Honourable Paul de Jersey and Her Excellency Jeanette Young at various times during and following the events to escalate the region's flood recovery issues.

Such delegations assisted in flood relief measures from the State Government including the Deputy Premier making a declaration specific to the Gympie region and extending timeframes for active development applications. With the region already experiencing unprecedented development activity, customers' patience during this especially challenging time was much appreciated. Advocacy efforts for the Gympie region have continued through the Mayor with Ministerial Deputations in Brisbane and at regional forums.

While recovering from these events, council was also simultaneously striving to improve our disaster preparedness for further events. A full time Senior Officer Disaster Management position was established to play a key role in undertaking preparedness activities within the council, the Local Disaster Coordination Centre, Local Disaster Management Group and the community.

Our Organisation

With our region impacted by three significant floods between January – May 2022, our organisation together with our community experienced broad impacts. Teams across council were involved in the response and recovery process:

- Our roads and infrastructure crews in making our transport networks safe
- Our environmental health officers working with local food operators
- The Water Business Unit stabilising sewerage treatment plants and ensuring clean water for our region
- The Waste Services Team processing over 455 per cent increase in waste tonnage at Bonnick Road Waste transfer (as compared to same period in March/April 2021)
- The Parks and Maintenance teams that spent 1618 hours assisting traders and cleaning Mary Street, followed by re-establishing our community spaces and places
- The Community Development Team assisting community groups with funding applications and linking people to recovery services
- The Communications and Marketing Team keeping residents informed
- Our insurance and risk team compiling damage and insurance assessments of damaged council assets
- Plus so many more teams contributing to the flood recovery efforts.

In terms of the scale of requests coming to council through customer contact service, in a 16-day period from 23 February to 10 March 2022, council logged 2014 requests, in comparison to 936 requests logged in the same period in 2021. Staff worked around the clock and supported vulnerable residents and business owners, listening and giving a helping hand, while often dealing with the impacts of flood on their own properties and in their local communities.

It was during this period that the organisation was also working towards a new organisational structure, which Council adopted at its Ordinary Meeting on 23 March 2022. There were delays to the development of the new organisational structure due to staff changes in the Executive Leadership Team in late 2021, and the CEO in early 2022.

Further, in May 2022, council undertook an all staff survey. While the results of the survey were concerning, significant work commenced through a series of focus groups and workshops where all staff will have the opportunity to be a part of the change that is needed to occur to move our organisation forward.

As part of transforming our organisation, we are improving corporate systems and processes. Council procured the OneCouncil TechnologyOne Ci Anywhere ERP and Enterprise Content Management (ECM) EDRMS Solutions. This program of work has commenced and is aptly named Gympie Region in Transformation (GRiT). Workshops with TechnologyOne and implementation partners have commenced across the organisation. In addition, to improve our cyber security two factor authentication and cloud service provision has been deployed across council.

Details of special rates and charges

Further to Section 190(1)(d) of the Regulation, council does not have any agreement in place for conducting a joint government activity for which special rates or charges were levied during the period. A Rural Fire Brigade Levy, as authorised under Section 94(1)(b) of the *Local Government Act 2009* and Sections 106 and 128A of the *Fire and Emergency Services Act 1990*, in the amount of \$25 applies to all rateable properties not situated in an urban fire brigade area (as defined by the Queensland Fire and Emergency Services (QFES)).

Beneficial Enterprises

Further to the requirements of Section 41 of the *Local Government Act 2009* (the Act), council's involvement with the following company has been noted as conducting a beneficial enterprise:

- Rattler Railway Company Ltd.

List of business activities

Section 45(a) of the Act requires that the annual report contain a list of all the business activities the local government conducted during the financial year. This list is presented in Appendix A of the report. As per Section 45(d) of the Act, there are no new significant business activities to be reported for the financial year.

Summary of rate rebates and concessions

Council provides a rate remission of \$160 per annum for eligible pensioners. The total amount of remissions provided to pensioners for 2021/2022 was \$686,806.

Internal Audit Report

Council has an Audit and Risk Committee (ARC), which oversees an internal audit function and deals with external audit, governance and risk matters or issues. The ARC is an advisory committee which reports directly to Council and is comprised of five members; three independent, selected based on expertise, and two elected members. The appointed chair of the ARC is one of the external members as per the Audit and Risk Committee Charter adopted by Council.

The ARC met four times during the financial year, and at each meeting considered the internal audit progress report, the rolling forward audit plan and council's financial performance. The provision of assurance to council for the annual financial statements is also a key deliverable.

Matters that were considered by the ARC included:

- Strategic asset management plans
- External audit (QAO) report
- Cyber security and ICT systems/ICT business plan
- Water business unit matters
- Risk management
- Policy reviews
- Internal Audit of council's project management framework
- Gympie Regional Council's risk profile and culture review.

Infrastructure charges information/trunk infrastructure information

Infrastructure charges revenue and expenditure reporting (actual and forecast) and trunk infrastructure information summary

Gympie Regional Council

2021-22 Financial Year

	Infrastructure charges revenue		Infrastructure charges revenue expenditure		
	Total amount of infrastructure charges revenue collected (by way of infrastructure charges levied)	Total amount of infrastructure charges that were offset (i.e. infrastructure provided by a developer in lieu of paying the charge)	Total amount of infrastructure charges revenue spent on the supply of trunk infrastructure	Total amount of infrastructure charges that the local government refunded	Total amount of unspent infrastructure charges revenue
	\$'000	\$'000	\$'000	\$'000	\$'000
[LGA]	873	0	314	2	559

2021-22 Financial Year

LGIP reference number (if applicable)	Trunk infrastructure description	Trunk infrastructure network	Suburb or locality of trunk infrastructure	Method of infrastructure delivery (council or developer contributed)	Infrastructure value (\$'000)	Development approval reference number (if application)
T15	00003552 - Rammutt Road Stage 2 (2021-22) road widening and intersection upgrade.	Road	Gympie	Council	173	
P008	00004217 - Albert Park Replacement of Small Grandstands	Park	Gympie	Council	97	
P008	00004136 - Albert Park Grandstand - Staged asset repair	Park	Gympie	Council	23	
	00004810 - Smerdon Rd Development - Council Contrib - Stormwater, Trunk Infrastructure Road Works	Road	Gympie	Council	13	
D04	00004182 - Stormwater Drainage Rehabilitations - Kurana Street Kerb and Channel	Stormwater	Gympie	Council	5	
T128	00000978 - Tin Can Bay Esplanade Paths - Nola Bale Bridge Upgrade	Bridge	TinCan Bay	Council	2	
P008	00003553 - Albert Park - Discus/Hammer Cage Replacement	Park	Gympie	Council	1	
P008	00003554 - Albert Park - spectator seating replacement at northern edge.	Park	Gympie	Council	1	

Forecast Future Years Infrastructure Charges Revenue and Trunk Infrastructure Expenditure

	Financial Year				
	2023	2024	2025	2026	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Infrastructure charges revenue	1,300	1,300	1,300	1,300	5,200
Trunk infrastructure expenditure	10,541	9,458	5,642	12,311	37,952

An overview of how infrastructure charges revenue is collected and expended:

- Infrastructure charges are collected in monetary form and in non-cash form as trunk infrastructure may be provided by a developer in lieu of paying the levied infrastructure charge
- Not all infrastructure charges that are levied through development are collected by the local government, as the development approval may lapse
- Under the *Planning Act 2016*, infrastructure charges revenue that is collected in monetary form, is not required to be spent in the same suburb or locality where it was collected
- Infrastructure charges revenue may be used to pay for shared regional scale infrastructure such as an arterial road or sewerage treatment plant
- Offset provisions under the *Planning Act 2016*, also allow for an entire infrastructure charge, relating to more than one network, to be applied against the cost of infrastructure to be provided under a condition of development (i.e. the construction of an arterial road)
- Due to slow development growth, infrastructure charges that are collected may sit with a local government for a period of time, before being spent on trunk infrastructure.

Community Financial Report 2021/2022

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 intent of the Community Financial Report 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 2022.

The report highlights areas of importance to allow interested stakeholders the opportunity to make their own informed decisions. The four key financial statements for 2021/2022 and the key performance indicators are described as follows:

- **Statement of Comprehensive Income** - shows revenue, expenses and asset revaluation adjustments for the 2021-2022 year.
- **Statement of Financial Position** - shows the assets and liabilities which make up the community equity as at 30 June 2022.
- **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 the 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 have resulted in a surplus or deficit. It reflects how the money received from council operations is spent providing services to the community.

	2020	2021	2022
	\$	\$	\$
Operating Revenue	\$95.49M	\$100.21M	\$112.60M
Operating Expenses	\$101.79M	\$100.16M	\$114.08M
Operating Result	(\$6.31M)	\$0.05M	(\$1.48M)
Capital Revenues	\$15.17M	\$24.71M	\$39.98M
Capital Expenses	\$2.42M	\$4.29M	\$5.06M
Net Result Attributable to Council	\$6.44M	\$20.47M	\$33.43M
Asset Revaluation in period	(\$6.41M)	\$345.94M	\$96.28M
Total Comprehensive income for the period	\$0.03M	\$366.40M	\$129.72M

Council's Revenue

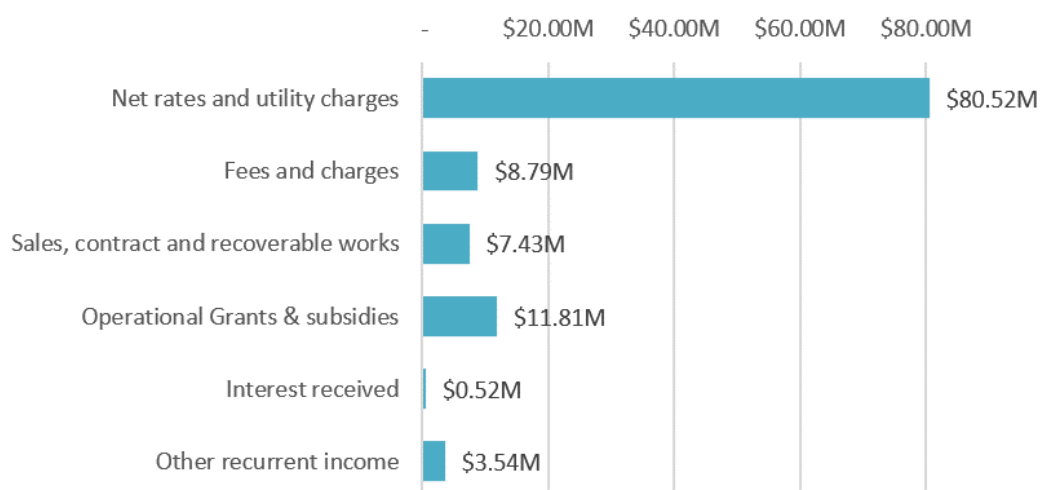
Total income (revenue) for 2021-2022 was \$152.58 million, being \$112.60 million from operations and \$39.98 million from capital sources. The major source of operating revenue was rates and utility charges of \$80.52 million or around 72 per cent of the total operating revenue. The number of rateable properties in the region was 26,210 (2020-2021 25,864).

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.

	2020	2021	2022
Recurrent revenue:			
Rates & Utility Charges	\$78.27M	\$81.22M	\$83.53M
Less Discounts	(\$4.53M)	(\$4.80M)	(\$3.01M)
Net rates and utility charges	\$73.74M	\$76.42M	\$80.52M
Fees and charges	\$6.72M	\$8.82M	\$8.79M
Sales, contract and recoverable works	\$4.63M	\$5.52M	\$7.43M
Operational Grants & subsidies	\$8.27M	\$7.88M	\$11.81M
Interest received	\$0.87M	\$0.34M	\$0.52M
Other recurrent income	\$1.26M	\$1.22M	\$3.54M
Total recurrent revenue	\$95.49M	\$100.21M	\$112.60M
Total capital revenue	\$15.17M	\$24.71M	\$39.98M

As rates and charges make up 72 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 without excessive reliance on grants and subsidies which are out of its control.

2021 - 2022 Operating Revenue



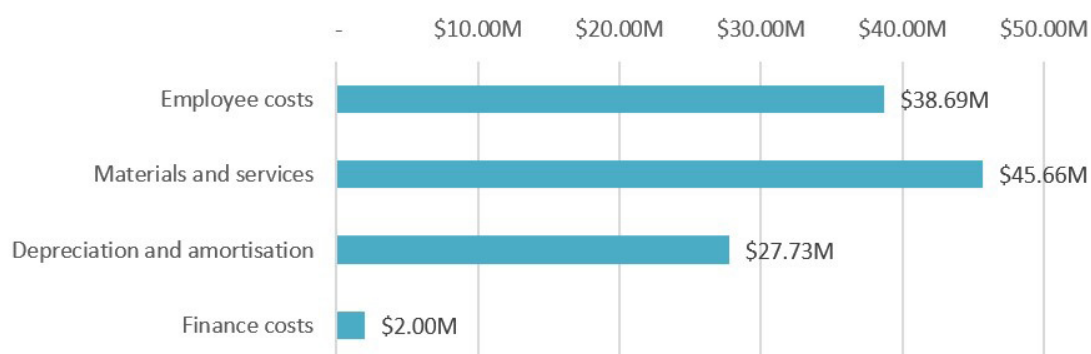
While operating revenues are used to fund the day-to-day operations of council, capital revenues are used to invest in renewing, upgrading, or increasing council's asset base. The majority of capital revenues come from State and Federal Government grants and subsidies, with additional amounts received 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

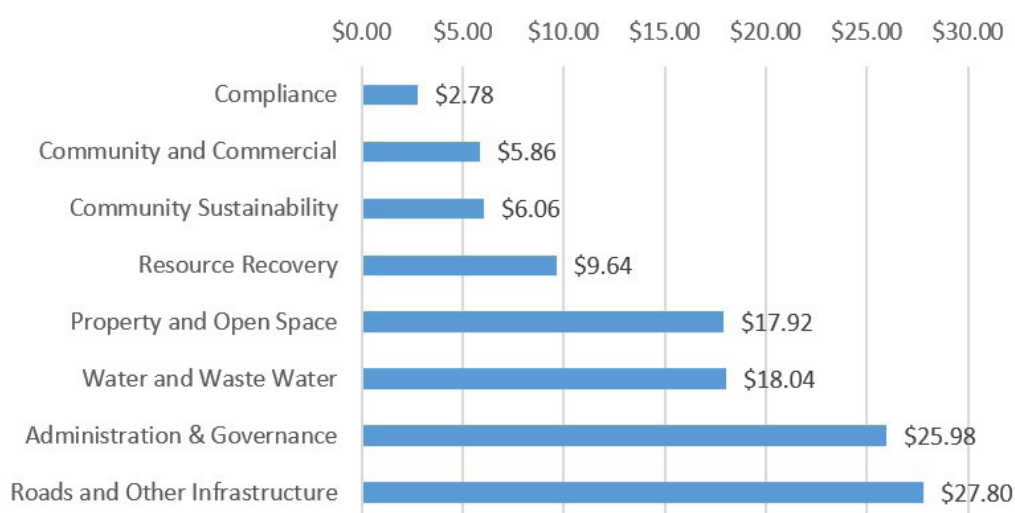
Council provides a wide range of more than 100 different services to the community. Work is completed by council staff and contractors. Council policy is to encourage the use of local suppliers, where possible, so that the money stays within our community and boosts the local economy. Services provided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

	2020	2021	2022
Recurrent expenses:			
Employee costs	\$40.47M	\$39.24M	\$38.69M
Materials and services	\$39.80M	\$38.72M	\$45.66M
Depreciation and amortisation	\$20.22M	\$20.95M	\$27.73M
Other Expenses	-	-	-
Finance costs	\$1.30M	\$1.25M	\$2.00M
Total recurrent expenses	\$101.79M	\$100.16M	\$114.08M

2021 - 2022 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 \$1,693.20 million (2020-2021 \$1,550.11 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 \$1.4 million and investments of approximately \$60.08 million to assist with the funding of future operations of council including the provision of infrastructure projects.

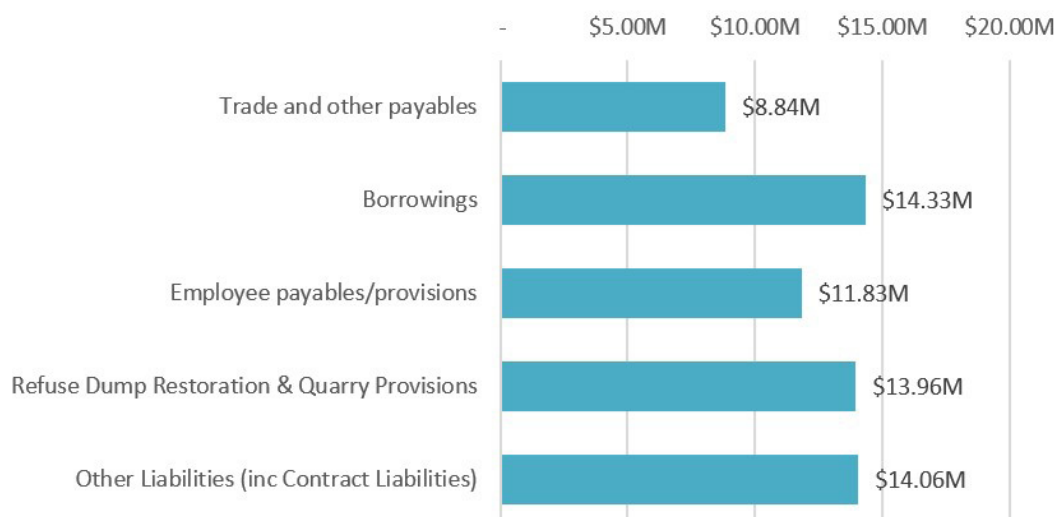
Although the value of community assets has decreased, council's funding of these assets is provided through cash resources, grants, contributions and where appropriate, loan funding.



Council's Liabilities

The total liabilities of council were \$63.01 million (2020-2021 \$49.64 million). Council's liabilities include amounts owing to employees for annual leave, employee related accruals, long service leave and sick leave entitlements of \$11.83 million (2020-2021 \$13.03 million), amounts payable to supplier's funds received in advance and to contractors \$8.84 million (2020-2021 \$6.65 million), other liabilities (including contract liabilities) \$14.06 million (2020-2021 \$2.7 million), refuse dump restoration and quarry rehabilitation \$13.95 million (2020-2021 \$11.51 million), and loans \$14.33 million (2020-2021 \$15.75 million). Affordability indicators show that council is well placed to service its debt position.

2021-2022 Total Liabilities



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 2021-2022, our Community Equity was \$1,630.18 million (2020-2021 \$1,500.47 million).

	2020	2021	2022
Total assets	\$1174.36M	\$1550.11M	\$1693.20M
Less Total liabilities	\$50.34M	\$49.64M	\$63.01M
Equity	\$1124.02M	\$1500.47M	\$1630.18M
Represented by			
Asset revaluation reserve	\$382.01M	\$727.95M	\$824.23M
Retained surplus (deficiency)	\$742.01M	\$772.52M	\$805.95M
	\$1124.02M	\$1500.47M	\$1630.18M

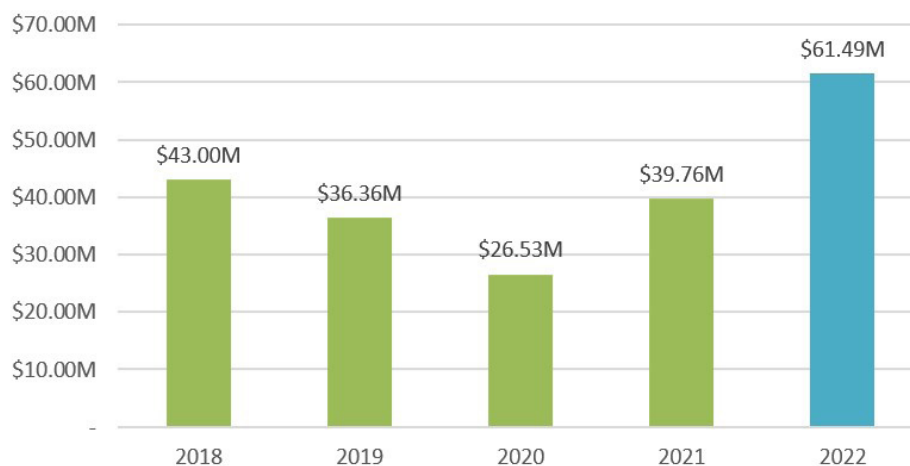
Statement of Cash Flows

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 \$61.49 million (2020-2021 \$39.76 million). Cash on hand consists of:

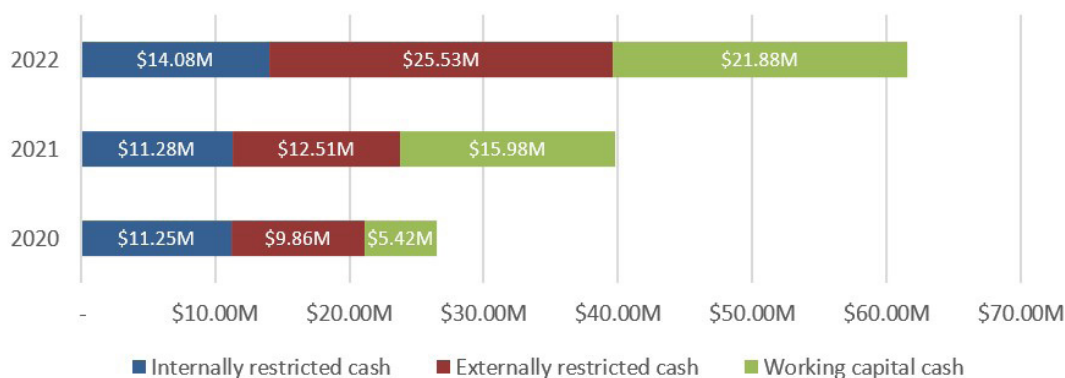
- Working capital cash - to meet the day-to-day funding requirements; and
- Restricted cash - funds set aside by council to meet grant and contribution obligations as well as its own requirements for future identified capital and operating projects.

	2020	2021	2022
Net cash inflow (outflow) from operating activities	\$16.65M	\$28.62M	\$34.51M
Net cash inflow (outflow) from investing activities	(\$25.24M)	(\$14.07M)	(\$11.37M)
Net cash inflow (outflow) from financing activities	(\$1.24M)	(\$1.32M)	(\$1.41M)
Net increase (decrease) in cash held	(\$9.83M)	\$13.23M	\$21.72M
Cash at beginning of reporting period	\$36.36M	\$26.53M	\$39.76M
Cash Balance	\$26.53M	\$39.76M	\$61.49M

Cash Balances

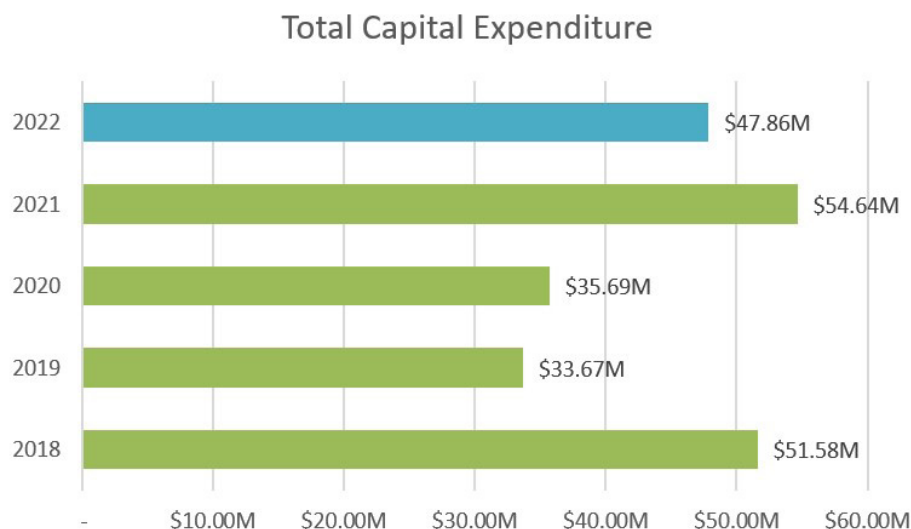


Breakdown of Cash Balances



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 \$47.86 million on capital works with 19 per cent going towards renewing existing assets and the balance directed at upgrades or new assets to provide higher levels of service to the community.



Major capital projects completed during the year included:

- Pathway/cycleway upgrades - Yabba Road, Imbil (Lutton Lane to Mathias Street)
- Boonara Bridge deck replacement, Neavie Road
- Imbil Water Treatment Plant - building upgrade
- Viv Mason Park Tin Can Bay - replacement of five small shelters and furniture
- Construction of pedestrian/cycle bridge at Wide Bay Creek on the Kilkivan to Kingaroy Rail Trail
- Gap Road widening of existing single lane sealed road
- Station Road heritage footbridge removal and re-construction
- Goomeri Pool plant filtration replacement
- Stormwater drainage rehabilitations – Snapper Creek Road, Tin Can Bay.

Council's Financial Sustainability

Financial Management Strategy

As part of the 2022/2023 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 2022/2023 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 2022-2023 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 2022 against these measures is shown in the following table.

Ratio	Explanation	Calculation	Target	2022	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 per cent and 10 per cent	(1.32) per cent	x	Depending on events in the year, the final result can fluctuate between a surplus and a small deficit. Contributing to the small deficit in 2021/2022 is the extensive amount of repairs needed to council infrastructure as a result of the flooding events which occurred in 2022.

Ratio	Explanation	Calculation	Target	2022	Target Met	Comment
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 per cent	32.55 per cent	x	During 2021-2022, council has been focusing on upgrading outdated technology to modern design standards. Council's budget for 2023 will move back to focus on asset renewal.
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 per cent	(13.97) per cent	✓	Council has limited debt compared to its operating revenue and is well placed to continue servicing its loans.

The long term financial forecast shows surpluses from 2023 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.

Our Infrastructure ... well planned, integrated and safe	Aerodrome 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 Capital works
Our Economy ... dynamic, productive and resilient	Development assessment and compliance Destination Gympie Region Economic development	Events and festivals Industry development Strategic and regional planning
Our Organisation ... accountable, responsive, efficient and innovative	Asset Management System Business continuity 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
Our Environment ... sustainable, well-managed and accessible	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
Our Community ... active, diverse, creative and engaged	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 2022

Gympie Regional Council

General Purpose Financial Statements

for the year ended 30 June 2022

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Gympie Regional Council

Statement of Comprehensive Income

for the year ended 30 June 2022

		Consolidated		Council	
	Notes	2022 \$'000	2021 \$'000 Restated	2022 \$'000	2021 \$'000 Restated
Income					
Revenue					
Recurrent revenue					
Rates, levies and charges	3a	80,501	76,419	80,518	76,419
Fees and charges	3b	8,793	8,804	8,793	8,823
Sales revenue	3c	9,538	7,776	7,427	5,518
Grants, subsidies, contributions and donations	3d	11,995	8,048	11,809	7,882
Total recurrent revenue		110,827	101,047	108,547	98,642
Capital revenue					
Grants, subsidies, contributions and donations	3d	39,833	24,706	39,833	24,706
Total capital revenue		39,833	24,706	39,833	24,706
Other income					
Interest received	4(b)	518	343	518	343
Other income	4(a)	3,648	1,722	3,535	1,222
Capital income	5	151	-	151	-
Total other income		4,317	2,065	4,204	1,565
Total income		154,977	127,818	152,584	124,913
Expenses					
Recurrent expenses					
Employee benefits	6	40,416	40,785	38,691	39,235
Materials and services	7	46,386	39,430	45,664	38,723
Finance costs	8	1,153	1,248	2,003	1,248
Depreciation and amortisation:					
- Property, plant and equipment	14	27,683	20,694	27,592	20,625
- Intangible assets	15	142	329	137	325
Total recurrent expenses		115,780	102,486	114,087	100,156
Other expenses					
Capital expenses	9	5,064	4,289	5,064	4,289
Total other expenses		5,064	4,289	5,064	4,289
Total expenses		120,844	106,775	119,151	104,445
Net result		34,133	21,043	33,433	20,468
Other comprehensive income					
Items that will not be reclassified to net result					
Increase/(decrease) in asset revaluation surplus	14	96,282	345,935	96,282	345,935
Total other comprehensive income for the year		96,282	345,935	96,282	345,935
Total comprehensive income for the year		130,415	366,978	129,715	366,403

Gympie Regional Council

Statement of Financial Position as at 30 June 2022

		Consolidated		Council	
		2022	2021	2022	2021
	Notes	\$'000	\$'000	\$'000	\$'000
			Restated		Restated
ASSETS					
Current assets					
Cash and cash equivalents	10	61,796	40,362	61,486	39,763
Receivables	11	11,407	6,604	11,242	6,678
Inventories	12	1,825	1,397	1,761	1,315
Contract assets	16	3,683	869	3,683	869
Other assets	13	576	52	571	-
Total current assets		79,287	49,284	78,743	48,625
Non-current assets					
Receivables	11	-	-	-	810
Property, plant and equipment	14	1,614,874	1,500,571	1,614,137	1,499,909
Intangible assets	15	339	780	318	761
Total non-current assets		1,615,213	1,501,351	1,614,455	1,501,480
TOTAL ASSETS		1,694,500	1,550,635	1,693,198	1,550,105
LIABILITIES					
Current liabilities					
Payables	18	10,596	8,187	10,294	8,092
Contract liabilities	16	7,219	2,698	7,219	2,698
Borrowings	19	1,555	1,531	1,548	1,453
Provisions	20	9,009	10,186	8,955	10,100
Other liabilities	21	2,101	353	1,773	-
Total current liabilities		30,480	22,955	29,789	22,343
Non-current liabilities					
Borrowings	19	12,785	14,301	12,785	14,294
Provisions	20	15,373	12,999	15,373	12,999
Other liabilities	21	5,067	-	5,067	-
Total non-current liabilities		33,225	27,300	33,225	27,293
TOTAL LIABILITIES		63,705	50,255	63,014	49,636
Net community assets		1,630,795	1,500,380	1,630,184	1,500,469
COMMUNITY EQUITY					
Asset revaluation surplus	22	824,230	727,948	824,230	727,948
Retained surplus/(deficiency)		806,565	772,432	805,954	772,521
Total community equity		1,630,795	1,500,380	1,630,184	1,500,469

Gympie Regional Council

Statement of Changes in Equity for the year ended 30 June 2022

Consolidated		Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
	Notes			
2022				
Balance as at 1 July 2021		727,948	772,432	1,500,380
Restated balance as at 1 July 2020		727,948	772,432	1,500,380
Net result		-	34,133	34,133
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	14	96,282	-	96,282
Other comprehensive income		96,282	-	96,282
Total comprehensive income for the year		96,282	34,133	130,415
Balance as at 30 June 2022		824,230	806,565	1,630,795

Consolidated		Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
	Notes			
2021				
Balance as at 1 July 2020		382,013	741,341	1,123,354
Restated balance at 1 July 2020		382,013	741,341	1,123,354
Net result, restated		-	21,043	21,043
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	14	345,935	-	345,935
Other comprehensive income		345,935	-	345,935
Total comprehensive income for the year		345,935	21,043	366,978
Balance as at 30 June 2021		382,013	762,384	1,125,070
Distributions to/(contributions from) minority interests		-	-	-
Net effect of restatements		-	10,048	10,048
Total restatements for the year		-	10,048	10,048
Balance as at 30 June 2021, restated		727,948	772,432	1,500,380

Gympie Regional Council

Statement of Changes in Equity

for the year ended 30 June 2022

Council	Notes	Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
2022				
Balance as at 1 July 2021, restated		727,948	772,521	1,500,469
Restated balance as at 1 July 2020		727,948	772,521	1,500,469
Net result		-	33,433	33,433
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	14	96,282	-	96,282
Other comprehensive income		96,282	-	96,282
Total comprehensive income for the year		96,282	33,433	129,715
Balance as at 30 June 2022		824,230	805,954	1,630,184

Council	Notes	Asset revaluation surplus \$'000	Retained surplus \$'000	Total equity \$'000
2021				
Balance as at 1 July 2020		382,013	742,005	1,124,018
Restated balance at 1 July 2020		382,013	742,005	1,124,018
Net result, restated		-	20,468	20,468
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	14	345,935	-	345,935
Other comprehensive income		345,935	-	345,935
Total comprehensive income for the year		345,935	20,468	366,403
Net effect of restatements		-	10,048	10,048
Balance as at 30 June 2021, restated		727,948	772,521	1,500,469

Gympie Regional Council

Statement of Cash Flows

for the year ended 30 June 2022

		Consolidated		Council	
		2022	2021	2022	2021
	Notes	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Receipts from customers		110,787	106,161	108,327	103,240
Payments to suppliers and employees		(93,432)	(85,358)	(90,651)	(82,996)
		17,355	20,803	17,676	20,244
<u>Receipts:</u>					
Interest received		518	364	518	363
Non capital grants and contributions		17,748	9,499	17,466	9,260
<u>Payments:</u>					
Borrowing costs		(1,155)	(1,254)	(1,153)	(1,248)
Net cash - operating activities	26	34,466	29,412	34,507	28,619
Cash Flows from investing activities					
<u>Receipts:</u>					
Proceeds from sale of property, plant and equipment		244	741	243	741
Grants, subsidies, contributions and donations		15,044	9,287	15,044	9,287
<u>Payments:</u>					
Payments for property, plant and equipment		(26,821)	(24,286)	(26,657)	(24,017)
Payments for intangible assets		(7)	(83)	-	(77)
Net cash - investing activities		(11,540)	(14,341)	(11,370)	(14,066)
Cash flows from financing activities					
<u>Payments:</u>					
Nil					
Repayment of borrowings		(1,492)	(1,396)	(1,414)	(1,321)
Net cash flow - financing activities		(1,492)	(1,396)	(1,414)	(1,321)
Net increase/(decrease) for the year		21,434	13,675	21,723	13,232
plus: cash and cash equivalents - beginning		40,362	26,687	39,763	26,531
Cash and cash equivalents - closing	10	61,796	40,362	61,486	39,763

Gympie Regional Council

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

Note 1. Information about these financial statements

(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 2021 to 30 June 2022 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements complies with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

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

(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 31 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 2021, 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 2022. These standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards are not expected to have a significant impact for Council.

(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 20
- Contingencies - Note 24
- 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.

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

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1. Information about these financial statements (continued)

(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.

repair damaged assets were incurred during the year and are included in Employee Costs and Materials and Services Costs. The assessment of further damage and resulting costs is continuing.

(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.

(m) Restated balances

Council has identified necessary restatements to its comparative financial statements for the year ending 30 June 2021. These restatements relate to the recognition of classes of assets. The details of these restatements are disclosed at Note 27 – Restated Balances.

(k) COVID-19

The Gympie Regional Council local government area has not been 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 2022 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 2021-22 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.

(l) Natural Disasters

In 2022, Parts of the Gympie Regional Council local government area were subject to heavy rainfall events. Costs of \$10.0 million for clean up and to

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 2(a). Council functions - component descriptions

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

Organisational Structure Changes

Details relating to Council functions and activities as at 30 June 2022 and reported in Note 2(b) are as follows:

Office of the CEO

Incorporates elected members of Council, Governance, Marketing and Communication, and Community Engagement.

Responsible for open, accountable and transparent Council operations, development of strategic economic and tourism activities, corporate risk management, and co-ordination of disaster management.

Directorate of Corporate Services

Provides business support services across Council including Finance Branch (including procurement and insurance), Information Technology Branch, and People and Organisational Development (including Workplace Health and Safety).

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

Provides information and technology system solutions to deliver 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

Directorate of Infrastructure Services

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.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

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

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 and Waste Water Operations

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.

Environment and Resource Recovery

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.

Gympie Regional Council

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

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								
	\$'000	\$'000	\$'000	\$'000	\$'000							
2022	160	7	136	-	303	(14,513)	-	(14,513)	\$'000	\$'000	\$'000	\$'000
Office of the CEO	6,823	51,259	6,055	151	64,288	(10,595)	(325)	(10,920)	(10,595)	47,487	(14,210)	300,174
Directorate of Corporate Services	2,698	9,233	20,574	-	32,505	(41,202)	(1,470)	(42,672)	(41,202)	(29,271)	(10,167)	106,265
Directorate of Infrastructure Services	548	4,962	1,745	-	7,255	(13,004)	-	(13,004)	(13,004)	(7,494)	(5,749)	1,079,148
Directorate of Community Sustainability	-	24,933	10,843	-	35,776	(23,440)	(743)	(24,183)	(23,440)	1,493	11,593	7,522
Water and Waste Water Operations	1,580	10,397	480	-	12,457	(11,333)	(2,526)	(13,859)	(11,333)	644	(1,402)	188,978
Environment and Resource Recovery	11,809	100,791	39,833	151	152,584	(114,087)	(5,064)	(119,151)	(114,087)	(1,487)	33,433	11,111
Total Council	186	2,207	-	-	2,393	(1,693)	-	(1,693)	(1,693)	700	700	1,693,198
Eliminations	11,995	102,998	39,833	151	154,977	(115,780)	(5,064)	(120,844)	(115,780)	(787)	34,133	1,302
Total Consolidated												1,694,500

Functions	Gross program income					Total income	Gross program expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring		Capital				Recurring	Capital				
	Grants	Other	Grants	Other								
	\$'000	\$'000	\$'000	\$'000	\$'000							
2021 (Restated)	200	1,142	564	-	1,906	(17,093)	(89)	(17,182)	(17,093)	(15,751)	(15,276)	\$'000
Office of the CEO	3,748	43,477	-	-	47,225	(18,478)	(61)	(18,539)	(18,478)	28,747	28,686	\$'000
Directorate of Corporate and Community Services	1,984	7,804	18,498	-	28,286	(28,647)	(4,135)	(32,782)	(28,647)	(18,859)	(4,496)	129,389
Directorate of Infrastructure	499	5,381	1,096	-	6,976	(9,247)	-	(9,247)	(9,247)	(3,367)	(2,271)	73,987
Directorate of Planning and Development	-	24,419	3,948	-	28,367	(17,725)	(4)	(17,729)	(17,725)	6,694	10,638	1,055,623
Water Business Unit	1,451	10,102	600	-	12,153	(8,966)	-	(8,966)	(8,966)	2,587	3,187	7,769
Waste Program	7,882	92,325	24,706	-	124,913	(100,156)	(4,289)	(104,445)	(100,156)	51	20,468	272,550
Total Council	166	2,739	-	-	2,905	(2,330)	-	(2,330)	(2,330)	575	575	10,787
Eliminations	8,048	95,064	24,706	-	127,818	(102,486)	(4,289)	(106,775)	(102,486)	626	21,043	1,550,105
Total Consolidated												530
												1,550,635

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue

	Consolidated		Council	
	2022	2021	2022	2021
Notes	\$'000	\$'000	\$'000	\$'000
(a). Rates, levies and charges				
Rates, levies and 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	52,200	44,650	52,217	44,650
Separate rates	1	4,091	1	4,091
Special levies	412	2,291	412	2,291
Water	6,305	6,202	6,305	6,202
Water consumption, rental and sundries	4,574	4,573	4,574	4,573
Sewerage	12,173	11,688	12,173	11,688
Garbage charges	7,846	7,721	7,846	7,721
Total rates and utility charge revenue	83,511	81,216	83,528	81,216
Less: discounts	(2,323)	(4,097)	(2,323)	(4,097)
Less: pensioner remissions	(687)	(700)	(687)	(700)
<u>TOTAL RATES, LEVIES AND CHARGES</u>	<u>80,501</u>	<u>76,419</u>	<u>80,518</u>	<u>76,419</u>

(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 water and sewerage services and saleyards fees.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue (continued)

	Consolidated		Council	
	2022	2021	2022	2021
Notes	\$'000	\$'000	\$'000	\$'000
(b). Fees and charges (continued)				
Fines and infringements	19	41	19	41
Licences and permits	206	196	206	197
Search fees	627	630	627	630
Building fees and charges	876	1,161	876	1,161
Development fees	1,446	1,016	1,446	1,016
Animal registrations	208	196	208	196
Inspection fees	1,217	1,504	1,217	1,504
Sewerage trade waste	485	321	485	321
Parking fees and fines	74	81	74	81
Other statutory charges	2,670	2,481	2,670	2,499
User fees and charges	965	1,177	965	1,177
<u>TOTAL FEES AND CHARGES</u>	<u>8,793</u>	<u>8,804</u>	<u>8,793</u>	<u>8,823</u>

(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	6,174	4,226	6,174	4,226
Water sales	903	1,032	903	1,032
Sale of goods and services	2,461	2,518	350	260
<u>TOTAL SALES REVENUE</u>	<u>9,538</u>	<u>7,776</u>	<u>7,427</u>	<u>5,518</u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue (continued)

(d) Grants, subsidies, contributions and donations

Grant income under AASB 15

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.

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 at fair value on receipt of the asset since there are no enforceable performance obligations.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue (continued)

Notes	Consolidated		Council	
	2022 \$'000	2021 \$'000 Restated	2022 \$'000	2021 \$'000 Restated

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

(i) Operating

General purpose grants	8,195	5,492	8,030	5,404
Government subsidies and grants	3,779	2,478	3,779	2,478
Donations	21	12	-	-
Contributions	-	66	-	-

TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS

<u>11,995</u>	<u>8,048</u>	<u>11,809</u>	<u>7,882</u>
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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.

Government subsidies and grants	13,313	11,331	13,313	11,331
Donations	21,198	8,306	21,198	8,306
Contributions	5,322	5,069	5,322	5,069
	<u>39,833</u>	<u>24,706</u>	<u>39,833</u>	<u>24,706</u>

TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS

<u>39,833</u>	<u>24,706</u>	<u>39,833</u>	<u>24,706</u>
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	2022		2021	
	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000

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

Consolidated

Grants and subsidies	7,921	17,366	11,677	7,624
Donations	21,219	-	8,318	-
Contributions	5,322	-	5,136	-
	<u>34,462</u>	<u>17,366</u>	<u>25,131</u>	<u>7,624</u>

Council

Grants and subsidies	7,756	17,366	11,589	7,624
Donations	21,198	-	8,306	-
Contributions	5,322	-	5,069	-
	<u>34,276</u>	<u>17,366</u>	<u>24,964</u>	<u>7,624</u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 4. Interest and other income

	Consolidated		Council	
	2022	2021	2022	2021
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	519	605	411	518
Other income	1,129	1,117	1,124	704
Insurance claim	2,000	-	2,000	-
<u>TOTAL OTHER INCOME</u>	<u>3,648</u>	<u>1,722</u>	<u>3,535</u>	<u>1,222</u>

(b). Interest received

Interest received from investments and term deposits	275	5	275	5
Interest from overdue rates and utility charges	243	338	243	338
<u>TOTAL INTEREST RECEIVED</u>	<u>518</u>	<u>343</u>	<u>518</u>	<u>343</u>

Gympie Regional Council

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

Note 5. Capital income

	Notes	Consolidated		Council	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
(a) Gain / (loss) on disposal of non-current assets					
Proceeds from the disposal of property, plant and equipment		243	-	243	-
Less: carrying value of disposed property, plant and equipment	14	(172)	-	(172)	-
		<u>71</u>	<u>-</u>	<u>71</u>	<u>-</u>
(b) Provision for restoration of land					
Decrease of quarries rehabilitation provision	20	80	-	80	-
		<u>80</u>	<u>-</u>	<u>80</u>	<u>-</u>
<u>TOTAL CAPITAL INCOME</u>		<u><u>151</u></u>	<u><u>-</u></u>	<u><u>151</u></u>	<u><u>-</u></u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 6. Employee benefits

	Notes	Consolidated		Council	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Employee benefit expenses are recorded when the service has been provided by the employee.					
Wages and salaries		30,824	31,923	29,424	30,568
Councillors remuneration		843	840	843	840
Annual, sick and long service leave entitlements		7,045	7,298	7,045	7,298
Superannuation	25	4,424	4,621	4,288	4,504
		<u>43,136</u>	<u>44,682</u>	<u>41,600</u>	<u>43,210</u>
Other employee related expenses		1,045	1,396	856	1,318
		<u>44,181</u>	<u>46,078</u>	<u>42,456</u>	<u>44,528</u>
Less: capitalised employee expenses		(3,765)	(5,293)	(3,765)	(5,293)
<u>TOTAL EMPLOYEE BENEFITS</u>		<u><u>40,416</u></u>	<u><u>40,785</u></u>	<u><u>38,691</u></u>	<u><u>39,235</u></u>

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	290	302	264	274
Depot and outdoors staff	185	195	185	195
<u>Total full time equivalent employees</u>	<u><u>484</u></u>	<u><u>506</u></u>	<u><u>458</u></u>	<u><u>478</u></u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 7. Materials and services

	Consolidated		Council	
	2022	2021	2022	2021
Notes	\$'000	\$'000	\$'000	\$'000
Expenses are recorded on an accruals basis as Council receives the goods or services.				
Agency personnel costs	354	163	354	163
Advertising and marketing expense	205	360	98	234
Audit of annual financial statements by the Auditor-General of Queensland *	194	143	194	125
Chemicals	803	794	803	794
Communications and IT	601	592	601	592
Consultants	1,869	2,422	1,869	2,422
Contract expenditure	8,034	7,307	8,034	7,307
Donations, sponsorships and grants	433	335	838	785
Energy (electricity and gas)	1,838	1,976	1,838	1,976
Equipment less than \$5,000	266	268	266	268
Fuel and oil	1,776	1,000	1,776	1,000
Repairs and maintenance	12,731	8,979	12,557	8,704
Insurance	1,031	1,390	924	1,342
Legal fees	726	391	726	391
Licences	2,474	1,921	2,474	1,921
Plant hire	2,862	423	2,862	423
Professional development, training	196	135	196	135
Professional membership and subscription	324	360	324	360
Publications	318	292	318	292
Rentals and leases	113	310	111	265
Travel and accommodation	42	29	42	29
Waste levy	2,882	2,293	2,882	2,293
Water	383	372	383	372
Other materials and services	5,931	7,175	5,194	6,530
<u>TOTAL MATERIALS AND SERVICES</u>	<u>46,386</u>	<u>39,430</u>	<u>45,664</u>	<u>38,723</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2021-2022 financial statements are \$157,500 for Council and \$22,000 for Rattler Railway Company Limited (2021: \$125,000 and \$18,250 respectively).

Gympie Regional Council

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

Note 8. Finance costs

	Consolidated		Council	
	2022	2021	2022	2021
Notes	\$'000	\$'000	\$'000	\$'000
Finance costs charged by the Queensland Treasury Corporation	1,029	1,122	1,029	1,122
Bank charges	124	126	124	126
Impairment of receivables	-	-	850	-
<u>TOTAL FINANCE COSTS</u>	<u>1,153</u>	<u>1,248</u>	<u>2,003</u>	<u>1,248</u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 9. Capital expenses

	Notes	Consolidated		Council	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
a) Loss on disposal of non-current assets					
Proceeds from the disposal of property, plant and equipment		-	741	-	741
Less: carrying value of disposed property, plant and equipment	14	-	(776)	-	(776)
		-	35	-	35
Loss on disposal of non-current assets		-	35	-	35
(b) Provision for restoration of land					
	20				
Increase in landfill restoration provision		2,526	-	2,526	-
Increase in quarry restoration provision		-	266	-	266
		2,526	266	2,526	266
(c) Other capital expenses					
Loss on write-off of assets		2,538	3,988	2,538	3,988
		2,538	3,988	2,538	3,988
<u>TOTAL CAPITAL EXPENSES</u>		<u>5,064</u>	<u>4,289</u>	<u>5,064</u>	<u>4,289</u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 10. Cash and cash equivalents

	Consolidated		Council	
	2022	2021	2022	2021
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	1,717	1,833	1,407	1,234
Deposits at call *	60,079	38,529	60,079	38,529
<u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u>61,796</u>	<u>40,362</u>	<u>61,486</u>	<u>39,763</u>

* 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	61,796	40,362	61,486	39,763
Less: externally imposed restrictions on cash	(25,533)	(12,511)	(25,533)	(12,511)
<u>Unrestricted cash</u>	<u>36,263</u>	<u>27,851</u>	<u>35,953</u>	<u>27,252</u>

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	7,151	3,637	7,151	3,637
Unspent developer contributions	11,542	8,874	11,542	8,874
Unspent waste levy	6,840	-	6,840	-
<u>Total externally imposed restrictions on cash assets</u>	<u>25,533</u>	<u>12,511</u>	<u>25,533</u>	<u>12,511</u>

(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	14,075	11,275	14,075	11,275
<u>Total internally allocated cash</u>	<u>14,075</u>	<u>11,275</u>	<u>14,075</u>	<u>11,275</u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 10. Cash and cash equivalents

(continued)

	Consolidated		Council	
	2022	2021	2022	2021
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

1,813	2,121	1,813	2,121
249	46	249	46
<u>2,062</u>	<u>2,167</u>	<u>2,062</u>	<u>2,167</u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Receivables

	Consolidated		Council	
	2022	2021	2022	2021
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.				
Current				
Rateable revenue and utility charges	5,064	4,594	5,064	4,594
Fees and charges	1,730	763	1,730	763
Grants	3,183	-	3,183	-
Other debtors	459	712	294	696
Loans and advances to controlled entities and associates	-	-	-	90
GST receivable	1,176	740	1,176	740
Total	11,612	6,809	11,447	6,883
less: Provision for impairment				
Other	(205)	(205)	(205)	(205)
Total provision for impairment - receivables	(205)	(205)	(205)	(205)
<u>TOTAL CURRENT RECEIVABLES</u>	<u>11,407</u>	<u>6,604</u>	<u>11,242</u>	<u>6,678</u>
Non-current				
Loans and advances to controlled entities and associates	-	-	850	810
less: Provision for impairment				
Loans and advances to controlled entities and associates	-	-	(850)	-
<u>TOTAL NON-CURRENT RECEIVABLES</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>810</u>

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.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Receivables (continued)

Receivables credit risk (continued)

There is a geographical concentration of risk in Council's receivables as most receivables are from ratepayers and entities operating within the local government area.

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.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Receivables (continued)

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Movement in accumulated impairment losses is as follows:				
Opening balance at 1 July	(205)	(168)	(205)	(168)
<i>Add</i>				
Additional impairments recognised	-	(53)	-	(53)
<i>Less</i>				
Impairment debts written off during the year	-	16	-	16
Balance at the end of the year	<u>(205)</u>	<u>(205)</u>	<u>(205)</u>	<u>(205)</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 31 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 29 for further information about credit risk.

Interest is charged on outstanding rates (8.03% per annum from 1 July 2021, 8.53% for 2020-2021)

No interest is charged on other debtors.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 12. Inventories

Notes	Consolidated		Council	
	2022	2021	2022	2021
	\$'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.

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.

Inventories held for distribution

Quarry and road materials	740	651	740	651
Stores and materials	1,085	746	1,021	664
	<u>1,825</u>	<u>1,397</u>	<u>1,761</u>	<u>1,315</u>

Note 13. Other assets

Prepayments	576	52	571	-
<u>TOTAL CURRENT OTHER ASSETS</u>	<u>576</u>	<u>52</u>	<u>571</u>	<u>-</u>

Gympie Regional Council

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

Note 14. Property, plant and equipment

Consolidated - 30 June 2022												
Measurement basis	Note	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 Cost	\$'000 Fair value	\$'000 Fair value	\$'000 Fair value	\$'000 Cost	\$'000 Fair value	\$'000 Fair value	\$'000 Fair value	\$'000 Fair value	\$'000 Fair value	\$'000
Opening gross balance - at cost		33,784	-	185,105	14,548	10,021	-	223,006	223,114	-	-	43,805
Opening gross balance - at fair value		33,784	64,576	185,105	14,548	10,021	1,213,484	223,006	223,114	19,409	18,442	1,961,684
Correction to opening balances		-	-	-	10	(29)	-	223,006	223,114	19,409	18,442	2,005,489
Additions*		25,321	43	6,270	1,236	172	9,760	1,778	3,381	-	60	48,021
Disposals	5, 9	-	-	(176)	(110)	(345)	-	-	-	-	-	(635)
Write-offs	5, 9	-	(154)	(282)	-	-	(3,295)	(136)	(1,153)	(64)	-	(5,084)
Revaluation decrements to equity (ARS)		-	(6,060)	(2,921)	-	-	(8)	(1)	-	-	-	(8,990)
Revaluation increments to equity (ARS)		-	14,852	14,730	988	-	77,971	14,186	14,276	1,291	123,110	261,404
Work in progress transfers		(28,465)	9,674	4,847	-	-	10,997	530	1,270	1,148	-	-
Adjustments and other transfers		-	(576)	(2,500)	-	-	3,076	-	-	-	-	-
Total consolidated gross value of property, plant and equipment - at cost		30,640	-	-	-	9,819	-	-	-	-	-	40,459
Total consolidated gross value of property, plant and equipment - at fair value		-	82,355	205,073	16,672	-	1,311,985	239,363	240,884	21,784	141,612	2,259,728
Total consolidated gross value of property, plant and equipment		30,640	82,355	205,073	16,672	9,819	1,311,985	239,363	240,884	21,784	141,612	2,300,187
Opening accumulated depreciation		-	6,065	89,635	4,663	4,532	214,819	100,685	79,808	3,399	1,312	504,918
Correction to opening balances		-	-	-	-	(46)	-	-	-	-	-	(46)
Depreciation expense		-	1,060	5,460	1,315	826	10,779	4,016	3,323	393	511	27,683
Disposals	5, 9	-	-	(117)	(112)	(202)	-	-	(3)	-	-	(434)
Write-offs	5, 9	-	(51)	(110)	-	-	(2,220)	(87)	(461)	(11)	-	(2,940)
Revaluation decrements to equity (ARS)		-	2,980	9,009	370	-	14,099	7,084	5,208	238	117,144	156,132
Adjustments and other transfers		-	(278)	(146)	-	-	424	-	-	-	-	-
Total consolidated accumulated depreciation of property, plant and equipment		-	9,776	103,731	6,236	5,110	237,901	111,698	87,875	4,019	118,967	685,313
Total consolidated net book value of property, plant and equipment		30,640	72,579	101,342	10,436	4,709	1,074,084	127,665	153,009	17,765	22,645	1,614,874
Other information												
Range of estimated useful life (years)		Not depreciated	Land not depreciated, Site improvements: 5-183		4-100	3-40	10-180	10-100	5-100	17.5-105	35-40	
* Asset additions comprise												
Asset renewals		9,214	-	-	-	-	-	-	-	-	-	9,214
Other additions		16,107	43	6,270	1,236	172	9,760	1,778	3,381	-	60	38,807
Total asset additions		25,321	43	6,270	1,236	172	9,760	1,778	3,381	-	60	48,021

Gympie Regional Council

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

Note 14. Property, plant and equipment

Consolidated - 30 June 2021 (Restated)															
Measurement basis		Note		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	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000
Opening gross balance - at cost		42,789	-	-	-	-	-	10,781	-	-	-	-	-	-	53,570
Opening gross balance - at fair value		42,789	62,942	166,430	13,572	10,781	821,258	206,583	208,460	18,683	17,642	18,683	17,642	18,683	1,515,570
Opening gross balance		28,694	65	17,605	-	219	7,161	402	775	-	-	-	-	-	1,569,140
Additions*		-	(115)	(106)	(547)	(831)	(36)	(7)	(11)	-	-	-	-	-	55,061
Disposals		-	(284)	(388)	-	-	(5,112)	(5,109)	(2,680)	-	-	-	-	-	(1,599)
Write-offs		-	(470)	-	-	-	(5,784)	(5,109)	(2,680)	-	-	-	-	-	(5,838)
Revaluation decrements to equity (ARS)		-	232	-	-	-	373,850	14,960	13,726	-	-	-	-	-	(14,043)
Revaluation increments to equity (ARS)		-	4,032	1,564	1,345	66	20,285	6,177	2,844	726	660	726	660	726	402,768
Work in progress transfers		(37,699)	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers		-	(1,826)	-	178	(178)	1,826	-	-	-	-	-	-	-	-
Total consolidated gross value of property, plant and equipment - at cost		33,784	-	-	-	-	-	10,021	-	-	-	-	-	-	43,805
Total consolidated gross value of property, plant and equipment - at fair value		-	64,576	185,105	14,548	-	1,213,484	223,006	223,114	19,409	18,442	19,409	18,442	19,409	1,961,684
Total consolidated gross value of property, plant and equipment		33,784	64,576	185,105	14,548	10,021	1,213,484	223,006	223,114	19,409	18,442	19,409	18,442	19,409	2,005,489
Opening accumulated depreciation		-	5,685	79,500	3,514	4,174	143,740	114,056	82,243	3,023	806	3,023	806	3,023	436,741
Depreciation expense		-	1,101	3,023	1,261	882	6,447	3,689	3,409	376	506	376	506	376	20,694
Disposals		-	(38)	(99)	(196)	(440)	-	-	-	-	-	-	-	-	(773)
Write-offs		-	(99)	(319)	-	-	(1,633)	(6)	(7)	-	-	-	-	-	(2,064)
Revaluation decrements to equity (ARS)		-	-	-	-	-	65,681	-	(5,837)	-	-	-	-	-	65,681
Revaluation increments to equity (ARS)		-	-	-	-	-	-	(17,054)	(5,837)	-	-	-	-	-	(22,891)
Adjustments and other transfers		-	(584)	7,530	84	(84)	584	-	-	-	-	-	-	-	7,530
Total consolidated accumulated depreciation of property, plant and equipment		-	6,065	89,635	4,663	4,532	214,819	100,685	79,808	3,399	1,312	3,399	1,312	3,399	504,918
Total consolidated net book value of property, plant and equipment		33,784	58,511	95,470	9,885	5,489	998,665	122,321	143,306	16,010	17,130	16,010	17,130	16,010	1,500,571
Other information															
Range of estimated useful life (years)		Not depreciated	Land not depreciated, Site improvements: 5-183	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	-	-	-	-	-	-	-	20,234
Other additions		8,943	-	17,605	-	-	7,102	402	775	-	-	-	-	-	34,827
Total asset additions		28,694	65	17,605	-	219	7,161	402	775	-	-	-	-	-	55,061

Gympie Regional Council

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

Note 14. Property, plant and equipment

Council - 30 June 2022		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
Measurement basis		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Note	Cost	Fair value	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	
Opening gross balance - at cost		33,784	-	185,105	14,548	9,396	-	223,006	223,114	-	18,243	43,180
Opening gross balance - at fair value		-	64,503	185,105	14,548	-	1,213,484	223,006	223,114	19,409	18,243	1,961,412
Correction to opening balances		33,784	64,503	185,105	14,548	9,396	1,213,484	223,006	223,114	19,409	18,243	2,004,592
Disposals*	5, 9	25,321	-	6,270	1,236	(29)	9,760	1,778	3,381	-	-	(19)
Write-offs	5, 9	-	-	(176)	(110)	(345)	-	-	(4)	-	-	47,855
Revaluation decrements to equity (ARS)		-	(154)	(282)	-	-	(3,295)	(136)	(1,153)	(64)	-	(635)
Revaluation increments to equity (ARS)		-	(6,060)	(2,921)	-	-	(8)	(1)	-	-	-	(5,084)
Work in progress transfers		-	14,852	14,730	988	-	77,971	14,186	14,276	1,291	123,110	(8,990)
Adjustments and other transfers		(28,465)	9,674	4,847	-	-	10,997	530	1,270	1,148	-	261,404
		-	(576)	(2,500)	-	-	3,076	-	-	-	-	-
Total gross value of property, plant and equipment - at cost		30,640	-	-	-	9,131	-	-	-	-	-	39,771
Total gross value of property, plant and equipment - at fair value		-	82,239	205,073	16,672	-	1,311,985	239,363	240,884	21,784	141,353	2,259,353
Total gross value of property, plant and equipment		30,640	82,239	205,073	16,672	9,131	1,311,985	239,363	240,884	21,784	141,353	2,299,124
Opening accumulated depreciation		-	6,065	89,635	4,663	4,301	214,819	100,665	79,808	3,399	1,308	504,683
Correction to opening balances		-	-	-	-	(46)	-	-	-	-	-	(46)
Depreciation expense		-	1,060	5,460	1,315	741	10,779	4,016	3,323	393	505	27,592
Disposals	5, 9	-	-	(117)	(112)	(202)	-	-	(3)	-	-	(434)
Write-offs	5, 9	-	(51)	(110)	-	-	(2,220)	(87)	(461)	(11)	-	(2,940)
Revaluation decrements to equity (ARS)		-	2,980	9,009	370	-	14,099	7,084	5,208	238	117,144	156,132
Adjustments and other transfers		-	(278)	(146)	-	-	424	-	-	-	-	-
Total accumulated depreciation of property, plant and equipment		-	9,776	103,731	6,236	4,794	237,901	111,698	87,875	4,019	118,957	684,987
Total net book value of property, plant and equipment		30,640	72,463	101,342	10,436	4,337	1,074,084	127,665	153,009	17,765	22,396	1,614,137
Other information												
Range of estimated useful life (years)		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		8,982	-	-	-	-	-	-	-	-	-	8,982
Other additions		16,339	-	6,270	1,236	109	9,760	1,778	3,381	-	-	38,873
Total asset additions		25,321	-	6,270	1,236	109	9,760	1,778	3,381	-	-	47,855

Gympie Regional Council

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

Note 14. Property, plant and equipment

Council - 30 June 2021 (Restated)																						
Measurement basis	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	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value
Opening gross balance - at cost	42,789	-	62,934	166,430	-	-	-	10,375	-	-	-	-	-	-	-	-	-	-	-	-	-	53,164
Opening gross balance - at fair value	-	-	62,934	166,430	13,572	-	-	821,258	206,583	208,480	18,683	17,583	1,515,503	-	-	-	-	-	-	-	-	1,515,503
Additions*	42,789	28,694	62,934	17,605	13,572	-	-	10,375	206,583	208,480	18,683	17,583	1,568,667	-	-	-	-	-	-	-	-	1,568,667
Disposals	-	-	(115)	(106)	(547)	-	-	(831)	-	-	-	-	-	-	-	-	-	-	-	-	-	54,637
Write-offs	-	-	(284)	(388)	-	-	(36)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,599)
Revaluation decrements to equity (ARS)	-	-	(470)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,838)
Revaluation increments to equity (ARS)	-	-	232	-	-	-	-	-	373,850	14,960	13,726	660	402,768	-	-	-	-	-	-	-	-	(14,043)
Work in progress transfers	(37,699)	-	4,032	1,564	1,345	-	-	66	20,285	6,177	726	660	402,768	-	-	-	-	-	-	-	-	402,768
Adjustments and other transfers	-	-	(1,826)	-	178	-	-	(178)	1,826	-	-	-	-	-	-	-	-	-	-	-	-	-
Total gross value of property, plant and equipment - at cost	33,784	-	-	-	-	-	-	9,396	-	-	-	-	-	-	-	-	-	-	-	-	-	43,180
Total gross value of property, plant and equipment - at fair value	-	-	64,503	185,105	14,548	-	-	1,213,484	223,006	223,114	19,409	18,243	1,961,412	-	-	-	-	-	-	-	-	1,961,412
Total gross value of property, plant and equipment	33,784	64,503	185,105	14,548	9,396	1,213,484	223,006	223,114	19,409	18,243	2,004,592	-	-	-	-	-	-	-	-	-	-	2,004,592
Opening accumulated depreciation	-	-	5,685	79,500	3,514	4,008	143,740	114,056	82,243	3,023	806	436,575	-	-	-	-	-	-	-	-	-	436,575
Opening accumulated depreciation and impairment	-	-	5,685	79,500	3,514	4,008	143,740	114,056	82,243	3,023	806	436,575	-	-	-	-	-	-	-	-	-	436,575
Depreciation expense	-	-	1,101	3,023	1,261	817	6,447	3,689	3,409	376	502	20,625	-	-	-	-	-	-	-	-	-	20,625
Disposals	-	-	(38)	(99)	(196)	(440)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(773)
Write-offs	-	-	(99)	(319)	-	-	(1,633)	(6)	(7)	-	-	-	-	-	-	-	-	-	-	-	-	(2,064)
Revaluation decrements to equity (ARS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	-	-	-	-	-	-	65,681	(17,054)	(5,837)	-	-	-	65,681	-	-	-	-	-	-	-	-	(22,891)
Adjustments and other transfers	-	-	(584)	7,530	84	(84)	584	-	-	-	-	-	7,530	-	-	-	-	-	-	-	-	7,530
Total accumulated depreciation of property, plant and equipment	-	-	6,065	89,635	4,663	4,301	214,819	100,685	79,808	3,399	1,308	504,683	-	-	-	-	-	-	-	-	-	504,683
Total net book value of property, plant and equipment	33,784	58,438	95,470	9,885	5,095	998,665	122,321	143,306	16,010	16,935	1,495,909	-	-	-	-	-	-	-	-	-	-	1,495,909
Other information																						
Range of estimated useful life (years)																						
Not depreciated																						
Land not depreciated, Site improvements:																						
5-183																						
4-100																						
3-40																						
10-180																						
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Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

(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 2022

Note 14. Property, plant and equipment (continued)

(c) Depreciation

Assets are depreciated from the date of acquisition or when an asset is ready for use.

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 the long-lived nature of infrastructure assets, and the challenges in determining useful lives for them.

(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.

A natural disaster event was declared for Council area during the 2021–22 financial year, with flood events taking place during January, February and May of 2022.

Accounting for infrastructure damaged by this disaster has been undertaken with reference to the requirements of AASB 116 and AASB 136. Council engaged contract services to determine if the recent flood events caused impairment of road assets and to manage the damage assessment process.

The vast majority of Council's roads remain open with only two (2) roads closed at 30 June 2022.

The impairment change was determined to be \$6,549,450 which represents an adjustment of less than 1% to the overall asset class. No adjustment was made to the value of the roads and drainage assets at 30 June 2022 as the value is not considered material to Council.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

(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.

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 2022

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	30/06/2022	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	30/06/2022	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	30/06/2022	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	30/06/2022	AssetVal Pty Ltd	Cost approach using depreciated replacement cost. Published/available market data for recent projects, and/or published cost guides are utilised where available.	Nil	Nil
Other Infrastructure (Level 3)	Current Replacement Cost	30/06/2018	Shepherd Services Pty Ltd	Cost Approach using depreciated replacement cost. Published/available market data for recent projects, and/or published cost guides are utilised where available.	6.30%	Nil

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

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
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.	6.30%	Nil
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.	6.30%	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.	6.30%	Nil
Rail (Level 3)	Current Replacement Cost	30/06/2022	Leeson Valuers	Cost Approach using depreciated replacement cost Published/available market data for recent projects, and/or published cost guides are utilised where available	Nil	Nil

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 15. Intangible assets

	Consolidated		Council	
	2022	2021	2022	2021
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, ranging between three to seven years.

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

Opening gross carrying value	2,008	1,764	1,978	1,743
Additions	8	9	-	-
Disposals	(533)	-	(533)	-
Work in progress transfer	-	235	-	235
Closing gross carrying value	1,483	2,008	1,445	1,978
Opening accumulated amortisation and impairment	(1,228)	(898)	(1,217)	(891)
Amortisation charges	(142)	(329)	(137)	(325)
Amortisation on disposals	227	-	227	-
Closing accumulated amortisation and impairment	(1,144)	(1,228)	(1,127)	(1,217)
Net carrying value at end of financial year	339	780	318	761

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 16. Contract balances

	Consolidated		Council	
	2022	2021	2022	2021
Notes	\$'000	\$'000	\$'000	\$'000

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	3,683	869	3,683	869
<u>TOTAL CURRENT CONTRACT ASSETS</u>	<u>3,683</u>	<u>869</u>	<u>3,683</u>	<u>869</u>

(b) Contract liabilities

Current

Grants:

Funds received upfront to construct Council controlled assets

	7,219	2,623	7,219	2,623
Other	-	75	-	75
Total grants	<u>7,219</u>	<u>2,698</u>	<u>7,219</u>	<u>2,698</u>

<u>TOTAL CURRENT CONTRACT LIABILITIES</u>	<u>7,219</u>	<u>2,698</u>	<u>7,219</u>	<u>2,698</u>
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Revenue recognised that was included in the contract liability balance at the beginning of the year

Funds to construct Council controlled assets	2,623	2,824	2,623	2,824
<u>Total revenue included in the contract liability</u>	<u>2,623</u>	<u>2,824</u>	<u>2,623</u>	<u>2,824</u>

Council expects to recognise the income presented as contract liabilities over time as the asset is constructed.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 17. Leases

Council as a lessee

Council has leases in place over 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

Equipment

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

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 17. Leases (continued)

Consolidated		Council	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'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	69	248	69	248
Expenses relating to low-value assets	42	17	42	17
Net expense relating to leases	111	265	111	265

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.

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

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

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, 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	
	2022	2021	2022	2021
Notes	\$'000	\$'000	\$'000	\$'000
Creditors	5,204	3,408	4,902	3,313
Prepaid rates	3,937	3,333	3,937	3,333
Other entitlements	218	251	218	251
Employee related accruals	1,237	1,195	1,237	1,195
<u>TOTAL CURRENT PAYABLES</u>	<u>10,596</u>	<u>8,187</u>	<u>10,294</u>	<u>8,092</u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 19. Borrowings

	Consolidated		Council	
	2022	2021	2022	2021
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	1,548	1,453	1,548	1,453
Loans - other	7	78	-	-
<u>TOTAL CURRENT BORROWINGS</u>	<u>1,555</u>	<u>1,531</u>	<u>1,548</u>	<u>1,453</u>

Non-current

Loans - Queensland Treasury Corporation	12,785	14,294	12,785	14,294
Loans - other	-	7	-	-
<u>TOTAL NON-CURRENT BORROWINGS</u>	<u>12,785</u>	<u>14,301</u>	<u>12,785</u>	<u>14,294</u>

Reconciliation of loan movements for the year

Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	15,806	17,127	15,747	17,068
Principal repayments	(1,414)	(1,321)	(1,414)	(1,321)
<u>Book value at end of financial year</u>	<u>14,392</u>	<u>15,806</u>	<u>14,333</u>	<u>15,747</u>

The QTC loan market value at the reporting date is \$15.859 million (2021: \$19.671 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 2022

Note 20. Provisions

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.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 20. Provisions (continued)

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.

Gympie Regional Council

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

Note 20. Provisions (continued)

	Consolidated		Council	
	2022	2021	2022	2021
Notes	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	3,403	3,699	3,349	3,613
Long service leave	3,753	3,950	3,753	3,950
Sick leave	1,705	1,915	1,705	1,915
Other entitlements	-	422	-	422
Sub total - aggregate employee benefits	8,861	9,986	8,807	9,900
Quarry sites	148	-	148	-
Landfill sites	-	200	-	200
<u>TOTAL CURRENT PROVISIONS</u>	<u>9,009</u>	<u>10,186</u>	<u>8,955</u>	<u>10,100</u>
Non-current				
Long service leave	1,565	1,688	1,565	1,688
Sub total - aggregate employee benefits	1,565	1,688	1,565	1,688
Quarry sites	397	625	397	625
Landfill sites	13,411	10,686	13,411	10,686
<u>TOTAL NON-CURRENT PROVISIONS</u>	<u>15,373</u>	<u>12,999</u>	<u>15,373</u>	<u>12,999</u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 20. Provisions (continued)

	Consolidated		Council	
	2022	2021	2022	2021
Notes	\$'000	\$'000	\$'000	\$'000

Details of movements in provisions:

Quarry sites

Balance at beginning of financial year	625	359	625	359
Additional provision	42	259	42	259
Amounts used	(62)	-	(62)	-
Increase in provision due to unwinding of discount	3	-	3	-
Increase/(decrease) in provision due to change in discount rate	(63)	7	(63)	7
Balance at end of financial year	545	625	545	625

Landfill sites

Balance at beginning of financial year	10,886	10,886	10,886	10,886
Additional provision	3,373	-	3,373	-
Amounts used	-	-	-	-
Increase in provision due to unwinding of discount	279	-	279	-
Increase/(decrease) in provision due to change in discount rate	(1,127)	-	(1,127)	-
Balance at end of financial year	13,411	10,886	13,411	10,886

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 21. Other liabilities

		Consolidated		Council	
		2022	2021	2022	2021
	Notes	\$'000	\$'000	\$'000	\$'000
Current					
Waste levy refund received in advance		1,773	-	1,773	-
Other liabilities		328	353	-	-
<u>TOTAL CURRENT OTHER LIABILITIES</u>		<u>2,101</u>	<u>353</u>	<u>1,773</u>	<u>-</u>
Non-current					
Waste levy refund received in advance		5,067	-	5,067	-
<u>TOTAL NON-CURRENT OTHER LIABILITIES</u>		<u>5,067</u>	<u>-</u>	<u>5,067</u>	<u>-</u>

Developer contributions liability reflects cash contributions from developers for which the related service obligations have yet to be fulfilled by Council.

Revenue is classified as unearned if it relates to an obligation to supply specific goods and services in future periods.

Rates paid in advance are included with Payables. Refer to Note 18 Payables.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 22. Asset revaluation surplus

	Consolidated		Council	
	2022	2021	2022	2021
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	17,756	11,945	17,756	11,945
Buildings	22,064	19,264	22,064	19,264
Heavy plant	618	-	618	-
Road, bridge and drainage	624,494	560,630	624,494	560,630
Water	78,814	71,712	78,814	71,712
Sewerage	64,821	55,753	64,821	55,753
Other infrastructure	9,697	8,644	9,697	8,644
Rail	5,966	-	5,966	-
Closing balance in the asset revaluation surplus	824,230	727,948	824,230	727,948

Gympie Regional Council

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

Note 23. Commitments for expenditure

Notes	Consolidated		Council	
	2022	2021	2022	2021
	\$'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, drainage and bridge network	887	2,675	887	2,675
Water	1,037	120	1,037	120
Other	4,863	855	4,863	855
Total commitments	6,787	3,650	6,787	3,650

Other capital commitments include maintenance and/or management of Council assets, licences, and consultancy services.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

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 2022 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 \$1,498,093.

Insurance claims pending

	Consolidated		Council	
	2022	2021	2022	2021
Notes	\$'000	\$'000	\$'000	\$'000
Insurance claims pending	708	147	708	147
	<u>708</u>	<u>147</u>	<u>708</u>	<u>147</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 2022 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.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

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 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. 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 2024.

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

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

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

	Notes	Consolidated		Council	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		146	201	146	201
Other superannuation contributions for employees		4,278	4,420	4,142	4,303
Total superannuation contributions paid by Council for employees	6	4,424	4,621	4,288	4,504

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

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

	Notes	Consolidated		Council	
		2022 \$'000	2021 \$'000 Restated	2022 \$'000	2021 \$'000 Restated
Net operating result from income statement		34,133	21,043	33,433	20,468
Non-cash items					
Depreciation and amortisation		27,825	21,023	27,729	20,950
		<u>27,825</u>	<u>21,023</u>	<u>27,729</u>	<u>20,950</u>
Investing and development activities					
Net (profit)/loss on disposal of assets		67	35	71	35
Non cash capital grants, contributions and additions		(25,655)	(12,079)	(25,604)	(11,967)
Net capital (income)/expenses		4,984	4,775	4,984	4,775
Capital grants		(13,313)	(11,331)	(13,313)	(11,331)
		<u>(33,917)</u>	<u>(18,600)</u>	<u>(33,862)</u>	<u>(18,488)</u>
Changes in assets and liabilities:					
(Increase)/decrease in receivables		(3,903)	5,420	(3,754)	5,048
(Increase)/decrease in inventories		(428)	582	(446)	595
(Increase)/decrease in contract assets		(2,814)	(869)	(2,814)	(869)
(Increase)/decrease in other assets		(528)	241	(571)	300
Increase/(decrease) in payables		1,455	528	2,202	583
Increase/(decrease) in contract liabilities		4,521	203	4,521	203
Increase/(decrease) in other provisions		1,282	(159)	1,229	(171)
Increase/(decrease) in other liabilities		6,840	-	6,840	-
		<u>6,425</u>	<u>5,946</u>	<u>7,207</u>	<u>5,689</u>
Net cash provided from/(used in) operating activities from the statement of cash flows		<u>34,466</u>	<u>29,412</u>	<u>34,507</u>	<u>28,619</u>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 27. Restated balances

Contributed assets not previously recognised

During 2021/22, Council identified an error which related to Council's recognition of building assets controlled by Council, but were not previously recognised in Council's statement of financial position. As a result, Council had understated its gross value of buildings by \$17.578m and associated accumulated depreciation by \$7.530m.

Donated assets not previously recognised

During 2021/22, Council identified an error which related to Council's recognition of building assets donated to Council, but were not previously recognised in Council's statement of financial position. As a result, Council had understated its gross value of transport assets by \$5.727m, sewerage assets by \$0.063m and associated donated asset revenue by \$5.790m.

Revaluation of assets not previously recognised

During 2021/22, Council identified a prior period error that related to the recognition of revalued assets that had commission dates prior to 1 July 2021. As a result, Council had overstated its water work in progress by \$0.932m, sewerage work in progress by \$0.154m, transport work in progress by \$8.001m and transport revaluation surplus by \$3.594m.

		Original balance as presented at 30 June 2021 \$'000	Adjustment \$'000	Restated balance at 1 July 2021 \$'000
	Notes			
Consolidated and Council				
Retained surplus		756,683	15,838	772,521
Asset Revaluation Surplus	22	740,629	(12,681)	727,948
Buildings - Additions	14	27	17,578	17,605
Total gross value of buildings	14	167,527	17,578	185,105
Buildings - Accumulated depreciation	14	3,023	7,530	10,553
Total net value of buildings	14	85,422	10,048	95,470
Transport - Additions	14	1,434	5,727	7,161
Transport - Work in progress transfers	14	12,284	8,001	20,285
Transport - Revaluation increments to equity (ARS)	14	385,445	(11,595)	373,850
Total gross value of transport assets	14	1,211,351	5,727	1,217,078
Water - Work in progress transfers	14	5,245	932	6,177
Water - Revaluation increments to equity (ARS)	14	15,892	(932)	14,960
Sewerage - Additions	14	712	63	775
Sewerage - Work in progress transfers	14	2,690	154	2,844
Sewerage - Revaluation increments to equity (ARS)	14	13,880	(154)	13,726
Total gross value of sewerage assets	14	223,051	63	223,114
Capital work in progress - Work in progress transfers	14	(28,612)	(9,087)	(37,699)
Total gross value - Capital work in progress	14	42,871	(9,087)	33,784
Capital revenue - donations	3(d)	2,516	5,790	8,306

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

Note 28. Events after the reporting period

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 2022.

(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 2022 and which are only indicative of conditions that arose after 30 June 2022.

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

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 29. Financial instruments and financial risk management

(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.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 29. 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 19 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
Consolidated					
2022					
Payables	10,596	-	-	10,596	10,596
Loans - QTC	2,443	9,772	6,182	18,397	14,333
Loans - other	7	-	-	7	7
	<u>13,046</u>	<u>9,772</u>	<u>6,182</u>	<u>29,000</u>	<u>24,936</u>
2021					
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>

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 29. 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
Council					
2022					
Payables	10,294	-	-	10,294	10,294
Loans - QTC	2,443	9,772	6,182	18,397	14,333
Loans - other	-	-	-	-	-
	<u>12,737</u>	<u>9,772</u>	<u>6,182</u>	<u>28,691</u>	<u>24,627</u>
2021					
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>

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.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 29. 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
Consolidated					
2022					
QTC cash fund	60,079	601	(601)	601	(601)
Loans - QTC	(14,333)	-	-	-	-
Net	45,746	601	(601)	601	(601)
2021					
QTC cash fund	39,691	397	(397)	397	(397)
Loans - QTC	(15,747)	-	-	-	-
Net	23,944	397	(397)	397	(397)
Council					
2022					
QTC cash fund	60,079	601	(601)	601	(601)
Loans - QTC	(14,333)	-	-	-	-
Net	45,746	601	(601)	601	(601)
2021					
QTC cash fund	39,691	397	(397)	397	(397)
Loans - QTC	(15,747)	-	-	-	-
Net	23,944	397	(397)	397	(397)

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.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 30. 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 CSOs 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	-	-	183
Revenue for services provided to external clients	863	24,933	11,908
Community service obligations	-	500	583
	863	25,433	12,674
Less: expenditure	(238)	(23,927)	(10,397)
Surplus/(deficit)	625	1,506	2,277

Description of CSOs provided to business activities:

Activities	CSO description	Actual \$'000
Water and sewerage	Council services	500
Refuse management	Cleaning and refuse collection services	583

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 31. 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	
	2022	2021
Council's interest in subsidiary	100%	100%

Relationship

The Rattler Railway Company Limited currently has \$850,000 owing on its loan from Council, originally loaned at \$1,100,000.

Council has impaired the loan receivable from Rattler Railway Company Limited in full.

Council waived the payment of \$50,000 in respect of the payment falling due for the 2021-22 loan repayment.

Council provided a \$100,000 operating grant to the Rattler Railway Company Limited in 2021-22.

Council and the Rattler Railway Company Limited are undertaking ongoing discussions in relation to the separation of the two organisations.

Council are also currently in discussions with the State Government seeking formal approval for this separation.

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 31. Transactions with related parties (continued)

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

Transactions with subsidiaries

	2022 \$000	2021 \$000
Grants and subsidies provided by Council		
Operating grants	100	100
Waiver of loan instalment	50	50
Sleeper refurbishment grant	255	300
Total	405	450
Loan repayment		
Advance (2019-2020 loan instalment waived)	-	50
Payment by Rattler Railway Company Limited of loan instalments	-	50
	-	100
Goods and services supplied by Council, on normal terms and conditions		
Rates charged by Council	17	17
Catering/promotion/other services	1	1
Total	18	18

(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 comprises:

	Consolidated		Council	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Short-term employee benefits	1,740	1,619	1,637	1,509
Post-employment benefits	192	173	183	163
Termination benefits	241	275	241	275
Total	2,173	2,067	2,061	1,947

Gympie Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 31. Transactions with related parties (continued)

(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 arm's 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 2022

Management Certificate for the year ended 30 June 2022

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


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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 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

23 February 2023


Mr David Lewis
ACTING CHIEF EXECUTIVE OFFICER

23 February 2023

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 2022, 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 2022, 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 Acting 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 2022 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 2022:

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012.

The applicable requirements include those for keeping financial records that correctly record and explain the council 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 March 2023

Queensland Audit Office
Brisbane

Gympie Regional Council

Current Year Financial Sustainability Statement

for the year ended 30 June 2022

	Consolidated	Council	Target
	2022	2022	2022

Measures of financial sustainability

Council's performance at 30 June 2022 against key financial ratios and targets.

Performance indicators

1. Operating surplus ratio

Net result (excluding capital items)

Total operating revenue (excluding capital items)

-0.68%

-1.32%

0 - 10%

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

2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals)

Depreciation expense

33.28%

32.55%

more
than 90%

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)

-13.55%

-13.97%

less than
60%

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

Note 1 - basis of preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2022.

Gympie Regional Council

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

Certificate of Accuracy for the year ended 30 June 2022

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

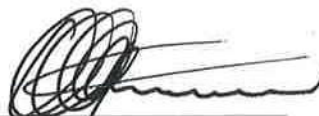
In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability Statement has been accurately calculated.



Cr Glen Hartwig

MAYOR

23 February 2023



Mr David Lewis

ACTING CHIEF EXECUTIVE OFFICER

23 February 2023

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 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Acting 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 2022 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other information

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

At the date of this auditor's report, the available other information in Gympie Regional Council's annual report for the year ended 30 June 2022 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.



Michael Claydon
as delegate of the Auditor-General

6 March 2023
Queensland Audit Office
Brisbane

Unaudited Long-Term Financial Sustainability Statement
prepared as at 30 June 2022

	Target 2022	Actual 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
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Measures of financial sustainability

Council's performance at 30 June 2022 against key financial ratios and targets.

Performance indicators

1. Operating surplus ratio

Net result (excluding capital items)
Total operating revenue (excluding capital items)

0 - 10%	-1.32%	0.00%	1.30%	1.90%	5.30%	5.60%	7.20%	7.00%	6.50%	6.30%
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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)
Depreciation expense

> 90%	32.55%	95.80%	182.20%	124.30%	114.20%	94.40%	101.30%	118.40%	87.80%	106.70%
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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)

< 60%	-13.97%	-32.10%	-21.70%	-24.00%	-29.50%	-19.80%	-8.70%	-0.30%	-3.70%	-22.80%
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Gympie Regional Council

Unaudited Long-Term Financial Sustainability Statement (continued) prepared as at 30 June 2022

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.

Gympie Regional Council

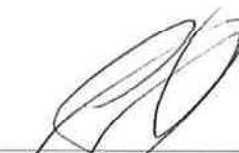
Unaudited Long-Term Financial Sustainability Statement

Certificate of Accuracy


for the long-term financial sustainability statement prepared as at 30 June 2022

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.


C. Glen Hartwig
MAYOR

23 February 2023


Mr David Lewis
ACTING CHIEF EXECUTIVE OFFICER

23 February 2023



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