

Cassowary Coast  
REGIONAL COUNCIL

# ANNUAL REPORT 2022-23






## Cassowary Coast Regional Council Annual Report for 2022-23

Cassowary Coast Regional Council presents the Annual Report for 2022-23 which provides a comprehensive account of Council's performance, challenges and achievements for the past Financial Year (1 July 2022 - 30 June 2023).


This Annual Report is part of many ways Council connects with our community to show our commitment to achieving our vision for the region. The Annual Report 2022-23 identifies delivery of service and demonstrates how Council is meeting the strategic objectives set out in the Corporate Plan 2021-25 and Operational Plan 2022-23.

Council's vision, strategic objectives and strategies further improve services and facilities as described in the Corporate Plan, Operational Plan and Budget, and are reported in this Annual Report.

 1300 763 903

 [enquiries@cassowarycoast.qld.gov.au](mailto:enquiries@cassowarycoast.qld.gov.au)

 [cassowarycoast.qld.gov.au](http://cassowarycoast.qld.gov.au)

 70 Rankin Street, Innisfail  
38-40 Bryant Street, Tully  
4 Balliol Street, Cardwell



## Annual Report 2022-23

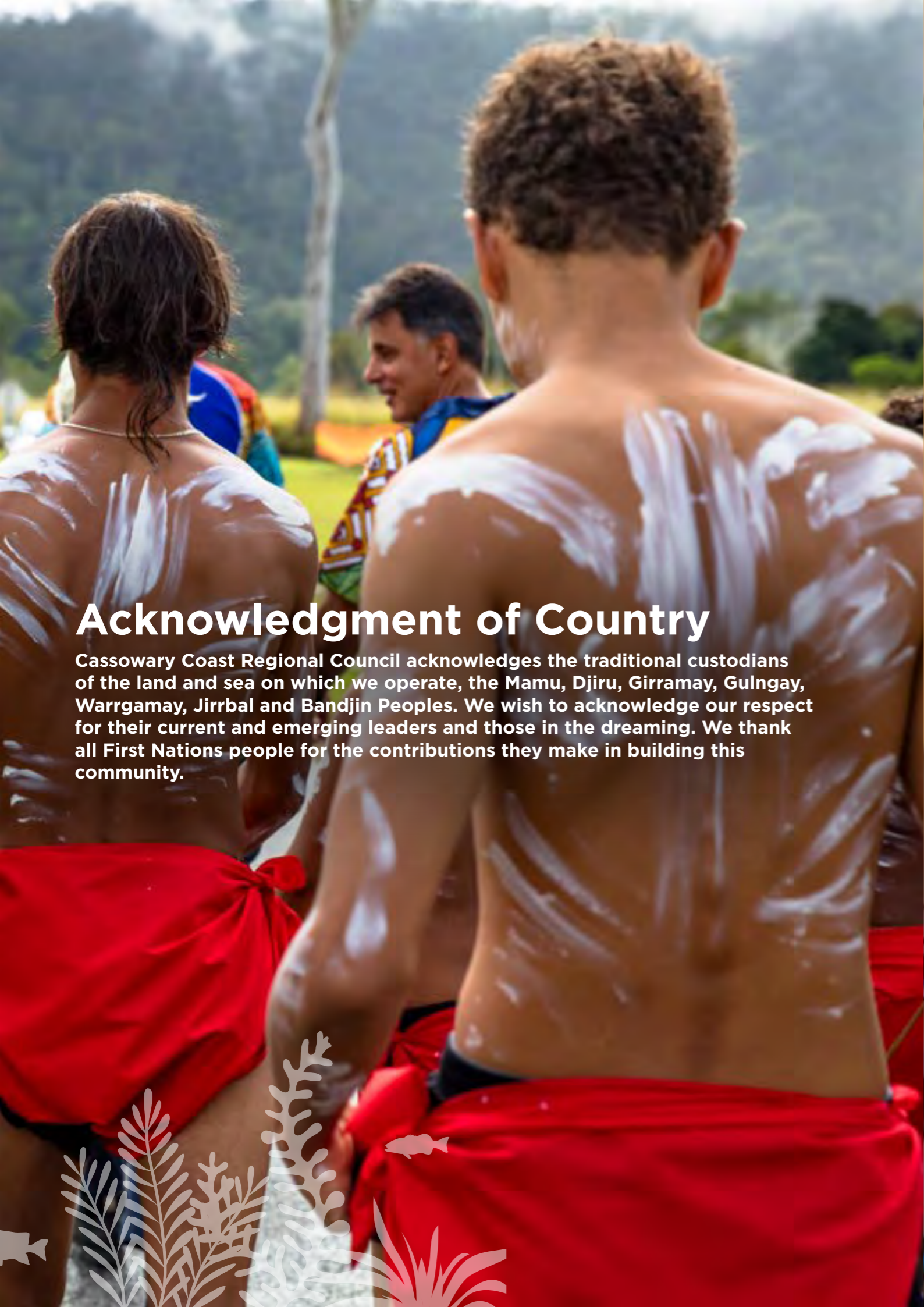
# Contents

<b>Acknowledgement of Country</b>	<b>4</b>
<b>1. Introduction and Highlights</b>	<b>5</b>
Mayor's Message	6
CEO's Message	8
Our Region	10
Our Population	12
Our Economy	13
Our Environment	13
Our Council	14
Our Services Snapshot	15
Our Vision and Core Vales	16
Our Financial Summary	18
Our Reconciliation Journey	20
Engaging with Our Communities	22
Activating Our Economy	26
Building Our Infrastructure	28
Sustaining Our Environment	32
Supporting Our Teams	36
<b>2. Statutory Information</b>	<b>40</b>
Our Councillors	42
Mayors and Councillors	43
Corporate Governance	45
Public Sector Ethics	51
<b>3. Our Community Financial Reporting</b>	<b>52</b>
Introduction	54
Statement of Comprehensive Income	55
Statement of Financial Position	57
Statement of Changes in Equity	58
Statement of Cash Flow	59

Measure of Financial Sustainability 59

**Financial Statements for the Year Ended 60**

Independent Auditor's Report 99



## Acknowledgment of Country

Cassowary Coast Regional Council acknowledges the traditional custodians of the land and sea on which we operate, the Mamu, Djiru, Girramay, Gulngay, Warrgamay, Jirrbal and Bandjin Peoples. We wish to acknowledge our respect for their current and emerging leaders and those in the dreaming. We thank all First Nations people for the contributions they make in building this community.



## 1. Introduction and Highlights

This section introduces the Cassowary Coast Regional Council, where it is, who lives and works here and what we represent as a region.

It includes a welcome message from our Mayor and CEO and summary snapshot our finances, performance and operations, highlighting the success and challenges we faced in 2022-23.

# Mayor's Message



Dear Members of the Cassowary Coast Community

It is with great pride and optimism that I welcome you to the 2022-23 Cassowary Coast Regional Council Annual Report. As Mayor of this vibrant and resilient community, I am honoured to share our vision, values and achievements of the past year.

We aspire to provide great experiences, deliver value and create a sustainable future for our community. Our vision is for a region where economic growth goes hand in hand with environmental stewardship of our unique environments, where our community has a voice, and where our unique natural beauty is preserved for generations to come. Our values of respect, integrity and courage serve to guide us towards achieving our vision.

As our community moves forward with our post-COVID recovery, we continue to face many challenges that stretch us ever-more; and we must continually challenge ourselves to ensure that Council delivers value to our community.

Over the past 12 months we have looked inwards and challenged ourselves. In 2022 we undertook an extensive community scorecard consultation and engagement process to understand what is important to our community, what we are doing well and what we need to do better. We appreciate and thank all who participated in the Scorecard with over 1,850 community members sharing over 100,000 words to guide future priorities of Council.

Our community articulated their priorities including roads, footpaths and cycleways; health, youth and community services; economic development; Council's leadership; seniors care and services and community safety.

Our community felt we were performing well in the areas of library services, marine facilities, disaster management, drinking water quality, sewerage management and recognition of First Nations cultures.

In addition to our short term response to the Community Scorecard through our 2022 Community Voice Action Plan, our community's priorities have been incorporated into Council's 2023-2024 Operational Plan and the revised 2021-2025 Corporate Plan.

Council continually advocates at regional, state and federal levels through the Far North Queensland Regional Organisation of Councils, Local Government Association of Queensland, elected members of parliament and other representative forums. In March 2023 we endorsed the first Cassowary Coast Regional Council Advocacy Plan which highlights our community's priorities. The Advocacy Plan is an important tool to support us achieving outcomes such as the Kurrimine Beach Boat Ramp, implementation of the Reef 2050 Plan or addressing primary health care issues.

The Local Government Act requires Council to undertake meaningful community engagement. In 2022 we launched our Your Say site and this has become the cornerstone of engagement with community on projects such as Dog Off Leash Areas, Open Space Strategy and the Innisfail CBD Masterplan, just to name a few.

We are committed to ensuring that our community has a direct say in shaping the policies and projects that impact their lives. Direct engagement with our community was taken to the next level during 2022-23 through our Advisory Committees for the Mission Beach Town Centre Revitalisation Project, Innisfail CBD Masterplan, Youth Advisory Committee, Economic Development Advisory Committee and Regional Arts Development Committee. We sincerely thank all community members for their contributions to the outcomes of these Advisory Committees.

Our ratepayers also spoke loudly and clearly during the past 12 months asking Council to consider rating categories. The Rating Advisory Committee was endorsed at the June Local Government Meeting. This Committee will provide feedback and recommendations on Council's current General Rates and Special Levies structure in advance of developing the 2024-2025 Annual Budget.

During 2022-23 Asset Rationalisation has been a crucial aspect of our strategic planning. We have undertaken a review of our assets to ensure that they are optimised for the benefit of the community. This process has allowed us to make prudent decisions that align with our long term goals and financial sustainability.

Our Asset Rationalisation Program focuses on assets that are under-utilised or unused through engaging with key community stakeholders. We have negotiated and executed leases for South Mission Surf Life Saving Club, Bingil Bay Campground, Old Mourilyan Soccer Grounds and Brothers/Callendar Park. The benefits that we have achieved will be returned to the community through operational budget savings (decreased depreciation and ongoing maintenance) and the Community Grants and Support Program Capital Infrastructure Fund in 2023-2024 and beyond.

Our Unsealed Road Improvement Plan was informed through community engagement and adopted by Council in December 2022. This Plan provides the framework for management of our road network through the application of best practices.

Contracts were awarded for significant capital projects including the Hyatt Street Reservoir (\$9.3m) and the Port Hinchinbrook Sewerage Treatment Plant (\$15.3m). We thank the state and federal governments for their support of these and other projects for our community.

We are extremely privileged to live work and play in a region that boasts two World Heritage areas and we have an important role to play in protecting these natural environments and acknowledging the rich culture and long connection First Nations people have with Country.

In 2023 we adopted the Coastal Hazard Adaptation Strategy and we continue to actively participate in the Reef Guardian Councils Program.

We continue on our Reconciliation journey with the adoption of the Innovate RAP 2023-2025 which has been endorsed by Reconciliation Australia.

The one constant in Local Government is change and this certainly was reflected across Council's operations with the new organisational structure adopted in February. This structure provides a fit for purpose organisation focused on delivering outcomes for and with our community and we are focused on growing our own talent to support this.

The business of local government is complex and challenging and our Council team is firmly focused on meeting the challenges together with our community. The Cassowary Coast Local Government Area is a diverse collection of people, places and spaces and together we make One Coast: Cassowary Coast a place we are all proud to call home.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Nolan', with a long horizontal line extending to the right.

Mark Nolan

Mayor



# CEO's Message



Dear Members of the Cassowary Coast Community

It is a privilege to look back on what has been a remarkable year for the Cassowary Coast. As we reflect on the past year, I would like to thank each and every member of our Council team, as well as our residents, businesses and stakeholders who have contributed to our achievements and shared vision.

This past year the way forward for Council has been crystalised through the 2022 Community Scorecard outcomes where our community clearly told us their top priorities which included roads and footpaths; seniors, youth, health and community services; economic development; our leadership and community.

From feedback received through the Scorecard, after months of internal consultation, in February 2023 Council endorsed our Organisation Redesign. I am extremely appreciative and proud of the high level of engagement and honesty of our team during this process.

The Scorecard results also galvanised our focus with our advocacy, projects and initiatives being guided by our community's vision and expectations.

The Organisation Redesign will set the business of Council up for success with a high focus on 'growing our own' through increased internal delivery of services rather than engaging consultancies and enhance development career pathways for our team as just two examples of outcomes.

Local governments are unique businesses with a wide range of service delivery requirements from infrastructure, water and waste through to customer, community and regulatory services that are underpinned by legislation as well as self-imposed commitments such as our Communications, Engagement and Customer Service Framework and Customer Service Charter (Framework) which Council adopted in March.

This Framework provides very real opportunities for enhanced community engagement and communication which has been a major focus of our operations. This is reflected through our engagement outcomes for major projects such as the Innisfail CBD and Mission Beach Town Centre Revitalisation projects, Dog Off Leash Area's Trial Project and our Unsealed Roads Improvement Plan.

Our support of local businesses strengthened in 2022-23 through the employment of a Principal Economic Development Officer, Council signing on to become a Small Business Friendly Council in collaboration with the Queensland Government, the establishment of the Economic Development Advisory Committee and commencing the engagement for our Economic Development Strategy. Council embedded a greater emphasis of local supply chain opportunities through the adoption of a revised Procurement Policy.

Sustainability of our operations underpins all that we do to ensure that we provide great places and spaces for our community, and our financial position remains on target as reflected in this Annual Report.

In 2022-23 Council resealed a total of 21 roads across the region, with an investment of more than \$900,000. As part of the Smart Water Meter project roll out, we launched our Water Portal which provides residents with smart meters data to assist in identifying hidden water leaks early, minimise water loss and track and manage water use.

Our projects and services cannot be delivered without the support of grant monies from state and federal governments, and we thank both levels of government and elected members for their support.

Council is very active in advocating on behalf of our community. In March Council adopted the 2023 Advocacy Plan and Council put forward 7 motions at the Local Government Association of Queensland's Annual Conference in October 2022. These measures are in addition to the ongoing advocacy and awareness-building that councillors and our leadership team regularly undertakes with elected members, industry, stakeholders and department representatives.

Building relationships and trust with our First Nations community is a focus for me as CEO and our Council. This journey is guided by our Innovate Reconciliation Action Plan (RAP) which was endorsed by Reconciliation Australia in January 2023.

We are committed to implementation of the RAP through the RAP Working Group which consists of a diverse group of team members drawn from all operational areas with a minimum of 50% representation of First Nations' team members. Our entire Executive Management Team are RAP Champions to ensure that the RAP is supported across all teams within Council.

Environmental stewardship and sustainability and responding to the impacts of Climate Change has never been more important for our Council and community. CCRC is an active member of the Reef Guardians Councils Climate Change Initiative.

In 2022-23, Council supported the Great Barrier Reef Cleaner Road Run-off project as part of the Reef Guardian Councils' Rescue Plan. This project seeks to improve water quality outcomes for the Great Barrier Reef by managing the impact of sediment run-off from unsealed roads. Fine sediments are one of the three greatest water quality risks to the Reef, reducing available light to sea grass beds and inshore coral reefs.

Our Coastal Hazard Adaptation Strategy was adopted by Council in May 2023 and we continue to progress the strategy through the implementation plan. Implementation will contribute to building resilience and long-term sustainability and liveability in the Cassowary Coast region through adapting and responding to coastal hazard risks and climate change.

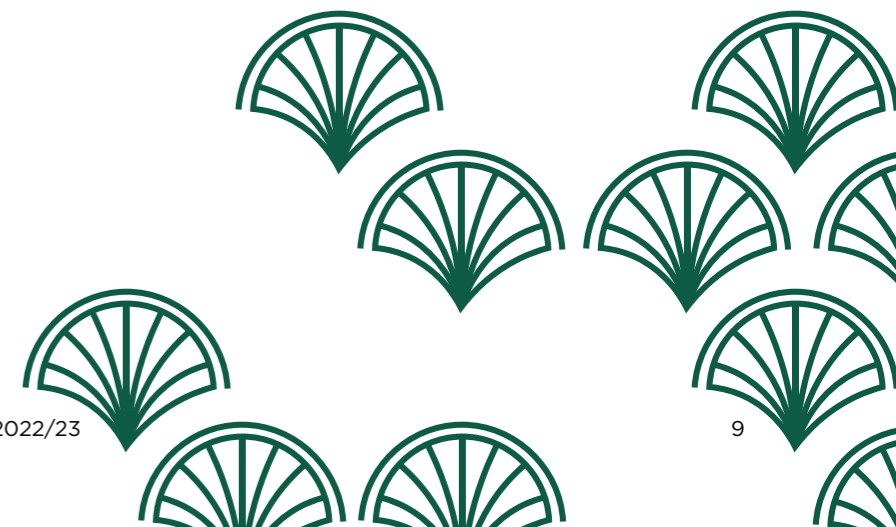
My CEO's Message can only provide a snapshot of our achievements over the past 12 months and our continued journey with our community.

I extend my deepest gratitude to our team, our community and our stakeholders. I would also like to acknowledge and thank our Councillors for their leadership and courage over the last year. Together we will continue to focus on our future, learn from the past and strive to provide great experiences, deliver value and create a sustainable future for our community.

I look forward to where our team will take Council in 2023-24 and what our team will deliver for our community.

Yours Sincerely,

Andrew Graffen, Chief Executive Officer



# Our Region

The Cassowary Coast region is situated between the major regional cities of Cairns (approximately one hour north) and Townsville (approximately two hours south).

The Cassowary Coast is named after the distinctive and endangered flightless bird which inhabits the region, and it covers an area of approximately 4,700 square kilometres.

The region is a mix of town, rural and coastal communities boasting beautiful beaches, lush hinterland and scenic mountains. There are over 3,500 businesses operating in the area, with potential for new business growth and development in all of the towns and communities. The most recognisable industries linked to the region are tourism and primary industries. The Cassowary Coast is Australia's premier banana-growing region and a well-known cane-growing region.

The Cassowary Coast boasts the townships of Innisfail in the north and Tully, Mission Beach and Cardwell in the south. Essential services are readily accessible. The high rainfall and humidity means this is one of the wettest and greenest places in Australia. The estimated resident population is 30,000.

The Cassowary Coast is well connected to other parts of the nation via the Bruce Highway which passes through many of the region's townships. The Palmerston Highway provides connectivity with the Tablelands region and is its major goods transport route. The region can also be accessed by sea through the commercial port at Mourilyan Harbour, by air through one of three aerodromes, and by rail.



**4,700km<sup>2</sup>**  
Cassowary Coast Regional Council Local Government Areas



**48%**  
Wet Tropics World Heritage area



**3,124mm**  
Average rainfall





## Our Population



## Our Economy



## Our Environment



# Our Council

**7**  
elected members

**332**  
employees in total

**21**  
trainee and apprentices



# Our Services Snapshot



**1,300**  
kilometres of road network maintained



**162**  
bridges maintained



**360**  
building and planning applications decided



**\$ 108,369**  
provided to the community through the community grants program



**186,180**  
library visits from the community



**16**  
boat ramps managed and maintained



**42,000**  
tonnes of waste processed



**327**  
hectares of parks and open spaces maintained



**14,000**  
customer service requests



**2,074**  
dog registrations



**86**  
public toilets maintained



**814**  
kilometres of water mains serviced and maintained



# Our Vision and Core Values

## Our Guiding Principles

We aspire to provide great experiences, deliver value and create a sustainable future for our community.

Delivering outcomes that embrace value in everything we do is fundamental to a vibrant and prosperous community that 'loves the place we live' and is summed up in our vision statement - 'One Coast: Cassowary Coast'.

## Our Mission

We are committed to delivering great service and value, economic growth, opportunity, prosperity and a relaxed lifestyle.

## Our Core Values

At Council, we are committed to working as one to realise our vision of 'One Coast: Cassowary Coast' to ensure great experiences, deliver value and create a sustainable future for our community.

Everything we do is underpinned by three core values:

### Our Core Values are

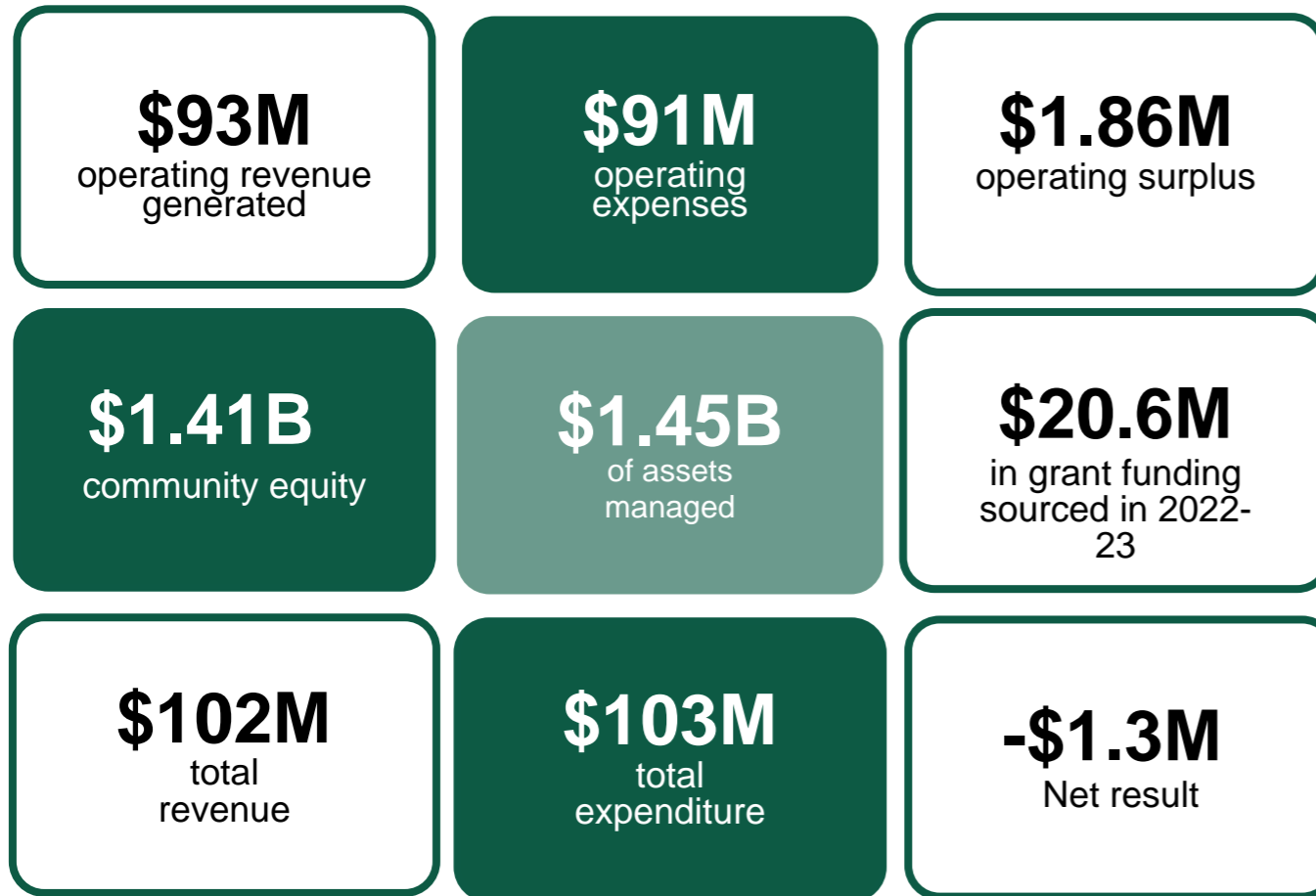


We do what we say through our core values, and we demonstrate this through each of our key commitments

LEADERSHIP	COMMUNICATION	PERFORMANCE	TEAMWORK
<p>We all affect outcomes, and lead through our actions and behaviours</p> <p><b>CCRC LEADERS WILL:</b></p> <ul style="list-style-type: none"> <li>• Demonstrate visible leadership</li> <li>• Think of the whole organisation when making decisions</li> <li>• Provide clear directions</li> <li>• Manage performance and behaviours</li> <li>• Manage resources efficiently</li> </ul>	<ul style="list-style-type: none"> <li>• Have conversations with each other</li> <li>• Listen to each other</li> <li>• Openly engage, share information and knowledge</li> <li>• Give honest and regular feedback</li> <li>• Have a 'how can we?' approach</li> </ul>	<ul style="list-style-type: none"> <li>• Safety is part of what we do every day</li> <li>• Understand our roles and our contribution</li> <li>• Hold each other to account</li> <li>• Achieve results</li> <li>• Build capability</li> <li>• Test ideas and learn from our mistakes</li> <li>• Find better, simpler ways to do things</li> <li>• Deliver a great service to our customers</li> </ul>	<ul style="list-style-type: none"> <li>• Contributions encouraged by individuals and teams</li> <li>• We treat each other with respect</li> <li>• Build trusting relationships</li> <li>• We empower and support each other</li> <li>• We support people having a go</li> <li>• We recognise and celebrate achievements</li> </ul>



# Our Financial Summary



## Breakdown of Capital Works Program

### Capital Works Program

**\$32.3M**

Delivered

**81%**

of the target for financial completion

### Total Capital Spent

Total expenditure in 2022-23 was **\$32.3M**. This included :

- **\$437K** on Information Services;
- **\$642K** on Waste Management;
- **\$698K** towards facilitates;
- **\$138K** to Infrastructure Survey and Design;
- **\$155K** towards Marine Facilities;
- **\$14M** on Transport, including Roads, Bridges and Town Centres;
- **\$11M** on Water and Sewerage; and
- **\$3M** towards Council's Fleet.



# Our Reconciliation Journey

Cassowary Coast Regional Council understands and respects the histories and cultures of Aboriginal and Torres Strait Island Peoples. With integrity and courage guiding us, we walk together with pride and a sense of belonging to One Coast, Cassowary Coast.

## Innovate Reconciliation Action Plan

The Innovate Reconciliation Action Plan (RAP) 2023-2025 was officially endorsed by Reconciliation Australia in early January 2023, and was further adopted by Council at the January 2023 Local Government Meeting. Council acknowledges that the development and implementation of the RAP is our next step towards reconciliation.

Since the adoption of Innovate RAP, Council has been working to achieve the 62 deliverables

as outlined within the document. Led by RAP Champions as well as a RAP working group, these actions ensure Council is positioned to implement effective and mutually beneficial initiatives as part of our ongoing commitment to reconciliation.

The Innovate RAP has 62 deliverables across four pillars:

- Relationships;
- Respect;
- Opportunities; and
- Governance.



Summarised across the next page is a snapshot of deliverables achieved as of 30 June 2023.

Caption: NAIDOC Week at Jumbun 2023.



## National Reconciliation Week

In celebration of National Reconciliation Week held from 27 May to 3 June 2023, in partnership with Mamu Health Services, Council hosted a Reconciliation Luncheon on Friday 26 May for staff members and the community.



Caption: Reconciliation Week 2023 Luncheon.

The National Reconciliation Week theme, Be a Voice for Generations, encouraged all Australians to be a voice for reconciliation in tangible ways in our everyday lives – where we live, work, and socialise. The Cassowary Coast event was an opportunity for celebration, to move forward as one community, and contribute to reconciliation.

## NAIDOC Week

Our community celebrated NAIDOC week from 2 July to 9 July 2023. Councillors and Council Officers attended many community events held throughout the region featuring a community picnic, street march, and the celebration of Jumbun's 45-year anniversary.

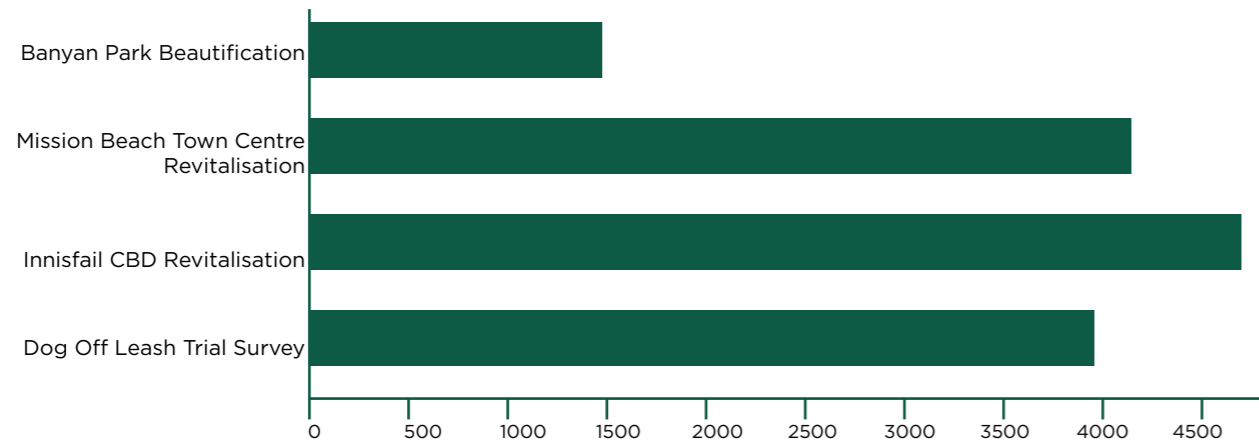
As a Council, we strive to continuously learn from our First Nations community members and create opportunities that close the gap and bring a sense of belonging, understanding and unity.

Caption: NAIDOC Week March 2023 in Jumbun.



# Engaging with Our Communities

In 2022-23, Council launched our engagement platform – Your Say Cassowary Coast ([yoursay.cassowarycoast.qld.gov.au](https://yoursay.cassowarycoast.qld.gov.au)). From the launch on 12 September 2023 to 30 June 2023, the site has received over 29,000 views, 2,000 contributions and provided engagement opportunities for 43 projects. The projects which received the most engagement were:



## Redesign of CCRC's Website

In early 2023, Council transformed the digital experience of our community and provided a new website, with streamlined content, improved accessibility and easier navigation. The vision of the website was to provide a customer-focused and informative platform that is a “one-stop shop” for our community to access Council services. The redesign was a success and the website has seen an increase of 11,604 homepage views (totaling 95,317 total views) and a reduction of exit rates (people exiting off the page straight away) from 46.2% to 44.10%.

Caption: Council's new website homepage.



## Community Grants Program

In October 2022 Council endorsed the new Community Grants Program. The Program supports non-profit community organisations and individuals to develop and deliver projects, initiatives and events which provide a broad range of socio-economic benefits to the Cassowary Coast community. The 2022-23 Community Grants program saw **\$108,369** of funding awarded to **33 local groups or individuals**.

	Community Wellbeing and Lifestyle	Regional Arts Development Fund	Economic Development	Environment and Sustainability
Round One	<ul style="list-style-type: none"> <li>Junior Bowls Coaching Program – Tully Bowls Club</li> <li>Pickleball Development – Cardwell Pickleball Club</li> <li>Touch Holiday Clinics – Tully Touch Association</li> <li>Cardwell Aqua Exercise – Cardwell Chamber of Commerce</li> <li>Volunteer Safety – St Vincent De Paul Innisfail</li> <li>Tully Community Christmas Tree – Tully Chamber of Commerce</li> <li>El Arish Anzac Day – El Arish Sport and Recreation Group</li> </ul>	<ul style="list-style-type: none"> <li>Taking on True Friends Tour – Aaron Lee</li> <li>How to Build a Forest – Ken Allen</li> <li>River Entertainment Stage – Feast of the Senses Inc.</li> <li>Professional Development – Sundance Studio</li> </ul>	<ul style="list-style-type: none"> <li>Tech Touch Up – Great Green Way Tourism</li> <li>Museum Signage – Innisfail Historical Society</li> <li>2023 Cardwell UFO Festival – Cardwell UFO Festival Inc.</li> <li>Environmental Sustainability</li> <li>Mission Beach Arboretum Revitalisation – Community for Coastal and Cassowary Conservation</li> <li>Education Local Sugar Industry – Tully Canegrowers Ltd.</li> </ul>	
Round Two	<ul style="list-style-type: none"> <li>Tully Mission Beach Pickleball – Ready for Play</li> <li>Rotary Club of Innisfail – Riverfest</li> <li>Tully Men's Shed -Connectivity Project</li> <li>Tully Motorcycle Club – Facility Project</li> <li>Innisfail Game Fishing Club – Signage &amp; Promotion</li> <li>Cassowary Coast Little Athletics – Promotion</li> <li>Tully Rugby League Club – QRL Pride Game</li> </ul>		<ul style="list-style-type: none"> <li>Cairns Italian Festival – Innisfail Pasta &amp; Sugo Festival Event</li> <li>Tully Cane Productivity Cane Services - Sugar Cane Nursery Project</li> <li>Kurrimine Beach Fishing Club – Signage &amp; Promotion</li> <li>Mission Beach Outrigger Club – Dunk Island Outrigger Event</li> <li>Innisfail Historical Society – Tropical Art Deco Festival</li> <li>Cardwell Community Events – Bike &amp; Boats Expo</li> <li>Cardwell Seafest – Seafest Event 2023</li> </ul>	<ul style="list-style-type: none"> <li>Mourilyan State School P &amp; C – Growing Green Kids Project</li> <li>Murray Upper School P &amp; C – Waste Warriors</li> <li>The Rainforest School – School Recycling Program</li> </ul>

## Customer Service Charter

In March 2023 Council adopted our Customer Service Charter with a statement of our commitment and our guiding principles which will support our team at Council to deliver great service and value to our customers.

We are committed to providing our customers with a high level of service in accordance with our Customer Service Charter, Values and Commitments. We acknowledge that we can always improve, and we may not get it right every time. We value our customer and community feedback and we are continually evaluating and improving our customer service.

### Youth Advisory Committee

In December 2022, Council endorsed the formation of a Youth Advisory Committee (YAC). The purpose of the YAC is to provide a platform for youth throughout the Cassowary Coast to communicate with Council on current and emergent themes impacting youth in the region. The committee focuses on meaningful youth participation and will work collaboratively to ensure the views and opinions of youth are heard.

### Rating Advisory Committee

Council endorsed the membership of the Rating Advisory Committee at the June 2023 Local Government Meeting. The Committee is established for the purpose of providing feedback and recommendations on Council's current General Rates and Special Levies structure in advance of developing the 2024/25 Annual Budget.

### Regional Events

- **Red Bull Defiance** - Media value of \$488.5K (earned, reach, visual, website, signage, public relations), 152 visitor nights booked by Cassowary Coast Tourism, Total 1,377 visitor night = spend of \$263k, strong community clubs and business support.
- **Innisfail Autofest** - 3,200 spectators over the two days - over 56% attendance from outside Cassowary Coast region, 192 participants, and community organisation support.
- **Tilapia Tournament 2022** - The Council-run event saw over 350 youth participants, along side their families with over 500 Tilapia caught.

Caption: Tilapia Competition at Warrina Lakes.



Caption: Red Bull Defiance 2022.

# Activating Our Economy

In 2022-23, Council looked to create a strong, diverse economy providing opportunities for business and investment with an integrated approach to long-term planning.

## New Procurement Policy Endorsed

Council adopted a revised Procurement Policy in late 2022, which embedded a greater emphasis of local supply chain opportunities in Council's procurement and contracting activities.

The revised policy has been developed specifically to further build upon Council's previous support for local businesses within the region. It will also provide greater administrative clarity for Council staff undertaking procurement activities by introducing the following:

- definitions of 'local supplier' and 'non-local supplier'.
- low value contracts <\$5,000 will require at least one written quote from local supplier where available.
- mandating circumstances by which quotations must be sought from local suppliers only.
- providing guidance on comparing local suppliers responding to large contract opportunities.

Since implementation, Council has recorded over \$30 million spent with local suppliers in the Cassowary Coast.

## Move to Our Community Focus

During 2022 Council undertook an extensive Community Scorecard consultation process to understand what is important to our community and where Council can improve performance. Over 1850 community members joined the conversation sharing more than 100,000 words to guide Council with future priorities.

The top priorities were local roads, health and community services, Council's leadership and economic development.

The 2023 Cassowary Coast Regional Council Advocacy Plan, endorsed by Council in March 2023, highlights the opportunities to collaborate with state and federal governments, industry, business and community to improve our quality of life and support social, economic and environmental sustainability. Our advocacy is broad ranging and is a direct response to the outcomes of the Community Scorecard.

## CCRC Water Portal

As part of the Smart Water Meter project roll out, Council launched the CCRC Water Portal which provides residents with smart meters data to assist in identifying hidden water leaks early, minimise water loss and track and manage water use.

Across Cassowary Coast, there are 13,494 smart water meters installed and 140 households are registered for the Water Portal. Council look forward to more households registering in 2023-24.

## Economic Development Advisory Committee

In early July 2022, Council affirmed its commitment to the future of economic development through the endorsement of the Economic Development Advisory Committee (EDAC). Members of the EDAC include Chambers of Commerce, industry bodies and invested economic leaders across the region. Since inception the EDAC's focus has been on setting the future direction for the regions economy through the development of a 10 Year Economic Development Strategy 2023-2033. The EDAC's dedication to the scope development, stakeholder consultation and development process led to the development of the DRAFT Economic Development Strategy.

Caption: Cardwell Market Day



# Building Our Infrastructure

Through our built environment, Council looked to deliver regional infrastructure which supported our community and ensured it remained financially sustainable. Highlighted projects are outlined below.

## Mission Beach Masterplan Endorsed

In December 2022, Council endorsed the concept design for the Mission Beach Town Centre Revitalisation Project. The project involved extensive community engagement, including the formation of a stakeholder reference group, which supported Council to develop a shared vision for the area.

The project will deliver a vibrant livable and dynamic town centre, with a unique and laid-back atmosphere, showcasing the natural environment. The project, valued at \$10.5 million, has received \$3,522,522 funding the Queensland Government's 2022-23 Local Government Grants and Subsidies Program.

Looking forward, Council has been working to finalise the detailed design with construction to commence in 2024.

*Caption: Concept design for Mission Beach Revitalisation Project.*



## Regional Road Reseal

In 2022-23, Council resealed a total of 21 roads across the region, with an investment of more than \$900,000. Council undertakes resealing to improve the waterproof barrier, reduce the risk of pavement failure and improve the surface texture (skid resistance) enhancing safety and improving the life of the existing road pavement.

The roads which were resealed during 2022-23 included Acacia Close, Amanda Crescent, Thurles Street, Plumb Street, Tully Gorge Road, Monash Street, Chauvel Street, Carmel Street, Bartle Street, Benwell Street, Oak Street, Beech Street, Batchelor Street, Bella Vista Avenue, New Harbourline Road, ETTY Bay Road, Lawrence Road, Couche Street, Eslick Street and Eubenangee Road and Ash Street.

## Coastal Hazard Adaptation Strategy

At the May 2023 Local Government Meeting the Cassowary Coast Coastal Hazard Adaptation Strategy (the Strategy) was adopted.

Since 2016, the Queensland Government has funded the QCoast2100 program, assisting coastal Councils to advance coastal hazard adaptation planning and prepare coastal hazard adaptation strategies. Cassowary Coast Regional Council received funding to develop our Coastal Hazard Adaptation Strategy under the QCoast2100 Program.

The Strategy identifies locations where existing coastal facilities and assets are vulnerable across our region. Since its endorsement Council has commenced the development of an implementation plan and has sought funding to progress with the Strategy Outcome and Implementation Plan.

## Unsealed Road Improvement Plan

Council has committed to providing improvement in the unsealed roads services as contained in our 2022-23 Operational Plan. Unsealed roads were also a high priority area for our community as articulated through the 2022 Community Scorecard. In December 2022, Council adopted the Unsealed Roads Improvement Plan.

In forming the Plan Council engaged with the community to ensure our priorities aligned with the community's expectations.

Since endorsement of the Plan, Council has delivered a number of short-term initiatives, that bolster productivity, upgrade priority unsealed road sections and improve internal processes and effectiveness. These short-term initiatives included:

- Identifying 'Hotspots' and prioritising and completing works;
- Improving vegetation management;
- Purchasing a water truck to increase productivity ; and
- Improving our processes to respond to customer enquiries about unsealed roads.

*Caption: Warrami Road.*



## Innisfail CBD Revitalisation Community Engagement

In early 2023, extensive community engagement was undertaken with the Innisfail community gathering insights and ideas that have directly informed the design of the draft master plan for the Innisfail CBD. Council also appointed a Stakeholder Reference Group, to create opportunities for stakeholder and the community to be regularly informed, engaged and consulted by Council on the project and for the members to increase awareness amongst their networks.

From February 2023 until June 2023, a range of engagement activities and information sessions were organised to generate opportunities for community input. Engagement activities such as pop-up events, online surveys, stakeholder reference group meetings, trader and community workshops, school workshops, and disability group workshops were held. The engagement shaped the vision of Innisfail to be a vibrant and welcoming city loved by locals and adored by visitors.

*Caption: Concept designs for Innisfail CBD Revitalisation Project.*



## Hyatt Street Reservoir

In March 2023, Council awarded local construction company, Celtic Construction and Utility Services (CCUS), the tender for the construction of the Hyatt Street Reservoir, valued at \$9.3 million.

The new Reservoir will serve the township of Tully and will increase water security through improving water quality, standard of service, and will also provide emergency storage. The new Hyatt Street High Level reservoir was identified as a solution to address issues faced by Australia's wettest town leading to continuous days of boil water alerts.

The project is jointly funded by Cassowary Coast Regional Council and \$2,000,000 funded by the Queensland Government's Building our Regions Round Six Program.

## Port Hinchinbrook (Cardwell) Sewerage Treatment Plant and Normalisation Project

The project will see a new sewerage treatment plant (STP) built to replace the current failing system as well as renewal of some pump station and effluent infrastructure, culverts and road assets. The new STP is a result of years of planning and collaboration between all three levels of government to replace a failing facility. Construction of the new STP is scheduled to commence in August 2023, and to be completed by July 2024, subject to site and weather conditions. A carefully devised strategy has been implemented to maintain services for residents connected to the STP throughout the transition period.

In addition to these essential improvements, our commitment to this project is evidenced through the extensive road maintenance works. Renewal and resealing works have been undertaken on sections of Foxtail Drive, Tradewinds Drive, Keith Williams Drive, Carpentaria Drive, and Commercial Drive, with further projects planned.

This project is not just about infrastructure; it is an investment in the long-term resilience and prosperity of Port Hinchinbrook and Cardwell. It lays the foundation for sustainable growth and development, promising a brighter future for all. Council extends our appreciation to both the State and Federal Governments for their invaluable contributions.

*The STP and normalisation project is funded by the Australian Government, Queensland Government and the Cassowary Coast Regional Council.*

*Caption: Road reseal being undertaken as part of the Port Hinchinbrook Normalisation Project.*





# Sustaining Our Environment

In 2022-23, Council aimed to preserve and maintain our natural environment and incorporate contemporary and proven sustainability principles, as part of all activities for current and future goals. Highlights from projects are outlined below.

## Open Space Strategy – Classification and Service Level Document

Council is developing an Open Space Strategy to address the oversupply of open space and undersupply of quality regional parks. The project aims to guide the future planning, management, and resourcing of our open spaces to improve liveability and enjoyment within our communities.

In Phase One of the Open Space Strategy, Council developed an Open Space Classification and Service Level Guide document to inform the future management and investment of Parks and Reserves across the Cassowary Coast region. Council sought community feedback on the proposed hierarchy, levels of service and embellishments for park types, which overall helped inform the final Guide.

Council currently manages 315 open spaces, all with varying degrees of service and maintenance. The total area of open spaces equates to 17 hectares of land per 1,000 residents. The industry recommended standard is currently 5 hectares per 1,000 people. The Classification and Service Level Document will guide the planning, management and resourcing approach which meets our community needs.

Since endorsement of Phase One of the Strategy in February 2023, Council has commenced Phase Two of this project which will allocate each open space across the region with a Hierarchy and Service Level. Phase Two is currently in the engagement stage.

*Caption: Warrina Lakes Open Space*



## Dog Off Leash Areas

A Dog Off Leash Trial was undertaken during 2022-23 across six locations which became permanent off leash areas adopted at the June 2023 Local Government Meeting. Extensive community engagement was undertaken to understand the community's desire to have off leash zones in the region. Since the adoption of the permanent off leash areas, two more sites are being trialled due to requests from the community.

## Cleaner Roads Runoff

In 2022-23, Council supported the Great Barrier Reef Cleaner Road Run-off project as part of the Reef Councils' Rescue Plan.

The project seeks to improve water quality outcomes for the Great Barrier Reef by managing the impact of sediment run-off from unsealed roads across Queensland. Fine sediments are one of the three greatest water quality risks to the Reef, reducing available light to seagrass beds and inshore coral reefs.

Council undertook a study along Granadilla Road, El Arish which piloted several innovative management practices to reduce sediment run-off, with the collection and analysis of 42 samples from the road. Through analyses, six of the drain types used along the site were in the top 12 performing study segments.

The ten kilometre stretch of Granadilla Road provides a good representation of roads across Council's unsealed road network. This work will help inform Council's management of unsealed roads. By being part of the Cleaner Road Run-off Program, Council is paving the way in identifying new design and management practices that can be implemented across Queensland.

*Caption: Environmental Portfolio Holder Councillor Jeff Baines visiting the Cleaner Roads Run-off site on Granadilla Road, El Arish.*



## Tree Management Policy

Council recognises the unique biodiversity and ecological values, landscape character and amenities of our region. In managing our region's public tree network, Council aims to balance risks against the social, economic and environmental benefits of public trees.

In December 2022, Council invited residents to provide feedback prior to the adoption of the Public Tree Management Policy. The Policy highlights:

- Commitment to the retention and effective management of the region's public trees;
- Strategic direction in relation to planting new trees, continued maintenance, management and protection of trees located on Council-controlled land;
- Address key recommendations in Local Government Mutual Services Tree Risk Management Guide 2021; and
- Strategic direction for implementation of Local Law No.4 (Local Government Controlled Areas and Roads).

The Tree Management Policy was endorsed by Council in March 2023.



*Caption: Residents at Council's Tree Giveaway at the Innisfail Nursery.*

## Tree Giveaway

Council recognises the unique biodiversity and ecological values, landscape character and amenities of our region. In managing our region's public tree network, Council aims to balance risks against the social, economic and environmental benefits of public trees.

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- Commitment to the retention and effective management of the region's public trees;
- Strategic direction in relation to planting of new trees, continued maintenance, management and protection of trees located on Council-controlled land;
- Address key recommendations in Local Government Mutual Services Tree Risk Management Guide 2021; and
- Strategic direction for implementation of Local Law No.4 (Local Government Controlled Areas and Roads).

The Tree Management Policy was endorsed by Council in March 2023.



*Caption: CCRC Parks and Gardens Team Member maintain gardens along Fitzgerald Esplanade.*

# Supporting Our Teams

Council is one of the largest employers in the region. We provide for employment in up to 339 roles, as well as employing 21 apprentices and trainees. We also supplement the workforce with additional labour to assist with priorities in service delivery.

Council staff are led by the Chief Executive Officer and deliver services through the following structure:

- Office of the CEO - People and Safety; and Governance, Risk & Performance
- Infrastructure Services - Asset Engineering; Facilities and Leasing, Project Delivery; Asset Maintenance
- Corporate and Community Services - Information, Communication and Technology, Community and Engagement, Procurement and Finance
- Commercial Services - Fleet Services, Water and Wastewater and Waste and Resource Recovery.
- Development and Environmental Services - Emergency Management, Regulatory Services, Economic Development, Development and Natural Environmental and Sustainability.



*Caption: CCRC Apprentice being guided by Team Leader.*

## Young Recruits

Council recognises that providing local youth opportunities for training and stable employment will encourage them to stay in the region and contribute to a vibrant and prosperous Cassowary Coast community.

To support this vision, in the 2022-23 Financial Year, Council continued its partnership with the Group Training Organisation Community Solutions Group and the Queensland Government through the First Start Program. This program provides employment and training for several young locals through Council-based traineeships and apprenticeships. It also supports youth in accessing “earn while you learn” opportunities, First Start program funding, along with providing support and opportunities for people who have been out of the workforce for some time, or are returning to the workplace after having children.

Council has provided eight opportunities for one and two year traineeships in areas of Conservation and Ecosystem Management, Business Administration, Workplace Health and Safety and Information, Communication and Technology across a number of departments in both field and office based roles. Fourteen apprentices are hosted by Council in trades of diesel fitting, mechanical fitting, boiler making, carpentry and plumbing.

## Council Mentoring Program and Work Experience

The 2022-23 mentor program between Council and Innisfail State College continued with five student participants across various sectors of Council. The aim of the program is to help keep vulnerable Cassowary Coast students engaged, by providing them with exposure to the workplace and different career pathways. Combined with one-on-one support and encouragement from workplace mentors, the program enhances confidence of student participants.

Fourteen Work Experience students from schools throughout the Cassowary Coast region also had an opportunity to gain an insight into what it is like to work at Council through holiday work experience placement. Popular placement areas included Communications, Libraries, Finance, Information Technology, Customer Experience and Engineering as well as with our Fleet and Water teams to observe trade positions of diesel fitting, boiler making and plumbing.

Both programs help to create a better understanding of the workplace environment and provide students with a chance to explore potential career options.

## New Certified Agreement as Voted by Staff

Negotiations for the new Certified Agreement concluded in June 2023 following conciliation assisted by the Queensland Industrial Relations Commission. Employees to be covered by the proposed Certified Agreement will vote on its certification in July 2023. If a majority vote is achieved, the proposed Certified Agreement will be lodged with the Queensland Industrial Relations Commission and is expected to come into effect in late 2023.

The following changes to the current Certified Agreement were agreed to by the parties:

- pay increases of 14.5% over the life of the agreement, between December 2022 and 1 July 2025 to assist with attraction and retention;
- Primary Carer Parental Leave has increased from 4 weeks to 14 weeks and Secondary Carer Parental Leave has increased from 1 week to 2 weeks encouraging greater workforce participation by those who want to raise a family in the Cassowary Coast Region;
- improved on-call/stand by allowances and arrangements;
- increase in redundancy pay where service has been between 1 year and 4 years, but less than 5 years to align with legislative requirements; and
- a new clause confirms the commitment of the parties to the Certified Agreement to equal employment opportunity.

## Growing Our Own

In 2022-23, Council committed to 'Growing Our Own' and has invested significantly in the achievement and development of our staff. This process involved implementing bi-yearly Achievement and Development Plans with every team member across the organisation. The Achievement and Development Plan process has created an opportunity for team members to engage with their leaders in a robust, two-way discussion. It has had many benefits including:

- Creating clarity around role requirements and performance expectations;
- Aligns individual effort to business needs and operational plans;
- Acknowledges individual achievements; and
- Identifies opportunities and priorities for development for current or future roles.

The program has been a success and led to the upskilling and promotion of staff members, with several employees being either promoted or moving into roles.





## 2. Statutory Information

This section details the annual statutory reporting requirements that have not already been included elsewhere in the Annual Report.

It includes information about how we respond to complaints and requests for information, details our investment into our community, and discloses key information about our business operations.



## Our Councillors

Cassowary Coast Regional Council consists of the Mayor and six Councillors who are elected by the community every four years to represent the views of residents within the region.

**Cr Mark Nolan**  
**MAYOR**  
Portfolio: Planning & Regional Development



**Cr Nicholas Pervan**  
**DIVISION 4**  
Portfolio: Major Projects & Organisational Culture



**Cr Jeff Baines**  
**DIVISION 5**  
Portfolio: Governance, Environment & Finance



**Cr Barry Barnes**  
**DEPUTY MAYOR**  
**DIVISION 1**  
Portfolio: Asset Sustainability



**Cr Teresa Millwood**  
**DIVISION 2**  
Portfolio: Waste Management & Innovation



**Cr Trudy Tschui**  
**DIVISION 3**  
Portfolio: Community & Culture



**Cr Renee McLeod**  
**DIVISION 6**  
Portfolio: Economic Development & Tourism



## Mayors and Councillors

### Councillor Remuneration and Expenses

Cassowary Coast Mayor and Councillors were remunerated in accordance with the maximum remuneration rates published by the Local Government Remuneration and Discipline Tribunal. Superannuation Contributions were paid at a rate of 12 percent of a Councillor's base remuneration.

In accordance with section 186(a) and (b) of the *Local Government Regulation 2012*, the total remuneration paid to each Councillor, superannuation contributions and the total expenses incurred by each Councillor under the Expenses Reimbursement for Councillors Policy during the financial year are as shown below.

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

Councillor	Remuneration	Superannuation	Expense	Total
Cr Mark Nolan	\$135,779	\$16,293	-	\$152,072
Cr Jeffery Baines	\$72,131	\$8,656	\$2,945	\$83,732
Cr Barry Barnes	\$84,861	\$10,183	\$699	\$95,743
Cr Teresa Millwood	\$72,131	\$8,656	\$5,341	\$86,128
Cr Trudy Tschui	\$72,131	\$8,656	\$7,681	\$88,468
Cr Nicholas Pervan	\$72,131	\$8,656	\$4,527	\$85,314
Cr Renee McLeod	\$72,131	\$8,656	\$5,170	\$85,957
<b>Total</b>	<b>\$581,294</b>	<b>\$69,755</b>	<b>\$26,363</b>	<b>\$677,412</b>

### Council Meeting Attendance

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

Twelve (12) ordinary meetings and five (5) special meetings were held during the period 1 July 2022 to 30 June 2023 and the attendance of Councillors is detailed below.

Councillor	Ordinary meetings attended	Special meetings attended
Cr Mark Nolan	12	5
Cr Jeffery Baines	11	5
Cr Barry Barnes	12	5
Cr Teresa Millwood*	8	4
Cr Trudy Tschui	12	5
Cr Nicholas Pervan*	11	5
Cr Renee McLeod	12	5

\* Note Cr Millwood approved leave of absence 31 March 2023 to 26 May 2023 inclusive. Cr Pervan approved leave of absence 22 June to 26 June 2023 inclusive.

## Councillor Conduct

In accordance with section 186(1)(d)-(f) of the *Local Government Regulation 2012*, orders and complaints about Councillors during the financial year are as shown below. There was one (1) order made under section 150I(2), 150AH(1) and 150AR(1) of the *Local Government Act 2009*.

Councillor	Description of the Misconduct or Inappropriate Conduct	Summary of the Order or Recommendation
Councillor B Barnes	It is alleged Councillor Barnes, on 9 March 2023, at a councillor workshop in Innisfail breached section 150K(1) (a) of the Local Government Act 2009. Councillor Barnes' conduct may have breached a behavioural standard in the Code of Conduct for Councillors in Queensland.	The Council determined that the Councillor engaged in inappropriate conduct and under its investigation policy an early resolution agreement was made with Cr Barnes stating: That no investigation is required as Cr Barnes had already acknowledged the conduct. Further, that an order that Cr Barnes be reprimanded [section 150AH (1) (b) (ii)] and an order that if Cr Barnes engages in the same type of conduct again, it will be treated as misconduct [section 150AH(1)(b)(vi)].

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

# Corporate Governance

## Senior Management Remuneration

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

Remuneration Value Range	Number of Senior Executives
\$150,000 - \$250,000	3
\$250,000 - \$350,000	1

The senior management of a local government consists of the Chief Executive Officer and all employees whose position would ordinarily be considered to be a senior position in the local government's corporate structure. Council's senior management during 2022-23 included the Chief Executive Officer, Director of Infrastructure Services, Director of Delivery Services and the Chief Financial Officer. The Chief Financial Officer position was reclassified as Director Corporate and Community Services.

Senior management remuneration packages include salary paid or payable and includes superannuation at 12 percent, vehicle allowance and professional development allowance. The total remuneration packages payable to senior management for the financial year was \$996,600.

## Administrative Action Complaints

In accordance with section 187 of the *Local Government Regulation 2012*, Council has adopted a Complaints Management Policy and Administrative Action Complaints procedure to effectively deal with complaints in a fair, prompt, professional, confidential and respectful manner.

Council's Governance team is responsible for application of the policy and coordinating complaint investigations. All complaints received by Council are considered on their merits and addressed pursuant to any relevant legislation requirements and investigation in accordance with the relevant operational procedure and the application of the principles of procedural fairness.

## Assessment of Council's Performance

A centralised complaints management processes allows for key performance indicator management, cause tracking, continuous improvement, and reporting through to resolution. The Complaints Management Policy has been reviewed to ensure compliance with the *Local Government Regulation 2012*.

A reporting highlighting all Administrative Action Complaints is presented to the Executive Management Team each month.

Reasons for Administrative Action Complaint, received in the 2022-23 were due to:

- seven lack of contact or action from Council
- two process/procedure not adhered to
- 25 dissatisfaction with a Council decision
- seven other

Six Administrative Action Complaints were escalated to an internal review by the customer. These complaints were reviewed by the relevant director. The outcome of all six reviews recommended that the original decision be upheld.

On average 98 percent of complaints were resolved within Council's agreed timeframe, this was above the 2022-23 performance. The capacity to resolve complaints within the stated timeframe was consistent and there was a decrease in the average time to respond to complainants compared to the previous financial year.

As required by section 187(2) of the *Local Government Regulation 2012*, the below table provides a summary of Administrative Action Complaint outcomes for 2022-23.

Outcome of administrative action complaints	2022-23
Number of Administrative Action Complaints made	41
Number of Administrative Action Complaints resolved under the complaints management process	39
Number of Administrative Action Complaints not resolved under the complaints management process	1
Number of Administrative Action Complaints not resolved that were made in the previous Financial Year	1

### Significant Business Activities

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

- Cassowary Coast Water and Waste Water

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

- Cassowary Coast Water and Waste Water

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

### Competitive Neutrality Complaints

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

### Particular Resolutions

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

The Expenses Reimbursement for Councillors Policy was amended by Council at the Ordinary Meeting held on 23 February 2023. The policy provides for payment of reasonable expenses incurred, or to be incurred, by Councillors for discharging their duties and responsibilities as Councillors and for the provision of facilities to Councillors for that purpose. The policy is based on the following principles:

- No private benefit to be derived
- Reasonable expenses reimbursement
- Public accountability and transparency
- Public expectations and community expectations
- Equity and participation

### Assets Recognition Policy

Section 206(2) of the *Local Government Regulation 2012*, deals with setting an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.

### Overseas Travel

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

### Expenditure on Grants to Community Organisations

In accordance with section 189(2)(a) of the *Local Government Regulation 2012*, the following table outlines a summary of the funds supplied through community grants:

Programme	Expenditure
Rates Rebate – Not for Profit Organisations	\$198,308
Regional Arts Development Fund	\$13,971
Community Assistance Scheme – Donations	\$1,500
Community Assistance Scheme – Emergent Funds Grant	\$6,495
Community Assistance Scheme – Youth Assistance	\$3,250
Community Assistance Scheme – Grants Program	\$108,396
Community Assistance Scheme – Youth Sports Bursary Program	\$3,750
Community Christmas appeal donations	\$4,258
<b>TOTAL</b>	<b>\$339,928</b>



## Details of special rates and charges

In accordance with Section 190(1)(d)(i) of the *Local Government Regulation 2012*, there was no action taken for, and expenditure on, a service, facility or activity:

1. supplied by another local government under an agreement for conducting a joint government activity; and
2. for which Council levied special rates or charges for the 2022-23 financial year.

## Summary of Concessions for Rates and Charges

In accordance with section 190(1)(g) Council is required to provide a summary of all concessions for rates and charges granted during the financial year.

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

- Equity- having regard to the different levels of capacity to pay within the local community;
- Consistency- the same treatment for ratepayers receiving concessional rating; and
- Transparency- making clear the requirements necessary to receive concessions.

In accordance with the above principles, at the Local Government Meeting on 28 June 2023 approved the Rating Concession Policy which documents the following concessions:

### Concessions for pensioners

Pensioners who meet the eligibility requirements of the Queensland State Government's Pensioner Remission Policy may receive up to 50 percent remission off the general rates with a maximum of \$300.00 per annum.

### Concession for water consumption

Property owners may be eligible for a rate concession in respect to water charges or water consumption charges resulting from a concealed leak.

### Concessions for Community Organisations

Provides for a range of concessions for not-for-profit community, recreation and sporting organisations which meet certain criteria.

### Concessions for home water dialysis

Council has also committed to providing assistance via a non-chargeable water allowance of up to 190kl per year to those patients on home renal dialysis and who meet certain criteria.

Concessions to ratepayers in 2022-23:

Type of Concession	Concession granted
Pensioner concession Council only	\$723,005
Water consumption concession	\$140,669
Home water dialysis concession	\$185
<b>TOTAL</b>	<b>\$864,090</b>

## Summary of Concessions for Rates and Charges

In accordance with section 190(1)(e) of the *Local Government Regulation 2012*, Council advises that there were 19 changes to tenders under section 228(8) during the financial year.

## Council Register

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

- Councillor Conduct Register
- Register of Secondary Employment
- Register of Interests of a Councillor and their Related Persons
- Register of Interests for CEO and Senior Executive Employees
- Register of General Charges and Regulatory Fees
- Register of Delegations by Council to the Chief Executive officer
- Register of Sub-Delegations from CEO to Council Officers and Contractors
- Register of Policies
- Cemetery Register
- Impounding Register
- Infrastructure Charges Register
- Register of Contracts
- Register of Roads
- Register of Assets
- Register of Local Laws
- Testable Back-flow Prevention Devices Register
- Registers of pre-qualified suppliers (RPQS)
- Registered dog register
- Regulated dog register

## Audit Committee

The Audit Committee plays a key role in assisting Council to discharge its responsibilities for the efficient, effective, economical, and ethical use of ratepayer's resources.

The Committee does this by providing independent oversight of the Council's governance and internal control frameworks, financial reporting, and compliance with relevant legislation.

It is required by *Local Government Regulation 211(1) (b)* to examine:

- i. the internal audit plan for each financial year;
- ii. reports of internal audit activity including any recommendations in the report and the actions to which the recommendations relate;
- iii. a draft of the local government's financial statements before the statements are certified and given to the auditor-general;
- iv. the auditor-general's audit report and auditor-general's observation report about the local government's financial statements for the preceding financial year.

In the period 1 July 2022 to 30 June 2023, the Audit Committee formally met on five occasions.

Attendee	Meetings attended	Possible
Cr Mark Nolan	5	5
Cr Jeffery Baines	5	5
Mark Andrejic	4	5
Campbell Charlton	5	5
Jodie Woolcock	1	1

The meetings are open to interested Councillors and are attended by a range of staff.

## Internal Audit Function

In accordance with section 105(1) of the *Local Government Act 2009* the internal audit function has been established as an integral component of Council's corporate governance framework. The Internal Audit Unit operates in accordance with the Internal Audit Policy and Charter, which is endorsed by the Audit Committee and through the engagement of contract Internal Auditor. The Charter sets out the mandate, roles and responsibilities of the internal audit function.

The key role of the internal audit function is to assist Council, the Audit and Risk Committee, the Chief Executive Officer and other levels of Management, to properly discharge their responsibilities and achieve sound managerial control over all Council activities. Audits provide independent advice and assurance to Council and management that policies, operations, systems and procedures meet appropriate standards of accountability, regulatory compliance, effectiveness, efficiency and propriety.

In accordance with section 190(1) (h) of the *Local Government Regulation 2012*, audits and other activities undertaken during the financial year included:

- Internal audits undertaken:
  - Workforce planning, staff resourcing and productivity
  - Project management practices
  - Property and leasing management
- Management of Audit Actions Register

## Work, Health, Safety and Wellbeing

In line with the 2022-23 Priority Plan, the WHS Unit is actively engaged in several key initiatives. These include enhancing the safety culture and communication within Council through increased interaction between Health Safety Representatives and the Executive Leadership Team, fostering transparency, and encouraging employees to share concerns and incidents. The plan comprises five main pillars: the WHS Management System encompassing roles, responsibilities, and contractor engagement; innovation in WHS practices through training, safety culture, and change management; injury prevention and early intervention focusing on fitness for work and psychosocial health; design in WHS involving risk reduction and identification of hazards and near misses; and finally, wellbeing initiatives such as health programs, employee assistance, and various health checks including vaccines and screenings.

# Public Sector Ethics

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

## Employee Code of Conduct

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

- Integrity and impartiality;
- Promoting the public good;
- Commitment to the system of government; and
- Accountability and transparency.

All employees have been provided with a copy of the Code of Conduct and new employees receive a copy of the Code of Conduct and attend compulsory training as part of Council's employee induction program.

## Procedures and Practices of Public Sector Entities

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



### 3. Our Community Financial Reporting

This section highlights our financial performance in our Financial Report, which provides an overview of our key financial outcomes.



## Introduction

The Community Financial Report contains a summary and analysis for residents, businesses and other stakeholders to enable greater understanding of Council's financial position and performance for the 2022-23 Financial Year. Through the use of charts and concise explanations, it allows readers to evaluate Council's financial position for the prior financial year. In addition, this report includes key financial statistics and ratios that can also be useful indicators of Council's performance.

The report summarises the following:

- **Statement of Comprehensive Income**

Measures how Council performed in relation to income and expenditure from operations to give a net result.

- **Statement of Financial Position**

Is a snapshot of what we own (our assets) and what we owe (our liabilities) as at the end of the Financial Year, with the difference (our equity) reflecting our net worth.

- **Statement of Changes in Equity**

Summarises changes in our net worth during the year including showing the movements in our retained earnings, reserves and asset revaluation surplus.

- **Statement of Cash Flows**

Shows cash movements that have occurred during the Financial Year. The closing balance reflects how much cash Council had at the end of the Financial Year.

- **Measures of Financial Sustainability**

Provide an indication of our relative sustainability based on the prior year's performance. The three sustainability indicators have been established by the Department of State Development, Infrastructure, Local Government and Planning to help monitor the long-term sustainability of all Councils across Queensland.

Further details and breakdowns of all the below items can be found in the Financial Statements and detailed notes to the Financial Statements.



## Statement of Comprehensive Income

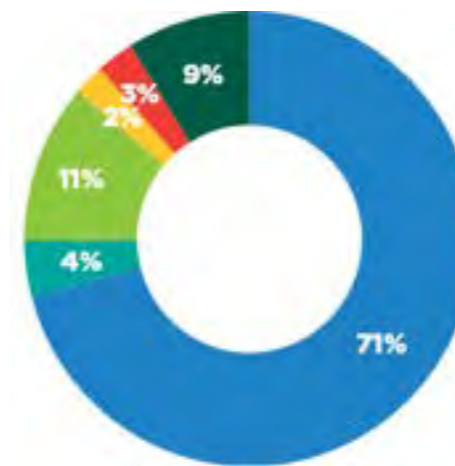
The Statement of Comprehensive Income is often referred to as the Profit and Loss Statement. This statement shows what Council is expected to earn (revenue) and what costs Council is expected to incur (expenditure) throughout the financial year. For the 2022-23 financial year, Council achieved a Net Deficit Result of (\$1.3M).

	\$
<b>What we earned (Revenue)</b>	
Operating Revenue	92,950,708
Capital Revenue	9,025,499
<b>Total Revenue</b>	<b>101,976,207</b>
<b>What we spent (Expenditure)</b>	
Operating Expenditure	(91,088,247)
Capital Expenditure	(12,188,626)
<b>Total Expenditure</b>	<b>(103,276,873)</b>
<b>Net Result</b>	<b>(1,300,666)</b>

### Where did Council's money come from? (Income)

There are two categories of revenue included in Council's financial performance:

- 1) Operating Revenue; and
- 2) Capital Revenue.



Type of Revenue	\$'000's
Net Rates and Utilities	72,352
Fees and Charges	4,026
Grants, Contributions and Donations	11,554
Finance Income	2,296
Other Operational Revenue	2,722
Capital Revenue	9,025
<b>Total Revenue</b>	<b>101,976</b>

### Operating Revenue

Operating revenue is the revenue that a Council generates from its primary business activities. Council received \$92.95M in Operating Revenue in 2022-23. Rates, utilities and charges continue to be the major source of income for Council at \$72.4M, an increase of +\$4.3M (+6%) compared to the prior year. This major income source comprises; general rates; sewerage; waste and water charges; environmental and transport infrastructure levies. This is offset by pensioner rebates and a general rates discount. The increase in Rates income versus prior year is a cumulation of the following:

1. reduction in the general rates discount from 10% to 5%;
2. introduction of Non-Principal Place of Residence general rate; and
3. 3.7% increase in water access and water charges.

Fees and Charges revenue was \$4.0M for 2022-23, which was largely in line with prior year. This revenue is made up of fees and charges for; a wide variety of regulatory fees; domestic dry and wet waste at Council's Waste Transfer Stations; and revenue resulting from other commercial operations such as caravan parks.

### Capital Revenue

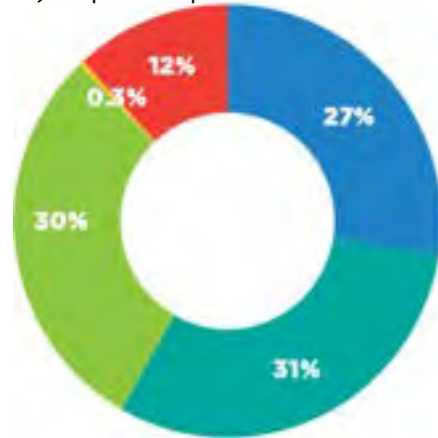
Operational grants, contributions and donations is \$11.5M for 2022-23, an increase of +\$3.1M (+27%) compared to the prior year. This large increase is as a result of:

1. increase in DRFA revenue; and
2. Financial Assistance Grant income related to 2023-2024 received in 2022-23. Council endeavours to maximise revenue from sources other than rates and fees and charges by actively pursuing grants and subsidies from State and Federal Government.

### Where does Council spend the money? (Expenditure)

Similarly to revenue, there are two categories of expenditure included in Council's financial performance:

- 1) Operational Expenditure; and
- 2) Capital Expenditure.



Type of Expenditure	\$'000's
Employee Expenses	28,422
Materials and Services	31,761
Depreciation	30,554
Finance Costs	351
Capital Expenses	12,189
<b>Total Expenditure</b>	<b>103,277</b>

### Operational Expenditure

Operating expenses are the costs associated with the day to day running of Council's services. Council's operating costs for 2022-23 were \$91.1M, an increase of +\$6.3M (+7%) compared to the prior year.

Materials and services together with employee expenses comprise 66% of Council's total operating expenditure for 2022-23 financial year. Council is one of the region's largest employers and engages in business with a range of local suppliers and contractors both of which leads to increased spending in the local economy.

Depreciation is another major component of Council's operating expense at \$30.5M for 2022-23, an increase of +\$2.0M (+7%) compared to prior year. The increase is largely as a result of an increase in valuation of assets across all asset classes. Depreciation is an accounting method used to allocate the cost of an asset over its useful life. It can provide a guide as to what Council should spend on asset renewals and it is a component of the Asset Sustainability Ratio. As such, Council's ability to reduce this figure is limited, however Asset Management Plans are in place with asset rationalisation continues to be an operational focus as Council moves into the new financial year.

### Capital Expenditure

Capital expenditure was \$12.2M for the 2022-23 financial year. This was +\$3.0M (+25%) greater than 2021-2022 financial year due to the rate adjustments related to the refuse restoration provision.

### Operating Result

Council's operating position reflects the organisation's ability to meet its everyday running costs from operating revenue. The net operating position is calculated by taking total operating expenses from total operating revenue and does not include revenue or expenditure amounts for capital projects. In the 2022-23 financial year, Council's operational result was \$1.86M, which is an improvement of +\$1.7M vs. prior year Budget. This is often the number reported in Council's monthly reports or communications.

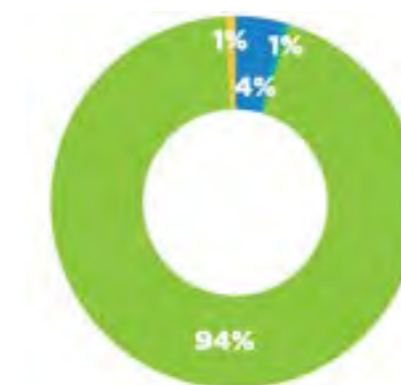


### Statement of Financial Position

The Statement of Financial Position shows what we own (assets) and what we owe (liabilities), with the net worth of Council being represented by the difference. The 2022-23 result is a \$1.4 billion value of net community assets that is managed by Council on behalf of the ratepayers and residents of the region.

	\$
What we own (Assets)	1,451,620,856
What we owe (Liabilities)	43,778,943
<b>Equity</b>	<b>1,407,841,913</b>

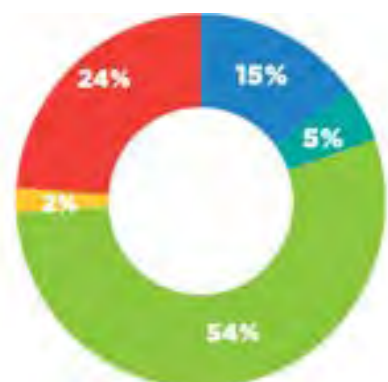
### What do we own? (Assets)



Type of Assets	\$'000's
Cash, Cash Equivalents & Investments	61,605
Receivables	7,514
Property, Plant & Equipment	1,370,952
Other Assets	11,550
<b>Total Assets</b>	<b>1,451,621</b>

As of 30 June 2023, Council held \$1.45 billion in assets, \$70.3M more than the previous year. The 2022-23 balance is largely represented by Property, Plant & Equipment (PPE) which increased by \$62.6M (+5%) to \$1.37 billion (94%) of Council's total assets. This increase was as a result of indexation of between 5-7% applied to all asset classes, plus a full revaluation of Recreation and Natural assets. PPE includes but is not limited to: Councils roads, water and sewerage assets, fleet and buildings. The remaining 6% of Council's total assets are made up of current assets (cash and other assets that are expected to be converted to cash within a year) or non-current assets (assets and property owned by Council that are not easily converted to cash within a year). This includes a cash and cash equivalents amount of \$36.6M and investments of \$25M.

### What do we owe? (Liabilities)



Type of Liabilities	\$'000's
Payables	6,482
Borrowings	2,133
Provisions	23,780
Lease Liabilities	930
Other	10,453
<b>Total Liabilities</b>	<b>43,779</b>

As at 30 June 2023, Council had \$43.8M in liabilities, which is an increase of \$1.8M when compared to prior year. The increase is largely as a result of higher inflation rates leading to an increase of \$3M related to refuse restoration provision. Put simply, this is a provision for the cost of restoring and monitoring refuse dumps where it is likely that Council will have an obligation to rehabilitate the site when the use of the facilities is complete. When there is a prolonged period of above average inflation, it can be expected to see large increases in provisions.

The remaining liabilities amount is made up of payables 15% (amounts owed to suppliers); borrowings 5%; and provisions 48% (related to refuse restoration; and amounts owed to employees for leave entitlements). Council's liabilities are expected to increase from 2022-23 to 2023-2024 largely as a result of increased borrowings budgeted to fund the Capital Works Programs.

## Statement of Changes in Equity

The statement of Changes in Equity explains the difference between what we own and what we owe. Equity includes retained earnings from previous years, and any movement in asset values arising from annual revaluations of asset classes. As of 30 June 2023, Council had a retained surplus of \$677.2M (-0.2% vs. Prior Year) and an Asset Revaluation surplus of \$730.6M (+10.6% vs. Prior Year).

	2021-2022	2022-2023	% Change
	\$'000's	\$'000's	
Retained Surplus	678,502	677,202	-0.2%
Asset Revaluation Reserve	660,898	730,640	10.6%
<b>Total Community Equity</b>	<b>1,339,401</b>	<b>1,407,842</b>	<b>5.1%</b>

## Statement of Cash Flows

The Statement of Cash Flows identifies where cash is received and how that cash is spent throughout the financial year. Council's cash flows can be from normal operating activities, investment in community infrastructure, or the receipt or payment of loans. The final balance shows the total cash at the end of the financial year 2022-23 as \$36.6M. This is an increase to the final cash position for 2021-2022 financial year by \$6.4M.

	\$
Opening Cash Balance	30,197,325
Plus Cash Received	100,968,782
Less Cash Spent	(94,561,314)
<b>Closing Cash Balance at End of Year</b>	<b>36,604,793</b>

The total cash received in the 2022-23 financial year was \$101M largely driven by net rates income; fees and charges; and grants & contributions. The total cash spent was \$94.6M which was used to fund a portion of the capital works program and everyday expenses including payments to suppliers and employee expenses.

It should be noted that a large percentage of the cash balance is restricted for future capital investment into community infrastructure. Council invests surplus funds throughout the year in low risk, short term investments in accordance with Council's investment policy and regulatory guidelines.

## Measures of Financial Sustainability

During any period, responsible financial management is crucial for Council to ensure it is financially sustainable for the short, medium and long term. There are three measures of financial sustainability used to demonstrate that Council is operating in a prudent financial manner whilst maintaining its financial management objectives.

The target range for the financial ratio are in accordance with the Department of Local Government, Community Recovery and Resilience Financial Management (Sustainability) Guidelines 2013. There are circumstances specific to Council where actual results may vary from target range.

Sustainability Ratio	Description	How is the measure calculated?	2022/2023	Target	On Target?
<b>Operating Surplus Ratio</b>	Indicates the extent to which operational revenues raised cover operational expenses	$\frac{\text{Net Operating Result}}{\text{Total Operating Revenue}}$	2.00%	Between 0-10%	On Target
<b>Asset Sustainability Ratio</b>	Indicates the extent to which assets are being replaced as they reach the end of their useful lives	$\frac{\text{Annual Asset Renewal and Rehabilitation Expenditure}}{\text{Annual Depreciation Charge}}$	72.58%	Greater than 50%	On Target
<b>Net Financial Liabilities Ratio</b>	Indicates the extent to which a council's operating revenues (including grants and subsidies) can cover its net financial liabilities (usually loans and leases)	$\frac{\text{Net Financial Liabilities}}{\text{Total Operating Revenue}}$	-38.01%	Not greater than 60%	Off Target

# Cassowary Coast Regional Council Financial Statements For the year ended 30 June 2023

 Cassowary Coast  
REGIONAL COUNCIL

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 AUDITED FINANCIAL STATEMENTS

## Table of contents

	Page
Statement of Comprehensive Income	62
Statement of Financial Position	63
Statement of Changes in Equity	64
Statement of Cash Flows	65
Notes to the financial statements	
1 Information about these financial statements	66
2 Analysis of results by function	67
3 Revenue	69
4 Other income	71
5 Finance income	72
6 Employee benefits	72
7 Finance costs	72
8 Materials and services	73
9 Capital expenses	74
10 Cash and cash equivalents	74
11 Investments	75
12 Receivables	75
13 Other assets	76
14 Inventory	77
15 Non-current assets held for sale	77
16 Intangible assets	78
17 Property, plant and equipment	79
18 Payables	86
19 Contract balances	86
20 Borrowings	86
21 Leases	87
22 Provisions	89
23 Other liabilities	90
24 Commitments for expenditure	90
25 Asset revaluation surplus	91
26 Reconciliation of net result for the year to net cash inflow from operating activities	91
27 Reconciliation of liabilities arising from financing activities	91
28 Contingent liabilities	92
29 Superannuation	92
30 Financial instruments and financial risk management	93
31 Events after the reporting period	94
32 National Competition Policy	95
33 Transactions with related parties	96
Management Certificate	
Independent Auditor's Report	
<b>Financial Sustainability</b>	
Current Year Financial Sustainability Statement	
Certificate of Accuracy - for the Current Year Financial Sustainability Statement	
Independent Auditor's Report (Current Year Financial Sustainability Statement)	
Unaudited Long-Term Financial Sustainability Statement	
Certificate of Accuracy - for the Long-Term Financial Sustainability Statement	

**Cassowary Coast Regional Council  
Statement of Comprehensive Income  
For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3(a)	72,352,083	68,046,938
Fees and charges	3(b)	4,026,402	3,997,530
Sales revenue	3(c)	906,576	1,069,845
Grants, subsidies, contributions and donations	3(d)	11,553,506	8,466,736
<b>Total recurrent revenue</b>		<u>88,838,567</u>	<u>81,581,049</u>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	3(d)	9,025,499	17,485,284
<b>Total capital revenue</b>		<u>9,025,499</u>	<u>17,485,284</u>
Other income	4	886,323	1,363,951
Finance income	5	2,296,303	1,011,207
Rental and lease income		929,515	957,170
		<u>4,112,141</u>	<u>3,332,328</u>
<b>Total income</b>		<u>101,976,207</u>	<u>102,398,661</u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	(28,421,779)	(27,936,504)
Finance costs	7	(351,037)	(401,287)
Materials and services	8	(31,761,179)	(27,891,432)
Depreciation and amortisation			
Intangible assets	16	(105,893)	(278,878)
Property, plant and equipment	17	(29,755,999)	(27,599,975)
Right of use assets	21	(692,360)	(631,303)
		<u>(91,088,247)</u>	<u>(84,739,379)</u>
<b>Capital expenses</b>	9	(12,188,626)	(9,159,885)
<b>Total expenses</b>		<u>(103,276,873)</u>	<u>(93,899,264)</u>
<b>Net result</b>		<u>(1,300,666)</u>	<u>8,499,397</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Increase in asset revaluation surplus	25	69,741,797	83,265,415
<b>Total other comprehensive income for the year</b>		<u>69,741,797</u>	<u>83,265,415</u>
<b>Total comprehensive income for the year</b>		<u>68,441,131</u>	<u>91,764,812</u>

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

**Cassowary Coast Regional Council  
Statement of Financial Position  
As at 30 June 2023**

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	10	36,604,793	30,197,325
Investments	11	25,000,000	25,000,000
Receivables	12	7,514,420	7,523,293
Other assets	13	4,363,780	3,948,539
Inventories	14	1,778,650	1,658,253
Contract assets	19	3,688,548	1,889,829
		<u>78,950,191</u>	<u>70,217,239</u>
Non-current assets held for sale	15	157,619	401,857
<b>Total current assets</b>		<u>79,107,810</u>	<u>70,619,096</u>
<b>Non-current assets</b>			
Property, plant and equipment	17	1,370,951,707	1,308,306,230
Intangible assets	16	667,769	764,707
Right of use assets	21	893,570	1,651,659
<b>Total non-current assets</b>		<u>1,372,513,046</u>	<u>1,310,722,596</u>
<b>Total assets</b>		<u>1,451,620,856</u>	<u>1,381,341,692</u>
<b>Current liabilities</b>			
Payables	18	6,482,413	5,001,074
Contract liabilities	19	1,569,518	3,078,905
Borrowings	20	441,349	437,129
Lease liabilities	21	616,366	701,135
Provisions	22	6,731,783	7,267,124
Other liabilities	23	5,130,670	4,723,000
<b>Total current liabilities</b>		<u>20,972,099</u>	<u>21,208,367</u>
<b>Non-current liabilities</b>			
Borrowings	20	1,691,726	2,132,202
Lease liabilities	21	313,539	980,428
Provisions	22	17,048,409	13,916,615
Other liabilities	23	3,753,170	3,703,298
<b>Total non-current liabilities</b>		<u>22,806,844</u>	<u>20,732,543</u>
<b>Total liabilities</b>		<u>43,778,943</u>	<u>41,940,910</u>
<b>Net community assets</b>		<u>1,407,841,913</u>	<u>1,339,400,782</u>
<b>Community equity</b>			
Asset revaluation surplus	25	730,640,143	660,898,346
Retained surplus		677,201,770	678,502,436
<b>Total community equity</b>		<u>1,407,841,913</u>	<u>1,339,400,782</u>

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



**Cassowary Coast Regional Council  
Statement of Changes in Equity  
For the year ended 30 June 2023**

		Asset revaluation surplus	Retained surplus	Total
	Note	\$	\$	\$
<b>Balance as at 1 July 2022</b>		660,898,346	678,502,436	1,339,400,782
Net result		-	(1,300,666)	(1,300,666)
Other comprehensive income for the year				
Increase in asset revaluation surplus	25	69,741,797	-	69,741,797
<b>Total comprehensive income for the year</b>		<b>69,741,797</b>	<b>(1,300,666)</b>	<b>68,441,131</b>
<b>Balance as at 30 June 2023</b>		<b>730,640,143</b>	<b>677,201,770</b>	<b>1,407,841,913</b>
<b>Balance as at 1 July 2021</b>		577,632,931	671,301,159	1,248,934,090
Correction of prior year error		-	(1,298,120)	(1,298,120)
Adjusted balance as at 1 July 2021		<b>577,632,931</b>	<b>670,003,039</b>	<b>1,247,635,970</b>
Net result		-	8,499,397	8,499,397
Other comprehensive income for the year				
Increase in asset revaluation surplus		83,265,415	-	83,265,415
<b>Total comprehensive income for the year</b>		<b>83,265,415</b>	<b>8,499,397</b>	<b>91,764,812</b>
<b>Balance as at 30 June 2022</b>		<b>660,898,346</b>	<b>678,502,436</b>	<b>1,339,400,782</b>

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

**Cassowary Coast Regional Council  
Statement of Cash Flows  
For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		75,304,611	82,783,919
Payments to suppliers and employees		(60,909,112)	(56,455,004)
		14,395,499	26,328,915
Interest received		2,296,303	974,529
Rental income		929,515	957,170
Non capital grants and contributions		12,556,988	8,466,736
Borrowing and lease costs		(71,046)	(91,540)
<b>Net cash inflow from operating activities</b>	26	<b>30,107,259</b>	<b>36,635,810</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(32,323,563)	(32,554,953)
Payments for intangible assets		(8,955)	(34,887)
Proceeds from sale of property plant and equipment		1,003,272	1,195,102
Net movement in cash investments		-	(20,000,000)
Capital grants, subsidies, contributions and donations		8,878,093	7,449,664
<b>Net cash outflow from investing activities</b>		<b>(22,451,153)</b>	<b>(43,945,074)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(436,256)	(432,799)
Repayments made on leases (principal only)		(812,382)	(604,461)
<b>Net cash outflow from financing activities</b>	27	<b>(1,248,638)</b>	<b>(1,037,261)</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>		<b>6,407,468</b>	<b>(8,346,525)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>30,197,325</b>	<b>38,543,850</b>
<b>Cash and cash equivalents at the end of the financial year</b>	10	<b>36,604,793</b>	<b>30,197,325</b>

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

1 Information about these financial statements

1.A Basis of preparation

The Cassowary Coast Regional Council (Council) is constituted under the *Queensland Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2022 to 30 June 2023 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 comply 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.

1.B New and revised Accounting Standards adopted during the year

Council has adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2022. None of the standards had a material impact on reported position, performance and cashflows.

1.C Standards issued by the AASB not yet effective

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

1.D Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time. 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 and impairment of property, plant and equipment	Note 17
Depreciation and amortisation	Note 17
Provisions	Note 22
Commitments for expenditure	Note 24
Contingent liabilities	Note 28

1.E Rounding and comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1.

Comparative information is prepared on the same basis as the prior year.

1.F Volunteer services

Council partners with Queensland Correctional Services to provide beneficial works projects for the community and rehabilitates offenders with their return to society. The majority of other volunteers are engaged on a community benefit basis and would not equate to a significant number of full time equivalent employees. The value of these services is not considered material and has not been recognised in the Statement of Comprehensive Income.

1.G Taxation

Council is exempt from income tax, however 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 ATO or payable to the ATO is shown as an asset or liability respectively.

2 Analysis of results by function

(a) Components of Council functions

The activities relating to the Council's components reported on in Note 2(b) are as follows:

**Chief Executive**

The objective of this function is to co-ordinate Council activities across a range of programs, including internal and external services essential for effective Council operations. This function includes Mayoral, Councillor, Chief Executive Officer support services, people and culture management, corporate governance, customer experience and communications.

**Corporate Services**

This area focuses on ensuring a customer focused service that delivers accountability and financial sustainability. The function includes finance, procurement, information services and business improvement.

**Delivery Services (excluding Waste)**

This area is tasked with managing all direct customer interactions and is responsible for all the touch points with the community. It includes regulatory services (excluding waste), planning services, libraries and customer services, community relations and disaster co-ordination.

**Infrastructure Services (excluding Water & Sewerage)**

This function had the responsibility of delivering Council's capital works program, asset maintenance delivery services, managing Council's non financial assets, disaster and recovery programs, facilities, workshop and fleet operations.

**Waste**

The objective of this function is to protect and support the community and natural environment by sustainably managing refuse. This function includes waste collection, processing and disposal, waste transfer stations, recycling and waste education programs, management of landfill sites and waste contracts.

**Water**

The objective of this function is to provide a continuous, reliable and long-term water supply service to a range of residential and commercial customers within the region. This function includes water supply distribution, water pumping station, reticulation mains, water treatment and the provision of property services and water meters.

**Sewerage**

The objective of this function is to provide a continuous, reliable and long-term sewerage and trade waste disposal service to a range of residential, commercial and industrial customers within the region. This function includes trade waste, sewerage treatment and effluent disposal, mains, manholes, pump stations and the provision of property connections.

2 Analysis of results by function (continued)

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Functions	Year ended 30 June 2023						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Assets
	Recurring			Capital				Recurrent	Capital				
	Grants	Other		Grants	Other								
	\$	\$	\$	\$	\$	\$							
Chief Executive	-	27,094	-	-	66,000	93,094	(5,980,790)	-	(5,980,790)	(5,953,696)	(5,887,696)	55,070	
Corporate Services	4,043,733	41,022,328	-	-	-	45,066,061	(8,385,380)	3,636	(8,381,744)	36,680,681	36,684,317	93,851,982	
Delivery Services (excluding Waste)	848,443	2,491,434	-	-	41,280	3,381,157	(7,656,849)	-	(7,656,849)	(4,316,972)	(4,275,692)	908,613,434	
Infrastructure Services (excluding Water & Sewerage)	6,198,435	5,818,383	7,784,397	-	99,010	19,900,225	(40,990,188)	(8,361,473)	(49,351,661)	(28,973,370)	(29,451,436)	116,039,610	
Waste	278,153	9,205,732	-	-	-	9,483,885	(9,358,645)	(3,217,011)	(12,575,656)	125,240	(3,091,771)	13,172,751	
Water	176,045	12,190,227	435,857	52,185	-	12,854,314	(10,830,924)	(514,663)	(11,345,587)	1,535,348	1,508,727	187,713,007	
Sewerage	8,697	10,642,004	512,433	34,337	-	11,197,471	(7,885,471)	(99,115)	(7,984,586)	2,765,230	3,212,885	152,175,002	
<b>Total Council</b>	<b>11,553,506</b>	<b>81,397,202</b>	<b>8,732,687</b>	<b>292,812</b>	<b>81,397,202</b>	<b>101,976,207</b>	<b>(91,088,247)</b>	<b>(12,188,626)</b>	<b>(103,276,873)</b>	<b>1,862,461</b>	<b>(1,300,666)</b>	<b>1,451,620,856</b>	

Functions	Year ended 30 June 2022						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Assets
	Recurring			Capital				Recurrent	Capital				
	Grants	Other		Grants	Other								
	\$	\$	\$	\$	\$	\$							
Chief Executive	15,000	52,850	-	530,000	-	597,850	(5,274,492)	-	(5,274,492)	(5,206,642)	(4,676,642)	-	
Corporate Services	3,955,453	37,624,386	-	-	-	41,579,839	(9,157,941)	(46,085)	(9,204,026)	32,421,898	32,375,813	86,499,527	
Delivery Services (excluding Waste)	1,024,597	2,579,815	(6,000)	-	-	3,598,412	(7,873,729)	-	(7,873,729)	(4,269,317)	(4,275,317)	871,763,512	
Infrastructure Services (excluding Water & Sewerage)	2,174,145	5,783,819	7,049,845	7,979,850	-	22,987,659	(36,887,308)	(7,754,111)	(44,641,419)	(28,929,344)	(21,653,760)	110,738,062	
Waste	1,234,745	8,808,563	-	-	-	10,043,308	(7,699,965)	61,858	(7,638,107)	2,343,343	2,405,201	12,205,445	
Water	62,796	11,713,456	(67)	128,862	-	11,905,047	(10,354,696)	(535,015)	(10,889,711)	1,421,556	1,015,336	157,849,001	
Sewerage	-	9,883,752	236,267	1,566,527	-	11,686,546	(7,491,248)	(886,532)	(8,377,780)	2,392,504	3,308,766	142,296,146	
<b>Total Council</b>	<b>8,466,736</b>	<b>76,446,641</b>	<b>7,280,045</b>	<b>10,205,239</b>	<b>10,205,239</b>	<b>102,398,661</b>	<b>(84,739,379)</b>	<b>(9,159,885)</b>	<b>(93,899,264)</b>	<b>173,998</b>	<b>8,499,397</b>	<b>1,381,341,692</b>	

Certain reallocations have been made to prior year figures to be consistent with current year.

Cassowary Coast Regional Council  
Notes to the financial statements  
For the year ended 30 June 2023

3 Revenue

(a) Rates, levies and charges

Rates, levies and charges are recognised as revenue at 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.

	2023 \$	2022 \$
General rates	40,597,239	39,842,571
Separate charge - Roads	2,381,395	2,288,615
Separate charge - Environment	3,524,461	3,377,675
Water	7,989,243	7,690,988
Water consumption / excess	4,051,543	3,868,463
Sewerage	10,277,148	9,516,944
Cleansing charges	6,008,496	5,722,468
Total rates and utility charge revenue	74,829,525	72,307,724
Less: Discounts	(1,737,081)	(3,506,789)
Less: Pensioner remissions	(740,361)	(753,997)
	<u>72,352,083</u>	<u>68,046,938</u>

(b) Fees and charges

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example camping fees. There is no material obligation for Council in relation to refunds or returns.

Permits and approvals granted by Council are all either short-term or low value and all revenue is recognised at the time that the permit or approval is granted rather than over the term.

	2023	2022
Aerodrome landing fees	33,981	71,318
Animal registration and impounding	88,760	100,480
Administration fees	93,414	109,997
Building applications	225,923	271,908
Building approvals	74,060	115,355
Building inspections	253,241	290,288
Camping fees	625,740	451,750
Cemetery reservations and charges	208,455	228,107
Development applications and certificates	314,034	332,683
Fines and infringements	50,038	49,382
Food and health services	120,077	124,339
Hire of equipment and premises	105,919	90,759
Library fees	33,726	32,551
Miscellaneous	6,910	17,648
Permits and approvals	31,491	30,058
Rates searches and associated fees	220,533	297,324
Trade waste fees	353,302	338,632
Transfer station charges	1,022,694	874,097
Water and sewerage connections	164,104	170,854
	<u>4,026,402</u>	<u>3,997,530</u>

	2023 \$	2022 \$
<b>3 Revenue (continued)</b>		
<b>(c) Sales revenue</b>		
Sale of goods revenue is recognised at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.		
Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.		
<b>Rendering of services</b>		
Department of Main Roads contract works	835,009	1,004,520
<b>Sale of goods</b>		
Nursery	40,795	44,513
Information centre	23,099	13,698
Miscellaneous other	7,673	7,114
<b>Total sales revenue</b>	<u>906,576</u>	<u>1,069,845</u>

**(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. The performance obligations vary in each agreement. Payment terms vary depending on the terms of the grant eg completion of stakeholder engagement, construction, planning or design stages, completion of final reports. Cash is received upfront from 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:** Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income is then recognised for any remaining asset value at the time the asset is received.

**Capital grants:** Where Council receives funding under an enforceable contract to acquire or construct a specific item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects this is generally as the construction progresses and with costs incurred.

**Contributions and donations:** Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by Council. The revenue is recognised on receipt of the asset since there are no enforceable performance obligations.

**Developer infrastructure charges:** Developer infrastructure charges are recognised on receipt of the asset since there are no enforceable performance obligations.

**Non-cash contributions of assets:** Physical assets contributed to council by developers or community groups are recognised as revenue when Council obtains control of the asset, at the point they become "on maintenance" or when legal title is transferred. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

	2023 \$	2022 \$
<b>3 Revenue (continued)</b>		
<b>(d) Grants, subsidies, contributions and donations (continued)</b>		
<b>(i) Operating</b>		
State government subsidies, grants and rebates	1,792,495	1,486,783
Commonwealth government subsidies and grants	9,714,982	6,957,485
Contributions and donations	46,029	22,468
	<u>11,553,506</u>	<u>8,466,736</u>
Commonwealth grants include an advance payment for the Financial Assistance Grant of \$5,593,930 (2022: \$3,294,685).		
<b>(ii) Capital</b>		
Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from community organisations or developers.		
State government subsidies and grants	2,761,509	2,555,906
Commonwealth government subsidies and grants	5,971,178	4,724,139
Developer infrastructure charges	49,453	89,647
Non-cash contributions of assets	147,406	10,035,620
Contributions and donations	95,953	79,972
	<u>9,025,499</u>	<u>17,485,284</u>
<b>(iii) Timing of revenue recognition for grants, subsidies, contributions and donations</b>		
<b>Revenue recognised at a point in time</b>		
Grants and subsidies	11,507,477	9,290,855
Developer infrastructure charges	49,453	89,647
Non-cash contributions of assets	147,406	10,035,620
Contributions and donations	141,982	102,440
	<u>11,846,318</u>	<u>19,518,562</u>
<b>Revenue recognised over time</b>		
Grants and subsidies	8,732,687	6,433,458
	<u>8,732,687</u>	<u>6,433,458</u>
<b>4 Other income</b>		
Other income generally includes revenue from non-consistent and irregular sources eg reimbursement from third parties of expenses incurred and insurance claims received. Commissions from third parties and other smaller inconsistent items may also be included.		
Commission	295,008	339,953
Concert ticket sales	27,292	25,274
COVID relief	1,023	31,290
Debtor legal costs recovered	162,794	449,252
Drummaster	25,841	-
Educator fees	53,764	150,246
Expense reimbursements	251,038	251,323
Insurance claims	16,112	50,597
Miscellaneous	12,167	17,673
Sale of small plant and equipment	27,329	31,573
Sugar mill tours	1,114	-
Vehicle registration refunds	12,841	16,770
	<u>886,323</u>	<u>1,363,951</u>

	2023	2022
	\$	\$
<b>5 Finance income</b>		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest received from cash and cash equivalents	933,308	258,363
Interest received from term deposits	823,801	140,514
Interest from overdue rates and utility charges	539,194	575,652
Refuse restoration winding back discount	-	36,678
	<u>2,296,303</u>	<u>1,011,207</u>

<b>6 Employee benefits</b>		
Employee benefit expenses are recorded when the service has been provided by the employee.		
Total staff wages and salaries	22,163,126	22,016,949
Councillors' remuneration	651,049	613,601
Termination benefits	71,337	83,976
Annual, sick and long service leave entitlements	4,246,188	4,330,566
Superannuation	29 2,891,012	2,841,805
	<u>30,022,712</u>	<u>29,886,897</u>
Other employee related expenses	1,169,962	1,040,063
	<u>31,192,674</u>	<u>30,926,960</u>
Less: Capitalised employee expenses	(2,770,895)	(2,990,456)
	<u>28,421,779</u>	<u>27,936,504</u>

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

Total Council employees at the reporting date:	2023	2022
	Number	Number
Elected members	7	7
Administration staff	157	150
Depot and outdoors staff	175	168
Total full time equivalent employees	<u>339</u>	<u>325</u>

<b>7 Finance costs</b>		
	2023	2022
	\$	\$
Bank charges	95,643	89,075
Impairment of receivables	6,894	220,672
Interest on leases	49,799	66,864
Interest on borrowings	21,247	24,676
Refuse restoration unwinding of discount	177,454	-
	<u>351,037</u>	<u>401,287</u>

	2023	2022
	\$	\$
<b>8 Materials and services</b>		
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Advertising and marketing	270,580	250,547
Auditor-General of Queensland *	156,500	151,000
Auditors other	89,938	43,657
Chemicals	531,767	503,045
Consultants	775,157	596,805
Contract personnel	1,338,310	1,996,624
Contract services	9,722,464	6,552,432
Donations and contributions	904,245	766,250
Bi-election expenses	-	28,988
Electricity	2,166,974	1,616,158
Family day care payments	242,790	557,174
Fleet registrations and maintenance	974,443	740,452
Fuel and oil	1,318,439	1,116,847
Information technology	1,290,059	1,393,620
Insurance	1,773,802	1,725,253
Legal expenses ***	706,618	732,679
Library services	190,941	179,147
Other materials and services	1,180,211	968,740
Plant contractors	1,865,196	2,207,945
Postage, freight, printing and stationery	222,204	221,058
Property expenses	325,066	347,982
Road materials	459,761	333,605
Short term and low value lease expenses	35,338	25,618
Small plant purchases	257,695	206,893
Subscriptions and memberships	465,273	388,165
Telecommunications	463,879	487,331
Travel and accommodation (conferences)	99,930	57,477
Waste contract	3,933,599	3,695,940
Total waste levy payment	1,003,482	779,415
Waste levy refund**	(1,003,482)	(779,415)
	<u>31,761,179</u>	<u>27,891,432</u>

\* External audit fees relate to the estimated cost of the Queensland Audit Office external audit of the financial statements of the Council for 2023 of \$156,500 (2022: \$151,000).

\*\* The State government rebated \$1,183,068 (2022: \$1,193,084) of the state waste levy to mitigate the direct impacts on households.

\*\*\* The legal expenses includes some legal costs which are able to be recovered from third parties. In 2023 Council recovered \$162,794 (2022: \$449,252) - refer to note 4.

Included in materials and services is expenditure for works to the value of \$2,366,305 (2022: \$141,226) undertaken in relation to Disaster Recovery Funding Arrangements (DFRA).

	2023 \$	2022 \$
<b>9 Capital expenses</b>		
Capital expense transactions are classified depending on whether the net result of the following transactions is an accounting gain or loss, disposal of non-current assets, discount rate adjustments to restoration provisions, revaluations of property, plant and equipment.		
<b>Loss on disposal of non-current assets</b>		
Proceeds from the sale of property, plant and equipment	(999,636)	(481,068)
Less: Book value of disposed property, plant and equipment	9,811,291	9,360,071
Write down of non-current asset held for sale	244,238	-
Prior year adjustments	-	377,862
Total loss on disposal of non-current assets	<u>9,055,893</u>	<u>9,256,865</u>
Book value of right of use assets on lease termination	159,608	-
Early termination of lease (lease liability)	(33,154)	-
Total loss on early termination of lease	<u>126,454</u>	<u>-</u>
Proceeds from the sale of land	(3,636)	(714,034)
Less: Carrying value of land sold	-	730,500
Total (gain)/loss on disposal of land and site improvements	<u>(3,636)</u>	<u>16,466</u>
The loss on impairment of assets classified as held for sale arises because on transfer of land from property, plant and equipment it is no		
<b>Provision for restoration of land</b>		
Rate adjustments to refuse restoration provision	3,009,915	(113,446)
	<u>3,009,915</u>	<u>(113,446)</u>
The discount rate adjustment to the refuse restoration provision was adjusted against expenses as there was an insufficient asset revaluation surplus in the relevant asset class.		
<b>Total capital expenses</b>	<u>12,188,626</u>	<u>9,159,885</u>

#### 10 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes 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 maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### Cash and cash equivalents

Cash at bank and on hand	36,315,499	28,501,287
Deposits at call	289,294	1,696,038
Balance per Statement of Financial Position and Statement of Cash Flows	<u>36,604,793</u>	<u>30,197,325</u>

Cash at bank is held in the Commonwealth Bank of Australia in a business cheque account. The bank currently has a short term credit rating of A-1+ and a long term credit rating of AA-. Refer to note 30 for further information about credit risk.

Council may be exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. All investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty not having capacity to meet its financial commitments is low.

Cash and cash equivalents	36,604,793	30,197,325
Less: Externally imposed restrictions on cash	(11,773,679)	(13,175,996)
Unrestricted cash	<u>24,831,114</u>	<u>17,021,329</u>

Council's cash, deposits at call and investments are subject to a number of 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 and liabilities:

Unspent grants and subsidies (contract liabilities)	1,569,518	3,078,905
Waste levy rebate received in advance (other liabilities)	4,943,983	4,886,366
Unspent developer contributions	5,260,178	5,210,725
Total externally imposed restrictions on cash assets	<u>11,773,679</u>	<u>13,175,996</u>

	2023 \$	2022 \$
<b>10 Cash and cash equivalents (continued)</b>		
<b>(ii) Internal allocations of cash at the reporting date:</b>		
Internal allocations of cash may be lifted by a Council with a resolution.		
Unspent funds for specific projects held in reserve	8,017,003	14,270,450
Total internally allocated cash	<u>8,017,003</u>	<u>14,270,450</u>
<b>Trust funds held for outside parties</b>		
In accordance with the <i>Local Government Act 2009</i> and <i>Local Government Regulation 2012</i> , a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds for security deposits lodged to guarantee performance and the balance of the Community Christmas Appeal. Council performs only a custodian role in respect of the monies and because the monies cannot be used for Council purposes, they are not considered revenue or brought to account in the financial statements as Council has no control over the assets.		
Security deposits	545,883	436,526
Other entity collections	532	250
	<u>546,415</u>	<u>436,776</u>

#### 11 Investments

Term deposits in excess of 3 months are reported as investments. Investments are held with financial institutions, which are rated A-1+ and A-3 based on rating agency Standard and Poors ratings. Whilst not capital guaranteed, the likelihood of a credit failure is assessed as low.

Term deposits	25,000,000	25,000,000
<b>Total investments</b>	<u>25,000,000</u>	<u>25,000,000</u>

#### 12 Receivables

Receivables are amounts owed to Council at the end of the year. They are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price or contract price. Settlement of these amounts is required within 30 days from invoice date.

Debts are regularly assessed for collectability and allowance is made where appropriate for impairment. All known bad debts are written off as Council becomes aware of the inability to recover. If an amount is recovered in a subsequent period it is recognised as revenue.

The impairment loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

Receivables are measured at amortised cost which approximates fair value at reporting date.

##### Accounting Policies - Grouping

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

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment.

Council has identified 5 distinctive groupings of its receivables: Rates and Utility Charges, Statutory Charges, Grants, Lease Receivables and Other Debtors.

**Rates and utility charges:** This group of receivables possess a credit enhancement. Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts. Impairment will exist only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property. This has occurred for one particular property and therefore an impairment allowance has been made.

**Statutory charges:** In some limited circumstances Council may write off impaired statutory charges. This revenue generated through legislative provisions and the amounts are not considered to be material. Council does not calculate ECL for statutory charges.

	2023 \$	2022 \$
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#### 12 Receivables (continued)

**Grants payable by State and Commonwealth governments and their agencies:** A credit enhancement exists as these payments are effectively Government guaranteed and both the State and Commonwealth Governments have high credit ratings. Accordingly, Council considers the level of credit risk exposure to be immaterial and therefore doesn't record an ECL for these counterparties.

**Lease receivables:** These have been identified as a separate debtor group, as the underlying nature of the income streams aren't either statutory receivables or trade receivables. Council has elected to use the simplified approach for lease arrangements. Internal historical data shows that normally defaults for this grouping are immaterial. Accordingly an expected credit loss for lease receivables is not calculated.

**Other debtors:** Council identifies other debtors as receivables which are not rates and charges, statutory charges, lease arrangements or grants. Internal historical data shows that normally defaults for this grouping are immaterial. Council does not calculate ECL for other debtors.

The exposure to credit risk for receivables by type of counterparty was as follows:

##### Current receivables

Rateable and utility charges	6,218,264	6,931,614
Lease arrangements	43,057	61,555
Other debtors	1,162,608	171,470
	7,423,929	7,164,639

Less:

Loss allowance	(411,434)	(417,248)
	7,012,495	6,747,391

Statutory charges	209,701	189,703
Grants	24,479	190,618
Government entities	267,745	395,581
<b>Total</b>	7,514,420	7,523,293

##### Movement in accumulated impairment losses is as follows:

Opening balance at 1 July	(417,248)	(233,828)
Additional impairments recognised	(12,708)	(222,389)
Less:		
Impairment debts written off during the year	12,709	30,362
Impairments reversed	5,813	8,607
Closing balance at 30 June	(411,434)	(417,248)

##### Exposure to credit risk

Current	811,977	190,983
30 days past due	556	202
60 days past due	335,689	22
90 days past due	6,275,707	6,973,432
<b>Total gross carrying amount</b>	7,423,929	7,164,639
Loss allowance	(411,434)	(417,248)
<b>Subject to impairment</b>	7,012,495	6,747,391

Interest is charged on outstanding rates at 8.17% per annum (2022: 8.03%). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

#### 13 Other assets

Water charges not yet levied	2,216,399	2,330,256
GST recoverable	774,960	757,275
Prepayments	1,137,029	746,868
Accrued Interest	235,392	114,140
<b>Total other assets</b>	4,363,780	3,948,539

	2023 \$	2022 \$
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#### 14 Inventory

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.

Visitor information centre saleable items are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution	1,772,251	1,655,015
Visitor information centre saleable items	6,399	3,238
<b>Total inventories</b>	1,778,650	1,658,253

#### 15 Non-current assets held for sale

Assets are classified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable within 12 months. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated.

Buildings	157,619	401,857
	157,619	401,857

Council has undertaken an asset rationalisation project which has resulted in Council identifying 1 property (2022: 4) which it considers surplus to its needs and has been offered for sale. These assets have been classified as a level 3 valuation.

16 Intangible assets

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

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

Intangible values

	2023 \$	2022 \$
Opening gross carrying value	2,658,648	2,613,322
Additions	43,842	45,326
<b>Intangibles</b>	<b>2,702,490</b>	<b>2,658,648</b>

Software in development

Opening balance	34,887	45,326
Additions to software in development	8,955	34,887
Transfer to intangibles	(43,842)	(45,326)
	-	34,887

Closing gross carrying value

	2,702,490	2,693,535
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Accumulated amortisation

Opening balance	1,928,828	1,649,950
Amortised in the period	105,893	278,878
<b>Closing balance</b>	<b>2,034,721</b>	<b>1,928,828</b>

Net carrying value of intangible assets at end of year

	667,769	764,707
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Intangibles are amortised on a straight line basis over an estimated life of 10 years.

Cassowary Coast Regional Council  
Notes to the Financial Statements  
For the year ended 30 June 2023

17 Property, plant and equipment

Note	Land	Buildings		Plant and equipment	Transport		Stormwater network		Water		Sewerage		Waste		Marine facilities		Recreation and natural areas		Work in progress		Total
		Fair Value	Level 2 & 3		Cost	Fair Value	Level 3	Fair Value	Level 3	Fair Value	Level 3	Fair Value	Level 3	Fair Value	Level 3	Fair Value	Level 3	Fair Value	Level 3	Cost	
<b>30 June 2023</b>																					
Basis of measurement																					
Fair value category																					
<b>Asset values</b>																					
Opening gross value as at 1 July 2022		158,115,299	28,665,483		960,255,709		90,590,294	329,942,383	213,658,606	12,992,177	38,705,515	27,548,246	19,482,285	27,693,038	2,162,171	94,373	4,132,301	2,162,171	19,482,285	27,693,038	1,897,371,533
Capital expenditure additions to WIP during the year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of completed projects from WIP during the year		-	691,152	-	12,243,990	-	995,291	5,446,139	1,247,449	3,476,455	94,373	2,162,171	(26,357,020)	-	-	-	-	-	-	-	-
Total additions to PPE		144,617	-	4,485,908	-	41,468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,630,525
Contributions of assets		66,000	-	-	-	(7,522,475)	(156,238)	(2,054,395)	(194,428)	(379,515)	(101,463)	(2,033,426)	-	-	-	-	-	-	-	-	147,406
Disposals		-	(2,380,860)	(2,216,231)	62,726,213	5,759,871	20,999,945	13,528,841	1,045,792	2,515,398	4,132,301	(239,061)	-	-	-	-	-	-	-	-	(17,039,031)
Revaluation adjustment to asset revaluation surplus		880,308	9,558,598	239,061	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	121,145,267
Transfer between classes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing gross value as at 30 June 2023</b>	<b>18,486,460</b>	<b>166,024,127</b>	<b>31,194,221</b>	<b>1,027,744,905</b>	<b>354,334,072</b>	<b>228,238,468</b>	<b>17,134,909</b>	<b>41,213,823</b>	<b>31,570,231</b>	<b>20,818,303</b>	<b>2,033,948,738</b>										
<b>Accumulated depreciation and impairment</b>																					
Opening balance as at 1 July 2022		48,520,317	11,844,003	207,498,862	39,020,126	178,645,987	74,983,471	3,756,506	14,068,604	10,727,427	1,108,317	846,673	1,108,317	1,108,317	1,108,317	1,108,317	1,108,317	1,108,317	1,108,317	1,108,317	589,065,303
Depreciation expense		4,188,567	2,152,228	10,310,395	1,021,353	6,246,415	3,505,404	376,647	846,673	376,647	(19,891)	(965,645)	(7,227,741)	(7,227,741)	(7,227,741)	(7,227,741)	(7,227,741)	(7,227,741)	(7,227,741)	(7,227,741)	29,755,999
Depreciation on disposals		(697,640)	(1,514,748)	(2,125,197)	(96,762)	(1,539,061)	(96,375)	(172,422)	(19,891)	(19,891)	(19,891)	(19,891)	(19,891)	(19,891)	(19,891)	(19,891)	(19,891)	(19,891)	(19,891)	(19,891)	(7,227,741)
Revaluation adjustment to asset revaluation surplus		-	3,186,900	30,474,595	2,516,461	11,551,261	4,938,727	257,071	968,200	(2,489,745)	(18,011)	(18,011)	(18,011)	(18,011)	(18,011)	(18,011)	(18,011)	(18,011)	(18,011)	(18,011)	51,403,470
Transfers between classes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 30 June 2023</b>	<b>-</b>	<b>55,198,144</b>	<b>12,499,494</b>	<b>246,158,655</b>	<b>42,461,178</b>	<b>194,904,602</b>	<b>83,331,227</b>	<b>4,217,802</b>	<b>15,863,586</b>	<b>8,362,343</b>	<b>20,818,303</b>	<b>23,207,888</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>662,997,031</b>
<b>Total carrying amount as at 30 June 2023</b>	<b>18,486,460</b>	<b>110,825,983</b>	<b>18,694,727</b>	<b>781,586,250</b>	<b>54,728,040</b>	<b>159,429,470</b>	<b>144,907,241</b>	<b>12,917,107</b>	<b>25,350,237</b>	<b>23,207,888</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>20,818,303</b>	<b>1,370,951,707</b>
Range of estimated useful life in years	N/A	15-80	3-100	0-166	60-90	7-100	7-160	0-50	20-50	0-150	-	-	-	-	-	-	-	-	-	-	-
<b>Additions comprise</b>																					
Renewals		-	3,975,960	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,033,628
Other additions	144,617	-	509,948	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,659,410
<b>Total additions</b>	<b>144,617</b>	<b>-</b>	<b>4,485,908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,693,038</b>



17 Property, plant and equipment (continued)

	Note	Land	Buildings		Plant and equipment	Transport		Stormwater network		Water		Sewerage		Waste		Marine facilities		Recreation and natural areas		Work in progress		Total
			Fair Value Level 2 & 3	Fair Value Level 2 & 3		Cost	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Cost	Cost	
<b>30 June 2022</b>																						
Basis of measurement																						
Fair value category																						
<b>Asset values</b>																						
Opening gross value as at 1 July 2021	9	15,890,924	153,404,301	26,679,911	881,973,359	80,393,752	306,294,053	194,578,418	12,543,628	36,571,663	28,345,811	15,584,196	-	-	-	-	-	-	-	-	1,752,260,237	
Opening balance adjustment to disposals		-	(57,600)	13,636	(389,877)	(155,402)	(626,197)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,215,440)	
Opening balance adjustment to revaluation reserve		-	-	-	582,182	(321,234)	356,064	-	-	-	-	-	-	-	-	-	-	-	-	-	617,012	
Opening balance adjustment to contributed assets	3	-	-	-	229,189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	229,189	
Capital expenditure additions to WIP during the year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,804,112	
Transfer of completed projects from WIP during the year		-	1,407,535	-	13,743,127	581,800	5,404,695	2,699,796	459,518	44,316	565,236	(24,906,023)	-	-	-	-	-	-	-	-	28,804,112	
Additions		356,728	-	3,394,113	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,750,841
Contributions of assets	3	530,000	-	-	8,734,136	536,133	121,942	5,312,762	-	-	-	-	-	-	-	-	-	-	-	-	-	15,234,973
Disposals		-	(6,433,919)	(1,402,177)	(5,935,450)	(67,263)	(2,334,105)	(2,210,999)	(64,689)	(32,336)	(472,140)	-	-	-	-	-	-	-	-	-	-	(18,953,098)
Revaluation adjustment to asset revaluation surplus	25	817,883	10,961,382	-	59,228,116	9,711,818	20,725,931	13,278,629	53,520	2,121,852	1,110,976	-	-	-	-	-	-	-	-	-	-	118,010,107
Assets classified as held for sale		(200,000)	(1,166,400)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,366,400)
Transfer between classes	15	-	-	-	2,090,927	(89,290)	-	-	-	-	(2,001,637)	-	-	-	-	-	-	-	-	-	-	-
<b>Closing gross value as at 30 June 2022</b>		<b>17,395,535</b>	<b>158,115,299</b>	<b>28,665,483</b>	<b>960,255,709</b>	<b>90,590,294</b>	<b>329,942,383</b>	<b>213,659,606</b>	<b>12,992,177</b>	<b>38,705,515</b>	<b>27,548,246</b>	<b>19,482,285</b>	<b>12,992,177</b>	<b>38,705,515</b>	<b>14,068,604</b>	<b>10,727,427</b>	<b>16,820,819</b>	<b>24,636,911</b>	<b>9,235,671</b>	<b>151,296,396</b>	<b>51,570,168</b>	<b>1,308,306,230</b>
<b>Accumulated depreciation and impairment</b>																						
Opening balance as at 1 July 2021	9	-	44,964,063	10,764,372	185,199,865	34,864,220	163,605,659	64,686,421	5,198,407	12,499,140	10,087,884	-	-	-	-	-	-	-	-	-	-	531,870,231
Opening balance adjustment to disposals		-	(29,379)	5,262	(190,839)	(40,166)	(582,456)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(837,578)
Opening balance adjustment to revaluation reserve		-	-	-	115,214	374,278	100,567	-	-	-	-	-	-	-	-	-	-	-	-	-	-	590,059
Opening balance adjustment to contributed assets	3	-	-	-	21,614	101,549	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	123,163
Depreciation expense		-	3,992,984	2,056,219	9,452,238	941,783	5,871,209	3,279,521	265,661	820,339	920,021	-	-	-	-	-	-	-	-	-	-	27,599,975
Depreciation on disposals		-	(3,026,323)	(961,850)	(2,062,441)	(53,423)	(1,842,831)	(1,324,497)	(13,101)	(22,121)	(266,440)	-	-	-	-	-	-	-	-	-	-	(9,593,027)
Depreciation on contributed assets	3	-	-	-	1,559,144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,305,379
Revaluation adjustment to asset revaluation surplus	25	-	3,383,516	-	12,921,288	2,859,770	11,493,639	4,595,791	(1,694,461)	771,246	440,856	-	-	-	-	-	-	-	-	-	-	34,771,645
Assets classified as held for sale		-	(764,544)	-	-	-	-	-	-	-	(454,894)	-	-	-	-	-	-	-	-	-	-	(764,544)
Transfer between classes	15	-	-	-	482,779	(27,865)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 30 June 2022</b>		<b>-</b>	<b>48,520,317</b>	<b>11,844,003</b>	<b>207,498,862</b>	<b>39,020,126</b>	<b>178,645,987</b>	<b>74,983,471</b>	<b>3,756,506</b>	<b>14,068,604</b>	<b>10,727,427</b>	<b>14,068,604</b>	<b>10,727,427</b>	<b>14,068,604</b>	<b>10,727,427</b>	<b>16,820,819</b>	<b>24,636,911</b>	<b>9,235,671</b>	<b>151,296,396</b>	<b>51,570,168</b>	<b>1,308,306,230</b>	
<b>Total carrying amount as at 30 June 2022</b>		<b>17,395,535</b>	<b>109,594,982</b>	<b>16,841,480</b>	<b>752,756,847</b>	<b>51,570,168</b>	<b>151,296,396</b>	<b>138,675,135</b>	<b>9,235,671</b>	<b>24,636,911</b>	<b>16,820,819</b>	<b>19,482,285</b>	<b>12,992,177</b>	<b>24,636,911</b>	<b>14,068,604</b>	<b>10,727,427</b>	<b>16,820,819</b>	<b>9,235,671</b>	<b>151,296,396</b>	<b>51,570,168</b>	<b>1,308,306,230</b>	

Cassowary Coast Regional Council  
Notes to the financial statements  
For the year ended 30 June 2023

17 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.

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

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.

(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 sediment ponds and aerodrome runways 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.

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

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

**Key judgements and estimates:**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of infrastructure assets.

(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.

(e) **Valuation**

**Key judgements and estimates:**

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

In estimating the fair value of an asset or a liability, Council uses market-observable data to the extent it is available and other inputs as necessary.

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. Every 5 years, Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer. Council has a cyclical approach to full comprehensive revaluations with only specific asset classes revalued each year. This is outlined in the following table - Valuation techniques used to derive fair values.

In the intervening years, Council undertakes a "desktop" valuation for all assets not being comprehensively revalued. This involves providing an external valuer details of the asset class and any changes in assumptions such as useful life 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.

17 Property, plant and equipment (continued)

(e) Valuation (continued)

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

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Fair values are classified into three levels as follows:

- 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

There were no transfers between levels during the year.

17 Property, plant and equipment (continued)

Valuation techniques used to derive fair values

Asset class	Fair value hierarchy	Valuation approach	Last comprehensive valuation date	Next estimated comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim valuation adjustment
Land	Level 2 2023 - \$ 545,738 2022 - \$ 519,750	Market value	30 Jun 21	30 Jun 26	Cardno Pty Ltd	- Those assets from which prices and other relevant market data derived from observed transactions for the same or similar assets	Assessed Pickles Auctions Pty Ltd under instruction from Stantec Pty Ltd - State Valuation Service (SVS) - Economic Statistics Section, Queensland Government - Statistician's Office, Queensland Treasury and Trade - Queensland Government - Statistician's website - Market selling price of residential, rural, industrial, commercial and primary production land 5% indexation applied 30/06/2023	N/A
	Level 3 2023 - \$17,940,722 2022 - \$16,875,785	Market value	30 Jun 21	30 Jun 26	Cardno Pty Ltd	- Sales transactions for similar assets with reference to observable market data derived from property sales data subscription services (Domain PriceFinder) - Queensland's Valuer-General land valuations (Department of Natural Resources) - Land valuation data on the Queensland Globe - Sales listings and property data generally available online and with local real estate agents - Land vested in and under control of Council held for public benefit (community service obligations) have been valued based on assumptions market participants would use when pricing the asset.		
Buildings	Level 2 2023 - \$1,519,476 2022 - \$1,357,771	Market value	30 Jun 21	30 Jun 26	Cardno Pty Ltd	- Sales transactions for similar assets with reference to observable market data derived from property sales data subscription services (Domain PriceFinder) - Queensland's Valuer-General land valuations (Department of Natural Resources) - Land valuation data on the Queensland Globe - Sales listings and property data generally available online and with local real estate agents.	Assessed Pickles Auctions Pty Ltd under instruction from Stantec Pty Ltd - Building Price Index (BPI) - Rawlinsons Australian Construction Handbook Building Price Index - Queensland Government Asset Revaluation Index for Non-residential construction 6% indexation applied 30/06/2023	N/A
	Level 3 2023 - \$109,306,506 2022 - \$106,237,211	Current replacement cost	30 Jun 21	30 Jun 26	Cardno Pty Ltd	- Cardno cost databases - Scheduled rates for construction of assets or similar assets - Cost curves derived by Cardno - Building Price Index tables - Recent contract and tender data - Rawlinsons Rates for Building and Construction - Suppliers quotations - Asset condition and remaining service potential		
Transport	Level 3	Current replacement cost	30 Jun 19	30 Jun 24	Council engineers in association with the Roads and Transport Alliance and Lemmah Pty Ltd	- Average unit rates applied to each asset subclass - Direct inputs of labour and raw materials - Soil, climatic and topographic factors - Verified against recent projects - Staff consultation and additional regional Council data - Asset condition and remaining service potential	Assessed by Stantec Pty Ltd - General economic conditions. - Specific industry or market segment conditions relevant for the assets under review - Changes to relevant legislation, standards, construction techniques or inputs - Implicit Price Deflator - Producer Price Index 6.5% indexation applied 30/06/2023	N/A

17 Property, plant and equipment (continued)

Valuation techniques used to derive fair values (continued)

Asset class	Fair value hierarchy	Valuation approach	Last comprehensive valuation date	Next estimated comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim valuation adjustment
Stormwater	Level 3	Current replacement cost	30 Jun 22	30 Jun 27	Cardno Pty Ltd now Stantec	<ul style="list-style-type: none"> <li>- Cardno databases</li> <li>- Scheduled rates for construction of asset or similar assets</li> <li>- Cost curves derived by Cardno</li> <li>- Building Price Index tables</li> <li>- Rates from Rawlinson's Australian construction Handbook</li> <li>- Supplier's quotations</li> <li>- The Cardno model for developing unit rates includes factors such as excavation, soil disposal, formwork, concrete, soil type, depth and overheads</li> <li>- Useful lives were based on industry standards, Cardno data base and Council's data</li> </ul>	<ul style="list-style-type: none"> <li>- Assessed by Stantec Pty Ltd</li> <li>- General economic conditions.</li> <li>- Specific industry or market segment conditions relevant for the assets under review</li> <li>- Changes to relevant legislation, standards, construction techniques or inputs</li> <li>- Implicit Price Deflator</li> <li>- Producer Price Index</li> </ul> 6.3% indexation applied 30/06/2023	N/A
Water and Sewerage	Level 3	Current replacement cost	30 Jun 20	30 Jun 25	Aurecon Group Pty Ltd	<ul style="list-style-type: none"> <li>- Plant hire and labour rates where available</li> <li>- Rates obtained from local suppliers</li> <li>- Contract schedules for works recently carried out throughout the Far North Queensland and South East Queensland region</li> <li>- Analysis of the rates from project cost estimates from Aurecon's record of construction projects in the Far North Queensland and South East Queensland region</li> <li>- Rawlinson's 2020 edition of the "Australian Construction Handbook"</li> </ul>	<ul style="list-style-type: none"> <li>- Assessed by Stantec Pty Ltd</li> <li>- General economic conditions</li> <li>- Specific industry or market segment conditions relevant for the assets under review</li> <li>- Changes to relevant legislation, standards, construction techniques or inputs</li> <li>- Building Price Index</li> <li>- Implicit Price</li> <li>- Producer Price Index</li> </ul> 6.3% indexation applied 30/06/2023	N/A
Waste	Level 3	Current replacement cost	30 Jun 22	30 Jun 27	Cardno Pty Ltd now Stantec	<ul style="list-style-type: none"> <li>- Cardno databases</li> <li>- Scheduled rates for construction of asset or similar assets</li> <li>- Cost curves derived by Cardno</li> <li>- Building Price Index tables</li> <li>- Rates from Rawlinson's Australian construction Handbook</li> <li>- Supplier's quotations</li> <li>- Useful lives were based on industry standards, Cardno data base and Council's data</li> </ul>	<ul style="list-style-type: none"> <li>- Assessed by Stantec Pty Ltd</li> <li>- General economic conditions</li> <li>- Specific industry or market segment conditions relevant for the assets under review</li> <li>- Changes to relevant legislation, standards, construction techniques or inputs</li> <li>- Building Price Index</li> <li>- Implicit Price</li> <li>- Producer Price Index</li> </ul> 6.5% indexation applied 30/06/2023	N/A

17 Property, plant and equipment (continued)

Valuation techniques used to derive fair values (continued)

Asset class	Fair value hierarchy	Valuation approach	Last comprehensive valuation date	Next estimated comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim valuation adjustment
Marine	Level 3	Current replacement cost	30 Jun 21	30 Jun 26	Cardno Pty Ltd	<ul style="list-style-type: none"> <li>- Cardno cost databases</li> <li>- Scheduled rates for construction of assets or similar assets</li> <li>- Cost curves derived by Cardno</li> <li>- Building Price Index tables</li> <li>- Recent contract and tender data</li> <li>- Functional and economic obsolescence</li> <li>- Rawlinson's Rates for Building and Construction</li> <li>- Supplier's quotations</li> <li>- Asset condition and remaining service potential</li> </ul>	<ul style="list-style-type: none"> <li>- Assessed by Stantec Pty Ltd</li> <li>- Implicit Price Deflator</li> <li>- Producer Price Index</li> </ul> 6.5% indexation applied 30/06/2023	N/A
Recreation and natural areas	Level 3	Current replacement cost	30 Jun 23	30 Jun 28	Stantec Australia Pty Ltd	<ul style="list-style-type: none"> <li>- Rates from Rawlinson's Australian Construction Handbook</li> <li>- Scheduled rates for construction of asset or similar assets</li> <li>- Supplier's quotations</li> <li>- Local Government Association of Queensland (LGAQ) database</li> <li>- Asset condition and remaining service potential</li> </ul>	N/A	N/A

	2023 \$	2022 \$
<b>18 Payables</b>		
<b>Creditors</b>		
Creditors are recognised upon invoice of the goods or services ordered and are measured at the invoiced price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and generally settle on 30 day terms.		
<b>Accrued salary and wages</b>		
A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.		
<b>Current</b>		
Creditors	1,883,133	632,409
Accrued expenses	3,984,519	3,981,480
Accrued salary and wages	614,761	387,185
	<u>6,482,413</u>	<u>5,001,074</u>

	2023 \$	2022 \$
<b>19 Contract balances</b>		
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.		
<b>(a) Contract assets</b>		
Obligations to construct Council assets	3,046,246	1,745,117
Non-capital obligations	642,302	144,712
	<u>3,688,548</u>	<u>1,889,829</u>
<b>(b) Contract liabilities</b>		
Grant funding received up front to construct Council assets	1,438,572	1,854,818
Non-capital performance obligations not yet satisfied	130,946	1,224,087
	<u>1,569,518</u>	<u>3,078,905</u>
<b>Revenue recognised that was included in the contract liability balance at the beginning of the year</b>		
Grant funding received up front to construct Council assets	1,626,456	915,844
Non-capital performance obligations	1,145,885	114,412
	<u>2,772,341</u>	<u>1,030,256</u>

**Satisfaction of contract liabilities**

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

	2023 \$	2022 \$
<b>20 Borrowings</b>		
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 date is expected to be 15 May 2028.		
Council adopts an annual debt policy that sets out Council's planned borrowings for the next 10 years. Council's current policy is to endeavour to fund capital renewal projects from operating cash flows and to borrow for new or upgrade capital projects only, and this will usually be for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's (QTC) borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.		
<b>Current</b>		
Loans - QTC	441,349	437,129
	<u>441,349</u>	<u>437,129</u>
<b>Non-current</b>		
Loans - QTC	1,691,726	2,132,202
	<u>1,691,726</u>	<u>2,132,202</u>

The QTC loan market value at the reporting date was \$1,959,098. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by Council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2023 financial year.

**21 Leases**

**Council as a lessee**

Council has a small number of leases in place over buildings and land. Council has applied the exception to lease accounting for leases of low-value assets and short-term leases.

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability are 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 assets are measured using the cost model where cost on initial recognition comprises: 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 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 (e.g. 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 (i.e. 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 over the lease term.

**Leases at significantly below market value or concessionary leases**

Council has elected to measure the right of use asset arising from any concessionary leases at cost which is based on the associated lease liability at initial recognition.

**Terms and conditions of leases**

*Buildings*

Council leases building space for the purpose of archive storage. The original lease commenced in 2014 for 3 years with an additional 2 renewal options, each of 3 years. Payments have been made on a monthly basis until new lease arrangements commenced on 1st December 2022. The revised lease is for a 3 year term with 3 renewal options, each of 3 years. The lease payments are subject to annual CPI.

*Land*

Council leases land from the State Government at 3 sites. The land is used for a water intake and reservoirs. Lease payments for the intake are calculated on the 3 year average rental value of the land. The reservoirs are subject to annual CPI.

*Plant*

Council has taken over operations of the waste transfer facilities during the reporting period. A number of plant items were acquired to undertake these operations. The lease term of the plant items is for 3 years.

	Building \$	Land \$	Plant \$	Total \$
<b>Right of use assets</b>				
Balance at 1 July 2022	26,969	197,635	1,427,055	1,651,659
Remeasurement	44,811	49,068	-	93,879
Depreciation charge	(19,992)	(15,172)	(657,196)	(692,360)
Lease termination	-	-	(159,608)	(159,608)
Balance at 30 June 2023	<u>51,788</u>	<u>231,531</u>	<u>610,251</u>	<u>893,570</u>
Balance at 1 July 2021	44,949	21,063	-	66,012
Additions to right of use assets	-	189,030	2,027,920	2,216,950
Depreciation charge	(17,980)	(12,458)	(600,865)	(631,303)
Balance at 30 June 2022	<u>26,969</u>	<u>197,635</u>	<u>1,427,055</u>	<u>1,651,659</u>

**Lease liabilities**

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

	< 1 year \$	1-5 years \$	>5 years \$	Total \$	Total as per statement of financial position \$
2023	636,701	144,616	214,124	995,441	929,905
2022	701,135	831,286	137,528	1,669,949	1,681,563

21 Leases (continued)

**Liabilities not recognised - extension options**

At each reporting date, Council assesses whether it is reasonably certain that the extension options will be exercised based on current operations and Council strategy.

There is \$646,455 in potential future lease payments which are not included in the lease liability as the exercise of the option has been assessed as not reasonably certain.

**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.

	2023	2022
	\$	\$
Interest on lease liabilities	49,799	66,864
Total loss on early termination of lease	126,514	-
Depreciation of right of use assets	692,360	631,303
Expenses relating to short-term leases and low-value lease	35,338	25,618
	<u>904,011</u>	<u>723,785</u>
Total cash outflows for leases	<u>897,519</u>	<u>696,943</u>

**Leases at significantly below market value - concessionary or peppercorn leases**

Council does not have any leases that are below market value.

**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 the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

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

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

Properties leased by Council to other parties are considered operating leases. Council does not own any investment properties which are subject to further disclosures.

2023  
\$

2022  
\$

22 Provisions

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date. Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

**Annual leave entitlement**

This represents amounts expected to be settled within 12 months which are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

**Sick leave entitlements**

Council has an obligation to pay sick leave on termination to employees who have held a minimum of five years service. The payment is for 50% of the leave balance at termination. A liability has been recognised for this obligation based on current pay rates.

**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 provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

**Other entitlements**

This represents liabilities for time in lieu and accumulated rostered days off which are calculated at current pay rates.

**Refuse restoration**

A provision is made for the cost of restoring refuse dumps where it is probable the Council will have an obligation to rehabilitate the site when the use of the facilities is complete.

The calculation of the provisions use assumptions including 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. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

Refuse restoration provision represents the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites.

**Current**

Annual leave entitlement	3,209,832	3,356,350
Sick leave entitlements	657,355	776,850
Long service leave	2,607,647	2,887,776
Other entitlements	197,932	210,176
Refuse restoration	59,017	35,972
	<u>6,731,783</u>	<u>7,267,124</u>

**Non-current**

Long service leave	510,212	506,227
Refuse restoration	16,538,197	13,410,388
	<u>17,048,409</u>	<u>13,916,615</u>

**Movements in non-employee benefit provisions:**

**Refuse restoration**

Balance at beginning of financial year	13,446,360	13,634,285
Increase (decrease) in provision due to unwinding of discount	177,454	(36,678)
Amounts used	(36,514)	(37,802)
Increase (decrease) in provision due to change in inflation rate	2,515,272	416,321
Increase (decrease) in provision due to change in discount rate	(606,290)	(2,672,018)
Additional provisions	1,100,932	2,142,252
Balance at end of financial year	<u>16,597,214</u>	<u>13,446,360</u>

	2023 \$	2022 \$
<b>23 Other liabilities</b>		
Prepaid rates represents liabilities for prepaid rates and other regulatory fees received in advance.		
<b>Current</b>		
Prepaid rates	3,853,707	3,514,322
Contract retentions	86,150	25,610
Waste levy refund received in advance	1,190,813	1,183,068
	<u>5,130,670</u>	<u>4,723,000</u>
<b>Non-current</b>		
Waste levy refund received in advance	3,753,170	3,703,298
	<u>3,753,170</u>	<u>3,703,298</u>

The State government made an advance payment to Council in June 2022 to mitigate the impacts on households of the State Waste levy for the financial years 2022/23 through to 2025/26. A further advance of \$1,240,685 was made.

#### 24 Commitments for expenditure

Contractual commitments at the end of the financial year but not recognised in the financial statements. Expiry dates relate to current year contracts:

Major Contracts	Expiry range	2023	2022
Caretaker operations	Dec-23 to Apr-24	113,423	132,956
Cleaning	Nov-24	979,601	21,141
Concept designs and strategies	Sep-23	126,867	455,703
Consultants	Sep-23 to Jan-26	1,141,655	158,145
Traineeships	Mar-24	1,364,085	166,282
Pool operations and swimming enclosures	Jun-24 to Jun-28	3,223,649	1,077,212
Internal audit services	Aug-24	53,720	99,766
Call Centre	Feb-25	26,184	35,898
Waste disposal	Feb-24 to Jan-26	7,503,039	5,836,311
IT support and maintenance	Jun-24 to Jun-26	1,532,322	1,800,606
Lift maintenance	Jan-26	59,869	89,245
		<u>16,124,414</u>	<u>9,873,265</u>
<b>Miscellaneous purchase orders</b>			
Materials and services - various	within 1 year	4,134,024	3,398,423
<b>Total</b>		<u>20,258,438</u>	<u>13,271,688</u>

#### Capital Commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Asset Class	2023	2022
Buildings	156,741	109,592
Marine	-	240,503
Plant and equipment	530,919	2,446,074
Recreation and natural assets	118,665	309,102
Sewerage	17,902,126	1,375,780
Stormwater	2,655,918	-
Transport	1,194,491	6,086,241
Waste	159,922	985,212
Water	8,483,063	867,797
<b>Total</b>	<u>31,201,845</u>	<u>12,420,301</u>
Major contracts	29,442,697	8,812,151
Miscellaneous purchase orders	1,759,148	3,608,150
<b>Total</b>	<u>31,201,845</u>	<u>12,420,301</u>
Within one year	6,500,570	12,420,301
Within 1-5 years	24,701,275	-
<b>Total</b>	<u>31,201,845</u>	<u>12,420,301</u>

	2023 \$	2022 \$
<b>25 Asset revaluation surplus</b>		
The asset revaluation surplus comprises revaluation movements on property, plant and equipment. Increases and decreases on revaluation are offset within a class of assets. Movements in the asset revaluation surplus are disclosed in note 17.		
Land	2,381,346	1,501,038
Buildings	60,844,844	54,473,146
Transport	456,603,043	424,351,425
Stormwater network	35,904,505	32,655,992
Water	83,061,842	73,618,262
Sewerage	73,635,704	65,047,590
Waste	2,826,734	2,038,013
Marine facilities	8,089,958	6,542,760
Recreation and natural areas	7,292,167	670,120
	<u>730,640,143</u>	<u>660,898,346</u>

#### 26 Reconciliation of net result for the year to net cash inflow from operating activities

Net result	(1,300,666)	8,499,397
Non cash items:		
Depreciation and amortisation	30,554,252	28,510,156
Impairment of receivables	6,894	220,672
Unwinding discount provisions	177,454	(36,678)
	<u>29,437,934</u>	<u>37,193,547</u>
Investing and development activities:		
Loss on disposal of non-current assets and rate adjustments to refuse restoration	12,188,626	9,159,885
Capital grants and contributions	(9,025,499)	(17,485,284)
	<u>3,163,127</u>	<u>(8,325,399)</u>
Changes in operating assets and liabilities:		
(Increase)/ decrease in receivables	1,979	893,773
(Increase)/ decrease in other assets	(415,241)	214,284
(Increase)/ decrease in contract assets	(1,798,719)	751,907
(Increase)/decrease in inventory	(120,397)	(274,207)
Increase/(decrease) in payables	1,481,339	(421,396)
Increase/(decrease) in contract liabilities	(1,509,387)	1,990,188
Increase/(decrease) in other liabilities	457,542	4,870,968
Increase/(decrease) in provisions (excl. refuse provision)	(590,918)	(257,855)
	<u>(2,493,802)</u>	<u>7,767,662</u>
Net cash inflow from operating activities	<u>30,107,259</u>	<u>36,635,810</u>

#### 27 Reconciliation of liabilities arising from financing activities

	Lease liabilities \$	Borrowings \$	Total \$
<b>2023</b>			
Balance at beginning of financial year	1,681,563	2,569,331	4,250,893
Cash flows	(812,382)	(436,256)	(1,248,638)
Non-cash changes	33,154	-	33,154
Balance at end of financial year	<u>902,334</u>	<u>2,133,075</u>	<u>3,035,409</u>
<b>2022</b>			
Balance at beginning of financial year	69,075	3,002,130	3,071,205
Cash flows	(604,461)	(432,799)	(1,037,261)
Non-cash changes	2,216,949	-	2,216,949
Balance at end of financial year	<u>1,681,563</u>	<u>2,569,331</u>	<u>4,250,893</u>

## 28 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.

The latest audited financial statements for LGM Queensland are as at 30 June 2022 and show accumulated member funds (equity) of \$69,455,872.

### Local Government Workcare

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 were 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 \$969,406 (2022: \$917,546). The latest audited financial statements for Local Government Workcare are as at 30 June 2022 and show accumulated member funds (equity) of \$14,973,146.

## 29 Superannuation

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

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

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

Council may be liable to the scheme for a portion of another local government's 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 as required under Superannuation Prudential Standard 160 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 salary or wages 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.

	Note	2023 \$	2022 \$
Superannuation contributions made to the Regional Defined Benefits Fund		92,056	106,147
Other superannuation contributions for employees		2,798,956	2,735,658
Total superannuation contributions paid by Council for employees:	6	2,891,012	2,841,805

## 30 Financial instruments and financial risk management

### (a) Financial assets and financial liabilities

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

- credit risk
- liquidity risk
- market risk

#### Risk management framework

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

Council's Enterprise Risk Management Committee approves policies for overall risk management, as well as specifically managing credit, liquidity and market risk.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. Council aims to manage volatility to minimise potential adverse effects on the financial performance of Council. Council's audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by Council. The audit committee is assisted in its oversight role by the internal audit function. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Council does not enter into derivatives.

#### Credit risk

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

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

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

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

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

#### Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to 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 and other financial institutions.

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.

Council has an overdraft facility with a limit of \$150,000 approved with the Commonwealth Bank. This facility remained fully undrawn at 30 June 2023 and is available for use in the next reporting period.

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities) held by the 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:

	0-1 year \$	1 to 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount \$
<b>2023</b>					
Trade and other payables	6,482,413	-	-	6,482,413	6,482,413
Loans - QTC	460,248	1,725,929	-	2,186,177	2,133,075
	6,942,661	1,725,929	-	8,668,590	8,615,488
<b>2022</b>					
Trade and other payables	5,001,074	-	-	5,001,074	5,001,074
Loans - QTC	460,248	1,840,991	345,186	2,646,425	2,569,331
	5,461,322	1,840,991	345,186	7,647,499	7,570,405

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

30 Financial instruments and financial risk management (continued)

(a) Financial assets and financial liabilities (continued)

**Market risk**

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

*Interest rate risk*

Council is exposed to interest rate risk through investments with QTC and other financial institutions. The Council has access to a mix of variable and fixed rate funding options through these institutions 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 following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the net profit and total community 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.

	Net carrying amount \$	Effect on Net Result		Effect on Equity	
		1% increase \$	1% decrease \$	1% increase \$	1% decrease \$
<b>2023</b>					
Cash and cash equivalents	36,604,793	366,048	(366,048)	366,048	(366,048)
Loans - QTC	(2,133,075)	-	-	-	-
Net total	34,471,718	366,048	(366,048)	366,048	(366,048)
<b>2022</b>					
Cash and cash equivalents	30,197,325	301,973	(301,973)	301,973	(301,973)
Loans - QTC	(2,569,331)	-	-	-	-
Net total	27,627,994	301,973	(301,973)	301,973	(301,973)

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.

(b) Fair value

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

Measurement of fair value

The valuation technique used in measuring other financial liabilities is discounted cash flows. This valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

31 Events after the reporting period

There were no material adjusting events after the balance date.

32 National Competition Policy

Council has resolved to apply the competitive code of conduct to Water and Sewerage activities for the 2022/23 financial year.

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

The CSO value is determined by Council, and represents an activity's costs which would not be incurred if the primary objective of the activity 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:

	2023 \$	2022 \$
<b>Water and Sewerage Activity Statement</b>		
Revenue for services provided to Council	25,022,126	22,861,947
Community service obligations	226,162	265,935
	25,248,288	23,127,882
Less Expenditure	21,858,714	21,611,399
Surplus	3,389,574	1,516,483

Description of CSOs provided to water and sewerage activities:

CSO Description	2023 Net Cost \$	2022 Net Cost \$
<b>Water</b>		
Initial call out and inspection for water leak not charged	29,028	25,486
Concession for water consumption	140,669	194,196
<b>Sewerage</b>		
Initial call out and inspection for water leak not charged	2,185	862
Sewerage concessions to Not for Profit organisations	54,280	45,391
	<b>226,162</b>	<b>265,935</b>



33 Transactions with related parties

**(a) Entities related to Council**

Council does not have any subsidiaries or joint ventures with other parties and therefore no related parties of this kind to declare. Council does have representation on the Cassowary Coast River Improvement Trust (CCRIT). Council is represented in the membership of the Trust pursuant to the *River Improvement Act 1940* and legislated to provide an annual precept.

**Cassowary Coast River Improvement Trust**

Details of transactions	2023 \$	2022 \$
Annual precept	130,000	130,000

Cassowary Coast River Improvement Trust is a trust constituted in 1973 under the *River Improvement Trust Act 1940* to protect and improve rivers, repair and prevent damage to rivers and prevent or mitigate flooding of land by riverine floods.

Significant influence is exercised by Council over the operations of the trust. Of the three membership positions of the trust, two are currently filled by Council representatives. Council is legislated to provide an annual precept.

**(b) Transactions with key management personnel (KMP)**

KMP include the Mayor, Councillors, Council's Chief Executive Officer and Directors. The compensation paid to KMP comprises:

Details of transactions	2023 \$	2022 \$
Short-term employee benefits	1,580,027	1,554,776
Post-employment benefits	177,734	173,896
Long-term benefits	43,027	35,967
Termination benefits	-	31,950
<b>Total</b>	<b>1,800,788</b>	<b>1,796,589</b>

Council funded Supreme Court legal expenses associated with KMPs or former KMPs totalling \$298 (2022: \$15,715). There has been no Councillor Conduct Tribunal (CCT) Hearing related legal expenses associated with former KMPs for this reporting period (2022: \$27,914).

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

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse. Details of transactions between Council and other related parties are disclosed below:

i) The fees and charges charged to entities controlled by KMP were on an arms length basis in accordance with the schedule of fees and charges adopted by Council. The total disclosed includes the following:

Fees and charges	2023 \$	2022 \$
Plumbing and drainage applications, building applications	3,221	2,390
<b>TOTAL</b>	<b>3,221</b>	<b>2,390</b>

ii) No Infrastructure charges were incurred by entities controlled by KMP.

iii) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the award for the job they perform. Council employs 339 FTE employees (2022: 325) of which only 4 (2022: 6) are close family members of key management personnel.

Employee expenses	2023 \$	2022 \$
Close family members of key management personnel	255,904	379,282
<b>TOTAL</b>	<b>255,904</b>	<b>379,282</b>

33 Transactions with related parties (continued)

**(c) Transactions with other related parties (continued)**

iv) No materials and services were purchased from entities controlled by KMP.

v) No key management personnel services were provided by a related party.

**(d) Outstanding balances**

There were no outstanding receivables balances outstanding in relation to transactions with other parties.

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

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

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

**(f) Commitments to other related parties**

There were no commitments recorded in relation to transactions with other related parties.

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

Most of the entities and people that are related parties of Council live and operate within the Cassowary Coast Regional Council area. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- payment of rates
- use of public swimming pools within the region
- dog registrations
- fines on normal terms and conditions
- purchase of tickets to public functions
- borrowing books from the Council libraries

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

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Cassowary Coast Regional Council

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

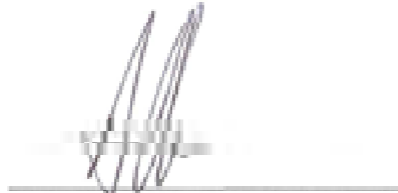
These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 36, present a true and fair view, in accordance with Australian Accounting Standards, of Council's transactions for the financial year and financial position at the end of the year.



Mayor  
Cr. Mark Nolan



Chief Executive Officer  
Mr. Andrew Graffen

Date: 11/10/2023

Date: 11/10/2023

### Report on the audit of the financial report

#### Opinion

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

In my opinion, the financial report:

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

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

#### Basis for opinion

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

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

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

#### Other information

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

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

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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

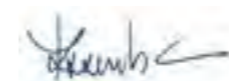
#### **Report on other legal and regulatory requirements**

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

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

#### **Prescribed requirements scope**

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, 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's transactions and account balances to enable the preparation of a true and fair financial report.



Sri Narasimhan  
as delegate of the Auditor-General

13 October 2023

Queensland Audit Office  
Brisbane

## FINANCIAL SUSTAINABILITY

- \* Current Year Financial Sustainability Statement
- \* Certificate of Accuracy - for the Current Year Financial Sustainability Statement
- \* Independent Auditor's Report
- \* Unaudited Long-Term Financial Sustainability Statement
- \* Certificate of Accuracy - for the Unaudited Long-Term Financial Sustainability Statement

Cassowary Coast Regional Council  
Current-year Financial Sustainability Statement  
For the year ended 30 June 2023

### Measures of Financial Sustainability

Council's performance at 30 June 2023 against key financial ratios and targets:

	How the measure is calculated	Actual	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	10%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (assets) divided by depreciation expense.	100%	Greater than 100%
Net financial liabilities ratio	Total liabilities less current assets, divided by total operating revenue (excluding capital items)	100%	Not greater than 100%

#### Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2023.

#### Certificate of Accuracy

For the year ended 30 June 2023

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

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



Mayor  
Cr. Mark Nolan

Date: 11/10/2023



Chief Executive Officer  
Mr. Andrew Graffen

Date: 11/10/2023

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Cassowary Coast Regional Council

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

#### Opinion

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

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

#### Basis of opinion

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

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

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

#### Emphasis of matter – basis of accounting

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

#### Other Information

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

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

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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



Sri Narasimhan  
 as delegate of the Auditor-General

13 October 2023

Queensland Audit Office  
 Brisbane



Cassowary Coast Regional Council  
 (Unaudited Long-Term Financial Sustainability Statement)  
 For the year ended 30 June 2023

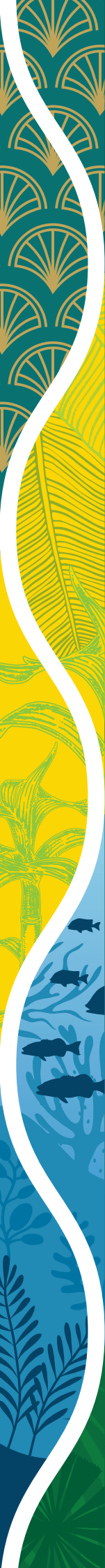
Measures of Financial Sustainability

Ratio	Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
<b>Measure</b>	Net result divided by total operating revenue	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	Total liabilities less current assets divided by total operating revenue
<b>Target</b>	Between 0% and 10%	Greater than 90%	Not greater than 60%
Actuals as at 30 June 2023	2%	73%	(38)%
30 June 2024	(0.2)%	142.3%	(17.5)%
30 June 2025	(1.4)%	105.0%	(9.7)%
30 June 2026	(0.7)%	96.2%	(7.0)%
30 June 2027	(1.2)%	85.6%	(13.5)%
30 June 2028	(1.0)%	72.4%	(20.5)%
30 June 2029	(0.6)%	77.0%	(27.1)%
30 June 2030	(0.8)%	74.5%	(29.0)%
31 June 2031	(1.2)%	61.2%	(40.8)%
30 June 2032	(1.4)%	62.8%	(50.5)%
30 June 2033	(1.7)%	55.2%	(63.4)%

Cassowary Coast Regional Council's 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.


Certificate of Accuracy	
For the unaudited long-term financial sustainability statement prepared as at 30 June 2023	
This unaudited 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 unaudited long-term financial sustainability statement has been accurately calculated.	
 Mayor Cr. Mark Nolan Date: 11/10/2023	 Chief Executive Officer Mr. Andrew Graffen Date: 11/10/2023



 1300 763 903

 [enquiries@cassowarycoast.qld.gov.au](mailto:enquiries@cassowarycoast.qld.gov.au)

 [cassowarycoast.qld.gov.au](http://cassowarycoast.qld.gov.au)

 70 Rankin Street, Innisfail  
38-40 Bryant Street, Tully  
4 Balliol Street, Cardwell