



JULY
20
21
TO JUNE
20
22



2021-2022 Annual Report

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MAYOR AND CEO MESSAGE

The past 12 months has seen a gradual and welcome reprieve from some of the extraordinarily challenging conditions that Cairns has faced as part of the COVID pandemic.

While the first year of the pandemic was focused on maintaining Council services and operations and injecting funds into the community through fast-tracked infrastructure projects, 2021/22 was a year of consolidation so we were well prepared for a return to 'COVID normal'.

Our city is looking the best it ever has, providing a warm welcome to the visitors that are streaming to the region now that borders are once again open. I'm pleased to note that domestic tourism is now outpacing pre-2019 levels.



Bob Manning Cairns Mayor Mica Martin Chief Executive Officer

We have also experienced the highest level of building activity in recent history, with a record number of development applications lodged throughout the year, indicating business and consumer confidence in the region's recovery.

Diversifying our economy to withstand tourism shocks has been a long-held goal of this Council, so it is pleasing to note the major growth in our other key industries including health, education, marine, aviation, agriculture, and construction, over the financial year.

In that respect, we welcome funding commitments from both the Federal and State Governments for the Cairns Water Security – Stage 1 project. This crucial piece of infrastructure, which will secure the city's water supply, is critical to supporting the region's ongoing development and prosperity.

Together we must plan for the future while protecting what makes our region unique.

As the custodians of two world heritage areas – the Great Barrier Reef and Wet Tropics Rainforest – it is incumbent on us to do all in our power to address the impacts of climate change.

The Cairns Climate Change Strategy 2030 endorsed by Council in March outlines our climate actions to the end of the decade, including bold commitments of net zero emissions for Council operations and sourcing 100% of our electricity needs from renewable sources.

MAYOR AND CEO MESSAGE

We are also working closely with police and social services stakeholders to improve community safety. Although policing isn't a Council responsibility, through the Cairns Community Safety Plan, adopted earlier this year, we can play our part to ensure residents and visitors can go about their day to day lives with a sense of security.

While we are well placed in our COVID recovery, there are still challenges ahead, with inflationary pressures, a tight labour market, under-pressure construction industry, and the fear of longer-term recessionary impacts.

In the 2021/22 financial year Council injected more than \$350 million into the Cairns economy through \$111.1 million in capital works and the delivery of other services and we have committed a further \$393 million in this year's budget.

Council will continue to work with the community and key stakeholders during these difficult economic times while keeping the impact on rates, fees, and charges, and therefore living expenses, to a minimum.

CORPORATE PLAN

ASSESSMENT OF PROGRESS TOWARDS CORPORATE PLAN

On 28 July 2021, Council adopted the Corporate Plan 2021-2026. This document provides strategic direction for all activities to be undertaken by Council over the five (5) financial years, up to 30 June 2026. Each financial year, Council adopts an annual operational plan with operational plan activities outlining key services, projects, and initiatives that link with the strategic goals outlined in the corporate plan.

The Operational Plan 2021/22 has 64 key initiatives/actions to align and deliver the five strategic goals outlined in Council's Corporate Plan 2021-2026. Of the 64 initiatives, over 77% have been completed and/or form part of the ongoing operational tasks of Council. Of the remaining 23%, these initiatives will continue to be addressed as part of our business-as-usual activities.

The Chief Executive Officer's assessment of Council's progress in 2021/22 towards implementing the Corporate Plan 2021-2026 and Operational Plan 2021/22 is outlined on the following pages.

OUR VISION

Shaping the future

OUR VALUES



Trust

Honouring the trust of our residents, each other and staff.



Responsibility

Transparency and responsibility to our community.



Cairns-ness

Safeguarding what makes Cairns, Cairns.

OUR FOCUS



Robust economy

Supporting a diversified and resilient economy that backs business innovation, growth and jobs.

Strategies

Optimise visitation and tourism opportunities.

Promote and protect the growth of diverse industries and small business.

Inspire innovation and embrace new technologies.

Grow and sustain education and employment opportunities.

Promote Cairns as the place to relocate.

KPIs

Growth in visitation and yield.

Growth of high-profile events.

Population growth.

Growth in employment.

Diversification and growth in the economy.



Natural assets

Promoting, protecting and enhancing our iconic natural environment now and for generations to come.

Strategies

Prioritise water security to accommodate population growth.

Improve resource recovery through new technologies for a green circular economy.

Value and protect Cairns' pristine natural environment.

Encourage community and business to adopt sustainable practices.

KPIs

Stage one Water Security Strategy delivered.

State of the Environment Report delivered.

Improved landfill diversion rates and uptake in recycling.

Increased investment in renewable energy.

Improved quality of our waterways.

Progression towards net zero emissions.



Design for liveability

Creating a safe, sustainable and connected place that supports a quality life.

Strategies

Proactive advocacy and collaboration with state and federal governments.

Address opportunities for sustainable travel choices.

Enhance community wellbeing, safety and natural disaster resilience.

Deliver valued suburban community infrastructure.

Deliver contemporary land use planning that supports growth, liveability and sustainability.

KPIs

Improved feeling of community safety and wellbeing.

More people choosing sustainable transport options.

Improved connectivity of cycleways and footpaths.



Community & culture

Fostering a vibrant and healthy community where everyone feels they belong.

Strategies

Promote Cairns as the arts and cultural capital of Northern Australia.

Support diverse sport, cultural and community groups that contribute to wellbeing.

Complete the arts and cultural precinct with support from State and Federal Governments.

Provide spaces and programs for the wellbeing of the community.

KPIs

Participation in events and activities funded, supported or delivered by council.

Improved sustainability of community groups.

Increased visitation to and activation of Council's venues.



Focused council

Be a leader in local government.

Strategies

Maintain and drive a safety culture of everyone home safe and well today and everyday.

Deliver a positive customer experience to the community.

Support an inclusive organisational culture that invests in continuous improvement, learning leadership.

Build effective partnerships with community and governments.

Maintain sound financial management including robust long-term modelling.

Ensure decision making is collaborative, transparent and accountable.

KPIs

Long-term financial plan achieves sustainability benchmarks.

Improve staff engagement and wellbeing.

Improve Council's health, safety and wellbeing cultural maturity.

Capital projects delivered in line with key milestones and Budget.

Annual Operational Plan delivered.

CORPORATE PLAN

FOCUS ONE – ROBUST ECONOMY

Supporting a diversified and resilient economy that backs business innovation, growth, and jobs.

Key outcomes/progress

- **Support for tourism** - Council is providing up to \$16.5 million in funding, over five years (2020-2025), for Tourism Tropical North Queensland (TTNQ) under a Resource and Performance arrangement. Council proactively managed the funding agreement with TTNQ to drive outcomes for aviation and events.
- **Attract and retain high profile sports, cultural and business events** - Council supported events delivered throughout 2021/22 included Tokyo Olympic and Paralympic Training Camps; Targa Great Barrier Reef; Cairns Amateurs; Seven Cairns Marathon Festival; Grass is Greener Music Festival; NRL Rabbitohs vs Cowboys trial match; AFL Premiership match; Red Hot Summer Tour; and the Cairns Ironman. Two new major events were secured for the region for 2022/23: Crankworx Cairns and the Men's Big Bash League. Crankworx Cairns is expected to generate between \$6-9 million in economic impact to the region.
- **Industry and small business support** - Council's Economic Development Strategy 2022-2026 was endorsed on 10 November 2021. An implementation plan for 2022/23 has been delivered with actions for each of the pillars within the strategy: Priority Industries; Geographic Focus Areas; and Economic Initiatives. The Small Business-Friendly Council Charter has been implemented. Council partnered with the Queensland Government's Department of Employment, Small Business and Training to hold three events during Small Business Month in May 2022.
- **University engagement and collaboration** - Council continued its support of the Study Cairns (SC) project work including participation at the SC Welcome Back event 2 June 2022. Council also continued to collaborate with both Central QLD University (CQU) and James Cook University (JCU) as outlined with the Memorandum of Understandings with both Universities. A networking event for the delegation from the Department of Foreign Affairs and Trade, various Ambassadors and High Commissioners from India, Indonesia, Japan, South Korea, Vietnam, Philippines, and Malaysia, which SC, CQU, and JCU attended, was hosted by Council.
- **Choose Cairns campaign** - The proactive digital campaign was delivered in August 2021 which has delivered significant visitation to the Choose Cairns website. Total website visitation for quarter four of 2021/22 was 11,000, an increase of over 4,000 visitations in quarter one. Facebook analytics showed a reach of 238,000 and 9,000 link clicks throughout the campaign. Organic search traffic also continues to increase with around 2,400 per 30 days.

CORPORATE PLAN

FOCUS TWO – NATURAL ASSETS

That our iconic natural assets are maintained, enhanced, and connected.

Key outcomes/progress

- **Cairns Water Security - Stage 1 Project (Implementation)** - Council continues to progress this project which will be critical to securing Cairns' short to medium-term urban water needs. The project procurement strategy was endorsed by Council in November 2021. The project plan has been developed and is being implemented. The business case is progressing on schedule and will form part of ongoing actions for next financial year.
- **Schools, community, and business education program** - A total of \$18,900 was acquitted for Community Sustainability grants and a total of \$4,619 in Nature-based Learning grants was awarded to six different schools for the 2021/22 financial year. Council supported and delivered multiple events, projects, and programs to encourage the adoption of sustainable practices in the community and businesses. These included the Youth Climate Summit 2021; Ecofiesta; Plastic Free Cairns; Zero Emissions Cairns project; Tangaroa; Blue "Ditch the Flick" campaign; JCU student tour of Lily Creek Catchment; and two high school students' internships with the Sustainability team.
- **Climate Change Strategy 2030** - The Climate Change Strategy 2030 was adopted by Council in March 2022 after stakeholder consultation (including community and industry) was completed. The implementation plan is nearing completion.
- **Regional Plastics Recycling project** - Council continues to support Far North QLD Regional Development Australia (FNQRDA) to progress this project.
- **The Biosecurity Plan** - The Biosecurity Plan has been adopted by Council. The plan was communicated to the public in March 2022. The Natural Assets team continue to action the plan with ongoing continuous improvement forming part of the regular review and update process.

CORPORATE PLAN

FOCUS THREE - DESIGN FOR LIVEABILITY

Creating a safe, sustainable, and connected place that supports a quality life.

Key outcomes/progress

- **Cairns Water Security - Stage 1 Project (Advocacy)** – Council’s implementation of a Community and Stakeholder Advocacy Strategy has successfully secured funding commitments from the State and Federal Governments to deliver this project. Prior to the Federal election held 21 May 2022, Council was successful in obtaining bipartisan commitments of \$107.5 million federally. A commitment of \$107.5 million has also been secured within the State budget, which was handed down on 21 June 2022. Both commitments are subject to the delivery of Council’s final business case, which is planned for completion by October 2022.
- **Coastal Hazard Adaptation Strategy (CHAS)** - The State Government has approved Phases 7 and 8 of the CHAS. The Council’s CHAS, now known as the Our Cairns Coast Strategy (OCCS), was endorsed by Council on 13 July 2022. The implementation of the OCCS has commenced and is aligned with the Climate Strategy Implementation actions.
- **Community Safety Plan - CBD Pilot** – Council adopted the Community Safety Plan - CBD Pilot in May 2022 to support and make a commitment to our community’s safety and improving public spaces. A governance structure is now being implemented with key internal and external stakeholders.
- **Natural disaster resilience and preparedness** - A dedicated disaster management education vehicle has been commissioned to enhance community resilience to disasters by promoting awareness and delivering education. The vehicle is a truck covered with disaster messaging livery.
- **Public Open Space Policy** - To deliver valued suburban community infrastructure, the Public Open Space Policy has been reviewed to inform and update Council’s guidelines and strategies. The new policy was endorsed by Council in December 2021.
- **Towards 2050 Growth Management Program** – Council continues to progress the development of the Towards 2050 Growth Management Program to shape our region’s growth and ultimately inform the new planning scheme. A tender has been awarded by Council and the project is in its early phases with community consultation to occur over the next 2 years.
- **Planning Scheme** - Council adopted Major Amendment Number One to Cairns Plan 2016 on 13 October 2021. The scope of work for the Major Amendment Two to Cairns Plan 2016 has been presented to Council in a workshop and industry feedback is currently being sought to finalise this amendment.
- **Local Government Infrastructure Plan (LGIP)** – Council undertook a statutory review of the Local Government Infrastructure Plan against the testing criteria within the Minister’s Guidelines and Rules. The review outcomes confirmed the LGIP is ahead of the underlying realised growth for Cairns as a whole. A more specific and targeted LGIP review for key growth areas is being undertaken in 2022/23.

CORPORATE PLAN

FOCUS FOUR - COMMUNITY AND CULTURE

Fostering a vibrant and healthy community where everyone feels they belong.

Key outcomes/progress

- **Cultural events and activities** - A diverse range of vibrant annual cultural events and activities for locals and visitors was delivered alongside projects and programs as part of the Strategy for Culture and the Arts 2022. Two major events delivered in the 2021/22 financial year were the Cairns Children's Festival and Cairns Festival. The Cairns Festival had audiences of over 75,000 in attendance across the 10-day festival program. All venues were back to full capacity operations from 19 December 2021. For the 2021/22 financial year there were 860,000 attendances to markets, libraries, cultural facilities, and venues.
- **Strategy for Culture and the Arts 2022** – Council implemented its Strategy for Culture and the Arts 2022 to promote Cairns as the arts and cultural capital of northern Australia. Eighty individual projects and programs from the implementation plan for the strategy were delivered in this financial year, the third year of the plan. The evaluation shows that 61% of the proposed actions targeted for execution across the strategy's three priority areas were completed with high levels of engagement achieved despite ongoing disruptions to the sector in the region due to COVID-19.
- **Renewed Community Grants Program** - New policy changes for the Community Grants Program were adopted by Council on 27 October 2021. All changes to grant streams contained within the Community Grants Program have been finalised. All four rounds were completed on schedule and on budget.
- **Cairns Gallery Precinct** – Council has continued to progress multiple facets of the Cairns Gallery Precinct (CGP) Project.

Embedding a First Nations focus within the CGP Project Plan has been created through several exhibitions with First Nations focus being presented at the Court House Gallery. An Expressions of Interest process has been developed with a specific focus on First Nations work for future programming within the CGP.

Funding for Stage 2-5 has been secured with the Federal Government and the next stage of the CGP Project Plan has progressed. This stage includes the demolition of 51 Esplanade, design of the Mulgrave Shire Building Heritage Restoration and the new Gallery. The project is on schedule to be completed January 2024 following the adoption of the CGP design tender process by Council in June 2022.

CORPORATE PLAN

FOCUS FIVE – FOCUSED COUNCIL

Being a leader in local government.

Key outcomes/progress

- **Health, Safety and Wellbeing Cultural Maturity Survey** – One of Council’s key commitments to its workforce is maintaining and driving a safety culture for everyone to get home safe and well every day. Due to this commitment Council completed the Health, Safety and Wellbeing Cultural Maturity Survey of its workforce this financial year. The survey received 926 responses and the results show a substantial improvement from the 2017 results.
- **Customer Service Charter** – Council is dedicated to continually improving our customers’ experience with all interactions throughout our organisation which requires us to review and update our standards on a regular basis. The reviewed and updated Customer Service Charter will be presented at Council for adoption in August 2022.
- **Leadership Program** – A Leadership Program Framework has established, and implementation commenced using Franklin Covey training programs. This program has been delivered to Council leaders and continues to be delivered to the remaining workforce.
- **Reconciliation Action Plan** - Council has continued to evolve its Reconciliation Action Plan (RAP) with a conclusion report endorsed by Council in December 2021. A new draft RAP has been reviewed and was submitted through Council to Reconciliation Australia in June 2022.
- **Council’s Certified Agreement 2021–2024** – Council negotiated a new Enterprise Bargaining Agreement for its workforce over this financial year. The agreement has now been certified by the Queensland Industrial Relations Commission.

COMMERCIALISED BUSINESS UNITS - ANNUAL PERFORMANCE PLANS

Council’s Annual Operational Plan 2021/22 included annual performance plans for Council’s commercialised business units, Cairns Water and Cairns Resource Recovery. These annual performance plans have been implemented throughout the year with operational and financial performance reported to Council quarterly as part of the operational plan reporting requirements. The Annual Operational Plan 2021/22 Q4 Progress Report to Council’s Ordinary Meeting on 28 July 2022 highlighted the 2021/22 performance of both commercialised business units.

A detailed assessment of both of Council’s commercialised business units’ performance in relation to the 2021/22 Annual Performance Plans is available from page 60 of this report.

COUNCILLORS

COUNCILLOR REMUNERATION

The following table shows the total of Councillors' remuneration and Fringe Benefit Tax (FBT) payments for the period from 1 July 2021 to 30 June 2022.

DIV	ELECTED MEMBER	TOTAL REMUNERATION PAYMENT \$	* SUPER CONTRIBUTIONS \$	TOTAL \$	FBT EXPENSE \$
M	Bob Manning	183,143	18,314	201,457	6,657
1	Brett Moller	108,222	12,987	121,209	11,530
2	Rob Pyne	108,222	10,822	119,044	1,185
3	Cathy Zeiger	108,222	12,987	121,209	3,032
4	Terry James	124,869	14,984	139,853	-
5	Amy Eden	108,222	12,987	121,209	840
6	Kristy Vallely	108,222	12,987	121,209	3,321
7	Max O'Halloran	108,222	12,987	121,209	-
8	Rhonda Coghlan	108,222	12,987	121,209	5,656
9	Brett Olds	108,222	12,987	121,209	9,319

* Differences in super contributions are due to each Elected Member's contribution preferences

EXPENSES REIMBURSEMENT AND FACILITIES

In accordance with the Expenses Reimbursement and Support for Elected Representatives General Policy, if a Councillor uses a private vehicle for official Council business, reimbursement may be claimed based on logbook substantiation of the relevance of the travel to Council.

The table below shows the total reimbursement costs to Councillors for the 12-month period from 1 July 2021 to 30 June 2022 under this policy.

DIV	ELECTED MEMBER	VEHICLE REIMBURSEMENT \$	VEHICLE COST \$
M	Bob Manning	-	9,065
1	Brett Moller	15,719	-
2	Rob Pyne	1,467	-
3	Cathy Zeiger	4,314	-
4	Terry James	-	-
5	Amy Eden	75	-
6	Kristy Vallely	5,368	-
7	Max O'Halloran	-	-
8	Rhonda Coghlan	7,937	-
9	Brett Olds	12,269	-
		47,149	9,065

EXPENSES REIMBURSEMENT AND FACILITIES

In accordance with the Expenses Reimbursement and Support for Elected Representatives General Policy, Councillors are provided with:

Mayor

- Separate office accommodation and administrative officer for administrative support.

Deputy Mayor and Other Councillors

- Access to workstations within the Administration Building as well as kitchen amenities and restrooms.
- Use of Council meeting rooms as required and when available.
- Administrative support at the Administration Building for Council-related business.
- Use of Council landline telephone and internet access while at the Administration Building.
- Council-provided mobile phone to assist Councillors in undertaking their role.
- Council-provided laptop, computer, or iPad as defined by Council.
- Access to printer, photocopies, paper shredder, fax and/or scanner at the Administration Building.
- Stationery and personalised letterhead including postage costs, for undertaking duties associated with their position.
- Any other administrative necessities, which Council resolves, are necessary to meet the business of Council.
- Up to \$600 annually for home communication expenses, reimbursed on presentation of relevant receipts.
- Necessary safety equipment for use on official business as and when required.
- Insurance coverage while on Council business.
- Up to \$500 annually for Councillors and as per budget for the Mayor, for hospitality costs in hosting dignitaries etc. outside of formal Council events.
- Costs including travel and accommodation associated with attending Council approved conferences or external workshops/seminars.
- Allowance of up to \$2,500 per Councillor's term of Council to undertake professional development course or similar, including associated travel and accommodation expenses if applicable.
- Payment of legal assistance costs as required in support of actions against Councillors undertaking their role.

MEETING ATTENDANCE

Council's Ordinary meetings are typically held once a month on a Wednesday and are chaired by the Mayor.

The following table displays Councillor attendance at Council meetings for the period of 1 July 2021 to 30 June 2022.

	Mayor Bob Manning	Division 1 Cr Brett Moller	Division 2 Cr Rob Pyne	Division 3 Cr Cathy Zeiger	Division 4 Cr Terry James	Division 5 Cr Amy Eden	Division 6 Cr Kristy Vallely	Division 7 Cr Max O'Halloran	Division 8 Cr Rhonda Coghlan	Division 9 Cr Brett Olds
Ordinary Meetings										
13 held	10	13	11	13	12	13	13	12	12	13
Special Meetings										
2 held	1	2	2	2	2	2	2	2	2	2

In late 2021, Council reviewed the Committees it operated and reduced the number of Committees from five to two. The remaining two Committees are the Planning and Environment Committee and the Audit Committee. Not all Councillors are members of all Committees, except the Planning and Environment Committee where all Councillors have been appointed as members.

The following table displays Councillor attendance at Council Committee meetings for the period of 1 July 2021 to 30 June 2022.

Planning and Environment Committee										
	Mayor Bob Manning	Division 1 Cr Brett Moller	Division 2 Cr Rob Pyne	Division 3 Cr Cathy Zeiger	Division 4 Cr Terry James	Division 5 Cr Amy Eden	Division 6 Cr Kristy Vallely	Division 7 Cr Max O'Halloran	Division 8 Cr Rhonda Coghlan	Division 9 Cr Brett Olds
8 held	6	7	5	8	7	7	8	8	8	8

MEETING ATTENDANCE

Audit Committee			
Mayor Bob Manning	Division 1 Cr Brett Moller	Division 8 Cr Rhonda Coghlan	

4 held 4 2 4

Governance and Economics Committee					
Mayor Bob Manning	Division 1 Cr Brett Moller	Division 2 Cr Rob Pyne	Division 6 Cr Kristy Vallely	Division 8 Cr Rhonda Coghlan	

4 held 4 2 4 3 4

OUR
COUNCILLORS

Community, Sport, Events and Cultural Services						
Mayor Bob Manning	Division 2 Cr Rob Pyne	Division 3 Cr Cathy Zeiger	Division 4 Cr Terry James	Division 5 Cr Amy Eden	Division 7 Cr Max O'Halloran	

4 held 4 2 4 3 4 4

Works Committee – (Infrastructure, Water, Waste and Wastewater)						
Mayor Bob Manning	Division 1 Cr Brett Moller	Division 4 Cr Terry James	Division 5 Cr Amy Eden	Division 6 Cr Kristy Vallely	Division 9 Cr Brett Olds	

4 held 4 3 3 4 4 4

COUNCILLORS

CONDUCT AND PERFORMANCE OF COUNCILLORS

Councillors are governed by the Code of Conduct for Councillors to ensure appropriate standards of conduct and performance. There is also a formal process in place to deal with complaints. The requirements of the Code are in addition to the roles, responsibilities and obligations of Councillors set out in the *Local Government Act 2009*.

On 21 May 2018 the *Local Government (Councillor Complaints) and Other Legislation Amendment Bill 2018* received ascent. The Bill amends the *Local Government Act 2009* (LGA) and the *Public Service Act* to provide a simpler, more streamlined system for making, investigating, and determining complaints about Councillor conduct in Queensland.

The reforms established the Independent Assessor and the Office of the Independent Assessor to investigate and deal with the conduct of Councillors where it is alleged or suspected to be inappropriate conduct, misconduct or, when referred to the Independent Assessor by the Crime and Corruption Commission (CCC), corrupt conduct.

The *Local Government Regulation 2012*, Section 186 specifies the particulars of Councillors conduct which must be contained in the annual report for a financial year. The following tables shows the required particulars of Councillors' conduct for the period from 1 July 2021 to 30 June 2022.

Number of Councillor Conduct orders and disciplinary actions 1 July 2021 - 30 June 2022

Subsection of the LGA	Description	Number
150I(2)	Chairperson makes an order for unsuitable meeting conduct	0
150AH(1)	Disciplinary action against a Councillor for inappropriate conduct	1
150AR(1)	Disciplinary action against a Councillor for misconduct	2

COUNCILLORS

CONDUCT AND PERFORMANCE OF COUNCILLORS

Summary of Councillor Conduct decisions, orders, and recommendations 1 July 2020 - 30 June 2021

Name of Councillor	Description of the unsuitable meeting conduct, inappropriate conduct, or misconduct	Summary of the decision, order or recommendation made for each Councillor
Former Cr Schilling	Material Personal Interest - Grants Program	<p>The Tribunal orders that, for Allegation 1, within 90 days of the date that a copy of this decision and orders are given to him by the Registrar:</p> <p>a. Pursuant to s 150AR(1)(b)(i) of <i>Local Government Act 2009</i> (the Act), that former Cr Schilling make a public admission that he engaged in misconduct, at a meeting of Council that is open to the public;</p> <p>b. Pursuant to s 150AR(1)(b)(iv) of the Act, that former Cr Schilling pay an amount of \$500 to the local government.</p>
Former Cr Schilling	Material Personal Interest - Grants Program	<p>The Tribunal orders that, for Allegation 2, within 90 days of the date that a copy of this decision and orders are given to him by the Registrar:</p> <p>a. Pursuant to s 150AR(1)(b)(ii) of the Act, that former Cr Schilling is reprimanded;</p> <p>b. Pursuant to s 150AR(1)(b)(v) of the Act, that former Cr Schilling reimburse the local government for \$1,500 of the costs arising from the councillor's misconduct.</p>
Cr Olds	Alleged breach of <i>the Local Government Act 2009</i> and Council's Code of Conduct for Councillors	Reasonably suspect that the Councillor engaged in inappropriate conduct for the following reason that, the Councillors conduct is a breach of Section 150K(1)(a) of the Act in that the conduct may involve a breach of Behavioural Standards of the Code of Conduct for Councillors in Queensland. The Councillor was provided counsel on conduct matters and was reminded of the Councillors Behavioural Standards set out in the Code of Conduct for Councillors.

COUNCILLORS

CONDUCT AND PERFORMANCE OF COUNCILLORS

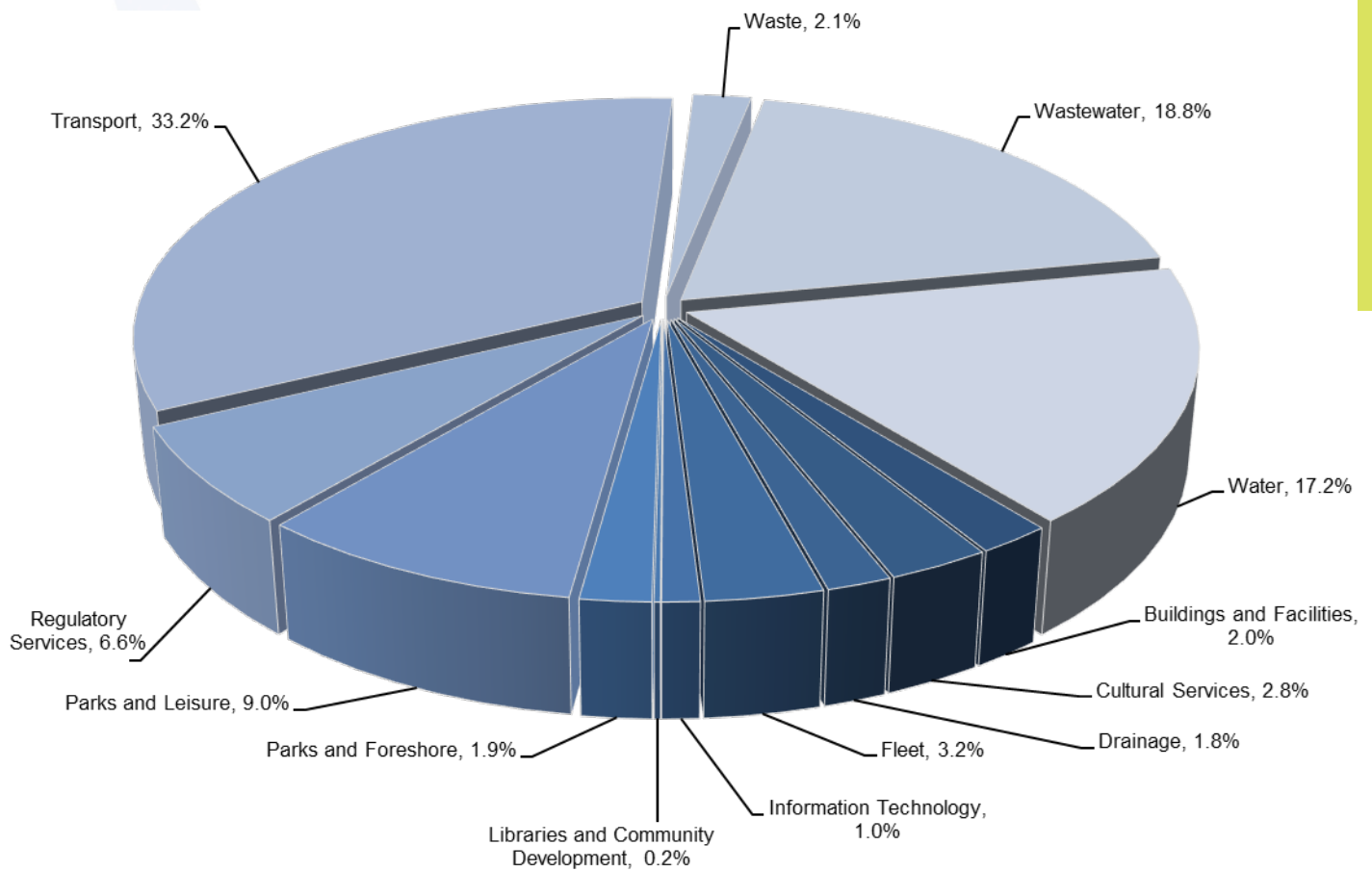
Section 186(f) the total number of the following during the year;

Complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government	1
Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission	-
Notices given under section 150R(2) of the Act	4
Notices given under section 150S(2)(a) of the Act	-
Decisions made under section 150W (1)(a), (b) and (e) of the Act	11
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act	-
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.	-
Applications heard by the conduct tribunal about the alleged misconduct of a Councillor	1

CAPITAL WORKS PROJECTS

CAPITAL WORKS HIGHLIGHTS

During the 2021/22 financial year, expenditure on capital works was \$111.1 million. The following graph provides a breakdown of the capital works by asset category during the period 1 July 2021 to 30 June 2022.



OUR CITY AND
COMMUNITY

CAPITAL WORKS HIGHLIGHTS

Council incurred expenditure on the following capital works projects during the period 1 July 2021 to 30 June 2022.

	Amount \$'000
CULTURAL SERVICES	
Tank 3 and 5 Refurbishment	1,749
Gallery Precinct	1,027
	2,776
PARKS and LEISURE	
Northern Beaches Leisure Trail	3,239
Griffiths Park upgrade	2,235
Cycle Network Local Government Grant Cycleways	1,126
Aquatic renewals	761
Lagoon renewals	427
	7,788
REGULATORY SERVICES	
Links Drive Animal Management Facility	6,431
	6,431
TRANSPORT AND MOBILITY	
Pavement Rehabilitation	7,304
Road Infrastructure New Roads	7,222
Intersection Improvements	3,998
Road Infrastructure Renewals	3,495
Suburban Enhancement Program (SEP)	3,116
CBD Dining and Florence Street Upgrade	2,817
Drainage Works	1,978
Footpath Renewals	1,365
Behana Gorge Road Bridge Renewal	1,122
	32,417

CAPITAL WORKS HIGHLIGHTS

	Amount \$'000
WATER AND WASTE INFRASTRUCTURE	
Wastewater infrastructure renewals and upgrades	20,942
Water infrastructure renewals and upgrades	16,615
Cairns Water Security	2,479
Portsmith Transfer Station Upgrade	1,044
	41,080

EXPENDITURE ON GRANTS

GRANTS

The annual report for a financial year must contain a summary of the local government's expenditure for the financial year on grants to community organisations and expenditure from each Councillor's discretionary fund.

Council has a commitment to building strong, vibrant, and robust communities. To assist in achieving this goal, Council's Grant Program provides financial and in-kind assistance to community-based groups, individuals and organisations that are providing programs, activities, events, and projects that enrich the diversity of cultural, social, sport, and economic development opportunities available to the residents of the Cairns Region.

The desired outcome is to support more creative, innovative, and self-reliant communities, where participation in community life is enabled and encouraged.

In the 2021/22 financial year, Council provided the following community grants and discretionary funds:

COUNCILLOR DISCRETIONARY FUNDS

ARTS AND CULTURE

Regional Arts Development Fund (RADF)

Arts and Cultural Venue Hire and Resources Assistance

Arts and Culture Partnerships

COMMUNITY, SPORT AND RECREATION

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EVENTS

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ENVIRONMENT AND SUSTAINABILITY

Community Sustainability

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OTHER SUPPORT

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Sponsorship

Rates Based Financial Assistance

DISCRETIONARY FUNDS

A Councillor may allocate their Councillor Discretionary Funds under Section 202 of the *Local Government Act 2009* in any of the following ways:

- For capital works of the local government that are for a community purpose
- To a community organisation for a community purpose
- For another community purpose.

Cairns Regional Council is required to list all allocations of Councillor Discretionary Funds and the purpose of the allocation.

	Total Budget \$	Each Councillor \$	Mayor \$
Capital works of Council that are for a community purpose	500,000	50,000	50,000

The prescribed amount for other community purposes in the 2021/22 financial year was \$119,016. No discretionary funds were allocated to other community purposes within the financial year.

COUNCILLORS DISCRETIONARY FUND

All Councillors' discretionary funds were made for 'capital works of Council that are for a community purpose'.

CAIRNS MAYOR - MAYOR BOB MANNING			
Date	Person or organisation (if applicable)	Description	Amount \$
06-Jun-22		Construct all-abilities pathway along foreshore to connect existing BBQs, tables, and chairs at Paperbark Park Bramston Beach	10,000
07-Sep-21		Construct footpath on corner of Gatton/Brown Streets in Westcourt	40,000
TOTAL FOR MAYORAL DISCRETIONARY FUND			50,000

OUR CITY AND
COMMUNITY

DIVISION 1 - COUNCILLOR BRETT MOLLER			
Date	Person or organisation (if applicable)	Description	Amount \$
23-Sep-21		Contribution to the construction of a BMX Pump track at Bill Wakeham Park, Babinda	50,000
TOTAL FOR DIVISION 1			50,000

DIVISION 2 - COUNCILLOR ROBERT PYNE			
Date	Person or organisation (if applicable)	Description	Amount \$
08-Oct-21	Mulgrave Combined Cricket Association	Contribution towards the construction of a toilet facility within the Mulgrave Combined Cricket leased property area at Walker Road.	50,000
TOTAL FOR DIVISION 2			50,000

COUNCILLORS DISCRETIONARY FUND

DIVISION 3 - COUNCILLOR CATHY ZEIGER

Date	Person or organisation (If applicable)	Description	Amount \$
08-Oct-21		Installation of a water bubbler at Mercurio Park, White Rock	7,000
08-Oct-21		Supply and installation of a swing at Henderson Park	25,000
09-Dec-21		Supply and installation of a 'Smiley Face' Speed Sign at Toogood Road	9,000
09-Mar-22	Leichhardt Junior Soccer Club	Supply of 2 water bubblers to Leichhardt Junior Soccer Club	2,200
05-Apr-22		Supply and installation of a solar light at Sheehy Road	6,800
TOTAL FOR DIVISION 4			50,000

OUR CITY AND
COMMUNITY

DIVISION 4 - COUNCILLOR TERRY JAMES

Date	Person or organisation (If applicable)	Description	Amount \$
09-Dec-21		Construction of concrete footpaths on Beatrice Street and Carnation Drive	50,000
TOTAL FOR DIVISION 4			50,000

DIVISION 5 - COUNCILLOR AMY EDEN

Date	Person or organisation (If applicable)	Description	Amount \$
23-Sep-21		Contribution to the Harald Falge Park development	50,000
TOTAL FOR DIVISION 5			50,000

COUNCILLORS DISCRETIONARY FUND

DIVISION 6 - COUNCILLOR KRISTY VALLEY

Date	Person or organisation (if applicable)	Description	Amount \$
08-Oct-21		Redlynch Village Green - Court resurface	14,500
08-Oct-21		Springbrook Park - Swings	20,000
08-Oct-21		Byron Terrace Park – Shade sail over swings	10,000
08-Oct-21		Salli and John Mitchell Park – Seat for new basketball court	5,500
TOTAL FOR DIVISION 6			50,000

OUR CITY AND
COMMUNITY

DIVISION 7 - COUNCILLOR MAX O'HALLORAN

Date	Person or organisation (If applicable)	Description	Amount \$
23-Sep-21		Contribution to the Harald Falge Park development	50,000
TOTAL FOR DIVISION 7			50,000

DIVISION 8 - COUNCILLOR RHONDA COGLAN

Date	Person or organisation (if applicable)	Description	Amount \$
18-Oct-21		Contribution to the CSCS Sports Facilities Project - Yorkeys Knob Youth Activities Space	50,000
TOTAL FOR DIVISION 8			50,000

COUNCILLORS DISCRETIONARY FUND

DIVISION 9 - COUNCILLOR BRETT OLDS

Date	Person or organisation (if applicable)	Description	Amount \$
24-Sep-21	Clifton Beach Tennis Club	Upgrade to court facilities at Clifton Beach Tennis Club	14,000
26-Jul-21		Installation of landscaping on road verge, Colonel Cummings Drive	3,800
04-Aug-21	Trinity Beach Progress Assoc.	Upgrade of Trinity Beach Progress Association Highway Sign	7,424
20-Dec-21	Centrals Football Club	Automatic Gate at Centrals Football Club	20,000
10-Sep-21		Provision of Replas bollards to verge on Colonel Cummings Drive	4,400
TOTAL FOR DIVISION 9			49,624

OUR CITY AND COMMUNITY

TOTAL FOR DISCRETIONARY FUNDS 499,624

COMMUNITY GRANTS

Arts and Culture

Regional Arts Development Fund (RADF)

The RADF program supports the development of quality arts and arts practice in regional communities. The RADF funding is in partnership with the State Government.

Applicant	Description	Amount \$
Rose Rigley (Sixfold Project - Artist Collaboration)	RADF 2021/22 City of the Arts Hero Project	24,500
Jess Cheeseman	RADF 2021/22 Flame Arts	494
Keelie Nicholls	RADF 2021/22 Flame Arts	994
Samuel Farnham	RADF 2021/22 Flame Arts	1,000
Babinda District Community Assoc Inc.	RADF 2021/22 Major Round 1	5,723
Leanne Tennant	RADF 2021/22 Major Round 1	9,350
Melanie Stevens	RADF 2021/22 Major Round 1	10,000
Moses Warusam	RADF 2021/22 Major Round 1	10,000
Narelle Nicol	RADF 2021/22 Major Round 1	10,000
Peninsula Art Educators Association (PAEA)	RADF 2021/22 Major Round 1	7,123
Amber Grossman	RADF 2021/22 Major Round 2	9,812
Cairns Urban Sketchers	RADF 2021/22 Major Round 2	8,160
Far North Air Cats Inc.	RADF 2021/22 Major Round 2	10,000
Keith Michael Armstrong	RADF 2021/22 Major Round 2	9,999
Maria Larkins	RADF 2021/22 Major Round 2	6,407
Tiffany Hill	RADF 2021/22 Major Round 2	10,000
Tropical Arts Association Inc	RADF 2021/22 Major Round 2	5,568
Joanne Fairbairn	RADF 2021/22 Professional Development	1,000
Bridgette Gower	RADF 2021/22 Professional Development	743

COMMUNITY GRANTS

Arts and Culture

Regional Arts Development Fund (RADF) (continued)

Applicant	Description	Amount \$
Julia Goulding	RADF 2021/22 Professional Development Grant	1,000
Rachel Wolfe	RADF 2021/22 Professional Development Grant	975
Sally Ann Davies-Griffith	RADF 2021/22 Professional Development Grant	1,500
Erin Duncan	RADF 2021/22 Small Arts Grant	500
Francoise Lane	RADF 2021/22 Small Arts Grant	500
Jack Andrew	RADF 2021/22 Small Arts Grant	368
Molly Duncan	RADF 2021/22 Small Arts Grant	479
Rachel Wolfe	RADF 2021/22 Small Arts Grant	446
Jasmine Bryan	RADF 2021/22 Young Creatives	2,500
TOTAL FOR REGIONAL ARTS DEVELOPMENT FUND GRANT		149,141

COMMUNITY GRANTS

Arts and Culture

Arts and Cultural Venue Hire and Resources Assistance

Under the Arts and Cultural Venue Hire and Resources Assistance grant Council provides venues, resources and capabilities to cultural projects and activities that make a positive creative contribution to the region.

Applicant	Description	Amount \$
Cairns Artistic Photography	Social Shoot Soiree 2021	1,657
Cairns Choral Society	Launch Event: Spamalot Night of Knights	3,270
Keelie Nicholls	[Insert Image Here] 2021	2,487
Molly Duncan	Abstracts in Oil and Gold Wax Medium	518
Peninsula Art Educators Association (PAEA)	Energy Art Exhibition 2021	5,000
Selina Kudo	Jump Exhibition	2,906
Soul Song Choir	Soul Song Choir	5,000
TOTAL FOR ARTS AND CULTURE VENUE HIRE AND RESOURCES ASSISTANCE GRANT		20,838

OUR CITY AND
COMMUNITY

Arts and Cultural Partnerships

The Arts and Culture Partnerships Grant aims to make available Council resources and capabilities to support Arts and Cultural projects and activities that make a positive creative contribution to the region's arts and cultural profile.

No Arts and Cultural Partnerships grants were given in 2021/22.

TOTAL ARTS AND CULTURE GRANTS 169,979

COMMUNITY GRANTS

Community, Sport and Recreation

Go Clubs Essentials Assistance

This grant is for services that can be delivered by Council that support improved asset management initiatives (maintenance) including turf management.

Applicant	Description	Amount \$
Babinda Golf Club Inc.	Drain maintenance	1,983
Barron Trinity Rugby Club	Bitumen seal around club	208
Barron Trinity Rugby Club	Turf maintenance	1,703
Cairns and District Woodworkers Guild Inc.	Painting of clubhouse	4,641
Cairns City Kennel Club Inc.	Turf maintenance	770
Cairns Cricket Association	Turf maintenance	1,495
Cairns Cycling Club	Drainage repairs	4,411
Cairns Cycling Club Inc.	Drainage repairs	2,422
Cairns Dragon Boat Racing Club	Building maintenance	6,047
Cairns Eagles Australian Football Club	Turf maintenance	1,425
Cairns Junior Baseball League Inc	Electrical extension	1,550
Cairns Junior Choral Society Inc	Building maintenance	172
Cairns Junior Choral Society Inc	Roof and gutter repairs	1,548
Cairns Model Aero Club	Water connection	8,610
Cairns Motorcycle Club Inc.	Painting buildings	219
Cairns Netball	Tree trimming	1,650
Cairns Pirates Touch Football Association Inc.	Turf maintenance	547
Clifton Beach Tennis Club	Turf maintenance	2,011

COMMUNITY GRANTS

Community, Sport and Recreation

Go Clubs Essentials Assistance (continued)

Applicant	Description	Amount \$
Edge Hill Tennis Club Inc.	Maintenance	1,917
Edmonton Storm Rugby League Club	Turf maintenance	547
Football Queensland Far North and Gulf	Field maintenance	1,762
Freshwater Tennis Club	Tree trimming and removal	1,216
Gordonvale Community Garden Inc.	Tree removal	450
Gordonvale Lions Club	Water connection	595
Half Moon Bay Golf Club	Tree works	5,010
Holloways Cairns Croquet Club	Turf maintenance	4,209
Ivanhoe's Football Club	Turf maintenance	2,510
Leichhardt Junior Soccer Club	Turf maintenance	2,882
Leichhardt Football Club Inc.	Field maintenance	1,904
Marlin Coast Bowls Club Inc.	Tree removal	4,053
Marlin Coast Meals on Wheels	Building maintenance	569
Marlin Coast Meals on Wheels	Painting	5,211
Northern Beaches Scout Group	Storm water works	5,727
Patriots Australia Cairns Chapter Inc.	Install mains water	1,279
PCYC Manunda	Wheelchair ramp	1,833
Rovers Cricket Club Cairns Inc.	Security lighting upgrade	3,251
South Cairns Gymnastics Association	Carpark marking	661
Trinity Beach Tennis Club Inc.	Cement area	1,788
TOTAL FOR GO CLUBS ESSENTIALS GRANT		88,786

COMMUNITY GRANTS

Community, Sport and Recreation

Go Clubs Community Infrastructure

This grant assists local sport, recreation, arts, culture and community organisations with the development of improved facilities.

Applicant	Description	Amount \$
Babinda Golf Club Inc.	Shed roof replacement	16,910
Barron River Gymnastics Club Inc.	Refund of cancelled project	(2,205)
Cairns and District Darts Assoc. Inc.	Repair and upgrade roof	18,425
Cairns City Kennel Club Inc.	Veranda and drainage works	22,728
Cairns Model Aero Club	Develop model aero flying field	25,000
Cairns Yacht Club Inc	Install dinghy racking	16,000
Earlville Pony Club Inc.	Stable maintenance and upgrades	14,910
Edge Hill / Whitfield Progress Assoc. Inc.	Solar roof upgrade	18,182
Edge Hill United Football Club Inc.	Upgrade fire systems	22,728
Freshwater Tennis Club	Upgrade external staircase	22,714
Half Moon Bay Golf Club	Tree and vegetation management plan	13,000
Mulgrave Combined Cricket Assoc. Inc.	Resurface cricket wickets	13,000
Redlynch Equestrian Association Inc.	Stable maintenance and upgrades	13,041
Southside Comets Football Club Inc.	Tiered seating	10,000
Trinity Beach Bulldogs Netball Club Inc.	Construction of new netball court	22,728
TOTAL FOR GO CLUBS COMMUNITY INFRASTRUCTURE		247,161

TOTAL FOR COMMUNITY, SPORT AND RECREATION

335,947

COMMUNITY GRANTS

Events Grants

Community Partnerships

Applicant	Description	Amount \$
Access Community Housing Company Ltd	30th Anniversary	930
Australian Arakanese Association Cairns Inc.	Thadingyut Full Moon Day Lightning Festival 2021	1,541
Australian Pole Sports Federation Inc.	2022 Australian Pole Sports Championships	9,000
Babinda District Community Assoc Inc.	2021 NAIDOC Celebrations and Cultural Awareness Training	2,000
Babinda District Community Assoc Inc.	Christmas in Babinda 2021	3,500
Babinda Harvest Festival Inc.	Babinda Harvest Festival 2021	24,204
Bat and Tree Society of Cairns Inc.	Cairns Bat Festival 2022	4,600
Bellenden Ker Primary School P&C Association	100th Year Birthday Celebration	3,500
Cairns and District Meeting Place Indigenous Corp	Coming of the Light 150th Anniversary Open Day	3,602
Cairns African Association Inc	Cairns African Festival 2022	9,860
Cairns Agricultural Pastoral and Mining Association	Cairns Show 2021	13,036
Cairns Agricultural Pastoral and Mining Association	Cairns Show 2022	45,000
Cairns and District Chinese Association Inc. (CADCAI)	Chinese New Year 2022	25,134
Cairns Bhutanese Community Inc.	Cairns Bhutanese Day 2021	8,000
Cairns Children's Museum Inc	Pi Day: A Celebration of Circles 2022	6,880
Cairns Christian Ministers Network Inc.	Joy to the World - Carols and Fireworks	11,000
Cairns Cricket Association	Tyrepower Barrier Reef Big Bash	4,345

COMMUNITY GRANTS

Events Grants

Community Partnerships (continued)

Applicant	Description	Amount \$
Cairns District Rugby League Club Inc	Final Series at Barlow Park	13,123
Cairns Food and Wine Festival Inc.	Cairns Food and Wine Festival 2021	15,000
Cairns Hockey Association	2021 Australian Country Hockey Championships	10,000
Cairns Indian Association Inc.	Festival of Colours - HOLI 2021	4,124
Cairns Indian Association Inc.	Festival of Colours - HOLI 2022	5,000
Cairns Indonesian Australian Association Inc.	Indonesian Festival 2021	5,222
Cairns Italian Festival Inc.	Cairns Italian Festival 2021	12,730
Cairns Junior Tenpin Bowling Club Inc.	Inner City Shield North QLD	4,000
Cairns Multicultural Committee	Carma Festival 2021	5,840
Cairns Multicultural Islamic Ladies Association	Community Eid al-Fitr Celebration	5,000
Cairns NAIDOC Committee	NAIDOC in the Park	6,635
Cairns Pirates Touch Football Association Inc.	QLD School Sport 13-15 years State Championship	2,355
Cairns Regional Community Development and Employment ATSI Corp.	30th Mabo Day Celebration	14,323
Cairns RSL Sub Branch	100th Anniversary RAAF Celebrations	165
Cairns RSL Sub Branch	Vietnam Veterans Day and Remembrance Day	355
Cairns Thai Community Assoc. FNQ Inc	Thai Cultural Loy Kra Thong Festival 2021	4,866
Cairns Thai Community Assoc. FNQ Inc	Songkran Festival 2022 (Thai New Year)	10,636

COMMUNITY GRANTS

Events Grants

Community Partnerships (continued)

Applicant	Description	Amount \$
Cancer Council Queensland	Relay for Life 2021	7,000
Castle Hill Spinney Ltd	Ronald McDonald House Christmas Lights on the move	843
Chabad North QLD Inc.	Chanukah - Jewish Festival of Lights 2021	1,321
Committee for Waste Reduction Inc.	Tropical Steampunk Upcycle Workshops	3,500
DanceSport Australia Ltd	North Queensland DanceSport Championships 2022	7,500
Dr Edward Koch Foundation	All of Us Festival 2021	5,999
Drum Infinity Mugendai Inc.	Mugendai 5th Year Anniversary Concert and Let's Try Taiko Workshop 2021	3,500
Edge Hill United Football Club Inc.	FFA Cup 2021	3,282
FNQ Emergency Services Association	FNQ Emergency Services Charity Ball 2021	15,000
FNQ Hospital Foundation	Arrow Experience	3,000
FNQ Hospital Foundation	QSuper Cardiac Challenge 2021	326
FNQ Rugby Inc.	FNQ Rugby Grand Final (Barlow Park)	2,994
FNQ Volunteers Inc	Volunteers Expo 2021	3,700
Freshwater Tennis Club	Freshwater Festival 2022	6,000
Gordonvale Chamber of Commerce Inc.	Gordonvale Sugar Solstice Country Fair	7,500
Heartkids QLD Inc.	Two Feet and a Heart Beat 2021	124
Holloways Beach Markets Inc	Holloways Beach Christmas Carols	1,500
Inkmasters Cairns Inc.	Inkfest 2021	8,370
Japanese Society of Cairns Inc.	Japan Bon Dance Festival 2021	4,657

COMMUNITY GRANTS

Events Grants

Community Partnerships (continued)

Applicant	Description	Amount \$
Lions Club of Cairns Inc.	Southside Festival 2021	12,000
Lions Club of Marlin Coast Inc.	Festival of the Beaches 2021	12,000
Lions Club of Marlin Coast Inc.	Festival of the Beaches 2022	6,000
Marlin Coast Neighborhood Centre	Marlin Coast Community Fun Day 2022	2,000
Marlin Coast Rangers Football Club Inc	2022 QSS Girls State Championships u13-15 and u16-19	12,005
Masters Swimming QLD Inc.	MSQ State Swimming Championships 2021	8,278
Motor Neuron Disease Association of QLD	Walk to D-Feet MND Cairns	147
Mr Perfect Inc.	Community BBQs (Monthly)	452
Mulgrave District Chamber of Commerce	Carols in the Park 2021	3,500
North Cairns Australian Football and Sporting Club Inc.	Mayfest in the Park 2022	5,000
Of One Mind Ltd	Wow Cairns 2022	5,000
Palm Cove Tourism	Refund of Reef Feast due to COVID	(12,000)
Peninsula School Sports	All Abilities Celebrations	810
Playgroup QLD Ltd	Messy Play 2022	4,500
QLD Aids Council	Cairns Pride Festival 2021	14,907
QLD Council for LGBTI Health (QC)	World AIDS Day Cairns Candlelight Vigil	776
Red Nose Ltd	Walk to Remember 2021	473
Redlynch Valley Community Group Inc.	Christmas 2021	1,500
Redlynch Valley Community Group Inc.	Halloween 2021	1,400

COMMUNITY GRANTS

Events Grants

Community Partnerships (continued)

Applicant	Description	Amount \$
Redlynch Valley Community Group Inc.	Redlynch Community Twilight Markets	10,000
Rosie's	Annual Lease	324
Rotary Club of Cairns Trinity Inc.	Cairns Rotary Duck Race 2021	2,515
Rovers Cricket Club Cairns Inc.	Rovers Cricket Club NAIDOC Week Carnival	4,500
Southern Suburbs Junior Rugby League	Nate Myles Cup	10,815
Spinifex Gum Inc.	Wow Festival Cairns / Australia - Event Cancelled	679
St Vincent De Paul Society	CEO / Community Sleep Out 2022	2,397
The Cairns Jockey Club Inc	The Red Beret Hotel Cairns Cup Carnival	15,000
The Ethnic Communities Council of Queensland Ltd	Harmony Day Festival 2022	2,057
The Great Pyramid Race and Country Fair	The Great Pyramid Race	19,500
The Salvation Army	The Red Shield Appeal 2021	6,000
UMI Arts Ltd	Disability Action Week 2021	316
UMI Arts Ltd	Big Talk One Fire 2021	7,405
UMI Arts Ltd	Big Talk One Fire Art Symposium	3,250
UnitingCare Community Inc.	Out of the Shadows Walk 2021	1,668
Water Polo QLD	2022 Water Polo QLD Country Championships	15,000
Wuchopperen Health Service Ltd	Refund of NAIDOC Week activities	(7,000)
Yorkeys Knob Residents Association	Christmas Festival 2021	1,500
TOTAL FOR COMMUNITY PARTNERSHIPS GRANTS		556,296

COMMUNITY GRANTS

Events Grants

Economic Event Partnerships

To nurture and grow a diverse portfolio of events that will drive positive economic returns for the Cairns community, raise the profile of the Cairns region nationally and internationally, generate positive social and cultural benefits and inspire the residents of Cairns. Economic Event Partnerships facilitate visitation growth to the region to achieve positive community and economic outcomes.

Applicant	Description	Amount \$
Athletics Australia	Tokyo Olympic Preparations	42,501
ATLAS Events Pty Ltd	Cairns Marathon Festival 2021	51,015
AusCycling Ltd	2022 AusCycling BMX State Championships QLD	25,000
Australian Open Swims Pty Ltd	Great Barrier Reef Ocean Swim Series 2022	18,000
Cairns Cricket Association Inc.	Cricket Bulls Masters	25,000
Far North Queensland Amateur Turf Club	Cairns Amateur Carnival 2021	671
Handpicked Event and Marketing Pty Ltd	The Grass is Greener 2021	42603
RV Event Enterprises Pty Ltd	Red Hot Summer Tour 2022	50,000
Tour of the Tropics	Tour of the Tropics	25,000
USM Events Pty Ltd Trading as Ironman Australia	2022 Reef to Reef	30,000
TOTAL FOR ECONOMIC EVENT PARTNERSHIP GRANTS		359,790

COMMUNITY GRANTS

Events Grants

Major Events

These grants support the growth of a diverse portfolio of major events that will drive economic development of the region, promote Tropical North Queensland (TNQ) nationally and internationally, generate positive social, cultural, and environmental benefits and inspire the residents of TNQ.

Applicant	Description	
GTR Events Pty Ltd	Crankworx Cairns 2022	
Hockey Australia Ltd	Australian Women's Masters Hockey Championships 2022	
Queensland Cricket Association	Big Bash League	
South Sydney District Rugby	Rabbitohs NRL Pre-season Game	
St Kilda Saints Football Club	AFL Premiership Match	
Targa Australia	Targa Great Barrier Reef 2021 and 2022	
USM Events Pty Ltd Trading as Ironman Australia	Ironman 2021 and 2022	
	TOTAL FOR MAJOR EVENT GRANTS	1,029,145

TOTAL EVENTS GRANTS

1,945,231

COMMUNITY GRANTS

Economic Development

Industry and Economic Development Fund

To guide the delivery of Council's Industry and Economic Development Fund (IEDF) which provides assistance to organisations in support of specific industry and economic development activities and to support the economic goals of the Cairns Regional Council Corporate Plan, specifically: Economy: A strong, diversified and resilient regional economy that supports the growth of new and existing industry, business activities and provides long term employment opportunities and to support the delivery of Council's Economic Development Strategy.

Applicant	Description	Amount \$
Cairns Chamber of Commerce Inc.	Far North QLD Export Capability Profile to service the Pacific Region	5,000
Regional Development Australia Tropical North Inc.	Plating Up the TNQ Food Industry	10,000
TOTAL INDUSTRY AND ECONOMIC FUND GRANTS		15,000

TOTAL ECONOMIC DEVELOPMENT FUND GRANT 15,000

COMMUNITY GRANTS

Environment and Sustainability

Community Sustainability

These grants encourage the community to develop and implement projects that reduce the region's non-renewable resource consumption, reduce waste, conserve/restore biodiversity values and enhance community understanding of sustainability and resilience.

Applicant	Description	Amount \$
Bat and Tree Society of Cairns Inc.	Activity Booklet and Teachers Resource 2021/22	3,750
Birdlife FNQ	Community birding workshops and educational video	3,750
Cairns and Far North Environment Centre Inc.	Zero Emissions Cairns website and community launch	5,000
Holloways Beach Environmental Education Centre	Gifted Global Green Program	5,000
St Joseph's Catholic School	Adaptation to the Marine Environment	1,400
TOTAL COMMUNITY SUSTAINABILITY GRANTS		18,900

COMMUNITY GRANTS

Environment and Sustainability

Nature-based Learning

This grant fosters an appreciation of our world-renowned natural environment in the younger generation through financial support for nature-based excursions undertaken by schools in the Cairns local government area.

Applicant	Description	Amount \$
Balaclava State School	Reimbursement for school trip	(2,000)
Bartle Frere State School	Fitzroy Island Reef Trip 2021	1,260
Bentley Park College	Daintree Rainforest Camp	2,000
Cairns State High School	Marine Science Excursion	1,000
Gordonvale State School	Year 2 Science Excursion	859
Trinity Bay State High School	Orpheus Island Marine Science Trip	1,500
TOTAL NATURE-BASED LEARNING GRANTS		4,619
TOTAL ENVIRONMENT AND SUSTAINABILITY GRANTS		23,519

COMMUNITY GRANTS

Resource and Performance Agreements

Council will, as required, consider entering into tailored agreements with specific community organisations to support programs, events and activities that are considered by Council to be in the public interest and to be of substantial benefit to the Cairns region, broadly consistent with a set criterion.

Applicant	Description	Amount \$
Babinda District Community Assoc Inc.	Resource and Performance Agreement	15,000
Babinda Information Centre	Resource and Performance Agreement	12,000
Bat and Tree Society of Cairns Inc.	Resource and Performance Agreement	16,000
Bramston Beach Ratepayer Association	Resource and Performance Agreement	6,000
Cairns and District Family History Society Inc	Resource and Performance Agreement	12,000
Cairns and District Junior Eisteddfod Ass. Inc.	Resource and Performance Agreement	35,139
Cairns Area Fish Stocking Group	Resource and Performance Agreement	10,000
Cairns Historical Society North Queensland Inc.	Resource and Performance Agreement	285,276
Cairns Indigenous Arts Fair	Resource and Performance Agreement	158,262
Citizens of the Great Barrier Reef Inc.	Resource and Performance Agreement	50,000
Friends of the Botanica Gardens Inc.	Resource and Performance Agreement	1,921
Health Management Pty Ltd	Resource and Performance Agreement	30,000
Holloways Beach Coast Care	Thomatis Creek Revegetation Project - Resource and Performance Agreement	6,000

COMMUNITY GRANTS

Resource and Performance Agreements (continued)

Applicant	Description	Amount \$
Mulgrave Shire Historical Society	Mulgrave Settlers Museum	21,491
Mulgrave Shire Historical Society	Assessment of Old Police Station Gordonvale for Settlers Museum	2,988
Northern Pride Rugby League Football Club Inc	Resource and Performance Agreement	54,460
NQ Sports Foundation	Resource and Performance Agreement	40,864
Queensland Museum	Annual Agreement	24,727
Russell Heads Progress Association	Resource and Performance Agreement	24,200
Study Cairns (Cairns International Education Providers Inc.)	Resource and Performance Agreement	100,000
Super Yacht Group	Resource and Performance Agreement	30,000
Tourism Tropical North QLD (TTNQ)	Resource and Performance Agreement	3,000,000
Tropical Arts Association Inc	Hamlet and the Climate Emergency	23,413
TOTAL RESOURCE AND PERFORMANCE AGREEMENTS		3,959,741

COMMUNITY GRANTS

Sponsorships

Applicant	Description	Amount \$
Australian Housing Awards Nth	Award Sponsorship	1,600
Australian Institute of Architecture	Regional Awards Event	1,000
Cairns Business Women's Association	Awards Sponsorship	3,000
Cairns Chamber of Commerce Inc.	May Business Luncheon	2,600
Cairns Chamber of Commerce Inc.	Business Excellence Awards	10,200
Department of Energy and Public Works	Buy Queensland Roadshow	500
Housing Industry Association	Awards Sponsorship	2,927
James Cook University	Student Awards	1,091
James Cook University	BEMAS Conference	545
James Cook University	Partner Up QLD Regional Science and Innovation Network - Pilot Hub	2,000
LGW Workcare	FNQ Work Health, Safety and Wellbeing Local Government Network Seminar	3,695
Mackillop College	Cairns Festival Prize Winner	2,000
Megumi Takegami	Cairns Festival Prize Winner	1,000
Our Lady Help of Christian School	Cairns Festival Prize Winner	1,000
Planning Institute of Australia	International Women's Day Breakfast	1,364
QLD Master Builders Association	Sponsorship	5,695
QLD Training Awards 2022	QLD Training Awards 2022 - 50% Sponsorship	2,000
St Gerard Majella School	Cairns Festival Prize Winner	3,000
Taipans Basketball Inc.	Annual Sponsorship	125,000
Tourism Tropical North QLD (TTNQ)	Tourism Excellence Awards	7,000
TOTAL SPONSORSHIP		177,217

COMMUNITY GRANTS

Donations

Applicant	Description	Amount \$
Cairns Turtle Rehabilitation Centre	Annual Donation	5,000
TOTAL DONATIONS		5,000

Rates Based Financial Assistance

Applicant	Number	Amount \$
Not-for-profit community groups	148 recipients	1,006,023
Not-for-profit sporting and recreation groups	85 recipients	494,089
Cairns Show Association	1 recipient	41,529
TOTAL RATES BASED FINANCIAL ASSISTANCE		1,541,641

TOTAL OTHER 5,683,599

TOTAL EXPENDITURE ON GRANTS 8,672,899

COMMUNITY FINANCIAL REPORT

This report shows a summary of the Council's Consolidated Financial Statements with the aim to provide understandable information to the members of our community. This is the first time the financial statements of Council and the controlled entity Cairns Art Gallery Limited have been consolidated. The use of graphs allows readers to easily evaluate Council's consolidated financial performance and financial position. In addition, this report includes key financial statistics and ratios that can also be useful indicators of Council's performance.

2021/22 Results at a Glance

Council has finished the year with a net result of \$29.7 million, \$8.9 million less than budgeted. With the recommencement of domestic and international travel, Cairns has been able to welcome back tourists meaning the impacts of COVID-19 on the region have not been as severe as previous years, but they are still present. Refer to Note 1 of the Financial Statements for further information on the impacts of COVID-19.

Council continued to invest heavily in community infrastructure by delivering a capital works program in excess of \$111.1 million.

The Financial Statements in this report cover a 12-month period ending 30 June 2022. The Financial Statements contained in this report include:

- **Statement of Comprehensive Income** - displays Council's revenue and expenses with the resulting profit or loss amount, called the net result, attributable to Council. This also displays Council's other comprehensive income.
- **Statement of Financial Position** - displays the assets (what we own), liabilities (what we owe) and community equity (total assets minus total liabilities). Community equity can be a reflection of how healthy the position of Council is at any given point in time.
- **Statement of Cash Flows** - reports how revenue received, and expenses paid impact on Council's cash balances (money in the bank).
- **Statement of Changes in Equity** - presents a summary of transfers to and from equity accounts including retained surplus, capital, and other reserves.
- **Notes to the Financial Statements** - provides a detailed breakdown of all significant items in the Financial Statements and what these items represent.
- **Current and Long-Term Measures of Financial Sustainability** - presents three sustainability indicators that have been set up by the Queensland Department of State Development, Infrastructure, Local Government and Planning to help monitor the current and long-term sustainability of all councils across Queensland.

CORPORATE FINANCIAL STATEMENTS

	\$ Million
Operating Revenue	343.8
Operating Expenses	(336.3)
Capital Income	61.2
Capital Expenses	(39.0)
Net Result	29.7
Total Assets	4,391.9
Total Liabilities	(283.3)
Net Community Assets	4,108.6
Total Capital works Expenditure	111.1

BACKGROUND

Assumptions and Principles

Under the requirements of the *Local Government Regulation 2012*, Council is required to prepare general purpose Financial Statements for the period. This report has been prepared in accordance with Australian Accounting Standards and complies with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. This is the first time the financial statements of Council and its controlled entity have been consolidated.

Council controls and manages infrastructure assets that are largely unique to the public sector. These infrastructure assets include roads, bridges, footpaths, water reticulation and sewerage assets, which generally have very long useful lives and can only be used for providing local government services. The costs associated with the maintenance, depreciation and replacement of these assets form a material part of Council's annual expenditure.

Council continues to implement its Asset Management Plans to facilitate sound strategic asset management decisions.

Council's Debt Policy aims to finance capital works and new assets to the greatest extent possible from revenue, grants, and subsidies. Operating activities or recurrent expenditure cannot be funded by borrowings.

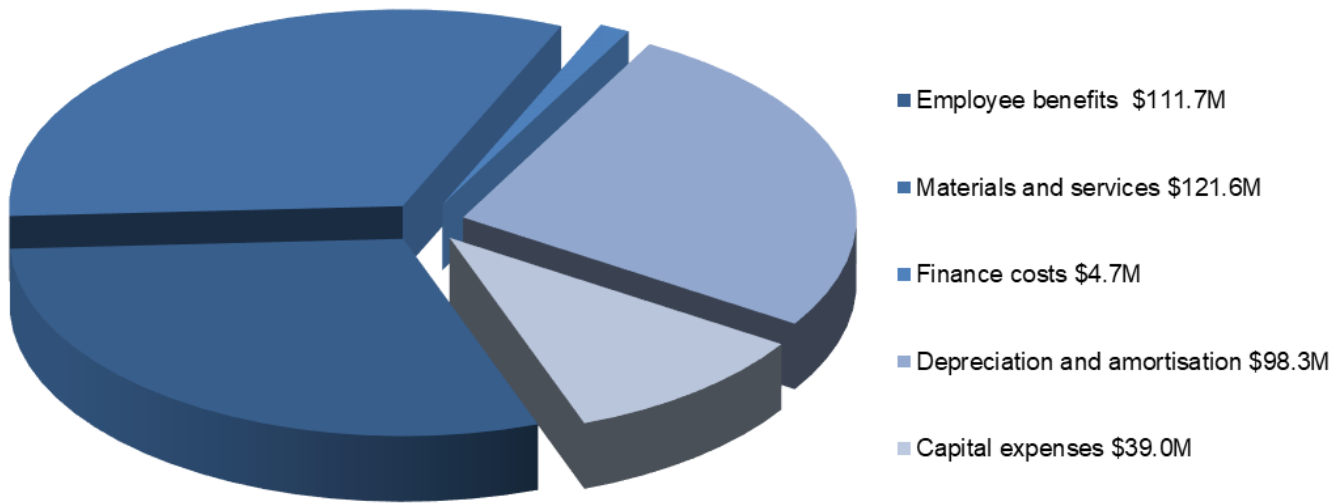
The business activities of Cairns Water and Cairns Resource Recovery return a dividend to Council in recognition that they have been established to further good governance. Dividends are then utilised to provide services and infrastructure to the community.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Revenues for the 2021/22 financial year comes from various sources, as shown in the following graph.

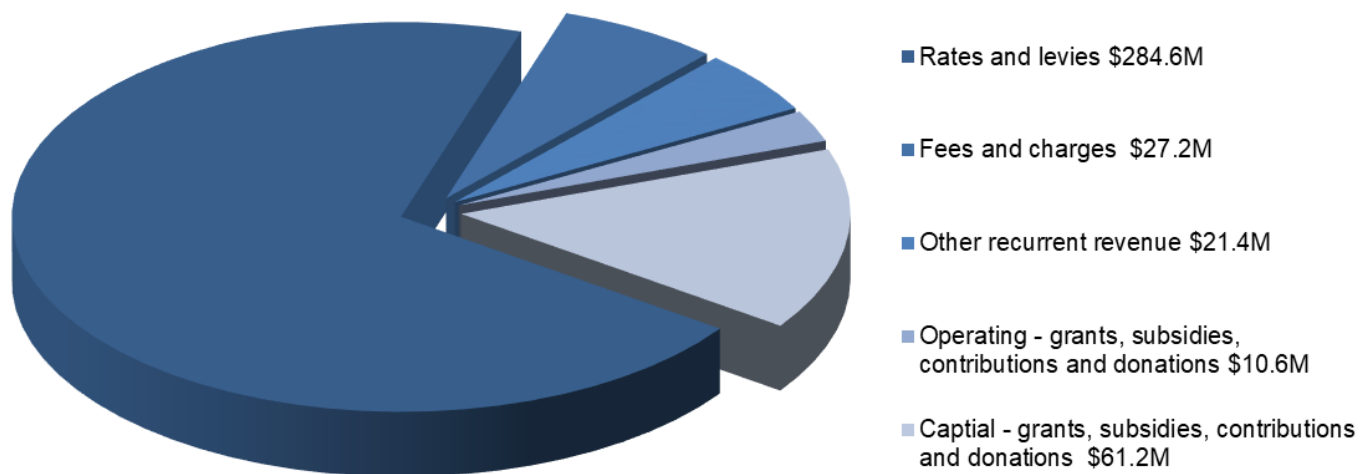
The majority of Council's revenue (70.3%) is sourced from net rates and utility charges. Another significant source of revenue is capital grants, subsidies, and donations (15.1%), which are received solely for the purpose of funding current and future capital works in order for Council to continue to supply important infrastructure to the community.



Total Expenses \$375.3 million

Expenses

Materials & Services and Employee Costs make up 62.2% of the total expenditure of Council. Council has a strong labour workforce to provide maintenance, water and resource recovery services, planning, community, sport and cultural services and capital infrastructure for the community



Total Revenue \$405.0 Million

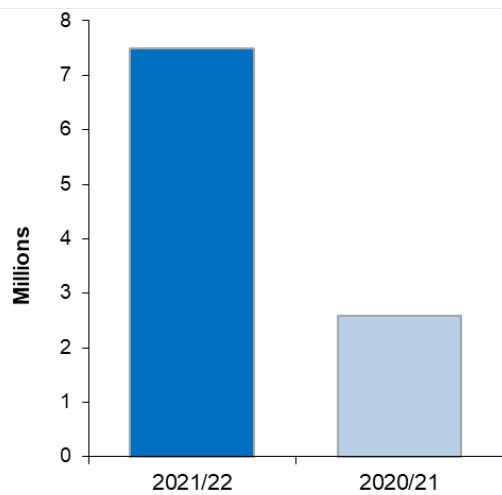
OPERATING POSITION

Council's operating position reflects the organisation's ability to meet its day-to-day running costs from operating revenue.

The operating position is calculated by taking total operating revenue (\$343.8 million) and deducting total operating expenses (\$336.3 million). It does not include revenue or expenditure amounts for capital projects.

Council ended the 2021/22 financial year with a \$7.5 million surplus, compared to the \$2.6 million surplus in the 2020/21 financial period.

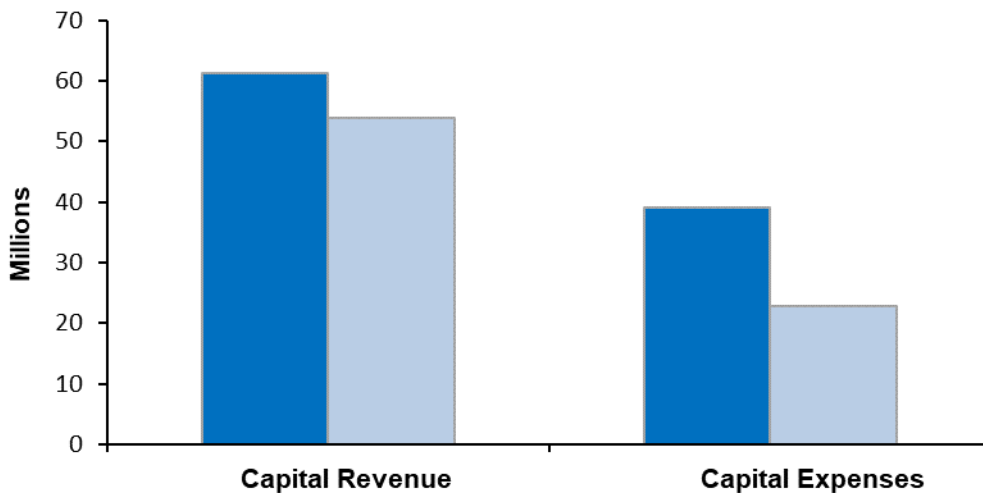
This graph shows the operating position for 2021/22 compared to the operating position for the 2020/21 period.



CORPORATE
GOVERNANCE

NET RESULTS

Council's net result of \$29.7 million is calculated by taking the operating position of \$7.5 million above and adding capital revenue (\$61.2 million) and deducting capital expenses (\$39 million).



NET RESULTS

Capital revenue represents the following income streams:

- Donated assets - infrastructure assets contributed by developers such as roads, drains, sewerage mains and water mains represent non-cash revenue that is not available for Council operations or future capital expenditure
- Developer contributions – cash contributions made by developers to fund future infrastructure assets have restrictions placed on their use and are constrained to capital reserves unspent in the year.
- Government subsidies and grants - this represents income received for the sole purpose of funding capital work projects.

Capital expenses predominantly represent the value of non-current assets replaced or disposed of throughout the year.

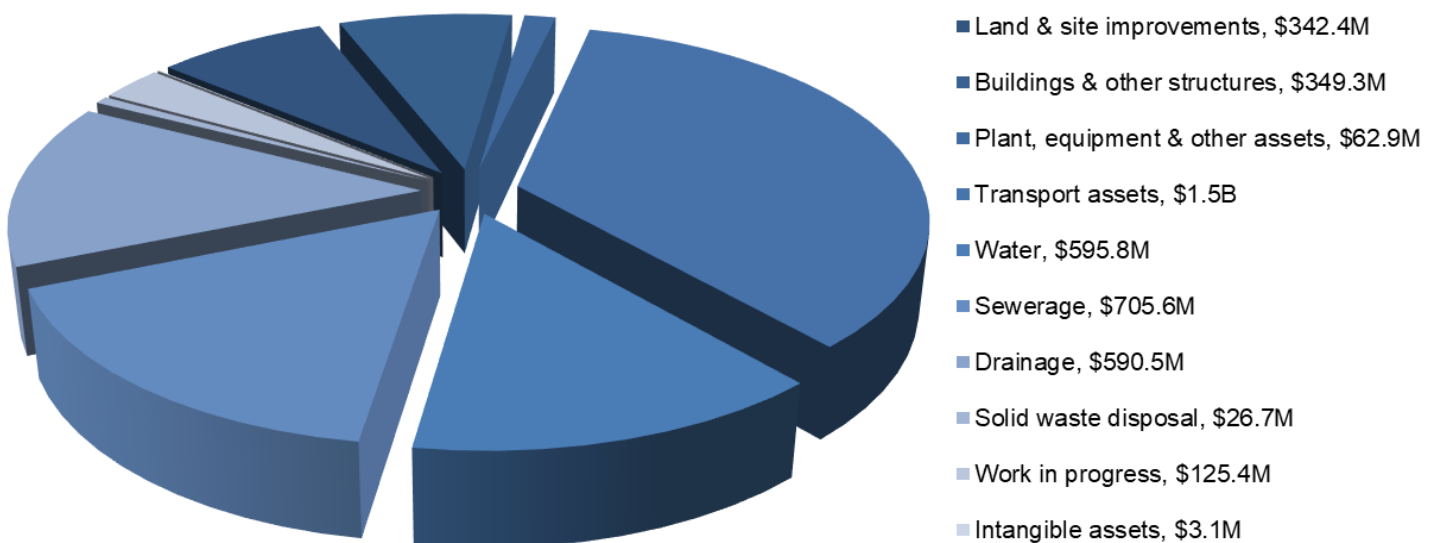
Further details on capital revenue and expenses are contained in notes 4 and 7 of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

	2021/22	2020/21
	\$ Million	\$ Million
Current assets	87.2	64.7
Non-current assets	4,304.6	4,179.7
Total Assets	4,391.9	4,244.3

Council assets as at 30 June 2022 totalled over \$4.39 billion. This includes \$87.2 million of current assets (liquid assets or amounts due to be received within 12 months) and \$4.30 billion of non-current assets. Property, plant, and equipment makes up 98.0% of total assets.

The following graph shows a breakdown of property, plant, and equipment by asset category



Property, plant and equipment \$4.3 billion

STATEMENT OF FINANCIAL POSITION

Liabilities

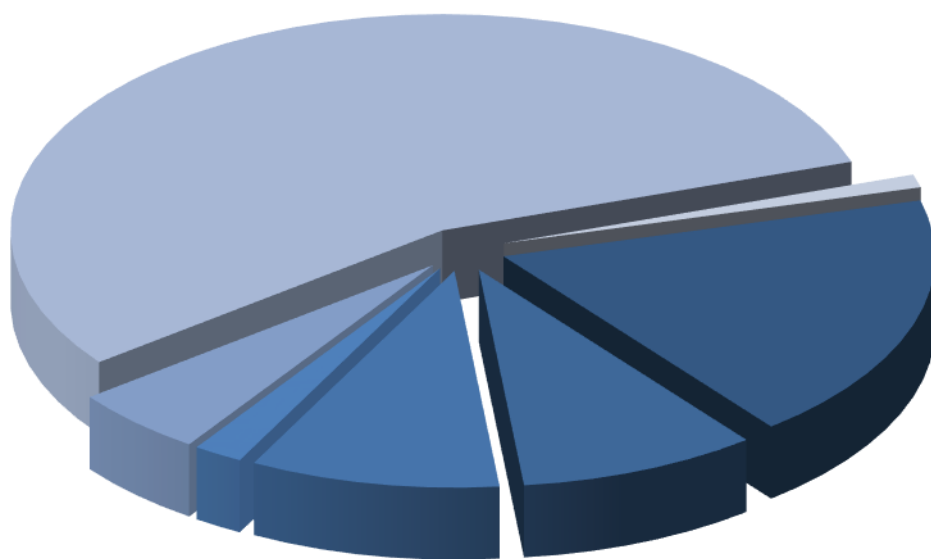
	2021/22	2020/21
	\$ Million	\$ Million
Current liabilities	109.6	130.5
Non-current liabilities	173.7	166.7
Total liabilities	283.3	297.2

Total liabilities as at 30 June 2022 were \$283.3 million. This includes \$109.6 million of current liabilities (due to be paid out within 12 months) and \$173.7 million of non-current liabilities.

Liabilities mostly consist of loans, amounts owing to suppliers and amounts owing to employees for leave entitlements.

Interest-bearing liabilities represent the largest component within Council's liabilities and consists of loans from Queensland Treasury Corporation (QTC). Council loan borrowings are discussed further in the Queensland Treasury Debt section.

The following graph shows a breakdown of liabilities by category.



Total Liabilities \$283.3 Million

- Current trade and other payables, \$52.5M
- Current provisions, \$25.4M
- Current borrowings, \$26.5M
- Other current liabilities, \$5.2M
- Non-current provisions, \$14.4M
- Non-current borrowings, \$156.5M
- Non-current revenue received in advance, \$2.8M

STATEMENT OF FINANCIAL POSITION

Borrowings

During the year, Council drew down \$30 million of new loans with QTC to assist in the funding of Council's capital works program. The total loan balance at the end of the financial year was \$183.0 million.

Council maintains a Working Capital Facility (\$60 million) with QTC. As at 30 June 2022 there were no drawdowns against the facility.

The following table outlines the current (due within 12 months) and non-current (due after 12 months) allocation of outstanding loan borrowings.

	2021/22	2020/21
	\$ Million	\$ Million
Working Capital Facility	-	15.4
Current Borrowings	26.5	23.7
Non-Current Borrowings	156.5	153.1
Total QTC Borrowings	183.0	192.2

Principal and interest repayments are made on these borrowings on a monthly basis in accordance with the terms and conditions set by QTC. The repayment terms are reviewed on a regular basis to ensure that the expected loan term aligns with market movements.

The following table shows the split of Council's debt service payments between principal and interest.

	2021/22	2020/21
	\$ Million	\$ Million
Principal	23.7	20.2
Interest	2.9	2.6
Total Debt Service Payments	26.6	22.8

As at 30 June 2022 Council's debt per rateable property was \$2,460 (2021: \$2,391).

STATEMENT OF FINANCIAL POSITION

Sustainability ratios

The following ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria that should be met to ensure the prudent management of financial risks in accordance with Chapter 5, Part 3, Division 1 of the *Local Government Regulation 2012*. The benchmarks used for the required ratios are per the Queensland Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) guidelines.

Sustainability Ratios						
Ratio	Description	Formula	Benchmark	2021/22	2020/21	Within limits
Asset sustainability ratio	This is an approximation of the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives	Capital expenditure on renewals	>90%	71%	96%	✗
		Depreciation expense				
Net financial liabilities ratio	This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues	Total liabilities less current assets	<=60%	57%	72%	✓
		Total operating revenue				
Operating surplus ratio	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes	Net operating surplus	0-10%	2%	1%	✓
		Total operating revenue				

CORPORATE GOVERNANCE

Note: The asset sustainability ratio is slightly outside the DSDILGP benchmark. Council is confident that current and forecast capital expenditure satisfies asset renewal and replacement requirements in the long term.

STATEMENT OF FINANCIAL POSITION

Conclusion

Council has finished the 2021/22 financial year with a \$29.7 million net result and has continued strong investment in community infrastructure through the delivery of a capital works program in excess of \$111.1 million.

The above results leave Council well placed for the future with long term modelling indicating Council's ability to maintain outstanding levels of service and continue investment in infrastructure throughout the community.

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

COMPLAINTS MANAGEMENT

ADMINISTRATIVE ACTION COMPLAINTS

Cairns Regional Council is committed to the principles of natural justice and fairness in dealing with administrative complaints dealings. Council assesses all complaints, including anonymous complaints.

Council's General Complaints Policy consists of a three-step process. When Council first receives an Administrative Action Complaint, attempts are made to resolve the complaint at the first point of contact. Where exceptional circumstances exist or new evidence can be provided by the complainant, an internal review may be requested which is undertaken by an independent unit within Cairns Regional Council. If the complaint is still not resolved or the complainant remains dissatisfied, they can escalate their concerns to a third-party organisation such as the Queensland Ombudsman.

ADMINISTRATIVE ACTION COMPLAINTS

In accordance with section 187 of the *Local Government Regulation 2012*, Council is required to report on the performance of the organisation in dealing with complaints in its Annual Report.

The following table provides a summary of Administrative Action Complaints during 2021/22

The number of Administrative Action Complaints made in the reporting period	621
The number of Administrative Action Complaints resolved in the reporting period*	626
The number of Administrative Action Complaints outstanding at 1 July 2022	5
The number of Administrative Action Complaints that were made in a previous financial year and resolved in 2021/22	10

* This number includes Administrative Action Complaints, Internal Reviews and Employee Complaints from the public.

Assessment of Council's Performance

A centralised complaints management process was introduced to allow for better KPI management, cause tracking, continuous improvement and reporting through to resolution. The Complaints General Policy and Administration Instruction have been reviewed and updated to ensure compliance with the *Local Government Regulation 2012*.

A report highlighting all Administrative Action Complaints is reviewed by the Executive Team each month. A total of 84 employee conduct complaints were received in 2021/22, of which:

- 20 were substantiated.
- 62 were not substantiated.
- Two were inconclusive.

Reasons for the Administrative Action Complaints, received in 2021/22, were due to:

- One lack of contact/communication from Council.
- One process/procedure not adhered to.
- 616 customer expectations were not met and/or dissatisfaction with a Council decision.
- Three other reasons.

ADMINISTRATIVE ACTION COMPLAINTS

Assessment of Council's Performance (Continued)

32 Administrative Action Complaints were escalated to an internal review by the customer.

48 internal reviews were undertaken resulting in 39 recommendations being made to the relevant departments for consideration.

Of those recommendations:

- 26 were accepted and actioned.
- 13 recommendations are ongoing or outstanding.

Public Sector Ethics

Council provides the following implementation statements regarding the action taken during the 2021/22 Financial Year to comply with the following:

Preparation of Codes of Conduct

Cairns Regional Council has the following Codes of Conduct:

- Code of Conduct for Councillors.
- Code of Conduct for Staff.

Education and Training

Council's Corporate Induction Program ensures all staff appointed to positions at Council are aware of and understand their rights and obligations under the Code of Conduct for Staff. During 2021/22, Council conducted Code of Conduct for Staff refresher sessions for all staff.

All of Council's procedures and practices reflect Council's commitment to the ethical principles and obligations of the *Public Sector Ethics Act 1994*.

COMMERCIAL BUSINESS UNITS

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Overview

Cairns Water and Cairns Resource Recovery are commercialised business units of Cairns Regional Council with a charter for:

- Supply of safe, reliable drinking water to consumers.
- Collection and treatment of domestic wastewater, commercial and industrial trade waste.
- Collection, recycling, and disposal of municipal solid waste.
- Planning for and delivering water, wastewater, and resource recovery infrastructure.
- Maintenance of the community's water, wastewater, and resource recovery infrastructure.
- Environmental management of water, wastewater, and resource recovery infrastructure facilities.

Operationally, these business units are managed as a single entity within the Cairns Infrastructure and Assets Directorate. For reporting purposes under the National Competition Policy, Cairns Regional Council is classed as providing two significant business activities: these being water and wastewater (collectively) and resource recovery (waste) services. Both Cairns Water and Cairns Resource Recovery are considered significant business activities under the *Local Government Regulations 2012*. Accordingly, these business units have been commercialised under this legislation and report to Council as such.

The Cairns Water and Cairns Resource Recovery business units provide a high level of customer service to the Cairns community by building relationships and capability, having the right people and the right culture, and using efficient processes to deliver effective results.

For a breakdown of financial operations and dividend returns to Council, please see the below Annual Statement of Operations and the corresponding Financial Statements.

Cairns Water

Water Supply

Cairns Water operates 10 water supply schemes: Bartle Frere, Bramston Beach, Mirriwinni, Babinda, Bellenden Ker, Fishery Falls, Mountain View, Orchid Valley, Copperlode/Behana and Bessie Point. The main water sources that supply the area from Gordonvale to Palm Cove are the Copperlode Falls Dam and Behana Creek. The small southern communities draw water from a number of intakes on local streams.

Principal assets include:

Major Water Sources	Copperlode Falls Dam (Lake Morris). Behana Creek (Intake).
Major Treatment Plants	Freshwater Creek Water Treatment Plant at Tunnel Hill.
Minor Intakes	Eleven minor intakes consistent with Drinking Water Quality Management Plan.
Kilometres of Mains	~2,242.98 kilometres*

*Intake figure includes two decommissioned intakes and one non-potable intake

*Data sourced from 2021/22 Asset Management Plan Water Assets

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Water Supply

Major Capital Works projects undertaken within the water supply system, and corresponding expenditure for the year, are listed below.

- \$2.9 million Water Main Replacement Program Financial Year 2021/22.
- \$2.8 million Henley's Hill Number Five Reservoir Refurbishment.
- \$2.4 million Cairns Water Security – Stage 1 Project.
- \$1.2 million Freshwater Water Treatment Plant Upgrade Filters.
- \$1 million Northern Beaches Trunk Water Main (Kamerunga Rd to Lake Placid).

Wastewater

Cairns Water manages six wastewater schemes. The Cairns region has distinct catchment areas serviced by six wastewater treatment plants (WWTPs): Marlin Coast, Northern, Southern, Edmonton, Gordonvale and Babinda. The WWTPs are a combination of activated sludge and biological treatment processes, with the two larger plants (Northern and Southern) also having membrane filtration processes. The smaller plants treat effluent to a secondary standard, while the larger plants treat to a tertiary standard. Council has been issued with an Environmental Authority from the Queensland Department of Environment and Science (the regulator) for the management of these WWTPs.

Principal assets include:

Major Treatment Plants	6
Sewage Pumping Stations	182
Kilometres of Mains	~1,305.459 km*

*Data sourced from 2021/22 Asset Management Plan Wastewater Assets.

Major Capital Work projects undertaken within the wastewater system, and corresponding expenditure for the financial year, are listed below.

- \$5 million Sewage Pumping Station CN1.
- \$2.7 million Annual regional In-situ Sewer Relining Program 2021/22.
- \$1.4 million Sewage Pumping Station R5.
- \$1.2 million Sewage Pump Station FG1/WR1/WR4 – Common Rising Main Upgrade.
- \$1.1 million Southern WWTP, Edmonton WWTP, Northern WWTP, Marlin Coast WWTP – Hypo Dosing System Renewals.

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Resource Recovery

Cairns Resource Recovery manages a range of solid waste and resource recovery operations, activities, and services across the region. These include kerbside waste and recycling collection contracts, a regional waste management contract for the treatment and disposal of waste through an Advanced Resource Recovery Facility (ARRF), a Material Recovery Facility (MRF), glass processing facility, transfer stations, the Buy Back Shop for the resale of recovered materials, and the environmental monitoring of Council’s closed landfills. The business focus is on maximising resource recovery and reducing waste to landfill primarily driven through the Waste Reduction and Recycling Strategy 2018-2027.

Principal assets include:

Principal asset	Asset location/s
Materials Recovery Facility	Portsmith
Regional Container Processing Facility	Portsmith
Waste Transfer Stations	Portsmith Smithfield Gordonvale Babinda Bramston Beach
Buy Back Shop	Portsmith
Closed landfills	Portsmith Babinda Gordonvale White Rock Machans Beach Yorkeys Knob
Waste treatment and disposal	Contractual arrangements with a commercial entity Suez (Cairns ARRF) to accept, treat and dispose of all Council waste at an ARRF

CORPORATE
GOVERNANCE

Major Capital Works projects undertaken within Cairns Resource Recovery, and corresponding expenditure for the year was \$1 million for the Portsmith Transfer Station extension of hazardous waste chemical area.

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Annual Statement of Operations

The 2021/22 Annual Performance Plan (the Plan) for Cairns Water and Cairns Resource Recovery was the agreement with Cairns Regional Council to deliver water, wastewater, and resource recovery operations. The Plan describes Cairns Water and Cairns Resource Recovery's scope of activities, responsibilities, service to customers, environment protection, asset management, and its financial policies.

In all undertakings, Cairns Water and Cairns Resource Recovery strives to achieve service provisions to the Cairns community in a manner that maximises both Cairns Regional Council and community ideals. This is achieved through economic, social, and environmental objectives being assessed in all stages of Water and Resource Recovery operations from long-term strategic planning through to operational delivery.

The *Water Supply (Safety and Reliability) Act 2008*, Section 115, requires water service providers to prepare and publish Customer Service Standards. The Customer Service Standards are intended to protect customers where there is no contract between them and the water service provider. This is to ensure customers are adequately informed about the service they are receiving, the level of service they can expect to experience, and how they interact with the provider. The Water and Resource Recovery Customer Service Standards were approved in September 2020.

Amendments to Annual Performance Plans

There were no substantive amendments made to the 2021/22 Annual Performance Plans.

Key Deliverables

The Plan meets the requirements for the two commercial business units of Council being:

- Cairns Water
- Cairns Resource Recovery

Cairns Infrastructure and Asset is responsible for the provision of water and wastewater services to consumers throughout the Cairns region and the provision of municipal solid waste services to the community, including:

- Impounding, harvesting and treatment of raw water.
- Reticulated treated water services.
- Reticulated wastewater collection services including wastewater treatment and by-product disposal.
- Treated effluent and bio-solids for re-use purposes.
- Planning, design, documentation and construction of water, wastewater, and resource recovery infrastructure.
- Collection, treatment, and disposal and/or recycling of municipal solid wastes.

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Key Deliverables (continued)

- Aggregation, processing, recovery and disposal of domestic, commercial, and not-for-profit charitable self-hauled waste and recycling.
- Environmental monitoring and management of closed landfills.
- Trade waste services.
- Review of plumbing applications, plumbing approvals.
- Community education programs.
- Water demand management services, including meter testing.
- Hydraulic information to allow design of water network infrastructure.
- As-constructed plans for water and wastewater.
- Installation of new water supply and wastewater services.
- Miscellaneous maintenance services for water and wastewater.
- Buy Back Shop.
- Business recycling.
- Regional Container Refund Scheme Processing.

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Community Service Obligations carried out by Cairns Water and Cairns Resource Recovery are as follows:

A Community Service Obligation arises when a government specifically requires a public enterprise to carry out activities relating to outputs or inputs which it would not elect to do on a commercial basis and which the government does not require other businesses in the public or private sectors to generally undertake or which it would only do commercially at higher prices.

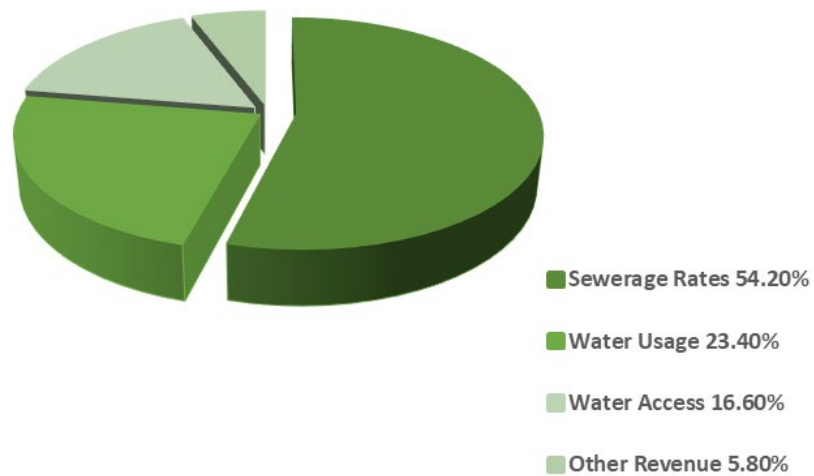
Activities	Community Service Obligation	2021/22
Type 1 Activities		\$
Water	Service locations	2,319
	Fire hydrants maintenance	524,583
	Total	526,902
Wastewater	Service locations	38,086
	Total	38,086
Resource Recovery (Waste)	Free disposal general waste	331,613
	Free disposal green waste	480,715
	Schools recycling	35,385
	In kind waste and recycling collections	5,416
	Total	853,129

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Financial Indicators - Water and Wastewater

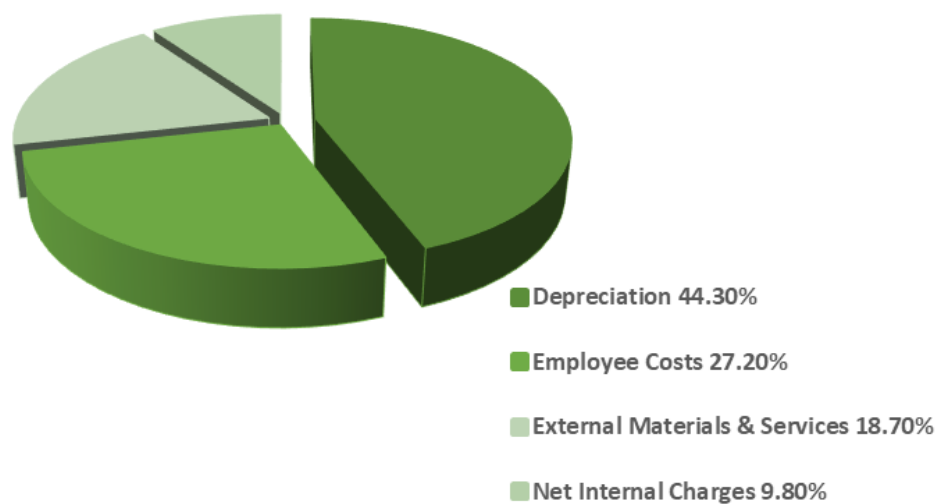
The source breakdown of water and wastewater actual revenue is detailed in the graph below.

Water and Wastewater revenue 2021/22



The source breakdown of Water and Wastewater actual expenses is detailed in the graph below.

Water and Wastewater expenditure 2021/22



A detailed breakdown of all revenue and expenses associated with Cairns Water and Cairns Resource Recovery activities can be found in the Financial Statements.

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Service Indicators - Water and Wastewater Services

Cairns Water reported on the following Key Performance Indicators (KPIs) to Council on a quarterly basis during 2021/22. Graphs showing the performance for each indicator by month are displayed below.

QG KPI*	Performance indicator	Performance measure	Target threshold
QG 4.5	Total water main breaks (S)*	Breaks per 100km / year	≤ 18
QG 4.6	Total sewerage main breaks and chokes (S)	Breaks and chokes per 100km / year	≤ 16
QG 4.7	Incidence of unplanned interruptions - water (S)	Water interruptions per 1000 properties / year	≤ 120
QG 4.8a	Average response time for water bursts	Hours	≤ 2
	Average response time for water leaks	Hours	≤ 24
QG 4.9a	Average response time for sewerage main breaks	Hours	≤ 2
	Average response time for sewerage main chokes	Hours	≤ 24
QG 4.10	Water Quality Complaints (S)	Per 1000 properties / year	≤ 3
QG 4.11	Total water and sewerage complaints (S)	Per 1000 properties / year	≤ 10

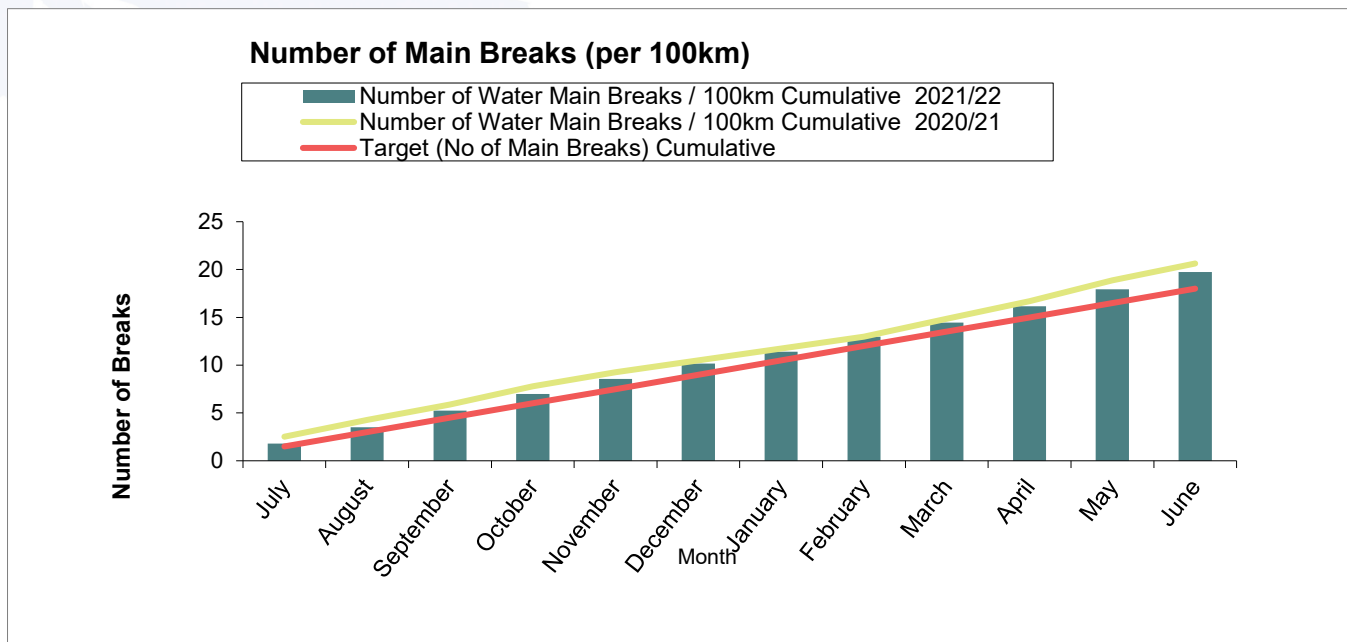
CORPORATE GOVERNANCE

*QG KPI: Queensland Government Key Performance Indicator

*(S): Scheme-wide as opposed to service provider-wide

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Water Supply



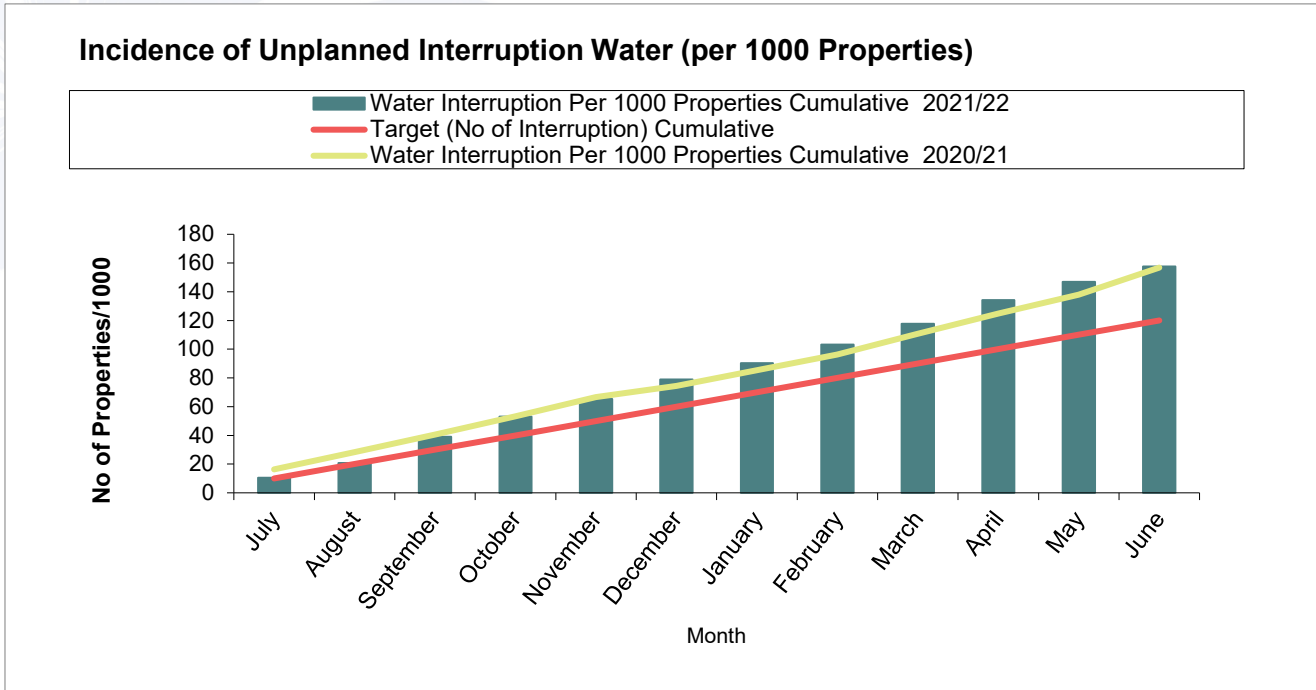
Twenty less water main breaks were reported in the 2021/22 financial year than in the 2020/21 financial year.

There was a range of contributing factors to water main breaks in the 2021/22 financial year, including: age of pipe, pipe deterioration, corrosion, environmental conditions, and tree root damage. Pipe bedding movement around water mains may have contributed to breaks. This data informed the development of the Infrastructure Asset Renewal Programme

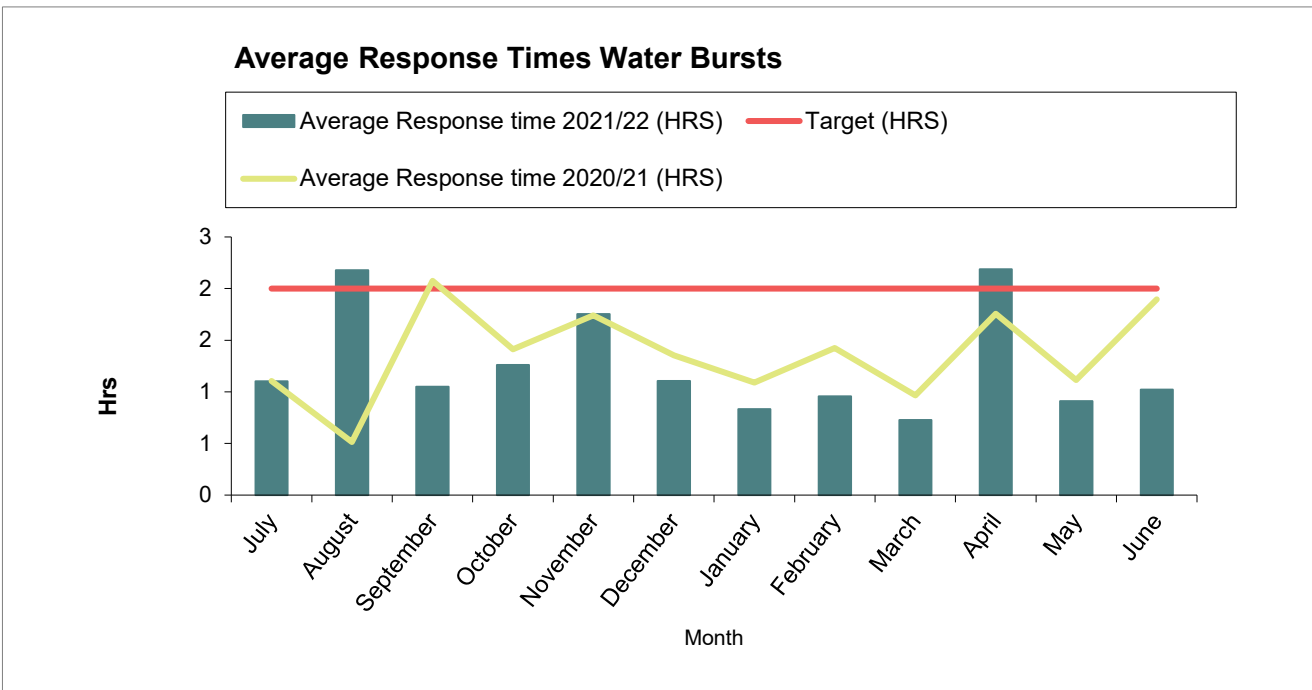
CORPORATE GOVERNANCE

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Water Supply



KPI target revision and assessment occurred in the 2021/22 financial year in conjunction with the Customer Service Standards annual review. The number of unplanned interruptions for the 2021/22 financial year exceeds the revised KPI target.

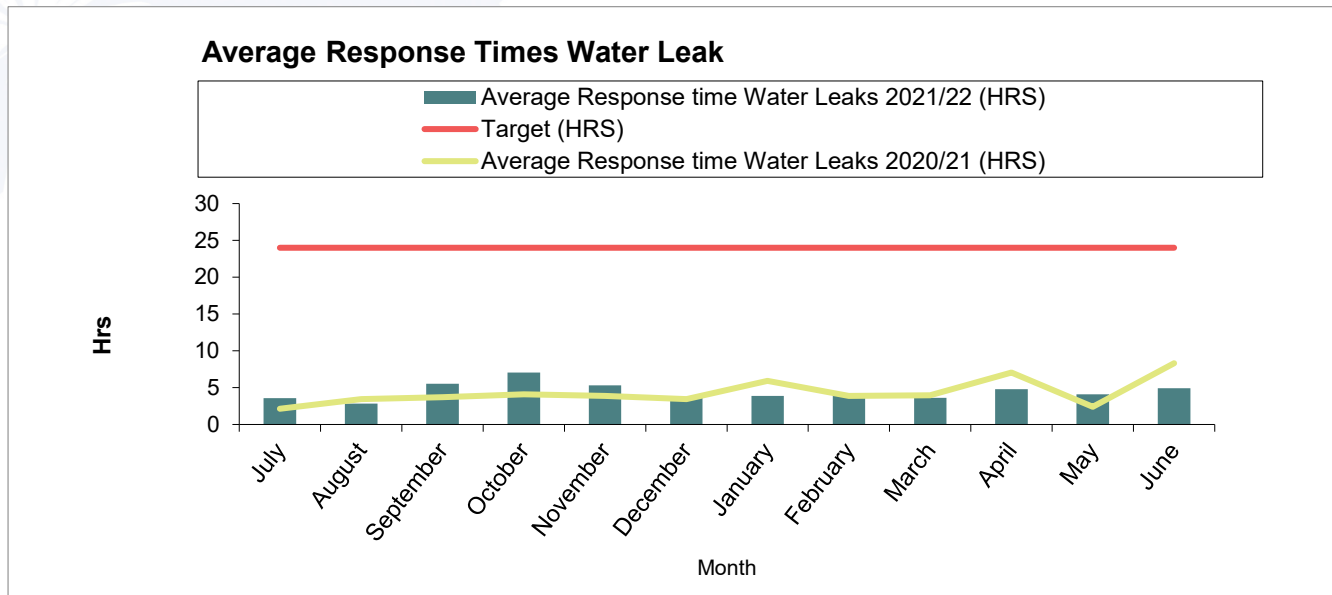


The target average response time for water bursts was met for most months throughout the 2021/22 financial year, except for August and April due to operational constraints that impacted responding in a timely manner. Water bursts and water leaks are tracked separately to give a more accurate representation of operational performance. Typically, non-urgent incidents such as minor water leaks, will have a longer response time due to the nature of the incident.

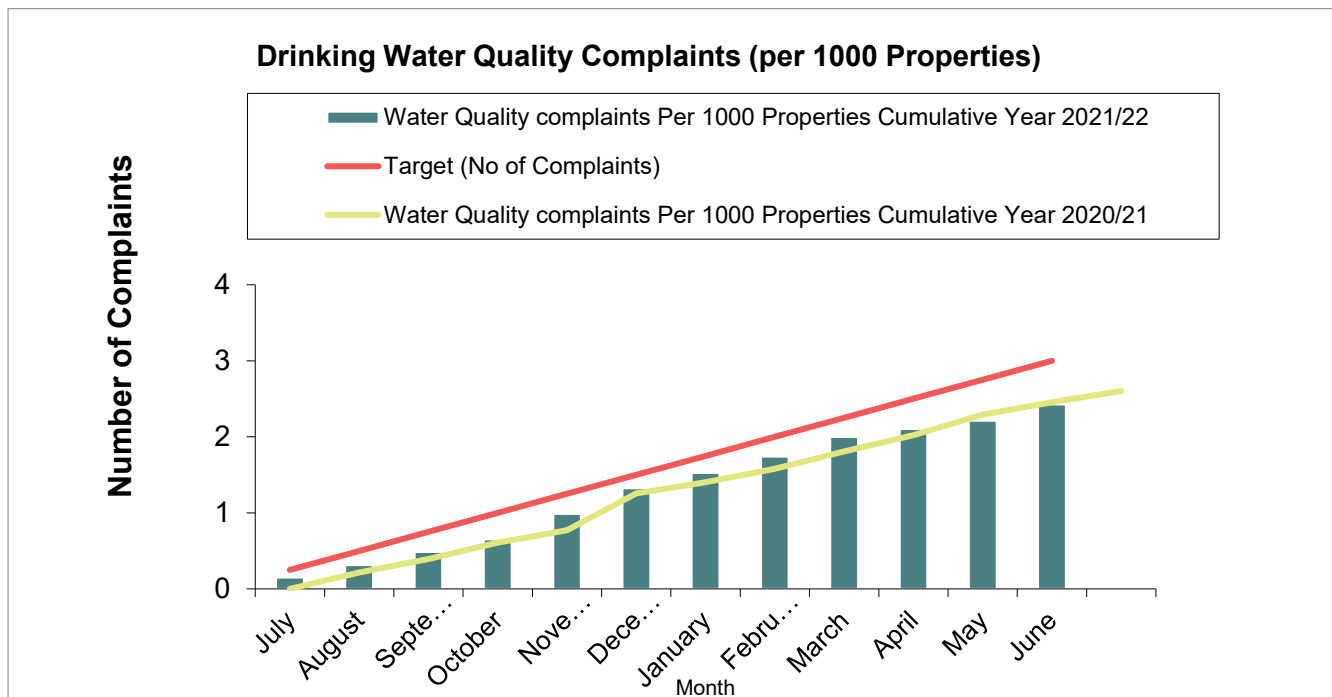
CORPORATE GOVERNANCE

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Water Supply



The targeted average response time for water leaks was met for all months throughout the 2021/22 financial year.

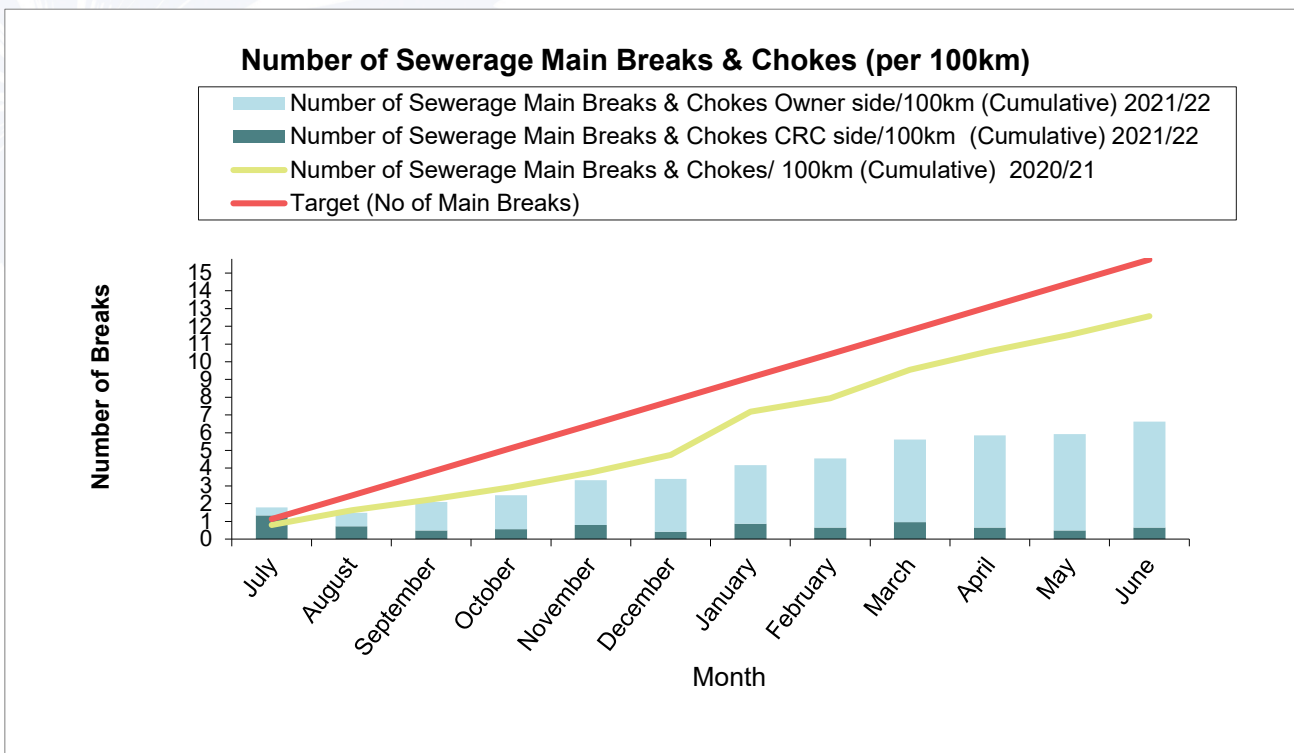


The total number of water quality complaints in the 2021/22 financial year decreased by thirteen compared to the 2020/21 financial year. The number of drinking water quality complaints did not exceed the KPI target throughout 2021/22 financial year.

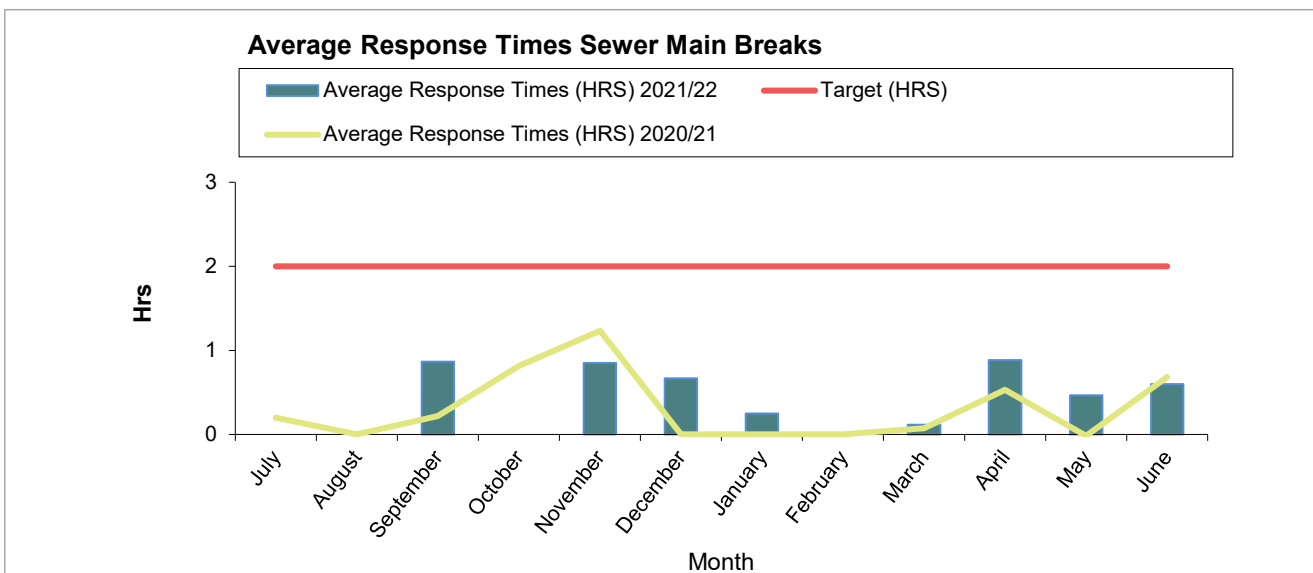
CORPORATE GOVERNANCE

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Sewerage System



The total number of sewer main breaks and chokes on Council side only exceeded the KPI target in July of the 2021/22 financial year. While the KPI definition and target does not include 'owner-side' breaks and chokes, Council continues to monitor these breaks and chokes along with its own performance.

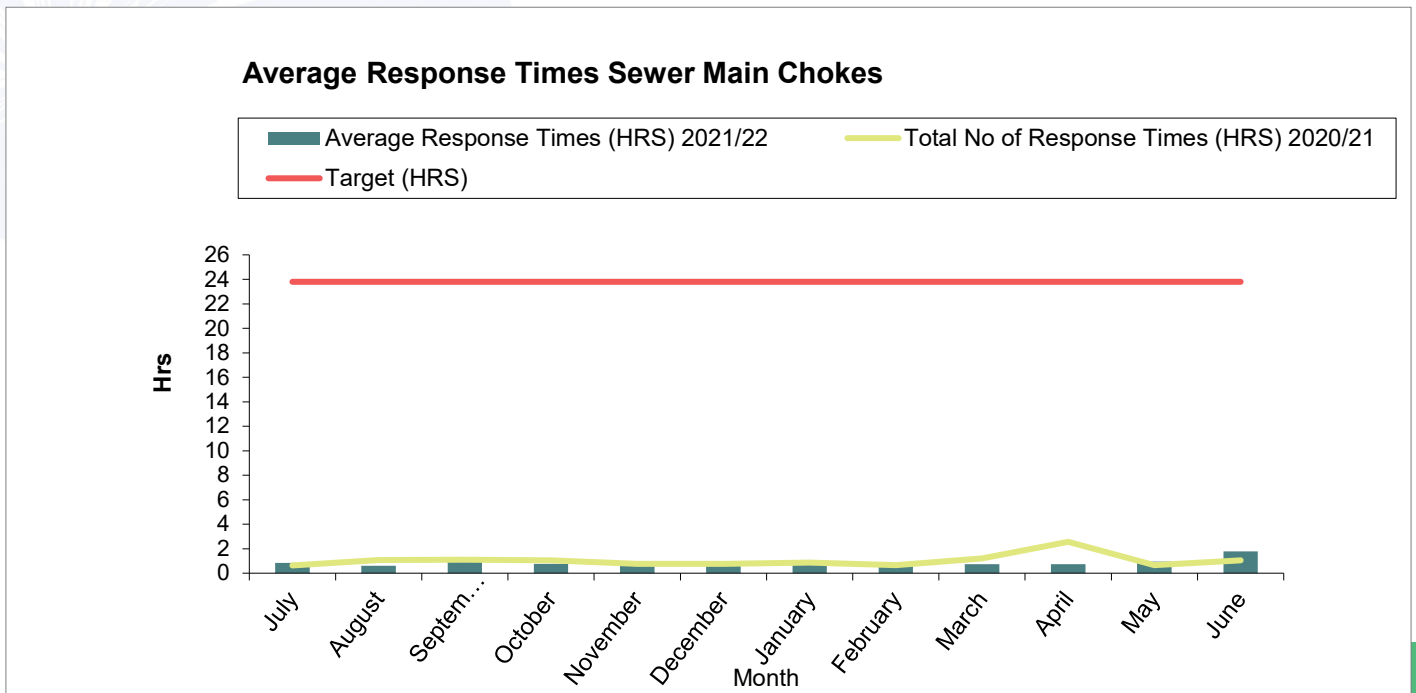


The average response time for sewer main breaks did not exceed the KPI target in the 2021/22 financial year. The KPI definition does not include the length of time taken to repair breaks, only the average response time for crews to attend to the break.

CORPORATE GOVERNANCE

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Sewerage System



The average response time for sewer main chokes did not exceed the KPI target in the 2021/22 financial year. The KPI definition does not include the length of time taken to repair chokes (blockages), only the average response time for crews to attend the choke.

Customer Complaints

No water and sewerage complaints received in the 2021/22 financial year.

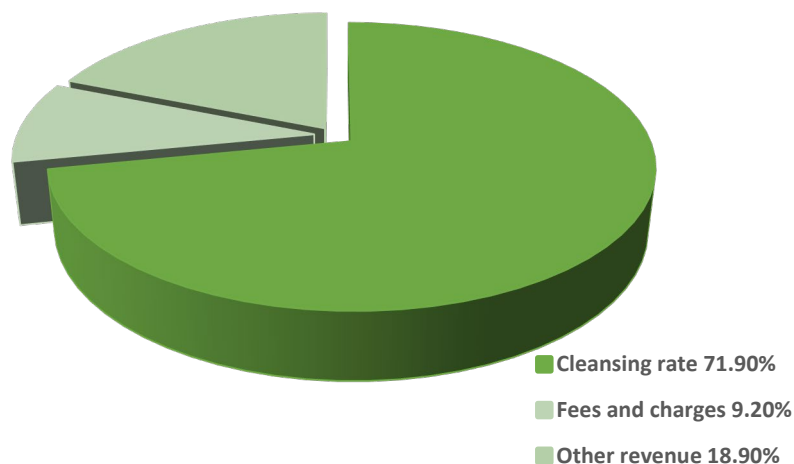
CORPORATE GOVERNANCE

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Financial Indicators - Resource Recovery

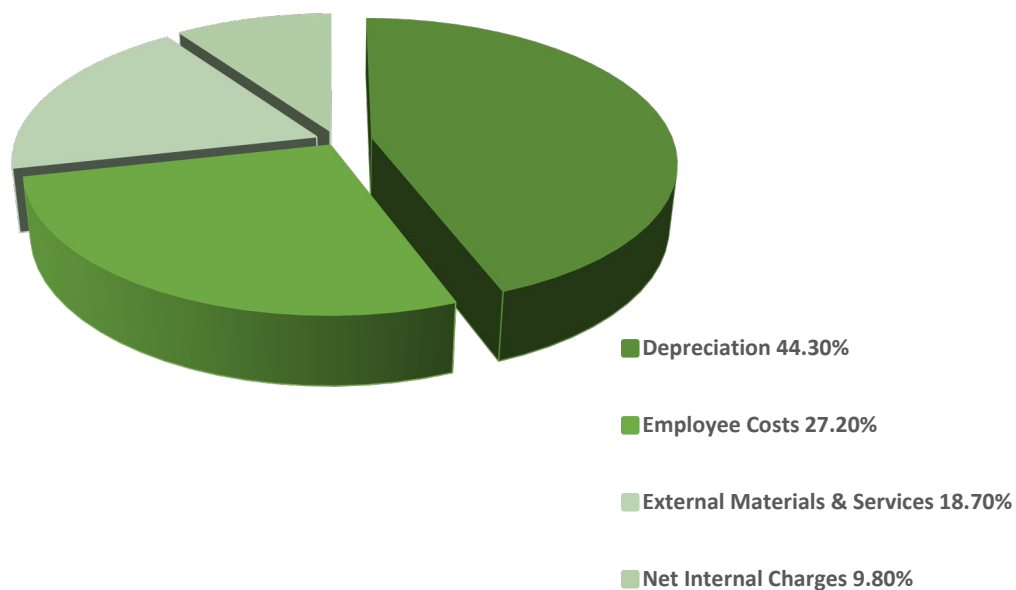
The source breakdown of Cairns Resource Recovery's actual revenue is detailed in the graph below.

Cairns Resource Recovery revenue 2021/22



The source breakdown of Cairns Resource Recovery's actual expenses is detailed in the graph below.

Cairns Resource Recovery expenditure 2021/22



A detailed breakdown of all revenue and expenses associated with Cairns Water and Cairns Resource Recovery activities can be found in the Financial Statements.

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Service Indicators - Resource Recovery

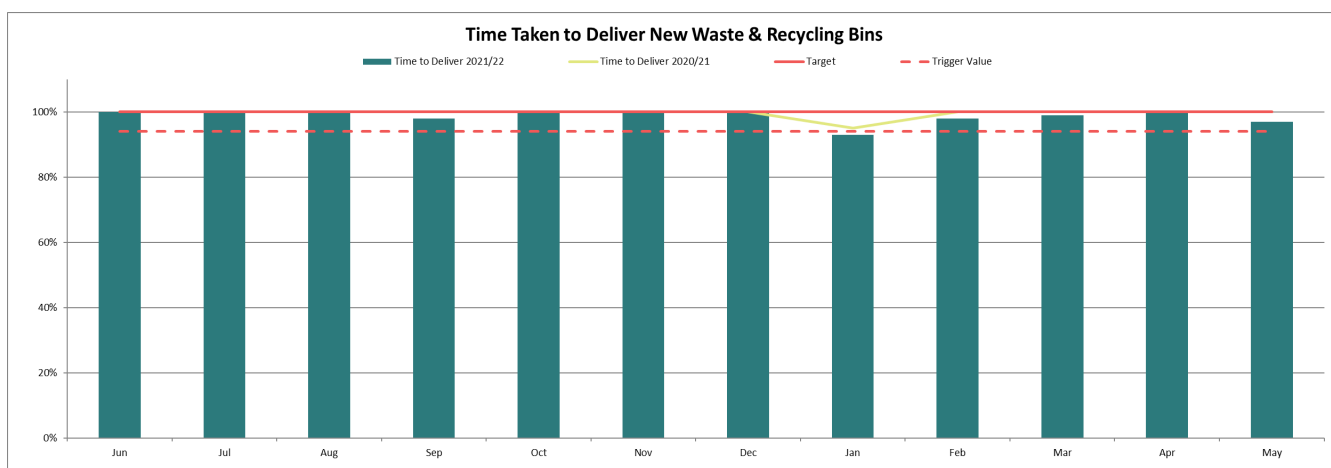
Cairns Resource Recovery reported on the following KPIs to Council on a quarterly basis during 2021/22.

Performance indicator	Performance measure	Target
1 New bin delivery	Response time for new bin delivery	100% within 48 hours
2 Missed services - kerbside waste	Number of missed services per month	≤ 1 per 5000 services
3 Response time to missed services - kerbside waste	Response time for collection of missed kerbside waste services	95% within 24 hours
4 Missed services - kerbside recycling	Number of missed services per month	≤ 1 per 5000 services
5 Response time to missed services - kerbside recycling	Response time for collection of missed kerbside waste services	95% within 24 hours
6 Response time to repair/replacement requests - kerbside waste and recycling	Response time to repair/replace requests for kerbside waste and recycling	95% within 48 hours

Effective Collection of Residential Values

CORPORATE GOVERNANCE

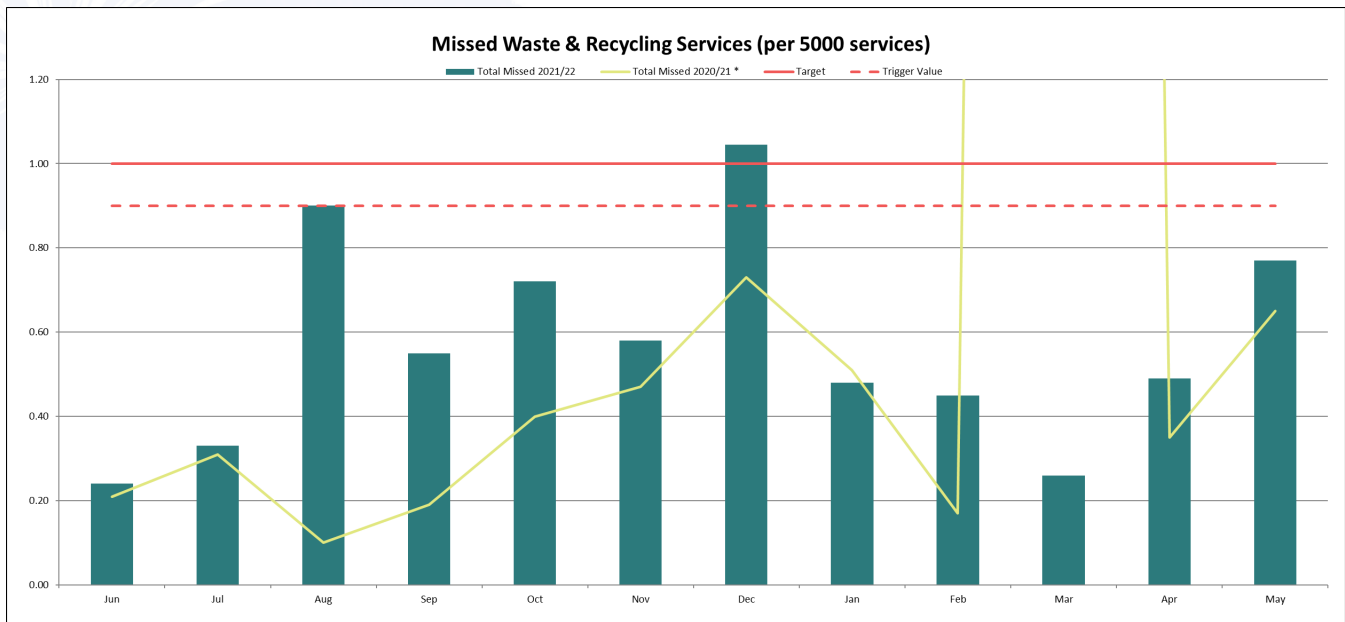
Graphs showing the performance for each indicator by month during 2021/22 are displayed below.



More than 1,700 requests for new bins were received in the 2021/22 financial year. Bins were delivered within KPI time limits apart from January, which was impacted by Christmas / New Year public holidays.

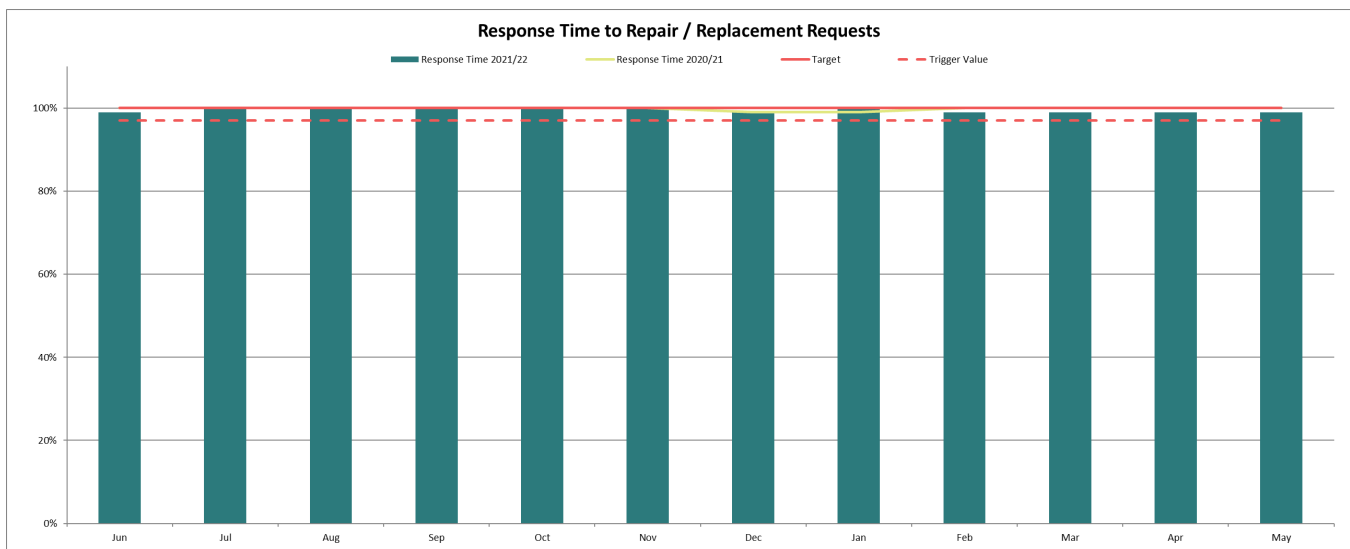
CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Service Indicators - Resource Recovery



* The significant spike in March 2021/22 FY was due to the service disruptions caused by Tropical Cyclone Niran.

More than 4.6 million kerbside waste and recycling bin collections were conducted in the 2021/22 financial year; only 521 (0.01%) bins were missed. December was the only month the KPI target was not met, reflecting service disruptions over the Christmas/New Year public holidays.



Cairns Resource Recovery performed consistently throughout the year, meeting 100% of the KPI target for most months. More than 6,000 requests were received with only 22 (0.36%) responded outside of the 48-hour target response time.

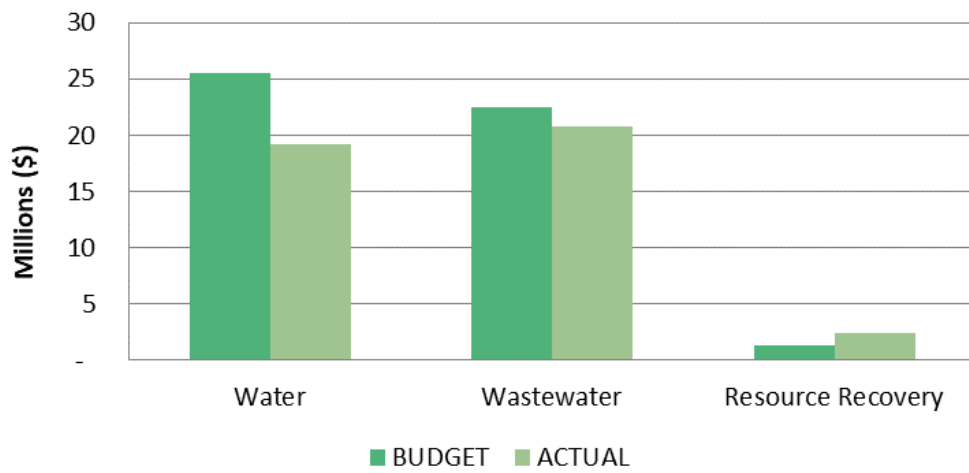
CORPORATE GOVERNANCE

CAIRNS WATER AND CAIRNS RESOURCE RECOVERY

Capital Works

Capital Works delivered by Cairns Water and Cairns Resource Recovery for water, wastewater and resource recovery totaled \$42.4 million. This expenditure was 87% of the budgeted amount of \$48.7 million.

Capital Expenditure by Program 2021/22



CORPORATE
GOVERNANCE

Cairns Water - Operating Statement

For the year ending 30 June 2022

	2021/22 Actual ‘\$000	2021/22 Budget ‘\$000
Operating Revenue		
Net rates and utility charges	136,190	135,583
Fees and charges	6,424	6,436
Interest	784	736
Miscellaneous revenue	1,409	1,356
Total Operating Revenue	144,808	144,111
Operating Expenditure		
Employee benefits	24,626	24,211
Materials and services	25,765	26,716
Depreciation and amortisation expenses	40,082	39,962
Finance costs	35	-
Total Expenses	90,508	90,890
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS and INCOME TAX	54,300	53,221
Capital Items		
Gain / (loss) on disposal of property, plant, and equipment	(5,809)	(4,444)
Contributed assets	8,293	6,747
Other capital contributions	-	1,898
Subsidies and grants	-	-
Total Capital Items	2,483	4,201
INCREASE / (DECREASE) IN OPERATING CAPABILITY BEFORE TAX	56,783	57,422
Income tax benefit / (expense)	(17,035)	(17,227)
Dividend income / (expense)	(39,748)	(38,297)
INCREASE / (DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX	-	1,898

Cairns Resource Recovery - Operating Statement

For the year ending 30 June 2022

	2021/22 Actual '\$000	2021/22 Budget '\$000
Operating Revenue		
Net rates and utility charges	29,488	29,429
Fees and charges	3,778	3,161
Interest	203	165
Miscellaneous revenue	7,461	6,435
Grant income	94	-
Total Operating Revenue	41,024	39,190
Operating Expenditure		
Employee benefits	5,434	4,943
Materials and services	25,231	24,077
Depreciation and amortisation expenses	1,884	1,562
Finance costs	-	-
Total Expenses	32,549	30,582
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS and INCOME TAX	8,475	8,608
Capital Items		
Gain / (loss) on disposal of property, plant, and equipment	(446)	(300)
Contributed assets	-	-
Other capital contributions	(28)	-
Subsidies and grants	959	16
Total Capital Items	485	(284)
INCREASE / (DECREASE) IN OPERATING CAPABILITY BEFORE TAX	8,960	8,324
Income tax benefit / (expense)	(2,688)	(2,497)
Dividend income / (expense)	(5,313)	(5,810)
INCREASE / (DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX	959	17

CORPORATE
GOVERNANCE

SUMMARY OF RATES AND CONCESSIONS

SPECIAL RATES AND CHARGES

Pursuant to sections 92 and 94 of the *Local Government Act 2009* and section 94 of the *Local Government Regulation 2012*, Council has resolved to raise and levy the following special charges.

Holloways Beach Rock Wall Stage 1: An amount of \$253.81 per lineal metre of constructed rock wall to be levied on each parcel identified on the map marked Holloways Beach Rock Wall - Stage 1.

Holloways Beach Rock Wall Stage 2A: An amount to be levied on each parcel identified on the map marked Holloways Beach Rock Wall - Stage 2A.

Holloways Beach Rock Wall Stage 2B: An amount to be levied on each parcel identified on the map marked Holloways Beach Rock Wall - Stage 2B.

Bluewater Canal:

- a. An amount of \$2,183.24 to be levied on each lot identified on the map marked Bluewater Canal
- b. A total amount of \$235,789.92 for Bluewater Marina
- c. A total amount of \$98,929.46 for Yorkeys Knob Marina

REBATES AND CONCESSIONS

Council Pensioner Remission

- a. A rebate of 40 per cent of the General Rate up to a maximum of \$1,350 per annum was granted to all pensioners whose applications met the eligibility criteria set down in Council's Pensioner Policy. These remissions were not applied retrospectively.
- b. The upper limit of total remission did not exceed 5% of Council's total net general rates, therefore the 40% remission was not required to be reduced on a pro rata basis in line with policy.

Retirement Village Remission

A remission was extended to retirement villages (as classified under Land Use Code 21), where a legal entity separate to the residents is the owner and the pensioners are responsible for paying the rates, to the extent that residents of the village are pensioners.

A remission was then applied based on the number of dwellings occupied by pensioners as a percentage of the total number of dwellings in the village.

REBATES AND CONCESSIONS

Rates Based Financial Assistance

Council maintains a Rates Based Financial Assistance (RBFA) Policy which allows Council to consider applications for concession of general rates, water access charges and sewerage charges from Not-for-Profit Recreation, Sporting and Community Groups.

To qualify for assistance, the constitution of these organisations must clearly state prohibitions on any member of the organisation making a private profit or gain, either from ongoing operations of the organisation or as a result of distribution of assets if the organisation is wound up.

Financial Hardship Policy

Council recognises the effect of the COVID-19 pandemic on the Cairns community and, in particular, the adverse financial impact on ratepayers through loss of income or wages, and downturn in business. The Financial Hardship Policy was developed to provide assistance through extended payment plans and waiver of interest for outstanding rates and water usage debts.

Independent Rates Relief Tribunal

This policy was adopted to provide a safety net for those ratepayers suffering genuine financial hardship. The Independent Rate Relief Tribunal consists of a minimum of two voluntary members and two current Councillors. Voluntary appointees may come from a number of backgrounds.

The main role of the Tribunal is to recommend, in certain circumstances, the most appropriate form of assistance to those ratepayers experiencing serious hardship and, as a result, are unable to pay their rates and charges. The policy is only to apply to the principal place of residence of the ratepayer and no commercial benefit can be derived from the property. Not for Profit Recreation, Sporting and Community Groups that are already receiving Rates Based Financial Assistance or would be eligible if they did not have rates outstanding, may also apply.

Health

Financial assistance was available to offset water usage costs and the provision of additional recycling services for users of Home Dialysis Equipment.

Concealed Leak Policy for Residential and Not for Profit

Financial assistance was available to offset larger than normal water accounts due to the existence of a concealed leak for residential and Not for Profit organisations. Applications were approved in line with Council's Concealed Water Leak Policy

ADDITIONAL INFORMATION

REGISTERS

The following registers are held by Cairns Regional Council:

- Advocacy Register
- Auction Register
- Asbestos Register
- Asset Register
- Busking Register
- Benefits (including Gifts) Register
- Cease and Desist Contact Register
- Conflict of Interest / Material Personal Interest Declaration Register
- Corporate Risk Register
- Cost Recovery Fees Register
- Council Local Laws Register
- Council Meeting Minutes Register
- Council's approved procurement arrangements
- Councillor Complaints Register
- Delegations (including Financial) Register
- Drinking Water Quality Management Plan Risk Management Improvement Program
- Drinking Water Quality Risk Register
- Election Gifts and Benefits Register
- Embargo Register
- Environmental Risk Register
- Environmentally Relevant Activity Register
- Fleet Disposal Register
- Instrument of Appointment Register
- Interests Chief Executive Officer Register

REGISTERS CONTINUED

- Interests Councillors Register
- Interests Senior Contract Employees Register
- Legal Matter Register
- Local Heritage Register
- Lost Property Registers
- Resource Recovery Agenda and Resolution Register
- Register of Pre-Qualified Approved Contractor lists
- Register of Requests for Plaques, Memorials and Benches
- Resident Evacuation and Recovery Register
- Road Register
- Suppliers, and Preferred Supplier Arrangements
- Tree Removal and Replacement Projects Register
- Tender Register
- Vegetation Protection Local Law Register
- Water and Resource Recovery Legal Register
- Water Agenda and Resolution Register
- Water and Resource Recovery Business Risk Register

INTERNAL AUDIT

The annual report for a financial year must contain a report on the internal audit for the financial year. Council's Internal Audit function provides independent, objective assurance activities in accordance with an approved strategic, risk-based internal audit plan. The role, scope and purpose of the Internal Audit function is understood and supported by the organisation. The Internal Audit function works collaboratively with management to implement recommended improvements to systems, processes, work practices, compliance, and business effectiveness.

The Internal Audit activities are performed by an appropriately qualified internal audit consultant on a wholly outsourced basis. For the period 1 July 2021 to 10 October 2021 Council's outsourced internal audit consultant was Pacifica Chartered Accountants. From 11 October 2021 to 30 June 2022 Council's outsourced internal audit consultant was BDO. The independence and objectivity of the consultant is continuously monitored by the Director People and Organisational Performance as the Internal Audit Sponsor.

The Internal Audit Plan is reviewed annually by management and the Audit Committee to ensure it remains relevant to the organisation's needs. The key underpinning document is the Corporate Risk Register. Upon appointment of BDO as outsourced internal audit consultant a review was undertaken of Council's Risk Management function resulting in the update of the Risk Management Policy, Framework and Corporate Risks. Following this, a three year Internal Audit plan covering all departments across Council was approved by the Audit Committee.

PARTICULAR RESOLUTIONS

Thresholds are reported in Note 10 of the end of year Financial Statements.

SUMMARY OF INVESTIGATION NOTICES

The annual report for a financial year must contain a summary of investigation notices given in the financial year under section 49 of the *Local Government Regulation 2012*, for the competitive neutrality complaints and responses made by the Local Government to the Queensland Productivity Commissioner's recommendations on any competitive neutrality complaints under section 52 of the *Local Government Regulation 2012*.

During the 2021/22 financial year, Council was not in receipt of any Queensland Productivity Commission notices of investigation or recommendations on any competitive neutrality complaints.

SENIOR MANAGEMENT REMUNERATION

The following table shows the range of total remuneration packages for the 12 month period from 1 July 2021 to 30 June 2022 provided to Council's senior contract employees.

The total remuneration packages payable (excluding superannuation) in 2021/22 to senior management was \$2,075,487.

Package range	Number of senior contract employees within package range
\$200,000 to \$299,999	5
\$300,000 to \$399,999	2

Council has no Councillor advisors appointed.

INVITATIONS TO CHANGE TENDERS

There was one instance during the 2021/22 financial year where tenderers who had submitted a tender to Council were invited to change their tenders. This related to the following contract:

Contract no.	Contract name	Notification details	Date issued	Details of tender specification change
75661	Portsmouth Transfer Station – Extension to Hazardous Waste Chemical Area	Open tender - post tender closing clarification	29/10/2021	Changes to specifications (additional works).
75666	Walker Road, Water Pump Station	Open tender – addendum	04/11/2021	Request for additional item pricing (valves, cabling, joints, actuator)
75671	Warren Street, Palm Cove - Replacement of Water Pump Station (Hideaway Close)	Open tender – addendum	25/03/2022	Changes to technical specification (design amendments to issued for construction drawing and sketch provided).
75674	Portsmouth Transfer Station - Supply and Installation of Gatehouse and Assoc Works	Open tender – addendum	04/04/2022	Changes to specifications (amended) and revised drawing for optic fibre cable requirements.

OVERSEAS TRAVEL

The annual report for a financial year must contain information about any overseas travel made by a Councillor or a local government employee in an official capacity during the financial year. There was no overseas travel in 2021/22.

BENEFICIAL ENTERPRISES

Cairns Regional Council does not have any beneficial enterprises.

SIGNIFICANT BUSINESS ACTIVITIES

Cairns Regional Council conducted the following significant business activities during the 2021/22 financial year:

- Cairns Water
- Cairns Resource Recovery

Council's water, wastewater and solid waste activities were considered significant business activities for the period and applied the competitive neutrality principle. There were no new significant business activities.

CODE OF COMPETITIVE CONDUCT

Each financial year, Council is required to decide by resolution whether the code of competitive conduct is to apply to each of its business activities which is prescribed under a regulation (a prescribed business activity). Council may also voluntarily elect to apply the code of competitive conduct to business activities that are not prescribed business activities.

Council resolved not to apply the code of competitive conduct to the following prescribed business activities.

- Ticketlink
- Car Parking
- Cemeteries
- Botanical Gardens Visitor Centre
- Munro Martin Parklands
- Tanks Art Centre
- Cairns Performing Art Centre
- Barlow Park
- Swimming Pools
- Sugarworld Water Park
- Libraries
- Caravan Parks

CAIRNS REGIONAL COUNCIL

Financial Statements

For the year ended 30 June 2022

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Statement of Financial Position

Statement of Cash Flows

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- 5 Employee benefits**
- 6 Materials and services**
- 7 Capital expenses**
- 8 Cash and cash equivalents**
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- 17 Contingent liabilities**
- 18 Superannuation**
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- 21 Reconciliation of liabilities arising from finance activities**
- 22 Transactions with related parties**
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Management Certificate

Independent Auditor's Report (General Purpose Financial Statements)

Current Year Financial Sustainability Statement

Independent Auditor's Report (Current Year Financial Sustainability Statement)

Unaudited Long Term Financial Sustainability Report

Cairns Regional Council

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2022

		2022	2021
	<u>Note</u>	<u>\$</u>	<u>\$</u>
Income			
Recurrent revenue			
Rates, levies and charges	3(a)	284,644,818	270,178,332
Fees and charges	3(b)	27,152,953	24,950,003
Other recurrent revenue	3(c)	19,483,723	16,631,230
Grants, subsidies, contributions and donations	4(a)	10,628,617	9,335,533
Total recurrent revenue		<u>341,910,111</u>	<u>321,095,098</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	61,186,179	53,840,114
Total revenue		<u>403,096,290</u>	<u>374,935,212</u>
Interest received		1,901,891	1,777,454
Total income	2(b)	<u>404,998,181</u>	<u>376,712,666</u>
Expenses			
Recurrent expenses			
Employee benefits	5	(111,665,365)	(107,638,781)
Materials and services	6	(121,644,091)	(113,626,519)
Finance costs		(4,719,100)	(3,810,318)
Depreciation and amortisation		(98,295,212)	(95,217,872)
		<u>(336,323,768)</u>	<u>(320,293,490)</u>
Capital expenses			
Capital expenses	7	(38,988,223)	(22,805,246)
		<u>(38,988,223)</u>	<u>(22,805,246)</u>
Total expenses	2(b)	<u>(375,311,991)</u>	<u>(343,098,736)</u>
Net result		<u>29,686,190</u>	<u>33,613,930</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus		131,741,065	50,532,448
Total other comprehensive income for the year		<u>131,741,065</u>	<u>50,532,448</u>
Total comprehensive income for the year		<u>161,427,255</u>	<u>84,146,378</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

Cairns Regional Council

Consolidated Statement of Financial Position as at 30 June 2022

		2022	2021
	Note	\$	\$
Current assets			
Cash and cash equivalents	8	41,339,592	10,041,694
Short term deposits		-	244,014
Trade and other receivables	9(a)	43,333,737	52,067,833
Inventories		2,544,192	2,327,427
Total current assets		87,217,521	64,680,968
Non-current assets			
Property, plant and equipment	10(b)	4,301,549,604	4,175,924,386
Intangible assets		3,086,825	3,731,814
Total non-current assets		4,304,636,429	4,179,656,200
Total assets		4,391,853,950	4,244,337,168
Current liabilities			
Trade and other payables	11	52,510,898	54,290,635
Provisions	12	25,385,417	33,921,071
Borrowings	13	26,470,936	39,070,139
Revenue received in advance	14	5,250,574	3,245,939
Total current liabilities		109,617,825	130,527,784
Non-current liabilities			
Provisions	12	14,361,685	13,609,560
Borrowings	13	156,541,664	153,057,571
Revenue received in advance	14	2,763,268	-
Total non-current liabilities		173,666,617	166,667,131
Total liabilities		283,284,442	297,194,915
Net community assets		4,108,569,508	3,947,142,253
Community equity			
Asset revaluation surplus		1,405,685,315	1,273,944,250
Retained surplus		2,702,884,193	2,673,198,003
Total community equity		4,108,569,508	3,947,142,253

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

Cairns Regional Council

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	2022	2021
Note	\$	\$
Cash flows from operating activities		
Receipts		
General rates and utility charges	287,965,991	277,860,411
Rental and levies, fees and charges	28,400,524	26,755,295
Operating grants, subsidies and contributions	10,628,617	9,335,534
Interest received	1,901,890	1,777,454
Other revenue	19,017,308	15,455,861
Payments		
Payments to employees	(109,786,053)	(106,311,284)
Payments to suppliers	(115,252,110)	(112,448,677)
Interest expense	(2,913,951)	(2,568,886)
Net cash inflow from operating activities	20	119,962,216
Cash flows from investing activities		
Grants, subsidies, contributions and donations for capital acquisitions:		
Capital contributions	9,540,165	7,529,055
Government subsidies and grants	31,210,795	26,412,899
Payments for property, plant and equipment	(121,828,869)	(163,153,316)
Payments for intangible assets	(467,075)	(1,330,822)
Proceeds from the sale of non-current assets	1,782,839	1,215,421
Net cash outflow from investing activities	(79,762,145)	(129,326,763)
Cash flows from financing activities		
Proceeds from working capital facility	21	75,497,759
Repayment of working capital facility	21	(90,880,000)
Proceeds from borrowings	21	30,000,000
Repayment of borrowings	21	(23,732,869)
Other cash flows from financing activities		212,937
Net cash inflow/(outflow) from financing activities		(8,902,173)
Net increase in cash and cash equivalents held		31,297,898
Cash and cash equivalents at beginning of the financial year		10,041,694
Cash and cash equivalents at end of the financial year	8	41,339,592

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

Cairns Regional Council

Consolidated Statement of Changes in Equity For the year ended 30 June 2022

	Asset revaluation surplus \$	Retained surplus/ (deficit) \$	Total \$
Balance as at 1 July 2021	1,273,944,250	2,673,198,003	3,947,142,253
Net result	-	29,686,190	29,686,190
Other comprehensive income for the year			
Increase in asset revaluation surplus	131,741,065	-	131,741,065
Balance as at 30 June 2022	<u>1,405,685,315</u>	<u>2,702,884,193</u>	<u>4,108,569,508</u>
Balance as at 1 July 2020	1,223,411,802	2,639,584,073	3,862,995,875
Net result	-	33,613,930	33,613,930
Other comprehensive income for the year			
Increase in asset revaluation surplus	50,532,448	-	50,532,448
Balance as at 30 June 2021	<u>1,273,944,250</u>	<u>2,673,198,003</u>	<u>3,947,142,253</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

1 Information about these financial statements

1.1 Basis of preparation

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

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the Local Government Regulation 2012.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and 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 financial assets and liabilities and certain classes of property and plant and equipment which are measured at fair value.

1.2 Basis of consolidation

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

Transactions between Council and the entity controlled by Council have been eliminated when preparing consolidated accounts. In addition, the accounting policies of the controlled entity have been adjusted on consolidation where necessary, to ensure the financial report of the consolidated entity is prepared using accounting policies that are consistent with those of the Council. Information on the controlled entity that has been consolidated is included in Note 22.

This is the first time the financial statements of Council and its controlled entity have been consolidated. The impact of the consolidation on the comparative 2021 Statement of Comprehensive Income and Statement of Financial Position was an increase to the following:

Total assets	\$8,574,852
Total liabilities	\$991,478
Total equity	\$7,583,374
Total comprehensive income	\$194,403

1.3 New and revised Accounting Standards

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021. None of the standards had a material impact on reported position, performance and cash flows.

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022. These standards have not been adopted by Council and will be included in the financial statements on their effective date.

1.4 Estimates and judgements

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

1.4 Estimates and judgements (continued)

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

- Valuation and depreciation of property, plant and equipment - Note 10
- Annual leave - Note 12
- Developer contribution credits - Note 12
- Long service leave - Note 12
- Contingent liabilities - Note 17
- Financial instruments and financial risk management - Note 24

1.5 Taxation

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

The significant business activities of Council (as noted in Note 25) pay an income tax equivalent to Council in accordance with the requirements of the *Local Government Act 2009*.

Where a significant business activity is subject to the National Tax Equivalents Regime, the income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income. These transactions are eliminated upon consolidation.

Council pays payroll tax to the Queensland Government on certain activities.

1.6 Impact of COVID-19

Council's operations for the year ended 30 June 2022 continued to be impacted by the COVID-19 pandemic. With the recommencement of domestic and international travel, Cairns has been able to welcome back tourists meaning the impacts of COVID-19 on the region have not been as severe as previous years.

Council continued to implement the following initiatives in response to COVID-19:

- Financial Hardship Policy for rates assistance
- Developer incentives

The impact of the above initiatives was a reduction in revenue of approximately \$1.5M.

Whilst the lockdowns and travel restrictions had a temporary impact on some of the services Council provides, Council operations and therefore expenses have largely been unaffected.

Consideration of Impacts on the Statement of Financial Position

While the specific areas of judgement as detailed in note 1.4 did not change, the impact of COVID-19 resulted in the application of further judgement within the following areas.

Cash and cash equivalents (including borrowings)

Impacts to cash and cash equivalents during the 2021/22 financial year have not been as severe as anticipated. Revenue has remained largely within expectations which has helped Council maintain a stable cash position.

Council had budgeted to borrow \$30M of long term debt to fund capital works during the 2021/22 financial year which it drew down in May 2022.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

1.6 Impact of COVID-19 (continued)

Trade and other receivables

The balance of trade and other receivables has remained slightly inflated during the 2021/22 financial year, however the impacts on debtors from COVID-19 were not as severe as anticipated.

As Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, it is still considered appropriate not to impair any rates receivables due to COVID-19.

In line with standard procedures, the balance of non-rate debts was reviewed for collectability and allowance made, where appropriate, for impairment. Due to the immaterial value of non-rates debts, Council does not anticipate any significant impacts from COVID-19 to these debts.

Property, plant and equipment

Council assessed its property, plant and equipment for indicators of a significant and volatile change in value as at 30 June 2022 (which are generally where values have changed by 20 per cent or more).

As the majority of Council's infrastructure and building assets are valued using current replacement cost, Council does not believe that COVID-19 has caused a significant change in value of these assets. In the future, gross replacement costs for these assets may be impacted by COVID-19, however there is insufficient data yet available to make a judgement of these impacts.

The valuation of land is considered more susceptible to changes in value as it is heavily impacted by market conditions. The results of Council's assessment as at 30 June 2022 has not identified any material changes to the value of land.

Taking into account COVID-19 impacts, Council is satisfied that the value of its property, plant and equipment at 30 June 2022 is materially correct. Council will continue to review for indicators of a material change in value over the 2022/23 financial year, and will make any required adjustments accordingly.

Trade and other payables and provisions

As noted above, Council operations and therefore expenses have largely been unaffected by COVID-19. Council does not anticipate any significant impacts to its trade and other payables and provision balances.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

2 Analysis of Results by Function

(a) Components of Council functions

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

Finance

Finance provides professional financial management and advisory services to Council. The core functions include Cairns Shared Services, Financial Accounting, Information Services, Management Accounting, Payroll, Centralised Procurement and Records.

Human Resources and Organisational Change

Human Resources and Organisational Change are responsible for the provision of sustainable human resources and organisational change services that support internal and external customers. Core functions include Corporate Training, Governance, Recruitment and Selection, Service Quality, HR/IR Consultancy and WH&S.

Planning and Environment

Planning and Environment delivers Council's aim of achieving sustainability by maintaining a healthy economy, vibrant communities and a thriving biophysical environment. This includes Development and Regulatory Services, Planning Strategies and Economic Development.

Infrastructure Services

Infrastructure Services is responsible for ensuring infrastructure assets and facilities are procured, maintained and operated within a framework of strategic planning and management that is consistent with corporate objectives and best value service delivery. It is the principal provider of operational services to Council in the sub-programs of transport, drainage, parks and foreshores and infrastructure management and also facilitates the coordination of Council's capital project delivery.

Community, Sport and Cultural Services

Community, Sport and Cultural Services manages a number of the region's public facilities; including the Botanical Gardens, Sugarworld, Munro Martin Parklands, Tanks Art Centre, museums and art galleries and the region's libraries. This department also services parks and gardens with barbeque and picnic facilities, sports grounds and playgrounds.

Cairns Water

Cairns Water is responsible for the provision of water and wastewater services to consumers throughout the Cairns region. This includes supplying safe, reliable drinking water to consumers, collection and treatment of domestic sewerage and commercial and industrial trade waste, planning for and delivering water and wastewater infrastructure and maintenance of the community's water and wastewater infrastructure.

Cairns Resource Recovery

Cairns Resource Recovery is responsible for the provision of solid waste services to consumers throughout the Cairns region, including collection, recycling and disposal of domestic, commercial and industrial solid waste, planning for and delivering solid waste infrastructure and maintenance of the community's solid waste infrastructure.

Organisational Restructure

As at 1st July 2022 Council components have been restructured to combine Infrastructure Services, Cairns Water and Cairns Resource Recovery into a single directorate, Cairns Infrastructure & Assets. In addition, a new directorate for Economic Development & Advocacy was created. Various other changes to the titles of the remaining directorates and their composition were also made.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

2 Analysis of results by function

(b) Income, expenses and assets have been attributed to the following functions:

Year ended 30 June 2022

Functions	Gross program income				Elimination of inter-function transactions	Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital				Recurring	Capital					
	Grants	Other	Grants	Other									
	2022	2022	2022	2022			2022	2022					
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Finance	8,341,150	186,372,400	(1,126,796)	-	(64,782,949)	128,803,805	23,084,955	(199,114)	2,849,194	25,735,035	155,864,750	154,538,840	370,745,730
Human Resources and Organisational Change	665,011	17,627	-	-	-	682,638	(12,411,979)	(167)	-	(12,412,146)	(11,729,341)	(11,729,508)	8,258,838
Planning and Environment	167,995	16,357,864	299,131	-	-	16,824,990	(22,953,062)	(315,693)	-	(23,268,755)	(6,427,203)	(6,443,765)	27,363,043
Infrastructure Services	51,146	4,379,828	19,536,364	29,127,013	-	53,094,351	(94,508,236)	(25,146,815)	-	(119,655,051)	(90,077,262)	(66,560,700)	2,168,124,637
Community, Sport and Cultural Services	1,309,699	4,287,151	4,099,266	-	-	9,696,116	(43,815,779)	(7,042,426)	-	(50,858,205)	(38,218,929)	(41,162,089)	363,595,429
Cairns Water	-	146,868,199	-	8,292,557	(2,060,623)	153,100,133	(204,073,326)	(5,809,431)	56,782,624	(153,100,133)	(2,483,126)	-	1,414,265,087
Cairns Resource Recovery	93,616	41,783,136	958,644	-	(853,129)	41,982,267	(48,613,929)	(474,577)	8,064,883	(41,023,623)	474,577	958,644	31,544,729
Controlled entity net of eliminations	-	813,881	-	-	-	813,881	(729,113)	-	-	(729,113)	84,768	84,768	7,956,457
Total Council Continuing Operations	10,628,617	400,880,086	23,766,609	37,419,570	(67,696,701)	404,998,181	(404,020,469)	(38,988,223)	67,696,701	(375,311,991)	7,488,234	29,686,190	4,391,853,950

Year ended 30 June 2021

Functions	Gross program income				Elimination of inter-function transactions	Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital				Recurring	Capital					
	Grants	Other	Grants	Other									
	2021	2021	2021	2021			2021	2021					
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Finance	6,149,406	165,664,307	2,803,826	265,001	(47,884,130)	126,998,410	6,141,509	(2,327,984)	3,362,946	7,176,471	133,434,038	134,174,881	347,642,783
Human Resources and Organisational Change	641,684	75,927	137,000	-	-	854,611	(11,727,555)	1,458	-	(11,726,097)	(11,009,944)	(10,871,486)	8,093,048
Planning and Environment	166,999	15,071,078	-	-	-	15,238,077	(21,829,303)	(1,101,590)	-	(22,930,893)	(6,591,226)	(7,692,816)	23,681,154
Infrastructure Services	461,601	3,494,298	19,532,691	19,445,720	-	42,934,310	(87,660,225)	(10,947,610)	-	(98,607,835)	(83,704,326)	(55,673,525)	2,104,315,334
Community, Sport and Cultural Services	1,759,459	3,354,788	5,010,499	14,180	-	10,138,926	(42,239,116)	(1,048,534)	-	(43,287,650)	(37,124,869)	(33,148,724)	361,897,109
Cairns Water	-	137,363,925	172,812	5,638,253	(2,514,000)	140,660,990	(170,629,247)	(5,658,395)	41,437,718	(134,849,924)	5,658,396	5,811,066	1,359,720,904
Cairns Resource Recovery	156,384	39,017,453	820,132	-	(919,920)	39,074,049	(43,048,713)	(1,722,591)	6,517,386	(38,253,918)	1,722,590	820,131	30,720,258
Controlled entity net of eliminations	-	813,293	-	-	-	813,293	(618,890)	-	-	(618,890)	194,403	194,403	8,266,578
Total Council Continuing Operations	9,335,533	364,855,069	28,476,960	25,363,154	(51,318,050)	376,712,666	(371,611,540)	(22,805,246)	51,318,050	(343,098,736)	2,579,062	33,613,930	4,244,337,168

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

3 Revenue

(a) Rates, levies and charges

Rates, levies and utility charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised within trade and other payables on the Statement of Financial Position until the beginning of the rating period to which they relate. All rates and utility charges are recognised at a point in time in accordance with AASB 1058.

	2022	2021
	\$	\$
General rates	122,804,136	119,016,269
Special rates	916,020	1,004,689
Water access	23,978,821	23,216,974
Water consumption	33,886,186	27,390,313
Sewerage access	78,533,701	75,870,101
Cleansing charges	29,488,090	28,477,528
Rates and utility charge revenue	<u>289,606,954</u>	<u>274,975,874</u>
Less: rebates	(4,962,136)	(4,797,542)
Net rates and utility charges	<u><u>284,644,818</u></u>	<u><u>270,178,332</u></u>

(b) Fees and charges

Revenue arising from fees and charges are recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods or services being provided. There is no material obligation for Council in relation to refunds or returns. Revenue from infringements is recognised on issue of the infringement notice.

Building and property fees	5,607,927	4,703,671
Regulatory and parking fees	7,187,918	6,210,892
Infringement	2,859,723	3,254,027
Water and resource recovery fees	3,794,406	3,723,895
Other fees and charges	7,702,979	7,057,518
	<u><u>27,152,953</u></u>	<u><u>24,950,003</u></u>

(c) Other recurrent revenue

Revenue from contract 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 held as a liability in revenue received in advance on the Statement of Financial Position and is recognised as revenue in the period when the service is performed. The contract work carried out is not subject to retentions.

Reimbursements revenue is recognised when the payment is probable and the amount of the payment can be determined, which is after the contract requirement has been delivered. Cost recovery income is recognised when received. Sundry and other recurrent revenue relates to sales of goods and delivery of services. Revenue is recognised at the point in time that either the customer obtains control of the goods (which is generally at delivery) or when the service is rendered.

All other recurrent revenue is recognised in accordance with AASB 15.

Contract and recoverable works	5,099,413	4,269,875
Reimbursements and cost recoveries	1,829,028	2,277,604
Sales	5,522,838	3,932,896
Sundry and other recurrent revenue	7,032,444	6,150,855
	<u><u>19,483,723</u></u>	<u><u>16,631,230</u></u>

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

4 Grants, subsidies, contributions and donations

(a) Recurrent grants, subsidies and contributions

Recurrent grants, subsidies and contributions do not have an enforceable performance obligation associated with them and therefore are recognised as revenue when received in accordance with AASB 1058.

	2022	2021
	\$	\$
General purpose grants	10,569,796	9,075,394
Donations	58,821	260,139
	<u>10,628,617</u>	<u>9,335,533</u>

(b) Capital grants, subsidies and contributions

Capital Grants

All capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications, which will be under Council's control and which is enforceable, are recognised as revenue as and when the obligation to construct or purchase is completed in accordance with AASB 1058. For construction projects, this is generally as the construction progresses in accordance with costs incurred, since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Where Council recognises capital grant revenue under AASB 1058 in advance of invoicing the grantor, a contract asset is recognised in trade and other receivables which represents the excess of costs incurred in relation to the construction of the asset over the amount that Council has invoiced the grantor. Where Council receives grant revenue upfront of construction of the asset, this revenue is held as a liability in revenue received in advance and is recognised as revenue over time as the asset is constructed.

Donations and Contributions

Contributions received from developers do not have an enforceable performance obligation associated with them and therefore the infrastructure charges are recognised as revenue when received in accordance with AASB 1058.

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

Non-cash contributions with a value in excess of the recognition thresholds are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Timing of revenue recognition for grants, subsidies and contributions:

	2022		2021	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
	\$	\$	\$	\$
Grants and subsidies	3,173,990	20,592,619	2,544,888	25,932,072
Contributions	16,269,283	-	15,697,141	-
Assets contributed by developers	21,150,287	-	9,666,013	-
	<u>40,593,560</u>	<u>20,592,619</u>	<u>27,908,042</u>	<u>25,932,072</u>

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

4 Grants, subsidies, contributions and donations (continued)

(b) Capital grants, subsidies and contributions

Capital – grants, subsidies, contributions and donations are analysed as follows:

	2022	2021
Note	\$	\$
(i) Monetary revenue designated for capital funding purposes:		
Government subsidies and grants	23,766,609	28,476,960
Contributions	16,269,283	15,697,141
	<u>40,035,892</u>	<u>44,174,101</u>
(ii) Non-monetary revenue received:		
Developer assets contributed by developers at fair value	21,150,287	9,666,013
	<u>61,186,179</u>	<u>53,840,114</u>

5 Employee benefits

Employee benefits are all forms of consideration given in exchange for services rendered by employees. They are expensed as the related service is provided.

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

Total staff wages and salaries	86,810,785	86,248,983
Councillors' remuneration	1,221,075	1,227,662
Annual, sick and long service leave entitlements	17,935,358	16,211,692
Superannuation	11,390,632	11,178,279
	<u>117,357,850</u>	<u>114,866,616</u>
Other employee related expenses	2,804,338	3,325,058
	<u>120,162,188</u>	<u>118,191,674</u>
Less: Capitalised employee expenses	(8,496,823)	(10,552,893)
	<u>111,665,365</u>	<u>107,638,781</u>

	2022	2021
	No. employees	No. employees
Total employees at the reporting date:		
Elected members	10	10
Employees	1,166	1,177
Total full time equivalent employees	<u>1,176</u>	<u>1,187</u>

6 Materials and services

Materials and services are comprised of Council's operational, administrative and repairs and maintenance costs. Expenditure is recognised on an accruals basis once the good or service has been received.

	2022	2021
	\$	\$
Agency and temporary employment services	6,299,291	5,801,193
Audit of the Annual Financial Statements by the Auditor-General	205,500	205,100
Communication and IT	7,714,344	7,664,504
Donations paid and grants to community groups	6,443,325	5,368,329
Electricity	7,781,936	8,393,630
External services and hire	27,582,060	26,692,090
Garbage collection services	19,875,905	18,495,275
Other materials	12,202,646	7,760,180
Other services	8,668,576	11,095,692
Rental and lease expenses	793,439	569,931
Repairs and maintenance	24,077,069	21,580,595
	<u>121,644,091</u>	<u>113,626,519</u>

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

7 Capital expenses

Capital expenses comprise the loss on disposal and write off of capital assets. The gain or loss on disposal is recognised on the date the asset was taken out of service.

	Note	2022 \$	2021 \$
Loss on disposal of capital assets		34,937,777	17,840,973
Loss on write-off of non-current assets		4,050,446	4,964,273
		<u>38,988,223</u>	<u>22,805,246</u>

8 Cash and cash equivalents

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

Cash at bank	24	4,436,299	2,193,352
Cash on hand	24	12,330	12,024
Deposits and investments held with QTC	24	36,890,963	7,836,318
Balance per Statement of Cash Flows		<u>41,339,592</u>	<u>10,041,694</u>

Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. At the reporting date this balance comprised unspent government grants and developer contributions of \$4,793,481 (2021: \$5,522,165) and waste levy refund received in advance of \$3,849,993.

Internal allocations of cash may be lifted by Council with a resolution. At the reporting date this balance comprised funds set aside and held in reserves for future projects of \$1,451,866 (2021: \$927,006).

Cash at bank as at 30 June 2022 includes \$3,849,993 received from the State government to mitigate the direct impacts on households of the State Waste Levy. This money has been set aside to help fund Council's Levy expense from 2022/23 to 2025/26.

Council is liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites. The State is required to make an annual payment to Council that essentially refunds Council for the portion of the Levy that relates to households. As the receipt from the State in June 2022 is for a refund of Council's Levy expense in future financial years, at 30 June 2022 the portion deemed to relate to the next 12 months has been recognised in current liabilities with the residual balance recognised in non-current liabilities for the remaining period to 2025/26.

9 Trade and other receivables

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

Contract assets represent the excess of costs incurred in relation to the construction of an asset over the amounts that Council has invoiced the grantor.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue. Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables unless the arrears are deemed to be greater than the proceeds Council would receive from the sale of the property.

Interest is charged on outstanding rates at a rate of 8.03% per annum (2021: 8.53%), unless waived under Council's Financial Hardship policy. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors received.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

9 Trade and other receivables (continued)

	2022	2021
Note	\$	\$
(a) Receivables (financial instruments)		
Rateable revenue and utility charges	20,498,099	22,534,167
Water charges	3,511,183	2,973,135
Fees and charges	2,554,164	2,637,790
Grants receivable	171,066	561,261
Other debtors	3,100,293	3,100,396
Less: loss allowance	9(b) <u>(1,665,951)</u>	<u>(1,469,488)</u>
	28,168,854	30,337,261
Receivables (non-financial instruments)		
Other accrued revenue	7,470,398	6,919,789
Contract assets	1,369,930	7,672,994
GST receivable	2,303,313	2,465,318
Prepayments	<u>4,021,242</u>	<u>4,672,471</u>
	15,164,883	21,730,572
Total current receivables	<u><u>43,333,737</u></u>	<u><u>52,067,833</u></u>
(b) Loss allowance		
Opening balance at 1 July 2021	1,469,488	1,461,763
Receivables written off in period	(128,357)	(289,407)
Impairments recognised	324,820	297,132
Closing balance at 30 June 2022	9(a) <u><u>1,665,951</u></u>	<u><u>1,469,488</u></u>

10 Property, plant and equipment

(a) i) Recognition

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment have an asset capitalisation threshold of \$5,000. All other assets have an asset capitalisation threshold of \$10,000 except for land, network assets and complex assets which all have a capitalisation threshold of \$1.

Network assets are an aggregate of interrelated assets that perform a specific service which, individually are likely to be below the capitalisation threshold levels, but collectively are above the capitalisation threshold for their class. Networked assets include computer network assets, leasehold and land improvements.

Land under roads and reserve land which fall under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. This land is not recognised in these financial statements.

ii) Measurement

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

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

10 Property, plant and equipment (continued)

ii) Measurement

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

Property, plant and equipment received in the form of contributions, are recognised as assets and revenue at fair value where that value exceeds the recognition thresholds for the respective asset class.

Land and improvements, buildings, and all infrastructure assets are measured on the revaluation basis at fair value. Other plant and equipment and work in progress are measured at cost.

iii) Depreciation

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

Assets are depreciated from the first day of the month following acquisition or, in respect of internally constructed assets, from the first day of the month following the date an asset is completed and commissioned ready for use.

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

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to Council or the unexpired period of the lease, whichever is the shorter.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments and subsequent estimation of remaining useful lives performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class are shown in Note 10(b).

iv) Impairment

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

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

10 Property, plant and equipment (continued)

(b) Movements in property, plant and equipment 2022

Asset class	Land and site improvements	Buildings, other structures and other assets	Plant, equipment and other assets	Transport assets	Water	Sewerage	Drainage	Solid waste disposal	Work in progress	Total
Basis of measurement	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Fair Value Category	Levels 2 & 3	Levels 2 & 3		Level 3	Level 3	Level 3	Level 3	Level 3		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Values										
Opening gross value as at 1 July 2021	368,662,677	506,396,075	155,931,363	1,844,863,702	1,206,106,722	1,075,022,339	687,923,329	37,790,944	125,895,508	6,008,592,659
Additions at cost	-	-	-	-	-	-	-	-	110,678,674	110,678,674
Contributed assets at valuation	-	-	-	6,835,466	3,845,437	4,447,120	5,951,870	-	-	21,079,893
Internal transfers from work in progress	911,739	8,964,213	7,858,202	49,152,689	18,139,451	11,390,844	10,354,818	454,091	(107,226,047)	-
Disposals	-	(9,768)	(5,120,885)	-	-	-	-	-	-	(5,130,653)
Write-offs	(7,483,712)	(9,398,074)	(8,188,548)	(23,858,898)	(6,131,720)	(4,518,205)	(2,945,511)	(2,836,100)	(3,995,246)	(69,356,014)
Revaluation adjustment to the asset revaluation surplus	3,704,503	18,727,771	-	57,459,844	41,667,621	37,028,852	6,934,359	1,152,910	-	166,675,860
Internal transfers between asset classes	4,313,052	(44,160,177)	(1,391,682)	3,474,675	89,331	(13,153)	37,627,022	60,932	-	-
Closing gross value as at 30 June 2022	370,108,259	480,520,040	149,088,450	1,937,927,478	1,263,716,842	1,123,357,797	745,845,887	36,622,777	125,352,889	6,232,540,419
Accumulated depreciation and impairment										
Opening balance as at 1 July 2021	29,008,713	134,683,650	83,254,056	399,580,533	631,365,024	384,274,163	160,333,807	10,168,329	-	1,832,668,275
Depreciation provided in period	2,096,490	8,845,217	12,335,087	25,292,745	17,703,582	21,511,708	7,465,476	1,865,131	-	97,115,436
Depreciation on disposals	-	(7,110)	(3,540,585)	-	-	-	-	-	-	(3,547,695)
Depreciation on write-offs	(6,703,809)	(5,199,429)	(5,847,066)	(4,053,866)	(3,409,225)	(1,929,474)	(614,676)	(2,422,451)	-	(30,179,996)
Revaluation adjustment to the asset revaluation surplus	874,362	5,443,793	-	13,164,150	22,249,326	13,923,404	(21,035,824)	315,584	-	34,934,795
Internal transfers to other asset classes	2,441,007	(12,550,524)	(60,365)	954,655	16,586	(23,969)	9,214,555	8,055	-	-
Closing accumulated depreciation	27,716,763	131,215,597	86,141,127	434,938,217	667,925,293	417,755,832	155,363,338	9,934,648	-	1,930,990,815
Net value at 30 June 2022	342,391,496	349,304,443	62,947,323	1,502,989,261	595,791,549	705,601,965	590,482,549	26,688,129	125,352,889	4,301,549,604
Residual value			8,318,579							
Range of estimated useful life in years	10-100	15-150	3-50	15-100	10-150	9-100	10-150	20-100		
Additions comprise:										
Renewals	-	-	-	-	-	-	-	-	60,119,022	60,119,022
New assets	-	-	-	-	-	-	-	-	35,837,801	35,837,801
Non-infrastructure additions	-	-	-	-	-	-	-	-	14,721,851	14,721,851
Total additions	-	-	-	-	-	-	-	-	110,678,674	110,678,674

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

10 Property, plant and equipment (continued)

(b) Movements in property, plant and equipment 2021

Asset class	Land and site improvements	Buildings and other structures	Plant, equipment and other assets	Transport assets	Water	Sewerage	Drainage	Solid waste disposal	Work in progress	Total
Basis of measurement	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Fair Value Category	Levels 2 & 3	Levels 2 & 3		Level 3	Level 3	Level 3	Level 3	Level 3		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset values										
Opening gross value as at 1 July 2020	386,587,612	481,061,780	155,257,483	1,748,882,066	1,180,294,572	1,041,553,546	668,828,961	22,116,894	137,851,706	5,822,434,620
Additions at cost	-	-	-	-	-	-	-	-	159,660,264	159,660,264
Contributed assets at valuation	-	-	-	3,661,848	4,021,574	1,982,591	-	-	-	9,666,012
Internal transfers from work in progress	12,011,484	19,381,172	13,956,793	62,153,661	15,931,539	22,293,213	5,588,815	17,011,812	(168,328,489)	-
Disposals	(73,388)	(17,375)	(3,249,768)	-	(82,540)	-	-	-	-	(3,423,072)
Write-offs	(81,997)	(1,305,439)	(10,425,100)	(8,717,486)	(4,316,966)	(5,605,787)	(520,534)	(1,762,709)	(3,287,972)	(36,023,990)
Revaluation adjustment to the asset revaluation surplus	1,345,331	7,620,846	-	10,979,477	10,354,535	14,798,776	10,803,857	371,259	-	56,274,082
Internal transfers to other asset classes	(31,126,365)	(344,909)	387,212	27,904,136	(95,992)	-	3,222,230	53,688	-	-
Closing gross value as at 30 June 2021	368,662,677	506,396,076	155,926,620	1,844,863,702	1,206,106,721	1,075,022,339	687,923,329	37,790,944	125,895,508	6,008,587,917
Accumulated depreciation and impairm										
Opening balance as at 1 July 2020	31,134,200	124,400,719	79,130,332	373,565,004	623,351,856	360,333,927	150,425,325	8,981,391	-	1,751,322,755
Depreciation provided in period	2,914,806	8,876,966	12,842,326	23,319,380	17,008,075	21,000,117	6,880,189	1,080,130	-	93,921,990
Depreciation on disposals	-	(6,616)	(2,177,302)	-	(18,965)	-	-	-	-	(2,202,882)
Depreciation on write-offs	(20,589)	(540,181)	(6,775,107)	(3,433,645)	(2,761,605)	(2,404,068)	(144,655)	(40,117)	-	(16,119,967)
Revaluation adjustment to the asset revaluation surplus	415,809	2,108,848	-	1,301,348	(6,153,135)	5,344,186	2,565,882	158,695	-	5,741,634
Internal transfers to other asset classes	(5,435,512)	(156,086)	229,059	4,828,447	(61,203)	-	607,066	(11,770)	-	-
Closing accumulated depreciation	29,008,713	134,683,652	83,249,310	399,580,534	631,365,024	384,274,163	160,333,807	10,168,328	-	1,832,663,530
Net value at 30 June 2021	339,653,964	371,712,424	72,677,310	1,445,283,169	574,741,697	690,748,176	527,589,522	27,622,616	125,895,508	4,175,924,386
Residual value			9,020,180							
Range of estimated useful life in years	10-100	15-150	3-50	15-100	10-150	9-100	10-150	20-100		
Additions comprise:										
Renewals	-	-	-	-	-	-	-	-	78,043,044	78,043,044
New assets	-	-	-	-	-	-	-	-	68,110,886	68,110,886
Non-infrastructure additions	-	-	-	-	-	-	-	-	13,506,334	13,506,334
Total additions	-	-	-	-	-	-	-	-	159,660,264	159,660,264

Notes to the consolidated financial statements

For the year ended 30 June 2022

10 Property, plant and equipment (continued)

(c) Valuation

(i) Valuation processes

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. At least every 5 years, Council performs a full comprehensive revaluation performed by a combination of independent, professionally qualified valuers and experienced Council Officers.

In between comprehensive valuations, desktop or indexation reviews are conducted by either professionally qualified valuers or Council Officers. This process involves the review and assessment of any factors that may have materially impacted the condition rating of assets within the class as well as a review of cost assumptions compared to the latest industry indexes, Council cost information as well as the advice of internal engineers and independent third parties.

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

Revaluation decreases are recognised in the asset revaluation surplus, where there is a sufficient amount available in the asset revaluation surplus relating to that asset class. Where there isn't a sufficient amount available in the surplus, the decrease is recognised in the Statement of Comprehensive Income. Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the Statement of Comprehensive Income.

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

In accordance with AASB 13 *Fair Value Measurements* are categorised on the following basis:

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

Council's policy is to recognise transfers in and out of the fair value hierarchy at the end of the reporting period. There were no transfers between levels of the hierarchy during the year.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

10 Property, plant and equipment (continued)

(c) Valuation

(ii) Valuation techniques used to derive fair values

Asset Class and Fair Value Level	Valuation Approach	Last Comprehensive Valuation Date	Valuer	Index Applied	Index Amount	Key Assumptions and Estimates
Land and Site Improvements (level 2)	Market Value	30 June 2018	APV Valuers and Asset Management	Index provided by APV	0.00%	- Current zoning of land - Sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as property size)
Land and Site Improvements (level 3)	Current Replacement Cost	30 June 2018	APV Valuers and Asset Management	Index provided by APV	0.00%	- Current replacement cost for a modern equivalent asset with a similar service potential - Standardised unit rates for construction as at the date of last revaluation (based on industry standard cost guides, valuer database and project costs from recently completed projects)
Buildings (level 2)	Market Value	30 June 2018	APV Valuers and Asset Management	Index provided by APV	4.00%	- Sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as condition)
Buildings and Other Structures (level 3)	Current Replacement Cost	30 June 2018	APV Valuers and Asset Management	Index provided by APV	4.00%	- Current replacement cost for a modern equivalent asset with a similar service potential - Standardised unit rates for construction as at the date of last revaluation (based on industry standard cost guides, valuer database and project costs from recently completed buildings)
Buildings and Other Structures - Other assets (level 3)	Current Replacement Cost	30 June 2019	Ross Searle	Index provided by Ross Searle	0.00%	- Sales price per artwork based on prices paid for comparable works, market conditions and exchange rates (where applicable)
Transport Assets - Roads (including kerb and channel, medians and roundabouts) (level 3)	Current Replacement Cost	30 June 2019	Council and Cardno (Qld) Ltd	Index determined by Council	3.27%	- Current replacement cost for a modern equivalent asset, on a greenfield site, with a similar service potential (including components that may not need to be replaced such as earthworks) - Standardised unit rates for construction as at the date of last revaluation (based on industry standard cost guides, valuer database, current contract data and costs from recently completed projects) indexed for subsequent changes in construction costs. Applicable rates are determined by asset usage, material and length - Componentisation of costs for complex assets. It is assumed that design and construction is to the same standard across each component
Transport Assets - Bridges and Footpaths (level 3)	Current Replacement Cost	30 June 2021	Council and APV Valuers and Asset Management	Index determined by Council	3.27%	- Road hierarchy and soil factors taking into account current condition. These are assumed to be consistent across each component - Remaining life of assets including existing conditions. These limitations are not incorporated into standardised unit rates. The conditions of assets not inspected are extrapolated based upon the condition data collected on inspected assets

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

10 Property, plant and equipment (continued)

(c) Valuation

(ii) Valuation techniques used to derive fair values

Asset Class and Fair Value Level	Valuation Approach	Last Comprehensive Valuation Date	Valuer	Index Applied	Index Amount	Key Assumptions and Estimates
Water Assets - Above Ground (level 3)	Current Replacement Cost	30 June 2021	Cardno (Qld) Ltd	Index determined by Council	3.45%	- Current replacement cost for a modern equivalent asset, on a greenfield site, with a similar service potential (including components that may not need to be replaced such as earthworks)
Water Assets - Mains (level 3)	Current Replacement Cost	30 June 2020	Cardno (Qld) Ltd	Index determined by Council	3.45%	- Standardised unit rates for construction as at the date of last revaluation (based on industry standard cost guides, valuer database, current contract data and costs from recently completed projects) indexed for subsequent changes in construction costs. Applicable rates are determined by asset usage, material, depth, length and size
Sewerage Assets - Above Ground (level 3)	Current Replacement Cost	30 June 2019	Cardno (Qld) Ltd	Index determined by Council	3.45%	- Componentisation of costs for complex assets. It is assumed that design and construction is to the same standard across each component
Sewerage Assets - Mains (level 3)	Current Replacement Cost	30 June 2020	Cardno (Qld) Ltd	Index determined by Council	3.45%	- Development, soil and depth factors taking into account current condition. These are assumed to be consistent across each component
Drainage (level 3)	Current Replacement Cost	30 June 2022	Council and Cardno (Qld) Ltd	Comprehensively Revalued	Not applicable	- Remaining lives and physical obsolescence, particularly for underground infrastructure not easily inspected. These limitations are not incorporated into standardised unit rates. The conditions of assets not inspected are extrapolated based upon the condition data collected on inspected assets
Solid Waste Disposal (level 3)	Current Replacement Cost	30 June 2018	Cardno (Qld) Ltd	Index determined by Council	3.45%	- Current replacement cost for a modern equivalent asset with a similar service potential
						- Standardised unit rates for construction as at the date of last revaluation (based on industry standard cost guides, valuer database, current contract data and costs from recently completed projects) indexed for subsequent changes in construction costs
						- Componentisation of costs for complex assets. It is assumed that design and construction is to the same standard across each component

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

11 Trade and other payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Sick leave

Council has an obligation to pay a portion of sick leave on termination to certain employees and therefore a liability has been recognised for this obligation.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 18.

	2022	2021
	\$	\$
Current		
Creditors	15,962,998	11,024,888
Accrued expenses	10,987,394	18,915,697
Other payables	6,997,807	7,405,621
Prepaid rates	16,241,635	14,585,493
Sick leave	1,848,671	1,914,048
Other entitlements	472,393	444,888
	<u>52,510,898</u>	<u>54,290,635</u>

12 Provisions

Annual leave

A provision for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

Long service leave

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

Where employees have met the prerequisite length of service a probability factor is applied to determine the portion of their entitlement likely to be taken within the next twelve months. This is classified as a current liability, with the remainder classified as non-current.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

12 Provisions (continued)

Developer contribution credits

A provision is made for the cost of trunk infrastructure assets constructed by developers on behalf of Council. The provision is raised when construction works are sufficiently progressed that the value and timing of payment can be reliably measured. Corresponding assets are also recognised within work in progress at this time. Where the value of the trunk infrastructure assets cannot be reliably measured, a contingent liability and corresponding contingent asset are disclosed.

The provision is classified as current where payment is expected to be settled within 12 months and is classified as non-current where payment is not expected to be settled within 12 months. Where payment for the trunk infrastructure assets is not expected to be settled within 12 months, the value of the payment is discounted to present value.

	2022	2021
	\$	\$
Current		
Annual leave	13,572,533	12,989,335
Developer contribution credits	10,176,755	19,057,866
Long service leave	1,636,129	1,873,870
	<u>25,385,417</u>	<u>33,921,071</u>
Non-current		
Long service leave	14,361,685	13,609,560
	<u>14,361,685</u>	<u>13,609,560</u>

Details of movements in non-employee benefit provisions:

Developer contribution credits

Balance at the beginning of the financial year	19,057,866	17,927,403
Developer contribution credits arising	4,233,636	11,571,298
Developer contribution credits paid	(6,643,625)	(2,602,681)
Developer contribution credits offset against contributions payable to Council	(6,471,122)	(7,838,154)
Balance at end of financial year	<u>10,176,755</u>	<u>19,057,866</u>

13 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost.

Where borrowing costs can be attributed to a specific capital project, the costs are capitalised as part of the qualifying asset during construction. Otherwise, borrowing costs are expensed as finance costs when they are incurred.

Costs that are not settled in the period in which they are incurred are included in payables.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

In accordance with the Local Government Regulation 2012 Council adopts an annual debt policy that sets out Council's planned borrowings for the current financial year and the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than 20 years. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

13 Borrowings (continued)

Unsecured borrowings

Unsecured borrowings are provided by the Queensland Treasury Corporation. All borrowings are in Australian dollars and carried at amortised cost. No assets have been pledged as security by Council for any liabilities, however all loans are guaranteed by the Queensland Government. Expected final repayment dates vary from 15 June 2023 to 15 April 2032.

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

A reconciliation of liabilities arising from finance activities can be found at note 21.

Working capital facility

A working capital facility (WCF) of \$60,000,000 has been established with the Queensland Treasury Corporation. As at 30 June 2022 there were no working capital drawdowns.

Details of borrowings at the reporting date are:

	2022	2021
	\$	\$
Current		
Queensland Treasury Corporation (QTC) Loan	26,189,686	23,406,648
Queensland Treasury Corporation (QTC) WCF	-	15,382,241
Economic Development Queensland (EDQ)**	281,250	281,250
	<u>26,470,936</u>	<u>39,070,139</u>
Non-Current		
Queensland Treasury Corporation (QTC)	155,416,664	151,651,321
Economic Development Queensland (EDQ)**	1,125,000	1,406,250
	<u>156,541,664</u>	<u>153,057,571</u>

The QTC loan market value at the reporting date was \$170,975,250. This represents the value of the debt if Council repaid it at this 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.

Refer to Note 24 (ii) for further information on market value.

**This is an interest free loan over 9 years obtained from Economic Development Queensland as part of the Priority Development Infrastructure Co-Investment Program. The funds were used to construct trunk sewerage infrastructure at Mount Peter and are unsecured. The funds were received in September 2018 with repayment to be made in 8 equal instalments over the loan period. There are 5 instalments remaining to be paid. The loan has been measured at amortised cost and not fair value. The benefit of the interest free terms has not been brought into account in these financial statements due to materiality.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

14 Revenue received in advance

Revenue received in advance represents consideration received in advance of the service being performed or in the case of capital grants and subsidies, in advance of the asset being constructed. It is recognised as revenue in the period when the service is performed or the asset is constructed. Additional information regarding advance payment of the State waste levy can be found at note 8.

	2022 \$	2021 \$
Current		
Capital grants	3,885,353	3,134,452
Other revenue received in advance	278,496	111,487
State waste levy	1,086,725	-
	<u>5,250,574</u>	<u>3,245,939</u>
Non-current		
State waste levy	2,763,268	-
	<u>2,763,268</u>	<u>-</u>

15 Commitments for expenditure

(a) Contractual commitments

Contractual commitments at the reporting date but not recognised in the financial statements are:

Contract for Regional Waste Management Facility:

Not later than 1 year	13,245,000	10,682,000
Later than 1 year but not later than 5 years	43,582,570	44,907,557
Later than 5 years	-	1,474,224
	<u>56,827,570</u>	<u>57,063,781</u>

Contract for Refuse Disposal:

Not later than 1 year	9,514,115	8,089,000
Later than 1 year but not later than 5 years	28,344,971	27,930,526
Later than 5 years	-	3,031,392
	<u>37,859,086</u>	<u>39,050,918</u>

Contract for Other commitments:

Not later than 1 year	22,970,060	23,063,880
Later than 1 year but not later than 5 years	14,342,093	22,934,237
Later than 5 years	985,858	2,022,229
	<u>38,298,011</u>	<u>48,020,346</u>

(b) Capital commitments

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

Capital assets	45,481,828	47,449,421
	<u>45,481,828</u>	<u>47,449,421</u>
Not later than 1 year	34,729,547	31,790,684
Later than 1 year but not later than 5 years	10,752,281	15,658,737
	<u>45,481,828</u>	<u>47,449,421</u>

16 Events after the reporting date

There were no material financial adjusting events after the reporting date.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

17 Contingent liabilities

(a) Contingent liabilities

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

	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
Various claims are pending against Council. In the opinion of Council's solicitor the potential loss on all claims as at 30 June 2022 should not exceed:	<u>165,000</u>	<u>552,674</u>

Additional claims may exist, however, these have not been quantified to date.

Cairns Regional Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there 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. Council's maximum exposure to the bank guarantee is:

24(a)(i)	<u>3,843,214</u>	<u>3,662,892</u>
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Cairns Regional Council is a member of the Local Government Mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at 30 June 2022, the financial statements of Local Government Mutual Queensland reported an accumulated surplus and it is not anticipated any liability will arise. As at 30 June 2021 the financial statements of Local Government Mutual Queensland reported a members' equity balance of \$79,618,265 (2020: \$74,664,079).

(b) Loan and bank guarantees

Loans and bank guarantees to community organisations	24(a)(i) <u>977,397</u>	<u>955,911</u>
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18 Superannuation

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

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

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

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

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

18 Superannuation (continued)

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. 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 LGIA super 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.

	2022	2021
Note	\$	\$
Superannuation contributions made to the Regional Defined Benefits Fund in this period for the benefit of employees was:	351,919	454,890
The amount of superannuation contributions paid by Cairns Regional Council to the superannuation scheme in this period for the benefit of employees was:	10,904,407	10,582,771
Cairns Regional Council also contributes to the superannuation scheme for the benefit of elected members. The amount of contributions paid for this benefit during the reporting period was:	134,306	140,618
Total superannuation contributions paid by Council:	5 <u>11,390,632</u>	<u>11,178,279</u>

19 Trust funds held for outside parties

Council performs only a custodial role in respect of these monies. As the monies cannot be used for Council purposes, they are not brought to account in these financial statements since Council has no control over these assets. Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies paid into the trust account by Council.

	2022	2021
	\$	\$
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	99,093	97,114
Security deposits	5,947,630	3,752,756
	<u>6,046,723</u>	<u>3,849,870</u>

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

20 Reconciliation of net result attributable to Council to net cash inflow from operating activities

	2022 \$	2021 \$
Net result attributable to Council	29,686,190	33,613,930
Non-cash operating items:		
Depreciation and amortisation	98,295,212	95,217,872
Investing and development activities (non-cash):		
Capital grants, subsidies and contributions	(61,186,179)	(53,917,387)
Capital expenses	38,988,223	22,809,808
	(22,197,956)	(31,107,579)
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	2,298,807	7,180,307
(Increase)/decrease in inventories	(216,765)	(92,288)
Increase/(decrease) in payables	6,982,144	4,587,029
Increase/(decrease) in provisions	1,097,582	532,249
Increase/(decrease) in revenue received in advance	4,017,002	(75,812)
	14,178,770	12,131,485
Net cash inflow from operating activities	119,962,216	109,855,708

21 Reconciliation of liabilities arising from finance activities

Short and Long Term Borrowings

As at 1 July 2021	192,127,710	166,970,259
Cash proceeds from borrowings	30,000,000	30,000,000
Cash repayments of borrowings	(23,732,869)	(20,224,790)
Cash proceeds from working capital facility	75,497,759	105,632,416
Cash repayments of working capital facility	(90,880,000)	(90,250,175)
As at 30 June 2022	183,012,600	192,127,710

22 Transactions with Related Parties

(a) Controlled Entities

The controlled entity of Council is Cairns Art Gallery Limited (the Gallery). Council has consolidated a 100% interest in the Gallery into these financial statements by virtue of its controlling interest. Under the constitution of the Gallery, control is able to be exercised by Council by determining the composition of the Board.

During the year, Council provided funding to the Gallery with a total value of \$1,233,105 (2021: \$1,154,541) under a three year funding agreement effective 1 July 2020 to 30 June 2023. These transactions are eliminated on consolidation. In addition, the premises occupied by the Gallery are provided to them by Council for a nominal annual amount and electricity costs of \$197,764 were paid by Council on behalf of the Gallery.

The Local Government Superannuation Scheme is also a related entity of Council. Details including contributions made during the year are disclosed in Note 18.

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

22 Transactions with Related Parties (continued)

(b) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and executive management. It also includes the KMP of Council's controlled entity. The compensation paid to KMP comprises:

	2022	2021
	\$	\$
Short-term employee benefits	4,211,201	4,486,264
Post-term benefits	404,095	455,147
Long-term benefits	39,636	33,289
Termination benefits	224,951	177,748
Total	4,879,883	5,152,448

Additional remuneration disclosures are provided in the annual report.

(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:

Employee expenses for close family members of KMP	769,953	1,387,335
Professional services	261,333	249,984
	<u>1,031,286</u>	<u>1,637,319</u>

Close family members of KMP were employed through an arm's length process in accordance with Council's recruitment policies. They are paid in accordance with the relevant award for the job they perform. The above figure includes all remuneration received by close family members of KMP.

During the year, two entities controlled by KMP provided professional services to Council. A further two entities controlled by close family members of KMP provided professional services to Council during the year. All transactions occurred through an arm's length process under normal terms and conditions. There were no other material transactions with other related parties during the year. All transactions with other related parties occurred at arm's length and under Council's normal terms and conditions.

(d) Outstanding balances

There were no material balances outstanding at the end of the reporting period in relation to transactions with related 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/from other related parties

Council has no outstanding commitments to/from 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 Cairns Region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates, fees and charges
- Dog registration
- Use of Council facilities such as swimming pools and car parking

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

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

23 Parent Entity

The following information relates to the parent entity, Cairns Regional Council. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	Parent	
	2022	2021
	\$	\$
Current assets	86,406,316	63,520,459
Non-current assets	4,297,491,172	4,172,550,131
Total assets	4,383,897,488	4,236,070,590
Current liabilities	109,618,029	129,852,153
Non-current liabilities	173,378,099	166,659,560
Total liabilities	282,996,128	296,511,713
Asset revaluation surplus	1,402,857,638	1,271,116,576
Retained surplus	2,698,043,725	2,668,442,301
Total equity	4,100,901,363	3,939,558,877
Net result	29,601,422	33,419,527
Other comprehensive income	131,741,065	50,532,448
Total comprehensive income for the year	161,342,487	83,951,975

24 Financial instruments and financial risk management

(a) Financial risk

Council is responsible for the establishment and oversight of a risk management framework, together with developing and monitoring risk management policies. Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk. Refer to note 1.6 for disclosure of COVID-19 impacts on Council.

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

Council does not enter into derivatives.

i) Credit risk

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

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

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

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

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

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

24 Financial instruments and financial risk management (continued)

i) Credit risk

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

	Note	2022 \$	2021 \$
Financial assets			
Cash and cash equivalents - bank	8	4,436,299	2,193,352
Cash and cash equivalents - on hand	8	12,330	12,024
Cash and cash equivalents - QTC	8	36,890,963	7,836,318
Receivables - rates		24,009,282	25,507,302
Receivables - other		4,159,572	4,829,959
Other credit exposures			
Local Government Workcare guarantee	17(a)	3,843,214	3,662,892
Loan and bank guarantees	17(b)	977,397	955,911
Total		74,329,057	44,997,758

Cash and cash equivalents

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

Other financial assets

Other investments are held with financial institutions, which are rated A-1+, A-2 and unrated, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

Trade and other receivables

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

When Council has no reasonable expectation of recovering an amount owed by a debtor, and has ceased enforcement activity, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss. Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. Council has identified 2 distinctive groupings of its receivables: Rates and Charges and Other Debtors.

Rates and 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 and therefore the expected credit loss is immaterial. Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property. This group includes statutory charges which, when unpaid, are treated in the same manner as rates debts.

Other Debtors: Council identifies other debtors as receivables which are not rates and charges. For these debtors, Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

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

Cairns Regional Council

Notes to the consolidated financial statements

For the year ended 30 June 2022

24 Financial instruments and financial risk management (continued)

i) Credit risk

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

	2022 \$	2021 \$
Receivables subject to impairment		
Fully performing	1,486,017	1,593,278
Past due		
31 to 60 days	301,336	473,535
61 to 90 days	129,319	255,448
Over 90 days	2,604,891	2,736,556
Total gross carrying amount	4,521,563	5,058,817
Less: loss allowance	(1,665,951)	(1,469,488)
	<u>2,855,612</u>	<u>3,589,329</u>
Receivables not subject to impairment		
Rates and charges	25,313,242	26,747,932
	<u>28,168,854</u>	<u>30,337,261</u>

ii) 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.

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

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 13. The following lines of credit were available at the end of the reporting period.

	2022 \$	2021 \$
QTC working capital facility - limit	60,000,000	120,000,000
Available at 30 June	60,000,000	104,617,759

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

Total contractual cash flows	0 to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
	\$	\$	\$	\$	\$
2022					
Trade and other payables	33,948,199	-	-	33,948,199	33,948,199
Loans - QTC	29,999,134	108,948,083	57,355,644	196,302,861	181,606,350
Loans - EDQ	281,250	1,125,000	-	1,406,250	1,406,250
	<u>64,228,583</u>	<u>110,073,083</u>	<u>57,355,644</u>	<u>231,657,310</u>	<u>216,960,799</u>
2021					
Trade and other payables	37,346,206	-	-	37,346,206	37,346,206
Loans - QTC	26,411,266	105,405,758	55,454,868	187,271,892	175,057,969
Loans - EDQ	281,250	1,125,000	281,250	1,687,500	1,687,500
WCF - QTC	15,382,241	-	-	15,382,241	15,382,241
	<u>79,420,963</u>	<u>106,530,758</u>	<u>55,736,118</u>	<u>241,687,839</u>	<u>229,473,916</u>

Notes to the consolidated financial statements

For the year ended 30 June 2022

24 Financial instruments and financial risk management (continued)

ii) Liquidity risk

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

iii) Market risk

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

Interest rate risk

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

Council's loan from Economic Development Queensland is interest free and not subject to interest rate risk.

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

(b) Fair value

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

The fair value of borrowings with QTC is based on the market value of the debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is discussed in Note 13.

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

Notes to the consolidated financial statements

For the year ended 30 June 2022

25 National Competition Policy

Significant Business Activities of Council are:

- Cairns Water which manages the water and wastewater activities.
- Cairns Resource Recovery which manages the solid waste activities.

Applying the Code of Competitive Conduct (CCC)

Applying the CCC requires the application of full cost pricing, identifying the cost of Community Service Obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

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

Below are the Activity Statements for the Significant Business Activities of which the Code of Competitive Conduct applies for the 2021/22 financial year, as required by Section 35 of the Local Government Regulation 2012.

2021/22 Activity Statements

Significant Business Activities	Cairns Water \$	Cairns Resource Recovery \$
Revenue		
Services provided to the Council	14,678,983	3,387,263
Services provided to external clients	153,100,133	41,982,267
Community Service Obligations (net of charges)	564,988	853,129
Revenue Total	168,344,103	46,222,659
Less: Expenditure		
Employee Costs	24,304,908	5,853,548
Materials and Services	41,365,074	29,051,937
Depreciation	40,082,066	1,883,628
Other Expenditure	22,844,218	3,162,267
Expenditure Total	128,596,266	39,951,381
Surplus/(Deficit) Before Dividend	39,747,837	6,271,278

2021/22 Community Service Obligations

Activities	CSO Description	Net Cost \$
Water	Service locations	2,319
	Fire Hydrants Maintenance	524,583
	Total	526,902
Wastewater	Service locations	38,086
	Total	38,086
Resource Recovery Services	Free dumping general waste	327,398
	Free dumping vegetation	480,715
	Schools Recycling	35,385
	In Kind Waste & Recycling Collections	9,631
	Total	853,129

Management Certificate

For the year ended 30 June 2022

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and Local Government 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 33 present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Bob Manning
Mayor

14 September 2022



Mica Martin
Chief Executive Officer

14 September 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Cairns Regional Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Cairns Regional Council (the Council) and its controlled entity (the Group).

In my opinion, the financial report:

- a) gives a true and fair view of the Council's and Group's financial position as at 30 June 2022, and of 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 consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in Cairns Regional Council's annual report for the year ended 30 June 2022 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 expressed a separate opinion on the current year financial sustainability statement.

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

- Conclude on the appropriateness of the Council's and the Group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Councils or the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the Group. I remain solely responsible for my audit opinion.

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

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



16 September 2022

D Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Cairns Regional Council

Current-year Financial Sustainability Statement For the year ended 30 June 2022

Measures of Financial Sustainability

	How the measure is calculated	Target	30 June 2022	
			Consolidated	Council
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	2%	2%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	Greater than 90%	71%	71%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items).	Not greater than 60%	57%	57%

Note 1 – Basis of Preparation

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

Certificate of Accuracy For the year ended 30 June 2022

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

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



Bob Manning
Mayor

14 September 2022



Mica Martin
Chief Executive Officer

14 September 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Cairns Regional Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Cairns Regional Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the 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 Cairns Regional Council for the year ended 30 June 2022 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

At the date of this auditor's report, the available other information in Cairns Regional Council's annual report for the year ended 30 June 2022 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 expressed a separate opinion on the general purpose financial report.

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

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

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

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

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

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

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

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

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

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



D Adams
as delegate of the Auditor-General

16 September 2022

Queensland Audit Office
Brisbane

Cairns Regional Council

Long-Term Financial Sustainability (Unaudited)

Prepared as at 30 June 2022

Measures of Financial Sustainability

	Measure	Target	Consolidated	Council	Projected for the years ended (Council)								
			Actuals at 30 June 2022		30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031
Operating surplus ratio	Net result divided by total operating revenue.	Between 0% and 10%	2%	2%	0%	2%	3%	3%	2%	2%	2%	2%	3%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	Greater than 90%	71%	71%	82%	90%	85%	86%	102%	78%	77%	73%	89%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue.	Not greater than 60%	57%	57%	61%	61%	79%	96%	91%	80%	70%	56%	51%

Cairns Regional Council's Financial Management Strategy

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have the above three sustainability indicators that have been set by the Department of State Development, Infrastructure, Local Government and Planning to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

The above ratios have been calculated using Council's most recently adopted budget review.

Certificate of Accuracy

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

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

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



Bob Manning
Mayor
14 September 2022



Mica Martin
Chief Executive Officer
14 September 2022