

Annual Report

2018-2019



About this report

Mackay Regional Council acknowledges the Yuwibara People, the traditional owners and custodians of the lands in our region, and we pay respect to the Elders past, present and emerging.

Welcome to Mackay Regional Council's Annual Report 2018-2019. It is a comprehensive summary of our performance from July 1, 2018, to June 30, 2019.

The Annual Report is guided by our Corporate Plan 2016-2021, which was revised and adopted by the current council just prior to the end of 2016-2017.

The Corporate Plan outlines key strategic issues or projects council will advocate for on behalf of the community. It provides a blueprint for our strategic direction and priorities heading towards 2021.

This Annual Report provides an overview of our effectiveness in delivering for the community against the backdrop of that Corporate Plan.

The report is a snapshot of our triumphs and achievements. It also addresses any setbacks we faced during the financial year, as well as future directions and opportunities.

The Annual Report 2018-2019 meets our statutory reporting requirements and informs all council stakeholders, including ratepayers, residents, businesses, community and interest groups, media, all levels of government, council staff and the wider general community.

The report is also part of our commitment to transparent performance reporting.

Feedback

Please direct any feedback or suggestions about this annual report to our Corporate Communications and Marketing program on 1300 MACKAY (622 529) or email council@mackay.qld.gov.au.

We want to hear from you.

Our vision

Prosperous, Sustainable and Vibrant

Our mission

To deliver the vision for the Mackay region in partnership with our community and to strive for excellence in planning, delivering and managing community services and facilities.

This report is printed on 100% recycled bond paper

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Our profile

Mackay Regional Council

Area: 7622km²

Five times the size of Brisbane City Council (1367km²), double the size of Townsville (3736km²) and larger than Cairns (4135km²) and the Sunshine Coast (2883km²) combined.



Population estimate:
116,539



Gross regional product (GRP)

\$8.623 billion

Spread across a diverse economic base featuring manufacturing, mining, construction, real estate, logistics and tourism.



Employment:

47,975 workers

Key employment sectors in the region:

- 5948 - Health care and social assistance
- 5454 - Retail trade
- 4038 - Education and training
- 3988 - Construction
- 3542 - Manufacturing

Total economic output of: \$16.477 billion



\$5.1 billion mining and manufacturing sectors supporting **6165 jobs**.



Tourism outputs of **\$527 million** and **3016 jobs**.



One-third of region's economic output produced by mining and manufacturing sectors.



World leader in resource technology and innovation.



Fast facts

In 2018-2019 council:



Managed a budget of \$323 million

Reduced borrowings by \$13 million



Managed a \$125 million capital works program

Delivered council's largest capital works project, the \$24 million Mackay ARC (Aquatic and Recreation Complex) on budget and on time



Commenced the Mackay Waterfront Priority Development Area with \$9 million revitalisation works under way at Queens Park



Played a significant role in the bid which secured the Qantas Pilot Training Academy for Mackay.



A word from our Mayor

Mayor **Greg Williamson**

Phone: (07) 4961 9455

Email: greg.williamson@mackay.qld.gov.au

Your council's focus through 2018-2019 has been centred around liveability and community pride.

The \$24 million Mackay ARC (Aquatic and Recreation Complex) at Boundary Road was opened in March 2019. It is the biggest capital works project undertaken by council and has provided world-class facilities for Mackay residents and visitors. The aquatic and athletics complex were jointly funded by the Australian Government and council on land donated by CQUniversity.

Our Mackay Waterfront Priority Development Area (PDA) was approved by the State Government in May 2019 as a transformative urban project, which will deliver liveability, investment and tourism benefits to our blue water city.

Queens Park is one of the five precincts within the PDA. It is the green heart linking the ocean front to the river via a future innovation hub. We are under way with the Queens Park revitalisation with the assistance of around \$9 million in funding from the State Government.

Our bid to secure the Qantas Pilot Training Academy for Mackay was successful, with the national carrier announcing Mackay as the second of the two academy sites. The fantastic community endorsement for this bid was cemented by 12 months of hard work by our CEO and our Executive Officer working with the Mackay Airport.

The Coral Sea Research Institute opened in Mackay in February 2019 and is rapidly becoming a leading facility in the quest to conquer irritable bowel diseases. This facility was a direct result of our involvement in the World Bio Convention in the USA, where the Deputy Mayor Amanda Camm and I joined the Queensland Premier's trade mission.

We delivered a Mountain Bike Strategy and endorsed a consultant's report on council building a world-class mountain bike trail to link Eungella and Finch Hatton. The long overdue Northern Beaches Community Hub became a future reality with a \$6.5 million grant from the Federal Government in May.

Plans were also finalised for construction to start on a Resource Centre of Excellence to add to our impressive credentials as a service provider to the resource sector.

A key part of our "liveability" strategy is the championing of events in our region.

The Sugar City Sounds concert at BB Print Stadium; Women's Big Bash Cricket; The Cowboys/Storm NRL trial game; Women's AFL Suns/Lions pre-season game; Transmoto 8 Hour at Gum Valley; Sarina Beach Coconut Festival; Dad's Day in the Valley - just to name a few - teamed up with the regulars like the Festival of Arts, Global Grooves and the Italian Street Festival, to deliver some fantastic events for our community and visitors alike.

Special mention goes to the 2019 Mayor's Charity Ball in May, where this wonderful community we live in raised \$121,000 for the Domestic Violence Resource Service to provide counselling services for Mackay kids impacted by domestic and family violence.

"The resolve of our community was tested by an unprecedented bushfire crisis in late 2018."

We're also proud of other work done by council in the domestic and family violence space through the Mayor's DV Taskforce, including a bin and book sticker campaign in May, which has seen almost 15,000 "Mackay draws the Line against DV" stickers out in the community.

The resolve of our community was tested by an unprecedented bushfire crisis in late 2018. Once again, the North Queensland spirit shone through, with Emergency Services, Rural Fire, council and members of the general public going above and beyond to deliver a resilient community-based response.

As with all natural disasters there were learnings, but as mayor and chair of the Local Disaster Management Group I couldn't be more proud of the way our community came together to get us through the crisis.

On behalf of the elected members I am proud to present this 2018-2019 annual report.

It is indeed a tribute to the hard work and professionalism of our CEO, directors, management team and the entire staff who contribute daily to deliver the services that make the Mackay region the best place to live in Australia.

Mayor Greg Williamson has an undeniable enthusiasm for the region he's always called home. Whether it be inspiring local sporting teams at their season launch or telling anyone who will listen that Mackay is the best place in the world to live, he speaks with unbridled passion when it comes to Mackay.

A fifth generation local, Cr Williamson returned to the mayoralty at the start of the current council term in 2016, having previously been mayor of the then Mackay City Council from 1991 to 1994 prior to amalgamation with the former Pioneer Shire Council. Since his last stint in the top job, he gained vast management experience in large businesses and brought that skillset back to the role.

Cr Williamson has a long history of service to the community, ranging from Rotary to the then Small Business Association and Mackay Tourism and more than 35 years of service with the Australian Air Force Cadets.



A word from our CEO

CEO **Craig Doyle**

Phone: (07) 4961 9458

Email: craig.doyle@mackay.qld.gov.au

There are plenty of achievements and highlights councillors, management and staff can be proud of during an extremely busy 2018-2019.

We delivered council's largest capital works project - the \$24 million Mackay ARC (Aquatic and Recreation Complex) - on budget and on time. It was a crowning achievement for our new Capital Works directorate which achieved a completion rate of more than 94 per cent of a massive program of more than \$125 million in its first full year of operation.

However, what I'm most proud of in 2018-2019 is our safety record. We recorded three lost time injuries (LTIs) during the 12 months. That is three too many but was a significant improvement on 2017-2018.

Our lost time injury frequency rate is at a historic low and significantly lower than the average of all councils of a similar size. Management and staff can be commended on the way they've embraced the safety culture at council as we strive for zero harm.

A massive amount of work was undertaken this financial year, ranging from initiatives to enhance liveability for our region to business improvement practices. Our talented staff are always in pursuit of new and innovative ways to do things better and make the organisation more efficient.

The installation of solar at 21 council facilities was undertaken. This project is tipped to save our ratepayers about \$17 million in electricity costs over the next 20 years.

We also achieved a lot in the areas of asset management strategies, people and culture initiatives and government frameworks, which will hold the organisation in good stead. Such work didn't go unnoticed, with council taking out the LGMA Queensland award for Workplace Wellbeing in May.

A massive amount of work was also undertaken in a bid to entice Qantas to our region. That tireless effort paid off just after the end of the financial year when we were announced as the second preferred site for a Pilot Training Academy.

Planning for key future projects, such as the Mackay Waterfront Priority Development Area, Pioneer Valley mountain biking, a Resource Centre of Excellence and Northern Beaches Community Hub, also progressed well during the year.

We completed major beach restoration works needed at Midge Point and Lamberts Beach following Cyclone Debbie two years earlier. The work repaired damage and made these shorelines more resilient when it comes to future extreme weather events.

Throw in an unprecedented bushfire crisis in November and it is easy to understand why staff can be proud of what they achieved for the organisation and our community during an extremely busy 12 months.

Financial management remains of a high standard, with a deficit of around \$500,000 an outstanding result given the changes and challenges of the year.

All these results are a testament to the positive collaboration between our councillors and the organisation. We're all proud of what we've achieved together for our community.

This annual report is an excellent snapshot of those achievements.

"Our lost time injury frequency rate is at a historic low and significantly lower than the average of all councils of a similar size."



Our councillors

- Cr Justin Englert
- Cr Laurence Bonaventura
- Cr Ross Walker
- Cr Kevin Casey
- Deputy Mayor Amanda Camm
- Mayor Greg Williamson
- Cr Fran Mann
- Cr Karen May
- Cr Ayril Paton
- Cr Ross Gee
- Cr Martin Bella

Councillor profiles



Deputy Mayor **Amanda Camm**

Phone: 0438 377 125 | **Email:** amanda.camm@mackay.qld.gov.au | **Locality area:** City

Deputy Mayor Amanda Camm has been a strong advocate for regional economic development. She was chair of the Economic Development and Planning Committee before council moved to twice-monthly ordinary meetings in February 2018. Since then economic development, planning and partnerships have remained among her key areas of interest. She is a voting rights member of council's Mackay Waterfront Priority Development Area advisory committee. Cr Camm chairs council's Sustainability and Natural Environment Advisory Committee and is deputy chair of the Local Disaster Management Group. Prior to joining council, Cr Camm had a strong background in economic development and professional experience as an executive in roles across many not-for-profit and community organisations, including Mackay Whitsunday Regional Economic Development Committee, Mackay Regional Council and the Local Government Association of Queensland. Throughout her career, she has worked for a diverse range of industries, including travel and tourism, business development workforce solutions for the mining and engineering sector, and corporate and community philanthropic partnerships across Central Queensland. As a former primary producer, she is also committed to promoting opportunities for agriculture in our region.



Cr **Martin Bella**

Phone: 0419 793 479 | **Email:** martin.bella@mackay.qld.gov.au | **Locality area:** Southern Region

Cr Martin Bella has earned a reputation at council for being a straight-talking and strong voice for rural landholders. As one of two locality councillors representing southern parts of our region, such as Sarina, Sarina Range and Koumala, he's a strong advocate for issues facing residents in these areas. After being heavily involved in the recovery in the southern region post Cyclone Debbie in 2017 he again helped lead residents in those areas during an unprecedented bushfire crisis in November 2018 and during the subsequent recovery. A former Queensland State of Origin and Australian representative in rugby league, he's tackled his first term as councillor with plenty of passion. His expertise in sugar and beef provides council with a good insight into these industries. Water is an area of interest for Cr Bella and he's a member of council's Water and Waste and Transport and Drainage advisory boards. He's also a member of council's Rates Payment Review Tribunal. Cr Bella's career has included a vast range of roles, such as cane farming, grazier, mining, retail agricultural sales, construction and maintenance, sales, hospitality and transport and freight. He is a physiotherapist and has owned and operated his own practice in Anzac Street, Sarina.



Cr Laurence Bonaventura

Phone: 0427 638 673 | **Email:** laurence.bonaventura@mackay.qld.gov.au
Locality area: North Coast and Beaches

Cr Laurence Bonaventura, who is serving his second term on council, has plenty of experience and knowledge when it comes to our waste facilities and initiatives. During his first term, he held the Waste, Health and Regulatory Services portfolio. Waste, including facilities, projects and initiatives like dump vouchers, is also his area of interest on the current council. He's a member of council's Water and Waste advisory board. He's also a member of council's Traffic and Regulated Parking advisory committee and is council's representative on the Rural Safety Working Group. Cr Bonaventura's rural experience is wide ranging. Raised at Habana and still a resident there today, his entire working life before local government had been in sugar cane farming, earthmoving and construction. That made him a good choice to be a go-to representative for North Coast and Beaches residents. Cr Bonaventura also has an extensive history of involvement in the community, ranging from Habana and District Progress Association to St Vincent de Paul. He has a passion for bringing people together and rallying behind worthy causes.



Cr Kevin Casey

Phone: 0417 168 730 | **Email:** kevin.casey@mackay.qld.gov.au | **Locality area:** City

Cr Kevin Casey, serving his fourth term on council, has an abundance of local government experience, including extensive knowledge when it comes to infrastructure projects. First elected to the then Mackay City Council in 2004, he was deputy mayor of the previous council and responsible for the Roads and Drainage portfolio. Roads, drainage, bikeways and pathways remain his area of interest on the current council. He's a member of council's Transport and Drainage and Water and Waste advisory boards. He's also a member of council's Traffic and Regulated Parking advisory committee and a council representative on the Whitsunday Regional Roads Group and the Roads Accident Action Group. Cr Casey chairs council's Sports Expo and Sign-on Day working group and is also a member of the Sport and Recreation advisory committee, as well as representing council on the North Queensland Sports Foundation. The fourth-generation Mackay local has community roles ranging from patron and life member of Mackay Hockey and Mackay Surf Live Saving Club to member of Rotary. He also represents council on the St Vincent De Paul Housing Committee and is a member of the Mackay Local Disaster Management Group.



Cr Justin Englert

Phone: 0439 611 580 | **Email:** justin.englert@mackay.qld.gov.au | **Locality area:** Northern Suburbs

Cr Justin Englert has a passion for the regional economy, including through key roles relating to areas ranging from the City Centre to tourism. He's a council representative on the City Safe group and on the Mackay Tourism board. He's also a member of council's Regional Arts Development Fund, Visual Arts and Character and Heritage advisory committees. Cr Englert, a keen mountain biker, is part of council's Sports and Recreation Advisory Committee and the Sports Expo and Sign-on Day working group. Before becoming a councillor, he had a thorough understanding of the workings of council, having previously been local controller for the State Emergency Service (SES). That experience is valuable in his position on the Mackay Local Disaster Management Group. He's also completing an Advanced Diploma of Public Safety (Emergency Management). Cr Englert holds three trade qualifications, including industrial protective coatings, avionics fitter with the Royal Australian Air Force and electrician. Much of his community involvement has been through the SES as a volunteer trainer and responder, co-founder and facilitator of the PCYC Emergency Service Cadets in Mackay and co-founder of the SES Association of Queensland.

Councillor profiles



Cr Ross Gee

Phone: 0438 549 002 | **Email:** ross.gee@mackay.qld.gov.au

Locality area: North Coast and Beaches

Cr Ross Gee has been a strong advocate for an active community during his first term on council. Prior to joining council his community involvement ranged from founding club captain of Eimeo Surf Life Saving Club and junior soccer, netball and league coach to the founder of Facebook Group FINS (fun in natural sun). He's brought that passion and zest for an active lifestyle to council. Cr Gee was heavily involved in work to develop a Mackay Fishing Strategy and also drove plans for two new skate park facilities for the region. He helped council secure \$1 million in State Government funding for a new youth hub being developed at Camilleri Street, Blacks Beach, and convinced council to have a closer look at the possibility of a wave pool for the region. Cr Gee is a member of council's Sports Expo and Sign-on Day working group. He's also a member of the Regional Arts Development Fund and Community Grants advisory committees, the Mayor's DV Taskforce and the Mackay Waterfront Priority Development Area advisory committee. Outside of council, he's also responsible for the Change the Game initiative between the Mackay Cutters and the Mackay Regional Suicide Prevention Network, driving this community initiative to "Tackle Mental Health Head On". Cr Gee is an award-winning builder with more than 20 years' experience and brings to council the skills of running a successful business.



Cr Fran Mann

Phone: 0418 819 680 | **Email:** cr.fran.mann@mackay.qld.gov.au | **Locality area:** Northern Suburbs

Cr Fran Mann, a first-term councillor, has a passion for the region's heritage and history, and is chair of the Character and Heritage advisory committee, as well as a council representative on the Combined Museums committee. Her areas of interest on council embrace lifelong learning, including our libraries, museums and Artspace Mackay. She is the chair of both the Regional Arts Development Fund advisory committee and the Community Grants Committee, and is a member of the Sarina Field of Dreams advisory committee. Cr Mann has a strong understanding of council operations as she worked in the finance program for more than nine years prior to being elected as a councillor. As a long-term resident, Cr Mann attended primary and secondary schools in the Pioneer Valley and is a passionate advocate for all parts of our region. Prior to joining council as an employee, she had experience in a diverse range of industries and held roles in retail and real estate. She actively participates with many groups, including Zonta International, Friends of Morag McNichol Reserve, Slade Point Neighbourhood Watch Group and Mackay Regional Housing Company.



Cr Karen May

Phone: 0419 669 134 | **Email:** karen.may@mackay.qld.gov.au | **Locality area:** Southern Region

Cr Karen May's vast local government experience, totalling 15 years, has been an asset during the current term of council. She was a councillor, deputy mayor and mayor of the former Sarina Shire Council. Cr May is a member of council's Character and Heritage, Community Grants, Regional Arts Development Fund, Sarina Field of Dreams and Sustainability and Environment Advisory committees. She also has extensive knowledge when it comes to infrastructure and is a member on the Transport and Drainage and Water and Waste Advisory boards. Her areas of interest in council include recycling, natural environment, sustainability and beach protection. She is a member of the Sarina Landcare Group. Cr May is also chair of the Sarina and District Community Financial Services Ltd (Sarina Community Bendigo Bank), chair of the Connect Housing Group, vice chair of Sarina Landcare and Catchment Management Association, president of the Regional Social Development Coalition and a council representative on the North Queensland Bulk Points Community Group for Hay Point. She is a strong advocate for issues in our southern region and played a key role in bushfire recovery.



Cr Ayril Paton

Phone: 0409 593 806 | **Email:** ayril.paton@mackay.qld.gov.au | **Locality area:** Western Region

Cr Ayril Paton has brought a strong interest in rates, finance, policies and governance to his first term of council. He's a member of council's Audit committee, the Transport and Drainage and Waste and Water advisory boards and is a council delegate for the Local Authority Waste Management advisory committee. But his time on council isn't all about numbers and trunk infrastructure. His areas of interest also include parks, playgrounds and the Mackay Regional Botanic Gardens. He's chair of the Sports and Recreation advisory committee and a member of the Sports Expo and Sign-on Day working group. He also sits on the BMA Local Buy Foundation and Invest Mackay Events Attraction Program assessment committees, advocating for community and economic benefit for our region. Outside of council, Cr Paton also has many years of community service and is passionate about the health and wellbeing of our community youth, being the committee chair of the YIRS One Stop Youth Shop and committee member of the Sarina Community Skills Centre and the Regional Social Development Coalition. Having a rural background, being based at Munbura and the family farm at Racecourse, made him an ideal choice by council to represent the Western Region locality. Cr Paton is an advocate for a whole-of-region approach to ensure all residents are represented in the Mackay Regional Council area.

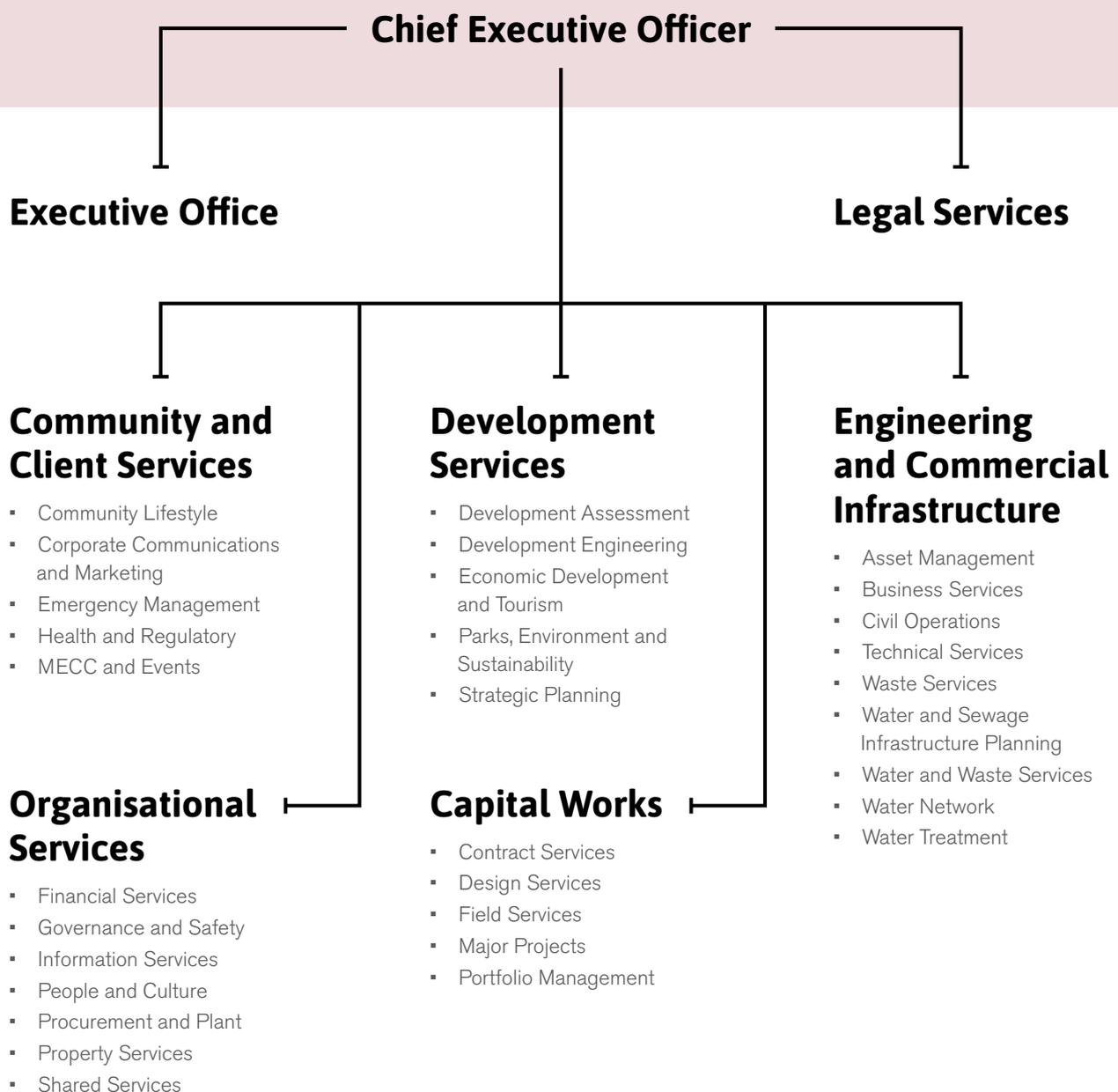


Cr Ross Walker

Phone: 0429 615 711 | **Email:** ross.walker@mackay.qld.gov.au | **Locality area:** Western Region

Cr Ross Walker's areas of interest for the current council include finance, safety and governance. As a third-term councillor, he can call on his vast local government experience when dealing with those issues and in his positions on the Transport and Drainage and Water and Waste advisory committees, as well as the Mackay Events Attraction Program assessment committee. First elected at a by-election in 2010, Cr Walker was re-elected in 2012 and again in 2016. In his first two terms, he was responsible for the Parks, Environment and Sustainability portfolio and then the Finance, Asset Management and IT portfolio. A cane farmer for 35 years, Cr Walker was chairman of the Australian Cane Farmers Association and chairman of a diverse retail company before joining council. That rural experience made him an obvious choice by council to represent the Western Region locality. Cr Walker has been a dedicated member of Mackay West Rotary Club for more than 30 years and in 2003 was honoured with a Paul Harris Fellow award from Rotary for exceptional service to the sugar industry.

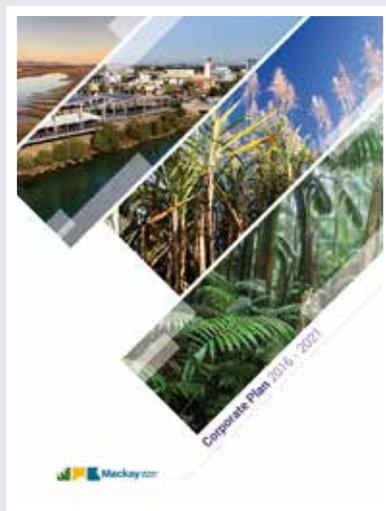
Our corporate structure





Our Executive Team: David McKendry, Kylie Lamb, James Carless, Aletta Nugent, Craig Doyle, Bridget Mather and Jason Devitt.

Corporate plan



Our Corporate Plan 2016-2021 outlines a shared vision and covers eight priority areas, including:

- Economy
- Community pride
- Regional identity
- Health and wellbeing
- Environment
- Infrastructure
- Lifelong learning
- Organisational performance

The eight priority areas of the Corporate Plan and council's two business units - Water and Waste Services - are the basis for reporting in this Annual Report.

Economy

Fast facts

In 2018-2019 council:



Provided funding support to 38 events and conferences through our Invest Mackay Events and Conference Attraction Program, injected about \$27 million into the local economy



Consecutive growth in visitors to the region



Approved concessions for 15 developments through our Facilitating Development in the Mackay Region Policy



These 15 approvals have a combined estimated economic output of \$166.24 million and are estimated to create 371 construction jobs



Met with developers and consultants regularly to discuss upcoming and ongoing projects.



Approved 141 new lots



Received 367 development applications



Handled 1363 duty planner enquiries



Valued Mackay's building applications at \$239,526,114, including \$178,677,355 in residential applications

Highlights



New centre to drive mining jobs training and research

Plans were finalised for construction to start on a Resources Centre of Excellence to add to our impressive credentials as a service provider to the resource sector. A simulated underground coal mine providing close to real conditions for industry training and research purposes will be one of the key features of the \$3.6 million centre funded by the Queensland Government. The new start-of-the-art facility will be a valuable resource for the sector. The centre will be delivered by council in partnership with the Resource Industry Network, with operational involvement from tertiary education providers.

"The resources sector is an important industry, paying more than \$1 billion in wages to more than 8600 full-time employees in the Greater Mackay region."

- Mayor Greg Williamson

Invest Mackay continues to deliver

Our Invest Mackay Events and Conference Attraction Program continues to go from strength to strength, with another \$1 million budgeted for the funding initiative in 2018-2019. That investment helped attract 38 events and conferences for the region, injecting about \$27 million into the economy. Major events and conferences supported by the program and staged or secured in 2018-2019 included:

- NRL trial match - Cowboys vs Storm
- AFL JLT Community Series game - Gold Coast Suns vs Western Bulldogs
- AFL Women's Winter Series - Gold Coast Suns vs Brisbane Lions
- River Sessions festival
- Field Engineers Mackay and District Mountain Bike Club Mackay Cup
- Variety Bash start region
- Beach Motorcycle Races at Grasstree Beach
- ABC's Q&A program
- Queensland Public Library Association Conference (to be staged in September 2019)
- Etnies Rumble on the Reef skateboarding championships (to be staged in September 2019)
- BMX QLD State Championships (to be staged in September 2019)
- Cricket Australia U17 Male National Championships (to be staged in October 2019)
- Brisbane Heat Rebel Women's Big Bash League (to be staged in November 2019)
- Rotary Emerging Convention (to be staged in May 2020)



Mackay skies get the nod from Qantas

Mackay was chosen by Qantas as its preferred location for its second Qantas Group Pilot Academy site. This is a significant investment in the Mackay region and its economy by an iconic Australian brand in Qantas. Mackay joins Toowoomba on Queensland's Darling Downs as one of two campuses for Qantas. Mackay was selected due to a high proportion of clear weather days per year, access to uncongested airspace, access to support infrastructure and ability to attract students and trainers to live in the area.

Facilitating Development policy amended

Council's successful Facilitating Development in the Mackay Region Policy was amended in November 2018 to ensure it remained the best possible tool for stimulating investment. The amendments and extension for another 12 months meant Mackay continued to have one of the strongest development-attraction policies of any council in Australia and facilitated development that will deliver economic development and growth outcomes for the region.

"Council has taken the decision to extend the policy for another 12 months, which will continue to help stimulate development in our region."

- Deputy Mayor Amanda Camm

Economic development conference held in our backyard

A national economic development conference, SEGRA 2018, was held in Mackay in October. More than 200 delegates attended, with the conference offering guest speakers, including leading futurists, panels, a tour of the city and a Big Ideas to Best Ideas event.

Planning Scheme amended to improve house and shed rules

The Mackay Region Planning Scheme was amended to simplify and streamline house and shed requirements. This includes changes to property boundary setbacks for houses, changes to building height for sheds and reducing the need for a planning application in specific zones. The amendment ensures the planning scheme is in line with planning and related building legislation to be more workable for house and shed developments.

Fishing Strategy enters second year

The strategy guided the delivery of the Hooked on Mackay marketing campaign, which was implemented across Australia, and the delivery of the Voluntary Code of Conduct, which supports sustainable fishing practices in the Mackay Net Free Zone.

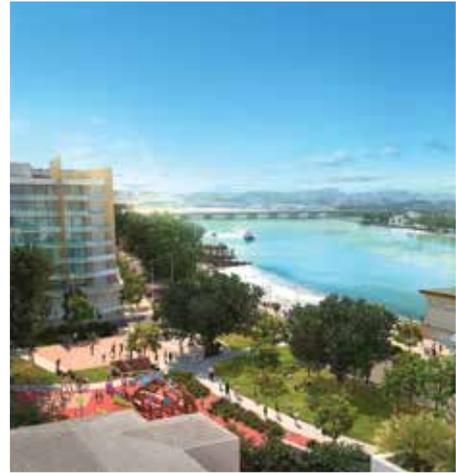
The voluntary code of practice for recreational fishers' key values are:

Value one – maintaining healthy fish stocks through sustainable harvest behaviours

Value two – proper care and handling of all fish being released to maximise survival rates

Value three – zero tolerance for illegal fishing activities

Value four – care and respect of our environment.



Mackay Waterfront Priority Development Area

The Mackay Waterfront Priority Development Area (PDA) project has substantially progressed, with the adoption of the Development Scheme for the PDA on May 24, 2019, and preparation of a masterplan for the PDA, which was scheduled to be released in the first quarter of the 2019-2020. The PDA Advisory Committee was also established this financial year and is proving to be extremely valuable in contributing external expertise and knowledge to the project.

Revitalisation works of \$9 million began in Queens Park (PDA – Precinct 4) to improve the amenity and facilities. Queens Park, located along East Gordon, Goldsmith and Shakespeare streets, provides a diverse urban parkland for our region and enables a link between our City Centre and coastline. Some of the key features and facilities included as part of the revitalisation works include:

- renovating the existing cricket change rooms to cater for multipurpose community uses
- addition of public toilets near the new adventure playground
- improved car parking facilities for the park
- protection and enhancement of the historical Arboretum and Palmetum
- pedestrian and bike way connectivity
- lighting to improve public safety
- yarning circle and cultural heritage design elements
- a dog park, additional picnic shelters, barbecues and bench seating.

Employee Profile



Terrina Mansfield,
Roads and Drainage labourer

Terrina has been employed with council for more than eight years. Her role is assisting with all central area minor works, including concreting, stormwater, footpath repairs and emergency type responses.

*"I love working at council.
I enjoy doing the outdoor work,
as well as working as a team
and delivering good outcomes
for residents."*



Suns destination marketing deal inked

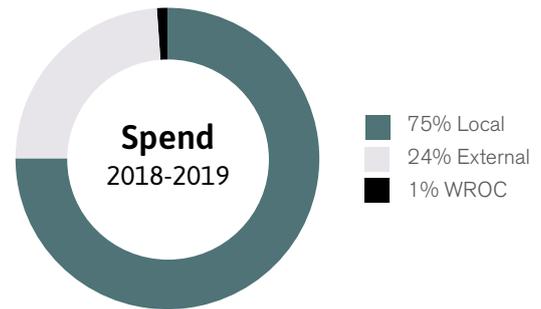
Council signed a landmark sports-tourism destination partnership deal with the Gold Coast Suns AFL Women's team in 2018. The four-year deal sees the Mackay region promoted across the AFL and at Gold Coast Suns home games from 2019 to 2022. Under the deal, Mackay Waterfront branding was positioned on the back of the SUNS Women's Winter Series playing guernsey in 2019 and on the shorts of the inaugural SUNS AFLW team from 2020 to 2022. The SUNS AFLW team also played a Winter Series game in Mackay in 2019 and will play a competition match in 2020 at Harrup Park.

"Sport inspires people and we see this partnership as a way to heighten awareness of our region to inspire people to visit, invest or relocate to our region."

- Mayor Greg Williamson

Local spend remains steady

Area	2017-2018	FYTD	2018-2019	FYTD
Local spend (Mackay region)	\$172,717,150	89%	\$155,826,695	75%
Regional spend (WROC area)	\$826,197	1%	\$634,059	1%
External spend	\$19,551,940	10%	\$49,499,422	24%



Mackay Laneways Project

The Mackay Laneways Project was established to extend the work funded by Activate My Place (AMP) in Fifth Lane. The project involved working with local businesses, property owners and council departments to improve the condition of the laneway and carry out some necessary maintenance. The artists' work has continued to evolve and expand, with local wildlife emerging along the laneway walls. As part of the project, council staged two weeks of junior artists' workshops during the Easter school holidays. A total of 130 children aged six to 16 worked with artists from Fifth Lane and their designs have been incorporated into the laneway's final artwork. The artwork was due to be finalised in the first quarter of the 2019-2020 financial year.

Year of the Pig

Chinese Dragon and Lion performers entertained diners in the Mackay City Centre to celebrate the Year of the Pig. The Mackay Chinese community also hosted their own New Year celebration with a special invitation-only event at the Jubilee Community Centre. The special event allowed the Chinese community to come together in their own way and celebrate this very special day in their calendar.

"The Mackay City Centre will become a mini China Town, with participating restaurants offering diners traditional New Year dishes, as well as some more modern Asian plates."

- Cr Justin Englert

Community pride, regional identity

Fast facts

In 2018-2019 council:



Committed to becoming a signature mountain biking destination



Donated \$121,000 to Mackay kids impacted by domestic and family violence thanks to the Mayor's Charity Ball



Celebrated 31 years of the Mackay Festival of Arts and the MECC (formerly Mackay Entertainment Centre)



Attracted a record of 50,549 attendees to Festival of Arts events



Had more than 30,000 people visit Artspace Mackay



Received 137 nominations for eight awards presented at an Australia Day Eve sit-down dinner attended by more than 400 guests

Funded 10 community events for Australia Day

Welcomed 235 new Australian citizens at five ceremonies

Highlights



Three huge Australian acts come to town

Crowds flocked to BB Print Stadium Mackay for Sugar City Sounds. There were about 5000 in attendance to watch The Living End, Birds of Tokyo and Pete Murray perform live on stage. The event was proudly presented by Q Live in association with council and the MECC.

Community support strong for Anzac Day

A total of 25 services were held around the region as part of the 2019 Anzac Day commemorations. Despite overcast weather and rain across the region, crowd numbers remained strong. In Mackay, about 3500 attended the dawn service and more than 4500 attended the main service, in addition to the 5450 students who participated in the march.



Mountain biking on track for big things

The potential to become a signature mountain biking destination has been highlighted in a strategy prepared for council. The estimated direct economic benefit from such a surge in visitation was more than \$6 million for the region's economy.

Our natural environment and developing tourism market offer great possibilities for development of the Pioneer Valley as a signature mountain biking destination. There is tremendous potential to develop a mountain biking market underpinned by a unique and internationally significant mountain bike trail network connecting Eungella and Finch Hatton.

The key advantages of the Eungella-Finch Hatton opportunity include the:

- stunning natural environment
- excellent elevation
- substantial trail land availability
- ability to provide for all mountain biking disciplines and levels
- potential diversity of complementary activities
- proximity to a major regional city and airport.

Council adopted the Mackay Region Mountain Bike Strategy in February with engineering, detail design and costing analysis under way.

Commitment to reconciliation

Council acknowledges the values, history and culture of our Aboriginal and Torres Strait Islander people. In 2014, council was one of the first Queensland local governments to develop a RAP and with the guidance and support of Reconciliation Australia, a second RAP was endorsed in May 2019. The RAP endorsed this financial year will govern council's reconciliation journey through to 2022.



Festival program attracts huge numbers

The 2018 Festival of Arts delivered a nine-day program that included 33 events offered throughout the Mackay region. All up, the festival attracted a record 50,549 attendees, including 1010 visitors from outside the region. There were 614 local performers, 61 interstate performers and four international performers. The program also included 62 food vendors and market stalls, 16 local contractors, nine schools, five local dance and music schools and two not-for-profit groups.

Swag of Aussie Day events

Ten events in the Mackay region were awarded monetary support to deliver a swag of activities on Australia Day. Not-for-profit groups were able to apply for support towards their Australia Day celebrations, with funding from \$500 to \$1000 available for each event. The events, held at various times and at 10 different locations across the region, included:

- Eimeo Surf Life Saving Club - Australia Day at the Beach
- Habana and Districts Progress Association - Australia Day Beach Party Habana Style
- Lifeline Mackay - Australia Day at the Beach with fishing competition
- Mackay and District Australian South Sea Islander Association - Aussie Family BBQ
- Mackay Surf Life Saving Club - Aussie Day at the Beach
- Pioneer Valley Tourism and Development Association - Pioneer Valley Australia Day 2019 Awards and Celebrations
- Sarina Surf Lifesaving Club - Australia Day at Sarina Beach
- Shed Happens G'day Mate Inc Mackay - Pancakes and Play in the park
- Slade Point Neighbourhood Water Community Group - Sladie's Australia Day Beach BBQ
- The Scout Association of Australia Qld Branch (Banksia Scout Group) - Australia Day Open Day

"There's some ripper Australia Day events lined up for the Mackay region from Sarina to the City Centre, north to Habana and west to Finch Hatton."

- Mayor Greg Williamson

Queens Park got groovy thanks to cultural event

Held in October in Queens Park, Global Grooves featured 17 different cultural groups participating through performance, parade or food stalls. The 2018 event attracted 7500 attendees, a significant increase on the previous year, and featured 28 food vendors showcasing a diverse range of cuisines from around the globe.

An important reminder of service and sacrifice

In October, we welcomed a temporary public art installation comprising of thousands of poppies made from all over Queensland which were housed in acrylic letters that spelt the word 'REMEMBER'. Standing over three metres high and 16 metres long, the Armistice Centenary artwork was a powerful reminder of the importance to remember the service and sacrifice of our servicemen and women.

A significant role in fostering artistic practice

The Mackay Regional Council Public Art Strategy 2018-2023 was adopted. The strategy provides principles, goals and objectives to guide the development, implementation and maintenance of public art in Mackay. Public art and artists make a valuable contribution to the built and natural environment by celebrating, marking and revealing aspects of a community, its history, its character and its aspirations. We recognise a strong sense of place, identity and community makes a region attractive to live in, work in and visit.



Awards honour tireless volunteers

Meecham Philpott, best known as the booming voice behind a microphone, either on radio or at sporting and community events, was named our 2019 Citizen of the Year. The larger-than-life character also quietly goes about volunteer work, including reading books to "the boys", a group of nursing home residents, once a week. He was joined by Young Citizen of the Year, Taleiyah Minniecon and Lori Burgess Community Volunteer Award winner Judy Johnson as Mackay's major Australia Day Award winners for 2019. Other award winners included:

- Lynette Keir, Environmental Achievement Award
- Dominic McCarthy, Art and Culture Award
- Grapevine Group Association Inc, Community Group Award
- Trent Dyson, Senior Sports Award
- Shameus Edwards and Keeley Walker, Junior Sports Award

"With nearly 140 nominations across all categories, the judges had a tough job."

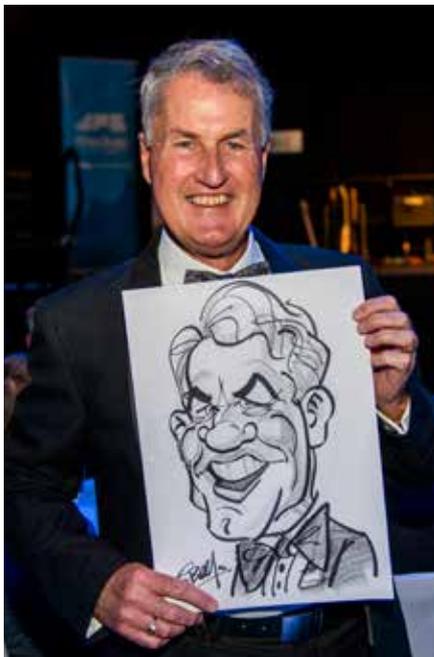
- Mayor Greg Williamson



Artspace Mackay's most complex exhibition ever

More than 1000 Mackay residents, young and old, contributed to a soaring cardboard city which took root in Artspace Mackay. The cardboard installation spanned the entire length of the FIELD Engineers Gallery. Residents and children had the opportunity to build structures at Mackay Central State School, Mackay West State School, St Patrick's Secondary College, George Street Neighbourhood Centre, Dudley Denny City Library and at Artspace during the Easter school holidays.

Pride in our Region



Mayor's Charity Ball breaks records

The 2019 Mayor's Charity Ball broke all records and helped raise \$121,000 to make a real difference to the lives of Mackay kids impacted by domestic and family violence. The event, held in May, attracted record corporate sponsorship of \$50,000 and a record attendance of 338.

Sunrise Rotary Club of Mackay, which has staged the event for the past 15 years, donated \$71,000 in funding to the Domestic Violence Resource Service. Combined with \$50,000 donated by the Mackay Foundation on the night of the ball, that meant the local service had \$121,000 to provide extra counselling for Mackay kids in need.

Platinum sponsors of the 2019 event included DGH Engineering, which has supported the ball for a decade, Fergus Builders and Dalrymple Bay Coal Terminal. Other sponsors include Pointglen (gold), Almann Partners, DBCT Management, North Queensland Bulk Ports, Envision Plastering Constructions Pty Ltd, Adani and Workpac (bronze), and club sponsors Uniform Solutions and Inspire Accounting and Business Services. Media partners were Channel 7, Triple M 98.7, Daily Mercury and Tropical Exposure. In-kind support was provided by Sunrise Rotary, council, the MECC, Snap Printing and In the Booth.

Councillors out and about

Councillors and senior management travelled to all parts of our regional footprint in 2018-2019 as part of the Council in Community initiative. A total of 10 Council in Community days were held throughout the year, with public community catch-ups scheduled each time.

Month	Area
July 2018	Northern Suburbs
August 2018	North Coast and Beaches
September 2018	Mackay City
October 2018	Western Region
November 2018	Southern Region
February 2019	Northern Suburbs
March 2019	North Coast and Beaches
April 2019	Mackay City
May 2019	Western Region
June 2019	Southern Region

"These informal catch-ups have allowed residents to meet with councillors in a relaxed setting to discuss issues that matter to them."

- Cr Ross Walker

Popular television program visits Mackay

Channel Seven's breakfast program, Sunrise, visited Mackay as part of their A to Z tour of Australia. In what was described as one of the show's biggest social media polls, Mackay edged out Maryborough to lure Sam Mac and the crew to our region. Hundreds of residents turned out to show their #mackaypride and welcome the television weather host and crew to the Bluewater Quay.



Water tower goes from drab to fab

Slade Point community's iconic water tower was transformed thanks to a public mural artwork project. Artists Scott Nagy and Cara Sanders were commissioned to paint the 18-metre-tall tower with artwork that reflects the natural environment of the area. This project was supported through the Activate My Place Grants and Regional Arts Development Fund. The initiative, driven by the Slade Point Neighbourhood Watch Community Group, also received support from North Queensland Bulk Ports Corporation and Dulux Australia.

Chilled display at Mackay Show

Our display at the 2019 Mackay Show was a show-stopper. The #mackaypride themed display featured a 'find yourself in a park' centrepiece with helpful information on hand about camping, recreation and relaxation in local parks. The impressive mobile library was also a major attraction, along with the #mackaypride car which was entered in the 2019 Variety Bash. Praise flowed from patrons for the free, chilled tap water on offer.

Health and wellbeing

Fast facts

Facilities:

- 4 swimming pools and a three-tiered Bluewater Lagoon
- 1 world-class sporting complex (Mackay ARC)
- 1 international sports stadium (BB Print Stadium)
- 1 Bluewater Trail (shared pathway around the city)
- 5 libraries and 1 mobile library
- 9 skate parks
- 1 youth centre
- 13 community halls

In 2018-2019 council:



Officially opened the \$24 million Mackay Aquatic and Recreation Centre

Catered for 342,496 visitors to our six aquatic facilities, up from 292,433 last financial year



Delivered the second Try the 5 "get active" campaign

Drew a crowd of 7500 to our annual Sports Expo and Sign-on Day



Delivered more than 6000 books and resources to 120 residents thanks to our Home Library Service



Was selected as the only Queensland council to be part of the Federal Government's Local Council Domestic and Family Violence Prevention Toolkit

Highlights

New operators announced to manage aquatic facilities

Belgravia Leisure was awarded a five-year contract in August to operate the new \$24 million regional sports precinct, Mackay Aquatic and Recreation Complex (ARC). Belgravia operates more than 130 swim, sports, health and leisure facilities across Australia and New Zealand.

Belgravia were also awarded a five-year contract for the Pioneer pool, as well as a 12-month agreement to operate the Memorial Swim Centre, with a one-year option, to provide council the opportunity to engage the community on a broader Aquatic Facility Strategy for the region.

The contracts officially started on October 1, 2018, for the Pioneer and Memorial swim centres and in March 2019 for the Mackay ARC.

The contract for the Mirani Caravan Park and the Mirani Swim Centre was awarded to local manager, Miriata Naomi Volpe, who has a proven track record and represented an opportunity to maximise the use of the facilities. Miriata Naomi Volpe will manage the Mirani facility until September 1, 2021.



A world-class complex puts Mackay on the map

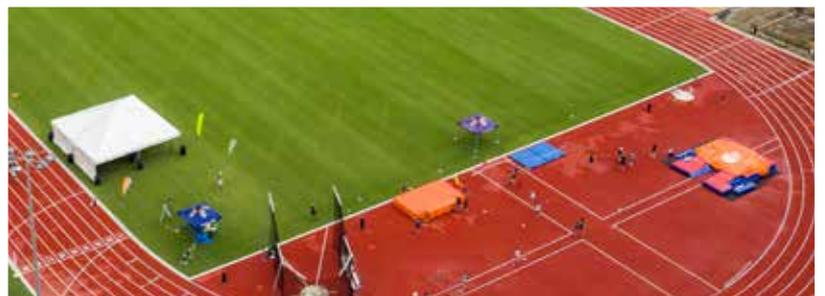
A new \$24 million Mackay ARC (Aquatic and Recreation Centre) was officially opened on Saturday, March 9, by Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development Michael McCormack and Mayor Greg Williamson.

The 12-hectare site at the CQUniversity Ooralea campus is an international-standard sporting complex comprising three state-of-the-art swimming pools, synthetic athletics track and multi-use playing surface. The complex has put the region on the map when it comes to sporting venues.

The Mackay ARC project was jointly funded, with the Federal Liberal and Nationals' Government investing \$9.9 million and Mackay Regional Council investing \$14.1 million.

"This facility has a real wow factor - the moment you walk through those turnstiles and see the three pools and the massive synthetic track, you realise just how state-of-the-art it is."

- Mayor Greg Williamson



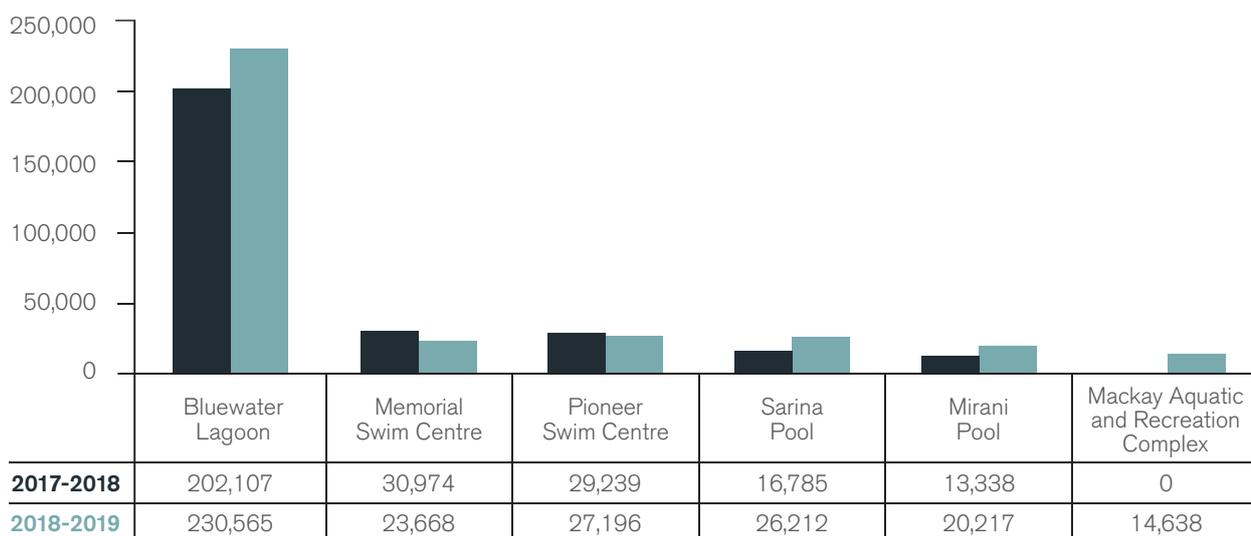
Sarina Pool benefits from a makeover

Sarina Pool was treated to refurbishment works in August after the Department of Education was successful in obtaining funding to upgrade the pool and its surrounds. The works included the replacement of the pool coping and inner tile band. The entire pool shell was also repainted. The upgrades made the pool safer and has extended the life of the facility.

"This is a terrific facility for the Sarina community and it's great to see it having a spruce-up in time for the peak swimming season."

- Mr Craig Doyle

Aquatic Facilities Attendances Financial Year Comparison



Walking city blocks a step in the right direction

We encouraged residents to step up, step out and use foot-power on their lunch breaks or while running errands around the Mackay City Centre. The 10,000 Steps campaign saw the installation of 46 new 10,000 Steps directional signs within 19 locations. The signs, which were co-funded by council and CQUniversity were installed around the City Centre, Bluewater Trail and Cross City Link.



Mackay Draws the Line

We were at the forefront of a regional push to eliminate domestic and family violence (DFV). Council was selected as the only Queensland council to trial the Federal Government's Local Council Domestic and Family Violence Prevention Toolkit.

The toolkit provides evidence-based resources, tools and templates to enable, empower and encourage councils to begin to take action, and sustain this action to reduce DFV. The opportunity has enabled us to review our internal policies and processes when supporting our staff and work with the community in the prevention of DFV.

Council also continued to drive the Mackay Draws the Line campaign in partnership with the Mayor's DV Taskforce, which is made up of business leaders in the community.

This campaign and taskforce were originally launched in November 2017 and aim to tackle domestic and family violence by leading conversations in business and the community and developing networks and strategies that get the message out that our community does not accept violence of any kind.

In May, council expanded this campaign with a series of free stickers for the community – a book sticker, bumper sticker and bin sticker. The stickers, released to coincide with Domestic and Family Violence Prevention Month, aimed to start the conversation about DFV, raise awareness of these issues, provide support and paint a clear message that Mackay draws the line against these behaviours.

Northern Beaches path promotes active lifestyles

The final section of the 2.5 kilometre shared path that links Bucasia to Shoal Point was completed in August. Named the Seaview Trail, the path travels through Bucasia's popular Seaview Park and can be accessed from eight public entry points. The path promotes active lifestyles in the Northern Beaches and encourages residents to explore their own backyards.

The sun shone bright at Sports Expo

Despite the wet weather, the sun shined at the 2019 Sports Expo and Sign-on Day thanks to special guests, Gold Coast Suns players Taylor Smith and Emma Aeschlimann. More than 100 local sport and recreation clubs were hosted under one roof, giving attendees the chance to meet some of their local sporting heroes and see what's on offer when choosing a new sport or recreational activity.

"The Mackay region is a proud supporter of the Gold Coast Suns AFL Women's team as part of the Invest Mackay Events Attraction Program."

- Cr Kevin Casey



Sugar Bowl Mackay

Council unveiled a \$2.2 million skate park featuring a three-metre competition bowl, intermediate bowl and a street run almost 80 metres long. Mayor Greg Williamson and Federal Member for Dawson George Christensen MP officially opened the state-of-the-art facility, the Sugar Bowl Mackay on September 21, 2018.

Featuring a full-size multi-sports court, informal grassed play area, climbing wall, parkour equipment, nature play area, ping pong, barbecue and picnic areas - this public space has become a much-loved and utilised community asset.

The international competition-standard facility positions Mackay to become the central hub for regional and state competitions. Since opening, the venue has already attracted and successfully hosted Rumble on the Reef, which was Queensland's first street skateboarding championships. The \$2.2 million project was jointly funded by the Australian Government's Building Better Regions Fund and Mackay Regional Council.

Residents Try the 5 for a consecutive year

Building on the success of last year, the get-active campaign encompassed more than 40 events and sessions across the Mackay region, from Sarina, to the Pioneer Valley and north to Seaforth. The campaign delivered another five themed-weeks of free activities including biking, adrenaline sports, water sports, gym/personal training and walking/running.

"Try the 5 would build on the success of last year and get the community moving again."

- Mayor Greg Williamson

Employee Profile



Nanet Pagsanjan,
Community Engagement officer

As a member of our Community Engagement team, Nanet works across council to ensure that as an organisation we are engaging with the community to notify them about projects that impact them. This can include improvements to paths or roads and can be as simple as informing the public on potential minor disruptions. In contrast, her work can also be as complex as asking the community for feedback on initiatives or projects, such as what they might like to see in their local park.

"In the immortal words of Maya Angelou American poet and activist - my mission in life is not merely to survive, but to thrive, and to do so with passion, some compassion, some humour, and some style. This sums me up and my approach to life."



Big plans for Northern Beaches park

Camilleri Street District Park will become the biggest and most diverse park in the Northern Beaches suburb as work commenced on the park's masterplan (stages one and two) in May. Building on existing infrastructure, the park will benefit from a youth hub, new public amenities, boardwalk and footpath connectivity from Barber Drive to Camilleri Street car park, additional shelters, an electric barbecue, picnic tables and bench seats, water bubbler and dog park. Stages one and two are expected to be completed by November 2019.

"With about 1080 families living in the area, there is strong demand for improved recreational facilities in the Northern Beaches."

- Cr Ayril Paton

Bikers descend on Sarina

BMX in our region ramped up thanks to our Community Grants this financial year. The Sarina BMX Club received \$10,000 towards hosting the 2019 Queensland State Championships, an event that attracted more than 1500 riders. The event also received supporting funding from council's Invest Mackay Events Attraction Program.

"This event will bring many hundreds of riders and their families to the region and will provide a great flow-on economic injection for Sarina businesses."

- Cr Karen May

New bikeway improves access to Bluewater Trail

A new bikeway linking Ron Camm Bridge to Bluewater Trail now provides a convenient route for North Mackay and Mount Pleasant residents to access the popular Bluewater Trail.

The bikeway constructed on the southern side of Ron Camm Bridge features two paths on either side of the road, that caters for both inbound and outbound cyclists along the bridge.

This \$995,000 project was funded by the Queensland Government's Department of Transport and Main Roads, under the Active Transport Program.

"The 21-kilometre Bluewater Trail is a shared path that showcases the natural beauty of the region while promoting recreational opportunities and community wellbeing."

- Cr Ross Gee



Regional Arts Development Fund (RADF)

This fund is a partnership between council and Arts Queensland that supports one-off, short-term projects that offer professional arts, cultural and heritage opportunities for our community.

The total amount allocated to the RADF program for the 2018-2019 financial year was \$262,770. Of that funding, council successfully secured \$90,000 from Arts Queensland.

Breakdown of RADF allocations	Amount
Allocation for community projects - three rounds at \$46,000 per round	\$138,000
Total additional allocation for community funding pool - from returned and surplus RADF allocations over the 12-month period	\$5600
Green Arts round	\$22,000
Council led initiatives	\$92,900
RADF committee training and program promotion	\$4270

Community Grant Program

We provided grants to local not-for-profit community groups to help provide services, events and activities to benefit our community. Applications are accepted three times each financial year and local not-for-profit organisations can apply for funding through the following two categories:

- Community Grant
- Small Equipment.

Community groups awarded more than \$7000 are listed below.

(The total amount awarded to community groups receiving \$7000 or more was \$131,406.)

Applicant	Project Description	Amount Approved
Koumala Progress Association Incorporated	Purchase and erection of power poles and flood lights to be installed in and around the Koumala Amateur Basketball Association, the Koumala Bushman's Carnival Association clubhouse and Koumala SES shed	\$7345
Mackay Woodturners Inc	Improvements to insulation of roofing at the cub house	\$7367
Hibiscus Coast Progress & Sports Association Inc.	Installation of lights at the BMX Track at Seaforth	\$8000
Pioneer Catchment & Landcare Group Inc	Contribution towards hosting an Intrepid Way Workshop	\$8266
Mackay Swimming Academy Inc.	Contribution toward costs of Great Barrier Reef Swim Meet	\$9000
C&K Eimeo Road Community Kindergarten	Establishment of bush tucker gardens	\$9239
Leap Yakapari District Development Association Inc	Purchase of a top deck zero turn mower	\$9375
Finch Hatton Airstrip Association Inc	Upgrading of the airstrip in Finch Hatton	\$10,000
Mackay Community Visitors Association Inc.	Contribution toward cost to replace transport vehicle	\$10,000
Mackay International Women's Day Committee	Financial assistance toward the expenses of 2019 International Women's Day events	\$10,000
Mackay Sailing Club Inc.	Purchase two shipping containers and fencing of site	\$10,000
Sarina & District BMX Club INC	Support for the 2019 - Queensland State Championships	\$10,000
Sarina Surf Life Saving Club	Contribution towards the pilot program 'Cruisin' the Coast Fun Run'	\$10,000
Slade Point Neighbourhood Watch	Whale Splash Festival (#SplashFest) on at Lamberts Beach foreshore	\$10,000

Environment

Fast facts

In 2018-2019 council:



Worked with 226 students and 43 community members to plant 2255 plants at the Mackay Regional Botanic Gardens as part of National Tree Day



Deployed 194 community constructed fish habitat structures at Kinchant Dam to improve recreational fishing opportunities



Encouraged three eateries at council facilities to sign up to/register the Responsible Cafes Program, including Pancake Bliss at Bluewater Lagoon, Foodspace and the Botanic Gardens Cafe



Installed six water refill stations around the region to promote tap water and reduce bottled water usage



Supplied over 120,000 local native plants for a huge variety of projects across the region, including restoration work at Whitehaven Beach, Lamberts Beach and Midge Point



Improved beach accesses across the region, including at Campwin Beach and Shoal Point



Undertook reprofiling works at Platypus Beach and Cattle Creek to repair wet season damage and re-establish the beach areas



Developed a Local Coastal Plan for Slade Point and started work on plans for McEwens and St Helens beaches



Launched a free native plant giveaway program promoting the use of local native plants



Was recognised by Parks and Leisure Australia for the 'Re-discovering Platypus Beach - The Transformation' project in the Queensland Best Regional/Rural Industry Contribution category

Highlights

Bushfire and monsoon event strike region

Unprecedented bushfires across the Mackay region in late 2018 burned about 160,000 hectares of forest and farming lands and affected many communities. Council was successful in receiving grant funding from the Department of Communities to assist with the recovery activities from the fires in Mackay and parts of the Isaac Regional council areas.

Then in 2019, two tropical cyclones (TC) impacted various areas of North Queensland. One of which, TC Penny, caused wide-spread flooding to large areas of northern and central Queensland including areas of Mackay. The rainfall in the Mackay region resulted in significant damage to Eungella-Mackay Road and Dalrymple Heights Road, causing temporary isolation of that community. About 30 people were isolated for three weeks in Bloomsbury and three families were isolated in Pinevale.

Due to these natural disasters, we were successful in a series of State and Federal government grant funding to support disaster resilience and recovery. This included the additional capacity of a dedicated bushfire recovery officer, dedicated resilience officer and flood monitoring cameras.



"Meeting some of our volunteers who have been at the frontline of our bushfire emergency was inspiring and uplifting. The resilience and strength of our community is unique and powerful - we have rebuilt before and we will do it again, together, as an unstoppable region."

- Mayer Greg Williamson



Top drop for all

Council installed six water refill stations throughout the region as part of National Water Week celebrations. Residents can now fill up their water bottle, have a drink from the fountain and also give their dog a drink while out and about. The stations are also wheelchair accessible. The stations are located in high traffic areas, including the Mackay Regional Botanic Gardens, John Breen Park, Sarina Field of Dreams, Mirani Railway Playground, Quota Park and Blacks Beach Park.

"We have the best water in Queensland, so I encourage everyone to stop, have a drink at the fountain and fill up your water bottle. Keeping hydrated is the goal."

- Mayor Greg Williamson

Helicopter spreading combatted mosquitoes

Heavy rain at the start of 2019 resulted in high mosquito larvae numbers in the Mackay area. To stop the development of mosquito larvae, we completed aerial treatments of around 400 hectares of water in a known mosquito breeding hotspot. The wetlands located on the borders of Andergrove, Slade Point and Mackay Harbour, along Keeleys Road, Harbour Road and either side of Slade Point Road were targeted.

Butterfly sanctuary makes hearts flutter

Mackay Regional Botanic Gardens' Visitor Information Centre was transformed into a live butterfly sanctuary from May 24 to June 1, 2019. Over the nine days, about 3600 people visited the display to get an up-close and personal look at the butterfly species on show.

Cyclone Saturday helps residents prepare

We held our annual Cyclone Saturday in November at Caneland Central, offering residents an opportunity to talk to the experts, grab a copy of the updated Emergency Action Guide and check out maps showing what storm tide inundation and evacuation zone they live in. The revamped guide included changes to our coastal storm tide inundation and evacuation maps. The updated guide now includes Pioneer River flood inundation and evacuation maps. A new Emergency Dashboard was also launched on our website.



Two beaches receive vital recovery works

Midge Point was one of the worst-hit areas during Tropical Cyclone (TC) Debbie in March 2017, causing severe beach erosion and damage to infrastructure on the foreshore. An action plan to restore the beach was finalised with works completed involving a geobag wall along the existing scarp, north of Bundesen Avenue. The wall was covered with sand and revegetated with ground cover plantings to protect the area from future severe weather events. This repair work was about \$4.6 million, with \$2 million jointly funded by the Commonwealth and State Natural Disaster Relief and Recovery Arrangements (NDRRA) and the remaining \$2.6 million provided by the Queensland Government.

Lamberts Beach (pictured) also suffered extensive erosion during TC Debbie. The entire 590-metre beach underwent sand nourishment with more than 70,000 tonnes of sand and extension works completed this financial year. Local contractor Vassallo Constructions completed the works on behalf of council. The \$2.7 million project was funded by the Queensland Government and through the Commonwealth and state-funded Natural Disaster Relief and Recovery Arrangements.



National Tree Day

More than 2000 trees and plants were planted over two days as part of Schools Tree Day and National Tree Day. It saw 220 students, 40 volunteers, one kindergarten and the North Queensland Toyota Cowboys get their hands dirty for a good cause. The planting occurred in West Mackay and involved replanting the grassed area that was reshaped between Glenella Connection and Lansdowne roads to connect the wetland to the Mackay Regional Botanic Gardens.

"The event is an opportunity to give back to the community and do your part to help improve the local environment."

- Cr Ayril Paton



Free native plant program a blooming success

A new program to give ratepayers the opportunity to add a native touch to their garden has proven extremely popular. The free native plant program entitled ratepayers to four native plants of their choice per year. As part of the program, schools and community groups were also offered up to 50 free native plants per application. All the native plants were grown in council's Mackay Natural Environment Centre (MNEC), which provides a range of educational and volunteer opportunities for the community. MNEC produces more than 100,000 plants each year, which are used for a variety of council and regional projects.

Devices to reduce fish kills in the Gooseponds

Council installed a number of devices to improve oxygen levels in the upper pool of the Gooseponds. The devices included three sub-surface water circulators, two surface-mounted aerators that disperse water vertically and radially and one surface-mounted fountain that shoots a jet of water skyward. The devices are designed to reduce the number of fish kills occurring on a seasonal basis and were installed as part of a trial. The devices are hoped to be gradually rolled out across the rest of the Gooseponds depending on the results of the evaluation and future funding.

"Oxygen stress has resulted in the death of fish in the Gooseponds to varying degrees over many years. This is related to early wet season storms washing large amounts of organic matter, soil materials and nutrients into the Gooseponds, which depletes the water of oxygen."

- Cr Karen May



Celebrating 30 years at Ken Burgess Display House

The Ken Burgess Display House celebrated its 30th anniversary in 2018, which coincided with Mackay's Orchid Extravaganza. The Display House was named after the original Queens Park curator, Ken Burgess, who was a keen orchid enthusiast and worked for Mackay City Council for more than 30 years. He supplied plants from his private collection which, combined with council's own orchids, have grown to become one of the finest collections of its kind in Australia.



Solar project will save millions

Council completed the installation of solar power across 21 facilities, including the main administration building, Artspace Mackay and the MECC in the Civic Precinct. It is expected that ratepayers will save nearly \$17 million in electricity costs over the next two decades thanks to this renewable energy project.

Fish attracting structures installed at Kinchant Dam

About 194 fish attracting structures were installed in Kinchant Dam, 30 kilometres west of Mackay. The attractors were installed as part of an Australian-first program to improve recreational angling in impoundments, such as Kinchant Dam. This initiative was delivered by a partnership with the Department of Agriculture and Fisheries and council.

"It's already one of the most reliable dams for catching that magic metre-long barra, but now, with these added structures, finding those fish will be even easier."

- Mayor Greg Williamson

New design for fishing pier

The 15 metres by 11 metres L-shape design for the new fishing pier at the Hospital Bridge will be more resistant to flooding and severe weather events. Consultant GHD was employed to carry out the investigations and detailed design. The project will be completed by 2020.

"We are looking forward to seeing local anglers dropping a line at the popular fishing spot again."

- Cr Kevin Casey

Infrastructure and transport

Fast facts

Our 153 road maintenance workers:



Maintained 2934 roads, including 1038 rural roads and 1896 urban roads. That equates to 2521km, comprising 664km of urban roads and 1856km of rural roads including 930km of unsealed roads



Repaired /replaced 1556 roadside signs



Graded 376km and placed 63,314m³ gravel as part of our unsealed road activities



Cleaned and maintained 250km of footpaths/shared pathways and cycle paths



Maintained and mowed 375 open drains



Inspected and maintained 122 bridge structures



Carried out general maintenance on 65 off-street car parks



Managed gravel operations at 22 gravel quarries



Cleaned and maintained 27 boat ramps
(12 owned by council and 15 owned by the Department of Transport and Main Roads)



Monitored and reported on 42 weather stations



Maintained 306 bus shelters

Undertook routine maintenance under contract to the Department of Transport and Main Roads on 174km of the Bruce Highway and 492km of state-controlled roads.

Shoulder sealing projects:

Louise, Victoria and Helena streets in Mirani
Anzac, Bell and Hospital streets in Sarina

Highlights



Intersection upgrade reduces waiting times

In July, council started work on the Casey Avenue and Bridge Road intersection upgrade. The work involved widening the roundabout at the Bridge Road intersection and constructing a new turning lane. Motorists have benefited from reduced waiting times at the intersection, with more vehicles able to enter the roundabout at one time, separating through and turning traffic. The upgrades have proven beneficial in reducing congestion in peak hours and have improved traffic management when large-scale events are held at BB Print Stadium Mackay.

Capital works remains a key focus

In the 2018-2019 financial year, 75 contracts valued at \$43.7 million were finalised and approved with 51 contracts worth \$35.9 million awarded to local businesses. Significant tenders awarded include:

Project	Contractor	Amount
Mirani Water Recycling Facility	UGL	\$14,255,814
Sewer Relining	Interflow Pty Ltd	\$2,585,646
Sand Nourishment NDRRA – Lamberts Beach	Vassallo Constructions	\$2,260,445
Beach Nourishment NDRRA – Midge Point	Habers Excavations	\$1,128,235
Paget workshop extension	Fergus Builders	\$1,380,700
Water and Waste Services laboratory refurbishment	Fergus Builders	\$1,317,580

George Street and Milton Street intersection upgrade

Council's design services team was kept busy planning and preparing for various projects including the George Street and Milton Road intersection upgrade scheduled for construction in 2019-2020. The project funded under the Roads to Recovery Program will include traffic lights, additional traffic lanes and the allocation of parallel parking on Evan Street. Road users can expect to benefit from improved traffic flow as well as better safety for pedestrians and cyclists.

Project to increase flood immunity

This financial year, a \$2.9 million drainage project was delivered for the residents of East Mackay. Seven box culverts with associated tide gates were installed in an effort to increase the capacity between East Mackay main drain and detention basin. The work, funded by council and the State Government's Building our Regions fund, was completed by local contractors Vassallo Constructions.

Pioneer River bank project

An original brick stormwater drain and section of river bank has been revitalised at the end of Nelson Street in the Mackay City Centre. Multiple flood events had undermined part of the Pioneer River bank and this, in addition to a collapsed brick drain, had increased the risk of the bank failing. Council undertook extensive geotechnical investigation and delivered a \$1.1 million project to install a new concrete pipe and complete bank stabilisation works including implementation of armour rock to limit future erosion.

Barber Drive Park upgrade

An existing 700m² reserve has been upgraded into a functional and unique local park for residents in the Blacks Beach area. Council took full advantage of Barber Drive Park's elevation to offer scenic views. We also installed new picnic facilities and play equipment catering to older children. This project was funded and delivered thanks to the Works for Queensland program.



Timber bridge replaced

The timber bridge over Rocky Creek on Walkerston-Homebush Road was decommissioned and replaced with a precast concrete bridge accommodating two lanes of traffic. A two-lane bridge was provided to improve safety for the local residents and through traffic as well as the nearby quarries' haulage operations.

Improved pedestrian safety

Residents and pedestrian users along Hoey and East streets in Sarina have benefited from a new and improved shared footpath. The new path caters for all-abilities access to Sarina Village Shopping Centre from a nearby retirement village. Works completed included demolition of the existing path and construction of a new shared path and median crossing. This \$248,000 project was funded by the Works for Queensland program.

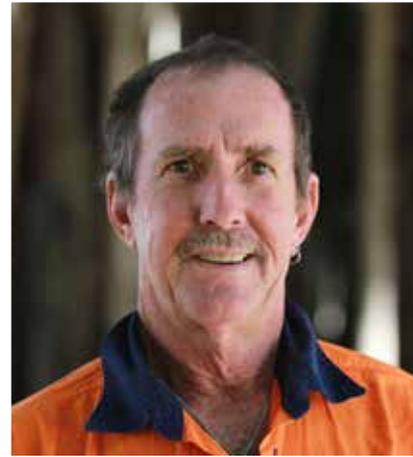
Black Spot Program upgrades intersections

We have improved safety at two intersections on Victoria Street in Mackay City Centre with the installation of two roundabouts at Victoria and Lawson and Victoria and Tennyson streets. This work was fully funded by the Australian Government's Black Spot Program.

"Council maintains 2451km of road network and we are dedicated to making our roads as safe as possible."

- Cr Kevin Casey

Employee Profile



Gavin Hick,
Maintenance leading hand

Gavin is based at our Calen Depot and is responsible for maintaining rural roads and drainage assets. Having worked at the depot for more than 13 years, he enjoys the opportunity to assist in decision-making and working with the crews to make jobs run as smoothly as possible.

"I am very proud to be part of a team and to see the high standard of jobs we deliver."

Works for Queensland – Round 2

The Works for Queensland (W4Q) program is a Queensland Government funding program to support local governments outside of South East Queensland to undertake job-creating maintenance and minor infrastructure works. This initiative is delivered by the Department of Local Government, Racing and Multicultural Affairs. In 2017-2018, we were allocated \$10.95 million for projects to be delivered over a two-year period. The table below details the projects delivered thanks to the W4Q program.

Project Name	2017-2018	2018-2019	Total budget
Civil projects			
Road work/parking - Casey Avenue	\$63,064	\$1,144,611	\$1,207,675
Roundabout - Casey Avenue/Bridge Road	\$52,347	\$1,186,612	\$1,238,959
Footpath/kerb - Walkerston State School	\$6,000	\$144,533	\$150,533
Traffic improvement works - Bridge Road IGA	\$54,812	-	\$54,812
Bourke Street footpath - Blacks Beach Road to Belbin Street	\$7,249	\$72,921	\$80,170
Bourke Street footpath - Belbin to Carroll streets	\$6,489	\$82,784	\$89,273
Bourke Street footpath - Carroll Street	\$6,350	\$141,062	\$147,412
Footpath construction - Hoey Street	\$18,734	\$229,266	\$248,000
Burgess Street footpath - Malcomson to High streets	\$8,000	\$54,485	\$62,485
Bucasia Esplanade shared path – Stages 3 and 4	\$723,537	\$4,448	\$727,985
Bus shelter - Sarina Beach and Grasstree roads	\$6,003	\$58,997	\$65,000
Pedestrian refuge - Mackay Base Hospital	\$4,000	\$36,000	\$40,000
Pedestrian refuge - Brandon Street, Sarina	\$11,379	\$14,311	\$25,690
Culvert – Camilleris Road causeway	\$99,314	\$1,032,297	\$1,131,611
Drainage - Hampden Court	\$8,675	\$126,572	\$135,247
Drain lining - Celeber Drive	\$2,204	\$158,904	\$161,108
Nadarmi Drive refuge	-	\$40,323	\$40,323
Wewak Road – intersection improvements	-	\$75,000	\$75,000
Water and waste services			
Eton water supply upgrades	\$14,000	\$235,750	\$249,750
Sarina sewerage works	\$269,000	\$541,000	\$810,000
Parks and environment			
Blacks Beach Park fitness stairs	\$400,000	\$37,512	\$437,512
Barber Drive Park upgrade	\$15,000	\$367,676	\$382,676
Eungella Town Park pathway	\$45,000	\$17,336	\$62,336
Property services			
Air conditioning upgrade - The Dome	\$105,000	\$111,317	\$216,317
Mackay Entertainment and Convention Centre sound system replacement	-	\$510,000	\$510,000
Economic development			
Tourism directional signage	-	\$200,000	\$200,000
Civil operations			
Roads - gravel resheeting	\$300,000	\$2,100,126	\$2,400,126
Sub-Total	\$2,226,157	\$8,723,843	\$10,950,000

Lifelong learning and organisational performance

Fast facts

In 2018-2019 council:



Received 84,550 customer enquiries through 1300 MACKAY
- 2385 less than last year



The MECC website visits increased 21 per cent on last year
with 206,610 visitations



Grew our Facebook likes to 26,122



Welcomed 5010 new libraries members, bringing the total
number of active members to 36,694.



The MECC had an overall attendance of 154,536

Received 6975 applications for 317 job vacancies

Highlights



Capital injection drives economic prosperity

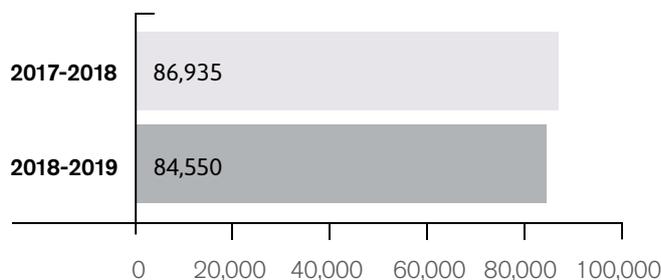
Our \$323 million budget for the financial year was centred on the fundamentals of boosting confidence and pride. We maintained services, reduced debt by a further \$13 million and delivered a rate rise below CPI. In the budget, we committed to a modest overall increase of 1.8 per cent on the total rates bill, excluding water consumption for the average ratepayer, which is equivalent to about \$1 per week. This financial year, about \$450 of every rates notice went directly to areas that create a liveable community, such as aquatic facilities, parks, playgrounds, libraries, events, festivals and boat ramps. We also invested \$7.7 million on rural roads and over half the \$129 million capital works program centred on essential infrastructure to cater for growth.



Call centre enquiries remain steady

We experienced a slight decrease in enquiries to our call centre in 2018-2019, receiving 2385 less enquiries, averaging 198 calls less per month. The decrease may be attributed to customers changing the way they are interacting with us - using either face-to-face service or taking advantage of online platforms, including council's website and email enquiries. The top five enquires related to bin repairs/replacement, water leaks notification, planning advice and change of address requests.

Council Contact Centre Call Volumes



Top five Customer Request Types

Replace wheelie bin	2794	6.8%
Change of mailing address	2291	5.6%
Repair wheelie bin	1722	4.2%
Water - Leak (Public Area)	1392	3.4%
Planning Advice Enquiries	699	1.7%

Digital Media

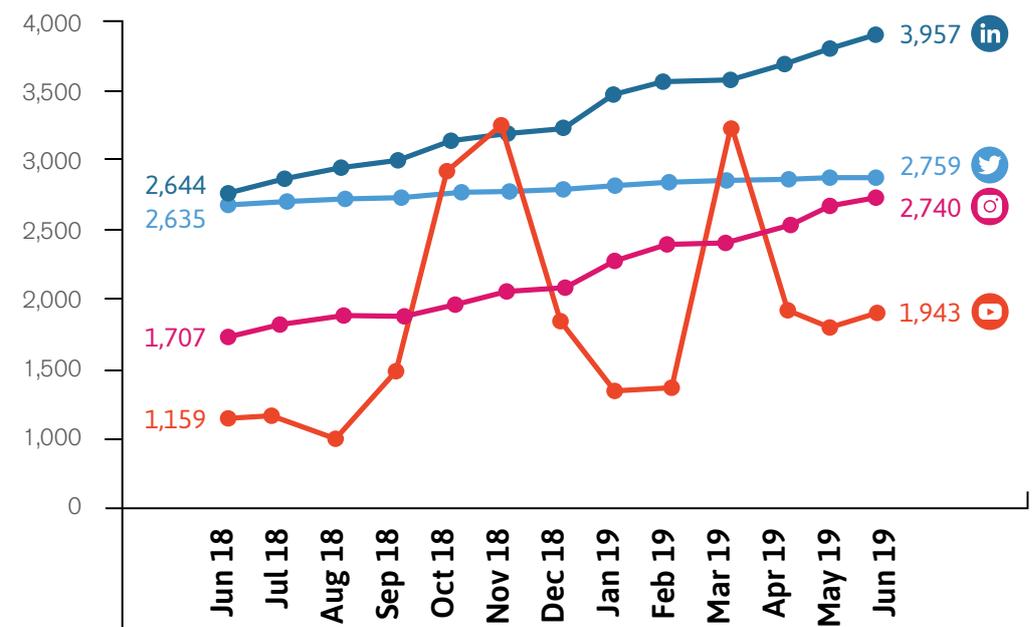
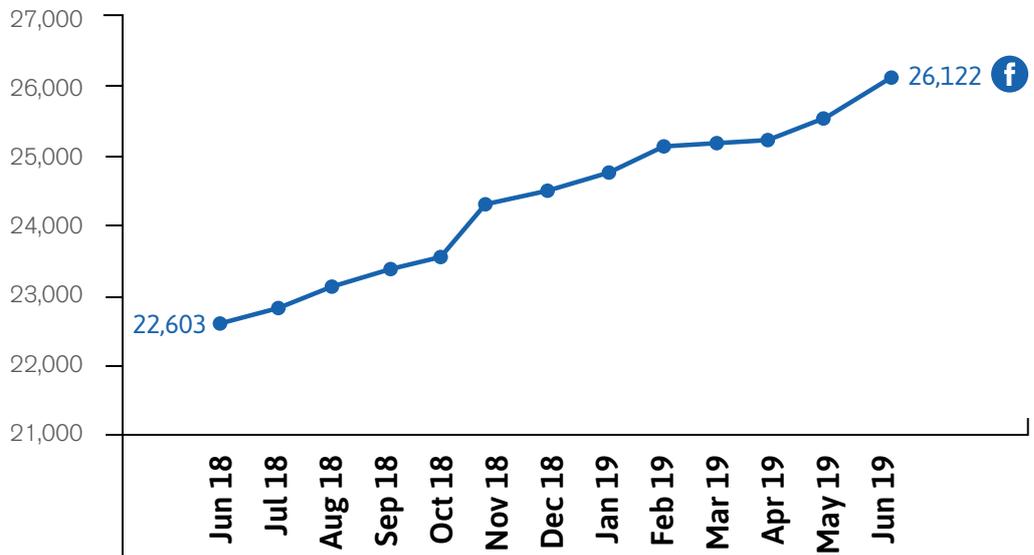
The Mackay Entertainment and Convention Centre website experienced a 21 per cent increase in visitors for this financial year. Council's website saw a four per cent drop in visitation in 2018-2019, with a total of 641,983 visits for the year. This can be mainly attributed to residents using social media more to gain information about council.

Websites	2017-2018	2018-2019
Mackay Regional Council	670,755	641,983
MECC	170,040	206,610
Artspace Mackay	18,311	18,836
Botanic Gardens	17,693	17,565
Sarina Sugar Shed	13,436	12,652
Mackay City Centre	47,959	44,690



Social Media communication

There was an increase in Facebook followers to the Mackay Regional Council page in 2018-2019, with a 15 per cent jump to 26,122 in the last 12 months.



There was solid growth in all our social media platforms during the 12 months.

	2017-2018	2018-2019	Growth
Twitter	2635	2759	4.7%
Instagram	1707	2740	60.5%
YouTube	1159 views	1943 views	67.6%
LinkedIn	2644	3957	49.7%
Facebook	22,603	26,122	15.57%



Council Live Stream

March 2018 saw the lights, cameras and action come alive in our Council Chambers with the first live streaming. Recordings of the live streams are available on council's website or YouTube channel for members of the public to access any time.

Council Meeting 13 Mar 2019	463
Council Meeting 27 Mar 2019	272
Council Meeting 10 Apr 2019	109
Council Meeting 24 Apr 2019	204
Council Meeting 8 May 2019	85
Council Meeting 22 May 2019	58
Council Meeting 12 Jun 2019	0
Council Meeting 26 Jun 2019	61
Council Meeting 26 Jun 2019 (Budget)	52

*Note: council meeting did not record on June 12 due to global outage at YouTube.

eNewsletters

Our subscription base grew 96 per cent in the last financial year, which was mainly attributed to a significant increase in Mackay Regional Council Libraries subscribers.

	2017-2018	2018-2019
Artspace Mackay	1841	1855
Botanic Gardens	1232	1199
Community Development	1223	1234
Council Connect	2737	3139
Libraries	2298	14,547
Creative Mackay	1325	1303
Recreation Services	1172	1158
MyMackay	1251	1228
TOTAL	13,079	25,663



MECC delivers for another year

The Mackay Entertainment and Convention Centre (MECC) performed well over the past 12 months, delivering a wide-ranging program to the community in both their entrepreneurial program and commercial hires. The MECC sold tickets to 4388 patrons over 77 performances external to the Mackay region footprint, adding great value to the local economy. Overall attendance was 154,536 for the 2018-2019 financial year, with an annual satisfaction rating of 94 per cent.

During the year, there were:

- 245 performances
- 206 events
- 189 catering engagements (excluding performances)
- 12 youth workshops
- 23 engagement activities.

Pathways to Performance program

The program continues to assist schools in Mackay and surrounding districts. Funding of \$21,267 contributed via BHP, The Friends of the MECC and Glencore Hail Creek Mine assisted 1465 students with the financial costs associated when visiting the MECC. This includes transport costs and, in some cases, ticketing costs. This funding was spread across eight performances. As flow on from this engagement activity, and targeted relationship marketing with educators, the venue attracted a further 851 students over 11 shows. The ticket revenue from these Pathways to Performance funded students and the additional flow on of students contributed \$32,196 to the venue.

Artists have whale of a time with waste plastics

More than \$165,000 in Regional Arts Development Fund (RADF) funding was approved for 34 local projects, including a community-led project that produced a 10-metre-long whale and calf made from marine debris. Local artist David May also tackled plastic and received \$7000 to research how to reuse plastic waste as a long-lasting construction material in external environments.



Book week holds a special place in community calendar

Children's Book Week was held from Saturday, August 18, to Friday, August 24, 2018. The theme was "Find your Treasure" and the event focused on encouraging children to read more and develop a love for books. The week of events included Picnic in the Park in the Civic Precinct and the much-loved Walkerston Book Week Parade, which attracted hundreds of marchers dressed as their favourite characters. Children's Book Week is an initiative of the Children's Book Council of Australia and was first celebrated nationally in 1946.

"Our Libraries team celebrates Book Week above all other weeks of the year - they really get into it. The colourful costumes, games and competitions are all part of the fun, and having fun is the best way to say to children that books are awesome and literary characters are cool."

- Cr Fran Mann

Library scores a community garden

Gordon White Library transformed its courtyard into a community garden. The overhaul involved installing a native bee hive, insect hotel and a green space created by the community for the community. The community garden not only improved the appearance of the area, but it provided educational opportunities to teach residents about the importance of bees and biodiversity.

"Staff came up with the idea of maybe putting some edible herbs and other plants in for the community. The idea really took off and we've decided to completely overhaul the area and make it a full community garden."

- Cr Fran Mann



Library Services

There was continued strong support for our Libraries across the community, with residents making about 380,000 visits to our branches during the year and borrowing almost 800,000 items. We welcomed 5010 new members, bringing the total number of active members to 36,694.

Health and Regulatory Services

The table below represents the mosquito control work carried out by the Vector Control team during 2018-2019.

Sites Inspected	Sites Treated	Hectares Treated
1919	950	6831ha

Environmental Health activities

Area	Requests
Food	52 complaints 512 inspections
Nuisance	153 complaints
Noise	110 complaints
Health/Misc	54 complaints

Licensing and approvals

Premises	Inspections
Accommodation	26
Caravan parks	6
ERA	-
Food	512
Footpath dining	-
Skin penetration	10
Swimming pools	15
Temporary food permit (commercial)	13
Temporary home	-
Vending	-
Total	582

Pest Management activities

	Requests	No. of Properties baited	Total hours to perform activities relating to topic
Dingo/Wild dog	33	123	737 hours
Pigs	6	37	187 hours
Giant Rats Tail	12	-	563 hours

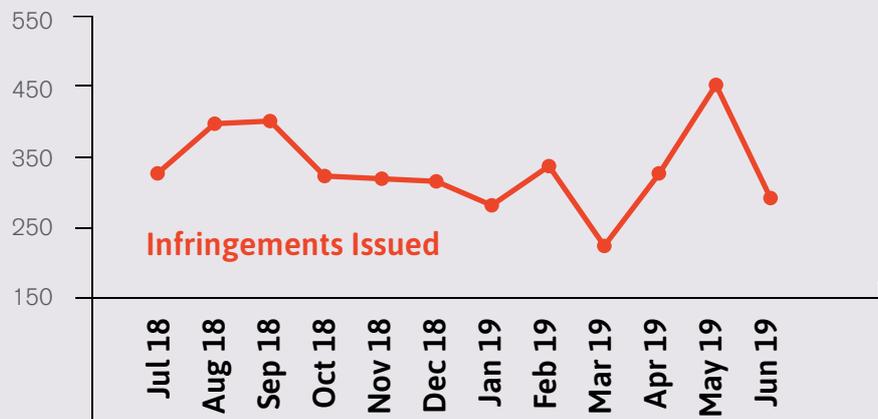
Pet Registration

We recorded 13,859 dog registrations for 2018-2019, which is a 6.5 per cent **increase** from 13,012 registered in the previous financial year. We recorded 2568 cat registrations for 2018-2019, a 3.7 per cent **increase** from 2476 registered in 2017-2018.

Year	Cat Registrations	Dog Registrations
2013-2014	2748	13,689
2014-2015	2449	13,038
2015-2016	2697	14,422
2016-2017	2453	13,187
2017-2018	2476	13,012
2018-2019	2568	13,859

We impounded 852 dogs and achieved a 100 per cent success rate for rehoming the animals available for returning to their owner and adoption or foster groups, with 770 being rehomed. For better reporting on cats, we have separated domestic and feral animals. This year we impounded 806 cats, 11 per cent of which were feral pests. Of the remaining domestic cats, we rehomed 565, bringing our cat rehoming rate to 97 per cent for the period. Our Local Laws team patrolled areas popular with dog owners, with 239 patrols conducted throughout the 12 months.

Regulated Parking Infringements



PayStay parking system well used

This financial year was the second year for our PayStay parking system in off-street City Centre car parks. May results were the highest for the year, with average monthly income from PayStay for the year being \$18,415.28.

Our staff

We are an innovative and responsive council that strives for excellence for our customers and the community. We operate efficiently and effectively to develop strong partnerships with all stakeholders providing valuable services. People and culture play an important role in the development and alignment of people, systems and process to meet strategic organisational directive. As a values-led organisation, our five values create a shared meaning and purpose, and act as a guide for all decision-making.



Values

Mackay Regional Council's culture is shaped by its values. Our core values, Code of Conduct, competency framework and performance review process collectively create the foundation for a sound workplace philosophy.

Working as one team to achieve for our clients and community

- Employee health and safety
- Client satisfaction
- Respect
- Teamwork
- Accountability

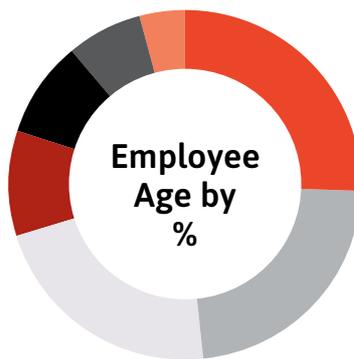
Workforce profile and performance

As at June 2019, we employed 1099 people. A breakdown of our workforce headcount per employment type is:

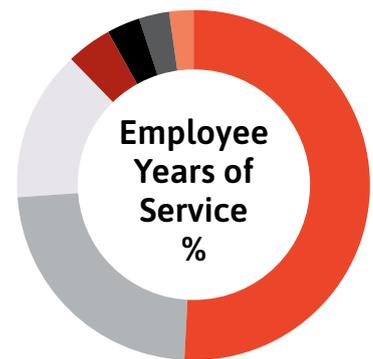
- 831 permanent employees
- 90 fixed-term contract employees
- 178 part-time employees



67% Males
33% Females

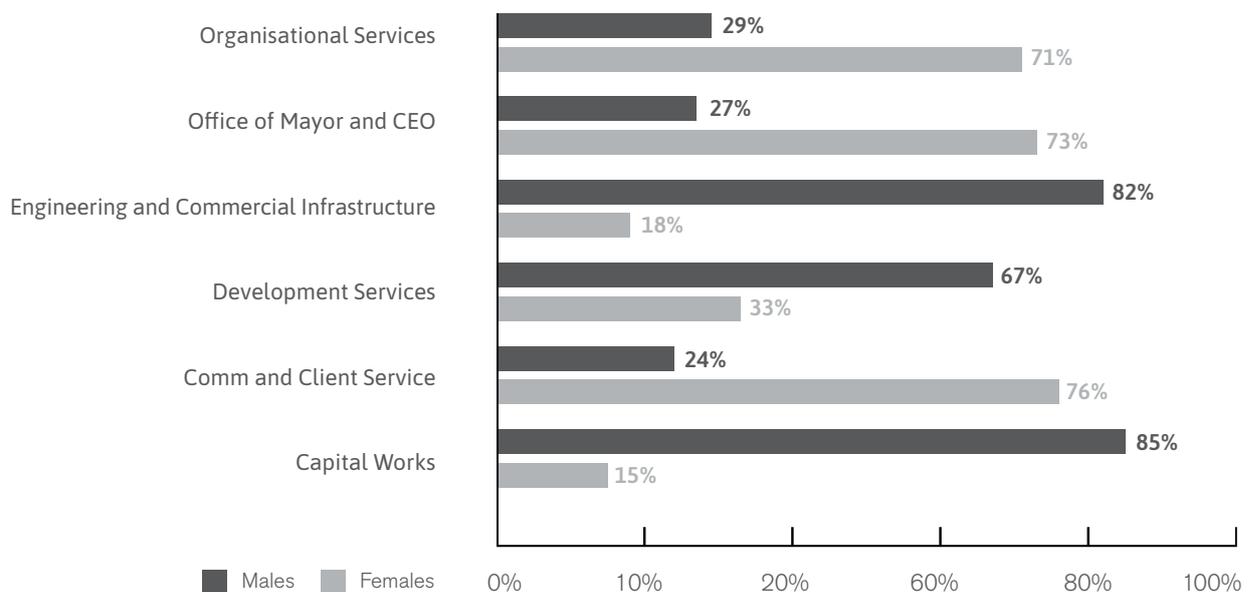


26% 51-60 years
23% 41-50 years
22% 31-40 years
10% Over 60 years
9% 26-30 years
7% 21-25 years
4% 16-20 years



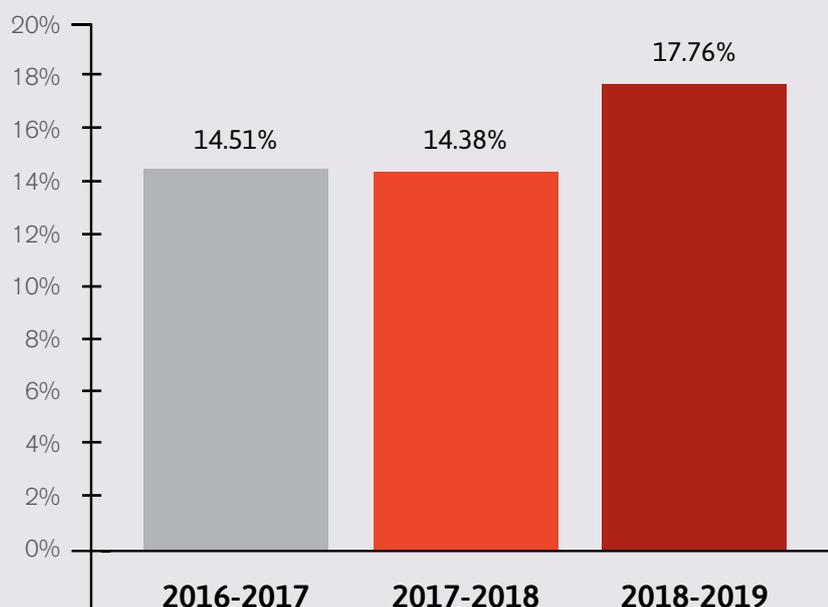
51% 0-5 years
23% 6-10 years
14% 11-15 years
4% 16-20 years
3% 21-25 years
3% 26-30 years
2% Over 30 years

Gender by Directorate %



Workforce profile and performance

Council turnover



Council strives to be an attractive employer, offering a wide variety of jobs and careers across multiple occupational groups. Our employees are enthusiastic, highly trained and dedicated to a better Mackay. In 2018-2019, we received more than 6975 applications for 317 vacancies.

Education assistance program

Our education assistance program encourages continuous and self-propelled learning. Fourteen staff members were approved for assistance this financial year, which equated to \$37,200.61. A total of 63 employees have studied under the arrangement since 2011.

Diversity and inclusion

Our continued commitment to workforce diversity and inclusion ensures our organisation stays innovative, sustainable and continues to meet the needs of our clients. Council's extensive range of experience, skills and views are key strengths and critical to the wide range of services we deliver.

Employee Profile

Individual flexibility arrangements

Council understands the importance of a healthy work-life balance and provides a range of work-life options and benefits to support employees. Contemporary working arrangements are supported by offering a variety of flexible work options to meet business and workforce needs. These include time off in lieu and flexible working hours, part-time and job share arrangements.

Apprentices and trainees

Council believes in its responsibility and commitment to employees, apprentices and trainees within our region. As a large employer, we offer opportunities to Mackay residents through a range of initiatives, such as our apprentice and trainee program, academic bursaries, work placement and internal education assistance programs. There was enormous interest again this year with just under 900 applications. The most popular positions for applicants this year were business, horticulture and conservation and land management. Council currently engages 38 apprentices and trainees.

Commitment to consultation

Council is committed to consulting with its employees. The current certified agreement expires on June 30, 2020. We monitor the current agreement's operation and application through a joint consultative committee.



Lewis Sweet,
Engineering surveyor

Lewis' role is multifaceted with exposure to an array of projects from implementation to construction and finalisation. This occurs across the Mackay region with projects from Midge Point to Koumala and west to Eungella. Surveys provide accurate details and locations of property boundaries to underground services and more generally, the lay of the land.

"I was fortunate enough to start at council as a cadet surveyor. This provided me with the knowledge and confidence to progress where I am today. If you're a motivated individual who likes variety and surveying, council should be on your radar."



Academic Bursary

Our Academic Bursary Program encourages the development of tertiary students from the region who are studying within current or predicted skills shortage areas. The program financially supports students and encourages them to remain in our beautiful region upon completing studies.

- Five bursaries were awarded in 2018-2019
- Total of \$59,886.70 was provided in financial support

Meet one of the bursary recipients

CQUniversity Mackay student Taitianna McGrath understands the importance of giving back to her community. She is involved in volunteering initiatives stemming from the exposure she's had to the struggles of living in a developing nation – her mother's home, the Solomon Islands. The students were officially presented with their bursaries by Mayor Greg Williamson at a council morning tea, include (from left) Jackson Lamb, Brodie French, Hunter Aitchison and Taitianna McGrath (absent Brandyn Britton).

Work placements

We facilitated 53 work experience placements for 39 secondary school and 14 tertiary students from the region in 2018-2019. Students gained experience in areas, including the library, health and regulatory, the MECC, customer service, our nurseries and workshops.

Employee Profile



Rachel Stewart-McLean,
Health and Wellbeing officer

Rachel is responsible for the provision of health and wellbeing information, education and services to promote health in all its forms (physical, mental, social and financial) to council employees. Central to the role is the promotion of a culture of health and awareness and the management of initiatives and campaigns in line with council's Health and Wellbeing Strategy.

"It is so exciting to work for an organisation that values the health and wellbeing of their staff and that understands the impact that physically healthy, mentally well, socially stimulated and financially independent staff can have on the business' outcomes."

Healthy and supported workforce

Council continues to value the health and wellbeing of all employees and strives to achieve a workplace where all staff are supported in their health and wellbeing goals. Health and wellbeing initiatives promoted or supported by council in 2018-2019 include:

- Health and wellbeing officer joining council part-time in January 2019 to offer support and information to staff, assisting them on their health and wellbeing journey
- Fitness Passport (implemented April 2019): a corporate gym and pool membership to inspire staff to exercise regularly through a program that offers value and variety
- Mental Health First Aid officers appointed within the workplace
- Confidential counselling services provided through Employee Assistance Program
- Annual influenza vaccinations
- Employee health checks: The team from My Health for Life (Old Government funded program) visited council in March 2019, offering staff a voluntary, confidential health screen. Staff with a high-risk outcome were offered a free, six-month program where they work with a health coach to achieve their health goals
- Red Cross Red25
- Mackay Marina Run team
- Salary packaging options
- Corporate discount program that offers staff access to discounts on everyday items.

The Health and Wellbeing Strategy 2017-2020 recognises the importance of supporting employees in achieving their physical, mental, social and financial health goals. This strategy also assists in attracting employees to work for council and live locally.



25-Year Club

Council formally recognises employees celebrating employment anniversaries of 10, 15, 20, 25 and 30-plus years of service. Eligible employees receive a framed certificate as a gesture of appreciation from council for their contribution. During 2018-2019, a total of 82 employees were recognised for 10 years or more of service, including 13 with more than 30 years.

Six new inductees joined the 25-Year Club in 2018-2019, including:

- Cindy Bailey, Building Development Compliance officer
- Amanda Bradly, Business Support officer
- Irene Farquhar, Customer Service officer
- Bernadette Goodale, Mirani Library assistant
- Mark Nairn, Bridges/Assets labourer
- Peter Westwood, Water Services Technical officer

Celebrating achievements

Reward and Recognition Program

Council believes in celebrating the achievements of its employees. Outstanding achievement is recognised monthly and annually. There were a total 170 employees nominated across nine annual awards. The 2018 winners were:

Awardee	Award
Ron Ahmat	Safety Contribution Award
Sarah Shuttlewood, Adrienne Burke and Toni Maes	Excellence in Client Services Award
Amber Isaacson, Kielly Glanville and Craig Hamilton	One Team Award - trenching and shoring license renewals
Shawn Johansen	Sustainability Award - design and construction of the Mirani Wash Bay and the solar installations
Ethan Anderson	Outstanding Newcomer Award
Meg Hayes	Jason Vassallo Trainee or Apprentice of the Year Award
Marcus Ward	STAR Award
Henry Walpole	Leadership Excellence Award
Laura Burbidge	Mayoral Perpetual Award

External awards

Council is proud to attract, grow and inspire high-quality employees. We are excited when our employees are recognised. In 2018-2019, council and its employees were successfully nominated for and/or won the following external awards.

Awardee	Award	Awarding Body
Megan Dillon	Innovation Award for "Banishing the Drafting Demon" Category	12d
Sarah Lethbridge	Best Paper Award - "A Journey with an Aging Reservoir"	AWA North Queensland Conference
Jade Sharman	2018 Helen Ovens Memorial Bursary	The National Council of Women Queensland Inc.
Water Treatment Team	2018 Best of the Best Water Taste Test Grand Champion	Queensland Water Forum
Water Services	Innovation Award - MiSewer Program	Australian Water Association, Queensland Branch
Water Services	- Finalist, Project innovation under 250,000 end users - Mount Pleasant Reservoir Refurbishment	Australian Water Association, Queensland Branch
Jason Grandcourt	The Ross Overton Memorial Award	LAWMAC
Water Services	- 2018 Innovation and Sustainability in water under \$5 million - Refurbishment of the Mount Pleasant Reservoir	Institute of Public Works Engineering Australasia, Queensland
Wayne Amos	District Officers Certificate	Queensland Police Service
Mackay Regional Council	Workplace Wellbeing Award	LGMA Queensland
Mackay Regional Council	Finalist, Sustainability Award	LGMA Queensland
Natural Environment Team Parks, Environment and Sustainability	Best Regional/Rural Industry Contribution Award	Parks & Leisure Australia Queensland
Aaron Bean	David Aldous Young Professional of the Year Award	Parks & Leisure Australia Queensland
Mackay Regional Council	Finalist 2018 – Large Employer of the Year	Queensland Training Awards - Central Queensland
Brittany Webster	Winner, Apprentice of the Year	Queensland Training Awards - Central Queensland
Suzanne McCormack	Vocational Student of the Year Finalist	Queensland Training Awards - Central Queensland
Jerron Wagg	Aboriginal and Torres Strait Islander Student of the Year Finalist	Queensland Training Awards - Central Queensland
Mackay Regional Council	Finalist - 2019 Australian Landfill and Transfer Stations Innovation and Excellence Awards - Excellence in Transfer Stations category	Waste Management and Resource Recovery Association of Australia Inc.
Jacquiline Stewart	Top 12 Papers - Time for Change - Demand Management Program	- OzWater '19 - Australian Water Association National Conference
Economic Development	- Finalist, 2018 Awards for Excellence - Economic Development Single Event or Activity (Elton John, Once in a Lifetime)	Economic Development Australia
Economic Development	- Bronze - Festivals and Events (Elton John, Once in a Lifetime)	The Mackay Region Tourism Awards



Safety

Employee health and safety is one of our leading corporate values and is fundamental to the way we do business. Our aim is that no person shall come to any harm while working at or visiting council. We will strive for zero harm.

Our safety performance over the year, in relation to lost time injuries, improved significantly. In 2018-2019 we suffered three lost time injuries, compared with 10 in 2017-2018.

Our lost time injury frequency rate is at a historic low and is significantly lower than the average of all councils in our size category.

The most common cause of incidents and injuries involved slips and trips, or were a result of manual tasks. Our Workplace, Health and Safety (WHS) team continued to provide training and support to control risks to reduce these types of incidents.

We have continued to implement our three-year Safety Strategy and Safety Action plan to improve our safety performance and undertook a review to ensure effective activities in response to emerging safety issues, such as heavy vehicle chain of responsibility, chemical safety and an ageing workforce.

During the year, we conducted: 345 workplace hazard inspections; 1322 safety interactions; and 2017 WHS inductions for contractors, volunteers and work experience students.

Every new employee at council undertakes an extensive induction, including corporate and site-specific workplace inductions. Internal and external training was provided across a broad range of topics, including: manual tasks, confined spaces; work at heights; vehicle load restraint, working near overhead powerlines; traffic control; first aid; emergency response; bullying and harassment; and fitness for work.

Council liaised with Workplace Health and Safety Queensland to facilitate the delivery of information sessions on their compliance and monitoring program, and the increased focus on the risks associated with working with silica.

We continued to work closely with the safety teams from other local governments in our region, sharing knowledge and experiences so that we can all continue to improve our safety performance. During the year, council hosted these teams for the Regional Safety Exchange, which provides an opportunity to meet face-to-face, network and



share learnings to improve safety outcomes.

A major project completed during the year was the introduction of "The HUB" - a centralised location for all safety, quality and environment documents. This process included extensive consultation with various teams and stakeholders and enabled the rationalisation of many safety procedures and forms.

A cross-program working group was also established to review and implement improvements to the safety aspects of contractor management.

An important element is the pivotal role played by our Health and Safety representatives, who operate effectively through our workplace health and safety committees. To assist in their development, forums were held to identify opportunities for improvement.

Whilst the trend we are seeing in our safety performance is encouraging, the challenge is to maintain our momentum. This means that we will continue to focus strongly on safety and involve every employee in the organisation as we aim for our goal of "zero harm".

Employee Profile



Sam Vuibeqa,
Plant operator

Sam started with council in 2017 as a labourer in our Calen crew, however is now based at our Paget depot as a plant operator driving steel and multi-rollers. He works with the southern area unsealed roads team.

"As a family man with young children, safety in my work environment for myself, fellow workers and the general public is my top priority. Because council takes safety so seriously, I feel confident that I can go home and see my family at the end of the day."



Audit Committee

The Audit Committee is an advisory committee of council established in accordance with Section 105 of the Local Government Act 2009 and Sections 208-211 of the Local Government Regulation 2012. The objective of the committee is providing oversight and advice to council and the CEO on matters relating to:

- Internal audit
- External audit
- Financial statements and reporting
- Risk management
- Internal control
- Legislative and policy compliance.

During 2018-2019, the committee met six times. The membership of the committee comprises four councillors (two voting and two non-voting) and two independent external members with significant relevant experience and skills. These members are:

- Mr Peter Sheville - Chair and independent member
- Mr Peter Tait - Independent member
- Cr Greg Williamson - Mayor (voting member)
- Cr Ayril Paton - Councillor (voting member)
- Cr Amanda Camm - Councillor (non-voting member)
- Cr Ross Walker - Councillor (non-voting member)

Internal Audit

The internal audit function is an integral component of our corporate governance framework. It operates under an approved charter and complies with State Government legislative requirements, as well as meeting the professional standards of the Institute of Internal Auditors. In accordance with legislation, internal audit reviews are undertaken according to the Internal Audit Plan endorsed by the Audit Committee and approved by the CEO.

The purpose of our internal audit function is to provide the independent assurance and advice to improve operations by evaluating the effectiveness of governance, risk management and internal control. In addition to the traditional role of internal audit, the focus is also on “adding value” by working with management to recommend improvements to systems, processes, work practices, compliance and business effectiveness.

Activities in 2018-2019 included:

- Internal audit reviews – accounts payable, management of agency contract staff, road maintenance performance contract compliance, IT – cyber security, water charges remission for concealed leaks, electronic signatures, MECC operations and privacy.
- Development of Internal Audit Plan 2019-2020
- Monitoring the actions resulting from internal and external audit recommendations

Right to information

In 2018-2019, council:

- Received 19 Right to Information Applications
- A total of 412 pages were considered, and 326 pages were released in full
- Another 96 pages were determined to be contrary to public interest in accordance with the provisions of the Right to Information Act 2009. Of these 96 pages, 92 pages were released in-part and 4 pages were exempt in-full
- Two applications were withdrawn

Requests for information under the Right to Information Act 2009 must be made on the required form available on our website or calling 1300 MACKAY (622 529).

Significant Business Activities

Below is a list of all business activities that we as a council have conducted during the financial year. When assessing business activities as part of the compilation of the 2018-2019 original budget, the regulation stated that a significant business activity is a business activity which has expenditure exceeding \$13.96 million for water and sewerage combined activities and \$9.35 million for other business activities. Our council has two significant business activities - Mackay Water and Mackay Waste. In accordance with legislation, we have resolved that these business activities be conducted as business units.

Official documents

Our code of conduct, delegation register (which records the delegated levels of authority and instruments of authority held by all council officers), equal employment opportunity plan and Community Engagement policy is available on our website.



Code of competitive conduct for business activities

In accordance with sections 45 and 47 of the Local Government Act 2009, we resolved not to apply the Code of Competitive Conduct (the Code) to the MECC and the Sarina Sugar Shed. Ultimately, we decided the costs of applying the Code would outweigh the benefits, and the activities have significant non-commercial objectives. We do not conduct any other business activities or prescribed business activities.

Beneficial enterprises

Below is a list of all beneficial enterprises that Mackay Regional Council conducted or participated with benefiting the whole council area;

- Whitsunday ROC Limited (trading as Greater Whitsunday Council of Mayors)
- Artspace Mackay Foundation Limited
- Mackay Regional Housing Company Limited (trading as Connect Housing Group)
- Casey Avenue Stadium Limited
- Mackay Region Enterprises Pty Ltd
- The Minister for Economic Development Queensland (MEDQ)

Mackay water services report

Fast facts

In 2018-2019 council:



Treated water services to 41,753 residential connections and 3496 commercial and industrial connections - a total of 116,215 consumers



Provided sewage collection and treatment services to 36,807 residential connections and 2171 commercial and industrial connections - a total of 95,525 clients



Provided high quality non-potable recycled water from the Mackay South, Sarina and Mirani water recycling facilities to more than 29 local farmers and two public recreational facilities for irrigation purposes



Performed 2430 plumbing inspections, 13 per cent more than the previous financial year and completed 575 plumbing approvals, 35 per cent more than the previous financial year



Received 1315 notifiable works (plumbing and drainage) and completed the required five per cent audit inspections



Conducted 159 trade waste audits and issued 93 approvals to discharge trade waste to sewer



Delivered the "Watch the Flow" Water Education Program to 1724 students, 252 more than the previous financial year



Sent more than 71,000 water leak notifications, reducing the number of concealed leak concession applications to 64.



Vision

Mackay Water Services will be an innovative water service provider which is recognised for its commercial performance, provides regional leadership, has the respect of its customers and industry regulators, and prides itself on its sustainability.

Mission

Water Services is committed to delivering sustainable water services to the Mackay region in an efficient and commercially responsible manner.

Overview

Mackay Water Services is a commercialised business unit of Mackay Regional Council. The business unit employs 147 staff and has an annual operating expense budget of \$94 million and a capital budget of \$25 million. Its operations are carried out according to the Annual Performance Plan that defines council's expectations in terms of performance, reporting, level of service and policy compliance.

Assets

Asset Category	Asset Type	Qty
Raw Water	Dams/weirs	1
	Surface water pump stations	2
	Groundwater bores	28
Water Treatment	Water treatment plants	3
	Water treatment facilities	11
Water Distribution Network	Service reservoirs	40
	Water pump stations	36
	Water mains (km)	1214
Sewage Collection Network	Sewage network (km)	969
	Sewage manholes	17,180
	Sewage pumping stations	189
Sewage Treatment	Sewage treatment plants	4
Recycled Water	Recycled water storages (Main)	5

Our asset value

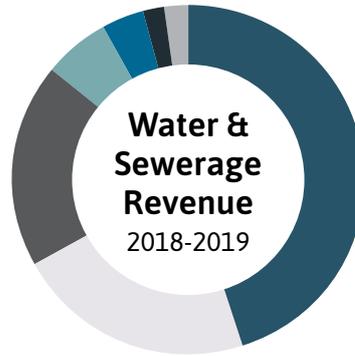
Entity	Total Replacement Value	Written Down Value as of 30 June 2019
Water	\$815,438,539	\$497,594,881
Sewerage	\$848,213,786	\$592,304,070

The written down value is the difference between the replacement value and the current accumulated depreciation.

The totals above represent the value of assets owned by the water and sewerage entities and may include items from any of council's reported asset classes.

Where our money came from

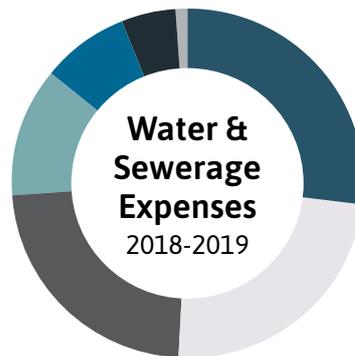
Our revenue for the 12 months ending June 30, 2019, totalled \$101 million, with 86 per cent generated from rates, access and usage charges.



- 45% Sewerage access fees
- 22% Water usage
- 19% Water access fees
- 6% Capital income
- 4% Fees and charges
- 2% Recoverable works
- 2% Interest received

Where our money went

Our expenditure for the 12 months ending June 30, 2019, totalled \$94 million. The main expenses were depreciation and amortisation, dividend and notional tax, material and services.



- 27% Depreciation and amortisation
- 24% Dividend and notional tax
- 23% Material and services
- 12% Employee costs
- 8% Competitive neutrality costs
- 5% Finance costs
- 1% Capital expenses

Community service obligations

Council supported local not-for-profit community groups with water and sewerage services during the year totalling \$206,456.

Client service standards

We are committed to delivering quality water and sewerage services to enhance our community. This commitment is outlined in our Client Charter, available at: mackay.qld.gov.au/services/water/client_charter

Changes to the Annual Performance Plan

No changes were made during the financial year.

Water access charge

The annual water access charge was \$364.20. Properties where a metered water supply was connected were charged on a per factor basis. Vacant land was allocated one factor per allotment.

Water consumption tariffs

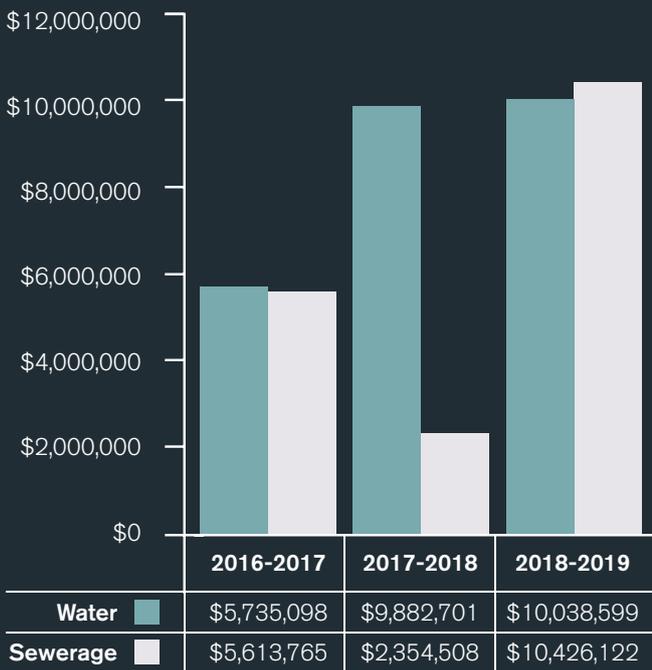
Council is responsible for providing water and sewerage infrastructure to existing and future users of these services. The charges are listed below:

Tariff 1	Tariff 2
0-150 kilolitres per half year	Over 0-150 kilolitres per half year
\$1.79/kl	\$2.67/kl

Investing in infrastructure

Council spent \$20.5 million during the year on water and sewerage infrastructure. This was \$8 million more than the previous year to complete significant projects, including the Mirani effluent storage dam, the upgrade of the Mirani Water Recycling Plant and sewer relining works.

Capital expenditure past three years



Note: Operational expenditure from capital budget not included

Employee Profile



Cathy Lennox, Senior Rates and Services officer

Cathy is responsible for coordinating the reading of water meters and the production of water billing accounts every six months. Central to her role is communication with both internal and external stakeholders to ensure a smooth process. Cathy supports the Billing Services team to ensure that all functions are carried out in relation to the maintenance and validation of council's rating database.

"People working together with a shared focus can do anything. Our team has embraced cross-skilling which has strengthened our knowledge and communication in delivering innovative ideas and service to our customers."

Sewerage access charge

The annual sewerage access charge was \$880.80. Charges were based on the number of sewerage pedestals or urinal services installed on the premises. Vacant land was allocated one per allotment. Single occupation residence had a maximum of one pedestal charge.

Cross subsidies evaluation

No cross subsidies existed between consumer classes in the provision of water and sewerage services.

Monitoring and testing

Rigorous testing was performed by council's Water and Waste Laboratory to ensure our potable water and raw water sources were of the highest quality and that waste disposal (both sewage and solid waste) was disposed of in an environmentally responsible manner.

In 2018-2019 the laboratory:

- Achieved continuation of National Association of Testing Authority (NATA) accreditation. Council's Water and Waste laboratory is the only laboratory in Central Queensland that has accreditation in the areas of water chemistry, microbiology and water sampling
- Performed testing and supplied scientific advice to neighbouring councils - Isaac, Whitsundays and the Central Highlands
- Had over 65 regular clients that included local and state-wide companies as well as individual members of the community
- Performed more than 380,000 individual tests, eight per cent more than the previous year
- Investigated a formal laboratory alliance with Whitsunday Regional Council
- Gave in-kind support to local environmental groups, university and TAFE students
- Commenced the re-fit out of a building on Connors Road, Paget, for the new laboratory.

Service delivery

In 2018-2019:

- Completed the \$1.15million Eton Water Treatment Plant
- Commenced the modification and furniture fit-out of the new water laboratory on Connors Road, Paget
- Inspected all 160 inaccessible maintenance manholes
- Repaired 135 maintenance manholes. These works were completed under the WIM Alliance Agreement with Whitsunday Regional Council
- Continued the sewer network refurbishment program. Twenty-one kilometres of sewer was inspected using CCTV cameras and 12 kilometres were relined.
- Completed the design phase of the Mirani Water Recycling Facility Upgrade. The works are expected to be completed in the 2019-2020 financial year
- Completed the Mirani Sewerage Treatment Plant effluent storage expansion
- Completed water main renewals at Bassett Street, Martin Street, The Crescent and Vines Creek Bridge in North Mackay
- Upgraded the Mackay North Water Recycling Facility point-to-point telemetry.

We also completed the following State Government Works for Queensland funded projects:

- Eton water supply upgrades
- Sarina sewerage works.

Highlights



Improving Eton's water supply

Eton's water has improved significantly since the installation of the new Eton Water Treatment Plant. The \$1.15million plant was completed in February and became operational in March. It includes a softening system to reduce the hardness in the town's water supply and a new bore to reduce selenium and uranium levels. Due to the success of the softening unit in the Eton Water Treatment Plant, council is planning softening systems for the Koumala water supply in the 2019-2020 financial year. The new Eton Water Treatment Plant was funded by council and the State Government's Works for Queensland funding.

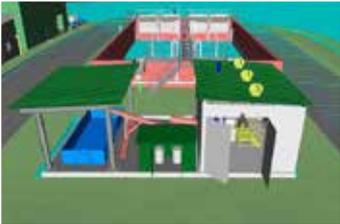
"I would like to thank the Eton residents who were involved in this project. Your input has allowed us to develop a plant that has improved your water supply."

- Cr Martin Bella



Sale of MiWater

In April, council signed a multi-million-dollar commercialisation deal with Australian technology company Taggle Systems, handing over the rights to council's locally-developed smart water application MiWater. The MiWater suite of software was developed by council as part of its smart water initiative designed to use smart water meters and other sensors to identify leaks, engage with consumers, and reduce water consumption in the Mackay region.



Multi-million dollar upgrade

The Mirani Water Recycling Facility (MWRF) will undergo a \$14 million upgrade to meet the needs of the town's growing population. Council awarded the design and construction of the MWRF upgrade to UGL Pty Ltd in November. The MWRF will be upgraded from 3500 Equivalent People (EP) to 7000 EP, with the possibility to extend to 10,000 EP, when required. Council chose the UGL system to provide a higher level of treated irrigation water, so more users can use it. The design was completed this financial year and the works are expected to be completed in 2019-2020.

Presentations

The following table lists the presentations that were given by our team during the year.

Conference	Name of Paper	Staff Member
Australian Water Association (AWA) North Queensland Regional Conference, Cairns, July 26-27, 2018	'Renewable Energy – A Sustainable Future'	Jason Devitt
	'A Journey with an Aging Reservoir'	Sarah Lethbridge (awarded best paper)
	'Picking up the Slack'	Emma Schmitz
Queensland Water Technical Reference Group (TRG) - QLD Water Leaders Forum, Brisbane, September 7, 2018	'Maintenance Contracting: Insourcing vs Outsourcing'	Nicole Davis
Australian Water Association (AWA) QWater '18 Conference, Gold Coast, November 1-2, 2018	'A Journey with an Aging Reservoir'	Sarah Lethbridge
	'Mackay Regional Council's Proactive Pipeline Condition Assessment Program'	Avneet Sethi
Australian Water Association Annual Conference, Melbourne, May 7-9, 2019	'Time for Change – Demand Management Program'	Jacquiline Stewart (top12 finalist for paper)
	'Mackay Regional Council's Proactive Pipeline Condition Assessment Program'	Avneet Sethi
Queensland Water Technical Reference Group (TRG) Asset Management Workshop - Breaking Through the Barriers, Brisbane, June 13, 2019	'Is there a light at the end of the tunnel?'	Joint presentation: Jason Cocker and Jacquiline Stewart
Water Services Association of Australia (WSAA) Customer and Community Network Meeting, Adelaide, June 13, 2019	'Smart Metering'	Jason Devitt

Awards



Best tasting water in Queensland

In September, water from council's Nebo Road Water Treatment Plant won the 'top drop' title in the 2018 Ixom Best of the Best Queensland Water Taste Test. The competition was held at the Queensland Water Directorate (qldwater) Annual Forum on the Gold Coast. Around 60 forum delegates put their senses to the test, judging entries from around Queensland by colour, odour and taste. We will now compete in the national titles at the end of 2019.



MiSewer program honoured

The Australian Water Association awarded their Queensland Program Innovation Award to council's MiSewer program. Our team developed an Australian first, a low-cost sewer level monitoring program with mobile alert system that alerts staff to sewer issues in real-time. The program has led to improved response times and better control and monitoring of discharges to the environment.



Sustainability efforts rewarded

The Water Services team was awarded the IPWEA Innovation and Sustainability Award for its \$24 million refurbishment to the Mt Pleasant No. 1 Reservoir. The reservoir was fitted with the latest in external post-tensioning technology, maximising use of the existing structure and extending its life at minimal cost. This is the first time that this system and a number of external post-tensioning tendons had been retro-fitted to a large water reservoir (18 megalitres).

Partnerships

Choose Tap coalition

Council continued to be a member of the national Choose Tap coalition in the financial year raising awareness about the health, environmental and financial benefits of drinking tap water.

CTM Water Alliance

Mackay Water Services continued to work with the water directorates of Cairns and Townsville councils during the financial year under the banner of the Cairns, Townsville and Mackay (CTM) Alliance. During the financial year, the alliance continued to discuss the key issues for their water utilities and facilitated the sharing of information, ideas and documentation.

The Water and Waste Advisory Board

The Water and Waste Advisory Board, consisting of external industry specialists, continued to provide valuable input into council's business cases, the progress of capital projects, safety results and department initiatives. Meetings were held in November and March.

The Whitsunday, Isaac and Mackay (WIM) Water Alliance

The Whitsunday, Isaac and Mackay (WIM) Water Alliance continued during the year. Strong collaboration occurred between Mackay Regional Council and Whitsunday Regional Council on two major projects - the transition of major sewerage treatment plants from external contract operation to council managed operations. This was accomplished via the appointment of a Joint Transition Manager that worked between Mackay and the Whitsundays. A joint superintendent was also appointed to manage the Bowen Sewerage Treatment Plant and Mirani Sewerage Treatment Plant. These projects have provided significant savings to both councils.

Water Industry Worker Pilot program

Mackay Regional Council engaged fellow councils Burdekin, Cairns, Townsville and Whitsundays to take part in a water industry worker pilot training program. The long-term goal of the program is to co-share a skilled workforce between councils to help reduce operational costs, improve career opportunities and ultimately protect the public health of our water supply networks. The program was due to commence in September 2019.

Mackay waste services report

Fast facts

In 2018-2019 council:



Responded to 6479 client service requests, 1159 more than the previous financial year

Serviced 50,906 waste and 50,911 recycling bins



Collected 32,120 tonnes of household waste

Collected 8186 tonnes of kerbside recycling, 416 tonnes less than the previous year due to the State Government's Container Refund Scheme



Replaced 2317 waste bins and 461 recycling bins

Received 7948 additional tonnes of recyclables from commercial and other regional council collections



Processed 6298 tonnes of green waste, 1286 tonnes more than the previous financial year due to warmer conditions



Delivered 166 waste education lessons to 4131 members of the community

Organised 11 sites for the Great Northern Clean Up and collected 2.5 tonnes of rubbish



Provided free composting and worm farm workshops to 44 members of the community (each workshop is capped at 20 participants)



Disposed of 85,035 tonnes of waste at Hogan's Pocket landfill, 3497 tonnes more than the previous year due to improved economic activity in the region

Destroyed 27,170 tonnes of co2e from Hogan's Pocket Landfill via gas flaring



Recovered 4169 tonnes of material through the Resource Recovery Facility, 2181 tonnes more due to improved data collection and reporting processes.



Vision

Mackay Waste Services will be an innovative waste service provider which is recognised for its commercial performance, provides regional leadership, has the respect of its clients and industry regulators, and prides itself on its sustainability.

Mission

Mackay Waste Services is committed to delivering sustainable waste services to the Mackay region in an efficient and commercially responsible manner.

Overview

Mackay Waste Services is a commercialised business unit of Mackay Regional Council and is responsible for the following waste management services:

- Weekly waste and fortnightly recyclable collection bin service
- Processing of recyclables
- Transfer station management and operations
- Landfill and haulage management and operations
- Green waste processing
- Resource recovery operations
- Legacy waste management
- Landfill gas management
- Strategic planning

The business unit employs 14 staff and has an annual operating budget of \$25.48 million and a capital budget of \$650,000. Its operations are carried out according to the Annual Performance Plan that defines council's expectations in terms of performance, reporting, level of service and policy compliance.

Assets

Asset Category	Asset Type	Qty
Landfill	Active	1
	Inactive (legacy)	18
Disposal Facilities	Waste Management Centre	1
	Transfer stations	10
	Green Waste Only Facility	2
Recyclate Receivables	Material Recovery Facility	1
	Resource Recovery Facility	1

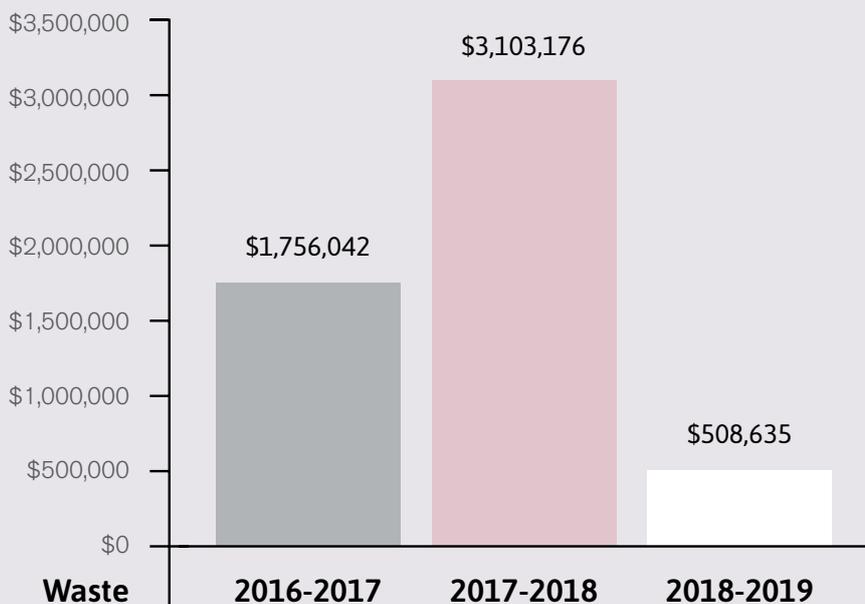
Our asset value

Entity	Total Replacement Value	Written Down Value as of 30 June 2019
Waste	\$97,256,859	\$50,114,359

The written down value is the difference between the replacement value and the current accumulated depreciation.

The totals above represent the value of assets owned by the waste entity and may include items from any of council's reported asset classes.

Capital expenditure past three years



Note: Operational expenditure from capital budget not included

Where our money came from

Our revenue for the 12 months ending June 30, 2019, totalled \$28.2 million, with 94 per cent generated from rates and fees and charges.



- 44% Refuse service charge
- 28% Waste facility manage fee
- 22% Fees and charges
- 4% Interest received
- 1% Capital income
- 1% Other income

Where our money goes

Our expenditure for the 12 months ending June 30, 2019, totalled \$43.4 million. The main expenses were capital expenses, material and services, dividend and notional tax.



- 43% Capital expenses
- 32% Material and services
- 10% Dividend and notional tax
- 5% Depreciation and amortisation
- 4% Competitive neutrality costs
- 3% Employee costs
- 3% Finance costs



Waste Levies

Waste Facilities Operations Charge - \$153.30. This is applied to all assessments and partially funds council's waste program. The charges and gate fees fund residual program costs.

Refuse Service Charge - \$268.50. This funds bin service and contributes towards bin collection, processing and disposal costs.

Investing in infrastructure

This financial year, council spent over \$500,000 on waste infrastructure. Some of the works we completed include:

- Hogan's Pocket Cell 3A Remediation project
- Construction of the Leachate Pond
- Construction of boom-gates and an additional walkway at the weigh bridge at Hogan's Pocket
- Updating all the signage at waste sites to reflect the new fees and charges.

Client service standards

Our client service standards are a result of legislative and/or regulatory requirements and key performance indicators as set by council.

Service	Standard	Indicator
Waste collection services	Once a week	●
Recyclables collection services	Once a fortnight	●
Bins not collected on scheduled service day	Less than 0.1%	●
Provision of new bins for a new standard service request	Three business days	●
Repair or replacement of bin upon a client request	Next collection day	●
Perform waste minimisation education sessions at the Materials Recovery Facility and out in schools and the community each year	50 sessions per annum	●
Organise a minimum of 10 Mackay Regional Council registered sites for the Great Northern Clean Up	10 sites	●
Waste disposal facilities open on published day and operating times	100% compliance	●

- Full compliance in all areas
- General compliance with some exceptions
- Significant non-compliance against standards

Recyclables

We processed 14,844 tonnes of recyclables at our Materials Recovery Facility, which was 17 per cent less than the previous financial year. This was due to the State Government's Container Refund Scheme and Hamilton Island crushing its own glass.

Recyclables	2017-2018	2018-2019
Glass	5607	2623
Paper and cardboard	9741	9227
H.D.P.E.	153	158
P.E.T.	190	200
Aluminium	189	179
Steel/Tin	304	371
Mixed plastics	302	401
Landfill	1326	1685
Total	17,812	14,844



Environmental monitoring and management

We performed regular environmental monitoring at both our operational and closed landfill sites. The following activities occurred:

In 2018-2019 the laboratory:

- Groundwater monitoring was undertaken quarterly at all of our licensed active and inactive landfills and former landfill sites to meet licensing conditions
- Surface water was also tested at Hogan's Pocket Landfill - our licensing conditions were met
- Three controlled releases of surface waters occurred at Hogan's Pocket landfill in January, February and March, with one release exceeding the licence condition of the site's environmental licence for controlled releases due to heavy rainfall resulting in turbidity levels being greater than background readings
- In January, there was an uncontrolled release of surface water following heavy rainfall. Initially, all parameters were being met, however on the second day turbidity levels did exceed licence limits. The values in turbidity did drop back to within licence limits after a few days. This incident was reported to the regulator (Queensland Department of Environment and Science) and council has committed to additional measures to reduce the risk of recurrence. These additional measures have proven to be effective as the releases in February and March met licence parameters
- Landfill gas monitoring was undertaken during the reporting period.

Community service obligations

Council provided waste disposal support to not-for-profit community groups during the year totalling \$46,703.

Dump vouchers

In a concerted effort to keep our region clean and tidy, we continued to provide three dump vouchers per rates notice to residential properties. The vouchers were valid for the disposal of self-hauled domestic and green waste under one tonne. Voucher usage exceeded budget expectations totalling \$639,860.

Highlights



Preparing businesses for the Waste Levy

In the lead-up to the introduction of the State Government's Waste Levy on July 1, council offered businesses free waste minimisation lessons to help reduce the impact of the levy. Businesses were given tips on how to reduce their waste, separate their waste streams and recycle more to help reduce their waste disposal costs.

"Council was working to provide local businesses with as much information as possible to reduce the impact of the levy."

- Cr Laurence Bonaventura

Students bus it to the MRF

More than 1200 students visited council's recycling facility, a 20 per cent increase on last year's total. This was due to our education program providing a full bus subsidy, so students could see the recycling plant in action and learn about waste minimisation.



Educating the public on reusable bags

Council's Materials Recovery Facility (MRF) was inundated with reusable shopping bags following the State Government's ban on single-use plastic bags. Council's recycling facility does not accept any plastic or reusable bags, including hessian, the heavier plastic bags, bin liners or bio-degradable bags. Council invited the media to its MRF to help educate the public.



Improving residents' recycling knowledge

Hundreds of residents took part in council's "Test your Recycling Knowledge" Facebook competition during National Recycling Week (November 12 to 18). Those who answered council's questions correctly went into the draw to win one of seven \$100 Mackay City Centre vouchers. The competition encouraged residents to think about their recycling habits and make the necessary changes to improve their recycling efforts. Those who answered the questions incorrectly were provided with further education.



Recycling fluorescent lights

From November, residents were able to recycle their fluorescent light tubes at the Paget Waste Management Centre for free. A collection point was made available at the Incredible Ltd drop-off area between 7am and 5pm daily, including public holidays.

Employee Profile



Fiona Paterson,
Environmental Education officer

Fiona has worked in Waste Services since 2007. Her role is to promote waste minimisation in the Mackay region. This includes reducing, reusing and recycling options for managing our waste and avoiding sending waste to landfill. Fiona is motivated by the community's continuous improvement in resource recovery and recycling rates.

"The community feedback I receive about my program is very inspiring and rewarding. I feel privileged that I have a job where I have an absolute blast every day working with our wonderful local community."

Awards

The Waste Management and Resource Recovery Association of Australia named Mackay Regional Council's Transfer Stations as a finalist in the 2019 Australian Landfill and Transfer Stations Innovation and Excellence Awards.

Council's Waste Services manager Jason Grandcourt was awarded the Ross Overton Memorial Award by LAWMAC for his efforts in the waste industry.



Presentations

The following table lists the presentations that were given by our team in 2018-2019.

Conference	Name of Paper	Staff Member
Local Authority Waste Management Advisory Committee (LAWMAC)	LGAQ Zero Waste Study Tour	Jason Grandcourt (Mackay Regional Council)
Mackay Trade Waste Forum	Queensland Government Waste Levy	Jason Grandcourt (Mackay Regional Council)

Partnerships

Advisory board

The Water and Waste Advisory Board consisting of various councillors and external industry specialists continued to provide valuable input into our business cases, the progress of capital projects, safety results and department initiatives during the year. Meetings were held in November and March.

LAWMAC

Mackay Regional Council continued to be a member of the Local Authority Waste Management Advisory Committee (LAWMAC). During the financial year, they discussed key issues within the waste industry including the Queensland Waste Strategy, the introduction of the Waste Levy and the Queensland Waste and Resource Recovery Infrastructure Plan. Mackay also hosted a LAWMAC forum in May with 56 delegates attending.

DrumMUSTER initiative

Council continued to provide DrumMUSTER collection sites, so residents could recycle their empty farm chemical containers during the year. The following sites had collection points; Bloomsbury, Gargett, Koliyo and the Seaforth transfer stations as well as the Paget and Sarina Waste Management centres.

Paintback scheme

Council continued to house a Paintback Collection point at the Paget Waste Management Centre, so residents and tradies could recycle their unwanted paint. This scheme diverted hundreds of litres of paint going to our landfill.

Community financial report

Vision

Corporate Plan 2016-2021

Strategy

- 10-year Strategic Financial Forecast
- Asset Management Plan

Direction

Operational plans, annual budgets, fortnightly council meetings and strategic advisory committee

Monitoring

Quarterly budget and operational plan reviews, monthly strategic financial reports and departmental performance reports

Inform our community

- Annual Report
- Independent annual audit
- Audit Committee
- Public access to audit reports and council minutes



Communication links in the community and council partnerships

The dialogue between council and the community is open, transparent and ongoing. It is exercised through four-yearly Local Government elections, deputations, correspondence, public meetings and planned consultation on projects and initiatives. More informally, the community's views are submitted through regular meetings and community engagement opportunities, surveys, polls, community participation opportunities at council meetings and contact with councillors.

The engagement of the community is an essential component in responsible governance and an important key to the development of a vibrant local democracy. A formally adopted Community Engagement Policy ensures that all groups – council, community and other spheres of government – are clear about the principles that guide council's efforts to involve the community in the planning and evaluation of council's activities.

How we report

A Community Financial Report contains a summary and analysis of a Local Government's financial performance and position for the financial year. This report makes it easier for readers to understand council's financial management and performance by focusing on the four key financial statements.

Statement of Comprehensive Income: How did we perform in relation to our trading result over the last 12 months?

Statement of Financial Position: What do we own and owe at year end?

Statement of Cashflows: Where has our cash been received and used during the past 12 months and how much remains at year end?

Statement of Changes in Equity: What is the wealth of the community at year end?

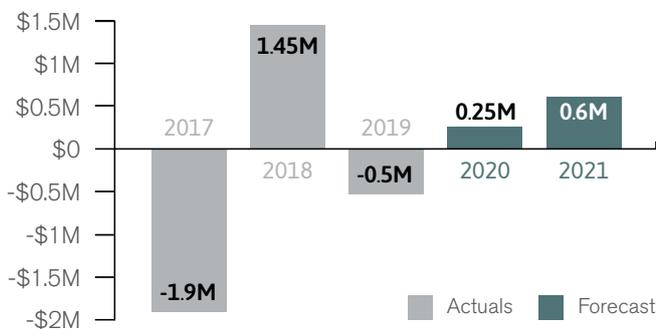
Statement of Comprehensive Income

This statement presents council's consolidated revenues (where the money comes from) and expenses (where the money is spent).

This result does not necessarily represent surplus funds available for general use as certain items of revenue have restrictions on their use. Some revenue is non-monetary (for example, contributed infrastructure assets, such as roads, sewerage mains and water mains, constructed by developers on council's behalf, in new land subdivisions), while other revenue is constrained for use on specific future activities (for example, developer contributions or grants used to maintain and/or expand the region's infrastructure).

The operational result of council's operations (total operating revenue less total operating expenses) shows if an operational surplus or deficit was reported during the year. This is graphed below and excludes capital items.

Operating result



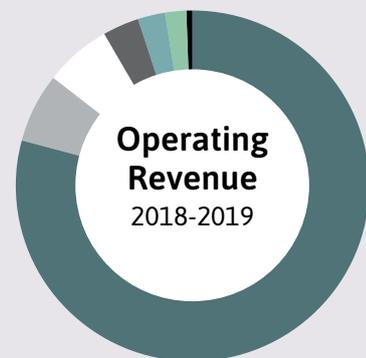
A small operational deficit is reported for the 2018-2019 financial year; however, council expects to return to a surplus position in future reporting periods. Council maintains a financially sustainable long-term outlook and is focused on continuing to provide a wide range of services to the community. Rates and charges revenue realised during the financial year increased by \$5.4M compared to the prior year. An additional \$1.7M and \$1.5M revenue is noted for sales contracts and recoverable works and fees and charges respectively.

Council experienced a net increase of \$10.3M in operating expenses for the reporting period. This is primarily attributable to an increase in costs for materials and services of \$11.3M, offset by a decrease of \$0.9M in finance costs. An operational deficit of \$0.5M is reported at June 30, 2019.

Total Revenue – where our money comes from

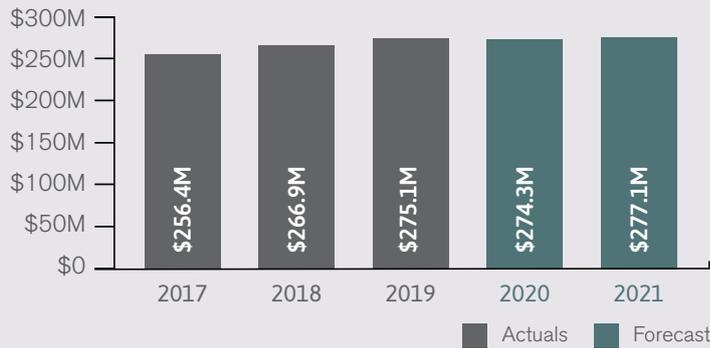
Total revenue of \$318M was recognised during the 12 months ending June 30, 2019. Operational revenue represents 86 per cent of this amount, with the remainder being capital revenue received through grants, subsidies, contributions and donations and other capital income. Capital revenue relates to the capital funding of infrastructure mainly through contributions or donated assets.

Council's operational revenue is generated from the below sources:



- 79.5% Rates and charges
- 6.5% Grants, subsidies, contributions and donations
- 6% Fees and charges
- 3% Sales contracts and recoverable works
- 2.5% Other recurrent income
- 2% Interest received
- 0.5% Rental income

Operating revenue

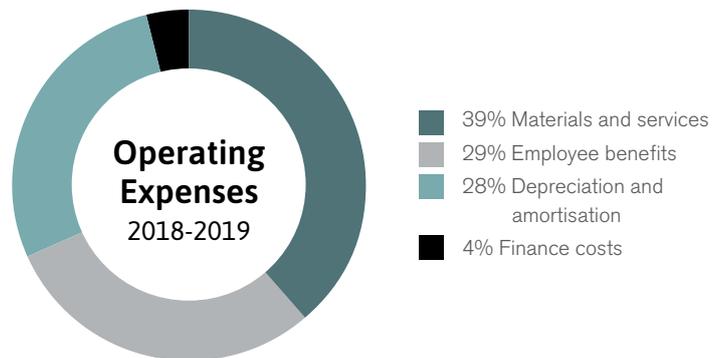


Council's operating revenue is greater at June 30, 2019, in comparison to the prior year. Rates and charges represent near to 80 per cent of total operational revenue recognised for the financial year, noting the amount is \$5.4M higher than the comparative period. This is mainly attributable to an increase in metered water consumption revenue and a small increase, below CPI, on rates and charges.

Council actively seeks revenue from other sources and attempts to maximise investment earnings to assist in funding the many services we provide.

Expenses – where our money goes

Council incurs both operational and capital expenditure in providing services to the community. Capital spending is added to the carrying value of assets as it maintains and expands council's asset base. The graph below shows the components of operating expenditure only.



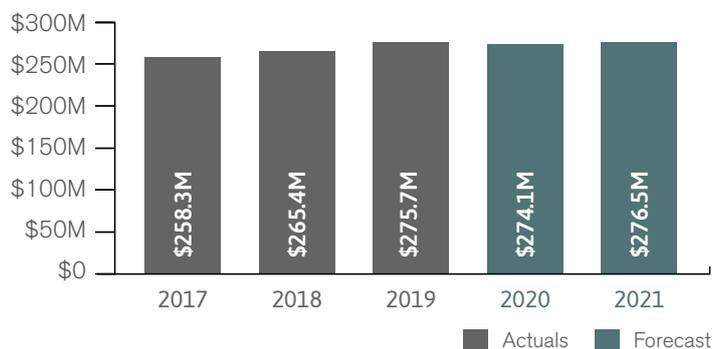
The level of council's expenditure is monitored constantly throughout the year. Detailed budgets are prepared at the beginning of each financial year and performance is measured against these budgets through regular budget reviews, ensuring funds are utilised as efficiently as possible.

Council's operating costs amounted to \$276M, which is slightly higher than the prior year. Council also spent \$104M on capital projects during the year.

Major capital expenditure recognised in the period included:

- Water Infrastructure (\$10.0M)
- Waste Water Infrastructure (\$10.4M)
- Mackay Regional Sports Precinct (\$15.6M)
- * multi-year project: total capital expenditure (\$23.7M)
- Roads, Bridges and Drainage (\$38.8M)

Operating expenses



Statement of Financial Position

The statement of financial position measures what council owns and owes to relevant stakeholders at the end of financial year. The result of these two components determines the net wealth of council, which is also the net wealth of the community. Our community's net worth (what we own, less what we owe) at the end of the financial year was approximately \$3.4B.

2018-2019 Statement of Financial Position	
Assets (what we own)	\$3,704,769,609
Liabilities (what we owe)	\$258,760,291
Equity (community wealth)	\$3,446,009,318

What do our assets consist of?

The bulk of council's assets are in the form of infrastructure, such as roads, drainage, water and sewerage assets. These asset types collectively make up 80 per cent of council's total asset base. Significant parts of our expenditure in the long-term financial forecast are focused on the construction, upgrade and renewal of these assets. The table below illustrates council's assets as at June 30, 2019.

Total property, plant and equipment asset values		
Asset class	Total asset value	Written down value
Land	\$146,397,356	\$146,397,356
Site improvements	\$190,342,865	\$117,882,178
Buildings	\$240,111,267	\$145,491,086
Roads, bridge and drainage network	\$2,441,720,153	\$1,874,038,856
Water	\$806,080,482	\$489,944,371
Sewerage	\$839,180,848	\$583,876,447
Plant and equipment	\$67,028,579	\$38,018,141
Works in progress	\$82,454,331	\$82,454,331
Total	\$4,813,315,881	\$3,478,102,766

Total assets

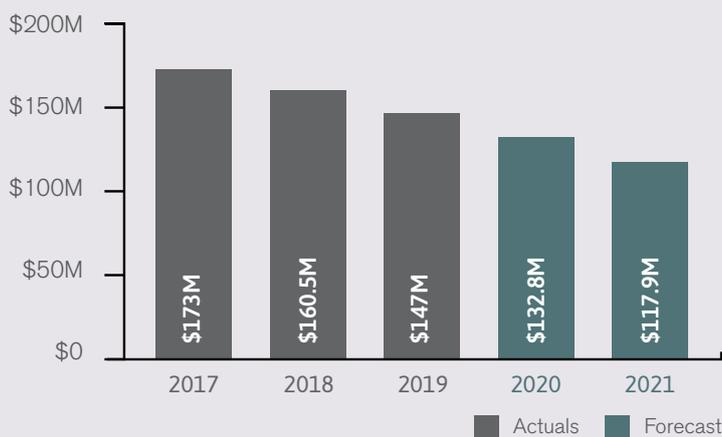


What do our liabilities consist of?

The bulk of council's liabilities are in the form of loans and provisions which collectively represent 86 per cent of our total liabilities. Borrowing for long-term assets is an effective way of spreading the cost of community infrastructure over the life of the assets in such a way that those deriving a benefit from the investment pay for it as it is being used. Provisions include retention of funds to rehabilitate waste and quarry sites administered by council as well as expenses relating to employee entitlements (for example, long service leave).

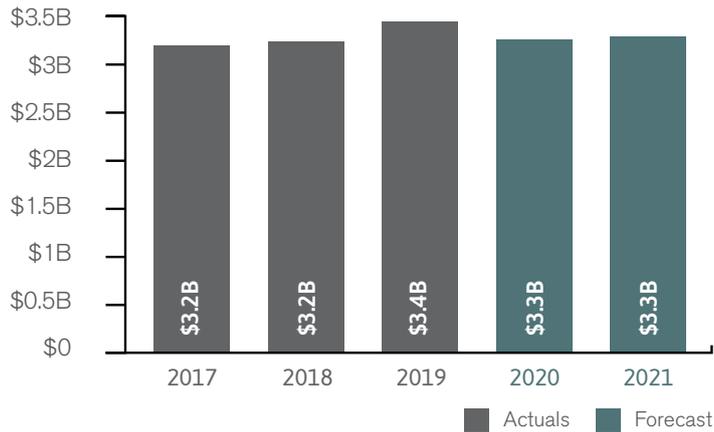
Our long-term financial forecast reflects a concerted effort to reduce debt and borrowing over the life of the plan. To this end, council has not borrowed any funds for the past four financial years concentrating on the repayment of existing debt. Council's outstanding debt at financial year end was \$147M. The graph below shows our debt balance.

Borrowings



Statement of Changes in Equity

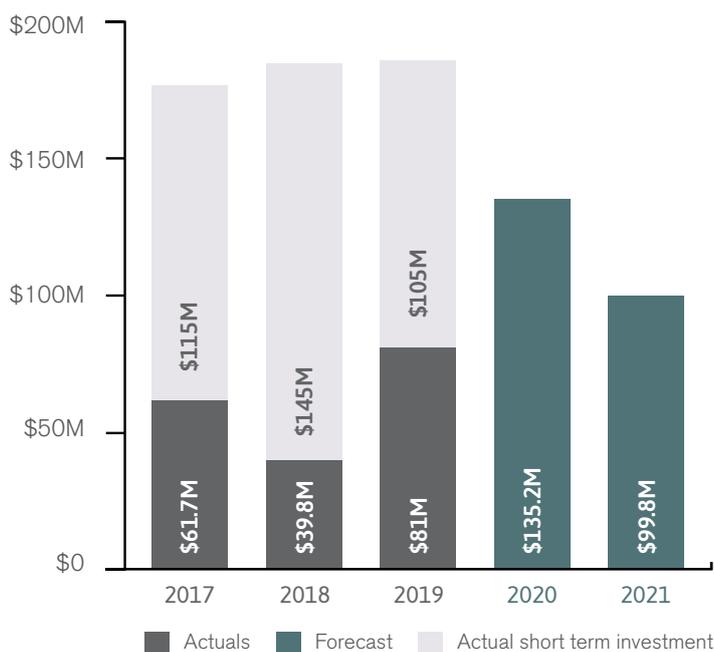
Equity



This statement measures the change in our net wealth and considers such items as retained earnings and revaluations of our asset base. Equity has maintained slight improvement from prior years and is forecast to remain relatively constant into the future.

Statement of Cash Flows

Cash and short term investments



This statement identifies how council received and spent its money during the year. The result details what cash is available at year end.

While council's cash balance is \$81M at the end of the year, it is important to note that an additional \$105M is held in short-term cash investments (term deposits) that are separately classified at June 30, 2019. Council pools and invests funds throughout the year in low risk short-term investments in accordance with our investment policy with the aim to optimise the best rate of return.

Looking forward council's short and long-term cash flows indicate that sufficient cash is available to meet recurring activities and capital expenditure.

Moving forward

Council's financial results are reflective of strong economic foundations and a sound capacity to service its obligations. Our long-term financial forecast provides a plan for the challenges and demands council faces now and into the future. Our goals and strategies are to continue to review operations to improve efficiencies, focus on further reductions in borrowings, maintain effective use of cash reserves, and effective management of capital projects through improved asset management will continue to be a focus with strategies enhanced.

Overall trends

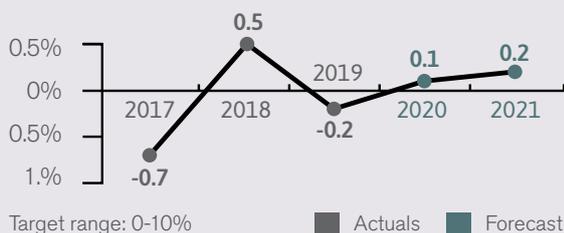
Ratios are calculated using inputs from financial statements to gain meaningful insight about an organisation. Ratios are also particularly relevant for measuring the financial sustainability of the organisation. The ratios are prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013.

Operating Surplus Ratio

This is an indicator of the extent to which operating revenue covers operating expenses or are available for capital funding purposes.

Council's current year operating surplus ratio is slightly below target at period end, in line with reporting a small deficit, but is forecast to increase and remain within target range over the life of the plan.

This indicates that council is in a sound financial position and reinforces the continuing ability to fund proposed capital expenditure and debt service repayments.

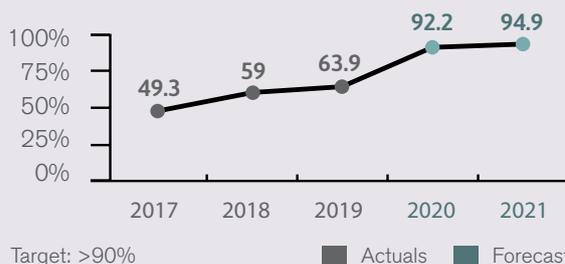


Asset Sustainability Ratio

This ratio approximates the extent to which the infrastructure assets managed by council are being replaced as they reach the end of their useful lives. The asset sustainability ratio is calculated by comparing the planned capital expenditure on renewal assets, to the depreciation expense calculated in keeping with accounting principles. While projected renewal expenditure is lower than the calculated depreciation, council continues to invest adequately in asset renewals to ensure continued services to the community over the long-term.

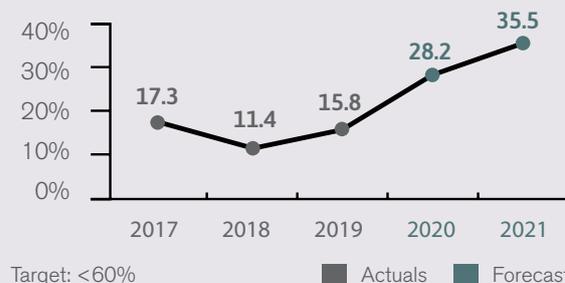
Due to significant investments in new assets in the past few years, council boasts a relatively new infrastructure asset base, which reduces the immediate need for renewal of those assets. The renewals expenditure is calculated based on sound asset management principles and is designed to optimise the costs of operating and maintaining the asset over its useful life. It should also be noted, new age for some assets were aided by a sustained period of National Disaster Relief and Recovery Arrangements (NDRRA) repairs.

Continuing refinement of council's asset management plans will improve the ability to make informed decisions regarding asset management into the future.



Net Financials Liabilities Ratio

This ratio is an indicator of the extent to which the net financial liabilities of council can be serviced by its operating revenues. The net financial liabilities target ratio is less than 60 per cent. This indicates the capacity to fund liabilities and a capacity to increase loan borrowings if required. Council has made a concentrated effort to reduce debt and future borrowings in the short term.



Legislative requirements

Debt policy (adopted 19-20FY)

Loans are used to fund major capital and infrastructure works so that repayments are spread over a number of years, as they have extended useful lives. The default repayment term of new loans is 20 years. However, this is set out on a case by case basis to ensure best use of council's surplus funds. Our current Debt Policy details new borrowings, the purpose of the borrowings and repayment terms.

Year and purpose of borrowing	Amount
2019-20	Nil
2020-21	Nil
2021-22	Nil
2022-23 - new and upgrade infrastructure assets	\$18M
2023-24 - new and upgrade infrastructure assets	\$29.8M
2024-25 - new and upgrade infrastructure assets	\$30M
2025-26 - new and upgrade infrastructure assets	\$27M
2026-27 - new and upgrade infrastructure assets	\$6.6M
2027-28 - new and upgrade infrastructure assets	\$25.5M
2028-29 - new and upgrade infrastructure assets	\$28M

Purposes of borrowings

The types of projects that are funded by loan borrowings are those that will have a financial impact over a number of years. This method ensures that the region's ratepayers are not burdened by unrealistic expenditure levels. The funding for these capital works, which creates an asset for council and/or the community, can then be repaid over the years relating to the life of the asset, where appropriate.

Overseas travel

Mayor Greg Williamson travelled to the USA with a State Government delegation on an official Trade Mission called by Premier Anastacia Palaszczuk. Travel costs incurred by council, including flights and accommodation, totalled \$17,300.

CEO Craig Doyle and Executive Officer David McKendry visited New Zealand between January 17 and 19 to meet with a training provider training as part of the QANTAS pilot training academy bid for Mackay. Overseas travel costs incurred by council, including flights and accommodation, totalled \$3900.

Robert Ryan, Community Programs senior coordinator, travelled to Mackay's sister city Matsuura in Japan as chaperone for a student visit in September. Overseas travel costs incurred by council, including flights and accommodation, totalled \$2985.

Revenue Policy

The Revenue Policy is a strategic document that sets out the principles used in exercising council's revenue powers. This policy is required to be prepared each financial year. A copy can be found on council's website.

Revenue Statement

The Revenue Statement in conjunction with the Budget resolutions and other revenue related policies set out the mechanisms by which council will collect its revenue for the financial year, in particular its rates and charges and other fees, including any concessions that it may grant. A copy of the Revenue Statement can be found at: mackay.qld.gov.au/about_council/your_council/budget_2019-20

Special rates and charges

Under the *Local Government Act 2009*, we are required to provide details of action taken in relation to, and expenditure on, a service facility or activity for which the local government made and levied a special rate or charge for the financial year and a summary of all rebates and concessions allowed by the local government in relation to rates.

Special Rate (City Centre Management)

A special rate was levied on properties within the City Centre Precinct for "City Centre Management". The revenue from these rates was used as core funding for the promotion, revitalisation and enhancement initiatives of our City Centre.

Special Charge (Rural Fire Services)

Where requested by a Rural Fire Brigade (or group thereof), we levy a Special Charge to provide assistance with their operations. All funds levied (less an administration charge) are paid to the relevant Rural Fire Brigade or group.

Special Rate (Slade Point Seawall)

A special charge was levied on rateable land within the defined benefited area to contribute to the funding of the construction of a seawall. The cost of carrying out the overall plan is spread across a 10-year period, commencing July 1, 2012.

Rebates and concessions

Council has six different rebates and concessions for our rates. These are concessions for Eligible Pensioners, Rating Remission for non-profit community organisations, Conservation Remission Policy, Rates Relief Policy, Concession for Concealed Leaks Policy and Exceptional Circumstances Policy. Full details of these rebates and concessions are available within the Revenue Policy from www.mackay.qld.gov.au.

Administrative action complaints

We recognise that effective complaints management is integral to good customer service. We are committed to providing fair and consistent handling of all complaints. A centralised complaints management system has been implemented to ensure that we will respond to administrative action complaints promptly, professionally and in a manner respectful to the complainant. Our administrative actions complaint policy and procedure is in place to effectively manage complaints from our customers. The assessment of a complaint has three stages, including: Stage 1 - Initial Complaint; Stage 2 - Internal Review; Stage 3 - External Review

We recognise this system is an essential part of quality service and an important process we can use to measure and improve our service to the community. We are required under section 187 of the Local Government Regulation 2012 to disclose the number of administrative action complaints made and resolved.

A total of 493 administrative action complaints were received in 2018-2019. Of this total, 463 complaints were resolved, with 30 complaints yet to be resolved as at June 30, 2019.

Councillors' Remuneration Policy

Our councillors' remuneration is determined by the Local Government Remuneration Tribunal that sets remuneration levels for all councils across the state. Our council adheres to recommendations by the Local Government Remuneration Tribunal.

Councillors' Reimbursement Policy

Our councillors' reimbursement of expenses and provision of facilities policy (as required under the Local Government Regulation 2012) ensures accountability and transparency in the reimbursement of expenses incurred by our councillors and ensures they are provided with reasonable facilities to assist them in carrying out their civic duties. The policy is as follows:

> Payment of expenses

Expenses will be paid to a councillor through administrative processes approved by our Chief Executive Officer (CEO) subject to the limits outlined in this policy, or council endorsement by resolution.

> Expense categories

(i) Professional development

We will reimburse expenses incurred for mandatory professional development and/or discretionary professional development deemed essential for the councillors' roles. Any professional development, regardless of category and requiring overseas travel, requires formal council resolution. The Mayor attends the Local Government Association Queensland (LGAQ), Australian Local Government Association (ALGA) and any other relevant conferences/seminars/workshops as the primary delegate. Councillors can attend workshops, courses, seminars and conferences that are related to their roles. Approval to attend is made by council resolution and therefore councillors should advise the CEO of their desire to attend an event. The CEO will provide a report to council seeking approval on behalf of the councillor.

(ii) Discretionary professional development

Each councillor can attend (at their own discretion) workshops, courses, seminars and conferences that improve their skills relevant to their role. This training is

initially limited to \$5000 per councillor over the current term of office, but will be reviewed annually when setting the budget. There is no requirement for a council resolution to approve these attendances, however, the councillor would need to submit a request to the CEO (prior to attendance) and provide all relevant documentation within 14 days of attending the event to ensure their expenses are reimbursed.

(iii) Travel as required to represent council

Council will reimburse local, interstate and, in some cases, overseas travel expenses (such as flights, motor vehicle, accommodation, meals and associated registration fees) deemed necessary to achieve the business of council where a councillor is an official representative of council and the activity/event and travel has been endorsed by resolution of council. Approval for such travel is to be approved either by resolution of council or by the Mayor and/or the CEO. We will pay for reasonable expenses incurred for overnight accommodation when a councillor is required to stay outside our council area. Wherever possible all councillor travel approved by council will be booked and paid for by us in advance.

(iv) Private vehicle usage

Councillors' private vehicle usage will be reimbursed if the usage is for official council business. This includes to:

- attend official council business/meetings/functions/community events and public meetings in the role of councillor
- investigate issues/complaints regarding council services raised by residents/ratepayers and visitors to the region.

Councillors making a claim for reimbursement of private vehicle usage can do so by submitting the appropriate form detailing the relevant travel based on log book details. The amount reimbursed will be based on the published Australian Tax Office business-use-of-motor-vehicle-cents-per-kilometre method and kilometre rate applicable at the time of travel. Councillors will be provided with an appropriate log book to assist in this process.

> Provision of facilities

Council will provide facilities for the use of councillors in the conduct of their respective roles with council. All facilities provided remain our property and must be returned when the councillor's term expires. The facilities provided by us to councillors are to be used only for council business unless prior approval has been granted by resolution of council.

> Facility categories

(a) Administrative tools and access to council office amenities

Councillors will be provided with use of the following:

- suitable office space at the administration building in Gordon Street, Mackay, and council meeting rooms for daily use
- secretarial support for Mayor and councillors located at the administration building
- desktop and/or laptop computer
- landline telephone and internet access
- fax and/or scanner
- printer, photocopier, paper shredder, filing cabinet
- stationery
- hands-free mobile telecommunications device for councillors' private vehicle
- any other administrative necessities, which we resolve are necessary to meet the business of council.

(b) Home office

We recognise that by using contemporary communication technologies (such as the internet for the electronic distribution of agendas and minutes) and the distance some councillors will have to travel if this technology was not used, there is a necessity to provide home-office facilities to councillors. Accordingly, we will supply and pay for an internet connection and land-based phone line at the councillor's residence. We will pay installation costs (if required) and monthly costs for line rental and current internet package. These services will be in the name of the councillor and personal usage will be his/her responsibility.

(c) Maintenance costs of council-owned equipment

We are responsible for the ongoing maintenance and reasonable wear-and-tear costs of council-owned equipment that is supplied to councillors for official business use. This includes the replacement of any facilities that fall under council's Asset Replacement program.

(d) Uniforms and safety equipment

We will provide to a councillor:

- uniform allowance as per staff policy
- council blazer and tie or scarf
- necessary safety equipment for use on official business (for example, safety helmet, boots and safety glasses).

(e) Use of council vehicles on council business

Councillors will have access to a suitable council vehicle for official business. A councillor wishing to use a council vehicle for council business must submit a request to the CEO at least two days prior, except in exceptional circumstances as determined between the councillor concerned, Mayor and CEO.

(f) Private use of council vehicles

The Mayor will be provided with a fully maintained suitable council vehicle of no higher value than a Holden Statesman Caprice including all running costs provided for unlimited and unrestricted use by the Mayor for council business and private purposes in recognition of the duties required to be performed by the Mayor and the irregular hours required to attend council, community and civic responsibilities. Should the Mayor elect to use a privately-owned vehicle, we shall pay for all kilometres travelled at the applicable ATO rate. Payment shall be made monthly, based on the monthly opening and closing odometer readings of the nominated vehicle.

(g) Fuel costs

All fuel used in a council-owned vehicle on official council business will be provided or paid for by council.

(h) Car parking amenities

We will provide councillors with car parking spaces at the main administration building. Councillors will be reimbursed for parking costs while attending official council business (for example, secured vehicle parking at an airport).

(i) Telecommunication needs: mobile phones

To enable councillors to communicate effectively, councillors will have the costs of a mobile phone package paid by council. The package will be the \$135 per month Personal Freedom Connect Plan, amended from time-to-time by the CEO as required.

(j) Insurance cover

Councillors will be covered under relevant council insurance policies while discharging civic duties. Specifically, insurance cover will be provided for public liability, professional indemnity, councillors' liability and personal accident. We will pay the excess for injury claims made by a councillor resulting from the conduct of official council business and on any claim made under insurance cover.

We will cover costs incurred through injury, investigation, hearings or legal proceedings into the conduct of a councillor, or arising out of (or in connection with) the councillor's performance of his/her civic functions. If it is found the councillor breached the provisions of the *Local Government Act 2009*, the councillor will reimburse us with all associated costs incurred by council.

(k) API card

Councillors may become API Leisure and Lifestyle members.

(l) Limit

We may by resolution reduce or limit benefits receivable under this policy.

Administrative Support

Council provides as support to mayor and councillors necessary administrative support, through Executive Assistant staff, as well as a communication specialist to provide expert assistance in supporting the mayor's official online social media communications.

Senior management remuneration

Under section 201 of the *Local Government Act 2009*, we provide the total remuneration paid to senior executive employees, including the CEO and employees reporting directly to the CEO during the financial year. The total remuneration packages paid to senior management in 2018-2019 is \$1,981,176. The annual package bands for council's senior management during 2018-2019 are:

Income Range	Number of Packages*
\$400,000 - \$499,999	1
\$300,000 - \$399,999	0
\$200,000 - \$299,999	6
\$100,000 - \$199,999	1

*These figures include salary, allowances and super (total remuneration).

Councillors' allowances

Total remuneration paid to each of our councillors during 2018-2019, excluding superannuation:

Councillor	Total
Mayor Greg Williamson	\$175,859
Cr Amanda Camm	\$119,903
Cr Martin Bella	\$103,918
Cr Laurence Bonaventura	\$103,918
Cr Kevin Casey	\$103,918
Cr Justin Englert	\$103,918
Cr Ross Gee	\$103,918
Cr Frances Mann	\$103,918
Cr Karen May	\$103,918
Cr Ayril Paton	\$103,918
Cr Ross Walker	\$103,918

Councillors' superannuation

Total superannuation paid to each of our councillors during 2018-2019:

Councillor	Total
Mayor Greg Williamson	\$21,103
Cr Amanda Camm	\$14,388
Cr Martin Bella	\$12,470
Cr Laurence Bonaventura	\$12,470
Cr Kevin Casey	\$12,470
Cr Justin Englert	\$12,470
Cr Ross Gee	\$12,470
Cr Frances Mann	\$12,470
Cr Karen May	\$12,470
Cr Ayril Paton	\$12,470
Cr Ross Walker	\$12,470

Expenses

Summary of Councillor's expenses and conference expenses for the period of July 1, 2018 to June 30, 2019:

Councillor	Conferences/Travel	Private Vehicle Usage	Provision of Facilities	Total
Mayor Greg Williamson	\$23,599	-	\$13,802	\$37,401
Cr Amanda Camm	\$8180	-	\$9278	\$17,459
Cr Martin Bella	-	\$8832	\$4671	\$13,503
Cr Laurence Bonaventura	-	\$6977	\$4867	\$11,844
Cr Kevin Casey	\$3088	\$3164	\$7456	\$13,708
Cr Justin Englert	\$5795	\$4961	\$11,697	\$22,453
Cr Ross Gee	\$586	\$5924	\$6250	\$12,760
Cr Frances Mann	\$8953	-	\$9275	\$18,227
Cr Karen May	\$12,905	-	\$12,577	\$25,481
Cr Ayril Paton	\$3330	\$11,111	\$5777	\$20,217
Cr Ross Walker	\$1197	\$5617	\$7841	\$14,655
Total	\$67,632	\$46,586	\$93,490	\$207,708

Meetings

Council meetings from July 1, 2018, to June 30, 2019:

Councillor	Ordinary Meeting	Strategic Advisory Committee Meeting*	Special Meeting	Absent on Council Business	Leave of Absence
Mayor Greg Williamson	21	4	2	0	1
Cr Amanda Camm	18	2	2	2	4
Cr Martin Bella	20	4	2	0	2
Cr Laurence Bonaventura	22	4	2	0	0
Cr Kevin Casey	20	3	2	1	2
Cr Justin Englert	21	4	2	1	0
Cr Ross Gee	21	4	2	0	1
Cr Fran Mann	20	4	2	0	2
Cr Karen May	20	4	2	1	1
Cr Ayril Paton	22	4	2	0	0
Cr Ross Walker	21	3	2	0	2
Maximum meetings for this period	22	4	2		

* Strategic Advisory Committee, which operated from March 2018, was abolished in January 2019.

Committees

External Local, State or Federal Government Committees

The following is a list of councillor appointments to committees and groups, both internal and external to council from July 1, 2018 to June 30, 2019.

Council Advisory, Local and State Government, External and Internal Working Groups		
Committee	Internal/External	Councillor Representatives
Artspace Foundation Executive Committee	Statutory External	Director Community and Client Services
Asset Management Steering Committee	Internal	No Councillor involvement
Audit Committee	Statutory	Mayor Greg Williamson, Cr Ayril Paton
Character and Heritage Advisory Committee	Advisory	Cr Justin Englert, Cr Fran Mann
Citysafe	External	Cr Justin Englert Economic Development
Combined Museums	External	Manager Community Lifestyle, Cr Karen May, Cr Fran Mann
Community Grants Advisory Committee	Internal	Cr Laurence Bonaventura, Cr Ross Gee, Cr Fran Mann, Cr Karen May
Consumer Advisory Partners	External	Director Community and Client Services
Crimestoppers	External	Cr Ross Gee
CTM Water Alliance Executive Committee	External	Cr Karen May
DBCT Engagement Group	External	Cr Karen May
Diabetes and Obesity Project - Let's Shape Up!	External	Director Community and Client Services, Cr Ross Gee
Economic Recovery Sub Group	Statutory External	Cr Fran Mann, Cr Amanda Camm
Environment Recovery Sub Group	Statutory External	Cr Laurence Bonaventura, Cr Ross Gee
Greater Whitsunday Council of Mayors (Whitsunday ROC Ltd)	Statutory External	Mayor Greg Williamson, CEO
Hay Point Engagement Group		TBC
Human-Social Recovery Sub Group	Statutory External	Cr Ayril Paton
Infrastructure Recovery Sub Group	Statutory External	Cr Kevin Casey, Cr Karen May
LGAQ Policy Executive	Statutory External	Mayor Anne Baker from Isaac to represent the region
Local Authorities Waste Management Advisory Committee	External	Cr Ayril Paton
Local Buy Foundation	External	Cr Ayril Paton
Mackay Community Foundation	External	Mayor Greg Williamson
Mackay District Disaster Management Group	Statutory External	Mayor Greg Williamson
Mackay Housing Company	External	Cr Fran Mann , Cr Karen May
Mackay Local Disaster Management Group	Statutory External	Mayor Greg Williamson, Cr Amanda Camm, Cr Kevin Casey, Cr Karen May
Mackay Local Disaster Recovery Group	Statutory External	Mayor Greg Williamson, 4 Chairs from sub groups

Committee	Internal/External	Councillor Representatives
Mackay Show Trustees	Statutory External	Cr Greg Williamson, CEO
Mackay Tourism	External	Cr Justin Englert
Mayor's DV Taskforce	External	Mayor Greg Williamson, Cr Ross Gee, Cr Amanda Camm
MRSP - PCG - Mackay Regional Sports Precinct (previously CQU Working Group)	Internal	Director Community & Client Services
North Queensland Sports Foundation	External	Cr Kevin Casey
Northern Alliance of Council	External	Cr Kevin Casey
NQBP Community	External	Cr Justin Englert (Mackay), Cr Karen May (Hay Point)
PDA Strategic Advisory Committee		Mayor Greg Williamson, Cr Karen May, Cr Ross Gee, Cr Laurence Bonaventura (Proxy)
Pioneer Landcare Group	External	Cr Amanda Camm, Cr Laurence Bonaventura (Proxy)
Rates Payment Review Tribunal	Advisory	Cr Ross Walker, Cr Martin Bella
Regional Arts Development Fund Advisory Committee	Advisory External	Cr Justin Englert, Cr Ross Gee, Cr Fran Mann, Cr Karen May
Regional Development Australia Mackay-Isaac-Whitsunday Inc. (RDA)	External	Cr Amanda Camm
Regional Social Development Centre (RSDC)	External	Cr Amanda Camm
Roads Accident Action Group	External	Cr Kevin Casey, Cr Fran Mann
Rural Safety Working Group	External	Cr Laurence Bonaventura
Sarina Field of Dreams Advisory Committee	Advisory External	Cr Amanda Camm, Cr Karen May, Cr Fran Mann
Sarina Landcare Group	External	Cr Karen May
Sarina Rural Skills Centre Management Board	External	No Councillor involvement
Sister Cities Mackay	External	Cr Fran Mann
Sport and Recreation Advisory Committee	Advisory	Cr Ayril Paton, Cr Justin Englert, Cr Kevin Casey
Sports Expo and Sign on Day Working Group	Internal	Cr Justin Englert, Cr Kevin Casey, Cr Ross Gee, Cr Ayril Paton
St Vincent De Paul Housing Committee	External	Cr Kevin Casey
Sustainability and Environment Advisory Committee	Advisory External	Cr Amanda Camm, Cr Karen May
Traffic and Regulated Parking Advisory Committee	External Advisory	Cr Laurence Bonaventura, Cr Amanda Camm
Transport and Drainage Advisory Board	Advisory External	Cr Karen May, Cr Walker, Cr Ayril Paton, Cr Kevin Casey, Cr Laurence Bonaventura, Cr Martin Bella
Visual Arts Advisory Committee	Internal	Director Community and Client Services, Cr Justin Englert
Water and Waste Advisory Board	Advisory External	Cr Karen May, Cr Walker, Cr Ayril Paton, Cr Kevin Casey, Cr Laurence Bonaventura, Cr Martin Bella
Whitsunday Regional Roads Group	External	Mayor Greg Williamson, Cr Kevin Casey

Registers

Council maintains a list of registers that are available on request. These include:

- Register of animal impoundment
- Register of assets
- Register of authorised persons
- Register of cats and dogs
- Register of cemetery
- Register of administrative action complaints
- Register of conflict/material personal interest
- Register of contracts
- Register of delegations
- Register of electoral gifts
- Register of infrastructure agreements
- Register of infrastructure notices
- Register of installed on-site sewerage and greywater use facilities
- Register of land records
- Register of licensing
- Register of lobbyists
- Register of local laws and subordinate local laws
- Register of regulatory fees
- Register of roads and road maps
- Register of stock impoundment
- Register of testable backflow prevention devices
- Register of abandoned vehicle impoundment

Additionally, the following two registers are published on council's website:

- Register of gifts and benefits
- Register of councillor complaints

Under s186(d), (e) and (f) of the Local Government Regulation 2012, council's annual report must contain details of any orders and complaints about councillors during the financial year. Details for 2018-2019 are as follows:

Type of order/complaints	No. received
Orders made under section 150I(2) of the Act	Nil
Orders made under section 150AH(1) of the Act	Nil
Decisions, orders and commendations made under section 150AR(1) of the Act	Nil
Complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government	2
Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission	Nil
Notices given under section 150R(2) of the Act	Nil
Notices given under section 150S(2)(a) of the Act	Nil
Decisions made under section 150W(a), (b) and (d) of the Act	3
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act	Nil
Occasions information was given under section 150AF(4)(a) of the Act	Nil
Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor	Nil
Applications heard by the conduct tribunal about the alleged misconduct of a councillor	Nil

Funding acknowledgements

Council received funding through the year from the State and Federal governments as well as other sources. Below is a list of funding for the 2018-2019 financial year.

Funding Provider	Income 2018-2019	Total Funding	Program Name	Project
Arts Queensland	\$28,274	\$31,415	Playing Queensland Fund	Violent Salt Exhibition
	\$90,000	\$90,000	Regional Arts Development Fund	Community Grants program and council initiated projects
Central Queensland University	\$5000	\$5000	Advancing Queensland Age Friendly Community Grant Program	10,000 Steps Program
Council on the Ageing	\$1000	\$1000	Queensland Seniors Week Subsidy	Seniors Week Expo
Department of Child Safety, Youth and Women	\$42,754	\$42,754	Community Services Funding Stream	Sarina Youth Centre
	\$42,749	\$42,749	Community Services Funding Stream	Valley Youth Centre
	\$2000	\$2000	Queensland Youth Week	Unlimited Choices Youth Week Sarina 2019
Department of Communities, Disability Services and Seniors	\$6208	\$6208	Community Services Funding Stream	Sarina Neighbourhood Centre Emergency Relief
	\$115,860	\$525,250	Community Services Funding Stream	Sarina Neighbourhood Centre
	\$59,344	\$337,152	Community Recovery Cat C - Bushfires	Community Development Officer - CQ Bushfires
	\$73,800	\$220,800	Community Recovery - Ex Tropical Cyclone Debbie	Community Development officer - Tropical Cyclone Debbie
	\$876	\$8760	We are Queensland Small Grants	Movie Nights
Department of Employment, Small Business and Training	\$210,000	\$210,000	First Start Program	Trainee Support
Department of Housing and Public Works	\$150,000	\$1,000,000	Sport and Recreation Services	Camilleri Street District Park - construction of skate park and recreation hub
	\$21,950	\$46,950	Sport and Recreation Planning Program	Sport and Recreation Plan
Department of Infrastructure, Regional Development and Cities	\$7,996,196	\$9,996,196	Community Development Grants Program	Mackay Regional Sports Precinct
	\$1,401,803	\$12,953,964	Roads to Recovery 2014-2019 Funding	Various Projects
	\$940,453	\$940,453	Building Better Regions Fund	Mackay District Skate Park and Wheeled Sports Plaza - Sugar Bowl Mackay
Department of Local Government, Racing and Multicultural Affairs	\$5,848,224	\$6,068,182	Financial Assistance Grant	Financial Assistance Grant
	\$5,475,000	\$10,950,000	Works for Queensland Round 2	Various Projects
	\$76,995	\$76,995	Community Action for a Multicultural Society Program	Community Action for a Multicultural Society (CAMS) Program
	\$4,990,000	\$9,980,000	Works for Queensland Round 3	Various Projects
	\$720,420	\$1,029,172	Local Government Grants and Subsidies Program 2017-2019	Mirani Effluent Dam and Transfer System
	\$38,148	\$38,148	Local Government Levy Ready Grant Program	Hogan's Pocket Mandalay System
	\$77,840	\$77,840	Local Government Levy Ready Grant Program	Hogan's Pocket Landfill Weighbridge Monitoring

Funding Provider	Income 2018-2019	Total Funding	Program Name	Project
Department of Premier and Cabinet	\$5000	\$10,000	2018 Queensland Day Council Activation	Queensland Day Celebrations
Department of Social Services	\$40,000	\$150,000	Streamlines General Grant Program	LG Domestic Toolkit for Family and Sexual Violence Prevention
Department of State Development, Manufacturing, Infrastructure and Planning	\$461,500	\$2,307,467	Building our Regions Round 2	Mackay Showgrounds Redevelopment
	\$443,895	\$1,346,895	Building our Regions Round 3	Drainage Upgrades Shellgrit Creek
	\$27,600	\$92,000	Innovation and Improvement Fund	Point and Plan Mobile Application Project
	\$347,340	\$694,687	Building our Regions Round 4	North Mackay Rotary Lookout
	\$149,091	\$186,364	Maturing the Infrastructure Project Pipeline Program 2	Mackay Waterfront PDA Infrastructure Investigations
Department of Tourism, Major Events, Small Business and Commonwealth Games	\$412,121	\$1,300,000	Significant Regional Infrastructure Projects Program	Sarina Field of Dreams and Visitor Information Centre
Department of Transport and Main Roads	\$851,000	\$1,702,000	Black Spot Program 2019	Various Projects
	\$806,428	\$806,428	Transport Infrastructure Development Scheme 2019	Milton Street and Boundary Road
	\$108,439	\$108,439	Passenger Transport Accessible Infrastructure Program	Bus Stop - Disability Discrimination Act Compliance
	\$493,750	\$987,500	Cycle Network Local Government Grants Program	Ron Searle Drive
	\$42,159	\$168,637	Cycle Network Local Government Grants Program	Eimeo Road
	\$446,000	\$1,115,000	Passenger Transport Infrastructure Investment Program	Bus Service Improvement Project
	\$60,750	\$121,500	Black Spot Program 2020	Grendon and Palmer streets intersection
Department of Veterans Affairs	\$10,910	\$10,910	Armistice Centenary Grant	Great War Memorabilia Audit - Capricornia
	\$17,000	\$17,000	Armistice Centenary Grant	Great War Memorabilia Audit - Dawson
Department of Premier and Cabinet	\$2964	\$2964	Armistice Centenary Public Art Installation Initiative	Armistice Centenary Public Art Funding
Hail Creek Coal	\$9091	\$9091	Community Development Fund	Artspace - Alfredo & Isabel Aquilizan Art Project
Healthy Land and Water	\$8000	\$8000	Street Tree Trial	Passive Street Tree Project
Local Government Association of Queensland	\$46,977	\$46,977	Queensland Water Regional Alliance Program	Documentation for Sewerage Treatment Plants Upgrades - WIM Alliance
	\$32,675	\$63,500		Water Industry Worker Learning and Development - WIM Alliance
	\$5423	\$7230		Determination of Life Asset - WIM Alliance
	\$71,084	\$94,779		Transition Management - WIM Alliance

Funding Provider	Income 2018-2019	Total Funding	Program Name	Project
Northern Queensland Primary Health Care Network	\$4546	\$18,182	Primary Mental Health Care Funding	Youth Mental Health Program
Queensland Families and Communities Association	\$5984	\$5984	Thriving Queensland Communities Grant Funding	Sarina BBQ Cook-off
Queensland Fire and Emergency Services	\$11,087	\$11,087	SES Non-Recurrent Subsidy Program 2019	Mirani SES Facility Air-Conditioning
	\$31,255	\$31,255	Recurrent Annual Local Government SES Subsidy	Annual SES Funding
Queensland Reconstruction Authority	\$4,415,533	\$4,415,533	Natural Disaster Relief and Recovery Arrangements	Various Projects
	\$163,888	\$163,888	Disaster Recovery Funding Arrangements	Counter Disaster Operations - CQ Bushfires
	\$75,000	\$75,000	Natural Disaster Resilience Program	Flood Studies for TC Debbie affected communities - Eton, Sarina Range, Koumala and Walkerston
	\$2,659,200	\$8,864,000	Severe Tropical Cyclone Debbie - State Funded Projects	Queen's Park Revitalisation
	\$2,585,271	\$4,562,000	Severe Tropical Cyclone Debbie - State Funded Projects	Northern Beaches Extraordinary Funding
	\$4850	\$48,500	Get Ready Queensland	Get Ready Funding 2018
	\$48,500	\$48,500	Get Ready Queensland	Get Ready Funding 2019
Reconciliation Queensland Incorporated	\$455	\$455	2019 National Reconciliation Week Event Support	Reconciliation Week
Reef Catchments	\$51,000	\$51,000	Environmental Recovery Project	Forbes Road Fishway
	\$5148	\$7000	Environmental Recovery Project	McCreedy's Creek
Roads and Transport Alliance Board	\$2245	\$2245	Statewide Capability Development Fund	Bridge Inspection Level 1 and 2 training
State Library of Queensland	\$550,597	\$550,597	Public Library Grant	Annual Funding for Libraries
	\$44,682	\$223,411	First 5 Forever Funding	Family Literacy Program
	\$15,000	\$15,000	Tech Savvy Seniors Queensland	S.T.E.A.M'ing Seniors
	\$29,935	\$29,935	Strategic Priorities Grants Program - Public Libraries	Mackay Pop-Up Library
	\$3000	\$3000	Realising Our Potential Micro Grant Program	Targeted Digital Literacy for Children - Launchpads
	\$3000	\$3000	Realising Our Potential Micro Grant Program	Digital Outreach Program for Seniors and Disabled
Tourism and Events Queensland	\$8000	\$8000	Strategic Development	Business Plan for Mackay Beach Horse Races
\$44,032,267		\$85,175,928		



ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June, 2019

**Mackay Regional Council
Financial Statements
For the year ended 30 June 2019**

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**Mackay Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2019**

	Note	2019 \$000's	2018 \$000's
Income			
Recurrent revenue			
Rates and charges	3(a)	217,998	212,619
Fees and charges	3(b)	17,097	15,522
Rental income		1,214	1,039
Interest	3(c)	5,609	5,917
Sales contracts and recoverable works	3(d)	8,662	6,936
Other recurrent income		6,822	5,855
Grants, subsidies, contributions and donations	4(a)	17,743	18,977
		<u>275,145</u>	<u>266,865</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	42,630	26,894
Other capital income		469	2,298
		<u>43,099</u>	<u>29,192</u>
Total income		<u>318,244</u>	<u>296,057</u>
Expenses			
Recurrent expenses			
Employee benefits	5	(81,461)	(81,873)
Materials and services	6	(106,988)	(95,717)
Finance costs	7	(10,395)	(11,326)
Depreciation and amortisation	8	(76,830)	(76,504)
		<u>(275,674)</u>	<u>(265,420)</u>
Capital expenses	9	(26,234)	(15,417)
Total expenses		<u>(301,908)</u>	<u>(280,837)</u>
Net result		<u>16,336</u>	<u>15,220</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	18	180,168	31,772
Total other comprehensive income for the year		<u>180,168</u>	<u>31,772</u>
Total comprehensive income for the year		<u>196,504</u>	<u>46,992</u>

**Mackay Regional Council
Statement of Financial Position
As at 30 June 2019**

	Note	2019 \$000's	2018 \$000's
Current assets			
Cash and cash equivalents	10	81,063	39,873
Investments	11	105,000	145,000
Trade and other receivables	12	24,064	22,337
Other assets		2,225	1,738
Inventories		2,547	2,401
Non-current assets classified as held for sale		280	843
Total current assets		<u>215,179</u>	<u>212,192</u>
Non-current assets			
Investments	11	3,923	3,644
Trade and other receivables	12	2,314	1,450
Property, plant and equipment	13	3,478,103	3,262,200
Intangible assets	14	5,251	3,984
Total non-current assets		<u>3,489,591</u>	<u>3,271,278</u>
Total assets		<u>3,704,770</u>	<u>3,483,470</u>
Current liabilities			
Trade and other payables	15	30,952	25,785
Borrowings	16	14,619	13,778
Provisions	17	58,553	40,494
Other liabilities		4,491	1,623
Total current liabilities		<u>108,615</u>	<u>81,680</u>
Non-current liabilities			
Borrowings	16	132,461	146,704
Provisions	17	17,684	14,315
Total non-current liabilities		<u>150,145</u>	<u>161,019</u>
Total liabilities		<u>258,760</u>	<u>242,699</u>
Net community assets		<u>3,446,010</u>	<u>3,240,771</u>
Community equity			
Retained surplus		1,989,613	1,964,542
Asset revaluation surplus	18	1,456,397	1,276,229
Total community equity		<u>3,446,010</u>	<u>3,240,771</u>

**Mackay Regional Council
Statement of Changes in Equity
For the year ended 30 June 2019**

	Note	Retained Surplus \$000's	Asset Revaluation \$000's	Total \$000's
Balance as at 1 July 2018		1,964,542	1,276,229	3,240,771
Opening balance adjustment for assets not previously recognised	13^	8,739	-	8,739
Opening balance adjustment for AASB 9	1(c), 12	(4)	-	(4)
		<u>1,973,277</u>	<u>1,276,229</u>	<u>3,249,506</u>
Net result		16,336	-	16,336
Increase / (decrease) in asset revaluation surplus	18		180,168	180,168
Total comprehensive income for the year		<u>16,336</u>	<u>180,168</u>	<u>196,504</u>
Balance as at 30 June 2019		<u>1,989,613</u>	<u>1,456,397</u>	<u>3,446,010</u>
Balance as at 1 July 2017		1,948,461	1,245,318	3,193,779
Net result		15,220	-	15,220
Increase / (decrease) in asset revaluation surplus		-	31,772	31,772
Total comprehensive income for the year		<u>1,963,681</u>	<u>1,277,090</u>	<u>3,240,771</u>
Transfers	13*	861	(861)	-
Balance as at 30 June 2018		<u>1,964,542</u>	<u>1,276,229</u>	<u>3,240,771</u>

**Mackay Regional Council
Statement of Cash Flows
For the year ended 30 June 2019**

	Note	2019 \$000's	2018 \$000's
Cash flows from operating activities			
Receipts from customers		250,456	241,277
Payments to suppliers and employees		(183,630)	(170,385)
Interest income		7,135	5,364
Non-capital grants, subsidies, contributions and donations		17,743	18,977
Borrowing costs		(9,733)	(10,559)
Net cash inflow from operating activities	22	81,971	84,674
Cash flows from investing activities			
Payments for property, plant and equipment		(97,915)	(81,658)
Payments for other non-current assets		(3,718)	(1,090)
Payments for investments		40,000	(30,000)
Other capital income		469	2,298
Other capital expenses		(2,002)	(5,741)
Proceeds from sale of property, plant and equipment		3,826	2,653
Capital grants, subsidies, contributions and donations		31,961	19,545
Net cash outflow from investing activities		(27,379)	(93,993)
Cash flows from financing activities			
Repayment of borrowings		(13,402)	(12,581)
Net cash outflow from financing activities		(13,402)	(12,581)
Net increase / (decrease) in cash and cash equivalents		41,190	(21,900)
Cash and cash equivalents at beginning of the period		39,873	61,773
Cash and cash equivalents at end of the period	10	81,063	39,873

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

1) Summary of significant accounting policies

a) Basis of preparation

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

They comply with Australian accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB). Mackay Regional Council (MRC) is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS). Therefore, in some instances these financial statements do not comply with IFRS. The main impacts are offsetting of revaluation gains and losses within a class of assets and the timing of recognition of non-reciprocal grant revenue.

These financial statements have been prepared under the historical cost convention except for financial assets and liabilities, certain classes of property, plant and equipment and investment property which are measured at fair value and assets held for sale which are measured at fair value less cost of disposal.

MRC is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia. The Australian dollar is used as its functional and presentation currency. Amounts included in the financial statements have been rounded to the nearest thousand (\$000).

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

b) Basis of consolidation

The financial statements do not incorporate the assets and liabilities of entities controlled by MRC because they are not considered material.

c) New and revised accounting standards

Some Australian accounting standards and interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. MRC will implement them in the year of compliance. The standards are not expected to have a material impact upon MRC's future financial statements.

i) AASB 9 Financial Instruments

This year, MRC has applied AASB 9 Financial Instruments for the first time. AASB 9 replaces AASB 139 and relates to the recognition, classification and measurement of financial assets and financial liabilities. Implementing AASB 9 has resulted in a change to the way MRC calculates impairment provisions, which are now based on expected credit losses instead of incurred credit losses. MRC has not restated comparative figures. This means the new impairment rules are reflected in the trade and other receivables balance at 30 June 2019, but not 30 June 2018.

On 1 July 2018 (the date of initial application), MRC re-assessed the classification, measurement category and carrying amount of cash and cash equivalents, receivables, other financial assets and borrowings in accordance with AASB 9. This did not result in changes to measurement categories, with all still measured at amortised cost. Carrying amounts were also unchanged, except for trade and other receivables which decreased by \$4,380 due to an increase in impairment under the new rules. A corresponding adjustment was made to retained earnings as at 1 July 2018.

ii) AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit and AASB 15 Revenue from Contracts with Customers comes into effect 1 July 2019 specifying the new income recognition requirements in relation to not-for-profit (NFP) entities, superseding AASB 1004 Contributions, AASB 110 Revenue and AASB 111 Construction Contracts. These standards contain a comprehensive framework for the recognition, measurement and disclosure of revenue, with the potential of a change in the timing of when revenue is recognised.

Identifiable impacts at the date of this report are;

- Prepaid rates will no longer be recognised on receipt but rather as unearned revenue until the relevant rateable period commences.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

- MRC has identified several grants that will be recognised as revenue progressively as the performance obligations are satisfied within the grant agreement (recognised as unearned revenue initially). The remaining grants that are not enforceable and/or sufficiently specific will continue to be recognised as revenue on receipt assuming no change to the current grant agreements.
- Dependent on the specific contractual terms, the new standards may potentially result in a change to the timing of revenue for those specified application fees. Where the revenue received would sit as unearned revenue until such time that MRC satisfies the performance obligations within the agreement.
- There is no material impact anticipated on the recognition of MRC's other revenue streams at this time.

Based on MRC's investigations to date, if the standards had been in effect in the current financial year MRC would have seen a reduction in revenue of approximately \$18.3 million (based on the best available facts at the time of assessment) due to deferral of prepaid rates and several grants which would result in an equal reduction in equity and increased unearned revenue. This would result overall in a reduced net result in the first year of application due to the decrease in revenue.

MRC intends to elect a partial retrospective approach upon initial application on 1 July 2019, recognising an adjustment to equity of the cumulative effect of initial application, as if the standard had always applied, along with additional explanatory disclosures.

iii) AASB 16 Leases

AASB 16 Leases comes into effect from 1 July 2019. It will require the recognition of all leases on the statement of financial position. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term.

MRC has assessed the impacts of the new standards as follows with the best available facts at the time of assessment;

MRC is the lessee for several leases, of which most fall within the exemption of a term less than 12 months where the underlying asset is of a low value. MRC will place 4 leases on the Statement of Financial Position. This will increase both assets and liabilities, as well as having an effect of increasing expenses in the Statement of Comprehensive Income. Operating lease payments will no longer be classified as "rent expense". Instead, these payments will be apportioned between a reduction in the lease liability and a finance charge (interest). In the beginning years the interest charge will be higher and will reduce over the life of the lease. Depreciation of the right-to-use asset will be on a straight-line basis.

Identifiable impacts at the date of this report are;

- lease assets and financial liabilities on the balance sheet will each increase by an estimated \$0.9 million
- there will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities.
- net result will be lower on initial application as depreciation and the lease liability interest will be initially higher than operating lease expenses previously recorded.

MRC has identified a number of peppercorn leases, for which MRC is lessee, that are not currently recognised in MRC's financial statements. MRC has elected to apply the temporary relief option within AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities where MRC will not apply the fair value initial measurement requirements for right-of-use assets arising under peppercorn leases however will include additional required disclosures.

MRC is the lessor for numerous sporting, community and commercial leases however the impact is not expected to be significant due to AASB 16 carrying forward the lessor accounting requirements in AASB 117 Leases with only minimal enhanced disclosures required.

MRC intends to elect a partial retrospective approach upon initial application on 1 July 2019, recognising an adjustment to equity of the cumulative effect of initial application, as if the standard had always applied, along with additional explanatory disclosures.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

d) Estimates and judgements

Where necessary, judgements, estimates and assumptions have been used in preparing these financial statements. Those that have a significant effect, or risk of causing an adjustment to MRC's assets and liabilities relate to non-cash contributions (refer note 4b), trade and other receivables (note 12), valuation and depreciation of property, plant and equipment (note 13), annual leave (note 15), provisions (note 17) and contingent liabilities (note 20).

e) Taxation

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

2) Analysis of results by function

a) Components of MRC by function

The purpose and activities relating to MRC's components are as follows:

Office of the Mayor and Chief Executive Officer

The purpose of the Office of the Mayor and Chief Executive Officer (CEO) is to support MRC to be open, accountable and transparent and to deliver value for money community outcomes. This function includes legal and administrative support for the Mayor, Councillors and CEO.

Development Services

The purpose of Development Services is to facilitate growth and prosperity for the region, through well planned and quality development and incorporating the economic development of the area. This ensures that the Mackay region is well designed, efficiently serviced and economically sustainable whilst taking into consideration the regions tropical climate. This function sustainably manages and cares for our natural surroundings and resources and ensures our open spaces are accessible and valued.

Organisational Services

The purpose of Organisational Services is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements. This includes advice and support to other departments particularly in areas of people and culture, workplace health and safety, governance and financial information. Organisational Services also manages MRC's extensive fleet, contract and procurement activities as well as managing and maintaining all MRC owned buildings.

Community and Client Services

The purpose of Community and Client Services is to provide opportunities for all residents, workers and visitors to participate in cultural and recreational activities which foster inclusion and stronger communities. The program includes libraries, entertainment venues, art galleries and museums, community development and sport and recreation programs.

Engineering and Commercial Infrastructure

Engineering

The purpose of Engineering is to provide a high quality and effective road network within the region. The engineering function is responsible for asset management and providing and maintaining transport infrastructure; including the roads, bridges and drainage network.

Commercial Infrastructure

The purpose of Commercial Infrastructure function supports healthy and safe communities and natural environments by sustainably managing water and sewerage services. This function also protects and supports the community by providing sustainably managed waste collection and disposal services.

Capital Works

The purpose of the Capital Works function includes providing portfolio management, field and contract services and supporting major projects and design and has centralised the delivery of MRC's capital works program.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

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

Function	Income				Total income	Expenses		Total expenses	Net result	Assets
	Recurrent		Other			Recurrent	Capital			
	Grants	Other	Grants	Other						
	\$000's									
Year ended 30 June 2019										
Office of Mayor and CEO	462	-	-	-	462	(5,409)	-	(5,409)	(4,947)	-
Development Services	379	5,855	7,994	67	14,295	(29,058)	(219)	(29,277)	(14,982)	5,911
Organisational Services	10,567	111,236	7,174	217	129,194	(85,999)	(5,989)	(91,987)	37,205	495,277
Community and Client Services	1,052	9,475	-	-	10,527	(25,269)	-	(25,270)	(14,741)	751
Engineering	(15)	6,618	2,478	-	9,080	(29,383)	(655)	(30,039)	(20,959)	1,911,655
Commercial Infrastructure	81	123,339	5,681	28	129,129	(90,917)	(19,371)	(110,288)	18,841	1,291,174
Capital Works	5,218	878	19,303	158	25,557	(9,637)	-	(9,637)	15,920	-
Total	17,743	257,402	42,630	469	318,244	(275,673)	(26,235)	(301,908)	16,336	3,704,769
Year ended 30 June 2018										
Office of Mayor and CEO	1,384	14	-	82	1,480	(6,175)	-	(6,175)	(4,695)	-
Development Services	230	5,864	2,329	31	8,454	(29,797)	(776)	(30,573)	(22,119)	4,055
Organisational Services	10,280	109,939	6,860	71	127,150	(80,574)	(6,401)	(86,975)	40,175	478,495
Community and Client Services	3,755	8,773	-	13	12,541	(23,821)	-	(23,821)	(11,280)	920
Engineering	3,328	6,103	10,842	1,719	21,992	(33,807)	(2,917)	(36,724)	(14,732)	1,717,576
Commercial Infrastructure	-	117,195	6,863	382	124,440	(91,246)	(5,323)	(96,569)	27,871	1,282,424
Total	18,977	247,888	26,894	2,298	296,057	(265,420)	(15,417)	(280,837)	15,220	3,483,470

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

	2019 \$000's	2018 \$000's
3) Revenue analysis		
Revenue is recognised at the fair value of the consideration received or receivable at the time indicated below:		
a) Rates, levies and charges		
Rates and associated revenue received prior to the commencement of the rating period is recognised in the period of receipt. Otherwise, it is recognised at the commencement of the rating period.		
General rates	118,396	116,202
Separate and special rates and charges	4,624	4,517
Water consumption and charges	43,896	42,096
Sewerage charges	49,370	48,100
Garbage charges	21,611	21,034
	237,897	231,949
Less: discounts	(17,624)	(17,115)
Less: pensioner and other remissions	(2,275)	(2,215)
	217,998	212,619
b) Fees and charges		
Revenue from fees and charges is recognised upon unconditional entitlement to the funds. Generally, this is at the time of lodgement of the relevant applications or documents, issuing a notice or when the service is provided.		
Application fees	1,620	1,612
Licence fees and registrations	2,005	1,968
Fines and penalties	514	546
Venues, events and cultural fees	2,003	1,616
Waste and recycling fees	6,078	5,557
Other fees and charges	4,877	4,223
	17,097	15,522
c) Interest income		
Interest earned on term deposits is accrued over the term of the investment.		
Interest on investments	4,946	5,208
Other interest income	663	709
	5,609	5,917
d) Sales contracts and recoverable works		
Sales of goods are recognised when the significant risks and rewards of ownership are transferred to the buyer. Generally, this is when the customer has taken undisputed delivery of the goods.		
MRC generates revenue from a number of services including contracts for water, sewerage and road works. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Where consideration is received for the service in advance, it is only recognised as revenue in the period the service is performed.		
Roads recoverable works	5,457	4,937
Water operations	1,075	871
Sewer operations	1,170	872
Other sales contracts and recoverable works	960	256
	8,662	6,936

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

	Note	2019 \$000's	2018 \$000's
4) Grants, subsidies, contributions and donations			
Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which MRC obtains control over them.			
Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.			
Developers also pay infrastructure charges for trunk infrastructure such as pump stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no associated performance obligation. Consequently, the infrastructure charges are recognised as revenue when received.			
Non-cash contributions with a value in excess of the recognition threshold of \$5,000 are recognised as revenue and as non-current assets.			
Physical assets contributed to MRC by developers in the form of road works, stormwater, water and sewerage infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. MRC obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions from developers are recognised at the fair value of the contribution received on the date of acquisition.			
a) Recurrent			
General purpose grants		5,848	6,142
Government grants and subsidies		11,190	12,496
Non-government grants and subsidies		317	-
Donations		113	217
Contributions		275	122
		17,743	18,977
b) Capital			
Government grants and subsidies		27,071	17,383
Contributions		4,890	2,162
		31,961	19,545
Contributed assets at fair value		10,669	7,349
		42,630	26,894
5) Employee benefits			
Staff wages and salaries		56,066	55,682
Councillor remuneration		1,379	1,348
Annual, sick and long service leave entitlements		15,541	16,564
Superannuation	21	8,449	8,247
Other employee related expenses		26	32
		81,461	81,873

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

	Note	2019 \$000's	2018 \$000's
6) Materials and services			
Advertising and marketing		1,330	1,545
Audit fees - Queensland Audit Office		157	149
Communications and IT		1,784	1,930
Community facilities and entertainment		4,553	3,932
Consultants and services		10,321	10,457
Contractors		37,576	28,196
Donations, grants, subsidies and contributions		3,300	3,332
Electricity and public utilities		8,200	8,362
Equipment and hire fees		6,053	6,009
Fuel and chemicals		2,792	2,618
Insurance		3,676	3,055
Rates, fees and charges		3,603	3,678
Registrations and subscriptions		2,292	2,230
Repairs and maintenance		17,508	17,694
Other materials and services		3,843	2,530
		<u>106,988</u>	<u>95,717</u>
7) Finance costs			
Finance costs - QTC		9,733	10,559
Bank charges		275	311
Impairment of receivables		88	183
Unwinding of discounted provisions		299	273
		<u>10,395</u>	<u>11,326</u>
8) Depreciation and amortisation			
Depreciation of non-current assets		75,670	75,536
Amortisation of intangible assets		1,160	968
		<u>76,830</u>	<u>76,504</u>
9) Capital expenses			
Loss on sale / disposal			
Property, plant and equipment		3,892	9,379
Non-current assets held for sale		108	163
Intangibles		(422)	-
		<u>3,578</u>	<u>9,542</u>
Revaluation (increase) / decrease			
Property, plant and equipment		1,242	91
Investment property		(23)	253
		<u>1,219</u>	<u>344</u>
Impairment loss on non-current assets held for sale		340	71
Other capital expenses ^v		21,097	5,460
		<u>21,437</u>	<u>5,531</u>
		<u>26,234</u>	<u>15,417</u>

^v Refer to note 17 (provisions)

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

	2019 \$000's	2018 \$000's
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10) Cash and cash equivalents

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

MRC may be exposed to credit risk through its investments in the Queensland Treasury Corporation (QTC) cash fund, which 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.

MRC'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 reputational damage.

Cash at bank and on hand	2,516	4,096
Deposits at call	78,547	35,777
	81,063	39,873

MRC's cash and cash equivalents, including fixed term deposits are subject to internal and external policy restrictions that limit amounts available for discretionary or future use. Expenditure restrictions at the reporting date relate to:

Externally restricted

Unspent grants and subsidies	8,095	8,384
Waste Levy refund paid in advance	3,250	-
	11,345	8,384

Internally restricted

Separate and special rates and charges	3,965	3,849
Capital reserves	60,130	65,353
	64,095	69,202

Cash at bank and on hand at 30 June 2019 includes \$3.2 million received in advance from the State Government. This revenue received is to mitigate the impact on households of the State Waste Levy, which takes effect from 1 July 2019. MRC will be liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites from 1 July 2019. The State is required to make payment to MRC that essentially refunds the portion of the Levy that relates to households. MRC will fund the portion of the Levy that relates to commercial waste through charges to commercial users of disposal sites from 1 July 2019. As the receipt from the State in June 2019 is for a refund of MRC's 2019-20 Levy expense, the full amount has been recognised as a liability at 30 June 2019 and the funds restricted solely for this purpose.

Funds held in trust on behalf of outside parties include security deposits lodged to guarantee performance, bonds and unclaimed monies paid into the trust account by MRC. MRC performs a custodian role in respect of these monies. As these funds are for a specific purpose and cannot be used by MRC they are not brought to account in these financial statements.

Security deposits	1,165	1,244
Mackay Artspace gift fund	16	6
	1,181	1,250

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

	Note	2019 \$000's	2018 \$000's
11) Investments			
Fair value of investment property is measured at the current market value, which is derived by reference to market-based evidence; including observable historical sales data for properties of similar nature and specification. Revaluations are conducted annually at 30 June by an independent, registered valuer. This was last conducted by Jones Lang LaSalle Public Sector Valuations Pty Ltd (JLL).			
Opening balance at 1 July		3,642	3,895
Transfers between asset class / category		256	-
Fair value increase / (decrease)		23	(253)
Closing balance at 30 June		3,921	3,642

MRC holds shares in Mackay Region Enterprises Pty Ltd and Mackay Regional Housing Company Limited trading as Connect Housing Group. The shares in these companies are not listed on any stock exchange and there is no active market. As a result, the fair value of these investments cannot be reliably measured and therefore they have been measured at cost.

MRC has category 1 investment powers and currently holds term deposits with various financial institutions; all of which are considered to be low risk with fixed rates and fixed original terms to maturity of 12 months or less. All term deposits are intended to be held to maturity.

Current

Fixed term deposits	105,000	145,000
	105,000	145,000

Non-current

Investment property	3,921	3,642
Shares	2	2
	3,923	3,644
	108,923	148,644

12) 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/contract price). MRC's standard settlement terms are 30 days from invoice date. Interest was charged on overdue rates and charges at 11% per annum, up to the date of this report. From 1 July 2019, this rate will reduce to 9.83% for the 2019-20 financial year. Subsequent years will be calculated using the bank bill yield rate, published by the Reserve Bank of Australia, plus a margin of 8%. No significant concentration of credit risk has been identified, as exposure is spread over a large number of counterparties and customers.

The collectability of receivables is assessed periodically and if there is objective evidence that MRC will not be able to collect all amounts due, the carrying amount is reduced for impairment, where appropriate. The loss is recognised in finance costs. All known bad debts were written-off at 30 June.

In line with standard compliance, MRC is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover rates arrears. For this reason, MRC does not generally impair any rates receivables. However, in the case of rates on state leased land, where the lease has been cancelled or land leased by MRC, the right to sell is forfeit. In addition to this and where other avenues to pursue the debt are doubtful, a provision for impairment will be made, pending the exhaustion of all legal options.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

	Note	2019 \$000's	2018 \$000's
Current			
Rates and utility charges		9,535	10,322
Interest receivable		1,599	3,125
GST recoverable		3,820	2,648
Other debtors		9,327	6,449
Less: provision for impairment of debt		(217)	(207)
		<u>24,064</u>	<u>22,337</u>
Non-current			
Other debtors		<u>2,314</u>	<u>1,450</u>
Total receivables		<u>26,378</u>	<u>23,787</u>
Movement in Accumulated Impairment Losses			
Opening balance at 1 July		(207)	(40)
Opening balance adjustment for AASB 9	1(c)	(4)	-
Impairment debts written off during the year		82	15
Additional impairments recognised		(88)	(184)
Impairment reversed		-	2
Closing balance at 30 June		<u>(217)</u>	<u>(207)</u>
Aged receivables			
Not past due		14,651	12,417
Past due 31-60 days		50	90
Past due 61-90 days		36	22
More than 90 days		10,417	11,465
Impaired		(217)	(207)
		<u>24,937</u>	<u>23,787</u>

MRC applied AASB 9 for the first time this year. As a result, the impairment of receivables has been calculated in a different way for 2019, with the introduction of a lifetime expected loss allowance model. The opening balance of impairment, as at 1 July 2018, has been recalculated using this new methodology, resulting in an opening balance adjustment of \$4,380.

MRC used an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprises a large number of small balances. Loss rates are calculated using a "roll rate" method, based on the probability of the receivable progressing through the successive stages of delinquency to write-off. The rates were derived using both observable historic default rates and assumptions of forward-looking market/economic conditions applied against like debtor segments where similar loss patterns exist or could be expected to exist.

The movement in the allowance for impairment in respect of trade and other receivables during the year was \$5,054.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

13) Property, plant and equipment

Asset values	Land	Site Improvements	Buildings	Valuation \$000's					Cost \$000's		Total \$000's
				Roads, bridges and drainage network	Water	Sewerage	Plant and equipment	Work in progress			
Basis of measurement											
Asset cost											
Opening balance at 1 July 2018	141,367	171,628	219,447	2,254,392	799,254	832,921	62,459	74,958		4,556,436	
Additions	2,973	19,692	10,805	31,982	8,618	4,850	11,509	7,486		97,915	
Contributed assets	700	35	-	6,858	1,223	1,953	15	-		10,784	
Assets not previously recognised [^]	8,739	-	-	-	-	-	-	-		8,739	
Written off / disposed	(1,490)	(734)	(461)	(974)	(3,013)	(544)	(6,955)	-		(14,171)	
Revaluation	(5,893)	-	10,185	149,320	-	-	-	-		153,612	
Transfers between asset class / category	-	(278)	136	142	(1)	-	-	-		-	
Closing balance at 30 June 2019	146,396	190,343	240,112	2,441,720	806,081	839,181	67,028	82,454		4,813,315	
Accumulated depreciation											
Opening balance at 1 July 2018	-	68,863	83,512	566,097	305,366	243,266	27,132	-		1,294,236	
Contributed assets	-	-	-	97	13	5	-	-		115	
Written off / disposed	-	(596)	(220)	(319)	(2,373)	(180)	(4,337)	-		(8,025)	
Depreciation	-	4,201	5,742	34,169	13,131	12,212	6,215	-		75,670	
Revaluation	-	-	5,583	(32,367)	-	-	-	-		(26,784)	
Transfers between asset class / category	-	(6)	3	3	(1)	1	-	-		-	
Closing balance at 30 June 2019	-	72,462	94,620	567,680	316,136	255,304	29,010	-		1,335,212	
Written down value at 30 June 2019	146,396	117,881	145,492	1,874,040	489,945	583,877	38,018	82,454		3,478,103	
Useful life range (years)	Indefinite	2 - 100	10 - 100	5 - 100	4 - 100	3 - 120	1 - 50				

The residual value of plant and equipment at the balance date was \$12.7 million. Capital expenditure on renewals during the period totalled \$48.4 million.

[^] As part of ongoing asset data improvements, assets not previously recognised were identified and bought to account during the reporting period. If these assets had been accounted for in the past, they would have been recorded in determining the net position in previous years, which would be included in equity in the current year. Consequently, MRC adjusted this value against the opening balance in the Statement of Changes in Equity. Given that the total of these adjustments were immaterial to both equity and property, plant and equipment balances, MRC has not adjusted any of the comparative figures or completed the prior period error disclosures as required under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

Asset values	Land	Site improvements	Buildings	Heritage and cultural assets*	Roads, bridges and drainage network	Water	Sewerage	Waste infrastructure*	Plant and equipment	Work in progress	Total
Basis of measurement											
Asset cost											
Opening balance at 1 July 2017	140,727	108,770	214,676	4,507	2,224,326	756,419	795,496	65,257	60,930	52,600	4,423,708
Additions	962	4,384	5,581	20	24,778	5,935	3,884	5,795	7,950	22,369	81,658
Contributed assets	-	93	-	-	2,084	4,397	829	-	-	-	7,403
Written off / disposed	(251)	(1,076)	(872)	-	(3,504)	(7,051)	(2,984)	-	(6,462)	-	(22,200)
Revaluation	-	(11,357)	-	481	-	37,016	35,696	4,102	-	-	65,938
Transfers between asset class / category	(71)	70,814	62	(5,008)	6,708	2,537	-	(75,154)	41	-	(71)
Closing balance at 30 June 2018	141,367	171,628	219,447	-	2,254,392	799,253	832,921	-	62,459	74,969	4,556,436
Accumulated depreciation											
Opening balance at 1 July 2017	-	25,518	78,378	320	532,013	254,509	250,483	28,624	24,933	-	1,194,778
Contributed assets	-	-	-	-	17	3	34	-	-	-	54
Written off / disposed	-	(301)	(446)	-	(566)	(3,218)	(2,174)	-	(3,793)	-	(10,518)
Depreciation	-	2,875	5,558	56	33,445	13,200	13,021	1,397	5,984	-	75,536
Revaluation	-	1,004	-	701	-	40,415	(18,099)	10,365	-	-	34,386
Transfers between asset class / category	-	39,768	21	(1,077)	1,209	457	-	(40,386)	8	-	-
Closing balance at 30 June 2018	-	68,864	83,511	-	566,098	305,366	243,265	-	27,132	-	1,294,236
Written down value at 30 June 2018	141,367	102,764	135,936	-	1,688,294	493,887	589,656	-	35,327	74,969	3,262,200
Useful life range (years)	Indefinite	3 - 100	10 - 100	35 - 100	5 - 100	5 - 100	3 - 120	4 - 100	2 - 50	74,969	3,262,200

The residual value of plant and equipment at the balance date was \$11.9 million. Capital expenditure on renewals during the period totalled \$44.6 million.

* During the 2018 financial year, it was determined by internal stakeholders that assets included within the waste infrastructure and heritage and cultural assets classes would be better represented in alternate classes; where they could be grouped and reported with other like assets having a similar nature or function. Accordingly, at 30 June 2018, all assets were transferred to the most appropriate asset class and the two asset classes were dissolved.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

a) Recognition

Items of property, plant and equipment with a total value of less than \$5,000, except for land which has a recognition threshold of \$1, are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised and included in the relevant asset class.

Land under the roads and reserve land, which falls 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.

b) Measurement

Acquisitions of property, plant and equipment 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 architects' fees, engineering design fees and all other establishment costs.

The costs of property, plant and equipment constructed by MRC, includes the cost of all materials used in construction, direct labour and other costs directly attributable to bring the asset to the location and condition for it to operate in the manner intended.

Expenditure incurred in either maintaining the operational capacity or useful life of assets is considered maintenance and is treated as an expense 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, is recognised as assets and revenue at fair value where that value exceeds the recognition threshold for the respective class.

c) Depreciation

Assets are depreciated from the year of acquisition or, in respect of internally constructed assets, from the time an asset is complete and commissioned ready for use; at which time they are re-classified from work in progress to the appropriate property, plant and equipment class.

Property, plant and equipment assets having a limited useful life are depreciated on a straight-line basis over their estimated useful lives. Land, heritage and cultural artwork and road formations are not depreciated.

Where assets have significant 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 revised depreciable amount is depreciated over the remaining useful life of the asset to MRC.

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.

d) Valuation

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process involves the valuer physically sighting a representative sample of MRC assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, MRC uses internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with an appropriate cost index for the region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements and buildings asset classes in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

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

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer, when performed, is not significant and the indices used by MRC are sound. Materiality concepts are considered in determining whether the difference between the carrying amount and the fair value of an asset is material, in which case revaluation is warranted.

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

e) Impairment

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

f) Fair value measurement

The methods used to estimate fair value comprise:

Level 1 – calculated using quoted prices in active markets

Level 2 – estimated using inputs that are directly and indirectly observable, such as prices for similar assets

Level 3 – estimated using unobservable inputs for the asset

All MRC infrastructure assets are recorded at fair value using written down current replacement cost. This valuation comprises assets current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. MRC first determined the gross cost of replacing the full-service potential of the asset then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant, an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within MRC's planning horizon.

This method utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation.

Land

Fair value of land is measured at current market value, which is derived by reference to market-based evidence including observable historical sales data for properties of similar nature and specification. The most appropriate sales evidence within the locality is applied, with valuations based on the general usability, probable use and most likely zoning (in line with surrounding developments based on highest and best use of the site and its potential).

Where there is a lack of comparable sales evidence, the valuation is based on the closest comparable sales in terms of the characteristics of the parcel and sales evidence.

MRC's fair value measurement has been either a level 2 or 3, depending on the assumptions as to whether the land is subject to restriction as to use and whether there is an active market. Land fair values were determined by independent valuer, JLL, effective 30 June 2019.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

	Note	2019 \$000's	2018 \$000's
Land			
Non-Specialised (level 2)		38,531	132,487
Specialised (level 3)		107,865	8,880
Total written down value at 30 June		146,396	141,367

Site improvements

Fair value measurement of site improvements has been based on either level 2 or level 3 inputs. The class was last valued at 30 June 2018 by independent valuers, Ross Searle and Associates (heritage and cultural assets) and JLL (all remaining assets in the class). Fair values are benchmarked by the valuer to externally available published rates and internally generated data for similar works performed by MRC and contractors.

Where an active market exists for heritage and cultural assets, fair value is measured at current market value. This is derived by reference to market-based evidence, including observable historical sales data for similar works by artists or artists of similar reputation. In the absence of an active market, the fair value of heritage and cultural assets, including public works, monuments and structures are determined according to information available from specialised subscription data services and the valuer's industry contacts. These include artists, agents, dealers and specialist manufacturers who work with artists to create large-scale public artworks.

Site Improvements			
Non-Specialised (level 2)		772	804
Specialised (level 3)		117,109	101,960
Total written down value at 30 June		117,881	102,764

All assets were physically inspected to determine asset attributes and conditions for inclusion in the 2018 valuation. These conditions were in turn used to reflect the remaining life of the assets.

JLL advised a cost movement index of 1.5% for the period ended 30 June 2019. This was determined to be immaterial by internal stakeholders, as it represented less than a 5% increase. Accordingly, no adjustment to the fair value of site improvements was made in the current financial year.

Buildings

A comprehensive revaluation of building assets was undertaken as at 30 June 2019 by independent valuers, JLL. MRC's fair value measurement has been either a level 2 or 3, depending on the assumption as to whether the building is specialised and if a market exists.

Buildings			
Non-Specialised (level 2)		6,665	8,539
Specialised (level 3)		138,827	127,397
Total written down value at 30 June		145,492	135,936

Where MRC buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees.

For non-specialist buildings, fair value is derived by reference to market-based evidence including observable historical sales data for comparative properties of similar nature and specification. All assets were physically inspected to determine asset attributes and condition.

In determining replacement costs, unit rates have been applied to the individual asset components to determine current replacement cost. Unit rates have been based on greenfield project costs and include all materials, labour and direct costs. These unit rates have been developed based on a variety of sources including MRC project costs, product suppliers and published construction cost information such as Rawlinson's and Cordell's.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

Roads, bridges and drainage network

A full valuation of the roads, bridges and drainage network was undertaken by independent valuers, AssetVal Pty Ltd, effective 30 June 2015.

Infrastructure assets were componentised where required with unit rates applied to the individual components in order to determine the replacement costs. Assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted, the assets were allocated a condition rating, which is based on factors such as the age of the asset, overall condition as noted by the valuer during inspection, economic and or functional obsolescence. Condition assessment was made using a 5-point scale with 1 indicating an asset with a very high level of remaining service potential and 5 representing an asset near the end of its useful life. The condition rating directly translates to the level of depreciation applied and was used to estimate remaining useful life.

The unit rates applied were based on brownfield projects costs and include all materials, labour and overheads. Fair values are benchmarked by the valuer to externally available published rates and internally generated data for similar works performed by MRC and contractors.

Registered valuers, JLL advised a cost movement index of 3% for the 12 months ended 30 June 2019. Indices movement from the date of the last valuation to present represents a cumulative 6.6% increase. Being more than 5%, this movement was determined to be material by internal stakeholders. Accordingly, the movement is reflected in the financial statements and a comprehensive revaluation of these assets has consequently been planned for the year ended 30 June 2020.

Data cleansing projects within this asset class are ongoing at the date of this report. The primary scope of works includes review of stormwater and road assets, where inconsistencies in data sets have become evident. Estimates of movement resulting from this body of work could not be reliably quantified and as such have not been recognised within these financial statements. However, the impact of this project is anticipated to be significant and will be taken up as at 30 June 2020, as part of the scheduled comprehensive revaluation of this entire asset class.

Water and sewerage

The last comprehensive revaluation of water and sewerage infrastructure assets was performed by independent valuers, JLL as at 30 June 2018. The valuation methodology maintained that water and sewer assets can be broken into 2 broad groups:

- Active assets: pump stations, bore fields, reservoirs and treatment plants
- Passive assets: mostly network assets such as water and sewerage mains and manholes

Assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted, the assets were allocated a condition rating, which is based on factors such as the age of the asset, overall condition as noted by the valuer during inspection, economic and or functional obsolescence. The condition rating was made using a scale with a range between 0 and 5, where 0 indicates a brand new or rehabilitated asset and 5 represents an asset near the end of its useful life. The condition rating directly translates to the level of depreciation applied and was used to estimate remaining useful life.

Where site inspections were not conducted, the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.

Fair value of water and sewerage assets is determined using a cost approach and is derived from the following valuer inputs; Rawlinson's Australian Construction Handbook, communication with suppliers to determine applicable unit rates, schedule rates for construction of assets or similar assets and performance of comprehensive condition assessment.

JLL advised a cost movement index of 2.5% for the period ended 30 June 2019. This was determined to be immaterial by internal stakeholders, as it represented less than a 5% increase. Accordingly, no adjustment to the fair value of water and sewerage infrastructure was made in the current financial year.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

Note	2019 \$000's	2018 \$000's
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14) Intangible Assets

Intangible assets with a total value of more than \$5,000 are capitalised at cost and then amortised on a straight-line basis to best represent the pattern of consumption over the expected period of benefit. Where the capitalisation threshold is not met, items are expensed in the year of acquisition.

The majority of MRC's intangible assets are software assets and generally assigned useful lives between 1 and 15 years. The remaining intangible assets are land easements which have indefinite useful lives and as such are not amortised.

Opening balance at 1 July	3,984	3,862
Transfers between asset class / category	3,462	1,090
Written off / disposed	(1,035)	-
Amortisation	(1,160)	(968)
Closing balance at 30 June	5,251	3,984

15) Trade and other payables

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

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

MRC considers it does not have an unconditional right to defer settlement of the liability therefore all annual leave is classified as a current liability.

Creditors and accruals	22,479	17,646
Annual leave	7,843	7,521
Other entitlements	630	618
	30,952	25,785

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

Note	2019 \$000's	2018 \$000's
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16) 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, with interest expensed as it accrues. Principal and interest repayments are made quarterly in arrears for all QTC borrowings. In respect of the Department of Local Government, Racing and Multicultural Affairs (DLGRMA) loan, which is non-interest-bearing, principal repayments are made 6 monthly in arrears.

All borrowing costs are expensed in the period in which they are incurred. No interest has been capitalised during the current or comparative reporting period. DLGRMA borrowings are expected to be repaid by 2021, while expected final payment dates vary from 2024 to 2033 for QTC borrowings. There have been no defaults or breaches of the loan agreement during the period.

The market value of QTC borrowings at the reporting date was \$177 million. This represents the value of the debt if MRC repaid it all on that date. At the reporting date, it is the intention of MRC to hold the debt for its full term, as such no provision is required to be made in these accounts.

Current

QTC	14,311	13,470
DLGRMA	308	308
	14,619	13,778

Non-current

QTC	132,153	146,088
DLGRMA	308	616
	132,461	146,704

Reconciliation of liabilities arising from financing activities

Borrowings	Balance at 1 July	Cash flows	Balance at 30 June
	\$000's		
2019	160,482	(13,402)	147,080
Total	160,482	(13,402)	147,080
2018	173,063	(12,581)	160,482
Total	173,063	(12,581)	160,482

MRC has financial liabilities including a purchase card facility totalling \$0.5 million. The following table sets out the liquidity risk in relation to borrowings held by MRC. It represents the remaining undiscounted contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period.

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$000's				
2019					
Loans - QTC	22,828	91,310	77,740	191,878	146,464
Loans - DLGRMA	308	308	-	616	616
	23,136	91,618	77,740	192,494	147,080
2018					
Loans - QTC	22,828	91,310	100,568	214,706	159,558
Loans - DLGRMA	308	616	-	924	924
	23,136	91,926	100,568	215,630	160,482

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

The outflows in the above table are not expected to occur significantly earlier or for significantly different amounts than indicated. MRC borrows using fixed rate loan products to limit exposure to interest rate risk and reduce the risk of adverse effects on future cash flows. To further manage exposure to the risk of not being able to meet financial obligations as they fall due, MRC maintains sufficient cash deposits to cater for unexpected volatility in cash flows. Further details of cash deposits are disclosed in note 10.

17) Provisions

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 MRC's employment which would result in MRC 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 attached to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

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

Waste restoration and quarry rehabilitation

A provision is made for the cost of restoring waste and quarry sites where it is probable MRC will be liable, or required to complete restoration works when the use of the facilities is complete. A provision for restoration in these circumstances is calculated as the present value of anticipated future costs associated with the sites closure; including the decontamination and monitoring of historical residues leaching on waste sites and refilling the basin, reclamation and rehabilitation of quarry sites.

The calculation provides assumptions which are reviewed annually; such as the application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision, is the costs that will be incurred. Estimates relating to closed waste and quarry sites are classified as current as MRC cannot defer remediation work when requested under the State Government Environmental Regulations.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

	Note	2019 \$000's	2018 \$000's
Current			
Waste restoration		47,311	29,260
Quarry restoration		460	1,185
Long service leave		10,782	10,049
		58,553	40,494
Non-current			
Waste restoration		11,067	8,912
Quarry restoration		5,463	4,080
Long service leave		1,154	1,323
		17,684	14,315

The projected cost of restoring waste sites is \$64 million and is expected to be incurred between 2021 and 2031, after site closure and allowing a period for settlement.

Golder Associates Pty Ltd (Golder) were engaged by MRC to compile a Risk Assessment, Rehabilitation and Aftercare Works and Sustainability Priority Ranking Framework for Mackay Region closed landfill sites. Golder is a leading consultant, with highly skilled engineers and scientists who provide consulting, design and construction services in the specialised area of earth and environment, including remediation.

Following robust internal review, the methodology in the report was accepted as an appropriate measure for determining prospective landfill provision cost estimates. The report, completed during the financial year, comprised Golder's review of site-specific data including; geo-technical information, size, existing conditions, unique environmental and human health risks that require site specific closure works, long-term management strategies and current legislative obligations.

∇ Remediation provisions increased by \$17.5 million, as a result of the findings of their report. The increase is primarily reflective of a change in assumptions and inputs utilised. The corresponding expense has been recognised in note 9 (other capital expenses).

The projected cost of restoring quarry sites is \$7 million and is expected to be incurred between 2020 and 2059, after site closure and allowing a period for settlement. The portion estimated to be payable during the next 12 months is \$0.3 million based on the schedule of works.

	Waste restoration	Quarry restoration	Long service leave	Total
	\$000's			
Opening balance at 1 July 2018	38,173	5,265	11,371	54,809
Provisions recognised / derecognised	17,132	423	2,200	19,755
Amounts used / paid	-	(280)	(1,635)	(1,915)
Unwinding of discount	205	94	-	299
Discount rate adjustment	2,868	421	-	3,289
Closing balance at 30 June 2019	58,378	5,923	11,936	76,237

18) Asset revaluation surplus

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

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

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

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

	Balance at 1 July 2018	Movement	Balance at 30 June 2019
	\$000's		
Land	4,704	(4,651)	53
Site improvements	17,380	(1,470)	15,910
Buildings	1,182	4,602	5,784
Roads, bridge and drainage network	799,622	181,687	981,309
Water	201,316	-	201,316
Sewerage	252,025	-	252,025
	1,276,229	180,168	1,456,397

	Note	2019 \$000's	2018 \$000's
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19) Commitments for expenditure

Commitments for contractual expenditure at balance date but not recognised in the financial statements are as follows:

Waste	52,415	71,370
Other operational commitments	6,611	5,228
Other capital commitments	14,850	20,492
	73,876	97,090

This expenditure is payable:

Within one year	30,977	41,017
Later than one year but not later than five years	33,366	43,761
Later than five years	9,533	12,312
	73,876	97,090

20) Contingent liabilities

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

Legal matters

Various claims are pending against MRC. In the opinion of MRC's solicitors, the potential liability on all claims outstanding at 30 June was:

	85	1,140
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Local Government Mutual

MRC 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 2018 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

MRC is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme, MRC 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

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

Note	2019 \$000's	2018 \$000's
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available to cover outstanding liabilities. Only the Queensland Government's worker's compensation authority may call on any part of the guarantee should the above circumstances arise.

MRC's maximum exposure to the bank guarantee is:

	1,734	1,811
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21) Superannuation

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

The scheme is a defined benefit plan, however MRC is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs. Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of MRC.

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." MRC is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

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

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

- Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.
- Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities. MRC made less than 4% of the total contributions to the plan in the 2018-19 financial year.

The amount of superannuation contributions paid by MRC during the period for the benefit of employees was:

Superannuation contributions to the scheme	488	519
Other Superannuation contributions for employees	7,961	7,728
5	8,449	8,247

MRC expects to contribute \$443,014 to the Regional Defined Benefits Fund for 2019-20.

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

	Note	2019 \$000's	2018 \$000's
22) Reconciliation of net result for the year to net cash flow from operating activities			
Net result		16,336	15,220
Non-cash items			
Depreciation and amortisation	8	76,830	76,504
Unwinding of discounted provisions		299	273
		77,129	76,777
Investing and development activities			
Grants, subsidies, contributions and donations	4(b)	(42,630)	(26,894)
Capital income		(469)	(2,298)
Capital expenses	9	26,235	15,417
		(16,864)	(13,775)
Movement in operating assets and liabilities			
Trade and other receivables	12	(2,593)	(1,431)
Other assets		(488)	659
Inventories		(147)	244
Trade and other payables	15	5,166	4,528
Provisions	17	565	2,084
Other liabilities		2,867	368
		5,370	6,452
Net cash inflow from operating activities		81,971	84,674

23) National Competition Policy

MRC applies the competitive code of conduct to the business activities of water, sewerage and waste services. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

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

The following operating statement is for activities subject to the code of competitive conduct for the period ended 30 June 2019:

Operating Statement	Water and Sewerage Services	Waste Services
	\$000's	
Revenue for services provided to MRC	3,132	803
Revenue for services provided to external clients	95,304	28,035
Community service obligations (community / sporting rebates)	206	47
	98,642	28,885
Less: expenditure	73,894	21,209
Operating result before tax and dividend	24,748	7,676

**Mackay Regional Council
Notes to the Financial Statements
For the year ended 30 June 2019**

24) Transactions with related parties

Most of the entities and people that are related parties of MRC live and operate within the council region. Therefore, ordinary citizen transactions occur between MRC and its related parties on a regular basis. Examples of such would include payment of rates/animal registration, use of library facilities etc. These transactions have not been disclosed as they were on the same terms and conditions available to the general public.

a) Transactions with controlled entities

Mackay Region Enterprises Pty Ltd and Artspace Mackay Foundation Ltd are controlled entities of MRC. The transactions of these entities are not material to MRC and are therefore not consolidated within these annual financial statements.

During the reporting period, \$41,557 was paid or payable to Artspace Mackay Foundation Ltd as trustee for Artspace Mackay Foundation Ltd (2018: \$40,033). A further \$2,270 was received or receivable by MRC as at 30 June 2019 (2018: \$4,588). While, the amount of \$849,081 was paid or payable to MRC by Mackay Region Enterprises Pty Ltd at 30 June 2019 (2018: \$8,133).

b) Transactions with key management personnel

Key management personnel (KMP) include the Mayor, Councillors, CEO and the Strategy, Leadership and Performance Team. KMP and other persons occupying or acting in KMP positions are required to complete a related party declaration bi-annually each financial year.

The compensation paid to KMP during the reporting period comprised the below. Detailed remuneration disclosures are provided in the annual report.

	Compensation \$000's	
	2019	2018
Short term employee benefits	3,254	2,994
Post employee benefits	340	327
Long term benefits	21	18
Termination benefits	-	-
Total	3,615	3,339

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.

MRC employs a total of 1,115 staff (2018: 1,102), of which only 4 (2018: 4) are close family members of KMP. All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. Employee expenses for those staff members amounted to \$289,248 (2018: \$260,284). In some instances, these amounts do not represent a full financial year, but rather the actual period of employment. Further details of total employee expenses are disclosed in note 5.

**Mackay Regional Council
Financial Statements
For the year ended 30 June 2019**

Management Certificate

These general purpose financial statements have been prepared pursuant to s176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with s212(5) of the Regulation we certify that:

- a) 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
- b) the general purpose financial statements, as set out on pages 1 to 30, present a true and fair view, in accordance with Australian Accounting Standards, of MRC's transactions for the financial year and financial position at the end of the year.



**Mayor Mackay Regional Council
Cr Greg Williamson**

04 Oct 19

Date



**Chief Executive Officer
Craig Doyle**

4 October 2019

Date

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Mackay Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Mackay Regional Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2019, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

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

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland 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 the information included in Mackay Regional Council's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement and the annual report.

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 council for the financial report

The council is 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 council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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



Sri Narasimhan
as delegate of the Auditor-General

14 October 2019

Queensland Audit Office
Brisbane

**Mackay Regional Council
Financial Statements
For the year ended 30 June 2019**

Current Year Financial Sustainability Statement

MRC's performance at 30 June 2019, against key financial ratios and targets:

Key financial sustainability metrics	Target	Actual
Operating surplus ratio (%) Operating result (excluding capital items) as a percentage of operating revenue	0% - 10%	-0.2%
Asset sustainability ratio (%) Capital expenditure on renewals divided by depreciation expense	> 90%	63.9%
Net financial liabilities ratio (%) (Total liabilities less current assets) divided total operating revenue (excluding capital items)	< 60%	15.8%

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 3 reported measures are prepared on an accrual basis and are drawn from MRC's audited general purpose financial statements for the year ended 30 June 2019.

**Mackay Regional Council
Financial Statements
For the year ended 30 June 2019**

**Certificate of Accuracy
Current Year Financial Sustainability Statement**

This current year financial sustainability statement has been prepared pursuant to s178 of *the Local Government Regulation 2012*.

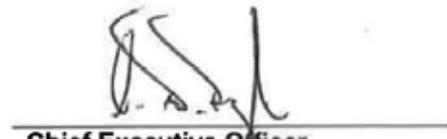
In accordance with s212(5) of the Regulation, we certify that this current year financial sustainability statement has been accurately calculated.



**Mayor Mackay Regional Council
Cr Greg Williamson**

04 Oct 19

Date



**Chief Executive Officer
Craig Doyle**

4 October 2019

Date

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Mackay Regional Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year statement of financial sustainability of Mackay Regional Council (the council) for the year ended 30 June 2019 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Mackay Regional Council for the year ended 30 June 2019 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland 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 of Queensland 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 the information included in Mackay Regional Council's annual report for the year ended 30 June 2019, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements, the long-term financial sustainability statement and the annual report.

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 council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines 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.



Sri Narasimhan
as delegate of the Auditor-General

14 October 2019

Queensland Audit Office
Brisbane

**Mackay Regional Council
Financial Statements
For the year ended 30 June 2019**

Long Term Financial Sustainability Statement (Unaudited)

Key financial sustainability metrics	Target	Actual	Projection for the financial year ended								
			2020	2021	2022	2023	2024	2025	2026	2027	2028
Operating surplus ratio (%) Operating result (excluding capital items) as a percentage of operating revenue	0% - 10%	-0.2%	0.1%	0.2%	0.2%	1.4%	1.5%	2.6%	3.0%	3.7%	3.7%
Asset sustainability ratio (%) Capital expenditure on renewals divided by depreciation expense	> 90%	63.9%	92.2%	94.9%	93.9%	94.7%	96.7%	94.2%	97.6%	102.9%	99.0%
Net financial liabilities ratio (%) (Total liabilities less current assets) divided total operating revenue (excluding capital items)	< 60%	15.8%	28.2%	35.5%	41.5%	44.2%	44.6%	45.6%	45.8%	39.5%	39.7%

MRC's financial management strategy

Operating surplus ratio

A positive operating surplus ratio is a strong indicator of long term sustainability. MRC's forecast operating surplus ratio is within the benchmark set for the life of the plan. This indicates that MRC is in a sound financial position and reinforces the continuing ability to fund proposed capital expenditure and debt service repayments.

Asset sustainability ratio

While projected renewal expenditure is lower than the calculated depreciation, MRC continues to invest adequately in asset renewals to ensure continued services to the community over the long term. Due to significant investments in new assets in the past few years, MRC can boast a relatively new infrastructure asset base, which reduces the immediate need for renewal of those assets. The renewals expenditure is calculated based on sound asset management principles and is designed to optimise the costs of operating and maintaining the asset over its useful life. Continuing refinement of MRC's asset management plans will improve the ability to make informed decisions regarding asset management into the future.

Net financial liabilities ratio

MRC's net financial liabilities ratio is within acceptable limits for the life of the plan. This indicates the capacity to fund liabilities and a capacity to increase loan borrowings if required. MRC has made a concerted effort to reduce debt and future borrowings in the short term. Despite drawing down on cash reserves and increasing debt in the latter half of the planning horizon to fund significant capital expenditure, MRC remains within the benchmark for this ratio.

**Mackay Regional Council
Financial Statements
For the year ended 30 June 2019**

**Certificate of Accuracy
Long Term Financial Sustainability Statement (Unaudited)**

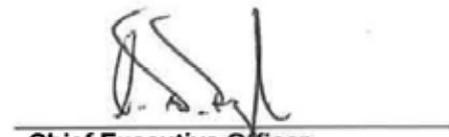
This long term financial sustainability statement has been prepared pursuant to s178 of the *Local Government Regulation 2012*.

In accordance with s212(5) of the Regulation, we certify that this long term financial sustainability statement has been accurately calculated.



Mayor Mackay Regional Council
Cr Greg Williamson
04 Oct 19

Date



Chief Executive Officer
Craig Doyle
4 October 2019

Date

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