



**AGENDA FOR ORDINARY MEETING
TO BE HELD IN COUNCIL CHAMBERS, BUNDABERG
ON TUESDAY 16 OCTOBER 2018, COMMENCING AT 10.00 AM**

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Item

16 October 2018

Item Number:	File Number:	Part:
D1	A3763066	EXECUTIVE SERVICES

Portfolio:

Executive Services

Subject:

Petition - Stan Tumu - Requesting better consistent maintenance of Goyan Road, New Moonta

Report Author:

Wendy Saunders, Executive Services Coordinator

Authorised by:

Stephen Johnston, Chief Executive Officer

Link to Corporate Plan:

Our Environment - 2.1 Infrastructure that meets our current and future needs - 2.1.4 Manage and maintain Council owned buildings, facilities and assets that support and facilitate social connectedness and community life.

Attachments:

Nil

Recommendation:

That the petition be received and noted.

**Item****16 October 2018****Item Number:**

E1

File Number:

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Part:

FINANCE

Portfolio:

Organisational Services

Subject:

Financial Summary as at 21 September 2018

Report Author:

Anthony Keleher, Chief Financial Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 3.1 A sustainable financial position - 3.1.2 Apply responsible fiscal principles for sustainable financial management.

Background:

In accordance with Section 204 of the *Local Government Regulation 2012* a Financial Report must be presented to Council on a monthly basis. Due to the earlier timing of the scheduled Council meeting, the attached Financial Report contains the Financial Summary and associated commentary as at 21 September 2018, which is the reporting date that was as near as practicable to the end of the September month before the October Council meeting.

Associated Person/Organization:

Nil

Consultation:

Financial Services Team

Chief Legal Officer's Comments:

Pursuant to section 204 of the *Local Government Regulation 2012* the Local Government must prepare and the Chief Executive Officer must present, the financial report. The financial report must state the progress that has been made in relation to the local government's budget for the period of the financial year up to a day as near as practicable to the end of the month before the meeting is held.

Policy Implications:

There appear to be no policy implications.

Financial and Resource Implications:

There appear to be no financial or resource implications.

Risk Management Implications:

There appears to be no risk management implications.

Communications Strategy:

Communications Team consulted.

- Yes
- No

Attachments:

[↓](#)1 Financial Summary as at 21 September 2018

Recommendation:

That the Financial Summary as at 21 September 2018 be noted by Council.

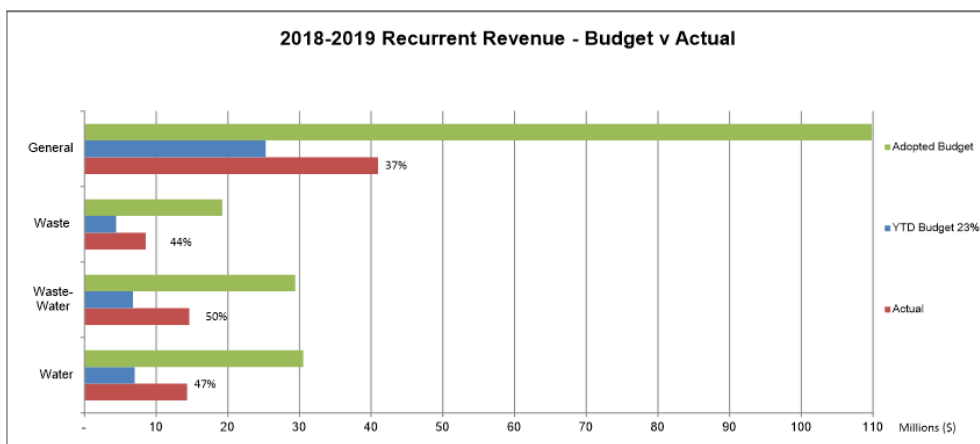
Financial Summary
as at 21 Sep 2018

	Council			General			Waste			Wastewater			Water		
	Actual YTD	Adopted Budget	% Act/ Bud	Actual YTD	Adopted Budget	% Act/ Bud	Actual YTD	Adopted Budget	% Act/ Bud	Actual YTD	Adopted Budget	% Act/ Bud	Actual YTD	Adopted Budget	% Act/ Bud
<i>Progress check - 23%</i>															
Recurrent Activities															
Revenue															
Rates and Utility Charges	73,342,090	166,363,235	47%	38,225,199	85,361,235	45%	7,337,670	14,555,000	50%	14,312,509	28,494,000	50%	13,466,718	27,653,000	49%
Less: Discounts and Pensioner Remissions	(4,220,671)	(8,476,550)	50%	(3,946,424)	(7,911,100)	50%	(63,443)	(193,190)	48%	(104,324)	(210,670)	50%	(76,480)	(161,590)	47%
	69,121,425	147,886,685	47%	34,278,775	77,450,135	44%	7,244,227	14,361,810	50%	14,208,185	28,283,330	50%	13,390,238	27,791,410	48%
Fees and Charges	6,505,735	26,179,414	25%	4,436,331	19,083,391	23%	1,201,128	4,611,023	26%	268,024	980,000	27%	600,252	1,505,000	40%
Interest Revenue	963,603	3,150,448	30%	390,167	1,498,048	26%	96,211	258,000	37%	131,664	165,400	80%	335,431	1,229,000	27%
Grants, Subsidies and Donations	1,856,710	11,714,207	16%	1,854,771	11,713,695	16%	1,939	512	376%	-	-	-	-	-	-
Sale of Developed Land Inventory	-	123,000	0%	-	123,000	0%	-	-	-	-	-	-	-	-	-
Total Recurrent Revenue	78,437,373	189,053,764	41%	40,960,044	109,868,269	37%	8,543,505	19,231,345	44%	14,607,903	29,428,730	50%	14,325,921	30,525,410	47%
Expenses															
Employee Costs	14,789,991	71,642,924	21%	11,545,812	59,198,107	20%	1,245,079	4,370,500	28%	998,315	4,013,946	25%	1,000,785	4,060,371	25%
Materials and Services	15,199,475	61,687,950	25%	10,178,060	34,183,567	30%	2,151,005	10,207,434	21%	1,260,827	8,696,601	14%	1,809,583	8,900,348	18%
Finance Costs	911,119	4,405,879	21%	289,425	1,414,213	20%	199,137	853,689	23%	378,394	1,841,292	21%	44,163	296,385	15%
Depreciation	11,686,055	46,744,219	25%	8,332,114	33,328,457	25%	357,466	1,420,943	25%	1,629,647	6,518,589	25%	1,366,808	5,467,230	25%
Total Recurrent Expenditure	42,586,640	184,780,972	23%	30,345,411	128,124,344	24%	3,952,707	16,861,866	23%	4,267,183	21,070,428	20%	4,021,339	18,724,334	21%
Operating Surplus	35,850,733	4,272,792		10,614,633	(18,256,075)		4,590,798	2,369,479		10,340,720	8,358,302		10,304,582	11,801,076	
Transfers to															
Restricted Capital Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NCP Transfers	(2)	-	(3,238,960)	(12,955,836)	(453,365)	(1,813,461)	1,520,144	6,080,579	2,172,179	8,688,718					
Total Transfers	(2)	-	(3,238,960)	(12,955,836)	(453,365)	(1,813,461)	1,520,144	6,080,579	2,172,179	8,688,718					
Movement in Unallocated Surplus	35,850,735	4,272,792		13,853,593	(5,300,239)		5,044,163	4,182,940		8,820,576	2,277,723		8,132,403	3,112,358	
Unallocated Surplus (Deficit) brought forward from prior year(s)	33,202,536	33,202,536	(1,584,589)	(1,584,589)	11,205,554	11,205,554	4,870,463	4,870,463	18,711,108	18,711,108					
Unallocated Surplus (Deficit)	69,053,271	37,475,318	12,269,004	(6,884,828)	16,249,717	15,388,494	13,691,039	7,148,186	26,843,511	21,823,466					
Capital Activities															
<i>Council's Capital Expenditure (Excludes Donated Assets)</i>															
Total Capital Expenditure	13,561,163	90,424,502	15%	11,143,117	63,204,159	18%	401,018	1,470,600	27%	1,310,077	11,993,284	11%	706,951	13,756,459	5%
Cash															
Opening balance	124,464,224	103,773,659													
Movement - increase/(decrease)	33,502,596	(5,851,122)													
Closing balance	157,966,820	97,922,537													

Further to the Financial Summary Report as at 21 September 2018, the following key features are highlighted.

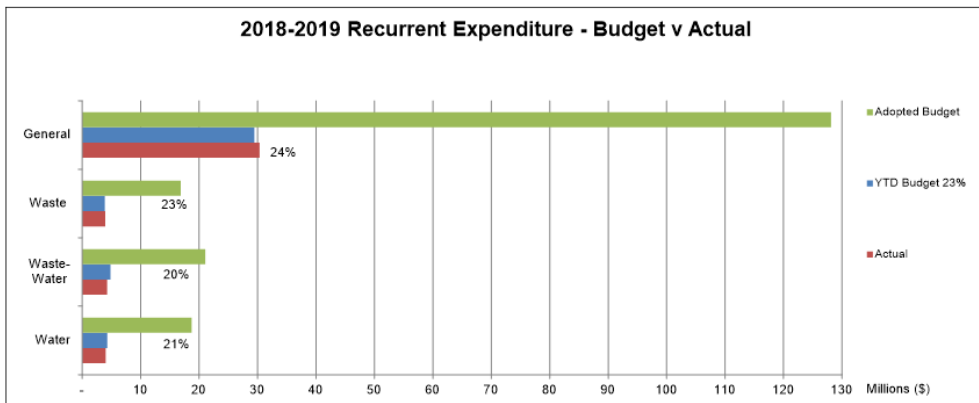
Recurrent Revenue

- Rates and Utility Charges for the first half year have been levied. Year-to-date income for the general fund is slightly lower than 50% of budget. This will increase in the next few months as Council receives payments in advance leading up to the second half year levy
- Interest Revenue is more than the year-to-date budget. The first quarter budget review will increased expected interest revenue. The distribution of interest for each fund can fluctuate with seasonal cashflows.
- Grants, Subsidies and Donations are less than the year-to-date budget. This is primarily due to delays in finalising the Emergent Works Claim with the Queensland Reconstruction Authority of which an amount of \$134,068 may be deemed ineligible. The Financial Assistance Grant allocation for the quarter has been received.



Recurrent Expenditure

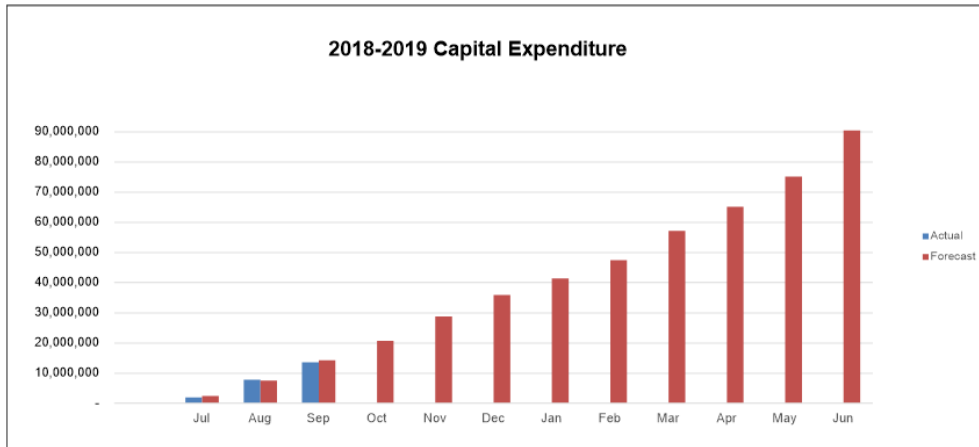
- Employee Costs are slightly less than the year-to-date budget. In the General Fund this is due to seasonal patterns such as no wet weather or public holidays worked as yet this financial year.
- Materials and Services are slightly more than the year-to-date budget. In the General Fund this is due to the payment of several annual Insurance Premiums and Licences as well as undertaking some Non-Capital Projects which will have funds provisioned as part of the first quarter budget review. In the Wasterwater and Water funds actuals are lower than the year-to-date budget due to significant Non-Capital Projects being scheduled for the second half of the financial year.
- Finance Costs are slightly less than the year-to-date budget. In the General fund this is due to a rebate being received in relation to Council's Corporate Purchase Cards. In the Water fund, Council is yet to recognise any water relief applications in its accounts.



Capital Expenditure

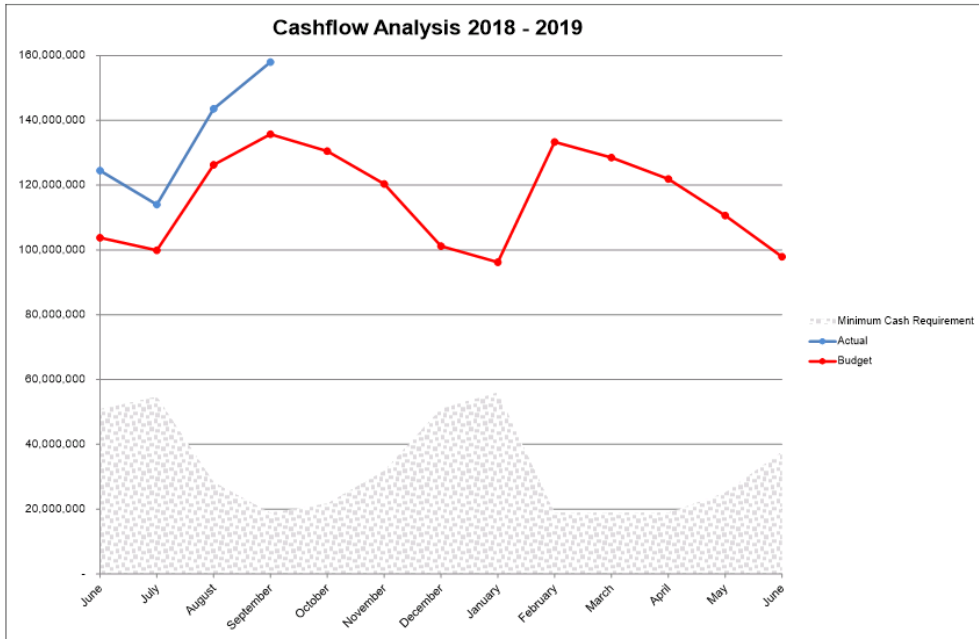
- A significant portion of Capital Expenditure is a finalisation of 2017/2018 projects which will be reprovioned as part of the first quarter budget review. Once this reprovion is approved, the capital expenditure will be tracking below budget.

For more details regarding Capital Expenditure projects please refer to the summary of significant capital projects at the end of this report.



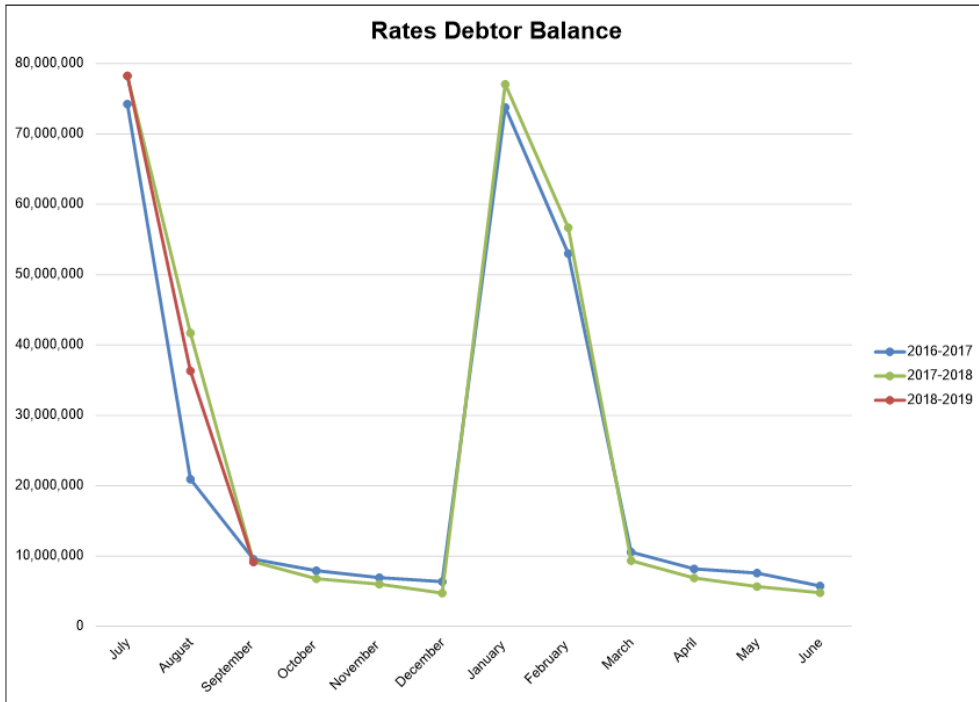
Cash Flow

- The cash balance as at 21 September 2018 was \$158 million, an increase of \$14.5 million from the last report at 31 August 2018, reflecting the expected receipt of rate payments during early September. The opening balance disparity will be corrected as part of the first quarter budget review.
- No short-term liquidity issues are foreseeable.



Rates Debtor

- Rates outstanding total \$9.15 million. This is lower than the rate debt outstanding this time last year. Rates reminders have been issued with a due date of 25th September 2018.



Loans

- Loan balances are shown below and include the 1st quarter repayment.

Account Name	Closing Balance as at 17 September 2018
Aviation Precinct	10,588,018
Bundaberg Airport	443,132
Elliott Heads Caravan Park	211,882
Fleet Management	2,037,817
Hall of Aviation	1,302,508
Kolan Gardens Aged Care	225,103
Burnett Heads Holiday Park	70,785
Sewerage Services	24,351,083
Water Services	3,341,395
General Facilities	4,209,938
Waste Services	4,433,710
Woodgate Sewerage 2018	1,982,545
Rubyanna WWTP 2018	16,851,634
Cedars Rd Landfill 2018	3,766,836
Burnett Heads CBD 2018	2,676,436
Grand Total	76,492,822

Significant Projects as at 21 September 2018

Status

Initiative is proceeding to plan with no indication of future impediments

Progress is not as expected but action is being/had been taken and is expected to be on track within the next quarter or financial year

Please note that completed projects may still have outstanding costs

Project Description	Status	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2019						
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2019 Budget (\$)	FY 2019 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2019 (\$)	Budget Variance (\$)	
Major Projects														
Multi-Use Sport and Community Centre (Multiplex) Stage 1 Finalisation Costs		80%	Costs associated with the finalisation of Stage 1. Completion expected 2018/19 Financial Year. Revised Budget Request submitted to reposition the remaining 2017/18 Budget to the 2018/19 Financial Year to finalise the contract.	12,500,000	208,434	113,099	208,434	-	2,545	-	0%	97,280	97,280	
Multi-Use Sport and Community Centre (Multiplex) Stage 2		100%	Project Construction is complete and contract is in defects liability period. Work being undertaken to operationalise the facility within the Airports & Tourism Budget.		11,982,727	11,982,727	11,982,727	-	0	-	0%	0	0	
Demolition of Skating Rink and Lessee Compensation		100%	Completed under Budget.		250,000	150,485	150,485	-	-	-	0%	-	-	
Internal Roads and Intersections		100%	Costs have been finalised.		3,115,118	3,115,118	3,115,118	-	-	-	0%	-	-	
Multi-Use Sport and Community Centre (Multiplex) Stage 1		100%	Costs have been finalised.		9,500,000	15,822,817	15,822,817	-	-	-	0%	-	-	
			Project Total	25,365,118	31,079,580	30,984,845	31,079,580	-	2,545	-	0%	97,280	97,280	
Sundaberg CBD Revitalisation		5%	Design contract is expected to be finalised December 2018. Project is being developed to a shovel ready status. Concept design and Public Consultation is complete for Tannttha Street.		31,288,941	1,898,007	31,288,941	1,025,000	353,957	4,545	36%	1,025,000	-	
Sundaberg CBD Streetscape Revitalisation - Non-Capital Costs			Work is ongoing.		255,109	155,134	255,109	100,000	25	13,000	0%	100,000	-	
			Project Total	16,000,000	31,544,050	2,053,141	31,544,050	1,125,000	353,981	17,545	31%	1,125,000	-	
Mount Perry Flood Evacuation Route Upgrade		95%	Legal and Professional fees are in progress and will be finalised in 2018/19 Financial Year. Revised Budget Request submitted to reposition the remaining 2017/18 Budget to the 2018/19 Financial Year. The Minister for Local Government has approved Grant Funding of \$578,500 for Land Acquisition costs. Revised Budget Request to be submitted to increase the Revenue Budget for the 2018/19 Financial Year.		8,758,570	5,491,833	5,538,853	-	-	4,728	0%	22,909	22,909	
Mount Perry Flood Evacuation Route Upgrade Complementary Works including Retaining Wall, Open Drain, Botanic Gardens Pit and Water Main		100%	Costs have been finalised.		1,273,584	1,273,584	1,273,584	-	-	-	0%	-	-	
			Project Total	8,758,570	6,810,437	6,765,217	6,810,437	-	-	4,726	0%	22,909	22,909	
Burnett Heads CBD Revitalisation		60%	Construction has commenced, delays experienced due to recent weather. Completion expected October 2018. Revised Budget Request submitted to reposition the remaining Budget to the 2018/19 Financial Year.		5,359,707	8,504,547	4,760,576	8,504,547	1,000,000	1,634,183	99,392	163%	5,388,153	4,388,153
Elliott Heads Foreshore Masterplan		5%	Detailed design in progress and completion is expected October. Construction is due to commence January 2019.		4,010,361	4,010,361	7,419	4,010,361	4,010,361	6,085	87,828	0%	4,010,361	-
Gin Gin Streetscape Stage 2		2%	Project due to commence March 2019. Revised Budget Revision has been submitted to reposition remaining 2017/18 Budget to the 2018/19 Financial Year.		3,955,298	3,955,298	-	3,955,298	598,360	-	-	0%	696,360	100,000

Significant Projects as at 21 September 2018

Status

Initiative is proceeding to plan with no indication of future impediments

Progress is not as expected but action is being/had been taken and is expected to be on track within the next quarter or financial year

Please note that completed projects may still have outstanding costs

Project Description	Status	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2019					
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2019 Budget (\$)	FY 2019 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2019 (\$)	Budget Variance (\$)
Corporate Applications													
Core System Replacement Program		95%	Project Practically Complete awaiting Financial Completion.		1,135,356	1,138,106	1,135,356	-	2,750	-	0%	-	-
Civica Authority Version 7 Upgrade		95%	Project is Practically Complete awaiting financial completion. Version 7 software upgrade complete. Community portal Proof of Concept underway. Revised Budget Request has been submitted to reprovise the remaining 2017/18 Budget to the 2018/19 Financial Year and allocate additional funds.	4,500,000	75,000	54,283	75,000	-	8,953	10,775	0%	29,680	29,680
Rugged Tablets - Proof of Concept		100%	Costs have been finalised		10,000	10,000	10,000	-	-	-	0%	-	-
Software Programs		100%	Costs have been finalised		22,277	22,277	22,277	-	-	-	0%	-	-
Project Total				4,500,000	1,242,633	1,224,666	1,242,633	-	11,713	10,775	0%	29,680	29,680
Airports and Tourism													
Aviation Precinct - Construction of Stage 3		10%	Detailed design and costing are complete. Operational works application has been approved. Contract for construction of Package 1 is currently out to Tender with the intent to have a contract in place early November.	1,000,000	334,376	68,478	334,376	-	5,181	-	0%	271,079	271,079
Aviation Precinct - Construct Taxiway Alpha & Adjacent Aircraft Aprons		10%	Revised Budget Request has been submitted to reprovise remaining 2017/18 Budget to 2018/19 Financial Year.	420,000	5,422,599	-	5,422,599	5,098,599	-	-	0%	5,098,599	-
Aviation Precinct - Sewer Pump Stations - Install Sewerage Pump Station at Bundaberg Regional Airport Aviation Precinct		98%	Civil and Electrical works are complete. Awaiting Ergon connection. Construction is due to be completed September 2018. Revised Budget Request has been submitted to reprovise remaining 2017/18 Budget to 2018/2019 Financial Year and allocate additional funds.	378,000	425,000	433,012	438,128	-	14,888	455	0%	20,000	20,000
Project Total				1,798,000	6,181,975	501,490	6,195,101	5,098,599	20,068	455	0%	5,389,678	291,079
Multiplex - Capital Work required to Operationalise		30%	Tender for Capital Works to go out early October with the intent to have a contract in place early November. Project expected to be finalised June 2019.	-	73,489	217,667	275,945	-	144,179	24,770	0%	202,458	202,458
Multiplex - Staff Accommodation			Revised Budget Request has been submitted to reprovise the remaining 2017/18 Budget from Major Project to the 2018/19 Financial year to Airports & Tourism.	150,000	150,000	-	270,000	150,000	-	-	0%	270,000	120,000
Multiplex - Storage Shed Installation for Evacuation Equipment and Storage for Multiplex Equipment				40,000	40,000	-	95,000	40,000	-	-	0%	95,000	55,000
Multiplex - Non Capital Work required to Operationalise				-	191,608	198,848	207,608	-	7,240	2,383	0%	16,000	16,000
Project Total				190,000	455,097	416,515	848,553	190,000	151,418	27,153	0%	583,456	393,456

Significant Projects as at 21 September 2018

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				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2019 Budget (\$)	FY 2019 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2019 (\$)	Budget Variance (\$)
Waste Disposal Facilities													
Bundaberg Regional Landfill - (Cedars Road) - Cell 3		85%	Sub Cell B has been activated and work is underway. Sub Cell's C and D are expected to be activated throughout the 2018/19 Financial Year. Revised Budget Request submitted to re-provision the remaining 2017/18 Budget to the 2018/19 Financial Year.	4,294,000	3,551,635	3,494,662	3,551,635	-	13,327	43,260	0%	70,000	70,000
Bundaberg Regional Landfill - Gas System		0%	Project is continual over 9 years.	630,000	630,000	-	630,000	70,000	-	-	0%	70,000	-
Qunaba Landfill Phytocapping Stage 1, Southern and Western Batters		5%	Project Manager is developing a Business Case in line with the Project Decision Framework. Project to commence by June 2019 with completion to occur in the 2019/2020 Financial Year. Revised Budget Request submitted to re-provision the remaining 2017/18 Budget to the 2018/19 and 2019/20 Financial Year.	802,500	802,500	277	802,500	-	-	-	0%	50,000	50,000
Strategic Projects Co-Ordination													
Bundaberg Civil and Cultural Precinct		0%	Project commencing in the 2019 Financial Year. Completion expected 2028. Revised Budget Request submitted to increase the 2018/19 Financial Year Budget in line with the project Schedule.	50,000,000	50,000,000	3,300	50,000,000	1,000,000	3,300	-	0%	2,567,278	1,567,278
Roads and Drainage													
Baldwin Swamp Multi Modal Pathways - Que Hee Street to Bundaberg Ring Road		90%	Project has commenced and is being delivered by day labour. Concrete pathway is complete and cosmetic items will be finalised by March 2019. Revised Budget Request has been submitted to re-provision remaining 2017/18 Budget to the 2018/2019 Financial Year.	1,000,000	1,000,000	977,409	1,000,000	-	176,260	24,144	0%	201,850	201,850
Hughes Road, Bargara - Extension - Stage 2 - Wearing Road to Watsons Road		20%	Project design is currently 60% complete. Construction will commence in late 2019. Revised Budget Request has been submitted to reduce 2018/19 Budget by the 2017/18 Financial Year overspend and allocate funds to the Hughes Road Roundabout.		5,450,000	108,454	3,988,671	1,600,000	16,232	58,281	1%	100,000	(1,500,000)
Hughes Road, Bargara - Construction of Hughes Rd/Watson Rd Roundabout		5%	Project design is currently 80% complete. Revised Budget Request has been submitted to reallocate funds from Hughes Road Extension.	6,000,000	-	-	1,461,329	-	-	-	0%	1,461,329	1,461,329
Land Purchase for Road Reserve		90%	Resumption agreements have been distributed and the easement documentation is currently being finalised. Revised Budget Request has been submitted to allocate funds in the 2018/19 Financial Year.		718,064	721,064	748,064	-	3,000	-	0%	30,000	30,000
Project Total				6,000,000	6,168,064	829,518	6,198,064	1,600,000	22,232	58,281	1%	1,591,329	(8,671)
Willis Street, Sharon - Burnett Downs Estate - Upgrade Drainage Work		95%	Project is Practically complete awaiting Financial completion. Revised Budget Request has been submitted to re-provision remaining 2017/18 Budget to the 2018/19 Financial Year.	650,000	400,000	380,696	400,000	-	132,179	23,711	0%	151,483	151,483

Significant Projects as at 21 September 2018

Status

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Project Description	Status	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2019					
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2019 Budget (\$)	FY 2019 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2019 (\$)	Budget Variance (\$)
Thabeban Fitzgerald Streets Roundabout - Works for Queensland Round 2		15%	Design is complete. Early works are complete. Roundabout works scheduled to commence early October. Project to be complete by late December 2018. Revised Budget Request has been submitted to re-provision remaining 2017/18 Budget to 2018/2019 Financial Year.	1,400,000	1,400,000	347,014	1,400,000	1,200,000	151,465	265,400	13%	1,204,451	4,451
Johnston Street, Avoca - Upgrade		75%	Project commenced June 2018 and due to be completed mid October 2018. Revised Budget Request has been submitted to re-provision remaining Budget to the 2018/2019 Financial Year and allocate additional funds.	995,015	510,000	500,232	700,093	210,000	325,138	198,697	155%	525,000	315,000
Twyford Street/Johnston Street Drainage Improvements		10%	Project currently on hold pending meeting with landholder and consultant in mid October. Revised Budget Revision has been submitted to re-provision remaining 2017/18 Budget to the 2018/19 Financial Year.	2,285,000	2,285,000	726,782	2,285,000	935,000	396,150	114,566	42%	954,368	19,368
Project Total				3,280,015	2,795,000	1,227,013	2,985,093	1,145,000	721,289	313,262	0%	1,479,368	334,368
Thabeban Stormwater Drainage Scheme - Stage 3		5%	Design is progressing on the Ring Road detention basin pump out. Design Report obtained from Cardno for the Barolin Street stormwater pipes and is currently being revised. Revised Budget Request has been submitted to re-provision remaining Budget to 2018/2019 Financial Year.	1,308,000	5,051,877	768,101	5,051,877	1,000,000	20,561	165,762	2%	1,274,368	274,368
Thabeban Stormwater Drainage Scheme - Stage 2		100%	Costs have been finalised		446,697	446,697	446,697	-	-	-	0%	-	-
Thabeban Stormwater Drainage Scheme - Stage 1B		100%	Costs have been finalised		574,898	574,898	574,898	-	-	-	0%	-	-
Project Total				1,308,000	6,073,470	1,819,693	6,073,470	1,000,000	20,591	165,762	0%	1,274,368	274,368
Bundaberg West Drainage Scheme		5%	Survey complete. Design to be completed by January 2019.	4,500,000	1,500,000	-	1,500,000	1,500,000	-	-	0%	1,500,000	-
Walla Street/Boundary Street On-Road Cycle Facilities		2%	Detailed design to be completed by December 2018. Project to be constructed in the 2019/2020 Financial Year, subject to successful funding application.	2,330,000	2,330,000	1,137	2,330,000	135,000	1,137	-	1%	135,000	-
Smiths Creek Bridge, Bucca - Bridge Replacement		80%	Tender has been awarded and project commenced July 2018. Side track is in use. Culvert base slab has been constructed. Installation of culverts have commenced. Project due to be complete November 2018. Revised Budget Request has been submitted to reduce 2018/19 Budget by 2017/18 Financial Year overspend.	1,835,000	1,854,800	482,074	1,835,000	1,600,000	427,473	220,588	27%	1,580,400	(19,600)
Monduran Rd, Monduran - Safety Improvement Project		0%	Project due to commence February 2019	853,000	853,000	-	853,000	176,000	-	-	0%	176,000	-
McCoy's Creek Culvert Rehabilitation		0%	Project awaiting installation of McCoy's Creek Culvert Relining	350,000	350,000	-	350,000	350,000	-	-	0%	350,000	-

Significant Projects as at 21 September 2018**Status**

Initiative is proceeding to plan with no indication of future impediments

Progress is not as expected but action is being/had been taken and is expected to be on track within the next quarter or financial year

Please note that completed projects may still have outstanding costs

Project Description	Status	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2019					
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2019 Budget (\$)	FY 2019 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2019 (\$)	Budget Variance (\$)
Oakwood Detention Basin Stage 1		2%	Continuing negotiations with landholders regarding easement acquisitions. Project on hold pending the outcomes of these negotiations.	750,000	750,000	-	750,000	750,000	-	-	0%	750,000	-
Gahans Rd, Kalkie - Road Upgrade		0%	Project due to commence March 2019	625,000	625,000	-	625,000	625,000	-	-	0%	625,000	-
McCoy's Creek, Branyan - Culvert Relining		5%	Project is currently being designed. Contract has been awarded and project due to be complete late October 2018. Revised Budget Request has been submitted to re-provision remaining 2017/18 Budget to 2018/19 Financial Year.	550,000	1,000,000	12,880	1,000,000	800,000	11,039	850,892	1%	998,359	198,359
McCarthy Rd, Avenell Heights - Road Widening		40%	Design is complete. Construction has commenced and due to be complete by November 2018.	500,000	500,000	22,213	500,000	500,000	20,113	198	4%	500,000	-
McCarthy Rd, Avenell Heights - Drainage		60%	Pipes are currently being installed. Project is due to be complete by November 2018. Revised Budget Request has been submitted to reduce 2018/19 Budget by 2017/18 Financial Year overspend.	400,000	400,000	218,203	400,000	380,000	190,827	322,342	50%	372,824	(7,376)
Project Total				900,000	900,000	240,415	900,000	880,000	210,940	322,540	0%	872,624	(7,376)
Tirroan Rd, Tirroan - Road Realignment		2%	Engineering survey is complete. Construction due to commence May 2019	481,500	481,500	571	481,500	481,500	571	-	0%	481,500	-
Ten Mile Road, Sharon - Upgrade and Widen Narrow Sealed Sections between CH 3.7 km and CH 4.9 km		100%	Costs have been finalised. Project completed over Budget.		228,180	228,180	228,180	-	-	-	0%	-	-
Ten Mile Road, Sharon - Upgrade and Widen Narrow Sealed Sections between CH 4.9 km and CH 7.3 km		95%	Project is practically complete awaiting financial completion. Revised Budget Request has been submitted to re-provision remaining 2017/18 Budget to 2018/19 Financial Year and allocate additional funds.	2,650,000	1,220,000	1,240,875	1,251,251	-	619,624	818	0%	630,000	630,000
Ten Mile Road, Sharon - Upgrade and Widen Narrow Sealed Sections between CH 7.3 km and CH 10.75 km		100%	Costs have been finalised. Project completed over Budget.		895,721	895,721	895,721	-	-	-	0%	-	-
Project Total				2,650,000	2,343,901	2,364,776	2,375,152	-	619,624	818	1%	630,000	630,000

Significant Projects as at 21 September 2018

Status

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Project Description	Status	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2019					
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2019 Budget (\$)	FY 2019 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2019 (\$)	Budget Variance (\$)
Community Development													
Norville Pool - Bucket Play Area - Works for Queensland Round 2		5%	Contract has been awarded. Construction to commence in October and due to be completed January 2019. Revised Budget Revision has been submitted to re-provision the remaining Budget to the 2018/19 Financial Year and allocate \$440,000 from the W4Q Bundaberg Administration PV install project that has been abandoned.	500,000	1,009,000	45,311	1,009,000	500,000	24,031	528	5%	987,719	487,719
Childers Swimming Pool - Heat Pump Installation		2%	Conceptual designs are complete and quotes have been obtained. Project to commence April 2019.	1,000,000	1,000,000	-	1,000,000	1,000,000	-	-	0%	1,000,000	-
Bundaberg Superpark, Kensington - Additional Carparking		5%	Preliminary design is complete. Construction due to commence early 2019.	568,000	568,150	1,672	568,150	568,000	1,522	-	0%	568,000	-
Parks, Sport and Natural Areas													
Natural Themed Playground Botanic Gardens		10%	Contract has been awarded and construction to commence in October 2018. Expected completion in December. Revised Budget Request submitted to re-provision the remaining 2017/18 Budget to the 2018/19 Financial Year.	350,000	500,000	1,780	500,000	-	656	506,126	0%	500,000	500,000
Baldwin Environmental Wetlands - Water Quality Improvement - Works for Queensland Round 2		5%	Survey works and detail design has been completed by specialised wetland consultant. Project to be completed in the 2018/19 financial year.	500,000	499,737	44,531	499,737	480,000	4,794	-	1%	480,000	-
Water and Wastewater													
Fairymead Road SPS Diversion		0%	Design to commence in October. Revised Budget submitted to re-provision the remaining 2017/18 Budget to the 2017/18 Financial Year.	885,000	885,000	10,501	885,000	880,000	656	-	0%	875,354	15,354
Sewage Overflow Abatement Program		0%	Project will be undertaken over a 3 year period. Annual work completed will be in line with Budget. Project expected to be completed 30 June 2021.	600,000	600,000	-	600,000	200,000	-	-	0%	200,000	-
Milbank WWTP - Belt Press Replacement		0%	Tender is expected to go out in October. Construction due to commence in 2019.	500,000	500,000	-	500,000	500,000	-	-	0%	500,000	-
Branyan WTP - Clear Water Storage		0%	Design to commence in 2018/19 Financial Year. Construction expected to commence 2019/20.	1,900,000	1,900,000	-	1,900,000	100,000	-	-	0%	100,000	-
North Bundaberg Water Supply		0%	Modelling in progress. Design to commence once modelling finalised, in the 2019 calendar year.	940,000	940,000	710	940,000	100,000	710	-	1%	100,000	-
Smart Meter Trial		15%	Tender has been awarded. Meters expected to be Operational by December 2018. Revised Budget Request to be submitted to re-provision Budget from the 2018/19 Financial Year to 2019/20 Financial Year.	8,000,000	12,347,429	164,963	12,347,429	1,165,000	32,533	73,827	3%	855,000	(310,000)
Gregory Water Treatment Plant Upgrade		10%	Design is in progress. 80% complete. Expected to be finalised in December. Revised Budget Request submitted to re-provision the remaining 2017/18 Budget to the 2018/2019 Financial Year. Construction is due to commence in the 2019/20 Financial Year.	16,200,000	12,116,943	728,222	12,116,943	-	111,280	732,780	0%	111,280	111,280

Significant Projects as at 21 September 2018**Status**

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Project Description	Status	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2019					
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2019 Budget (\$)	FY 2019 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2019 (\$)	Budget Variance (\$)
Kaikie Water Treatment Plant Quality Upgrade		10%	Design is in progress and is expected to be finalised in October. Invitations to tender to go out in November. Contractor expected to be appointed December. Revised Budget Request submitted to re-provision the remaining 2017/18 Budget to the 2018/2019 Financial Year.	3,100,000	8,600,000	634,805	8,600,000	8,000,000	107,075	672,317	1%	8,072,270	72,270
Branyan WTP Clear Water Storage - New Roof Structure		100%	Project is complete. Revised Budget Request to be submitted to increase the current year budget in line with actuals.	500,000	449,705	456,285	456,285	-	6,570	-	0%	6,570	6,570
Woodgate Vacuum Sewer Extension		85%	Construction has commenced and is due to be completed in October 2018. Revised Budget Request submitted to re-provision the remaining 2017/18 Budget to the 2018/2019 Financial Year. A Revised Budget Request will also be submitted to increase the 2019 Financial Year Budget.	1,500,000	2,300,000	2,305,635	2,600,535	-	273,839	58,501	0%	588,839	588,839
Woodgate Vacuum Sewer Extension - Stage 2		0%	Project due to commence in October.	200,000	200,000	280	200,000	200,000	280	-	0%	200,000	-
Project Total				1,700,000	2,500,000	2,305,816	2,800,535	200,000	274,120	58,501	137%	768,839	568,839
Childers Wastewater Treatment Plant Upgrade		10%	Design in progress, 80% complete. To be completed by January. Revised Budget Request submitted to re-provision the remaining 2017/18 Budget to the 2018/2019 Financial Year.	3,200,000	3,800,000	177,150	3,800,000	3,800,000	24,780	421,297	1%	3,847,830	47,830
Gin Gin Wastewater Treatment Plant Upgrade		10%	Design expected to commence 2019 calendar year (pending the completion of the design for Childers Wastewater Treatment Plant Upgrade). Revised Budget Request submitted to re-provision the remaining 2017/18 Financial Year Budget to the 2018/19 Financial Year.	3,700,000	4,000,000	86,332	4,000,000	200,000	7,928	170,563	4%	221,596	21,596
Mon Repos Water		25%	Project has commenced, due for completion December. Savings have been made within the project. A Revised Budget Request submitted to reduce the 2018/19 Financial Year Budget due to savings achieved.	670,000	650,000	211,441	570,000	675,000	188,415	2,492	33%	546,974	(28,026)
Mon Repos Wastewater		25%	Project has commenced, due for completion December. Savings have been made within the project. Revised Budget Request submitted to reduce the 2018/19 Financial Year Budget due to savings achieved.	900,000	900,000	267,023	800,000	825,000	213,062	46,923	26%	746,069	(78,931)
Project Total				1,570,000	1,550,000	478,464	1,370,000	1,400,000	401,507	49,415	5%	1,293,043	(106,957)

Significant Projects as at 21 September 2018**Status**

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Project Description	Status	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2019					
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2019 Budget (\$)	FY 2019 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2019 (\$)	Budget Variance (\$)
Rubyanna STP - Design and Construction of Plant			Commissioning phase is being finalised. Practical Completion is expected November. Revised Budget Request submitted to reprovise some of the 2017/18 Budget to the 2018/19 Financial Year.		49,432,280	46,715,789	48,715,789	-	373,765	1,091	0%	2,000,000	2,000,000
Project Administration and Control (All Stages)		90%	Work is ongoing. Revised Budget Request to be submitted to reprovise the remaining 2017/18 Budget to the 2018/19 Financial Year.		939,944	909,234	939,944	-	12,584	47,329	0%	43,294	43,294
Non Capital Costs for Design and Construction of Rubyanna Plant			Work is ongoing. Revised Budget Request to be submitted to reprovise the remaining 2017/18 Budget to the 2018/19 Financial Year.		238,994	238,994	238,994	-	4,153	-	0%	4,153	4,153
Decommissioning of Bundaberg East WWTP		30%	Initial decommissioning works commenced in January 2018. Further activities will be undertaken to decontaminate / make safe East WWTP now that Rubyanna WWTP is online. Project to be completed 2019. Revised Budget Request submitted to reprovise the remaining 2017/18 Budget to the 2018/19 Financial Year.	92,726,237	500,000	118,646	500,000	300,000	10,018	3,214	3%	391,072	91,072
Purchase of Land		100%	Costs have been finalised		2,667,537	2,667,537	2,667,537	-	-	-	0%	-	-
Rubyanna STP Concept Study		100%	Costs have been finalised		53,700	53,700	53,700	-	-	-	0%	-	-
Rubyanna STP - Trunk Pipelines Concept Design and Survey		100%	Costs have been finalised		7,057,331	7,057,331	7,057,331	-	-	-	0%	-	-
Rubyanna WWTP River Outfall		100%	Costs have been finalised		4,495,809	4,495,809	4,495,809	-	-	-	0%	-	-
Rubyanna WWTP Pipelines - Springhill Road to RWWTP		100%	Costs have been finalised		487,880	487,880	487,880	-	-	-	0%	-	-
Rubyanna WWTP Pipelines - Darnell Street Sewerage Cutting		100%	Costs have been finalised		321,020	321,020	321,020	-	-	-	0%	-	-
Project Total				92,726,237	66,194,494	63,066,240	65,478,003	300,000	400,550	51,633	0%	2,438,519	2,138,519
Grand Total					\$ 129,942,137	\$ 303,410,177	\$ 44,195,820	\$ 44,655,820	\$ 6,367,464	\$ 5,335,014	14%	\$ 57,546,552	\$ 12,890,732

Capital Grants Project Summary - Life to Date as at 21 September 2018

Project Description	Funding Name	Total Approved Funding	LTD Grant Income Actuals	Percentage Received	Total Approved Expenditure	LTD Grant Expenditure Actuals	Percentage Spend	Approved Cost to Council	Current Actual Cost to Council	Funding Completion Date	Comments
Major Projects											
Multi-Use Sports and Community Centre - Stage 2	Building Our Regions	5,000,000	4,100,000	82%	12,260,000	11,969,564	98%	2,260,000	3,369,564	1/02/2019	Extension of time approved by the Department to incorporate additional works. Final Claim to be submitted on completion of the project.
	Community Development Grant	5,000,000	4,500,000	90%							Extension of time approved by the Department to incorporate additional works. Final Claim to be submitted on completion of the project.
Burnett Heads CBD Revitalisation	Building Our Regions	3,320,677	1,660,000	50%	6,641,355	4,570,033	69%	415,410	1,475,312	1/10/2018	Currently negotiating an extension of time with the Department to extend completion date to November 2018
	Building Better Regions Fund	2,905,268	1,434,721	49%						30/11/2018	Extension of time approved by the Department. The remaining funding is due at the completion of the project, and submission of the final project report.
Bundaberg Regional Aviation and Aerospace Precinct - Stage 3	Building Our Regions	1,993,975	997,000	50%	5,239,560	68,478	1%	3,245,585	(928,522)	1/03/2019	Milestone 2 is due to be submitted in November 2018. Payment due in December 2018.
Elliott Heads Foreshore Redevelopment	Local Government Grants and Subsidies Program	1,604,144	481,243	30%	4,010,361	7,419	0%	2,406,217	(473,824)	18/10/2018	30% funding received at execution of agreement. The remaining funding is received progressively during construction.
Mount Perry Road - Capital Costs for Land Resumption Lot 7 and Lot 9 on SP276332	Natural Disaster Resilience Program	578,500	-	0%	650,000	650,599	100%	71,500	650,599	30/06/2019	The Minister for Local Government has approved Grant Funding of \$578,500 for Land Acquisition costs. Timing of this payment has not yet been advised.
Wastewater											
Rubyanna Sewerage Treatment Plant	Building Our Regions	5,000,000	4,250,000	85%	62,050,000	52,359,826	84%	57,050,000	48,109,826	30/07/2018	Currently negotiating an extension of time with the Department to extend completion date to January 2019 to allow for financial completion. Please note that total approved expenditure refers to the minimum expenditure required by the Grant funding.
Roads and Drainage											
Pathway Que Hee Street to Ring Road	Get Playing Plus	739,900	463,813	63%	1,479,800	977,409	66%	739,900	513,596	30/09/2018	Funding is received progressively each month during construction. Currently negotiating an extension of time with the department until March 2019.
Quay Street East/Scotland Street - Pathway Principal Cycle Network Plan	Cycle Network Local Government Grants Program	151,374	151,374	100%	302,748	413,694	137%	151,374	262,320	30/09/2018	Final Milestone has been submitted and is currently being reviewed. Payment due in October 2018.
Hurst Street, Hunter Street Intersection Upgrade	BLACKSPOT	145,500	72,750	50%	145,500	154	0%	-	(72,596)	30/06/2019	50% funding received at execution of agreement. The final 50% will be claimed when the project is complete.

Capital Grants Project Summary - Life to Date as at 21 September 2018

Project Description	Funding Name	Total Approved Funding	LTD Grant Income Actuals	Percentage Received	Total Approved Expenditure	LTD Grant Expenditure Actuals	Percentage Spend	Approved Cost to Council	Current Actual Cost to Council	Funding Completion Date	Comments
Tirroan Road Curve Realignment	BLACKSPOT	481,500	240,750	50%	481,500	571	0%	-	(240,179)	30/06/2019	50% funding received at execution of agreement. The final 50% will be claimed when the project is complete.
Hughes Road Bargara roundabout - Hughes Road and Watson Road	Roads to Recovery	506,667	50,000	10%	1,600,000	-	0%	282,245	(50,000)	30/09/2019	Next Milestone due October 2018.
Smith's Creek Bridge Replacement	Bridges Renewal Programme	900,000	360,000	40%	1,800,000	241,037	13%	450,000	(118,963)	1/10/2019	40% funding received at execution of agreement. The final 60% will be claimed when the project is complete.
2018-2019 TIDS Allocation	TIDS	2,767,780	558,472	20%	6,695,568	1,243,000	19%	3,927,788	684,528	30/06/2019	Funding is received progressively each month during construction.
NDRRA - Tropical Cyclone Debbie and Associated Rainfall and Flooding - 28 March - 6 April 2017											
BRC125.17 - St Kilda Road Betterment	Natural Disaster Relief and Recovery Arrangements	41,892	12,568	30%	56,142	887	2%	14,250	(11,681)	30/06/2019	30% Funding received at approval of submission less Council's trigger point contribution. Balance of funding is claimed monthly in arrears.
BRC.126.17 Snake Creek Road Betterment	Natural Disaster Relief and Recovery Arrangements	74,053	22,216	30%	100,155	24,848	25%	26,103	2,632	30/06/2019	
BRC.127.17 Bungadoo Road Betterment	Natural Disaster Relief and Recovery Arrangements	153,746	46,124	30%	197,506	117,498	59%	43,760	71,374	30/06/2019	
BRC.133.18 - Duck Creek Road Betterment	Natural Disaster Relief and Recovery Arrangements	31,258	9,377	30%	41,258	23,769	58%	10,000	14,391	30/06/2019	
BRC.129.17 - Reconstruction Claim	Natural Disaster Relief and Recovery Arrangements	475,806	142,742	30%	634,408	364,494	57%	158,602	221,752	30/06/2019	
BRC128.17 - Reconstruction Claim	Natural Disaster Relief and Recovery Arrangements	510,761	114,921	23%	510,761	54,127	11%	-	(60,795)	30/06/2019	
BRC.130.17 - Reconstruction Claim	Natural Disaster Relief and Recovery Arrangements	270,559	81,168	30%	360,745	32,462	9%	90,186	(48,706)	30/06/2019	
NDRRA - Central Coast Queensland Severe Weather 16-19 October 2017											
BRC.135.18 - Reconstruction Claim	Natural Disaster Relief and Recovery Arrangements	797,974	179,544	23%	797,974	665,236	83%	-	485,692	30/06/2019	30% Funding received at approval of submission less Council's trigger point contribution. Balance of funding is claimed monthly in arrears.
BRC.137.18 - Reconstruction Claim	Natural Disaster Relief and Recovery Arrangements	835,250	187,931	23%	835,250	206,280	25%	-	18,349	30/06/2019	
Works for Queensland											
Works for Queensland - Round 2	Works for Queensland	10,073,000	5,036,500	50%	10,573,000	3,511,196	33%	500,000	(1,525,304)	30/06/2019	50% funding received at execution of agreement. A further 40% will be received upon expending the initial allocation. The final 10% will be received on completion of the project.

**Item****16 October 2018****Item Number:**

E2

File Number:

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Part:

FINANCE

Portfolio:

Organisational Services

Subject:

2018/2019 Budget Review - First amended Budget for the period ending 30 June 2019

Report Author:

Anthony Keleher, Chief Financial Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 3.1 A sustainable financial position - 3.1.2 Apply responsible fiscal principles for sustainable financial management.

Background:

The first amended budget for 2018/2019 financial year is complete and presented to Council for adoption.

Recurrent

The amendment has reduced the budgeted operating surplus to \$1.1m, down from \$4.3m in the original budget. The recurrent revenue increased slightly by \$250,000 to \$189.3m while the recurrent expenditure has increased by \$3.4m to \$188.2m.

Significant amendments to the recurrent budget include:

- Reclassification of Water Service's projects from capital \$350,000
- Staff Accommodation project added \$1.7m as the majority of the project will be non-capital
- Civic/Cultural Precinct Investigations transferred from capital \$200,000
- Website consolidation project reprovioned from the 2017/2018 financial year \$320,000
- Depreciation associated with Cell 3 restoration provision \$125,000
- Increase in finance costs relating to SPER write-offs \$210,000, landfill provision \$80,000, interest expense \$100,000
- Additional Interest revenue from investments providing \$250,000

The long term financial forecast indicates the operating surplus ratio remains above the sustainability target of 0%.

Capital

Capital revenue has increased by \$5m to \$33.6m which recognises funding for NDRRA works and reprovion of other funded projects including Burnett Heads CBD. Capital expenditure has increased significantly by \$22.5 to \$113m, mainly due to the reprovion of capital project budgets from the 2017/2018 financial year.

Significant capital expenditure amendments include:

- Botanic Gardens Playground reprovion \$500,000
- Staff Accommodation Projects additional \$250,000
- Strategic land purchases \$970,000 (potentially offset in the 2nd quarter by other land sales under contract)
- Burnett Heads CBD reprovion \$4.3m
- NDRRA works of \$3.1m added to program (funded by QRA)
- Buss Street, Burnett Heads \$2m (offset by \$1.8m in funding)
- Fleet budget reprovion of \$2.5m plus \$500,000 for additional items
- Drainage program increased by \$1.1m of which \$800,000 was reprovioned from the 2017/2018 financial year
- Footpath program increased by \$600,000 of which \$550,000 was reprovioned
- Ten Mile Road, Sharon reprovion \$600,000
- Other Roads program increased by \$1m of which \$700,000 was reprovioned
- Multiplex \$200,000 for operationalisation (partially funded from existing grant program)
- Aviation Precinct Stage 3 reprovion \$250,000
- Rubyanna WWTP reprovion \$2m

Cash Flow

Council's cash balance at 1 July 2018 was more than \$20m higher than budget due to advance payment of grants and delays in capital projects. The reprovion of the projects listed above will have minimal impact on the expected cash balance at 30 June 2019 and forecast years. Accordingly, the proposed borrowings over the 3 year budget period remains unchanged.

Conclusion

The budget amendment sees Council maintaining a strong financial position with an operating surplus and net financial liability indicators within the sustainability targets over the forecast years.

Associated Person/Organization:

N/A

Consultation:

Portfolio Spokesperson: Mayor

All Councillors

Executive Leadership Team

Managers and Supervisors

Chief Legal Officer's Comments:

There appear to be no legal implications.

Policy Implications:

The amended budget must include the Revenue Policy and Revenue Statement, which have already been adopted by Council and remain unchanged.

Financial and Resource Implications:

Council's recurrent and capital budget has been amended to re-provision projects from financial year 2017/2018 to 2018/2019. Amendments to the current budget have been processed and potential impacts to forecast periods and asset sustainability ratios assessed.

Risk Management Implications:

There appears to be no risk management implications.

Communications Strategy:

Communications Team consulted.

- Yes
- No

Attachments:

- [↓1](#) 2018/2019 First amended Budget Financial Statements
- [↓2](#) Revenue Policy
- [↓3](#) Revenue Statement

Recommendation:

Pursuant to section 170(3) and section 173 of the *Local Government Regulation 2012*, Council adopt the amended budget as tabled.

**BUNDABERG REGIONAL COUNCIL
Budgeted Statement of Income and
Expenditure**

For the period ending 30 June 2019

	Council					General			Water			Wastewater			Waste Management		
	Unaudited Actuals	Original Budget	Proposed Budget	Forecast	Forecast	Proposed Budget	Forecast	Forecast	Proposed Budget	Forecast	Forecast	Proposed Budget	Forecast	Forecast	Proposed Budget	Forecast	Forecast
	2017/18	2018/19	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income																	
Fees and utility charges*	152,801,346	156,363,235	156,219,910	151,965,895	154,108,343	85,357,610	78,657,655	88,638,863	27,807,700	28,690,300	29,446,032	28,493,400	29,692,690	30,718,672	14,561,200	14,925,250	15,334,795
Less: Discounts & pensioner remissions	(8,340,987)	(8,476,550)	(8,476,550)	(8,667,418)	(8,862,655)	(7,911,200)	(8,277,908)	(8,248,310)	(161,590)	(169,670)	(176,153)	(210,670)	(216,990)	(223,500)	(193,180)	(202,850)	(212,950)
Net rates and utility charges	144,460,359	147,886,685	147,743,360	143,298,477	145,245,688	77,446,410	70,379,747	80,390,553	27,646,110	28,520,630	29,269,879	28,282,730	29,375,700	30,495,172	14,368,020	14,722,400	15,091,764
Fees and charges	19,012,033	20,781,280	20,725,168	21,172,962	21,530,983	15,337,423	15,167,477	15,443,877	782,000	818,360	856,455	606,000	634,580	664,537	3,999,745	4,552,545	4,666,114
Interest	3,525,146	3,150,448	3,397,400	3,744,301	3,507,101	1,560,000	1,696,093	1,734,001	1,384,000	1,489,800	1,308,320	159,400	206,200	155,620	294,000	352,208	309,160
Sales, contract and recoverable works	6,554,079	5,398,134	5,398,134	5,505,850	5,616,464	3,689,856	3,704,000	3,707,025	723,000	759,150	797,105	374,000	392,700	412,334	611,278	650,000	700,000
Grants and subsidies	12,790,912	11,526,395	11,702,907	11,936,965	12,175,704	11,702,907	11,936,965	12,175,704	-	-	-	-	-	-	-	-	-
Donations and other contributions	359,338	187,812	201,673	206,231	210,359	189,673	194,231	198,359	-	-	-	-	-	-	12,000	12,000	12,000
Profit on sale of developed land held for resale	71,074	123,000	123,000	1,368,000	123,000	123,000	1,368,000	123,000	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUE	186,772,941	189,053,734	189,291,542	187,132,786	188,508,999	110,049,269	104,646,513	113,772,639	30,535,110	31,587,940	32,229,759	29,422,130	30,609,180	31,727,663	19,285,033	20,269,153	20,779,038
Operating Expenditure																	
Employee benefits, materials and services	(120,019,475)	(133,630,874)	(136,459,158)	(132,919,020)	(136,415,695)	(95,983,658)	(90,695,856)	(94,366,188)	(13,320,019)	(13,762,026)	(13,897,960)	(12,617,547)	(13,323,584)	(13,457,109)	(14,577,934)	(15,137,554)	(14,694,438)
Finance costs	(4,060,536)	(4,405,879)	(4,820,735)	(4,541,127)	(4,774,175)	(1,783,000)	(1,471,128)	(1,461,850)	(296,385)	(185,000)	(180,000)	(1,793,000)	(1,848,649)	(2,195,975)	(948,350)	(936,350)	(936,350)
Depreciation	(44,498,187)	(46,744,219)	(46,596,795)	(45,316,321)	(50,884,852)	(33,828,828)	(35,445,668)	(36,813,710)	(5,635,095)	(5,603,911)	(5,744,009)	(5,722,449)	(6,881,854)	(6,848,595)	(1,700,620)	(1,365,188)	(1,478,540)
TOTAL OPERATING EXPENDITURE	(168,578,198)	(184,780,972)	(188,206,688)	(186,776,468)	(191,874,722)	(131,595,286)	(127,612,652)	(132,441,748)	(19,251,502)	(19,650,937)	(19,821,969)	(20,132,996)	(21,953,787)	(22,501,677)	(17,226,904)	(17,659,092)	(17,109,328)
Estimated Costs of Significant Business and Commercial Business Activities																	
Community service obligations	-	-	-	-	-	(4,826,197)	(4,877,376)	(4,933,468)	515,590	517,614	519,663	526,723	537,263	548,034	3,783,884	3,822,499	3,865,771
Competitive neutrality adjustments	-	-	-	-	-	360,298	340,690	320,205	2,991	7,796	12,786	(204,037)	(188,952)	(173,286)	(159,252)	(159,534)	(159,705)
Internal tax equivalents paid	-	-	-	-	-	8,121,735	8,194,838	8,003,686	(3,707,299)	(3,465,820)	(3,156,478)	(2,603,265)	(2,858,376)	(2,915,124)	(1,811,171)	(1,870,642)	(1,932,064)
Return on capital	-	-	-	-	-	9,300,000	9,300,000	9,300,000	(5,800,000)	(5,800,000)	(5,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	-	-	-
	-	-	-	-	-	12,958,836	12,958,152	12,890,423	(6,686,718)	(6,440,410)	(6,124,029)	(6,080,579)	(6,310,065)	(6,340,376)	1,613,481	1,792,323	1,773,982
Operating surplus/(deficit)	18,194,743	4,272,762	1,084,854	356,318	6,634,277	(6,590,181)	(10,007,587)	(5,979,786)	2,594,890	3,596,593	4,283,761	3,208,555	2,345,328	2,885,610	3,671,590	4,422,364	5,443,692
Capital Activities																	
Grants and subsidies	28,967,981	15,699,373	21,668,589	17,212,034	14,911,416	20,574,380	17,212,034	14,911,416	11,209	-	-	970,500	-	-	112,500	-	-
Contributions from developers	8,495,213	10,850,000	10,850,000	10,850,000	10,850,000	4,855,000	4,855,000	4,855,000	2,997,500	2,997,500	2,997,500	2,997,500	2,997,500	2,997,500	-	-	-
Other capital income	3,318,164	1,985,300	1,082,730	900,000	900,000	1,082,730	900,000	900,000	-	-	-	-	-	-	-	-	-
Capital expenses	(12,308,225)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL ACTIVITIES	28,474,133	28,534,673	33,601,319	28,962,034	26,661,416	26,512,110	22,967,034	20,666,416	3,006,709	2,997,500	2,997,500	3,968,000	2,997,000	2,997,500	112,500	-	-
Net result	46,668,876	32,807,455	34,686,173	29,318,352	33,295,693	17,921,929	12,959,047	14,887,630	5,603,899	6,594,093	7,281,261	7,176,555	5,342,828	5,883,110	3,984,090	4,422,364	5,443,692
*Change in Total Rates and Utility Charges Levied		2.33%	2.24%														

BUNDABERG REGIONAL COUNCIL**Budgeted Statement of Financial Position**

For the period ending 30 June 2019	Unaudited Actuals	Original Budget	Proposed Budget	Forecast	Forecast
	2017/18	2018/19	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	124,464,224	97,922,537	99,761,824	91,245,216	89,890,763
Trade and other receivables	14,970,070	15,269,614	15,268,861	14,919,654	16,017,399
Inventories	4,139,586	4,031,797	4,102,586	3,985,586	3,948,586
Non-current assets held for sale	1,942,834	798,233	1,942,834	1,942,834	1,942,834
	<u>145,516,714</u>	<u>118,022,181</u>	<u>121,076,105</u>	<u>112,093,290</u>	<u>111,799,582</u>
Non-Current Assets					
Investment property	7,158,581	8,347,178	7,158,581	7,158,581	7,158,581
Property, plant and equipment	2,078,371,036	2,106,193,631	2,145,859,698	2,204,397,256	2,243,385,612
Intangible assets	6,325,612	6,182,083	6,188,391	5,988,460	5,733,918
	<u>2,091,855,229</u>	<u>2,120,722,892</u>	<u>2,159,206,670</u>	<u>2,217,544,297</u>	<u>2,256,278,111</u>
TOTAL ASSETS	<u>2,237,371,943</u>	<u>2,238,745,073</u>	<u>2,280,282,775</u>	<u>2,329,637,587</u>	<u>2,368,077,693</u>
Current Liabilities					
Trade and other payables	13,485,218	15,414,774	15,896,877	15,206,965	15,607,701
Borrowings	6,878,851	7,464,032	7,397,700	8,370,176	7,480,004
Provisions	12,389,143	12,000,000	12,521,350	12,521,350	12,521,350
Unearned revenue	595,924	570,928	595,924	9,195,924	9,909,224
	<u>33,349,136</u>	<u>35,449,735</u>	<u>36,411,851</u>	<u>45,294,415</u>	<u>45,518,279</u>
Non-Current Liabilities					
Borrowings	71,431,485	75,930,847	76,204,255	84,835,749	85,356,530
Provisions	18,231,648	17,945,784	18,620,791	19,142,141	19,663,491
	<u>89,663,133</u>	<u>93,876,631</u>	<u>94,825,046</u>	<u>103,977,890</u>	<u>105,020,021</u>
TOTAL LIABILITIES	<u>123,012,269</u>	<u>129,326,365</u>	<u>131,236,897</u>	<u>149,272,305</u>	<u>150,538,300</u>
NET COMMUNITY ASSETS	<u>2,114,359,674</u>	<u>2,109,418,708</u>	<u>2,149,045,878</u>	<u>2,180,365,282</u>	<u>2,217,539,393</u>
Community Equity					
Asset revaluation surplus	492,159,443	461,030,782	492,159,443	494,160,494	498,038,913
Retained surplus	110,477,666	1,648,387,926	1,656,886,435	1,686,204,788	1,719,500,480
	<u>1,511,722,565</u>				
TOTAL COMMUNITY EQUITY	<u>2,114,359,674</u>	<u>2,109,418,708</u>	<u>2,149,045,878</u>	<u>2,180,365,282</u>	<u>2,217,539,393</u>

BUNDABERG REGIONAL COUNCIL**Budgeted Statement of Cash Flow**

For the period ending 30 June 2019	Unaudited Actuals	Original Budget	Proposed Budget	Forecast	Forecast
	2017/18	2018/19	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$
Cash Flows from Operating Activities					
Receipts from customers	183,174,977	173,014,600	172,503,834	178,843,157	182,131,075
Payments to suppliers and employees	(134,850,473)	(133,172,887)	(134,447,499)	(133,961,731)	(136,374,816)
	<u>48,324,504</u>	<u>39,841,713</u>	<u>38,056,335</u>	<u>44,881,426</u>	<u>45,756,259</u>
Recurrent grants, subsidies, contributions and donations	13,631,004	12,459,741	12,648,081	12,125,829	12,362,838
Interest received	3,519,807	3,150,448	3,397,839	3,744,699	3,507,390
Proceeds from sale of developed land held for resale	91,120	160,000	160,000	1,485,000	160,000
Borrowing costs	(2,981,416)	(3,573,194)	(3,619,358)	(3,666,977)	(3,892,969)
Net Cash Inflow/(Outflow) from Operating Activities	<u>62,585,019</u>	<u>52,038,707</u>	<u>50,642,897</u>	<u>58,569,977</u>	<u>57,893,518</u>
Cash Flow from Investing Activities :					
Proceeds from sale of property, plant and equipment	1,498,925	1,985,300	1,018,916	900,000	900,000
Capital grants, subsidies, contributions and donations	31,638,688	18,549,373	24,582,403	20,062,034	17,761,416
Payments for property, plant and equipment	(97,063,063)	(83,595,286)	(106,125,280)	(97,567,588)	(77,539,996)
Payments for intangible assets	(203,945)	(120,000)	(112,955)	(85,000)	-
Net Cash Inflow/(Outflow) from Investing Activities	<u>(64,129,395)</u>	<u>(63,180,613)</u>	<u>(80,636,916)</u>	<u>(76,690,554)</u>	<u>(58,878,580)</u>
Cash Flow from Financing Activities :					
Proceeds from borrowings	25,500,000	12,000,000	12,000,000	17,000,000	8,000,000
Repayment of borrowings	(5,512,636)	(6,709,216)	(6,708,382)	(7,396,030)	(8,369,390)
Net Cash Inflow/(Outflow) from Financing Activities	<u>19,987,364</u>	<u>5,290,784</u>	<u>5,291,618</u>	<u>9,603,970</u>	<u>(369,390)</u>
Net Increase/(Decrease) in Cash Held	<u>18,442,988</u>	<u>(5,851,122)</u>	<u>(24,702,400)</u>	<u>(8,516,607)</u>	<u>(1,354,453)</u>
Cash at beginning of reporting period	106,021,236	103,773,659	124,464,224	99,761,824	91,245,216
Cash at end of Reporting Period	<u>124,464,224</u>	<u>97,922,537</u>	<u>99,761,824</u>	<u>91,245,216</u>	<u>89,890,763</u>

BUNDABERG REGIONAL COUNCIL**Budgeted Statement of Changes in Equity**

For the period ending 30 June 2019	Unaudited Actuals	Original Budget	Proposed Budget	Forecast	Forecast
	2017/18	2018/19	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$
Opening Balance - Retained Surplus	1,564,758,246	1,615,580,471	1,622,200,231	1,656,886,435	1,686,204,788
Assets not previously recognised/(derecognised)	10,773,109	-	-	-	-
Net result	46,668,876	32,807,455	34,686,204	29,318,353	33,295,692
Closing Balance - Retained Surplus	<u>1,622,200,231</u>	<u>1,648,387,926</u>	<u>1,656,886,435</u>	<u>1,686,204,788</u>	<u>1,719,500,480</u>
Opening Balance - Asset Revaluation Surplus	461,030,782	461,030,782	492,159,443	492,159,443	494,160,494
Increase in asset revaluation surplus	31,128,661	-	-	2,001,051	3,878,419
Closing Balance - Asset Revaluation Surplus	<u>492,159,443</u>	<u>461,030,782</u>	<u>492,159,443</u>	<u>494,160,494</u>	<u>498,038,913</u>
Total Community Equity	<u>2,114,359,674</u>	<u>2,109,418,708</u>	<u>2,149,045,878</u>	<u>2,180,365,282</u>	<u>2,217,539,393</u>

BUNDABERG REGIONAL COUNCIL**Income and Expenditure****Long-Term Financial Forecast**

For the period ending 30 June 2019

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income										
Rates and utility charges	156,219,910	151,830,957	164,038,085	168,239,687	172,563,236	177,320,186	182,217,396	187,259,122	192,449,755	197,793,820
Less: Discounts & pensioner remissions	(8,476,650)	(8,633,376)	(8,793,095)	(8,955,866)	(9,121,748)	(9,290,803)	(9,463,092)	(9,638,677)	(9,817,624)	(9,999,997)
Net rates and utility charges	147,743,260	143,197,581	155,244,990	159,283,821	163,441,488	168,029,383	172,754,304	177,620,445	182,632,131	187,793,823
Fees and charges	20,725,168	21,173,429	21,631,624	22,099,977	22,578,722	23,068,096	23,568,340	24,079,704	24,602,443	25,136,815
Interest	3,397,400	3,744,699	3,507,390	3,506,614	3,788,208	4,423,134	4,986,190	5,601,477	5,841,512	6,267,281
Sales, contract and recoverable works	5,398,134	5,506,097	5,616,219	5,728,543	5,843,114	5,959,976	6,079,176	6,200,759	6,324,774	6,451,270
Grants and subsidies	11,702,907	11,936,965	12,175,704	12,419,219	12,667,603	12,920,955	13,179,374	13,442,962	13,711,821	13,986,057
Donations and other contributions	201,673	205,706	209,821	214,017	218,297	222,663	227,117	231,659	236,292	241,018
Profit on sale of developed land held for resale	123,000	1,368,000	123,000	123,000	123,000	123,000	123,000	123,000	123,000	123,000
TOTAL OPERATING REVENUE	189,291,542	187,132,477	198,508,748	203,375,191	208,660,432	214,747,207	220,917,501	227,300,006	233,471,973	239,999,264
Operating Expenditure										
Employee benefits, materials and services	(136,499,158)	(132,919,020)	(136,415,695)	(139,435,977)	(143,641,538)	(147,755,122)	(152,440,444)	(156,712,655)	(163,923,284)	(172,182,831)
Finance costs	(4,820,735)	(4,541,127)	(4,774,175)	(4,675,325)	(4,293,033)	(3,920,178)	(3,551,750)	(3,288,791)	(3,073,385)	(2,877,065)
Depreciation	(46,886,795)	(49,316,012)	(50,684,601)	(51,952,932)	(52,480,714)	(52,871,439)	(53,475,929)	(54,240,444)	(55,944,123)	(57,714,491)
TOTAL OPERATING EXPENDITURE	(188,206,688)	(186,776,159)	(191,874,471)	(196,064,234)	(200,415,285)	(204,546,739)	(209,468,123)	(214,241,890)	(222,940,792)	(232,774,387)
Operating surplus/(deficit)	1,084,854	356,318	6,634,277	7,310,957	8,245,147	10,200,468	11,449,378	13,058,116	10,531,181	7,224,877
Capital Activities										
Grants and subsidies	21,668,589	17,212,034	14,911,416	2,600,000	4,100,000	4,100,000	7,600,000	7,600,000	17,600,000	12,600,000
Contributions from developers	10,850,000	10,850,000	10,850,000	10,850,000	10,850,000	10,850,000	10,850,000	10,850,000	10,850,000	10,850,000
Other capital income	1,082,730	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
TOTAL CAPITAL ACTIVITIES	33,601,319	28,962,034	26,661,416	14,350,000	15,850,000	15,850,000	19,350,000	19,350,000	29,350,000	24,350,000
Net result	34,686,173	29,318,352	33,295,693	21,660,957	24,095,147	26,050,468	30,799,378	32,408,116	39,881,181	31,574,877

BUNDABERG REGIONAL COUNCIL**Long-Term Financial Forecast****Assets, Liabilities and Equity**

For the period ending 30 June 2019

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Assets										
Cash and cash equivalents	99,761,824	91,245,216	89,890,763	99,409,326	123,498,941	144,300,284	167,676,830	176,249,960	193,040,486	215,088,148
Trade and other receivables	15,268,861	14,919,654	16,017,399	16,417,445	16,828,703	17,229,596	17,737,669	18,211,687	18,699,243	19,148,277
Inventories	4,102,586	3,985,586	3,948,586	3,911,586	3,874,586	3,837,586	3,800,586	3,763,586	3,726,586	3,689,586
Non-current assets held for sale	1,942,834	1,942,834	1,942,834	1,942,834	1,942,834	1,942,834	1,942,834	1,942,834	1,942,834	1,942,834
	<u>121,076,105</u>	<u>112,093,290</u>	<u>111,799,582</u>	<u>121,681,191</u>	<u>146,145,064</u>	<u>167,310,300</u>	<u>191,157,919</u>	<u>200,168,067</u>	<u>217,409,149</u>	<u>239,868,845</u>
Non-Current Assets										
Investment property	7,158,581	7,158,581	7,158,581	7,158,581	7,158,581	7,158,581	7,158,581	7,158,581	7,158,581	7,158,581
Property, plant and equipment	2,145,859,698	2,204,397,256	2,243,385,612	2,254,756,581	2,255,020,268	2,261,175,518	2,271,687,185	2,300,229,491	2,329,939,547	2,347,726,421
Intangible assets	6,188,391	5,988,460	5,733,918	5,512,604	5,319,788	5,151,091	5,003,131	4,873,005	4,758,725	4,657,518
	<u>2,159,206,670</u>	<u>2,217,544,297</u>	<u>2,256,278,111</u>	<u>2,267,427,766</u>	<u>2,267,498,637</u>	<u>2,273,485,190</u>	<u>2,283,848,897</u>	<u>2,312,261,077</u>	<u>2,341,856,853</u>	<u>2,359,542,520</u>
TOTAL ASSETS	<u>2,280,282,775</u>	<u>2,329,637,587</u>	<u>2,368,077,693</u>	<u>2,389,108,957</u>	<u>2,413,643,701</u>	<u>2,440,795,490</u>	<u>2,475,006,816</u>	<u>2,512,429,144</u>	<u>2,559,266,002</u>	<u>2,599,411,365</u>
Current Liabilities										
Trade and other payables	15,896,877	15,206,965	15,607,701	15,881,420	16,342,622	16,735,242	17,305,733	17,754,511	18,677,866	19,711,078
Borrowings	7,397,700	8,370,176	7,480,004	7,558,374	7,592,007	6,316,852	5,540,000	5,259,425	4,977,792	5,185,032
Provisions	12,521,350	12,521,350	12,521,350	12,521,350	12,521,350	12,521,350	12,521,350	12,521,350	12,521,350	12,521,350
Unearned revenue	595,924	9,195,924	9,909,224	10,636,077	11,376,740	12,131,476	12,900,551	13,684,239	14,482,817	15,296,568
	<u>36,411,851</u>	<u>45,294,415</u>	<u>45,518,279</u>	<u>46,597,221</u>	<u>47,832,719</u>	<u>47,704,920</u>	<u>48,267,634</u>	<u>49,219,525</u>	<u>50,659,825</u>	<u>52,714,028</u>
Non-Current Liabilities										
Borrowings	76,204,255	84,835,749	85,356,530	77,798,156	70,206,149	63,889,298	58,349,298	53,089,874	48,112,081	42,927,049
Provisions	18,620,791	19,142,141	19,663,491	20,184,841	20,706,191	21,227,541	21,748,891	22,270,241	22,791,591	23,312,941
	<u>94,825,046</u>	<u>103,977,890</u>	<u>105,020,021</u>	<u>97,982,997</u>	<u>90,912,340</u>	<u>85,116,839</u>	<u>80,098,189</u>	<u>75,360,115</u>	<u>70,903,672</u>	<u>66,239,990</u>
TOTAL LIABILITIES	<u>131,236,897</u>	<u>149,272,305</u>	<u>150,538,300</u>	<u>144,580,218</u>	<u>138,745,059</u>	<u>132,821,759</u>	<u>128,365,823</u>	<u>124,579,640</u>	<u>121,563,497</u>	<u>118,954,018</u>
NET COMMUNITY ASSETS	<u>2,149,045,878</u>	<u>2,180,365,282</u>	<u>2,217,539,393</u>	<u>2,244,528,739</u>	<u>2,274,898,642</u>	<u>2,307,973,731</u>	<u>2,346,640,993</u>	<u>2,387,849,504</u>	<u>2,437,702,505</u>	<u>2,480,457,347</u>
Community Equity										
Asset revaluation surplus	492,159,443	494,160,494	498,038,913	503,367,302	509,642,058	516,666,679	524,534,564	533,334,958	543,306,779	554,486,745
Retained surplus	1,656,886,435	1,686,204,788	1,719,500,480	1,741,161,437	1,765,256,584	1,791,307,052	1,822,106,429	1,854,514,546	1,894,395,726	1,925,970,602
TOTAL COMMUNITY EQUITY	<u>2,149,045,878</u>	<u>2,180,365,282</u>	<u>2,217,539,393</u>	<u>2,244,528,739</u>	<u>2,274,898,642</u>	<u>2,307,973,731</u>	<u>2,346,640,993</u>	<u>2,387,849,504</u>	<u>2,437,702,505</u>	<u>2,480,457,347</u>

BUNDABERG REGIONAL COUNCIL**Financial Sustainability Ratios**

For the period ending 30 June 2019

	Target	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Net Financial Liabilities Ratio	< 60%	5.4%	19.9%	19.5%	11.3%	-3.5%	-16.1%	-28.4%	-33.3%	-41.1%	-50.4%
Total liabilities less current assets divided by operating revenue											
Operating Surplus Ratio	0% -10%	0.6%	0.2%	3.3%	3.6%	4.0%	4.7%	5.2%	5.7%	4.5%	3.0%
Operating surplus divided by total operating revenue											
Asset Sustainability Ratio	> 90%	106.3%	59.0%	53.1%	40.9%	56.0%	54.9%	42.1%	53.7%	47.0%	37.0%
Capital expenditure on replacement assets divided by depreciation expense											

BUNDABERG REGIONAL COUNCIL**Estimated Activity Statement**

For the period ending 30 June 2019

	Water	Wastewater	Waste Management	Council's Holiday Parks	Bundaberg Airport
	2018/19	2018/19	2018/19	2018/19	2018/19
	\$	\$	\$	\$	\$
Estimated revenue payable to Council	1,465,467	460,934	242,051	-	-
Estimated revenue payable to external clients	27,830,943	28,802,396	18,731,295	2,745,921	5,421,280
Community service obligations	515,590	526,723	3,783,884	-	-
	29,812,000	29,790,053	22,757,230	2,745,921	5,421,280
Less: Estimated expenses	(18,515,347)	(19,170,969)	(16,549,121)	(2,320,316)	(3,534,260)
Estimated surplus/(deficit)	<u>11,296,653</u>	<u>10,619,084</u>	<u>6,208,109</u>	<u>425,605</u>	<u>1,887,020</u>

Description of estimated CSO's provided to business activities

Provision of water allocations to unlicensed sporting clubs free of charge	190,000				
Pension remissions	161,590				
Water leak relief	99,000				
Internal bulk water provisions	65,000				
Providing pedestal discount for community and aged care facilities		316,053			
Pension remissions		210,670			
Provision of bins and waste disposal for community events			23,040		
Provision of domestic waste vouchers			270,000		
In-kind assistance - for charities			83,900		
Provision of wheelie bins and waste disposal for public spaces			122,809		
Unrecovered costs incurred in operating rural transfer stations			507,945		
Internal waste collection			2,583,000		
Pension remissions			193,190		
Access agreement					



HEAD OF POWER

- *Local Government Regulation 2012*, section 193; and
- Corporate Plan, Outcome 3.1 – A sustainable financial position.

INTENT

The purpose of this policy is to achieve compliance with section 193 of the *Local Government Regulation 2012* and to outline the principles applied by the Council.

SCOPE

This policy applies to all staff and Councillors.

POLICY STATEMENT

1. Principles used of the making and levying of Rates and Charges

- a) Equity - ensuring the fair and consistent application of lawful rating and charging principles,
- b) without bias, taking account of all relevant considerations;
- c) Transparency - openness in the processes involved in the making of rates and charges;
- d) Simplicity - a rating regime that is simple and cost effective to administer;
- e) Consistency - by scheduling the issue of rates notices on a regular basis;
- f) Fiscal responsibility - levying an amount sufficient to allow Council to meet its budgetary
- g) responsibilities;
- h) Clarity - by providing meaningful information on rate notices to enable ratepayers to clearly
- i) understand their responsibilities;
- j) Flexibility - responding where possible to unforeseen changes in the local economy and
- k) providing a wide range of payment options; and
- l) Sustainability - revenue decisions supporting the financial strategies for the delivery of infrastructure and services identified in Council's long term planning.

2. Principles used for granting Concessions for Rates and Charges

- a) Flexibility – by having regard to the different types of ratepayers/organisations within the local community;
- b) Equity – through consistent treatment for ratepayers/organisations with similar circumstances; and
- c) Transparency - by making the requirements necessary to receive concessions clear.

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3. Principles used for the recovery of overdue Rates and Charges

- a) Transparency and Clarity - making the obligations clear to ratepayers and the processes used by Council to assist ratepayers to meet these obligations;
- b) Simplicity - making the processes used to recover outstanding rates and charges clear and simple to administer and cost effective;
- c) Flexibility - by responding where necessary to changes in the local economy; and
- d) Equity - having regard to providing the same treatment for ratepayers with similar circumstances.

4. Principles used in Cost-recovery methods

- a) Fiscal responsibility – through full Cost recovery, endeavouring to recover the full cost of the service for which the fee is remitted to minimise the effect on ratepayers;
- b) Simplicity - to make the levying of cost-recovery fees simple, efficient, and inexpensive to administer in order to minimise costs; and
- c) Clarity - in the method of calculating the amounts payable by the recipient of the service.

5. Purpose for Concessions for Rates and Charges

- 5.1 Council will apply Concessions for the following groups, for the purposes outlined.
 - a) Remission of rates and charges for pensioners - Council acknowledges that certain classes of pensioners have contributed rates over a period of time and/or are restricted by a fixed income.
 - b) Concessions for community, sporting and welfare groups - Council recognises that there are organisations which operate for the general benefit of the community with limited financial resources.
- 5.2 Council also provides utility charges rebates on the basis set out in Council's Revenue Statement.

6. The extent to which physical and social infrastructure costs are funded by Development costs

By levying infrastructure charges for new development, Council intends to fund the physical and social costs of providing trunk infrastructure to service development within the Bundaberg Region.

Council's infrastructure charges aim to provide a reasonable and equitable distribution of costs between Council and developers of land, managing the impact of infrastructure costs of new development on existing ratepayers. Council may reduce the infrastructure charges payable for new development in accordance with Council's 'Bundaberg Open for Development' initiative.

Council's infrastructure charging framework has been established in accordance with the legislative requirements of the *Planning Act 2016*.

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Revenue Policy

ASSOCIATED DOCUMENTS

- *Local Government Act 2009*
- CP-3-004 Revenue Statement
- CP-3-002 Debt Recovery Policy

DOCUMENTS CONTROLS

This policy will be reviewed each year by Council and a new policy will be adopted by Council at the same time as its budget.

POLICY OWNER

The Revenue Manager, Financial Services is the responsible person for this policy.

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Revenue Statement

HEAD OF POWER

- *Local Government Regulation 2012, sections 169(2)(b) and 172; and*
- *Corporate Plan, Outcome 3.1 - A sustainable financial position*

INTENT

The purpose of the Revenue Statement is to achieve compliance with sections 169(b) and 172 of the Local Government Regulation 2012 and to provide an explanation of the rates and charges, cost recovery fees, and concessions adopted by Council.

SCOPE

The Revenue Statement applies to all staff and Councillors.

POLICY STATEMENT

Pursuant to sections 169(2)(b) and 172 of the *Local Government Regulation 2012*, Council is required to incorporate a Revenue Statement within its budget for each financial year that outlines the rates and charges, cost recovery fees, and concessions that the Council intends to apply as detailed below.

1. The measures adopted for revenue raising:

Bundaberg Regional Council (Council) for any financial year will, as properly planned to meet requirements, make and levy:

- Differential general rates;
- Minimum general rates;
- Separate rates and charges (for a specific purpose benefitting the Region);
- Special rates and charges (generally across specific benefited or serviced areas of the Region);
- Utility charges.

In respect of utility charges, Council will, as properly planned to meet requirements, make and levy such charges for supplying:

- Water services;
- Sewerage services;
- Waste and recycling collection services; and
- Trade waste processing services.

Council's rate-setting and charging structures will be based on the principles outlined in its Revenue Policy including equity, transparency, simplicity, consistency, fiscal responsibility, clarity, flexibility and sustainability.

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Revenue Statement

2. Definitions

'**Rateable land**' is defined by Section 93(2) of the *Local Government Act 2009* as any land or building unit, in the local government area, that is not exempted from rates.

'**Primary Council land use code**' shall mean a code recorded in Council's rating files as a Council code which identifies the principal use of the land or the potential predominant use by virtue of its improvements or activities conducted upon the land.

'**Secondary Council land use code**' shall mean a code used in conjunction with the primary Council land use code to indicate a particular land use or the potential predominant use by virtue of its improvements or activities conducted upon the land.

'**Strata title residential and commercial property**' and 'Strata title residential and commercial use' shall mean – Lots, which have a primary Council land use code of 1008 or 1009, created under the provisions of the *Building Units and Group Titles Act 1980* or the *Body Corporate and Community Management Act 1997*.

'**Subdivided land**' is defined in Chapter 2, Part 2, Subdivision 3, Sections 49-51 of the *Land Valuation Act 2010* as follows:

Subdivision applies to a parcel (the relevant parcel) if:

- a) the relevant parcel is one of the parts into which land has been subdivided; and
- b) the person who subdivided the land (the "subdivider") is the owner of the parcel; and
- c) the relevant parcel is not developed land.

3. General Rates / Differential General Rates:

General rates are levied on all rateable properties in the regional area, and are calculated on the basis of the value of land. The value of land is determined by the Department of Natural Resources, Mines & Energy according to:

- in the case of rural land, its unimproved capital value; and
- in all other cases, its site value.

Council will make and levy differential general rates for the financial year ending 30 June 2019, on all rateable land in the Local Government area.

Where Council makes a determination that a parcel of land is intended to be used for a particular purpose, or has the potential to be used for such a purpose, it will have regard to, amongst other things, any improvements to, or activities being undertaken on, the land.

Further, Council delegates to the Chief Executive Officer the power (contained in Section 81(4) and (5) of the *Local Government Regulation 2012*) to identify the rating category to which each parcel of rateable land in Council's area belongs.

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Revenue Statement

In accordance with Sections 88 and 90 of the *Local Government Regulation 2012*, owners of rateable land will be informed of the general rating category in which their land has been included and that they have the right of objection to the category to which their land is allocated. All objections shall be submitted to the Chief Executive Officer, Bundaberg Regional Council, and the only basis for objection shall be that at the date of issue of the rate notice, having regard to the descriptions adopted by Council, the land should be in another rating category.

4. Council will adopt a minimum general rate for each of the aforementioned rating categories. The purpose of adopting a minimum general rate is to:
- set a minimum contribution to be made from all properties situated within the region; and
 - ensure that general rate revenue from lower valued properties within the region results in a more equitable contribution from such properties towards the cost of services funded from general rates.

In accordance with Section 77(3) of the *Local Government Regulation 2012*, Minimum General Rates do not apply to subdivided land with a land use code of 1072.

5. In accordance with Sections 92 and 94 of the *Local Government Act 2009* and Section 77 to 82 of the *Local Government Regulation 2012*, Council makes and levies differential general rates and corresponding minimum general rates for the year ending 30 June 2019, against rateable land categories as follows:

Category	Description	Identification (Land to which the Primary Land use Codes apply)	Rate in the Dollar of Property Value	Minimum General Rate
1	Urban Residential Land – Land that is used, or has the potential to be used, for urban residential purposes, other than land included in Category 5	1001 - Vacant Land 1002 - Single Use Dwelling 1003 - Multi Unit Dwellings – Flats/Dual Occupancy 1006 - Outbuilding 1009 - Strata Title Residential Use 1021 - Residential Institution Non-Medical 1072 - Section 49-51 Valuation	1.2891	\$1,103
2	Rural Residential Land – Land that is used, or has the potential to be used, for rural residential purposes	1003 - Multi Unit Dwellings – Flats/Dual Occupancy 1004 - Vacant Large Homesite 1005 - Dwelling Large Homesite 1006 - Outbuilding 1009 - Strata Title Residential Use 1021 - Residential Institution Non-Medical 1072 - Section 49-51 Valuation 1094 - Other Rural Land	1.1089	\$1,107
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Category	Description	Identification (Land to which the Primary Land use Codes apply)	Rate in the Dollar of Property Value	Minimum General Rate
5	<p>Coastal Towns - Land that is used, or has the potential to be used, for residential purposes and is located within the townships or areas of Bargara, Burnett Heads, Buxton, Coonarr, Coral Cove, Elliott Heads, Innes Park, Moore Park Beach, Walkers Point, Winfield and Woodgate Beach, and does not have frontage to the Pacific Ocean or frontage to a road which, in turn, has frontage to the Pacific Ocean.</p> <p>* Refer Differential Rating Maps 1-10</p>	1001 - Vacant Land 1002 - Single Unit Dwelling 1003 - Multi-Unit Dwelling, Flats, Dual Occupancy 1004 - Vacant Large Homesite 1005 - Dwelling Large Homesite 1006 - Outbuildings 1009 - Strata Title Residential Use 1021 - Residential Institution Non-Medical 1072 - Section 49-51 Valuation	1.0517	\$1,225
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7	<p>Urban Oceanfront Land that is used, for residential purposes and is located within the townships or areas of Bargara, Burnett Heads, Coonarr, Coral Cove, Elliott Heads, Innes Park, Moore Park Beach, Winfield and Woodgate Beach, and has frontage to the Pacific Ocean, or has frontage to a road which, in turn, has frontage to the Pacific Ocean</p> <p>* Refer Differential Rating Maps 1-10</p>	1001 - Vacant Land 1002 - Single Unit Dwelling 1003 - Multi Unit Dwelling, Flats, Dual Occupancy 1004 - Vacant Large Homesite 1005 - Dwelling Large Homesite 1006 - Outbuildings 1009 - Strata Title Residential Use 1021 - Residential Non-Medical 1072 - Section 49-51 Valuation	0.9909	\$1,388
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Category	Description	Identification (Land to which the Primary Land use Codes apply)	Rate in the Dollar of Property Value	Minimum General Rate
9	Agricultural Land - <i>Land that is used, or has the potential to be used, for agricultural purposes.</i>	1060 - Sheep Grazing 1061 - Sheep Breeding 1064 - Cattle Grazing & Breeding 1065 - Cattle Breeding & Fattening 1066 - Cattle Fattening 1067 - Goats 1068 - Milk Quota 1069 - Milk No Quota 1070 - Cream 1071 - Oil Seeds 1073 - Grains 1074 - Turf Farms 1075 - Sugar Cane 1076 - Tobacco 1077 - Cotton 1078 - Rice 1079 - Orchards 1080 - Tropical Fruits 1081 - Pineapple 1082 - Vineyards 1083 - Small Crops & Fodder Irrigation 1084 - Small Crops & Fodder Non Irrigation 1085 - Pigs 1086 - Horses 1087 - Poultry 1088 - Forestry & Logs 1089 - Animals – Special 1090 - Stratum	1.5167	\$1,225
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Category	Description	Identification (Land to which the Primary Land use Codes apply)	Rate in the Dollar of Property Value	Minimum General Rate
12	Bundaberg Commercial Land Land located within the area of Bundaberg City that is used, or has the potential to be used, for commercial purposes, other than land included in Category 15.	1007 - Guest House/Private Hotel 1008 - Strata Title Non Residential Use 1010 - Combines Multi Dwelling & Shops 1011 - Shop Single 1012 - Shop Group (more than 6 shops) 1013 - Shopping Group (2 to 6 shops) 1014 - Shopping Main Retail (CBD) 1015 - Shopping Secondary (Fringe CBD) 1016 - Drive in Shopping Centre 1017 - Restaurant 1018 - Tourist Attraction 1020 - Marina 1022-1 - Car Park Commercial 1023 - Retail Warehouse 1024 - Sales Area (Outdoor) 1025 - Offices 1026 - Funeral Parlour 1027 - Private Hospital/Convalescent Home (Medical Private) 1028-1 - Warehouse & Bulk Stores 1030 - Service Station 1038 - Advertising Hoarding 1041 - Child Care excluding Kindergarten 1042 - Tavern/Hotel 1043 - Motel 1044 - Nursery (Plants) 1045 - Theatres and Cinemas 1046 - Drive-In Theatre 1047 - Club – Sport (run as a business) 1049 - Caravan Park 1053 - Employment Agency/Training 1054 - Marketplace	2.4138	\$1,457
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Category	Description	Identification (Land to which the Primary Land use Codes apply)	Rate in the Dollar of Property Value	Minimum General Rate
14	Other Commercial Land – Land located outside the area of Bundaberg City that is used, or has the potential to be used, for commercial purposes.	1007 - Guest House/Private Hotel 1008 - Strata Title Non Residential Use 1010 - Combines Multi Dwelling & Shops 1011 - Shop Single 1012 - Shop Group (more than 6 shops) 1013 - Shopping Group (2 to 6 shops) 1014 - Shopping Main Retail (CBD) 1015 - Shopping Secondary (Fringe CBD) 1016 - Drive in Shopping Centre 1017 - Restaurant 1018 - Tourist Attraction 1020 - Marina 1022-1 - Car Park Commercial 1023 - Retail Warehouse 1024 - Sales Area (Outdoor) 1025 - Offices 1026 - Funeral Parlour 1027 - Private Hospital/Convalescent Home (Medical Private) 1028-1 - Warehouse & Bulk Stores 1030 - Service Station 1038 - Advertising Hoarding 1041 - Child Care excluding Kindergarten 1042 - Tavern/Hotel 1043 - Motel 1044 - Nursery (Plants) 1045 - Theatres and Cinemas 1046 - Drive-In Theatre 1047 - Club – Sport (run as a business) 1049 - Caravan Park 1053 - Employment Agency/Training 1054 - Marketplace	1.5628	\$1,457
15	Major Shopping Centre – Land that is used, or has the potential to be used for the purposes of a shopping centre with a gross floor area of more than 20,000m2	1016-16 - Drive In Shopping Centre with more than 20,000 m2 gross floor area.	4.1331	\$591,890

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Category	Description	Identification (Land to which the Primary Land use Codes apply)	Rate in the Dollar of Property Value	Minimum General Rate
16	Industrial Land – Land that is used, or has the potential to be used for industrial purposes and which is not included in Category 18 or 19.	1028-2 - Warehouse & Bulk Stores 1029 - Transport Terminal 1031 - Oil/Fuel Depot and Refinery 1032 - Wharves, Jetties, Barge Landing 1033 - Outdoor Service Area 1034 - Cold Stores – Iceworks 1035 - General Industry 1036 - Light Industry 1037 - Noxious/Offence Industry 1039 - Harbour Industry 1091 - Transformers and Substations 1200 - Solar Farm	1.8450	\$1,769
17	<i>Intentionally left blank</i>			
18	Extractive Industry - Land that is used, or has the potential to be used, for extractive industry	1040 - Extractive Industry	2.4728	\$2774
19	Heavy Industry Land that is used, or has the potential to be used, for a sugar mill, co-generation plant or any heavy industrial purpose.	1251 - Co-generation plant 1252 - Sugar Cane/Sugar Mill 1253 - Heavy Industry Purpose	2.1305	\$118,496
20	Other Land Land that is not included in any other rating category	1019 - Walkway 1022-2 - Car Parks – Ancillary Use 1050 - Other Clubs (Non Business) 1051 - Religious 1052 - Cemetery 1055 - Library 1056 - Showgrounds, Racecourse, Airfield 1057 - Parks, Gardens 1058 - Educational – including Kindergarten 1059 - Local Authority (secondary use only) 1092 - Defence Force Establishments 1095 - Reservoirs, Dams, Bores, Channels 1097 - Welfare Homes/ Institutions 1099 - Community Purposes 1100 - Driver Education Centre	1.1905	\$1107

Where the rateability of any land alters during the year, adjustment to the differential general rate shall be made from the date such changes become effective.

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Subdivisions have a primary land use code of 1072 and will be placed into the general rating category in which they would normally be situated. The value of subdivisions will be discounted by 40% for rating purposes in accordance with Section 50(2) of the *Land Valuation Act 2010*.

6. Separate Rates and Charges:

6.1 Community & Environment Charge

Pursuant to Section 103 of the *Local Government Regulation 2012*, Council will make and levy a separate charge in the sum of \$50 per rateable assessment for the purposes of assisting with the maintenance and improvements of community facilities, upgrades and enhancements of parks, reserves and natural areas within the Region.

Council discount is not applicable to separate rates and charges.

7. Special Rates and Charges:

7.1 Rural Fire Levy

For the 2018/2019 financial year, Council shall levy a special charge for Rural Fire Services.

Council thereby resolves that:

- (1) Pursuant to Section 94 of the *Local Government Regulation 2012* and Section 128A of the *Fire and Emergency Services Act 1990* it shall make and levy a special charge to be known as the "Special (Rural Fire Services) Charge" of \$30 on each rateable assessment in the local government area which is situated within a Class E Levy Area under the *Fire and Emergency Services Regulation 2011*. Multiple Charges will apply on one (1) rateable assessment if it comprises multiple rural fire brigade areas, with one (1) charge of \$30 per rural fire brigade area.
- (2) The special charge shall fund the ongoing provision and maintenance of rural firefighting equipment for the rural fire brigades that operate throughout Class E Levy areas under the *Fire and Emergency Services Regulation 2011*.
- (3) Land within the local government area which is situated within a Class E Levy area under the *Fire and Emergency Services Regulation 2011* is not serviced by urban firefighting services and, as such, specially benefits from the fire emergency response capability that is provided by the rural fire brigades.
- (4) The overall plan for the special charge will be as follows:
 - a) The rateable land to which the plan applies is each rateable assessment in the local government area which is situated within a Class E Levy area under the *Fire and Emergency Services Regulation 2011*.

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- b) The service, facility or activity for which the plan is made is the ongoing provision and maintenance of rural firefighting equipment for the rural fire brigades that operate throughout Class E Levy areas under the *Fire and Emergency Services Regulation 2011*.
- c) The time for implementing the overall plan is one (1) year.
- d) The estimated cost of implementing the overall plan is \$390,000.

Council discount is not applicable to Special Rates and Charges.

8. State Emergency Management Levy

In accordance with the *Fire and Emergency Services Act 1990*, Council is required to collect a State Emergency Management Levy on all rateable properties on behalf of the Queensland Fire and Emergency Services. The Levy is not a Council charge and the funds collected are remitted to the Queensland Fire and Emergency Services. However, Council is entitled to an administration fee for collecting this Levy, as prescribed by the *Fire and Emergency Services Regulation 2011*. Rate assessments with multiple properties are levied per parcel, in accordance with the State's legislation, excluding contiguous agricultural parcels in the same ownership.

Council discount is not applicable to the State Emergency Management Levy.

9. Utility Charges:

In setting Utility Charges, Council will take into consideration factors such as:

- Legislative requirements including National Competition Policy.
- Council policy objectives.
- Recovery of sufficient revenue to cover costs and a return on assets.
- Other sources of revenue where appropriate.
- Future capital investment planning.

Council discount is not applicable to Utility Charges.

9.1 Water:

9.1.1 Declared service area – water

For the financial year 1 July 2018 to 30 June 2019, the declared service areas (water) to which water charges apply, shall be as per the declared service area (water) maps which, in accordance with Section 163 of the *Water Supply (Safety & Reliability) Act 2008*, are available for inspection at Council offices or on Council's website.

9.1.2 Service provider (water)

The service provider within the declared service area/s (water) shall be Bundaberg Regional Council.

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9.1.3 Water charges

Council levies water rates on properties in the defined water supply areas to recover the full costs of the water supply operation including a return to the community on the assets employed.

Pursuant to Sections 92(4) and 94 of the *Local Government Act 2009* and Sections 99 to 102 the *Local Government Regulation 2012*, the following water charges shall be made and levied for the financial year 1 July 2018 to 30 June 2019:

- a) Water access charge: A common access charge, for same sized meters, applies in all areas receiving a potable and non-potable water supply.

Vacant lands situated in the water area and not serviced with a water connection are charged 100% of the 20mm charge. The reason for this is that the major portion of Council's costs associated with providing a water service is in the provision and maintenance of capital infrastructure (pipes, treatment plant etc.) and these costs must be financed whether or not a property is actually connected to the water system.

Single residential properties are levied a 100% charge based on the size of the water meter serving the property, since the meter size determines the potential volume of water used.

Where multiple lots are included on one (1) assessment, Council does not levy a water access charge for each allotment, e.g.:

- house and vacant lot together – only one (1) water access charge equal to 100% based on the size of the water meter servicing the property is levied; or
- multiple vacant lots on the one (1) assessment – only one (1) water access charge equal to 100% is levied.

Non Strata Flats/Separate Dwellings/Dual Occupancy

Where water consumption is not separately metered for each unit, will be levied with a single water access charge based on the size of the meter/s servicing the property.

Where water consumption is separately metered for each unit, will be levied with a water access charge for each of the sub metered units, based on the size of each meter.

Properties with multiple connections

Properties with multiple connections are levied a water access charge for each connection.

Community Title Schemes with a shared water meter(s)

Land in a community titles scheme, where water consumption is not separately metered for each lot, will be levied a percentage of a 20mm service charge as per the following table:

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Number of Units not separately metered	Percentage of 20mm Charge (\$416)	Annual Charges
1 to 5	95%	\$395
6 to 10	90%	\$374
11 to 20	85%	\$354
21 to 30	80%	\$333
31 to 40	75%	\$312
41 to 50	70%	\$291
51 to 60	65%	\$270
Above 60	60%	\$250

Land in a community titles scheme, where water consumption is separately metered for each lot, will be levied a single water access charge based on the size of the meter connected to that lot.

Concessional situations

A concessional water access charge equal to a 20mm service is levied for each registered dedicated fire service connection even though the actual size of the connection is usually larger.

Council will charge unlicensed/restricted licensed sporting clubs a water access charge for their largest connection on each assessment and no access charge will be levied for additional meters.

Section 95 of the *Housing Act 2003* provides that all government portfolio properties are deemed to be non-rateable in accordance with Section 93 of the *Local Government Act 2009*. Services to State land that are capped are deemed to be disconnected and will not attract the relevant vacant service charges.

For the reduced water service areas of Burnett Downs and Sylvan Woods the following special arrangements will apply:

- **Burnett Downs** – Council identifies Burnett Downs Yard water supply properties as a separate class of consumers, where consumers are provided with water and services at an amount below full cost as per the declared service area (water) map which, in accordance with Section 163 of the *Water Supply (Safety and Reliability) Act 2008*, is available for inspection at Council offices or on Council's website.
- **Sylvan Woods** – Council identifies Sylvan Woods non-potable constant flow water supply properties as a separate class of consumers, where consumers are provided with water and services which are restricted in volume and pressure of supply as per the declared service area (water) map which, in accordance with Section 163 of the *Water Supply (Safety and Reliability) Act 2008*, is available for inspection at Council offices or on Council's website.

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An Access Charge shall apply to all premises or metered connection for the period 1 July 2018 to 30 June 2019, according to the water meter size/s serving the premises in accordance with the following, unless otherwise specified:

<i>Water Access Charge Description</i>	<i>Potable Water Unrestricted flow</i>	<i>Non-potable Water / Restricted Flow</i>
Vacant and non-metered	\$416	\$333
20mm meter connection	\$416	\$333
25mm meter connection	\$649	\$519
32mm meter connection	\$936	\$749
40mm meter connection	\$1,664	\$1,331
50mm meter connection	\$2,600	\$2,080
80mm meter connection	\$6,656	\$5,325
100mm meter connection	\$10,400	\$8,320
150mm meter connection	\$23,296	\$18,637

- b) **Water consumption charge:** Water consumption is levied half-yearly for the readings undertaken prior to the 31 December 2018, and prior to the 30 June 2019. Generally, the consumption within each six (6) month reading period will be levied on a two (2) tiered charging system (Steps 1 and 2) as set out hereunder:
- (i) Charge per Kilolitre
 - Step 1: \$1.16 per kilolitre – for the first 150 kilolitres of consumption per half year;
 - Step 2: \$1.90 per kilolitre – for each kilolitre of consumption thereafter per half year.
 - (ii) Charge per kilolitre for the Burnett Downs Yard water supply reticulation group or service area, Sylvan Woods non-potable supply:
 - Step 1: \$0.93 per kilolitre – for the first 150 kilolitres of consumption per half year;
 - Step 2: \$1.52 per kilolitre – for each kilolitre of consumption thereafter per half year.

For land, other than land in a community titles scheme, which has multiple water meters, the consumption charge shall be determined as follows:

- where the land is being used for a single use, the consumption recorded by each of the meters shall be totalised and the applicable tariff for that use shall be applied;
- where the land is being used for two (2) or more discrete uses, and the water is separately metered for each use, the applicable tariff for each use shall be applied.

For land in a community titles scheme, Council will charge for water consumption as per the provisions of the *Body Corporate and Community Management Act 1997*.

For measurement of water use for charging purposes for the period 1 July 2018 to 30 June 2019, Section 102 of the *Local Government Regulation 2012* shall apply to the reading of meters based on the nominal initial meter reading date of 30 June 2018 and nominal final reading date of 30 June 2019.

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Council reserves the right to read and levy water consumption at intervals other than six-monthly for specific connections as required.

9.1.4 Dedicated fire services

Water from registered dedicated fire services is for fire emergencies and testing purposes only and no charge will be levied for the first 10 kilolitres in each six (6) month reading period.

However to prevent misuse of these services, Council will impose a penalty charge per kilolitre for consumption greater than 10 kilolitres in each six (6) month reading period of 10 times the step 2 charge per kilolitre applicable to its area, unless evidence is provided proving that the water was used in a fire emergency, in which case charges will be at the normal level.

9.1.5 Community service obligations

Pursuant to Sections 120 to 122 of the *Local Government Regulation 2012*, Council will grant concessions for water charges in the circumstances set out below.

a) *Restricted sporting clubs*

Pursuant to Section 120(1)(b)(i) of the *Local Government Regulation 2012*, Council grants the following rating concessions to not-for-profit sporting clubs, which either have no liquor license or a restricted Community Other Liquor License in terms of Section 80 of the Liquor Act 1992:

- (i) A water access charge for its largest connection on each assessment and no access charge will be levied for additional meters. For water meters above 20mm, or restricted license sporting clubs reduce their current largest water meter size to a smaller size, their Water Access Charge will be reduced accordingly to the Water Access Charge applicable to the revised water meter size. Where it is impractical to do so, Council will charge the equivalent of 40% of the 40mm Water Access Charge.
- (ii) 4,000 kilolitres of water per annum per hectare of playing surface, free of consumption charges. The Water Consumption concession is over the playing area, therefore if a club only used the playing area for seasonal sport they will receive a concession equal to 75% of the calculation per hectare. However if there is more than one club sharing the playing area they will receive no more than the 100% combined concession based on the playing area.
- (iii) Those restricted Sporting clubs that do not have playing fields (e.g. indoor facility, tracks) shall receive a concession for water consumption charges of up to the equivalent of the cost of 350 Kilolitres per annum.
- (iv) Council may require eligible organisations to develop and implement a Water Efficiency Management Plan to ensure the efficient and safe use of water.
- (v) Where an eligible organisation is requested to implement a Water Efficiency Management Plan and fails to do so to Council's satisfaction, the Council may resolve to reduce or remove the water charge concessions granted to that organisation.

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- (vi) Water consumption per assessment in excess of these entitlements be levied for the first 300 kilolitres at the 1st tier rate, and any consumption in excess of 300 kilolitres will be levied at the 2nd tier rate.
- (vii) Unused entitlements are not carried forward into the following financial year.

b) *The Gin Gin Agricultural, Pastoral and Industrial Society*

The Gin Gin Agricultural, Pastoral and Industrial Society will be entitled to 4,800 kilolitres of water per annum, free of consumption charges, with the expectation that the allowance be used only on the main arena.

Water consumption per assessment in excess of these entitlements be levied for the first 300 kilolitres at the 1st tier rate, and any consumption in excess of 300 kilolitres will be levied at the 2nd tier rate. Unused entitlements are not carried forward into the following financial year.

c) *Moore Park Rural Fire Brigade*

Council recognises the Moore Park Rural Fire Brigade as providing a community service in protecting the community against fire and related hazards. As such, Council will charge the Moore Park Rural Fire Brigade the equivalent of a 20mm Water Access Charge for its largest meter connection regardless of the size of the Brigade's water meter connection.

9.1.6 *Water meters registering inaccurately*

If Council is satisfied that a water meter ceases to register, or is reported to be out of order or registering inaccurately (through no fault of the ratepayer), Council will consider granting a concession. This concession can be applied by using a water consumption charge equal to the quantity of water used during the immediately prior corresponding accurate period of water use measurement and, if applicable, to remit the difference between the actual charge and the charge based on the prior water consumption.

Council grants this concession on the basis that, to require the ratepayer to pay full charges for consumption in circumstances where a water meter ceases to register or registers inaccurately (through no fault of the ratepayer), would result in hardship.

9.1.7 *Extended area of application of charges*

These charges apply to the declared service areas (water) maps and also to:

- All new lots created under a development approval for which all approval conditions have been completed, and which as part of their conditions of approval included a requirement for connection to a reticulated water supply;
- Any other lot which is connected to a reticulated water supply; and
- Any other lot, where Council resolves that the lot becomes capable, by reason of extension of the water supply system, of being connected to a reticulated water supply; i.e. to all lots within any extension of any of the areas serviced by reticulated water supply where such areas are approved by Council. The charges apply in every case where service is provided or available, regardless of whether or not, or the time at which, formal amendment is made to the declared service area.

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9.1.8 Service connections outside declared service areas(water)

Any approved water service connections, which are located outside the declared service area (water), will have access and use charges applied in the same manner and at equivalent charges to the use as would apply were they to be situated within the declared service area to which they are connected.

9.1.9 Standpipes

Standpipes will be charged \$5.00 per kilolitre of recorded consumption.

Council discount is not applicable to water charges.

9.2 Sewerage:

9.2.1 Declared service area – sewerage

For the financial year 1 July 2018 to 30 June 2019, the declared service areas (sewerage) to which sewerage charges apply, shall be as per declared service area (sewerage) maps which, in accordance with Section 163 of the Water Supply (Safety and Reliability) Act 2008, are available for inspection at Council offices or on Council's website at www.bundaberg.qld.gov.au.

9.2.2 Service Provider (Sewerage)

The service provider within the declared service area/s (sewerage) shall be Bundaberg Regional Council.

9.2.3 Sewerage Charges

Sewerage charges are levied on all properties within the defined sewerage area to cover the cost of:

- Sewage collection and treatment; and
- The disposal of effluent and bio-solids.

The same sewerage charge is levied to connected properties and non-connected properties within the defined sewerage area. The reason for this is that the major portion of Council's costs associated with providing a sewerage service is in the provision and maintenance of capital infrastructure (pipes, processing plant etc.) and these costs must be financed whether or not a property is actually connected to the sewerage system.

Where there is more than one (1) structure on land capable of separate occupation, a charge will be made for each structure.

Pursuant to Sections 99 and 100 of the *Local Government Regulation 2012*, the following sewerage charges shall be made and levied for the financial year 1 July 2018 to 30 June 2019:

- Single residential properties are levied \$744 for the first pedestal only. No additional charges apply for extra pedestals.

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- Residential flats, units, granny flats, dual occupancy, separate dwellings and residential strata title properties are levied \$744 per flat, unit, granny flat or dual occupancy, separate dwelling or strata title unit, for the first pedestal only. No additional charges apply for extra residential pedestals.
- Where multiple lots are included on the one (1) rate assessment, Council does not levy a sewerage charge for each allotment, e.g.:
 - house and vacant lot together – only one (1) sewerage charge of \$744 is levied; or
 - multiple vacant lots on the one (1) rate assessment – only one (1) sewerage charge of \$744 is levied.
- Non-residential properties that are not body corporate/strata title entities will be charged \$744 per pedestal.
- Non-residential body corporate/strata title properties are levied a minimum of one (1) sewerage charge of \$744 to each strata unit, regardless of whether or not they have an individual sewer connection. Where units have more than one (1) pedestal, a sewerage charge will be levied for each pedestal serving the unit. Each unit owner is levied separately for sewerage charges.
- Where a non-residential property incorporates a residential dwelling used to manage a business run from that property, the residential dwelling will be levied \$744 for the first pedestal only and no additional charges will apply for extra pedestals within the residence.
- Waste dump points at caravan parks are charged \$744 per dump point.

9.2.4 Multi accommodation self-contained residential units for the aged under the control of charitable/church organisations:

Pursuant to Sections 120 to 122 of the *Local Government Regulation 2012*, multi accommodation self-contained residential units for the aged under the control of charitable/church organisations (excluding care centres); and pedestals installed in Department of Housing & Public Works units for the aged, including those identified in the table below, be granted a remission of 60% of the sewerage rates.

<i>Property Owner and Location</i>
The State Of Queensland (Represented by Department of Housing & Public Works), 11 Mulgrave Street, Bundaberg West
The State Of Queensland (Represented by Department of Housing & Public Works), 30 Sugden Street, Bundaberg South
East Haven, 1 Ann Street, Bundaberg East
East Haven, 47-49 Victoria Street, Bundaberg East
East Haven, 51 Victoria Street, Bundaberg East
The Corporation of The Synod of The Diocese of Brisbane, 4 Mezger Street, Kalkie
The Baptist Union of Queensland, 9 Kepnock Road, Kepnock
Churches of Christ Care, 71 & 83 Dr Mays Road, Svensson Heights
The State of Queensland (Represented by the Department of Housing & Public Works), 9 Griffith Street, Bundaberg South

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<i>Property Owner and Location</i>
The Uniting Church in Australia Property Trust (Q), (balance) 341 Bourbong Street, Millbank
The Uniting Church in Australia Property Trust (Q), (part) 1 River Terrace, Millbank
The State of Queensland (Represented by Department of Housing & Public Works), 181 Barolin Street, Avenell Heights
The State Of Queensland (Represented by Department of Housing & Public Works), 147 Barolin Street, Avenell Heights
Forest View Childers Inc., 3 Morgan Street, Childers
Forest View Childers Inc., 4 Morgan Street, Childers
Kolan Centenary Seniors Village, 3 Tirroan Road, Gin Gin

Council grants this remission on the basis that multi accommodation self-contained residential units for the aged, under the control of charitable/church organisations, are entities whose objects do not include the making of a profit.

Council delegates to the Chief Executive Officer the power, pursuant to Part 5, Chapter 7 of the *Local Government Act 2009*, to determine applications made for this remission.

9.2.5 Restricted sporting clubs

Pursuant to Section 120(1)(b)(i) of the *Local Government Regulation 2012*, Council grants a 50% concession on sewerage pedestal charges to not-for-profit sporting clubs, which either have no liquor license or hold a restricted Community Other Liquor License in terms of Section 80 of the *Liquor Act 1992*.

9.2.6 Extended area of application of charges

These charges apply to the declared service areas (sewerage) maps and also to:

- All new lots created under a development approval for which all approval conditions have been completed and which, as part of their conditions of approval, included a requirement for connection to the reticulated sewerage system;
- Any other lot which is connected to the reticulated sewerage system;
- Any other lot, where Council resolves that the lot becomes able, by reason of extension of the sewerage system, to be connected to the reticulated sewerage system.

That is, to all lots within any extension of any of the areas serviced by reticulated sewerage system where such areas are approved by Council. The charges apply in every case where service is provided or available, regardless of whether or not, or the time at which, formal amendment is made to the declared service area.

Council discount is not applicable to sewerage charges.

9.3 Trade Waste Charge

9.3.1 Pursuant to Section 99 of the *Local Government Regulation 2012*, trade waste charge/s be made and levied by the Council upon all non-residential ratepayers discharging trade waste to Council's sewer.

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9.3.2 The following be adopted as the basis for making and levying the trade waste charge:

- (i) The volume of trade waste effluent discharged into Council's sewerage system;
- (ii) The content/strength of the trade waste; and
- (iii) The type or capacity of the pre-treatment device required by the ratepayer to treat trade waste before it is discharged into Council's sewerage system.

The content/strength level of the trade waste will be based on the level of Biochemical Oxygen Demand (BOD5), Chemical Oxygen Demand (COD) and Suspended Solids which are defined in Appendix 2 – sewer admission limits - of Council's Trade Waste Management Plan.

The level of BOD5, COD and Suspended Solids determines, in accordance with Section 5.3 of Council's Trade Waste Management Plan, if the trade waste discharge is a Category Minor, 1, 2, or 3 in terms of concentration and volume as follows:

- Minor: Compliant discharge, up to 150 kL, nil or Best Practice device.
- Category 1: contains a low strength/low volume, discharge up to 500 kL, 1000L or Best Practice device.
- Category 2: contains a low strength/high volume; discharge over 500 kL.
- Category 3: contains a high strength/any volume, discharge.

Discharge category criteria is determined by level and strength of content of trade waste, as shown below:

Parameter	Minor	Low Volume	High Volume	High Impact
BOD ₅ mg/L	Compliant Discharge * Refer to sewer admission limits	<300mg/L	<300 mg/L	High Impact Discharge Refer to sewer admission limits
COD mg/L		<1500 mg/L	<1500 mg/L	
Suspended Solids mg/L		<300 mg/L	<300 mg/L	
Volume (kL/Annum)	<150kLs	<500kLs	>500 kLs	Any volume

*Effluent meets the stated quality and quantity limits prior to treatment or monitoring.

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The following charge/category will apply to all non-residential discharging trade waste to Council's sewer for 2018/2019:

Trade Waste connection/ Capacity of Pre-treatment Device Litres	Category 0 Minor =150kls	Category 1 (Low Strength/Low Volume <=500 Kilolitres Per Financial Year)	Category 2 (Low Strength/High Volume >500 Kilolitres Per Financial Year)	Category 3 (High Strength/Any Volume Per Financial Year)
Nil Required or Best Practice	\$237 1.0	N/A	N/A	N/A
Best Practice <=1000	N/A	\$500 1.1	\$1,000 2.1	\$1,500 3.1
<=1000	N/A	\$1000 1.2	\$1,500 2.2	\$2,000 3.2
<=1500	N/A	\$1,500 1.3	\$2,000 2.3	\$2,500 3.3
<=2000	N/A	\$2,000 1.4	\$2,500 2.4	\$3,000 3.4
<=2500	N/A	\$2,500 1.5	\$3,000 2.5	\$3,500 3.5
<=3000*	N/A	\$3,000 1.6	\$3,500 2.6	\$4,000 3.6

* For properties with trade waste connection capacity >3,000 litres the charge will be calculated by multiplying the relevant category charge.

Council discount is not applicable to trade waste charges.

9.4 Waste:

9.4.1 Declared service area – waste

The declared service areas (waste) to which Waste Collection Charges apply, shall be as per the declared service area (waste) maps which are available for inspection at Council offices or on Council's website at www.bundaberg.qld.gov.au.

9.4.2 Service provider (waste)

The service provider within the declared service area/s (waste) shall be Bundaberg Regional Council.

Council makes and levies utility charges for the provision of waste management services, which are calculated to recover the full cost of providing the service. Waste management utility charges incorporate the cost of providing and maintaining refuse tips and transfer stations and the cost of implementing waste management and environment protection strategies. The type or level of service to be supplied to each property in the waste area will be determined by Council as is appropriate to the premises, and in accordance, where

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relevant, with the *Environmental Protection Act 1994*, *Environmental Protection Regulation 2008*, *Waste Reduction & Recycling Regulation 2011*, Bundaberg Regional Council's Planning Scheme and Planning Scheme Policies and Bundaberg Regional Council *Local Law No 8 (Waste Management) 2017*.

Council will levy a waste and recycling collection charge of \$342 per annum to the owner of residential property and/or structure within the waste collection areas, regardless of whether ratepayers choose to use the domestic general waste collection and/or recycling services provided by Council. Council will refer to the Building Classification Code for determination, if required. The service is available to non-residential properties on application. Requests for services to a body corporate common area will need to comprise a written agreement between the service provider (Council) and the body corporate as per the *Body Corporate & Community Management Act 1997*.

Where there is more than one (1) structure on land capable of separate occupation a charge of \$342 will be made for each structure. A waste collection charge of \$342 will apply to each house, strata titled unit, granny flat, flat, secondary dwelling, dual occupancy or other dwelling designed for separate residential occupation, whether it is occupied or not.

Retirement Villages may be residential or commercial enterprises and as such waste services requirements will be reviewed on an individual basis by Council's Waste & Recycling Section.

A summary of the waste and recycling services/levies is as follows:

Service level	Removal, transport and disposal of waste	2018/2019 Levy
Residential Properties		
	240 litre refuse weekly/240 litre recycling fortnightly (minimum service)	\$342
Additional Services		
	240 litre refuse weekly/240 litre recycling fortnightly	\$342
	240 litre refuse weekly – only available if in receipt of a minimum service	\$247
	240 litre recycling fortnightly – only available if in receipt of a minimum service	\$50
Non-Residential Properties		
	240 litre refuse/240 litre recycling (minimum service)	\$342
	240 litre refuse weekly service	\$247
	240 litre recycling fortnightly service	\$95

Note: The bin sizes mentioned above may be substituted by Council however the service and levy will remain the same as a 240 litre refuse/240 litre recycling bin service.

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Policy No. CP-3-004

Adopted/Effective Date: 28/06/18 Version: 1

Responsible Department: Organisational Services

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Revenue Statement

Where insufficient space is available for the storage of multiple bins at strata titled properties, these properties may apply to Council for approval to make private arrangements to receive an alternative service, in which case a Council waste collection charge will not apply.

The charges for the service are annual charges and credits cannot be allowed for periods of time when the premises are unoccupied. These charges apply if Council approves an extension to the Waste Declared Area regardless or not, or the time at which, formal amendment is made to the declared service area.

Council discount is not applicable to waste and recycling charges.

10. Concessions and Rebates

Part 10 of the *Local Government Regulation 2012* empowers Council to grant a concession in certain circumstances.

10.1 Pensioners

Council's Pensioner Rate Remission Policy provides an annual rate rebate to approved pensioners. A copy of this policy, together with the necessary application forms, are available from Council offices or www.bundaberg.qld.gov.au. The definition of pensioner is an 'approved pensioner' as provided under the State Government Pensioner Rebate Subsidy Scheme, that is a pensioner who is either a registered owner or life tenant of their principal place of residence and who hold a Queensland Pensioner Concession Card or a DVA Health Card (All Conditions within Australia) or a DVA Health Card (Totally & Permanently Incapacitated) issued by either Centrelink or the Department of Veteran Affairs.

For the 2018/2019 financial year, Council grants a total rebate of up to \$140 per annum (\$70 per half year levy) on rates and charges for approved pensioners. This remission is provided in addition to any Pension Subsidy Scheme operated by the Queensland Government.

Where the property is in joint ownership, a pro rata remission shall be granted in proportion to the share of ownership, except where the co-owners are an approved pensioner and his/her spouse, (including de facto relationships as recognised by Commonwealth Legislation), in which case a full remission will apply. However, in the case where the pensioner/s has/have rights to exclusive occupancy (life tenancy by way of a will which must be provided to Council by way of proof) a full remission will be granted.

The State Government Pensioner Rate Subsidy is not a Council remission. This subsidy is provided by the State Government and does not affect the rates and charges determination. The subsidy is a 20% rebate of Council rates and charges up to a maximum of \$200 per annum, calculated at \$100 per half year, plus 20% rebate of the State Emergency Management Levy.

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Policy No. CP-3-004

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Revenue Statement

10.2 Community Service Obligations

On 7 June 2016 Council resolved to grant a rebate of up to a maximum \$1,700 per annum for the financial year 2018/2019, towards the payment of rates and charges, with the exception of water consumption charges, for the following:

- Apple Tree Creek Memorial Hall
- Bucca Hall
- Bullyard Hall
- Drinan Hall
- Gin Gin & District Historical Society Hall
- Pine Creek Hall
- Sharon Hall
- Tegege Hall
- Avenell Heights Progress Association Hall
- Burnett Heads Progress Hall
- Kepnock Progress Association Hall
- North Bundaberg Progress Association Hall
- Pacifique Surfriders Club
- CWA Hall Bundaberg
- CWA Hall Yandaran
- CWA Hall Childers
- CWA Oakwood
- CWA Wallaville
- Bundaberg Kindergarten, Electra Street
- Burnett Heads Kindergarten
- Childers Kindergarten, Pizzey Street
- Forestview Community Kindergarten
- Gin Gin Kindergarten
- South Kolan Kindergarten
- Wallaville Kindergarten
- Trustees Booyal Memorial Hall
- Bundaberg & District Air Sea Rescue
- Sandy Hook Ski Club
- Tegege Combined Sport & Recreation Club
- Bundaberg Railway Historical Society

Council will grant a full concession for all rates and charges, except water consumption charges, for the following properties:

- Bundaberg Surf Life Saving Club
- Elliott Heads Surf Life Saving Club
- Moore Park Surf Life Saving Club

This community service obligation is applicable to the 2018/2019 and 2019/2020 financial years, to be reviewed prior to the formulation of the 2020/2021 Budget.

11. Cost-Recovery Fees:

Council fixes cost-recovery fees for services and facilities supplied by Council in accordance with Sections 97 of the *Local Government Act 2009*.

The criteria, used to determine the amount of cost-recovery fees, are the costs of the service or facility being provided, which comprise labour, material, equipment, and overhead costs. In determining the level of all cost-recovery fees, Council places a major emphasis on user-pays principles.

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Revenue Statement

12. Limitation of increase in rates and charges levied:

In the 2018/2019 financial year, Council will not, pursuant to Section 116 of the *Local Government Regulation 2012*, be limiting any increases to proposed rates or charges.

13. Discount:

A discount of 10% of the current year's Council general rates is conditional on the payment of current rates, service charges and all arrears by the due date stated on the rate notice within 35 days of the issue date stated on the rate notice. Discount is granted for prompt payment. Council's pension remission is not a payment and is therefore deducted from the general rate before discount is applied.

For the sake of clarity, the discount for the prompt payment of rates applies only to general rates levied by Council. No discount shall apply for any other rate or charge levied by Council, including special and separate rates and charges and utility charges.

14. Recovery of Overdue Rates:

Council's adopted Rates Recovery Policy (available at www.bundaberg.qld.gov.au) has been prepared in respect of the recovery of overdue rates, to reinforce Council's practice and intentions in this regard. Council will actively pursue all available options under the *Local Government Act 2009*, including the sale of land for arrears of rates, to ensure that overdue rates are not a burden on the region's ratepayers.

15. Interest on Overdue Rates:

Council determines this matter from time to time by resolution in accordance with the provisions of Section 133 of the *Local Government Regulation 2012*. Currently compound interest is charged at 11% per annum on overdue rates and charges, calculated on daily rests as from the seventh day following the due date stated on the rate notice.

16. Levying and payment of Rates and Charges:

Council currently levies rates twice in each financial year. The first rates levy is issued as soon as possible after the annual budget has been approved by Council. The second rates levy is issued as soon as possible in the second half of the financial year after 1 January. Rates are due and payable by the due date stated on the rate notice.

17. Payment in Advance:

Ratepayers can prepay their rates at any time. Interest is not paid by Council to ratepayers on any credit balances.

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Policy No. CP-3-004

Adopted/Effective Date: 28/06/18 Version: 1

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Revenue Statement

ASSOCIATED DOCUMENTS

- *Body Corporate and Community Management Act 1997*
- *Environmental Protection Act 1994*
- *Environmental Protection Regulation 2008*
- *Fire and Emergency Services Act 1990*
- *Fire and Emergency Services Regulation 2011*
- *Housing Act 2003*
- *Land Valuation Act 2010*
- *Local Government Act 2009*
- Revenue Policy
- *Waste Reduction and Recycling Regulation 2011*
- *Water Supply (Safety and Reliability) Act 2008*

DOCUMENTS CONTROLS

Pursuant to sections 169(b) and 172 of the *Local Government Regulation 2012*, Council will review the Revenue Statement on an annual basis as part of its annual budget preparation to be adopted for the next financial year.

POLICY OWNER

The Revenue Manager, Financial Services is the responsible person for this policy.

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Policy No. CP-3-004

Adopted/Effective Date: 28/06/18 Version: 1

Responsible Department: Organisational Services

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**Item****16 October 2018****Item Number:**

E3

File Number:

.

Part:

FINANCE

Portfolio:

Organisational Services

Subject:

Annual Report 2017/18

Report Author:

Anthony Keleher, Chief Financial Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 3.2 Responsible governance with a customer-driven focus
 - 3.2.4 Exercise whole-of-Council adherence to, and compliance with, Council's policies and procedures, in keeping with our corporate values and community's expectations.

Background:

The *Local Government Act 2009* and *Local Government Regulation 2012* require Council to prepare an Annual Report for each financial year.

The Annual Report must be adopted within one (1) month after the day the auditor-general gives the auditor-general's report about Council's financial statement for the financial year to Council. The auditor-general's report was received on 12 October 2018 and has provided Council with an unmodified audit opinion.

Attached for Council's consideration is the 2017/18 Annual Report that also contains the 2017/18 Financial Statements.

Associated Person/Organization:

External Auditors.

Consultation:

General Managers, Councillors, Audit & Risk Committee

Legal Implications:

This report satisfies Council's legal obligations under Section 182(2) of the *Local Government Regulation 2012*, requiring Council to adopt the Annual Report within one (1) month of receiving the auditor-general's report relating to the audit of Council's annual financial statements.

Policy Implications:

Complies with Section 201 of the *Local Government Act 2009* and Section 181-190 of the *Local Government Regulation 2012*

Financial and Resource Implications:

There appear to be no financial or resource implications.

Risk Management Implications:

There appears to be no risk management implications.

Communications Strategy:

Communications Team consulted.

Not required

Required

Attachments:

[↓1](#) 2017/2018 Annual Report

Recommendation:

That the 2017/18 Annual Report be adopted.



- Building Australia's best regional community



1300 883 699

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2017/18 at a glance

41,758,893
Grants and subsidies received




This reduces the burden on ratepayers

No. of trees planted
16,000+



All you need to know about the **MULTIPLEX**

5 February 2016	11 April 2017	24 January 2018
 Sod turning	Stage 1 Opening at a cost of \$15.7 million built by Oasis Constructions	Stage 2 Opening at a cost of \$12 million built by Murchie Constructions

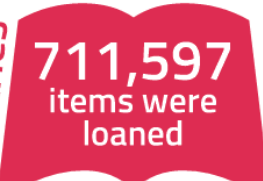
10.5 billion litres water treated

17,160m of additional pathway added to the network

6.7 billion litres wastewater treated



Libraries **711,597** items were loaned



Total value community assets
\$2.24 billion



f likes
17,422 

Our friendly Customer Service team received
116,631 calls

The top five requests included: animals, parks, roads, waste and water.



Total materials received at our waste facilities **170,000 tonnes** with **53%** of the total material reused or recycled




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1 Chief Executive Officer's Report



The successes recorded in the 2017/18 financial year are the result of the professional and collaborative efforts of the Mayor, Councillors, managers and staff right across the Bundaberg Regional Council.

Council is committed to delivering outcomes that propose to elevate the Bundaberg Region to the status of best performing region across the nation.

We have continued to build upon our strengths which include our natural assets, pristine environment, our coastline, commercial centres, hinterland and an agricultural resource capable of wide-ranging production.

Council continues to be proactive in its quest to promote the region as a prime investment location. The Bundaberg – Open for Development initiative has resulted in almost \$300 million in approved projects being incentivised. It is this level of investment that continues to strengthen our building sector and delivers on job creation.

Council, after extensive negotiations, was pleased to sign off on a new staff agreement. Council is proud of its reputation as an employer of choice and the contribution the "Council family" makes to the economy of the Bundaberg Region.

An increased focus on sustainability, particularly in the areas of energy, is delivering welcome savings to Council. Currently there are 28 Council sites transferred to the contestable energy market which has resulted in savings to Council of half a million dollars per year since its inception four years ago.

The move to renewables through the ongoing installation of solar and energy efficient lights and air conditioners across many Council facilities will add to these savings in future years.

The partnerships we enjoy with State and Federal Governments continue to deliver vital funding for the region which directly impacts the manner in which Council can set its budgets and limit the impact on our ratepayers.

Council continues its consultative approach with its community and the engagement with programs such as sports and recreation and our parks and community facilities continue to attract well-articulated views from our residents.

The past 12 months have consolidated an economic platform from which the region is launching towards horizons of opportunity. Exciting projects are in the pipeline and we look forward to positive outcomes in relation to the Port of Bundaberg and the declared State Development Area while Council continues its investment in essential infrastructure.

Stephen Johnston
Chief Executive Officer

2 Community Finance Report

The Community Finance Report is prepared to provide residents, businesses and other stakeholders with an understanding of Council's financial performance and position for the 2017/18 financial year. It aims to give the reader a summary of Council's financial statements along with key financial statistics and ratios.

Financial Statements are an audited formal record of the performance and position of Council. There are four financial statements and three sustainability ratios that assist in providing a high level picture of Council finances for 2017/18. These are described as:

- 2.1 Statement of Comprehensive Income - revenue and expenses in the past 12 months
- 2.2 Statement of Financial Position - assets owned and liabilities owed at 30 June 2018
- 2.3 Statement of Cashflows - shows the affect of revenue and expenses, assets and liabilities on cash and investments
- 2.4 Statement of Changes in Equity - movement in the community's net wealth during the year
- 2.5 Financial Sustainability Ratios - for reviewing Council performance and sustainability
 - (a) Operating Surplus
 - (b) Net financial liabilities
 - (c) Asset sustainability.

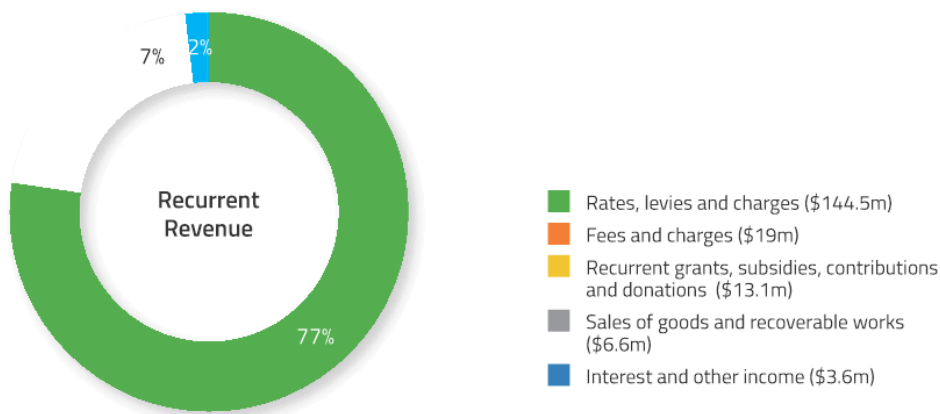
2.1 Statement of Comprehensive Income

The Statement of Comprehensive Income shows the revenue and expenses of Council for the year. This determines the Operating Surplus and Net Result of Council. Council focuses on the Operating Surplus as an important indicator of Council's financial health. The Operating Surplus is the amount of recurrent revenue less recurrent expenses. This year's Operating Surplus of \$18.2 million is towards the upper end of Council's sustainability targets.

Total Income \$228 million - where did this revenue come from?

Recurrent Revenue

Council received recurrent revenue of \$186.8 million. Ratepayers contribute 77% of Council's recurrent revenue through rates and utility charges from 44,720 rateable properties. Other major sources of recurrent revenue include fees and charges (10%) and grants, subsidies, contributions and donations (7%).



Why are rates, levies and charges a significant portion of revenue?

Recurrent revenue is essential for delivering services and for the maintenance, renewal and development of Council assets. To achieve these objectives, Council endeavours to raise their own sources of income, to prevent reliance on volatile funding from the State and Federal government.

Capital Revenue

Council received capital revenue totalling \$40.8 million. This revenue consisted mainly of grants and subsidies actively sought from the State and Federal government and infrastructure charges from development activities. Typically this revenue is utilised on capital projects during the year or is held as restricted cash for future capital projects.

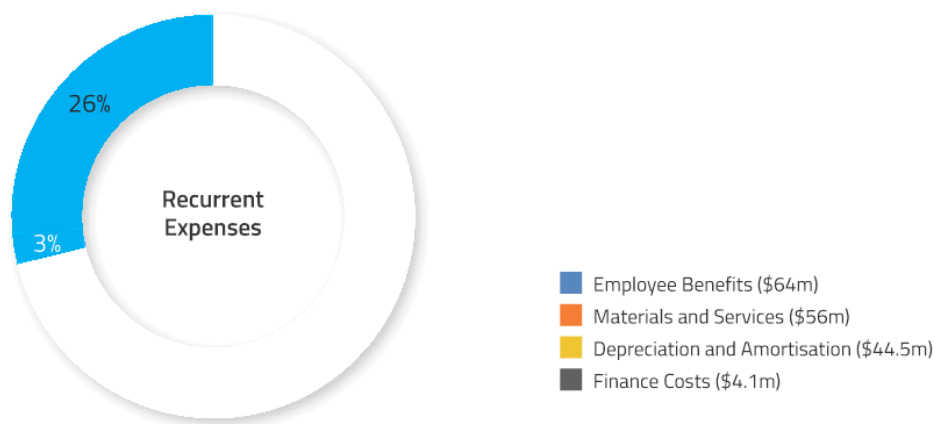
Total Expenses \$181 million - what was this spent on?

Recurrent Expenses

A major component of Council's recurrent expenses is employee benefits, representing 38%. Employee benefits include employee salaries and wages, Councillor's remuneration and superannuation (Employee benefits exclude \$6.3 million in wages incurred in delivering the capital works program).

Materials and services account for a large portion of Council's recurrent expenses, representing 33%. These costs include repairs and maintenance on Council assets, electricity, fleet operating costs, external plant hire, insurance premiums, consultants, raw water acquisitions and licences.

Council's depreciation expense is around \$45 million. This equates to approximately \$1,000 per rate assessment, per annum. Assets wear out, are consumed and/or become obsolete over their lifetime, and depreciation is used to record this consumption by allocating the asset's value over its useful life.



Capital Expenses

Capital expenses, totalling \$12.3 million are reflected in the Net Result. They represent a decrease in the asset base, primarily through a loss on disposal of assets. Capital expenses do not represent Council's investment in assets during the year.

2.2 Statement of Financial Position

The Statement of Financial Position records the Community's assets and liabilities at the end of the financial year. The result of these two components determines the net worth of Council.

Assets \$2.2 billion - what Council owned at 30 June 2018

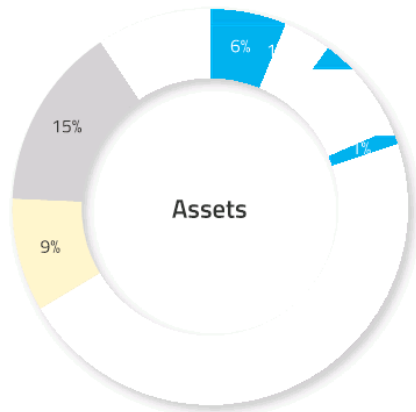
The major investment for Council is in assets which provide essential services for a growing community, namely property, plant and equipment which has a net value of over \$2 billion. The bulk of Council's assets are infrastructure assets such as roads, footpaths, bridges, stormwater drainage, water and sewerage, accounting for 80% of Council's asset base.

Cash and receivables represents 6% of net assets and consists predominantly of restricted cash for future capital expenditure.

Liabilities \$123 million - what Council owed at 30 June 2018

Council's liabilities consist of borrowings (64%), provisions (25%) and trade and other payables (11%). Provisions consist of long service leave payable to employees at 30 June 2018 (\$12.7 million) and costs that are expected to be incurred in restoring and monitoring of landfill sites administered by Council (\$17.9 million).

Trade and other payables are made up of day-to-day creditors (\$7.8 million), for the purchase of items ranging from bitumen to stationery, employee entitlements (\$5.7 million) and unearned revenue (\$0.6 million). Employee entitlements consist of annual leave, wages, superannuation and other leave amounts (excluding long service leave) payable to employees at 30 June 2018.

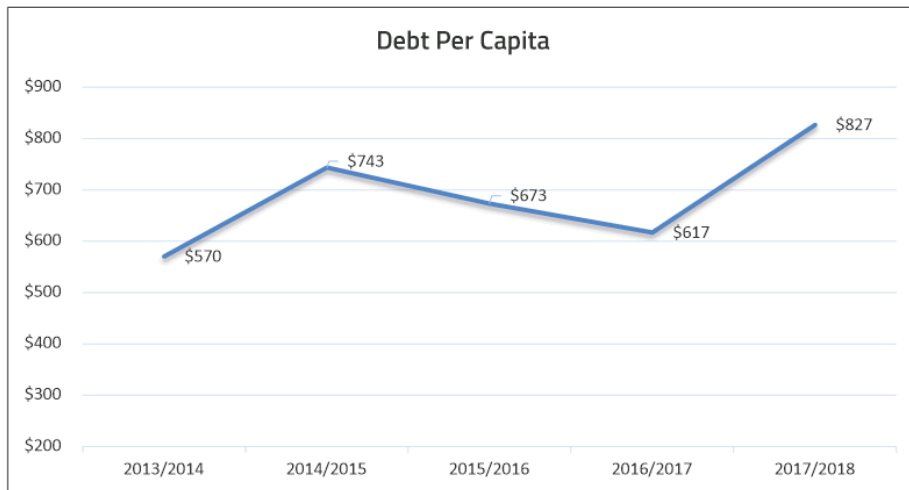


- Roads, footpaths and bridges (\$1.04b)
- Sewerage infrastructure (\$334.3m)
- Buildings and structures (\$187.6m)
- Stormwater drainage (\$207.6m)
- Water infrastructure (\$209.3m)
- Cash and receivables (\$139.4m)
- Land and improvements (\$68.2m)
- Plant and Equipment (\$29.1m)
- Other assets (\$19.6m)

- Borrowings (\$78.3m)
- Provisions (\$30.6m)
- Trade and other payables (\$14.1m)

Borrowings

Council aims to minimise borrowings by seeking alternate funding sources for capital projects such as grants and subsidies for major projects. However there are times where it is necessary to borrow for major projects. Debt per capita has increased in the 2018 financial year, due to the loan draw down of \$25.5 million to fund such projects as the construction of the Rubyanna Wastewater Treatment Plant, the Cedars Road Landfill expansion and the Burnett Heads CBD Revitalisation. Debt remains relatively small compared to its net assets and within the targets outlined in net financial liabilities ratio.



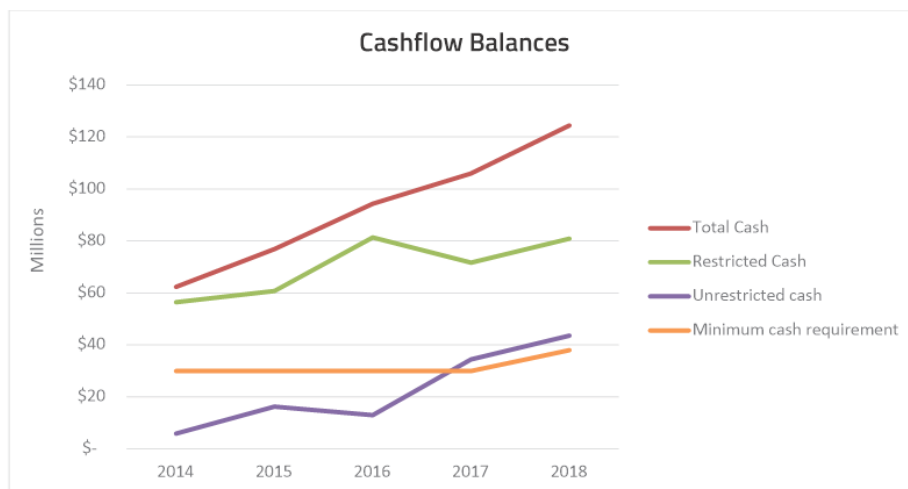
2.3 Statement of Cashflows

This statement records the movement in cash holdings during the year. In 2018 the cash balance increased by \$18.5 million from \$106 million to a closing balance of \$124.5 million at year end.

Council's cash is represented by internally restricted capital cash (reserves) \$49.8 million, externally restricted capital cash (unspent grants, infrastructure charges and loans) \$31.2 million and unrestricted cash \$43.5 million.

Council's cashflow from operating activities remains positive, with surplus operating cash of \$62 million available for investing in assets and for the repayment of loans. Council invested \$96 million in assets this financial year, which was funded by capital revenue, borrowings and cash from operating activities aforementioned.

Council's minimum cash requirement at 30 June 2018 was estimated to be \$38 million. By maintaining this balance, Council allows sufficient cash to be available between rating periods whilst also providing a buffer against unforeseen events. Ideally Council should have unrestricted cash greater than our minimum cash requirement.



2.4 Statement of Changes in Equity

The Statement of Changes in Equity determines the net wealth of Council, and therefore the community and includes the asset revaluation surplus, retained surplus and capital. The statement explains the change in the community's retained earnings over the reporting period.

The Asset Revaluation Surplus consists of \$492 million in asset revaluation increases.

Retained Surplus of \$110.5 million represents restricted cash and the unallocated surplus/(deficit). At 30 June 2018 there was an unallocated surplus of \$33.2 million. An unallocated surplus represents the accumulative amount available to Council that enables flexibility in funding future operations and/or investment in assets.

Capital represents the net investment of Council funds in assets purchased to deliver future services to the community.

2.5 Financial Sustainability Ratios

The Financial Sustainability of Council is now a cornerstone of the *Local Government Act 2009* and a core responsibility of Council's across Queensland. A financially sustainable Local Government is defined by its ability to maintain its financial capital and infrastructure capital over the long-term.

Council does not use these measures of sustainability as targets that must be achieved at the end of each financial year. Instead, the anticipated long-term results from these measures are considered as planning tools to assess the current sustainability strategy - Councils Long Term Financial Plan. This feedback enables Council to adjust its respective strategies to produce the desired outcomes over the long-term.

The *Local Government Regulation 2012* requires Council to publish Financial Sustainability measures. The Department of Local Government, Racing and Multicultural affairs has set targets for each measure in the Financial Management Sustainability Guideline 2013. The three sustainability measures showing historic and forecasted results are as follows:

(a) Operating Surplus Ratio



INDICATOR

Operating Surplus Ratio (Financial)

DESCRIPTION

Indicates the extent to which operating revenues are available to help fund proposed capital expenditure. If not required within the year, a surplus could be held for future capital expenditure (Reserves), adjust working capital cash or used to reduce current debt levels.

MEASURE

Net Operating Surplus divided by Total Operating Revenue

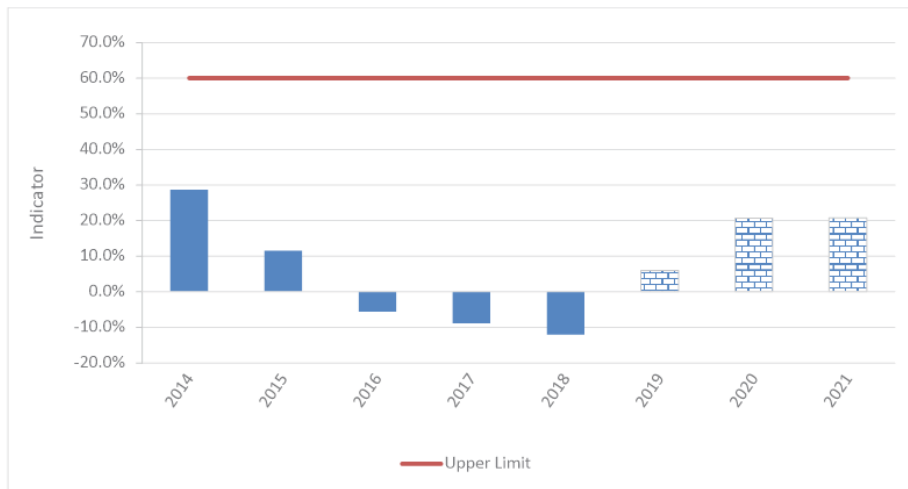
TARGET

Between 0% and 10%

Commentary

Council has consistently achieved an operating surplus for all years other than 2014 financial year. These positive results enable the Council to invest resources in its vision to build Australia's best regional community. Forecast years are predicted to have a modest surplus reflecting Council's operating theme and performance outcome of sustainable and affordable essential services.

(b) Net Financial Liabilities Ratio



INDICATOR

Net Financial Liabilities Ratio (Financial)

DESCRIPTION

Indicates the extent to which the net financial liabilities can be serviced by its operating revenue. A value less than 60% indicates the capacity to fund existing liabilities. A value greater than 60% indicates limited capacity to increase borrowings.

MEASURE

Total Liabilities less Current Assets divided by Operating Revenue

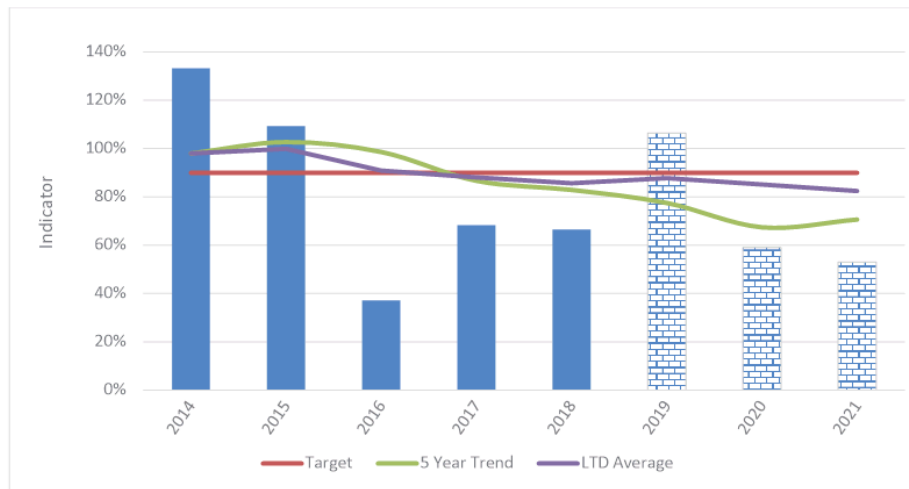
TARGET

Not greater than 60%

Commentary

Council has consistently had a ratio well below the upper threshold due to its strategy to seek alternate funding sources for capital projects and ensure affordability of borrowing levels. There are planned borrowings in the next three years for major projects including Bundaberg CBD Revitalisation, Bundaberg Drainage Improvement Program and Gin Gin Streetscape Stage 2.

(c) Asset Sustainability Ratio



INDICATOR

Asset Sustainability Ratio

DESCRIPTION

Indicates whether a council is renewing or replacing existing infrastructure assets at the same rate that its assets are being expended.

MEASURE

Capital Expenditure on Infrastructure Renewals divided by Depreciation Expense on Infrastructure Assets.

TARGET

Greater than 90%

Commentary

When assessing asset sustainability, Council refers to long term trends as renewal programs fluctuate from year to year. The renewal programs are formulated on Council’s Asset Management Plan, which shows that a significant portion of the asset base are in good condition, explaining why the life-to-date average sits just below the target at 86%. This is expected to decrease slightly in the next 3 years to 82%. Council is planning to undertake an external review of its long-term asset management assumptions to ensure the planned level of asset renewal is appropriate.

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3 Annual Financial Statements

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3.1 Statement of COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
Income			
Revenue			
Recurrent Revenue			
Rates and utility charges	3(a)	144,460,359	134,793,580
Fees and charges	3(b)	19,012,033	19,360,242
Interest received	3(c)	3,525,146	3,747,774
Contract and recoverable works		5,474,005	5,039,489
Sale of goods		1,080,074	986,862
Grants, subsidies, contributions and donations	4(a)	13,150,250	15,864,226
Profit on sale of developed land held for resale		71,074	74,444
Total recurrent revenue		186,772,941	179,866,617
Capital Revenue			
Grants, subsidies, contributions and donations	4(b)	38,974,335	30,351,394
Total Revenue		225,747,276	210,218,011
Capital Income	5	1,808,023	(17,799,719)
TOTAL INCOME		227,555,299	192,418,292
Expenses			
Recurrent Expenses			
Employee benefits	6	(63,966,639)	(61,624,142)
Materials and services	7	(56,052,836)	(49,649,520)
Finance costs	8	(4,060,536)	(4,712,963)
Depreciation of property plant and equipment	15	(44,171,077)	(45,292,826)
Amortisation of intangible assets	17	(327,110)	(495,763)
Total recurrent expenses		(168,578,198)	(161,775,214)
Capital Expenses			
	9	(12,308,225)	(5,932,090)
TOTAL EXPENSES		(180,886,423)	(167,707,304)
NET RESULT		46,668,876	24,710,988
Net Result Attributable To:			
Operating surplus		18,194,743	18,091,403
Capital surplus		28,474,133	6,619,585
		46,668,876	24,710,988
Other Comprehensive Income			
Items That Will Not Be Classified To Net Result			
Increase/(decrease) in asset revaluation surplus	21	31,128,661	94,096,227
Total Other Comprehensive Income		31,128,661	94,096,227
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		77,797,537	118,807,215

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

3.2 Statement of FINANCIAL POSITION

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
Assets			
Current Assets			
Cash and cash equivalents	10	124,464,224	106,021,236
Trade and other receivables	11	14,970,070	16,099,627
Inventories	12	4,139,586	4,090,453
Non-current assets held for sale	13	1,942,834	798,233
Total Current Assets		145,516,714	127,009,549
Non-Current Assets			
Investment property	14	7,158,581	8,347,178
Property, plant and equipment	15	2,078,371,036	1,994,932,761
Intangible assets	17	6,325,612	6,560,269
Total Non-Current Assets		2,091,855,229	2,009,840,208
TOTAL ASSETS		2,237,371,943	2,136,849,757
Liabilities			
Current Liabilities			
Trade and other payables	18	13,485,218	23,117,219
Borrowings	19	6,878,851	5,638,483
Provisions	20	12,389,143	12,089,836
Unearned revenue		595,924	570,928
Total Current Liabilities		33,349,136	41,416,466
Non-Current Liabilities			
Borrowings	19	71,431,485	52,638,535
Provisions	20	18,231,648	17,005,728
Total Non-Current Liabilities		89,663,133	69,644,263
TOTAL LIABILITIES		123,012,269	111,060,729
NET COMMUNITY ASSETS		2,114,359,674	2,025,789,028
Community Equity			
Asset revaluation surplus	21	492,159,443	461,030,782
Retained surplus	22	110,477,666	87,144,143
Capital		1,511,722,565	1,477,614,103
TOTAL COMMUNITY EQUITY		2,114,359,674	2,025,789,028

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

3.3 Statement of CHANGES IN EQUITY

For the year ended 30 June 2018

	Total	Revaluation Surplus	Retained Surplus	Capital
	\$	Note 21 \$	Note 22 \$	\$
Balances as at 1 July 2017	<u>2,025,789,028</u>	<u>461,030,782</u>	<u>87,144,143</u>	<u>1,477,614,103</u>
Assets not previously recognised/(derecognised)	10,773,109	-	-	10,773,109
Net result	46,668,876	-	46,668,876	-
Total other comprehensive income				
Increase/(decrease) in asset revaluation surplus	31,128,661	31,128,661	-	-
Total comprehensive income for the year	<u>77,797,537</u>	<u>31,128,661</u>	<u>46,668,876</u>	<u>-</u>
Transfers				
Transfers to/from capital	-	-	(23,335,353)	23,335,353
Total transfers	<u>-</u>	<u>-</u>	<u>(23,335,353)</u>	<u>23,335,353</u>
Balance at 30 June 2018	<u>2,114,359,674</u>	<u>492,159,443</u>	<u>110,477,666</u>	<u>1,511,722,565</u>
Balances as at 1 July 2016	<u>1,821,114,448</u>	<u>366,960,096</u>	<u>76,730,862</u>	<u>1,377,423,490</u>
Assets not previously recognised/(derecognised)	85,867,365	-	-	85,867,365
Net result	24,710,988	-	24,710,988	-
Total other comprehensive income				
Increase/(decrease) in asset revaluation surplus	94,096,227	94,096,227	-	-
Total comprehensive income for the year	<u>118,807,215</u>	<u>94,096,227</u>	<u>24,710,988</u>	<u>-</u>
Transfers				
Transfers to/from capital	-	(25,541)	(14,297,707)	14,323,248
Total transfers	<u>-</u>	<u>(25,541)</u>	<u>(14,297,707)</u>	<u>14,323,248</u>
Balance at 30 June 2017	<u>2,025,789,028</u>	<u>461,030,782</u>	<u>87,144,143</u>	<u>1,477,614,103</u>

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

3.4 Statement of CASHFLOWS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
Cash Flows from Operating Activities :			
Receipts from customers		183,174,977	169,875,858
Payments to suppliers and employees		(134,814,136)	(121,431,240)
		48,360,841	48,444,618
Recurrent grants, subsidies, contributions and donations		13,631,004	15,376,615
Interest received		3,519,807	3,608,077
Proceeds from sale of developed land held for resale		91,120	96,100
Costs incurred on developed land held for resale		(36,337)	(5,552)
Borrowing costs		(2,981,416)	(3,257,809)
Net Cash Inflow/(Outflow) from Operating Activities	28	62,585,019	64,262,049
Cash Flow from Investing Activities :			
Proceeds from sale of non-current assets held for sale		477,562	61,487
Proceeds from sale of property, plant and equipment		590,037	676,255
Proceeds from sale of investment property		131,644	-
Compensation for assets written off		299,682	16,864
Capital grants, subsidies, contributions and donations		31,638,688	28,102,217
Payments for property, plant and equipment		(96,353,262)	(76,218,979)
Payments for intangible assets		(203,945)	-
Payments for investment property		(709,801)	-
Net Cash Inflow/(Outflow) from Investing Activities		(64,129,395)	(47,362,156)
Cash Flow from Financing Activities :			
Proceeds from borrowings		25,500,000	-
Repayment of borrowings		(5,512,636)	(5,236,261)
Net Cash Inflow/(Outflow) from Financing Activities		19,987,364	(5,236,261)
Net Increase/(Decrease) in Cash Held		18,442,988	11,663,632
Cash at beginning of reporting period		106,021,236	94,357,604
Cash at End of Reporting Period	10	124,464,224	106,021,236

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

3.5 Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

1 Significant accounting policies

1.01 Basis of preparation

These general purpose financial statements are for the period 1 July 2017 to 30 June 2018 and have been prepared in compliance with the requirements of 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). Council 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 the 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 where stated.

1.02 Constitution

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

1.03 Currency

Council uses the Australian Dollar as its functional currency and its presentation currency.

1.04 Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.05 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 Council's assets or liabilities relate to:

- Valuation of Investment Property (Note 14)
- Valuation of Property, Plant and Equipment (Note 1.15(iv)) including:
 - * valuation of infrastructure assets using the depreciated replacement cost method
 - * useful lives; and
 - * residual values.

1.05 Estimates and judgements (Cont'd)

- Impairment of Property, Plant and Equipment (Note 16)
- Impairment of Intangibles (Note 17)
- Impairment of Non-Current Assets Held for Sale (Note 13)
- Impairment of Receivables (Note 11)
- Contingent Liabilities (Note 25)
- Employee Provisions (Note 20)
- Restoration Provisions (Note 20)

1.06 Rounding and comparatives

Amounts included in the financial statements have been rounded to the nearest \$1.

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

1.07 Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax ('FBT') and Goods and Services Tax ('GST'). The net amount of GST recoverable from the Australian Taxation Office ('ATO') or payable to the ATO is shown as an asset or liability respectively.

Council pays Payroll Tax to the Queensland Government on certain activities.

1.08 Recurrent and capital classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income on the following basis:

Capital revenue includes grants, subsidies, contributions and donations (cash and non-cash) received which are tied to specific projects for non-current assets.

The following transactions are classified as either "Capital Income" or "Capital Expenses" depending on whether they result in accounting gains or losses:

- disposal of non-current assets
- disposal of non-current assets held for sale
- adjustments to restoration provisions on land not controlled by Council
- revaluation of investment property
- revaluation of land and improvements
- disposal of property, plant and equipment
- disposal of intangibles
- sale of investment property

All other revenue and expenses have been classified as "recurrent".

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

1 Significant accounting policies (Cont'd)

1.09 Adoption of new and revised accounting standards

This year Council has applied AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107* for the first time. As a result Council has disclosed more information to explain the changes in liabilities arising from financing activities ('debt reconciliation'). This information is presented in Note 29.

Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Generally Council applies standards and interpretations in accordance with their respective commencement dates.

The expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below:

AASB 9 Financial Instruments

This replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and addresses the classification, measurement and disclosure of financial assets and liabilities. The new Standard comes into effect from 1 July 2018.

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, Council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

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 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*. Together they come into effect from 1 July 2019 and contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council is continuing to review the way that income is measured and recognised under the new Standards to identify whether there will be any material impact arising from these Standards.

1.09 Adoption of new and revised accounting standards (Cont'd)

To date the following impact has been identified:

At 30 June 2018 Council had received pre-paid rates totalling \$6,899,567. These rates are recognised as revenue in the Statement of Comprehensive Income. If Council had applied AASB 1058 this year these rates would have been recognised as a liability in the Statement of Financial Position and therefore decreased Council's net result.

AASB 16 - Leases

This standard will first apply to Council in its financial statements for 2019-20. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases - Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Impact for Lessees

Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the Statement of Financial Position under AASB 16.

Council has not yet quantified the exact impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required.

Impact for Lessors

Lessor accounting under AASB16 remains largely unchanged from AASB117. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial statements, but have future commencement dates, are not likely to have a material impact on the financial statements.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

1 Significant accounting policies (Cont'd)

1.10 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

- (i) Rates and utility charges
Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the date they are levied.
- (ii) Grants, subsidies, contributions and donations
Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. Council only receives grants, subsidies and contributions that are non-reciprocal in nature.
- (iii) Fees and charges
Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided. Rental revenue is recognised as income on a periodic straight line basis over the lease term.
- (iv) Contract and recoverable works
Council generates revenues from a number of services including contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in unearned revenue and is recognised as revenue in the period when the service is performed.
- (v) Infrastructure charges
Infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them.
- (vi) Non-Monetary contributions
Non-cash contributions with a value in excess of the asset recognition thresholds are recognised as capital revenue and as non-current assets. Non-cash contributions below the asset thresholds are recorded as recurrent revenue and expenses. Non-cash contributions are disclosed under grants, subsidies, contributions and donations.

1.10 Revenue (Cont'd)

Physical assets contributed to Council by developers are recognised as revenue when the development becomes "on maintenance" (i.e. Council 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 specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received.

1.11 Receivables

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

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue. Because Council is empowered under the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council generally does not impair any rate receivables. However, Council cannot recover any debt by way of sale under the *Local Government Act 2009* where a lessee of a property is responsible for the rates on a property in accordance with formal lease conditions. Consequently, when the debt becomes unrecoverable, it is impaired.

1.12 Inventories

Stores inventories are valued at cost, adjusted, when applicable, for any loss of service potential.

Land purchased for development and sale is classified as inventory. As inventory, this land is valued at the lower of cost or net realisable value. As an Inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

1.13 Non-Current assets held for sale

Items of property, plant and equipment are reclassified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

1 Significant accounting policies (Cont'd)

1.13 Non-Current assets held for sale (Cont'd)

Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are not depreciated. On the eventual sale of these assets a gain or loss is recognised.

Impairment occurs when on transfer from property, plant and equipment the asset is no longer measured at its fair value but at fair value less disposal costs.

1.14 Investment property

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. This includes land held by Council for a currently undetermined future use.

Investment property is initially recognised at cost (including transaction costs) and subsequently at fair value. Where investment property is acquired at no or nominal cost it is recognised at fair value. Investment property does not include community housing.

Gains or losses arising from changes in the fair value of investment property are recognised as incomes or expenses respectively for the period in which they arise. Investment property is not depreciated.

All investment property was valued at fair value at 30 June 2018. Further information about the valuation techniques used to derive fair value are included in Note 16.

1.15 Property, plant and equipment

(i) Recognition

Buildings with a total value of less than \$10,000, plant and equipment with a total value of less than \$5,000 and land with a total value of less than \$1 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Land under 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.

(ii) Measurement

Property plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

1.15 Property, plant and equipment (Cont'd)

(ii) Measurement (Cont'd)

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

(iii) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Land and other identified asset components (road formation, specific excavation works and earthworks) are not depreciated as they have unlimited useful lives.

Depreciation on other property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

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

The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives are shown in Note 15.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

1 Significant accounting policies (Cont'd)

1.15 Property, plant and equipment (Cont'd)

(iv) Impairment

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

(v) Valuation

Land and improvements, buildings and structures and infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Plant and equipment is measured at cost.

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.

Council continuously reviews asset conditions through the processing of capital expenditure via condition assessment data gathered during planned inspections and reactive maintenance work. Where unit rates are provided by independent valuers, the data is entered into the asset register and the condition score is a factor in calculating the fair value of the asset. The valuers physically inspect a sample of assets to confirm Council's condition assessment.

In the intervening years, Council will assess cost assumptions associated with infrastructure assets and may engage independent valuers to provide desktop valuations by indexation. Where the indices indicate a material movement in the fair value of a subclass of assets, all assets within that subclass, other than assets constructed or gifted during the year, will be revalued by the applicable indices.

On revaluation, the carrying amount of the asset is adjusted to the revalued amount. At the date of revaluation, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

1.15 Property, plant and equipment (Cont'd)

(v) Valuation (Cont'd)

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 16.

1.16 Intangible assets

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council. The amortisation method and useful lives are reviewed at the end of each reporting period where appropriate.

1.17 Financial assets and financial liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Financial assets

- Cash and cash equivalents (Note 10)
- Receivables - measured at amortised cost (Note 11)

Financial liabilities

- Payables - measured at amortised cost (Note 18)
- Borrowings - measured at amortised cost (Note 19)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

1 Significant accounting policies (Cont'd)

1.18 Trade payables

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

1.19 Liabilities - employee benefits

(i) Wages and other employee entitlements

A liability for wages, superannuation, rostered days off and time off in lieu is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. These entitlements are recorded as a liability in Note 18.

(ii) Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels indexed for the increase in the EBA and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels. These projections are based on increases in the EBA and averaged CPI for years beyond the EBA and related employee on-costs which are then discounted to present values using Commonwealth Bond Yields.

As Council does not have an unconditional right to defer this liability beyond 12 months, annual leave is classified as a current liability. This liability is reported in Note 18.

(iii) 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 based on increases in the EBA and averaged CPI for years beyond the EBA and related employee on-costs.

1.19 Liabilities - employee benefits (Cont'd)

(iii) Long service leave (Cont'd)

The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value using the interest rates attaching to Commonwealth Bond Yields. This liability is reported in Note 20.

Where employees have met the prerequisite length of service (5 years) and Council 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.

1.20 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.

In accordance with the *Local Government Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next ten years. Council's current policy is to only borrow for capital projects and for a term of 5-20 years.

1.21 Restoration provisions

The provision is measured at the expected future cost of the work required by applying averaged CPI and discounted to current day values using an appropriate rate. Queensland Treasury Corporation's lending rates are considered an appropriate discount rate.

The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

1 Significant accounting policies (Cont'd)

1.21 Restoration provisions (Cont'd)

- (i) Restoration on land not controlled by Council
Where the restoration site is on State reserves which Council does not control, the cost of the provisions for restoration of these sites is treated as an expense in the year the provision is first recognised. Changes in the provision not arising from the passing of time are treated as capital income or capital expense.
- (ii) Restoration on land controlled by Council
Where the restoration site is on Council controlled land, the cost of the restoration provision is added to the cost of the land as an improvement and depreciated over the expected useful life of the landfill. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus, for land and improvements. If there is no available revaluation surplus increases in provision are treated as an expense and recovered out of future decreases (if any).

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

2 Analysis of results by function

(a) Components of Council functions

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

Council departments and branches

Communications

The objectives of this department include:

- High community engagement with social media platforms and Council websites.
- Regular media reporting of Council issues that provides fair and balanced coverage.
- Effective internal communications with high levels of reach across Council.
- Innovative utilisation of data and technology to encourage community engagement.

This department includes branches for Communications and Services to the Executive Office.

Community and Environment

The objectives of this department include:

- Parks and road environment maintenance programs which meet agreed service standards and community expectations.
- Delivery of community awareness, protection and educational programs and initiatives.
- Increase incorporation of clean energy and renewable resource technologies and solutions.
- Accessible, and well-managed natural areas and facilities.
- Increase community resilience to disaster events.
- Delivery of arts and cultural facilities and programs that promote social, cultural and economic development.

This department includes branches for Regulatory Services, Parks Sports and Natural Areas, Health Services, Disaster Management, Community, Library, Arts and Cultural Services, Airports and Tourism.

Organisational Services

The objectives of this department include:

- Delivery of Internal Audit and Quality Audit Programs.
- Productive and engaged staff with high morale and a positive corporate culture.
- High standard of workplace health and safety outcomes.
- Key financial indicators meeting sustainability and operational standards.
- High community satisfaction with customer service and Council's overall performance.

This department includes branches for Governance and Legal Services, Information Systems, Financial Services, People and Performance and Internal Audit and Information Management Systems.

Council departments and branches (Cont'd)

Infrastructure

The objectives of this department include:

- Delivery of network infrastructure maintenance to meet Council's approved plans and standards.
- Council's long-term and annual Capital Works Program delivered on time and on budget.
- Effective integration of land use and infrastructure planning. This department includes branches for Major Projects, Roads and Drainage, Fleet and Trade Services.

Development

The objectives of this department include:

- Continual enhancement and review of Bundaberg Regional Development Schemes, Plans and Strategies.
- Consistent enforcement of relevant legislation, the planning scheme and local laws to meet statutory requirements in the community's interest.
- Ongoing development of land use policies to address contemporary and emerging planning matters.

This department includes branches for Strategic Planning, Development Assistance and Development Compliance.

Strategic Projects and Economic Development Coordination

The objectives of this department include:

- Development of the Bundaberg Region as a model Australian intelligent community.
- Improve awareness and perception of the region as a place of choice to live, work, invest and visit.
- Improve access to local jobs and services.

This department includes branches for Strategic Projects, Economic Development and Property Leasing.

The following business activities constitute significant business activities under the National Competition Policy Agreements as outlined in the *Local Government Act 2009* and *Local Government Regulation 2012*.

Waste Management

Objectives:

- Waste services meeting industry and legislative standards.
- Implementation and monitoring of landfill services and rehabilitation of landfill sites.

Wastewater Services

Objectives:

- Wastewater services availability meeting customer standards.

Water Services

Objectives:

- Water supply services availability meeting customer standards.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

2 Analysis of results by function

(b) Income and expenses are attributed to the following functions:

	Grant Revenue	Other Revenue	Total Revenue	Total Expenses	Net Result	Assets
Functions	\$	\$	\$	\$	\$	\$
Council departments	41,072,293	98,747,656	139,819,949	110,539,207	29,280,742	1,586,286,996
Waste services	112,500	23,835,751	23,948,251	17,568,437	6,379,814	32,929,456
Wastewater services	574,100	31,442,424	32,016,524	25,346,197	6,670,327	352,753,377
Water services	-	31,770,575	31,770,575	27,432,582	4,337,993	265,402,114
Total	41,758,893	185,796,406	227,555,299	180,886,423	46,668,876	2,237,371,943

For the year ended 30 June 2017

	Grant Revenue	Other Revenue	Total Revenue	Total Expenses	Net Result	Assets
Functions	\$	\$	\$	\$	\$	\$
Council departments	34,182,002	74,014,826	108,196,828	98,231,850	9,964,978	1,565,425,800
Waste services	-	20,652,346	20,652,346	18,702,819	1,949,527	13,278,002
Wastewater services	1,740,898	31,083,990	32,824,888	24,633,538	8,191,350	334,860,991
Water services	-	30,744,230	30,744,230	26,139,097	4,605,133	223,284,964
Total	35,922,900	156,495,392	192,418,292	167,707,304	24,710,988	2,136,849,757

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
3 Revenue analysis			
(a) Rates and utility charges			
General rates		80,535,932	75,762,186
Waste collection		14,542,112	14,061,670
Water		27,581,856	25,948,163
Wastewater		27,504,615	26,481,226
Special rates and charges		386,737	384,210
Separate rates		2,250,094	-
Total rates and utility charges		152,801,346	142,637,455
Less: Discounts		(6,939,984)	(6,451,137)
Less: Pensioner remissions		(1,401,003)	(1,392,738)
Net rates and utility charges		144,460,359	134,793,580
(b) Fees and charges			
Tourism and events		328,310	349,561
Community care and aged care fees		232,319	235,020
Cemetery fees		419,620	341,294
Hire of facilities and rental income		2,447,417	2,315,702
Airport fees		4,444,356	5,035,184
Fines, penalties and infringements		269,175	391,624
Health, licenses and registrations		913,197	883,674
Waste and recycling fees		3,870,486	3,764,984
Building, planning and plumbing fees		2,649,893	2,602,696
Holiday park income		2,376,726	2,342,505
Rate search fees		640,104	595,550
Commissions		220,557	229,976
Other fees and charges		199,873	272,472
		19,012,033	19,360,242
(c) Interest received			
Interest received from cash and cash equivalents		2,979,901	3,080,451
Interest from overdue rates, levies and charges		545,245	667,323
		3,525,146	3,747,774
4 Grants, subsidies, contributions and donations			
(a) Recurrent			
Recurrent grants, subsidies, contributions and donations are analysed as follows:			
Grants and subsidies		12,790,912	15,477,907
Contributions and donations		359,338	386,319
		13,150,250	15,864,226

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
4 Grants, subsidies, contributions and donations (Cont'd)			
(b) Capital			
Capital grants, subsidies, contributions and donations are analysed as follows:			
(i) Monetary revenue received:			
Grants and subsidies		28,967,981	20,444,993
Infrastructure charges		2,323,638	4,069,070
Other capital contributions		1,510,141	1,291,539
		<u>32,801,760</u>	<u>25,805,602</u>
(ii) Non-Monetary revenue received*:			
Infrastructure assets contributed by developers at fair value		6,074,775	4,485,292
Non-Infrastructure assets donated		97,800	60,500
		<u>6,172,575</u>	<u>4,545,792</u>
		<u>38,974,335</u>	<u>30,351,394</u>

*Physical assets contributed to Council by developers in the form of roads, stormwater drainage, water and wastewater infrastructure, park equipment and plant.

(c) Conditions over contributions

Restricted contributions recognised as income during the reporting period that were unspent at period end:

Capital grants, subsidies and other capital contributions		6,628,083	4,724,270
Infrastructure charges		2,323,638	3,243,516
		<u>8,951,721</u>	<u>7,967,786</u>

Restricted contributions recognised as income during a previous reporting period that were spent in the current period:

Capital grants, subsidies and other capital contributions		4,698,586	775,883
Infrastructure charges		494,956	1,022,176
		<u>5,193,542</u>	<u>1,798,059</u>

Council receives different forms of contributions from external parties including capital grants and subsidies from State and Federal Governments, infrastructure contributions from developers and other capital contributions from local business. These contributions have conditions attached which restrict what the funds can be spent on.

5 Capital income

Decrease in provision for land restoration		1,160,939	660,409
Revaluation of investment property	14	64,102	2,917,860
Revaluation increment/(decrement) for land and improvements	(i)	283,300	(21,394,852)
Compensation for assets written off		299,682	16,864
		<u>1,808,023</u>	<u>(17,799,719)</u>

(i) The land and improvements asset class was comprehensively revalued during the 2017 financial year. There was a change in valuation methodology from the previous comprehensive valuation in 2012. Consequently there was a significant decrease in the value of the asset class in the 2017 year. This decrease was greater than the amount available in the Asset Revaluation Surplus.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
6 Employee benefits			
Staff wages and salaries		52,455,556	50,233,524
Councillors' remuneration		994,492	1,000,203
Annual, sick and long service leave entitlements		8,443,117	8,069,356
Superannuation	26	6,486,629	6,356,680
Other employee related expenses		1,901,494	2,021,176
Total employee benefits		70,281,288	67,680,939
Less: Capitalised employee expenses		(6,314,649)	(6,056,797)
Net employee benefits		63,966,639	61,624,142
Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.			
7 Materials and services			
Audit services	(i)	155,500	155,000
Rentals and investment property		820,826	793,807
Grants, contributions and donations		1,621,950	1,634,384
Valuation fees		748,634	450,453
Public safety and security		1,490,555	1,624,530
Communications		1,179,119	1,182,733
Licences and subscriptions		1,757,308	1,489,268
Information technology hardware and software		851,046	1,267,924
Consumables		13,572,382	13,282,356
Insurance premiums		1,877,866	1,648,165
External plant hire		6,675,898	3,825,683
Professional services		1,711,334	1,628,418
External labour hire		1,135,687	833,289
Repairs and maintenance		5,717,946	4,267,354
Land acquisitions and resumptions		900,356	177,689
Literature for libraries		301,537	482,336
HMAS Tobruk Dive Experience project		-	1,125,000
Non-capital projects	(ii)	2,140,189	2,250,212
Other material and services		13,394,703	11,530,919
		56,052,836	49,649,520

(i) The audit services amount recorded in this note includes expected audit costs associated with the audit of Bundaberg Regional Council. Comparative information has been updated for actual costs incurred where applicable.

(ii) Value of Non-capital projects is exclusive of other costs reflected separately in Note 6 & 7.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
8 Finance costs			
Interest payable		3,027,371	3,237,651
Impairment of debts		271,211	767,809
Bank charges		320,604	287,283
Landfill restoration - change in provision over time	20	441,350	420,220
		<u>4,060,536</u>	<u>4,712,963</u>
9 Capital expenses			
Loss on impairment of non-current assets held for sale	13	606,165	12,401
Increase in provision for landfill restoration		38,623	1,323,585
Loss on disposal of property, plant and equipment		11,325,162	4,548,789
Loss on disposal of intangibles		49,447	49,755
Loss on sale of investment property		43,356	-
Loss/(gain) on sale of non-current assets held for sale		245,472	(2,440)
		<u>12,308,225</u>	<u>5,932,090</u>

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
10 Cash and cash equivalents			
Cash at bank and on hand		1,694,224	721,236
Deposits at call		53,350,000	37,400,000
Term deposits		69,420,000	67,900,000
Balance per statement of cash flows		<u>124,464,224</u>	<u>106,021,236</u>
<p>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 twelve months or less (generally investments terms are six months or less) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.</p> <p>Cash and deposits at call are held at the Commonwealth Bank, Bendigo Bank and in a Queensland Treasury Corporation Capital Guaranteed Cash Fund account, with credit ratings ranging from A1+ to A2.</p> <p>Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit the amount that is available for discretionary or future use. These restrictions are managed using internal management accounting functions.</p>			
Internally imposed expenditure restrictions at the reporting date	22	49,763,697	47,865,618
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent capital grants, subsidies and contributions	22	6,830,640	4,901,144
Unspent infrastructure charges	22	20,680,793	18,852,111
Unspent loan monies		3,649,188	-
		<u>31,160,621</u>	<u>23,753,255</u>
Total unspent restricted cash for capital projects		<u>80,924,318</u>	<u>71,618,873</u>
11 Trade and other receivables			
Rateable revenue and utility charges		4,767,525	5,751,868
Less impairment		(101,968)	-
Accounts receivable		7,706,116	7,021,885
Less impairment		(232,575)	(116,847)
GST recoverable		1,011,344	2,376,684
Prepayments		1,819,628	1,066,037
		<u>14,970,070</u>	<u>16,099,627</u>

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on accounts receivable. All known bad debts were written-off at 30 June.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
12 Inventories			
(a) Stores inventories		731,995	699,153

Stores inventories are held for distribution. They are goods to be supplied at no or a nominal charge and goods to be used for the provision of services at no or a nominal charge.

The value of inventory recognised as an expense during the period was \$3,131,540 (2017: \$2,676,773).

(b) Land purchased for development and resale

Opening balance		3,391,300	3,407,404
Additions		36,337	5,552
Less: Cost of developed land sold		(20,046)	(21,656)
Closing balance at end of financial year		3,407,591	3,391,300
Total inventories		4,139,586	4,090,453

Land acquired with the intention of reselling it (with or without further development) and land transferred from Property, Plant and Equipment for development and sale is classified as inventory.

13 Non-current assets held for sale

Opening balance		798,233	325,681
Internal transfer from land and improvements	15	686,300	544,000
Internal transfer from investment property	14	1,787,500	-
Assets sold during financial year		(723,034)	(59,047)
Impairment adjustment in period	9	(606,165)	(12,401)
Closing balance at end of financial year		1,942,834	798,233

Items of property, plant and equipment are reclassified as non-current assets held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use.

Council had resolved to sell parcels of vacant land that serve no strategic purpose.

14 Investment property

Fair value at beginning of financial year		8,347,178	5,693,418
Internal transfer from/(to) land and improvements	15	-	(264,100)
Internal transfer from/(to) NCA held for sale	13	(1,787,500)	-
Investment property acquired at cost		709,801	-
NBV of asset sold		(175,000)	-
Revaluation adjustment in period	5	64,102	2,917,860
Fair value at end of financial year		7,158,581	8,347,178

Investment property comprises:

- land which is held for an undetermined future use
- land which is held for capital appreciation
- land which is held to earn rentals
- residential property which is rented out

At reporting date there was no property being constructed or developed for future use as investment property.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

15 (a) Property, plant and equipment

30 June 2018

Basis of measurement

Asset values

Opening gross value as at 1 July 2017
 (i) Assets not previously recognised/(derecognised)
 Additions at cost
 Contributed assets
 Internal transfers from work in progress
 Disposals
 Revaluation adjustment to the asset revaluation surplus
 Revaluation adjustment to profit and loss
 Assets transferred from/(to) other asset classes
 Prior year work in progress expensed
 Other internal transfers
 Closing gross value as at 30 June 2018

	Land and improvements		Buildings and structures		Plant and equipment		Cultural assets (i)		Roads, footpaths and bridges		Stormwater drainage		Wastewater infrastructure		Water infrastructure		Work in progress		Total	
	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	67,743,307	275,642,490	275,642,490	52,827,912	-	-	-	-	1,377,392,791	283,858,466	396,162,157	346,698,634	47,807,473	2,848,133,130	-	-	-	-	12,656,623	91,761,375
	3,500	378,740	378,740	-	-	-	-	-	3,905,917	8,518,704	(139,182)	(11,056)	-	12,656,623	-	-	-	-	91,761,375	
	2,530,384	17,539,239	17,539,239	4,033,035	-	-	-	-	26,895,619	1,787,831	1,037,178	2,963,234	35,014,855	91,761,375	-	-	-	-	91,761,375	
	13,800	84,000	84,000	-	-	-	-	-	3,515,323	1,444,177	972,792	382,451	6,392,543	-	-	-	-	-	6,392,543	
	2,442	4,695,716	4,695,716	232,051	-	-	-	-	7,421,239	597,071	1,662,800	1,084,855	(15,706,174)	-	-	-	-	-	(15,706,174)	
	(70,600)	(2,779,551)	(2,779,551)	(2,564,154)	-	-	-	-	(17,749,920)	(229,430)	(1,520,000)	(2,174,741)	-	(27,088,396)	-	-	-	-	(27,088,396)	
	-	6,686,360	6,686,360	-	-	-	-	-	-	-	12,075,258	10,654,826	-	29,416,444	-	-	-	-	29,416,444	
	320,115	-	-	-	-	-	-	-	-	-	-	-	-	320,115	-	-	-	-	320,115	
	(686,300)	-	-	-	-	-	-	-	-	-	-	-	-	(686,300)	-	-	-	-	(686,300)	
	252,509	(980,122)	(980,122)	(16,057)	-	-	-	-	(1,966,996)	2,685,149	13,265	12,252	(96,977)	(96,977)	-	-	-	-	(96,977)	
	70,109,157	301,266,872	301,266,872	54,512,687	-	-	-	-	1,399,373,973	298,661,968	410,284,268	359,600,455	67,019,177	2,960,806,557	-	-	-	-	2,960,806,557	

Accumulated depreciation

Opening balance as at 1 July 2017
 (i) Assets not previously recognised/(derecognised)
 Depreciation provided in period
 Contributed assets
 Depreciation on disposals
 Revaluation adjustment to the asset revaluation surplus
 Revaluation adjustment to profit and loss
 Assets transferred from/(to) other asset classes
 Other internal transfers
 Closing accumulated depreciation as at 30 June 2018
 Total written down value at 30 June 2018
 Residual value
 Range of estimated useful life in years

	Land and improvements		Buildings and structures		Plant and equipment		Cultural assets (i)		Roads, footpaths and bridges		Stormwater drainage		Wastewater infrastructure		Water infrastructure		Work in progress		Total
	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	
	2,566,760	105,535,058	105,535,058	23,012,369	-	-	-	-	372,352,718	90,138,983	118,130,507	141,463,974	-	853,200,369	-	-	-	-	853,200,369
	-	144,773	144,773	-	-	-	-	-	1,294,277	(514,717)	1,016,264	(57,084)	-	1,893,513	-	-	-	-	1,893,513
	10,895	7,669,847	7,669,847	4,274,525	-	-	-	-	19,070,727	3,030,038	4,876,869	5,238,176	-	44,171,077	-	-	-	-	44,171,077
	-	-	-	-	-	-	-	-	219,968	-	-	-	-	219,968	-	-	-	-	219,968
	-	(1,750,200)	(1,750,200)	(1,520,753)	-	-	-	-	(10,316,985)	(101,551)	(689,024)	(1,046,677)	-	(15,325,190)	-	-	-	-	(15,325,190)
	-	3,310,445	3,310,445	-	-	-	-	-	(15,688,592)	486,690	3,543,144	6,606,087	-	(1,712,216)	-	-	-	-	(1,712,216)
	-	-	-	-	-	-	-	-	(87,927)	87,927	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2,577,655	114,909,923	114,909,923	25,766,141	-	-	-	-	366,874,196	93,127,370	126,977,760	152,204,476	-	882,437,521	-	-	-	-	882,437,521
	67,531,502	186,356,949	186,356,949	28,746,546	-	-	-	-	1,032,499,777	205,534,598	283,286,508	207,395,979	67,019,177	2,078,371,036	-	-	-	-	2,078,371,036
	-	9,743,232	9,743,232	-	-	-	-	-	-	-	-	-	-	9,743,232	-	-	-	-	9,743,232
	5-7	5-150	5-150	2-100	Not depreciated	10-100	80	7-90	10-100	10-100	10-100	10-100	-	-	-	-	-	-	-

(i) Further information is provided in Note 15(b).

(ii) Council resolved during the 2017 financial year to no longer recognise cultural assets as a financial asset.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

15 (a) Property, plant and equipment (Cont'd)

Basis of measurement	Land and improvements		Buildings and structures		Plant and equipment		Cultural assets (i)		Roads, footpaths and bridges		Stormwater drainage		Wastewater infrastructure		Water infrastructure		Work in progress		Total
	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	
30 June 2017																			
Asset values																			
Opening gross value as at 1 July 2016	118,590,394	247,975,054	247,975,054	50,372,688	489,769	1,181,005,038	243,470,450	387,850,182	333,105,948	25,068,304	2,587,927,827								
(i) Assets not previously recognised/(derecognised)	-	(206,951)	(206,951)	-	-	63,976,627	25,871,259	1,377,907	6,523	-	91,025,365								
Additions at cost	-	17,641,944	17,641,944	4,571,413	-	16,242,579	1,758,260	6,270,622	2,289,006	35,440,644	84,214,468								
Contributed assets	-	50,000	50,000	10,500	-	838,770	2,163,749	1,185,675	297,098	-	4,545,792								
Internal transfers from work in progress	-	6,270,290	6,270,290	177,522	-	1,619,252	314,112	2,263,835	1,485,965	(12,130,976)	-								
Disposals	(1,000)	(2,067,439)	(2,067,439)	(2,295,429)	-	(8,162,676)	(265,549)	(1,224,355)	(1,226,737)	-	(15,732,956)								
Revaluation adjustment to the asset revaluation surplus	(29,010,322)	9,394,162	9,394,162	-	-	118,905,556	10,511,839	(1,860,343)	10,542,293	-	118,683,185								
Revaluation adjustment to profit and loss	(21,680,152)	-	-	-	-	-	-	-	-	-	(21,680,152)								
Assets transferred from/(to) other asset classes	(279,900)	-	-	-	-	-	-	-	-	-	(279,900)								
Prior year work in progress expensed	-	-	-	(6,892)	-	2,967,647	34,346	-	-	-	(570,499)								
Other internal transfers	124,287	(3,414,570)	(3,414,570)	(6,892)	-	1,377,392,791	263,858,466	396,162,157	198,538	47,807,473	2,848,133,130								
Closing gross value as at 30 June 2017	67,743,307	275,642,490	275,642,490	52,827,812	-	1,377,392,791	263,858,466	396,162,157	198,538	47,807,473	2,848,133,130								
Accumulated depreciation																			
Opening balance as at 1 July 2016	2,831,242	97,602,239	97,602,239	19,979,697	-	307,538,936	67,614,742	125,608,110	147,752,119	-	788,927,085								
(i) Assets not previously recognised/(derecognised)	-	(146,276)	(146,276)	-	-	4,979,917	169,274	210,884	(53,799)	-	5,155,000								
Depreciation provided in period	109,711	6,768,643	6,768,643	4,556,575	-	21,489,086	2,953,531	4,555,204	4,860,076	-	45,292,826								
Contributed assets	-	-	-	-	-	-	-	-	-	-	-								
Depreciation on disposals	-	(1,802,408)	(1,802,408)	(1,523,903)	-	(5,213,271)	(121,798)	(892,201)	(836,726)	-	(10,390,307)								
Revaluation adjustment to the asset revaluation surplus	-	3,569,366	3,569,366	-	-	43,127,545	(600,767)	(11,351,490)	(10,257,696)	-	24,586,958								
Revaluation adjustment to profit and loss	(374,193)	-	-	-	-	-	-	-	-	-	(374,193)								
Assets transferred from/(to) other asset classes	-	(454,506)	(454,506)	-	-	430,505	24,001	-	-	-	-								
Other internal transfers	-	-	-	-	-	-	-	-	-	-	-								
Closing accumulated depreciation as at 30 June 2017	2,566,760	105,535,058	105,535,058	23,012,369	-	372,352,718	60,138,983	118,130,507	141,463,974	-	853,200,369								
Total written down value at 30 June 2017	65,176,547	170,107,432	170,107,432	29,815,443	-	1,005,040,073	193,719,483	278,031,650	205,234,660	47,807,473	1,994,932,761								
Residual value	-	-	-	10,089,811	-	-	-	-	-	-	-								
Range of estimated useful life in years	5-7	5-150	5-150	3-100	Not depreciated	10-100	80	7-90	10-100	-	10,089,811								

(i) Further information is provided in Note 15(b).

(ii) Council resolved during the 2017 financial year to no longer recognise cultural assets as a financial asset.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

15 Property, plant and equipment (Cont'd)

(b) Assets not previously recognised/(derecognised)

Adjustments relate to either assets which have been identified by Council and recognised for the first time, or assets which were unable to be located and have therefore been derecognised, in the current financial year. These include:

- The ongoing review of stormwater assets identified some stormwater drainage assets which, although they were on the asset register, did not exist in Council's GIS system and were unable to be physically verified. Assets with a carrying value of \$2,735,440 were therefore removed from the register.
- The data matching exercise discovered stormwater assets that were not in Council's asset register. These assets with a carrying amount of \$6,839,110 were added to the asset register.
- The review also discovered some stormwater assets that were duplicates of existing assets and other assets where the dimensions and material types were incorrect. A further fair value adjustment of \$4,929,750 was added to the asset register.
- Other minor changes in Council's asset classes arising from the initial recognition/derecognition and data correction of assets amounted to \$1,739,687.

The amount recognised in the comparative period relate to the following:

- Stormwater assets with a carrying value of \$46,686,776 were identified initially by data matching of assets within the Local Government Infrastructure Planning (LGIP) trunk network and the stormwater drainage asset register, and additionally through a more detailed review of stormwater drainage assets beyond the trunk network.
- The review of stormwater assets also identified some stormwater drainage assets which, although they were on the asset register, did not exist in Council's GIS system and were unable to be physically verified. The review also discovered some assets which were duplicates of existing assets and others where the asset was already accounted for as part of the roads, bridges and drainage asset class. Assets with a carrying value of \$23,292,841 were therefore removed from the register.
- Council undertook a resegmentation of its road, bridge and drainage network assets during the year, using updated data collated during a survey completed by an independent consultant in March 2016. The purpose of this project was:

(a) To establish a consistent rule base across the region for defining 'road segments' and ensure these assets correlate to road assets in the financial asset register; and

(b) To ensure that all corporate systems are using the same asset dataset, whether it be for asset identification, location, accounting, maintenance, operational or capital works activities, to enable better asset management outcomes.

The application of updated survey data and the resegmentation exercise resulted in the following outcomes:

- Identification of previously unrecognised assets with a carrying value of \$25,248,414;
- Changes in asset measurements which resulted in an increase in the carrying value of assets by \$33,302,918.
- Other minor changes in values arising from the initial recognition/derecognition of assets in the financial year amounted to \$3,922,099.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

16 Fair value measurements

Council's valuation policies and procedures are reviewed and endorsed by the Audit and Risk Committee for adoption by Council. The committee comprises two Councillors and two external representatives. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment and investment property (recurring fair value measurements) are set out in Note 1.15(ii) and Note 1.14 respectively. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

(a) Recognised fair value measurements

Council measures and recognises the following assets at fair value on a recurring basis:

Investment property
 Property, plant and equipment

- Land and improvements
- Buildings and other structures
- Roads, footpaths and bridges
- Stormwater drainage
- Wastewater infrastructure
- Water infrastructure

Council does not measure any liabilities at fair value on a recurring basis.

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 31 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

The carrying amount of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (level 2).

Council also has assets measured at fair value on a non-recurring basis as a result of being classified as assets held for sale. These comprise land as disclosed in Note 13. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading "Land and improvements (level 3)".

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

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

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

16 Fair value measurements (Cont'd)

(a) Recognised fair value measurements (Cont'd)

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

	Note	Level 2		Level 3		Total	
		Significant other observable inputs		Significant unobservable inputs		Total	
		2018	2017	2018	2017	2018	2017
		\$	\$	\$	\$	\$	\$
<i>Recurring fair value measurements</i>							
Investment property	14						
- Land		1,609,720	2,233,000	4,648,316	5,926,300	6,258,036	8,159,300
- Rental property		783,014	73,213	117,531	114,665	900,545	187,878
Land and improvements	15	8,344,194	8,118,500	59,187,308	57,058,047	67,531,502	65,176,547
Cultural assets	15	-	-	-	-	-	-
Buildings and structures	15						
- Market Value		1,923,625	1,979,154	-	-	1,923,625	1,979,154
- Specialised		-	-	184,433,324	168,128,278	184,433,324	168,128,278
Roads, footpaths and bridges	15	-	-	1,032,499,777	1,005,040,073	1,032,499,777	1,005,040,073
Stormwater drainage	15	-	-	205,534,598	193,719,483	205,534,598	193,719,483
Wastewater infrastructure	15	-	-	283,286,508	278,031,650	283,286,508	278,031,650
Water infrastructure	15	-	-	207,395,979	205,234,660	207,395,979	205,234,660
		12,660,553	12,403,867	1,977,103,341	1,913,253,156	1,989,763,894	1,925,657,023
<i>Non-recurring fair value measurements</i>							
Land held for sale	13	-	-	1,942,834	798,233	1,942,834	798,233
		-	-	1,942,834	798,233	1,942,834	798,233

Council's policy is to recognise transfers in and out of the fair value hierarchy levels at the end of the reporting period. There were transfers during the year from level 3 to level 2 totalling \$30,600 for investment property - land.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

16 Fair value measurements (Cont'd)

(b) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Specific valuation techniques used to value Council assets comprise:

Land and improvements - (Level 2 and 3)

Land fair values were determined by independent and qualified Valuers, Australis Asset Advisory Group based on a comprehensive revaluation effective 30 June 2017. Where an observable market for Council's land assets could be identified, Fair Value was measured by way of a Market Approach (Level 2), utilising sale prices of comparable properties after adjusting for differences in key attributes of the property, such as size. Where a significant adjustment was required between the sales prices of comparable properties, Fair Value was measured by way of a Market Approach (Level 3). All land assets were assessed under a Market Approach as either Level 2 or Level 3. The most significant inputs into this valuation approach are price per square metre. An indice of 1.00% provided by Australis Asset Advisory Group was applied for the 2018 financial year.

Investment property land is measured at fair value. The fair value of the land was determined using the approach described in the preceding paragraph.

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the sales comparison approach described in the preceding paragraph.

Land improvements comprise waste landfill cells which were measured at fair value. Current Replacement Cost was determined by AECOM which referenced landfill areas, volume specifications, estimated labour and material inputs and overhead allocations. Existing supplier contracts and local conditions were factored into the unit rates.

In determining the level of accumulated depreciation, remaining useful lives were determined based on the estimated closure dates of the cell relative to its remaining capacity, or its current use.

Buildings and structures (Level 2 and 3)

Building and structures fair values were determined by independent valuer, AssetVal, effective 30 June 2018, using a desktop valuation approach. The last comprehensive valuation assessment for buildings and structures was performed by AssetVal as at 30 June 2014. The revaluation of assets was assessed using either a direct comparison approach (a level 2 assessment) or the cost approach (current replacement cost) which is a level 3 assessment. The current period desktop valuation applied indexation/growth percentage to asset cost or market values determined in the last comprehensive valuation. This indexation assessment supplied by AssetVal has regard to the movement of costs of specified asset categories during the period 1 July 2017 to 30 June 2018.

Buildings and structures (level 3) were assessed by analysing data derived from Rawlinsons Australia Construction Handbook 2017, Costweb and the Australian Bureau of Statistics. The indexation assessment is based on inputs from producer price data, construction indices and recent construction cost guides. The buildings - Level 3 category adopted a 2.5% increase and structures category adopted a 1% increase. Indexation for buildings assessed on a market (level 2) basis at the original valuation has been undertaken with consideration of local market sales and general property movement in the region from 1 July 2017 to 30 June 2018. For the buildings - Level 2 category a 1.0% decrease was applied.

Ponds assets were assessed with regard to indices developed from inputs extracted from producer price, local government and construction indices. The civil index is a composite index developed from combining the road and bridge index with the engineering design and management index. The split is based on an estimated project cost breakdown of 60% and 40% respectively. The 'Ponds' category adopted a 4% increase.

Investment property rental property is measured at fair value. The fair value of the rental property was determined using the market value or cost approach described in the preceding paragraph.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

16 Fair value measurements (Cont'd)

(b) Valuation techniques used to derive fair values for level 2 and level 3 valuations (Cont'd)

Infrastructure assets (Level 3)

All Council infrastructure assets were measured at fair value using a cost approach valuation technique. The fair value was the asset's current replacement cost (CRC) less accumulated depreciation on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and 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 Council's planning horizon.

Roads, footpaths and bridges

Council categorises its road infrastructure in urban and rural roads and then further sub-categorises these into sealed and unsealed roads. During 2016-17 Council undertook a survey and re-segmentation of its roads network which confirmed asset linear and area specifications for input into the calculation of current replacement cost (CRC). All road segments are then componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is calculated by reference to asset linear and area specifications, then applying rates based on road stereotypes established by Roads Alliance Valuation Project (RAVP) a joint initiative by Local Government Association of Queensland and the Queensland Government. The RAVP approach uses valuation components, the replacement value of the reference asset is estimated based on the quantum of plant, labour, materials and indirect costs required to create it using the appropriate Work Breakdown Schedules (WBS). WBS are developed using the assumptions including width, length, pavement depth and clearing areas for each appropriate combination of the road stereotype, terrain, environment and soil type.

The roads, footpaths and bridges fair values were determined by independent and qualified Valuers, Lemmah Pty Ltd based on a comprehensive valuation effective 30 June 2017. During 2016-17 Council reviewed the asset valuation methodology for this class resulting in significant changes in the key valuation inputs, including unit rates and useful lives. These changes are considered to better reflect Council's current practices and road types. The revaluation was based on the RAVP methodology and rates which were adjusted to reflect local cost inputs for plant, labour and overheads. Lemmah Pty Ltd advised that Council remain with 2017 unit rates and consequently no revaluation was processed for the current year.

In determining the level of accumulated depreciation, remaining useful lives were determined based on condition assessments. The condition assessments were made using a 10 point scale. A 0 condition assessment indicates an asset with a very high level of remaining service potential and 10 represents an asset at the end of its useful life.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

16 Fair value measurements (Cont'd)

(b) Valuation techniques used to derive fair values for level 2 and level 3 valuations (Cont'd)

Stormwater drainage

The stormwater drainage fair values were determined by independent and qualified Valuers, Lemmah Pty Ltd based on a comprehensive valuation effective 30 June 2017. The methodology and unit rates for stormwater drainage were developed through the RAVP. Lemmah Pty Ltd advised that Council remain with 2017 unit rates and consequently no revaluation was processed for the current year.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Where drainage assets are located underground and physical inspection is not possible, the age, size and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date. Construction estimates were determined on a similar basis to roads.

In determining the level of accumulated depreciation, remaining useful lives were determined based on condition assessments. The condition assessments were made using a 10 point scale. A 0 condition assessment indicates an asset with a very high level of remaining service potential and 10 represents an asset at the end of its useful life.

Water and wastewater infrastructure

Water and wastewater active infrastructure assets fair values were determined by independent and qualified Valuers, Australis Asset Advisory Group based on a comprehensive revaluation effective 30 June 2017. Active assets include Treatment Plants, Pump Stations and Reservoirs. These were componentised dependant on size, capacity, site conditions and other relevant factors. Current replacement cost (CRC) was calculated by reference to asset linear and area specifications, or lump sum estimated labour and material inputs, service costs and overhead allocations. An index of 2.19% provided by Australis Asset Advisory Group was applied for the 2018 financial year.

A comprehensive valuation of water and wastewater passive assets was undertaken by AssetVal effective 30 June 2015. In 2017, Council engaged AssetVal to provide indices to determine whether there has been a material change in the current replacement cost over the index period for the water and wastewater passive assets. The passive water and wastewater price movements were determined by calculating a composite civil index combining the road and bridge index, the engineering design and management index and the concrete product manufacturing index. The weighting of each index is based on an estimated project cost breakdown at 30%, 40% and 30% respectively. An index of 3.50% provided by AssetVal was applied for the 2018 financial year.

Australis conducted a physical condition survey of the physically accessible assets. Australis has utilised a 0 to 10 point scoring system. A 0 condition assessment indicates an asset with a very high level of remaining service potential and 10 represents an asset at the end of its useful life. The physical condition assessment applied any obsolescence factors to arrive at an adopted remaining useful life. While the inputs to the gross replacement cost being a rate per square metre or per unit can be supported by market evidence (Level 2), the estimates of useful life, pattern of consumption and condition score, which are used to calculate the accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified a level 3.

Where site inspections were not conducted (i.e. for passive assets and active assets for which no site inspections were undertaken), the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.

Estimated useful lives and residual values are disclosed in Note 15.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

16 Fair value measurements (Cont'd)

(c) Changes in fair value measurements using significant unobservable inputs (Level 3 Assets)

The changes in level 3 assets with recurring fair value measurements are detailed in Note 14 and Note 15. However, since the land and improvements, buildings and structures and investment property disclosed in those notes comprise of both level 2 and level 3 assets, the movement in level 3 assets are detailed below.

	Buildings and structures - specialised		Investment property		Land and improvements	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Asset values						
Opening gross value	273,563,027	245,931,943	6,040,965	5,620,205	59,624,807	118,590,394
Transfers to level 2 assets	-	-	(30,600)	(2,233,000)	-	(7,778,200)
Assets not previously recognised/(derecognised)	378,740	(206,951)	-	-	3,500	-
Additions	22,234,955	23,869,399	-	-	2,530,384	-
Contributed assets	84,000	50,000	-	-	13,800	-
Disposals	(2,779,551)	(2,060,957)	(175,000)	-	-	(1,000)
Revaluation adjustment	6,707,155	9,394,163	50,682	2,917,860	278,772	(50,690,474)
Transfers	(980,122)	(3,414,570)	(1,120,200)	(264,100)	(686,300)	(495,913)
Closing gross value	299,208,204	273,563,027	4,765,847	6,040,965	61,764,963	59,624,807
Accumulated depreciation						
Opening balance	105,434,749	97,531,303	-	-	2,566,760	2,831,242
Assets not previously recognised/(derecognised)	144,773	(148,276)	-	-	-	-
Depreciation provided in period	7,633,749	6,732,788	-	-	10,895	109,711
Depreciation on disposals	(1,750,200)	(1,795,926)	-	-	-	-
Revaluation adjustment	3,311,809	3,569,366	-	-	-	(374,193)
Transfers	-	(454,506)	-	-	-	-
Closing accumulated depreciation	114,774,880	105,434,749	-	-	2,577,655	2,566,760
Written down value	184,433,324	168,128,278	4,765,847	6,040,965	59,187,308	57,058,047

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

17 Intangible assets

30 June 2018

Basis of measurement

Asset values

Opening gross carrying value as at 1 July 2017
 Additions at cost
 Internal transfers from work in progress
 Disposals
 Prior year work in progress expensed
 Assets transferred from/(to) property plant and equipment
 Closing gross carrying value as at 30 June 2018

Accumulated amortisation

Opening balance as at 1 July 2017
 Amortisation provided in period
 Amortisation on disposals
 Closing accumulated amortisation as at 30 June 2018
 Total intangible assets at 30 June 2018

	Computer Software	Land Lease	Water Rights	Work in progress	Total
Cost		Cost	Cost	Cost	
\$	\$	\$	\$	\$	\$
3,627,504	311,000	4,346,253	-	8,284,757	
141,900	-	-	-	141,900	
-	-	-	-	-	
(768,351)	-	-	-	(768,351)	
-	-	-	-	-	
-	-	-	-	-	
3,001,053	311,000	4,346,253	-	7,658,306	
1,724,488	-	-	-	1,724,488	
327,110	-	-	-	327,110	
(718,904)	-	-	-	(718,904)	
1,332,694	-	-	-	1,332,694	
1,668,359	311,000	4,346,253	-	6,325,612	

Computer software have finite estimated useful lives of 3-50 years. Straight line amortisation has been used with no residual value.

Land lease and water rights have an indefinite useful life, and as such are not amortised.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

17 Intangible assets

30 June 2017

Basis of measurement

Asset values

Opening gross carrying value as at 1 July 2016
 Additions at cost
 Internal transfers from work in progress
 Disposals
 Prior year work in progress expensed
 Assets transferred from/(to) property plant and equipment
 Closing gross carrying value as at 30 June 2017

Accumulated amortisation

Opening balance as at 1 July 2016
 Amortisation provided in period
 Amortisation on disposals
 Closing accumulated amortisation as at 30 June 2017
 Total intangible assets at 30 June 2017

	Computer Software		Land Lease		Water Rights		Work in progress		Total
	Cost	\$	Cost	\$	Cost	\$	Cost	\$	
	3,789,767		311,000		4,346,253		-		8,447,020
	-		-		-		-		-
	-		-		-		-		-
	(162,263)		-		-		-		(162,263)
	-		-		-		-		-
	-		-		-		-		-
	3,627,504		311,000		4,346,253		-		8,284,757
	1,341,233		-		-		-		1,341,233
	495,763		-		-		-		495,763
	(112,508)		-		-		-		(112,508)
	1,724,488		-		-		-		1,724,488
	1,903,016		311,000		4,346,253		-		6,560,269

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
18 Trade and other payables			
Creditors and accruals		7,840,662	17,810,693
Annual leave		4,719,365	4,451,703
Wages and other employee entitlements		925,191	854,823
		<u>13,485,218</u>	<u>23,117,219</u>
19 Borrowings			
Current			
Loans - Queensland Treasury Corporation		<u>6,878,851</u>	<u>5,638,483</u>
Non-Current			
Loans - Queensland Treasury Corporation		<u>71,431,485</u>	<u>52,638,535</u>
Loans - Queensland Treasury Corporation			
Opening balance		58,277,018	63,533,438
Loans raised		25,500,000	-
Principal repayments		(5,512,636)	(5,236,261)
Movement in interest payable		45,954	(20,159)
Balance at end of financial year		<u>78,310,336</u>	<u>58,277,018</u>

Financing facilities are limited by the requirement to obtain State Government approval for all loan applications. All loans are unsecured.

No interest has been capitalised during the current or comparative reporting period.

Expected final repayment dates vary from 15 March 2021 to 15 March 2038.

There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

Council has an approved monthly Credit Card Facility Limit with the Commonwealth Bank of Australia of \$1,965,000. \$1,157,249 remained unutilised at 30 June 2018. This amount is not reflected in the amounts above.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
20 Provisions			
Current			
Landfill restoration		355,298	139,050
Long service leave		12,033,845	11,950,786
		<u>12,389,143</u>	<u>12,089,836</u>
Non-Current			
Landfill restoration		17,591,529	16,223,452
Long service leave		640,119	782,276
		<u>18,231,648</u>	<u>17,005,728</u>
Details of movements in provisions:			
(a) Landfill restoration provision			
Opening balance		16,362,502	15,466,609
Recognition of landfill restoration assets		2,529,493	-
Increase in provision - finance cost due to change in time	8	441,350	420,220
Increase/(decrease) in provision - change in discount rate		(310,270)	5,823
Decrease in provision for actual restoration expenditure		(301,908)	(276,396)
Increase/(decrease) in estimate of future cost		(774,340)	746,246
Balance at end of financial year		<u>17,946,827</u>	<u>16,362,502</u>
<p>A provision is made for the cost of restoration of assets and other future restoration costs where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of the facility. This liability is provided in respect of significant operational landfills.</p> <p>It represents the present value of the anticipated future costs associated with the closure of the landfills, decontamination and monitoring of historical residues and leaching on these sites.</p>			
(b) Long service leave provision			
Opening balance		12,733,062	12,850,073
Additional provision made during the period		1,548,705	1,538,295
Amounts used during the period		(1,418,957)	(1,409,618)
Unused amounts reversed during the period		(76,263)	(47,200)
Change in discount and time		(112,583)	(198,488)
Balance at end of financial year		<u>12,673,964</u>	<u>12,733,062</u>

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
21 Asset revaluation surplus			
(a) Movements in the asset revaluation surplus were as follows:			
Opening balance		461,030,782	366,960,096
Movement in property plant and equipment		31,128,661	94,096,227
Derecognition of cultural assets		-	(25,541)
Balance at end of financial year		<u>492,159,443</u>	<u>461,030,782</u>
(b) Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Buildings and structures		37,995,212	34,619,296
Roads, footpaths and bridges		214,910,102	199,251,521
Stormwater drainage		53,679,989	54,166,681
Wastewater infrastructure		103,916,548	95,384,431
Water infrastructure		81,657,592	77,608,853
		<u>492,159,443</u>	<u>461,030,782</u>

The asset revaluation surplus comprises adjustments relating to changes in value of non-current assets 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.

22 Retained surplus			
Internally restricted cash	10	49,763,697	47,865,618
Unspent capital grants, subsidies and contributions	10	6,830,640	4,901,144
Unspent infrastructure charges	10	20,680,793	18,852,111
Unallocated surplus		33,202,536	15,525,270
		<u>110,477,666</u>	<u>87,144,143</u>

Retained surplus represents restricted cash as outlined in Note 10 along with the remaining (unallocated) funds that are available to meet specific future funding needs. An unallocated surplus represents the accumulative amount available to Council that may be used to offset against expenditure in the following year.

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
23 Commitments for expenditure			
(a) Operating leases			
Minimum lease payments in relation to non-cancellable operating leases are as follows:			
Not later than one year		690,831	470,243
Later than one year but not later than five years		1,033,597	1,064,567
Later than five years		156,786	252,485
		<u>1,881,214</u>	<u>1,787,295</u>
Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term. Council only discloses lease commitments associated with leases with a payment of over \$2,000 per year.			
(b) Recurrent commitments			
Significant recurrent contractual commitments at the reporting date but not recognised as liabilities		<u>6,691,140</u>	<u>4,019,525</u>
(c) Capital commitments			
Significant capital contractual commitments at the reporting date but not recognised as liabilities are as follows:			
Buildings and structures		500,000	12,030,830
Plant and equipment		1,789,190	-
Roads, footpaths and bridges		9,364,882	1,842,863
Wastewater infrastructure		2,570,638	18,205,916
Water infrastructure		452,060	1,126,570
		<u>14,676,770</u>	<u>33,206,179</u>
Council only discloses individual contractual and capital commitments over \$200,000.			
24 Expected operating lease income			
(a) Lease receipts			
Future minimum lease payments are expected to be received in relation to non-cancellable operating leases as follows:			
Not later than one year		392,301	393,908
Later than one year but not later than five years		1,267,627	1,162,396
Later than five years		1,380,881	1,619,727
		<u>3,040,809</u>	<u>3,176,031</u>
(b) Sub-lease receipts			
Future minimum lease payments are expected to be received in relation to non-cancellable sub-leases of operating leases as follows:			
Not later than one year		238,767	192,496
Later than one year but not later than five years		746,427	694,178
Later than five years		336,754	520,670
		<u>1,321,948</u>	<u>1,407,344</u>
(c) Contingent rent for the period		<u>145,481</u>	<u>154,881</u>
Council only discloses expected lease income for leases with a yearly income greater than 1% of the total annual lease income of Council.			

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	30-Jun-18	30-Jun-17
Note	\$	\$

25 Contingent liabilities

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

Claims

Council is a defendant in a number of claims that arise as a result of the operations of Council. Council is of the opinion that the claims can be successfully defended and that no costs in excess of the recorded accruals will result. Information in respect of individual claims has not been disclosed in accordance with AASB137 *Provisions, Contingent Liabilities and Contingent Assets* on the basis that council considers such disclosures would seriously prejudice the outcome of the claims.

Landfills

Council has a number of operational and closed landfills throughout the region. Obligations for future remediation are determined annually, with the nature and extent of work required dependant on a condition assessment of the land and any proposed use of that land. The future use of the land has not yet been determined for closed landfills. Council has yet to make a formal determination on the closure of smaller operational landfills and has delayed the remediation of part of the University Drive Landfill. As a consequence Council is unable to reliably estimate potential rehabilitation costs for these sites. A provision for restoration costs for larger operational landfills has been disclosed in Note 20.

Local Government Mutual

Council is a member of the local government mutual liability self-insurance pool, Queensland Local Government Mutual Liability Pool. In the event of the scheme being wound up or if 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 scheme members in the same proportion as their contribution is to the total scheme contributions, in respect to any year that a deficit arises. As at June 2018 the financial statements reported an accumulated surplus and it is not anticipated that any liability will arise.

Local Government Workcare

Council is a member of the Local Government Self-Insurance Scheme, Local Government Workcare. Under this scheme Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled because of insufficient funds being available to cover outstanding liabilities. Only Local Government Workcare may call on any part of the guarantee should the above circumstances arise.

Council's maximum exposure is:	1,960,843	2,102,687
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Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
26 Superannuation - Regional Defined Benefits Fund			
<p>Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the <i>Local Government Act 2009</i>.</p> <p>The scheme is a defined benefit plan, however Council 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.</p> <p>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 Council.</p> <p>Technically Bundaberg Regional Council 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 Council's obligations will only be made on the advice of an actuary.</p> <p>The last completed actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.</p> <p>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.</p> <p>Another actuarial investigation is being conducted as at 1 July 2018. At the time of signing these financial statements this investigation is still in progress.</p> <p>The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:</p> <p>Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.</p> <p>Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.</p> <p>There are currently 63 entities contributing to the scheme and any changes in contribution rates would apply equally to all 63 entities. Bundaberg Regional Council made 4.51% of the total contributions to the plan for the 2017-18 financial year.</p>			
Superannuation contributions made to the Regional Defined Benefits Fund		800,444	902,647
Other superannuation contributions for employees		5,686,185	5,454,033
Total superannuation contributions paid by Council for employees:	6	<u>6,486,629</u>	<u>6,356,680</u>
Contributions Council expects to make to the Regional Defined Benefits Fund for 2018/2019 financial year:		<u>750,262</u>	

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
27 Trust funds			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities:		3,361,001	3,218,366
Council performs only a custodial role in respect of these monies and because the monies cannot be used by Council, they are not brought to account in these financial statements.			
28 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities			
Net result		46,668,876	24,710,988
Non-cash operating items:			
Depreciation of property plant and equipment	15	44,171,077	45,292,826
Amortisation of intangible assets	17	327,110	495,763
Change in restoration provision to finance costs	8	441,350	420,220
Current cost of developed land sold	12(b)	20,046	21,656
Prior year work in progress expensed	15	96,977	570,499
		45,056,560	46,800,964
Investing and financing activities:			
Change in restoration provision		(1,424,224)	386,780
Capital grants, subsidies, other contributions and donations	4(b)	(38,974,335)	(30,351,394)
Loss on disposal of non-current assets	9	11,325,162	4,598,544
Loss on disposal of non-current assets	9	49,447	
Loss on impairment of non-current assets held for sale	9	606,165	12,401
Loss on sale of investment property	9	43,356	-
Revaluation decrement of land and improvements	5	(283,300)	21,394,852
Revaluation of investment property	5	(64,102)	(2,917,860)
Compensation for assets written off	5	(299,682)	(16,864)
Loss on sale of non-current assets held for sale	9	245,472	(2,440)
		(28,776,041)	(6,895,981)
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		2,140,636	(1,360,687)
(Increase)/decrease in inventories		(69,179)	25,837
Increase/(decrease) in payables		(2,401,731)	984,169
Increase/(decrease) in long service leave provision		(59,098)	(117,011)
Increase/(decrease) in unearned revenue		24,996	113,770
		(364,376)	(353,922)
Net cash inflow from operating activities		62,585,019	64,262,049

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

29 Reconciliation of liabilities arising from finance activities

	Note	As at 30 June 2017	Cash flows	Non-cash movement	As at 30 June 2018
Loans	19	58,277,018	19,987,364	45,954	78,310,336

30 Events after the reporting period

There were no material adjusting or non-adjusting events after the balance date.

31 Financial instruments and financial risk management

Financial risk management

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

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. Council aims to manage volatility to minimise potential adverse effects on the financial performance of Council.

Council does not enter into derivatives or other high risk investments.

(a) Credit risk

Credit risk exposure refers to the situation where Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts. In effect this power protects Council against credit risk in the case of these debts.

In other cases, Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk. There is no concentration of credit risk for trade and other receivables.

Council is exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC) and deposits held with banks and other financial institutions in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with regulated financial institutions which are rated AAA to BBB based on ratings agency Standard & Poors, and whilst not capital guaranteed, the likelihood of a credit failure is remote.

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

By the nature of Council's operations, there is a geographical concentration of risk in Council's area. Because the area is largely agricultural, there is also a concentration in the agricultural sector.

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

Financial assets

	Note	2018	2017
Cash and cash equivalents	10	124,464,224	106,021,236
Receivables - rates	11	4,665,557	5,751,868
Receivables - other	11	8,484,885	9,281,722
Other credit exposures - Guarantee	25	1,960,843	2,102,687
Total		139,575,509	123,157,513

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

31 Financial instruments (Cont'd)

(a) Credit risk (Cont'd)

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

Included within Council's receivable balance are debtors past due date for which Council has not provided against as there has been no significant change in credit quality and amounts are still considered recoverable.

The following table represents an analysis of the age of Council's financial assets that are either fully performing, past due or impaired:

	2018	2017
Not past due	6,656,633	6,239,285
Past due less than 30 days	781,381	1,630,725
Past due 31-60 days	585,682	711,212
Past due 61-90 days	27,735	51,896
Past due more than 90 days	5,433,554	6,517,319
Impairment	(334,543)	(116,847)
Total	<u>13,150,442</u>	<u>15,033,590</u>

(b) Liquidity risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting obligations associated with financial liabilities. Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from QTC for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient cash reserves and undrawn facilities both short and long term to cater for unexpected volatility in cash flows. The following facilities were available but not utilised at the end of the reporting period.

	2018	2017
Approved Credit Card Facility - Commonwealth Bank of Australia	1,965,000	1,965,000
Available at 30 June	1,157,249	1,133,202

The following table sets out the liquidity risk of financial liabilities held by Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual (principal and interest) undiscounted cash flows at balance date:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2018					
Trade and other payables	13,485,218	-	-	13,485,218	13,485,218
Loans - QTC	10,326,114	36,983,791	56,202,728	103,512,633	78,310,336
	<u>23,811,332</u>	<u>36,983,791</u>	<u>56,202,728</u>	<u>116,997,851</u>	<u>91,795,554</u>
2017					
Trade and other payables	23,117,219	-	-	23,117,219	23,117,219
Loans - QTC	8,494,053	31,769,478	35,935,673	76,199,204	58,277,018
	<u>31,611,272</u>	<u>31,769,478</u>	<u>35,935,673</u>	<u>99,316,423</u>	<u>81,394,237</u>

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

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

31 Financial instruments (Cont'd)

(c) Market risk

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

Interest rate risk

Council is exposed to interest rate risk through its investments held with financial institutions.

Financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity. Council's loan portfolio is subject to fixed interest rates.

Sensitivity

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

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

	Net carrying amount		Profit		Equity	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Deposits - Call	53,350,000	37,400,000	533,500	374,000	533,500	374,000
Term Deposits	69,420,000	67,900,000	694,200	679,000	694,200	679,000
	<u>122,770,000</u>	<u>105,300,000</u>	<u>1,227,700</u>	<u>1,053,000</u>	<u>1,227,700</u>	<u>1,053,000</u>

Fair value

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

QTC applies a book rate approach in the management of debt. The book value represents the carrying value based on amortised cost using the effective interest method.

The net fair values of other financial assets and liabilities, except QTC loans, approximates their carrying amounts.

Financial liabilities

	Note	2018		2017	
		Carrying amount	Fair Value	Carrying amount	Fair Value
		\$	\$	\$	\$
Loans - QTC	19	<u>78,310,336</u>	<u>83,942,127</u>	<u>58,277,018</u>	<u>64,528,961</u>

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
32 Transactions with related parties			
(a) Joint controlled entities			
Council is a joint member of the Wide Bay Burnett Regional Organisation of Councils (WBBROC) Incorporated.			
WBBROC represents the interests of all councils within the Wide Bay Burnett region. WBBROC lobbies Federal and State Governments on behalf of members Councils on matters of common interest and is often the point of contact for other levels of Government seeking the views of Councils on a broad range of issues.			
WBBROC other member Councils are Cherbourg Community Council, Fraser Coast Regional Council, Gympie Regional Council, North Burnett Regional Council and South Burnett Regional Council.			
The following transactions occurred with WBBROC:			
Council membership contributions		95,289	78,510
WBBROC is dependent on contributions from member Councils.			
(b) Key management personnel (KMP) compensation			
KMP include the Mayor, Councillors, Chief Executive Officer and members of the Executive Leadership Team.			
The compensation paid to KMP comprises:			
Short-term benefits		2,485,097	2,292,114
Long-term benefits		25,580	13,133
Post-employment benefits		262,886	221,469
		<u>2,773,563</u>	<u>2,526,716</u>
Additional remuneration disclosures are provided in the Annual Report.			
(c) Transactions with other related parties			
Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.			
Details of transactions between Council and other related parties are disclosed below:			
Donation to an entity controlled by KMP	(i)	-	23,259
Provision of facilities to an entity controlled by KMP	(i)	-	55,225
Purchases of materials and services from entities controlled by KMP	(ii)	74,402	64,829

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
32 Related parties (Cont'd)			
(c) Transactions with other related parties (Cont'd)			
(i) Council has historically supported the Bundaberg Police Citizens Youth Club (PCYC) in providing a broad range of recreational, youth and sporting programs, catering to all sections of the community. During 2017 Council provided temporary accommodation for the PCYC, as well as reimbursing relocation expenses. Former Councillor David Batt held the position of Deputy Chairman of the PCYC during his tenure.			
(ii) Impact Community Services Inc.		74,402	64,829
<p>Included above are services purchased from the following -</p> <p>Impact Community Services (Impact) are engaged by Council under a panel of prequalified suppliers for transportation services in relation to waste throughout the region. Impact is a not-for-profit organisation which offers a wide range of support, training and employment programs to the Bundaberg community. Former Councillor David Batt held the position of Chairperson of Impact during his tenure.</p> <p>Council employs 776 full time equivalent staff. Less than 1% of staff are close family members of KMP with their remuneration representing less than 1% of employee benefits. All close family members of KMP were employed through an arm's length process. They are paid in accordance with the relevant industrial award for the job they perform and Council's enterprise bargaining agreement.</p> <p>Council has 83 community service lease agreements where Council owned facilities are leased at a nominal value. 5% of these leases are with community groups which are related parties of KMP. The community groups are required under the lease to maintain and operate the facilities at their expense. Council believes the value of the maintenance and operating costs borne by groups approximates the lease value forgone.</p>			
(d) Outstanding balances			
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:			
Contribution to Eggmollesse Street drainage works		-	80,000
(i) Council had an infrastructure deed with Across The Waves (ATW) in relation to drainage works in Eggmollesse Street associated with an adjoining development. This contribution has now been paid and the works completed. The agreement was executed by senior staff in accordance with the <i>Sustainable Planning Act 2009</i> , Council's Planning Scheme and Register of Delegations. Former Councillor David Batt held the position of Committee Member of ATW during his tenure.			
No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.			
(e) Loans and guarantees to/from related parties			
Council does not make loans to or receive loans from related parties. No guarantees have been provided.			
(f) Commitments to/from other related parties			
Council has no outstanding commitments to/from other related parties.			

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

33 National competition policy

Business activities to which the code of competitive conduct is applied

Bundaberg Regional Council has applied the competitive code of conduct (CCC) to the following activities:

Water and Wastewater Operations;
Waste Management;
Council's Holiday Parks; and
Bundaberg Airport.

This requires the application of full cost pricing, the identification of community service obligations (CSOs) and the elimination of any advantages or disadvantages of public ownership within that activity.

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

In calculating the value of some CSOs management is required to make judgements, estimates and assumptions which may impact on the values disclosed. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following table summarises the financial performance of Council's activities subject to the CCC:

Financial performance of activities subject to competition reforms:

	Water	Wastewater	Waste Management	Council Holiday Parks	Bundaberg Airport
	2018	2018	2018	2018	2018
	\$	\$	\$	\$	\$
Revenue for services provided to Council	1,465,467	445,494	242,051	-	-
Revenue for services provided to external clients	27,384,352	27,731,724	18,625,521	2,691,334	4,825,851
Community service obligations	1,192,346	998,906	3,878,624	-	551,191
	30,042,165	29,176,124	22,746,195	2,691,334	5,377,042
Less: Expenditure	(16,537,896)	(15,402,553)	(14,739,438)	(2,342,670)	(3,530,811)
Surplus/(deficiency)	13,504,269	13,773,571	8,006,757	348,664	1,846,231

Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2018

33 National competition policy (Cont'd)

Description of CSOs provided to business activities

Activities	CSO description	Amount
		\$
Water	Provision of water allocations to unlicensed sporting clubs free of charge	\$188,151
	Pension remissions	\$159,199
	Water leak relief	\$78,574
	Infrastructure charges incentives	\$698,658
	Internal bulk water provisions	\$67,764
Wastewater	Providing pedestal discount for community and aged care facilities	\$308,405
	Infrastructure charges incentives	\$483,242
	Pension remissions	\$207,259
Waste Management	Provision of bins and waste disposal for community events	\$23,340
	Provision of free disposal days for residents	\$224,243
	Provision of free storm damage disposal for residents	\$173,821
	In-kind assistance - for charities	\$77,999
	Unrecovered costs incurred in operating rural transfer stations	\$412,533
	Internal waste collection	\$2,776,424
	Pension remissions	\$190,264
Bundaberg Airport	Access agreement	\$551,191


3.6 Management Certificate

For the year ended 30 June 2018

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

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

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



Mayor
Date: 20 / 7 / 18



Chief Executive Officer
Date: 19 / 7 / 18

3.7 Independent Auditor's Report - Financial Statements

Independent Auditor's Report cont'd

Independent Auditor's Report cont'd

3.8.1 Current Year Financial Sustainability Statement

For the year ended 30 June 2018

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's general purpose financial statements for the year ended 30 June 2018.

Measures of Financial Sustainability

Council's performance at 30 June 2018 against key financial ratios and targets:


	How the measure is calculated	2018	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	10%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense for infrastructure assets.	67%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-12%	not greater than 60%

3.8.2 Current Year Financial Sustainability Statement - Certificate of Accuracy

For the year ended 30 June 2018

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

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



Mayor
Date: 20 / 9 / 18



Chief Executive Officer
Date: 19 / 9 / 18

3.8.3 Independent Auditor's Report - Financial Sustainability Statement

3.8.4 Long Term Financial Sustainability Statement

For the year ended 30 June 2018

Measures of Financial Sustainability

	How the measure is calculated	Target	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	2%	0%	2%	1%	2%	2%	3%	3%	2%
Asset sustainability ratio	Capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense for infrastructure assets.	greater than 90%	106%	59%	53%	41%	56%	55%	42%	54%	48%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	6%	21%	21%	14%	2%	-8%	-19%	-22%	-29%

Financial Management Strategy

Council's vision through its Corporate Plan 2019-2023 is to build Australia's best regional community, where residents enjoy a safe and healthy lifestyle in a region that is attractive, economically prosperous and inclusive and supportive of its members. Council's financial management strategy supports the delivery of these outcomes by ensuring that the allocation of financial and physical resources is aligned with the goals of this vision. The specific strategies are outlined in include its Long Term Financial Plan 2019-2028 and are summarised below:

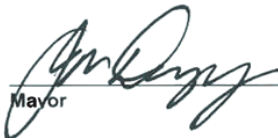
- Optimising organisational efficiencies.
- Pursuing spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden.
- Ensuring that decisions and actions taken have due regard for the financial effects on future generations.
- Confronting issues of inter-generational equity so that the financial burden does not adversely affect current or future ratepayers.
- Making certain that when new assets are acquired or constructed, the Long Term Financial Forecast captures 'whole of life costs'.
- Delivering an increased focus on asset management to ensure appropriate maintenance and renewal of assets that supports service standards in the region.
- Securing as much grant funding as possible to contribute to the cost of constructing new capital infrastructure.
- Optimising the capital and borrowing programs by ensuring the delivery of projects meets the objectives of the financial strategy whilst debt remains within acceptable limits.
- Investing surplus funds subject to Council's approved risk profile, with the aim of maximising investment returns to minimise financial impacts on ratepayers.

3.8.5 Long Term Financial Sustainability Statement - Certificate of Accuracy

For the year ended 30 June 2018

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

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



Mayor
Date: 29 / 9 / 18



Chief Executive Officer
Date: 19 / 9 / 18

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4 Statutory Information

Mayor and Councillors

4.1 Remuneration of the Mayor and Councillors

In accordance with section 186(a) of the *Local Government Regulation 2012*, the total remuneration paid to each Councillor during the financial year are as follows.

Table 4.1

Division	Councillor	Remuneration	Superannuation
	Mayor Jack Dempsey	\$148,535.92	\$17,824.31
1	Cr Jason Bartels	\$85,993.96	\$10,319.28
2	Cr Bill Trevor (Deputy Mayor)	\$97,722.04	\$11,726.64
3	Cr Wayne Honor	\$85,993.96	\$10,319.28
4	Cr Helen Blackburn	\$85,993.96	\$10,319.28
5	Cr Greg Barnes	\$85,993.96	\$10,319.28
6	Cr Scott Rowleson	\$85,993.96	\$10,319.28
7	Cr Ross Sommerfeld	\$85,993.96	\$10,319.28
8	Cr David Batt	\$30,759.38	\$3,691.13
8	Cr Steve Cooper	\$31,751.62	\$3,810.19
9	Cr Judy Peters	\$85,993.96	\$10,319.28
10	Cr Peter Heuser	\$46,635.19	\$5,596.22
10	Cr John Learmonth	\$29,105.65	\$3,492.68

4.2 Reimbursement of Expenses and Provision of Facilities

In accordance with section 186(b) of the *Local Government Regulation 2012*, the total expenses incurred by, and the facilities provided to each Councillor during the financial year under Expenses and Reimbursement for Councillors Policy are as follows.

Table 4.2

Division	Councillor	Reimbursement of Expenses and Provision of Facilities	Note
	Mayor Jack Dempsey	\$31,898.49	Costs for provision of facilities (including travel) is included in the Reimbursement of Expenses
1	Cr Jason Bartels	\$17,176.28	
2	Cr Bill Trevor (Deputy Mayor)	\$17,982.03	
3	Cr Wayne Honor	\$15,481.51	
4	Cr Helen Blackburn	\$17,245.61	
5	Cr Greg Barnes	\$16,731.93	
6	Cr Scott Rowleson	\$18,364.40	
7	Cr Ross Sommerfeld	\$17,004.52	
8	Cr David Batt	\$6,880.03	
8	Cr Steve Cooper	\$4,228.01	
9	Cr Judy Peters	\$14,010.27	
10	Cr Peter Heuser	\$6,752.03	
10	Cr John Learmonth	\$3,828.08	

A copy of Council's Policy is available at bundaberg.qld.gov.au/council/councildocuments.

4.3 Overseas travel

In accordance with section 188 of the *Local Government Regulation 2012* the following overseas travel expenses were incurred by Councillors or Council employees in an official capacity during the financial year.

Table 4.3

Councillor	From	To	Destination	Purpose	Total
Mayor Jack Dempsey	31 May 2018	8 June 2018	Boston, USA	Queensland Premiers Trade and Business Delegation	\$9,799.04 (included in Reimbursement of Expenses s4.2)
Cr William Trevor	8 September 2017	19 September 2017	Nanning, China	Sister Cities Visit - China ASEAN Trade Expo and Business Meetings.	\$11,630.17 (included in Reimbursement of Expenses s4.2)
Cr Greg Barnes					
Cr Scott Rowleson					
Stephen Johnston – Chief Executive Officer	8 September 2017	19 September 2017	Nanning, China	Sister Cities Visit - China ASEAN Trade Expo and Business Meetings.	

4.4 Attendance at Council meetings

In accordance with section 186(c) of the *Local Government Regulation 2012*, the attendance of Councillors at Ordinary and Special Meetings is detailed below.

Please note the following movement of Councillors over the financial year:

- Councillor David Batt resigned as Councillor effective from 7 December 2017.
- Councillor Peter Heuser resigned as Councillor effective from 11 January 2018.
- Councillor Steve Cooper was sworn in on 14 February 2018.
- Councillor John Learmonth was sworn in on 27 February 2018.

Table 4.4

Councillor	Ordinary	Special & budgetary	Total
Mayor Jack Dempsey	14	1	15
Cr Jason Bartels	14	1	15
Cr Bill Trevor (Deputy Mayor)	13	1	14
Cr Wayne Honor	11	1	12
Cr Helen Blackburn	14	1	15
Cr Greg Barnes	10	1	11
Cr Scott Rowleson	14	1	15
Cr Ross Sommerfeld	13	1	14
Cr David Batt	4	0	4
Cr Judy Peters	13	0	13
Cr Peter Heuser	5	0	5
Cr Steve Cooper	5	1	6
Cr John Learmonth	4	1	5

4.5 Councillor Conduct

In accordance with section 186(d)-(f) of the *Local Government Regulation 2012* orders and complaints about Councillors during the financial year are as shown below:

Table 4.5

Section of the <i>Local Government Act 2009</i>	Type of Order/Complaint	Number
180(2) and (4)	Orders and recommendations about misconduct	0
181(2)	Orders made for inappropriate conduct	0
176C(2)	Complaints about Councillor conduct or performance for which no action was taken	2
176C(3)(a)(i)	Complaints referred to the Chief Executive of the Department of Local Government about inappropriate conduct of the Mayor or Deputy Mayor.	0
176C(3)(a)(ii) or(b)(i)	Complaints referred to the Mayor about inappropriate conduct by a Councillor other than the Mayor or Deputy Mayor	0
176C(4)(a)	Complaints about misconduct referred to the Chief Executive of the Local Government.	1
176C(5)	Complaints assessed by the Chief Executive as being about corrupt conduct	0
176C(6)	Complaints about another matter	0

Corporate Governance

4.6 Remuneration of Senior Management

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

Number of Executives	Salary Range
2	\$100,000 - \$200,000
5	\$200,000 - \$300,000
1	\$300,000 - \$400,000

Table 4.6

The total remuneration packages payable in 2017-18 to senior management was \$1,753,209

4.7 Administrative Action Complaints

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

Council's Governance and Legal Services team is responsible for application of the policy, coordinating complaints, reporting to Council information including recommendations, trends of types of complaints received, systemic issues and improvements to minimise the likelihood of future complaints. An assessment of performance against its policy and procedure has seen a recent review of the complaints framework to ensure compliance with legislation and verify that complaints are handled efficiently. This review included development of a training plan for key staff and review of templates and workflows, which form part of the overall complaints management framework.

As required by section 187(2) of the *Local Government Regulation 2012* the table below provides a summary of Administrative Action Complaint outcomes for 2017-2018.

Table 4.7

Outcome of administrative action complaints	2017-18	2016-17
Number of Administrative Action Complaints made	12	15
Number of Administrative Action Complaints resolved under the complaints management process	12	15
Number of Administrative Action Complaints not resolved under the complaints management process	0	0

4.8 Beneficial Enterprises

In accordance with section 41 of the *Local Government Act 2009*, Council did not conduct any beneficial enterprises during the financial year.

4.9 Significant Business Activities

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

- Water and Wastewater;
- Waste Management;
- Council Holiday Parks; and
- Bundaberg Airport.

The National Competition Policy (NCP) requires that the competitive neutrality principle be applied to government businesses so they do not attract any net competitive advantage over their competitors as a result of public sector ownership. A review of the appropriate application of NCP reforms across Council determined that the adoption of full-cost pricing is the appropriate structural reform to apply to its significant business activities.

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

- Water and Wastewater; and
- Waste Management.

Pursuant to section 45(c) of the *Local Government Act 2009*, Council advises that the competitive neutrality principle was applied to both activities. Both activities were conducted in the preceding financial year, pursuant to section 45(d).

4.10 Competitive Neutrality Complaints

No competitive neutrality complaints were received during the reporting period.

4.11 Particular Resolutions

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

Pursuant to section 250(1) of the *Local Government Regulation 2012*, Council advises that a resolution was made on 12 December 2017 to adopt a revised Reimbursement of Expenses and Provision of Facilities for Councillors Policy. The revised Policy reflected a change to the Australian Taxation Office Determination. A copy of the resolution is included below.



Minutes - 12 December 2017

Item Number - F3

Part - Governance and Communications

Portfolio - Organisational Services

Subject - Council Policy Update

2061

Resolution

Cr HL Blackburn presented the report and moved:

That the:

1. Councillor's Confidentiality of Council Information Policy (as detailed on the 6 pages appended to this report);
2. Reimbursement of Expenses and Provision of Facilities for Councillors Policy (as detailed on the 11 pages appended to this report); and
3. Water Leak Relief Policy (as detailed on the six pages appended to this report);

– be adopted by Council

Seconded by Cr JA Peters.

There being no discuss in on this item - the Motion was put - and carried unanimously.

Council did not make any resolutions during the financial year under section 206(2).

4.12 Changes to tenders

Pursuant to section 190(1)(e) of the *Local Government Regulation 2012*, Council advises that the following changes to tenders were made pursuant to section 228(7) of the *Local Government Regulation 2012* during the 2017-18 financial year.

Contract No.	Contract Description	Change
TEN/0367	Construction of Concrete Pathways - Package E	Prior to evaluation of the Tender Submissions and following late approval of additional works, the tender was amended to include additional sites and incorporate two Separable Portions to prioritise the work. Tenderers were asked to reprice the additional works via LG Tender Box. The additional scope grew the works from four sites to eight sites. Tenderers were given two weeks to price the additional scope.
TEN/0231	Bundaberg CBD Streetscape Design	Post tender clarifications were sought from each of the three selected tenderers to assist in evaluation of tender submissions.
TEN/0399	Miara Foreshore Protection	During initial assessment of tenders, it was identified that some additional data regarding source and properties of materials to be supplied would be beneficial in the evaluation process, and that was not supplied by all tenderers. Each tenderer was invited to provide additional information to optimise the evaluation process.
TEN/0252	Burnett Heads Streetscape	Council representatives and preferred contractor representative met in a pre-award meeting to clarify a number of items under the contract. Tenderer was asked to provide additional information to assist in Council's decision to award.
TEN/0410	Smith's Creek Bridge Replacement	Council invited tenderers to provide additional information to assist with the evaluation of submissions. Tenderers were directed to drawing construction notes and asked to provide a detailed methodology demonstrating their understanding of the works. Council also advised a date of availability for Principal supplied materials and asked tenderers to advise any amendments to program, construction methodology or pricing in relation to the proposed date.
TEN/0249	Road Rehabilitation Works 2017	Council invited the preferred tenderer to provide clarification on a number of items from their tender submission.
TEN/0372	Airport Drive Sewer Pump Station	Council invited the preferred tenderer to attend a post tender clarification meeting to assist in finalisation of tender evaluation and recommendation.
TEN/0322	Woodgate Vacuum Sewer Pump Station	Council invited the preferred tenderer into post tender negotiations following the identification of possible cost savings for the project. The preferred tenderer was requested to revise their tender submission in accordance with a number of changes to scope [for potential cost savings] and provide any further relevant information to support their response.

4.13 Summary of Concessions for Rates and Charges

In accordance with section 190(1)(g) of the *Local Government Regulation 2012*, a summary of all concessions for rates and charges granted by Council is provided in the following section and tables.

Pensioner rebates

Pensioners who are either registered owners or life tenants of their Principal Place of Residence and who hold a Queensland Pensioner Concession Card or a DVA Health Card (all conditions within Australia) or a DVA Health Card (Totally & Permanently Incapacitated) issued by either Centrelink or the Department of Veteran Affairs are eligible to claim a State Government Pensioner Rate Subsidy and a Council Pensioner Remission. The Council pensioner rate remission during 2017-18 was \$140.00 per annum for rates and charges.

Reduced Rates and Charges due to Community Organisations concessions

Council recognised the following not-for-profit organisations as providing a service to the community by encouraging community and cultural development. During 2017-18 Council contributed up to a maximum \$1,700.00 per annum towards the payment of rates and charges, with the exception of water consumption, for the following facilities and organisations:

- Apple Tree Creek Memorial Hall
- Avenell Heights Progress Association Hall
- Booyal Memorial Hall
- Bucca Hall
- Bullyard Hall
- Bundaberg & District Air Sea Rescue
- Bundaberg Kindergarten
- Bundaberg Railway Historical Society
- Burnett Heads Kindergarten
- Burnett Heads Progress Hall
- Childers Kindergarten
- CWA Hall Bundaberg
- CWA Hall Childers
- CWA Hall Yandaran
- CWA Oakwood
- CWA Wallaville
- Drinan Hall
- Forestview Community Kindergarten
- Gin Gin & District Historical Society Hall
- Gin Gin Kindergarten
- Kepnock Progress Association Hall
- North Bundaberg Progress Association Hall
- Pacifique Surfriders Club
- Pine Creek Hall
- Sandy Hook Ski Club
- Sharon Hall
- South Kolan Kindergarten
- Tegege Hall
- Tegege Combined Sport and Recreation Club
- Wallaville Kindergarten

Council paid all rates and charges, with the exception of water consumption charges, for the following sports clubs:

- Bundaberg Surf Life Saving Club
- Elliott Heads Surf Life Saving Club
- Moore Park Surf Life Saving Club

Water Rates Concessions to Unlicensed and Restricted Licence Sporting Clubs

Council recognised unlicensed/restricted licensed sporting clubs as not for profit entities which provide a community service, namely the provision of recreational services and contribution to the region's aesthetics. In recognition of this, Council charged unlicensed/restricted licensed sporting clubs a Water Access Charge for its largest connection on each assessment and no access charge levied for additional meters. For water meters above 20mm, if unlicensed sporting clubs reduced their largest water meter size to a smaller size, their Water Access Charge was reduced accordingly to the Water Access Charge applicable to the revised water meter size. Where it was impractical to do so, Council charged the equivalent of 40% of the 40mm Water Access Charge. Unlicensed/restricted licensed sporting clubs were entitled to 4,000 kilolitres of water per annum per hectare of playing surface, free of consumption charges, with an adjusted entitlement of 75% for seasonal sports. The Gin Gin Agricultural, Pastoral and Industrial Society was entitled to 4,800 kilolitres of water per annum free of consumption charges for use on the main arena. Water consumption per assessment in excess of these entitlements was levied for the first 300 kilolitres at the 1st tier rate, and any consumption in excess of 300 kilolitres was levied at the 2nd tier rate.

Sewerage Rates Concessions

Multi accommodation self-contained residential units for the aged under the control of charitable/church organisations (excluding care centres); and pedestals installed in the Department of Housing & Public Works units for the aged were granted a concession of 60% of sewerage rates.

Council recognised unlicensed/restricted licensed sporting clubs are not for profit entities which provide a community service, namely the provision of recreational services and contribution to the region's aesthetics. In recognition of this, Council provided unlicensed/restricted licensed sporting clubs a 50% concession on sewerage rates.

Water Leak Relief

Council has a Water Leak Relief Policy which provides relief for ratepayers who experience an undetected water leak. Provided ratepayers repair the water leak and apply for relief, Council may provide a concession in accordance with the Policy. The Policy allows for Council to charge the water consumption at the first step in the water tariff, which in 2017-18 was \$1.16, instead of the second tier tariff, which was \$1.90.

Concessions to ratepayers for 2017-18

Table 4.9

Type of concession	Assistance Provided
Pensioner rebates	\$1,401,002.89
Rates concessions to community organisations	\$597,081.86
Water Leak Relief	\$78,573.35
Total	\$2,076,658.10

Analysis of Concessions provided to Community Organisations in 2017-18

Table 4.10

Type of concession	Assistance Provided
Reduced rates and charges to community organisations *	\$51,884.70
Water rates concessions to unlicensed and restricted licence sporting clubs	\$188,150.36
Sewerage rate concessions	\$357,046.80
Total	\$597,081.86

* Refer to table below

Type of organisation	No.	Annual Rates Levied	Assistance Provided	Average assist per organisation
Halls	19	\$39,185.36	\$25,323.80	\$1,332.83
Kindergartens	7	\$26,717.27	\$10,657.10	\$1,522.44
Surf Lifesaving Clubs	3	\$13,927.48	\$11,905.90	\$3,968.63
Other Community organisations	4	\$4,739.51	\$3,997.90	\$999.48
Total	33	\$84,569.62	\$51,884.70	\$1,572.26

4.14 Expenditure on Grants to Community Organisations

In accordance with section 195 of the *Local Government Regulation 2012*, Council has established a Community Grants Policy.

In accordance with section 189(a) of the *Local Government Regulation 2012*, Council's expenditure on grants to community organisations is as follows.

Summary of Expenditure on Grants to Community Organisations

Table 4.11

Community Organisation	Expenditure on Grants
Bundaberg Life Education Donation	\$10,000.00
Bundaberg Toy Library Donation	\$10,000.00
Community Grants Program	\$57,659.90
Donations to community organisations - assistance with community events	\$6,167.42
LifeFlight Rescue Helicopter Donation	\$50,000.00
Mayor's Christmas Appeal Donation	\$2,500.00
Micro Grants Program	\$18,364.64
Regional Men's Sheds - Donation from Old Tools Lunch	\$6,000.00
Rotary Club of Bundaberg - Donation from Farm Flavours Picnic	\$2,065.40
RSPCA Operation Wanted Donation	\$5,000.00
Scripture Union - Donation from Mayoral School Chaplaincy Breakfast	\$18,036.81
Special Event Grant Program	\$20,428.29
Sport Championships Grant Program	\$24,400.00
Young People In Sport Program	\$14,000.00
Total	\$244,622.46

Pursuant to Section 189(b) of the *Local Government Regulation 2012* there were no discretionary fund expenditures by Councillors for community organisations in the reporting period.

4.15 Council Registers

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

- Register of Business Activities
- Register of Assets
- Register of Contact with Lobbyists
- Register of Cost-Recovery Fees
- Register of Delegations - Council to CEO and CEO to Officers and/or Contractors
- Register of Interests for CEO and Senior Executive Employees
- Register of Interests of a Councillor and their Related Persons
- Register of Local Laws
- Register of Pre-Qualified Suppliers
- Register of Roads

4.16 Risk Management

Council recognises that effective risk management is paramount in managing its enterprise risks to achieve its corporate strategies, objectives and vision for the future. Council's commitment to risk management practices aims to effectively manage and limit risk exposures but also to identify opportunities through best practice risk management strategies and continuous improvement established in accordance with Risk Management Standards AS/NZS ISO 31000:2009.

Council is committed to the identification and implementation of processes appropriate to the ongoing management of risk and this is achieved by:

- Regular reporting to the Audit and Risk Committee of enterprise risks and the Risk Management Program;
- Continuous review of:
 - The adopted Risk Management Policy;
 - Council's Risk Management Framework, and
 - Council's risk assessment tools.
- Training for staff at induction;
- Biennial review of risk registers; and
- Operational risk analyses of departmental business plans.

4.17 Report on the Internal Audit

Audit and Risk Committee

The Audit and Risk Committee is established in accordance with section 105 the *Local Government Act 2009*. The Committee acts as an advisory committee to Council. Providing independent comment, advice and counsel on audit and risk management issues, covering all Council operations and projects. The Audit and Risk Committee was comprised of Councillors and independent external representatives as follows:

- Bradley Grogan, Chairman and External Community Representative
- Mayor Jack Dempsey, Finance and Economic Development Portfolio spokesperson
- Cr Helen Blackburn, Governance Portfolio spokesperson
- Debbie Rayner, External Community Representative

The Audit and Risk Committee is also attended by the External Auditors, Chief Executive Officer, General Managers, Chief Financial Officer, Internal Auditor, Quality Auditor, Risk and Insurance Officer and other key staff. The Audit and Risk Committee held four meetings during the year in which the following matters were reviewed and assessed:

- Internal Audit reports
- Quality Audit reports
- External Audit reports and updates
- Risk Management updates
- Internal Audit Charter
- Audit and Risk Committee Charter
- Annual Internal Audit Plan
- Strategic Internal Audit Plan
- Major Projects updates
- Accounting position papers
- Annual Report and Financial Statements
- Assessment of Financial Information.

Internal Audits

The internal audit function is established under section 105(1) of the *Local Government Act 2009* and is an integral component of Council's corporate governance framework. Pursuant to section 190 (1)(h) of the *Local Government Regulation 2012*, audits and other activities undertaken in 2017-18 included:

- Internal audit reviews involving:
 - Cash handling, receipting and banking
 - Electronic signatures
 - Name and Address Register
 - Records management
 - State Penalties Enforcement Registry
 - Abandoned vehicles
 - Library resources
 - Penetration testing of ICT infrastructure
- Quality Audit reviews involving:
 - Central Laboratory Management System
 - Thabeban Recycled Water Management Plan
 - Childers Recycled Water Management Plan
- Internal investigations
- Monitoring the actions resulting from internal and external audit recommendations
- Advising on the development of policies, procedures and internal controls.

Index of Legislative Requirements

Requirement	Title	Heading	Page
<i>Local Government Act 2009</i>			
Section 41	Identifying beneficial enterprises	4.8 Beneficial Enterprises	
Section 45 (a)–(d)	Identifying significant business activities	4.9 Significant Business Activities	
Section 201- 1 - 4	Remuneration senior management	4.6 Remuneration of Senior Management	
<i>Local Government Regulation 2012</i>			
Section 183 (a)	Financial Statements	3 Annual Financial Statements	
Section 183 (b-d)	Financial Statements	3 Annual Financial Statements	
Section 184	Community Financial Report	2 Community Financial Report	
Section 185 (a) & (b)	Particular Resolutions	4.11 Particular Resolutions	
Section 186 (a)	Councillors	4.1 Remuneration of the Mayor and Councillors	
Section 186 (b)	Councillors	4.2 Reimbursement of Expenses and Provision of Facilities	
Section 186 (c)	Councillors	4.4 Attendance at Council Meetings	
Section 186 (d)	Councillors	4.5 Councillor Conduct	
Section 187	Administration Action Complaints	4.7 Administrative Action Complaints	
Section 188	Overseas Travel	4.3 Overseas Travel	
Section 189	Expenditure on grants to community organisations	4.14 Expenditure on Grants to Community Organisations	
Section 190 - 1 (a) & (b)	Assessment of operations and performance	1 Chief Executive Officer's Report	
Section 190 - 1 (e)	Tenders	4.12 Changes to Tenders	
Section 190 - 1 (f)	Registers	4.15 Council Registers	
Section 190 - 1 (g)	Concessions for rates and charges	4.13 Summary of Concessions for Rates and Charges	
Section 190 - 1 (h)	Report on the Internal Audit	4.17 Report on the Internal Audit	
Section 190 - 1 (i) & (j)	Competitive Neutrality Complaints	4.10 Competitive Neutrality Complaints	

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**Item****16 October 2018****Item Number:**

F1

File Number:

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Part:

GOVERNANCE

Portfolio:

Organisational Services

Subject:

2018/2019 1st Quarter Operational Plan Review

Report Author:

Amanda Sapolu, Chief Legal Officer

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 3.2 Responsible governance with a customer-driven focus
 - 3.2.3 Administer statutory compliant governance operations incorporating insurance;
 risk management; property management and Council policies and procedures.

Background:

In accordance with section 174 of *Local Government Regulation 2012*, the Chief Executive Officer must present a written assessment of Council's progress towards implementing the annual operational plan at meetings held at regular intervals of not more than 3 months.

Quarterly reports provide a process for monitoring and assessing Council's progress in meeting the goals of the Corporate Plan. The attached report highlights the achievements of Council over the past three months with most areas achieving the targets set. Each manager has provided a comment in the report on their department's or section's progress.

Corporate Planning Software

Council has recently implemented Pulse, an online program which will be used to manage Council's Corporate Plan reporting. Pulse will allow staff to have proactive ongoing access and oversight of their key performance indicators to better track progress towards the annual operational goals and the five year Corporate Plan objectives.

Associated Person/Organization:

Not applicable.

Consultation:

Portfolio Spokesperson: Cr Steve Cooper

General Managers and Managers

Chief Legal Officer's Comments:

Complies with section 174 of the *Local Government Regulation 2012*.

Policy Implications:

There appear to be no policy implications.

Financial and Resource Implications:

All financial implications and resource utilisations have been identified in the report.

Risk Management Implications:

Results, comments and status symbols provide up-to date information that informs ongoing risk management and mitigation.

Communications Strategy:

Communications Team consulted.

- Yes
- No

Attachments:

[↓](#) 1 1st Quarter Operational Plan

Recommendation:

That the 2018-2019 1st Quarter Operational Plan Review be received and noted.



1st Quarter Operational Report

1 July to 30 September 2018

KPI Status Meaning

The following symbols in the quarterly report indicate progress of objectives and the management of projects for each key performance indicator.

Indicator	Status	Indicator Meaning
✓	On Track	Initiative is proceeding to plan with no indication of future impediments.
✗	Action Required	Progress is significantly behind schedule or is rated 'closely monitor'. Decisive action is required to get back on track.
🔄	Monitor	Progress is not as expected but action is being/ has been taken and is expected to be on track within the next quarter or financial year.
—	Trend	This data is being collected for the observation and analysis.
✓	Completed	Initiative or project has been completed.

Organisational Services

Financial Services

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.1 - A Sustainable Financial Position 3.1.2 - Apply responsible fiscal principles for sustainable financial management.	Cash Flow: Level of funds available greater than \$30m at the end of the financial year	> \$30M < \$90M	\$156,770,000	✓	Council holds sufficient cash to fund major projects scheduled for the 2018/19 financial year and beyond. No liquidity issues are foreseeable.
3 - Our People Our Business 3.1 - A Sustainable Financial Position 3.1.2 - Apply responsible fiscal principles for sustainable financial management.	Investments: Minimum return on investments is 1.3 times the bank bill swap rate	> 1.3x	1.36	✓	Favourable interest rates received on funds at call.
3 - Our People Our Business 3.1 - A Sustainable Financial Position 3.1.2 - Apply responsible fiscal principles for sustainable financial management.	Accounts Payable: Number of payments outside of terms	< 90.00	55.00	✓	Good effort by all staff with the changes to the Procurement and Contract Manual.

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.1 - A Sustainable Financial Position 3.1.2 - Apply responsible fiscal principles for sustainable financial management.	Rates: Outstanding rates as a percentage of rates levied, prior to six monthly rates billing	< 5.00%	2.61%	✓	Lowest percentage rate arrears in Council's history.
3 - Our People Our Business 3.1 - A Sustainable Financial Position 3.1.2 - Apply responsible fiscal principles for sustainable financial management.	Standards - legislative and operational: Meeting legislative and operational standards for cash flow, investments, financial audits and accounts payable.	Yes or No	Yes	✓	No issues or failure to meeting legislative and operational requirements identified.

Customer Service

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.2 - Provide friendly and responsive customer service, in keeping with council's values and community expectations.	Call Centre: Call Management: Percentage of calls processed within allocated timeframes	≥ 90.00%	96.00%	✓	The Call Centre performed well within this quarter, providing a high standard of service at the point of contact.
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.2 - Provide friendly and responsive customer service, in keeping with council's values and community expectations.	Customer Request Management (CRM): Percentage of CRMs overdue across council in relation to the timeframes assigned	< 15.00%	14.00%	✓	Requests for service have been actioned and completed within acceptable tolerances meeting Councils service delivery standards.

Governance & Legal Services

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.1 - A Sustainable Financial Position 3.1.2 - Apply responsible fiscal principles for sustainable financial management.	Strategic Supply: Procurement: Spend under Management: Management of expenditure through a defined procurement process	> 60.00%	70.00%	✓	Contracts are in place for top 50 suppliers.

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.1 - Ensure our workforce is employed under business excellence principles and is adequately trained, developed and supported to competently manage themselves and their work.	Right to Information (RTI): Percentage of staff trained in RTI and IP processes and procedures during onboarding	≥ 90.00%	99.00%	✓	466 of 470 eligible employees have completed Right to Information and Information Privacy training.
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.3 - Administer statutory compliant governance operations incorporating insurance risk management, property management and council policies and procedures.	Administrative Action Complaints: Percentage of Administrative Action Complaints received and processed within applicable timeframes.	= 100.00%	100.00 %	✓	Three Administrative Action Complaints were received and processed within applicable time frames. During this quarter, Council adopted a new Policy and Procedure in relation to processing of these complaints.
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.3 - Administer statutory compliant governance operations incorporating insurance risk management, property management and council policies and procedures.	Insurance: Percentage of insurance claims processed submitted within timeframes (i.e. General Insurance and Public Liability Claims)	≥ 95.00%	100.00 %	✓	31 insurance claims were processed within timeframes. (general insurance and public liability claims).
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.3 - Administer statutory compliant governance operations incorporating insurance risk management, property management and council policies and procedures.	Right To Information and Privacy Applications: Percentage of RTI and IP applications processed within applicable timeframes	= 100.00%	100.00 %	✓	12 Right to Information applications were processed within time frames during this quarter.

Risk Management

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.3 - Administer statutory compliant governance operations incorporating insurance risk	Risk Management: Corporate and Operational risks reported to Audit and Risk Committee	Trend	Report in September 2018.	■	Corporate and Operational risks reported to Audit and Risk Committee in September 2018.

Strategic Link	Performance Measure	Target	Actual	Status	Comments
	management, property management and council policies and procedures.				

Information Services


Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.1 - Provide facilities, parks, open spaces, services, and programs that promote and support our community's safety and physical well-being.	CCTV Surveillance: Meetings with QPS and Safe Night Precinct Committee	Milestone	1.00	✓	First quarter meeting held in August with QPS and Safe Night Bundaberg CBD Precinct president. Next quarter meeting scheduled for November.

Information Systems - Infrastructure


Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.5 - Provide and review systems, programs and processes to ensure effective and efficient service delivery to meet community expectations	Systems availability	≥ 98.00%	89.00%	↻	Lower availability result mainly due to outages relating to post Authority v7 upgrade issues.

Information Services - Service Desk


Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.5 - Provide and review systems, programs and processes to ensure effective and efficient service delivery to meet community expectations	IS Service Desk: Customer support satisfaction	≥ 80.00%	89.00%	—	Customer support satisfaction based upon manually surveyed users with recent completed support requests. Minimum 20 users surveyed during the quarter via telephone based upon recent experience with the help desk and satisfaction levels. Overall satisfaction is based upon the following two questions with score of 1-5 (1 being bad and 5 being excellent):

Strategic Link	Performance Measure	Target	Actual	Status	Comments
					<p>1. How would you rate your overall experience with the Helpdesk in resolving this request?</p> <p>2. How well did the Helpdesk communicate with you?</p> <p>Both overall scores for all surveyed users are totalled and divided by the highest possible total score (scores given/number of users surveyed *5) to result in the overall satisfaction rating.</p>
<p>3 - Our People Our Business</p> <p>3.2 - Responsible Governance with a customer driven focus</p> <p>3.2.5 - Provide and review systems, programs and processes to ensure effective and efficient service delivery to meet community expectations</p>	IS Service Desk: Number of support requests resolved		2,199.00		Higher trend than previous quarter (2045) due to the Authority V7 post upgrade reported issues.

Integrated Management Systems


Strategic Link	Performance Measure	Target	Actual	Status	Comments
<p>3 - Our People Our Business</p> <p>3.2 - Responsible Governance with a customer driven focus</p> <p>3.2.3 - Administer statutory compliant governance operations incorporating insurance risk management, property management and council policies and procedures.</p>	Document Review: Percentage of up-to-date documents in IMS.	≥ 98.00%	88.00%		All documents published in the IMS remain current until they are superseded by a new version. Currently 12% of IMS documents have gone past their proposed review date and await staff attention.

Internal Audit



Strategic Link	Performance Measure	Target	Actual	Status	Comments
<p>3 - Our People Our Business</p> <p>3.2 - Responsible Governance with a customer driven focus</p> <p>3.2.4 - Exercise whole-of-council adherence to, and compliance with, council's policies and</p>	Number of Internal Audits conducted compared to the Annual Internal Audit Plan	≥ 7.00	3.00		The Internal Auditor and Quality Auditor have 150 days (30 weeks each) in each financial year to dedicate to audits. For 2018/2019

Strategic Link	Performance Measure	Target	Actual	Status	Comments
procedures, in keeping with our corporate values and community's expectations.					17 Audits were identified with three audits being completed this quarter.

Internal Quality Audit

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.4 - Exercise whole-of-council adherence to, and compliance with, council's policies and procedures, in keeping with our corporate values and community's expectations.	Number of Internal Quality, Safety, Environmental and Finance Audits (systems and processes) conducted compared to the Annual Internal Audit schedule	≥ 7.00	No Internal Quality Audits have been finished this quarter.		The Internal Quality Auditor has been on long service leave for an extended period during Quarter 1. Currently, the 3 Internal Quality Audits in progress are at the data gathering stage awaiting discussions with appropriate individuals when they return from leave.

People & Performance

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.1 - Ensure our workforce is employed under business excellence principles and is adequately trained, developed and supported to competently manage themselves and their work.	Total Recordable Injury and Illness Frequency Rate (TRIFR): Reduction in the total raw number of fatalities, lost time injuries and medical treated injuries and restricted work injuries per 1,000,000 hours worked	> 20.00	21.90		WHS team are working with work groups to implement controls to prevent reoccurrences of incidents. It is anticipated that two staff members will be returning to full pre injury work on full duties during the 1st week of October. There is a possibility that at least one will have on going medical expenses.
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.1 - Ensure our workforce is employed under business excellence principles and is adequately trained, developed and supported to competently manage themselves and their work.	WHS: Hazard Inspections: Timeliness of hazard inspections: Percentage of inspections carried out on time	≥ 95.00%	94.00%		There are five outstanding inspections for this quarter. WHS are working with the work areas to have outstanding completed.

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.1 - Ensure our workforce is employed under business excellence principles and is adequately trained, developed and supported to competently manage themselves and their work.	WHS: Workplace compensation: Year- end percentage reduction in the number of workers compensation claims.	≥ 5.00%	29.5%	✓	29.5% reduction compared to this time in 2017-2018.
3 - Our People Our Business 3.2 - Responsible Governance with a customer driven focus 3.2.1 - Ensure our workforce is employed under business excellence principles and is adequately trained, developed and supported to competently manage themselves and their work.	Workplace compensation: Year- end percentage reduction in the number of lost-time workers compensation claims.	= 5.00	N/A		Nil

Community & Environment

Airport & Tourism

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.1 - Economic growth and prosperity 1.1.4 - Promote our region as a preferred investment destination nationally and internationally	Number of passengers processed through Bundaberg Regional Airport terminal.	≥ 30,000	40,906	✓	Passenger numbers were down by 10% on the same quarter last year and 1% on the previous quarter. Overall airport passenger numbers are trending down on last financial year. Reasons could include higher airfares and reduction in services by Qantas.
2 - Our Environment 2.1 - Infrastructure that meets our current and future needs 2.1.5 - Manage and maintain council owned buildings, facilities and assets that support and facilitate social connectedness and community life.	Number of visitors attending events at the Bundaberg Multiplex Convention Centre (Stage 2 only)	Trend	5860 attendees	■	These figures are provided by Hirers themselves at the time of booking
2 - Our Environment 2.1 - Infrastructure that meets our current and future needs 2.1.5 - Manage and maintain council owned	Number of visitors to iconic facilities (Hinkler Hall of Aviation and Fairymead House)	> 2,000	6,563.00	✓	Combined total for Hinkler Hall of Aviation and Fairymead House for this quarter is slightly lower than

Strategic Link	Performance Measure	Target	Actual	Status	Comments
buildings, facilities and assets that support and facilitate social connectedness and community life.					compared to the 1st quarter for 2017/2018, which was 6,959.
1 - Our Community 1.1 - Economic growth and prosperity 1.1.4 - Promote our region as a preferred investment destination nationally and internationally	Bundaberg North Burnett Tourism (BNBT) Partnership Agreement: Total number of visitors to the Bundaberg Region in the year (inclusive of domestic and international).	Trend	1.13m	■	Tourism in the Bundaberg region represents a contribution of 10% of gross regional product and generated \$449m in visitor expenditure into our regional economy. Across the Southern Great Barrier Reef region we had a 10.2% increase in visitation and \$1.1b in visitor expenditure.

Arts & Cultural Services

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.3 - An empowered and creative place 1.3.1 - Provide facilities, parks, open spaces, services and programs that promote and support our community's safety and physical well-being.	Cinema & Theatre programs: Number of patrons visiting the Moncrieff Entertainment Centre	> 8,000.00	10,888.00	✓	Includes 9,663 at paid events and 1,225 at free events
1 - Our Community 1.3 - An empowered and creative place 1.3.1 - Provide facilities, spaces, services and activities that promote and support lifelong learning and community engagement with the arts and culture.	Exhibition Program: Number of visitors to BRAG and ChArts	Trend	10 826	■	Bundaberg Regional Art Gallery visitation: 5314. Childers Arts Space & Palace Backpacker Memorial: 5512 Indicates an increase of close to 9% in visitation numbers compared to 1st quarter 2017/2018
1 - Our Community 1.3 - An empowered and creative place 1.3.1 - Provide facilities, parks, open spaces, services and programs that promote and support our community's safety and physical well-being.	Theatre - Capacity: Days booked as a percentage of total days available	Trend	73.20%	■	29 cinema events (including live event screenings), 15 live events. Venue used for 52 of the available 71 days
1 - Our Community 1.3 - An empowered and creative place 1.3.1 - Provide facilities, spaces, services and	Theatre - Occupancy: Seats booked as a percentage of total seats available	Trend	27.60	■	Despite changes to cinema, there has been an increase of 12% on Q1 2017-18 for total paid audience

Strategic Link	Performance Measure	Target	Actual	Status	Comments
activities that promote and support lifelong learning and community engagement with the arts and culture.					numbers and an increase of 19% on gross box office sales from the same quarter last year. Occupancy for cinema is 7.9% for the quarter (last year averaged around 4%) and live events are at 64.5% occupancy. Total data is skewed by cinema occupancy rates.
1 - Our Community 1.3 - An empowered and creative place 1.3.2 - Provide leadership in creative innovation and opportunities for learning and community social and cultural development.	Number of Galleries initiatives designed to grow our visual arts community.	Trend	59.00	■	Initiatives included: Free Art in The Park; Exhibition Openings; Wednesday Art Walks; Meet the Artist; Little Days Out; Childers Festival engagement programs; The CRAFT Crowd; Winterfeast; School Holiday Workshops; Mind the Art (Arts & Dementia Program); #LoveBundy Art Trail; Outreach Art Workshops with regional schools; Gallery Guided Tours for Schools and Community Groups; Under 8s Outreach workshops; Play School Special Programming and Events
1 - Our Community 1.3 - An empowered and creative place 1.3.2 - Provide leadership in creative innovation and opportunities for learning and community social and cultural development.	Theatre: Number of Moncrieff Entertainment Centre initiatives designed to grow our performing arts community	≥ 3.00	10.00	✓	Includes "She's the Voice" and NAIDOC Week Concert - supporting local musicians, Australian Ballet workshops, Groups Music/Speech and Drama Eisteddfod, 2 back stage tours, Moncrieff Cinema Society events, supporting a local producer to screen an adventure film festival

Moncrieff Entertainment Centre

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.3 - An empowered and creative place 1.3.1 - Provide facilities, parks, open spaces, services and programs that promote and support our community's safety and physical well-being.	MEC: Venue - Community Access / Utilisation; Number of community groups using the Moncrieff Entertainment Centre.	Trend	7.00	■	Includes NAIDOC Week event, Music/Speech & Drama Groups Eisteddfod, Malayalam Community Group, backstage tours and art exhibitions

Community Services

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.1 - Infrastructure that meets our current and future needs 2.1.5 - Manage and maintain council owned buildings, facilities and assets that support and facilitate social connectedness and community life.	Percentage usage of the Recreational Precinct	Trend	N/A		Data unavailable this quarter due to issue with reporting system to obtain this information.
2 - Our Environment 2.1 - Infrastructure that meets our current and future needs 2.1.5 - Manage and maintain council owned buildings, facilities and assets that support and facilitate social connectedness and community life.	Percentage usage of halls and community facilities including Coronation Hall, School of Arts and Gin Gin RSL	Trend	N/A		Data unavailable this quarter due to issue with reporting system to obtain this information.
1 - Our Community 1.1 - Economic growth and prosperity 1.1.4 - Promote our region as a preferred investment destination nationally and internationally	Facilities Management: Council Holiday Parks Occupancy rate - Percentage Holiday Park accommodation is occupied.	Trend	77.62%	■	81.68% - Moore Park Beach 85.48% - Elliott Heads 83.56% - Burnett Heads 59.76% - Miara

Community Development

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.3 - Support and facilitate community programs, networks, projects and events that promote social contentedness, and active and healthy community life.	Community Grants: Number of community grants provided	Trend	8.00	■	Nil
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.3 - Support and facilitate community programs, networks, projects and events that promote social contentedness, and active and healthy community life.	Number of community development partnerships, projects and initiatives promoted and supported by council.	Trend	25.00	■	Community Development were actively involved in partnerships, projects and initiatives promoted and supported by council by example Flourish Family Fun Day, Child Protection Music Project, Grants Workshops and Options Day.

Neighbourhood Centres

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.3 - Support and facilitate community programs, networks, projects and events that promote social contentedness, and active and healthy community life.	Neighbourhood Centres: Number of occasions that information, advice and referral services were provided.	Trend	4,861.00	■	Number for Childers and Gin Gin Neighbourhood Centres for requests for information advise and referral not including CHSP and QCC Funded programs that run from the centres
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.3 - Support and facilitate community programs, networks, projects and events that promote social contentedness, and active and healthy community life.	Neighbourhood Centres: Number of service users who received a service.	Trend	4,823.00	■	Number of community members who received a service through the Neighbourhood centres in Childers and Gin Gin not including CHSP and QCC Funded programs that run from these centres
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.3 - Support and facilitate community programs, networks, projects and events that promote social contentedness, and active and healthy community life.	Neighbourhood Centres: Number of service users with improved quality of life.	≥ 4,000.00	1,280.00	🔄	Combined numbers for Childers and Gin Gin Neighbourhood Centres, these represent number of

Strategic Link	Performance Measure	Target	Actual	Status	Comments
networks, projects and events that promote social contentedness, and active and healthy community life.					community members who have indicated improved quality of life from services received from the centres. Not including CHSP and QCC Funded programs that operate from the centres
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.3 - Support and facilitate community programs, networks, projects and events that promote social contentedness, and active and healthy community life.	Neighbourhood Centres: Number of services users with improved ability to access appropriate services.	≥ 4,000.00	3,914.00	✓	Combined numbers for Childers and Gin Gin Neighbourhood Centres, these represent number of community members who have indicated improved ability to access services from the centre. Not including CHSP and QCC Funded programs that operate from the centres.

Disaster Management

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.4 - Implement disaster prevention strategies and maximise community preparedness for disaster events.	Disaster Management: Preparedness – Number of Local Disaster Management Group Meetings held	4	0.00	🔄	A Bundaberg LDMG Ordinary Meeting occurred on 22nd June 2017 to support Bundaberg Regional Council's Hinkler Innovation Series. Next LDMG Ordinary Meeting is scheduled for 29th November 2018.

Library Services

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.3 - An empowered and creative place 1.3.1 - Provide facilities, spaces, services and activities that promote and support lifelong learning and community engagement with the arts and culture.	Number of items borrowed.	Trend	175,663.00	—	Patrons borrowed a combination of books, DVDs, CDs, eBooks, eAudio, magazines, and lots more.

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.3 - An empowered and creative place 1.3.1 - Provide facilities, spaces, services and activities that promote and support lifelong learning and community engagement with the arts and culture.	Number of patrons using our libraries	> 75,000.00	74,292.00	✓	Across the four library branches (Bundaberg, Childers, Gin Gin, Woodgate Beach). Patrons attend to browse the collection, borrow items, use the Wi-Fi and computers, attend classes and sessions, catch up with friends, and more.
1 - Our Community 1.3 - An empowered and creative place 1.3.3 - Advocate for and support heritage and culture programs, projects, plans and events, which create a positive identity for the region.	Number of images, recordings and items documented, catalogued or posted to our Libraries (Heritage) website.	≥ 100	32	🔄	Items posted to the Libraries Heritage website relies largely on sporadic donations from the public.

Libraries - Community Programs

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.3 - An empowered and creative place 1.3.1 - Provide facilities, spaces, services and activities that promote and support lifelong learning and community engagement with the arts and culture.	Number of participants in our community programs	≥ 2,000.00	2,971.00	✓	Programs include school holiday activities, regular children's sessions, Live Local & Learn (Gin Gin Library), and lots more.

Libraries - Digital Literacy Program

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.3 - An empowered and creative place 1.3.2 - Provide leadership in creative innovation and opportunities for learning and community social and cultural development.	Number of participants in our Digital Literacy programs.	≥ 100.00	238.00	✓	Our digital literacy program includes technology lessons, information sessions, our current digital health literacy project, after school robotics, and more. This quarter 238 people attended these programs - a pleasing number and a good contribution to increasing the digital literacy of our citizens and community.

Park, Sports & Natural Areas

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.1 - Provide facilities, parks, open spaces, services, and programs that promote and support our community's safety and physical well-being.	Number of physical activity and preventative health initiatives promoted and supported by council	≥ 25.00%	30.00%	✓	Promotion of free community programs/Cross promotion of sporting activities/Be Active Be Alive program EOIs
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.1 - Provide facilities, parks, open spaces, services, and programs that promote and support our community's safety and physical well-being.	Parks Maintenance: Percentage agreed service levels have been met	≥ 85.00%	92.00%	✓	Less mow cycles due to dry cool conditions slowing grass growth. Other services provided as per agreed levels.

Natural Resource Management

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.3 - Healthy built and natural environments 2.3.1 - Manage, maintain, rehabilitate and protect our foreshore areas and regional environments.	Land Protection- Weeds: Number of properties inspected	≥ 350.00	227.00	🔄	Typically the winter months yield less property inspections due to limited growth of invasive pest plants at this time of year. Focus has been given to control programs over this period of time, and the shortfall in property inspections will be made up in subsequent quarters.
2 - Our Environment 2.3 - Healthy built and natural environments 2.3.2 - Promote and foster community engagement and protection of our environment and natural areas.	Public Awareness & Education: Number of public awareness and education programs and activities delivered.	≥ 8.00	8.00	✓	Activities include: Presentation to South State School Students about Plastics; Coordinated Wild Dog Baiting Day; Plant Swap Program Brochure and Fact Sheet; Environmental Weeds Poster; Cat Trapping and Monitoring Program for Baldwin Swamp; BRC Biosecurity Plan 2018-2023 and subsequent media releases; Presentation to Stakeholder Group for The Burnett River Rock Project

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Strategic Link	Performance Measure	Target	Actual	Status	Comments
					(update and history); Indian Myna Bounty Program Materials.

Sport & Recreation

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.2 - Safe, active, vibrant and inclusive community 1.2.3 - Support and facilitate community programs, networks, projects and events that promote social contentedness, and active and healthy community life.	Sport & Recreation: Financial assistance; Number of financial assistance requests/applications supported (individuals/sporting organisations/events).	Trend	11 Young People in Sport Applications 5 Sport Championship Funding Grants 2 Sport Event Support	■	On track

Regulatory Services

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.3 - Healthy built and natural environments 2.3.3 - Review and consistently enforce local laws, and environment and public health legislation to achieve the best outcomes for our community.	Local Law Enforcement: Number of enforcement requests	Trend	3192	■	3192 of enforcement requests received for 01/07/2018 - 30/09/2018

Animal Management

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.3 - Healthy built and natural environments 2.3.4 - Provide regulatory and environmental health services and programs to support community wellbeing.	Number of customer requests (CRM's) received	Trend	3664 CRMs received	■	3664 CRMs received in first quarter.

Regulated Parking

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.3 - Healthy built and natural environments 2.3.3 - Review and consistently enforce local laws, and environment and public health legislation to achieve the best outcomes for our community.	Percentage increase/decrease of the number of infringements referred to SPER (Penalties Enforcement Registry)	Trend	199		199 Infringements referred to SPER during July, August and September 2018.
2 - Our Environment 2.3 - Healthy built and natural environments 2.3.3 - Review and consistently enforce local laws, and environment and public health legislation to achieve the best outcomes for our community.	Percentage of annual revenue budget collected	Annual ≥ 90.00	20%		20% of annual budget collected – on track for this quarter.

Regulatory Services

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.3 - Healthy built and natural environments 2.3.3 - Review and consistently enforce local laws, and environment and public health legislation to achieve the best outcomes for our community.	Percentage of customer requests overdue in relation to assigned timeframes	$\leq 20.00\%$	5.90%		190 Overdue for period 1/072018-30/09/2018. Figures based on overdue task report.

Waste & Health Services

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.3 - Provide safe and efficient waste services to protect our community and environment.	Diversion of waste from landfill	$> 40.00\%$	56.00%		Waste diversion and reuse and recycling methods working well, 42,121 tonnes received and 19,480 tonnes landfilled
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.3 - Provide safe and efficient waste services to protect our community and environment.	Utilisation of landfill sites $>600\text{kg per m}^3$ airspace	$> 600.00\text{kg Per m}^3$ airspace	714 kg per m^3 airspace		Figure used excludes the Qunaba Landfill as most of the dirty fill is being used to create a green waste pad and this has caused an anomaly for this site

Strategic Link	Performance Measure	Target	Actual	Status	Comments
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Environmental Health: Illegal Dumping

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.3 - Healthy built and natural environments 2.3.4 - Provide regulatory and environmental health services and programs to support community wellbeing.	Number of illegal dumping and littering complaints investigated	Trend	79 littering and illegal dumping complaints have been investigated	■	Council's Environmental Health Officers have installed information signage throughout the region at known "hotspot" areas to discourage illegal dumping.

Infrastructure Services

Engineering Services

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.1 - A Sustainable Financial Position 3.1.3 - Review, monitor and evaluate asset management.	Reconciliation of assets and infrastructure	75% by 3 rd Quarter	20%	✓	Internal Capex and all Donated assets received to July 2018 has been processed. Remaining processing periods are end of October, February, April and May.

Fleet & Trade Services

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.4 - Provide effective and efficient Support Services for operations and projects across council.	Asset Maintenance: Percentage of work tickets completed when scheduled	≥ 95.00%	82.00%	⌚	From the previous quarter we experienced an increase in work requests of 15%. A number of work requests were deferred due to a delay in receiving parts and as such have not been completed in the reporting period. An increase in emergent works was also experienced resulting in

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.4 - Provide effective and efficient Support Services for operations and projects across council.	Availability of plant, vehicle and equipment: Percentage of overall plant, vehicle and equipment availability	≥ 95.00%	96.45%	✓	scheduled work being delayed. Will continue to monitor. Target is on track.
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.4 - Provide effective and efficient Support Services for operations and projects across council.	Internal Client Satisfaction: Percentage of internal client survey results satisfactory or above	> 75.00%	94.60%	✓	Satisfactory Result

Roads & Drainage

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.1 - Connect our people, places, businesses and industries by maintaining and improving road transport, pathway and drainage networks.	Percentage of Roads & Drainage Customer Requests (CRMs) completed within allocated time periods	≥ 80.00%	61.00%	🔄	1044 CRM tasks were completed within the quarter, with an average processing time of 12.6 days. Of these requests, 61% (638) met service level requirements.

Water & Wastewater

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.1 - Economic growth and prosperity 1.1.1 - Provide responsive, consistent and timely customer service to our residents, investors and developers.	Group Management: New water and wastewater connections installed within 25 days.	≥ 95.00%	93.20%	✓	A total of 118 Notice to Service Provider Applications were received for this quarter, with 110 applications installed within 25 working days.
1 - Our Community 1.1 - Economic growth and prosperity 1.1.1 - Provide responsive, consistent and timely customer service to our residents, investors and developers.	Plumbing Services: Fast-track Approvals: Percentage of approvals decided within 5 days.	> 95.00%	100.00%	✓	Three Fast Track Plumbing Applications were received for this quarter and all were assessed within five working days.

Strategic Link	Performance Measure	Target	Actual	Status	Comments
customer service to our residents, investors and developers.					
1 - Our Community 1.1 - Economic growth and prosperity 1.1.1 - Provide responsive, consistent and timely customer service to our residents, investors and developers.	Plumbing Services: Standard Approvals: percentage of approvals decided within 20 days.	≥ 95.00%	84.20%		146 plumbing applications were received for the quarter with 123 plumbing applications assessed within 20 working days.
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.2 - Supply potable water and wastewater services, that ensure the health of our community, to provisioned communities, in accordance with council's service standards.	Wastewater odour complaints per 1,000 connections	< 5.00	0.57		A total of 13 odour complaints were received for the quarter from a total of 22,676 sewerage connections.
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.2 - Supply potable water and wastewater services, that ensure the health of our community, to provisioned communities, in accordance with council's service standards.	Wastewater reliability: Percentage customers do not experience interruption	≥ 95.00%	99.93%		15 sewer connections experienced a service interruption from a total of 22,676 sewerage connections.
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.2 - Supply potable water and wastewater services, that ensure the health of our community, to provisioned communities, in accordance with council's service standards.	Wastewater reliability: Sewer main breaks and chokes per 100km of mains	< 40.00	3.47		24 sewer main blockages occurred across the region during this period. The total length of sewerage main is 691.03 km. This equates to 3.47 blockages per 100km.
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.3 - Provide safe and efficient waste services to protect our community and environment.	Water supply quality: Water quality complaints per 1,000 connections	< 10.00	1.62		52 water quality complaints for the quarter from a total of 31,926 connections. Complaints relate to taste, odour and discolouration from all Council's water service areas.
2 - Our Environment 2.2 - Sustainable and affordable essential services.	Water supply quality: Water quality incidents per 1,000 connections	< 5.00	0.00		No new incidents from 31,926 water connections.

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2.2.2 - Supply potable water and wastewater services, that ensure the health of our community, to provisioned communities, in accordance with council's service standards.					
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.2 - Supply potable water and wastewater services, that ensure the health of our community, to provisioned communities, in accordance with council's service standards.	Water supply reliability: Percentage customers do not experience interruption	≥ 95.00%	95.20%	✓	1504 water connections experienced a planned/unplanned service interruption from a total 31,926 water connections.
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.2 - Supply potable water and wastewater services, that ensure the health of our community, to provisioned communities, in accordance with council's service standards.	Water supply usage: Raw water usage vs allocation. Water usage as a percentage of allocation for Bundaberg Region	< 80.00%	70.40%	✓	Water usage has been higher this quarter due to an extended dry period. Water usage for this quarter was 2,929 mega litres as compared to 3,400 mega litres for the corresponding quarter last year.
2 - Our Environment 2.2 - Sustainable and affordable essential services. 2.2.2 - Supply potable water and wastewater services, that ensure the health of our community, to provisioned communities, in accordance with council's service standards.	Wastewater: Number of reportable incidents	< 5.00	5.00	✓	A total of five reportable incidents were recorded for the quarter of which two related to exceedance of effluent quality and three related to raw sewage overflows.


Capital Works Program

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.1 - Infrastructure that meets our current and future needs 2.1.3 - Plan and implement council's long-term and annual capital works improvement program that reflects community needs and expectations.	Delivery of Wastewater Capital Projects Program: Percentage of adopted budget completed.	≥ 95.00%	12.7%	🔄	Expenditure on a number of larger projects are scheduled to commence later in the year.

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.1 - Infrastructure that meets our current and future needs 2.1.3 - Plan and implement council's long-term and annual capital works improvement program that reflects community needs and expectations.	Delivery of Water Capital Projects Program: Percentage of adopted budget completed.	≥ 95.00%	5.2%		Expenditure on a number of larger projects are scheduled to commence later in the year.

Communications & Media

Media Communications

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.3 - Open Communication 3.3.1 - Keep our community and workforce informed and up-to-date in matters of agency and community interest.	Sentiment analysis - positive vs. negative media coverage	Trend	Online - 34.66% positive – 7.77% negative – 57.56% neutral Print - 36.65% positive – 9.47% negative – 53.88% neutral Broadcast- 45.45% positive – 40.22% negative – 14.32% neutral Overall - 38.92% positive – 19.15%		Nil

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.3 - Open Communication 3.3.3 - Develop consistent messaging and professional communications that establish a positive profile and identity for council and our region.	Viewer engagement: Number of times the advertisement was accessed.	≥ 0.20%	18%	✓	Exceeding campaign engagement for the marketing of our internal campaigns.

Social Media Engagement

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.3 - Open Communication 3.3.1 - Keep our community and workforce informed and up-to-date in matters of agency and community interest.	Followers: Total number of followers on Facebook, Twitter, Instagram and YouTube	Trend	Facebook: 18,366 Instagram: 1712 YouTube: 89 Twitter: 1392 TOTAL: 21,559	■	Facebook net gain 952; Instagram net gain 465; YouTube net gain 22; Twitter net gain 22.
3 - Our People Our Business 3.3 - Open Communication 3.3.1 - Keep our community and workforce informed and up-to-date in matters of agency and community interest.	Interaction with social media posts: Shares, comments and likes on Facebook, Instagram, YouTube and Twitter	Trend	Facebook: 25,900 Instagram: 3299 YouTube: 6365 Twitter: 144 TOTAL: 35708	■	Nil



Website Management

Strategic Link	Performance Measure	Target	Actual	Status	Comments
3 - Our People Our Business 3.3 - Open Communication 3.3.4 - Review and develop updated and relevant communication platforms, modes, mediums and content.	Website visitation: Length of stay	Trend	Average session time 2 minutes 8 seconds	■	Nil
3 - Our People Our Business 3.3 - Open Communication 3.3.4 - Review and develop updated and relevant communication platforms, modes, mediums and content.	Website visitation: Number of users	Trend	70,293.00	■	Nil


Development

Development Assessment

Strategic Link	Performance Measure	Target	Actual	Status	Comments
1 - Our Community 1.1 - Economic growth and prosperity 1.1.1 - Provide responsive, consistent and timely customer service to our residents, investors and developers.	Applications: Percentage of applications to endorse Subdivision Plans decided within 20 days.	≥ 85.00%	71.00%	🔄	23 applications for approval of subdivision plans were completed within 20 days out of a total of 32 applications decided for the quarter.
1 - Our Community 1.1 - Economic growth and prosperity 1.1.1 - Provide responsive, consistent and timely customer service to our residents, investors and developers.	Applications: Percentage of total concurrence agency referrals decided within 10 days	≥ 90.00%	87.00%	✓	94 concurrence agency referrals were completed within 10 days out of a total of 108 completed for the quarter.
1 - Our Community 1.1 - Economic growth and prosperity 1.1.1 - Provide responsive, consistent and timely customer service to our residents, investors and developers.	Applications: Percentage of total development applications decided within 10 days.	> 30.00%	37.00%	✓	31 Applications were decided in 10 days or less out of a total of 83 applications decided for the quarter.

Strategic Link	Performance Measure	Target	Actual	Status	Comments
customer service to our residents, investors and developers.					
1 - Our Community 1.1 - Economic growth and prosperity 1.1.1 - Provide responsive, consistent and timely customer service to our residents, investors and developers.	Applications: Percentage of total development approvals decided within 35 days or less	> 85.00%	81.00%		67 applications were decided within 35 days out of a total of 83 applications decided for the quarter.
1 - Our Community 1.1 - Economic growth and prosperity 1.1.1 - Provide responsive, consistent and timely customer service to our residents, investors and developers.	Customer Service: Percentage planning and building searches are issued within statutory and corporate timelines.	≥ 95.00%	99.50%		Nine planning certificates and 217 building compliance Searches were issued for the quarter.

Development Compliance

Strategic Link	Performance Measure	Target	Actual	Status	Comments
2 - Our Environment 2.1 - Infrastructure that meets our current and future needs 2.1.2 - Develop, implement and administer strategies and plans underpinned by the principles of sustainable development.	Percentage of complaints formally acknowledged within five days	= 100.00%	100.00%		48 complaints were acknowledged within the required time frame, 43 of which were issued within two days.

**Item****16 October 2018****Item Number:**

F2

File Number:

.

Part:

GOVERNANCE

Portfolio:

Organisational Services

Subject:

Audit and Risk Committee Minutes

Report Author:

Nicole Miller, Executive Assistant

Authorised by:

Amanda Pafumi, General Manager Organisational Services

Link to Corporate Plan:

Our People, Our Business - 3.2 Responsible governance with a customer-driven focus
 - 3.2.4 Exercise whole-of-Council adherence to, and compliance with, Council's policies and procedures, in keeping with our corporate values and community's expectations.

Background:

The Audit and Risk Committee met on 3 May 2018, and the minutes are attached for Council's information.

Associated Person/Organization:

Nil.

Consultation:

Representatives of Audit and Risk Committee.

Chief Legal Officer's Comments:

There appear to be no legal implications.

Policy Implications:

There appear to be no policy implications.

Financial and Resource Implications:

The annual budget provides for costs associated with the Committee of \$4,000 per year. This is comprised of the total remuneration for the external committee members.

Risk Management Implications:

The various risks identified will be mitigated by Council.

Communications Strategy:

Communications Team consulted.

- Yes
- No

Attachments:

[↓](#)1 Audit & Risk Committee Meeting Minutes - 3 May 2018

Recommendation:

That the minutes of the Audit and Risk Committee meeting held on 3 May 2018 be received and noted.



AUDIT & RISK COMMITTEE MINUTES

Meeting held Thursday 3 May 2018, commencing at 10.04 am
at 190 Bourbong Street, Bundaberg

Committee Attendance:

Bradley Grogan (Chair and External Representative)
Debbie Rayner (External Representative)
Cr Jack Dempsey (Mayor and Council Representative)
Cr Helen Blackburn (Council Representative)

By Invitation – Council Staff:

Adam Wyatt, Group Manager Projects
Amanda Pafumi, General Manager Organisational Services
Anthony Keleher, Chief Financial Officer
Caroline McCracken, Administration Officer Organisational Services
Dwayne Honor, Project Manager
Elda Fortune, Risk & Insurance Officer
Jason McCulloch, Internal Auditor
John McMullen, IMS Team Leader
Nicole Miller, Acting Executive Assistant Organisational Services (Minute Taker)
Simon Muggeridge, Financial Services Coordinator
Stephen Johnston, Chief Executive Officer
Stuart Randle, General Manager Infrastructure

By Invitation – Teleconference:

Clayton Russell, Pitcher Partners
Jason Evans, Pitcher Partners
Michael Keane, Queensland Audit Office

1. Welcome

Bradley Grogan welcomed all attendees to the meeting.

2. Apologies

Apologies from Council staff were noted:

- Gavin Steele, General Manager Community & Environment;
- Ian Norvock, Chief Information Officer; and
- Christopher Joosen, Governance Manager.

3. Confirmation of Minutes

It was agreed that the Minutes of the meeting held 13 February 2018, be taken as read and confirmed with the amendment to point 15. Next meeting day to be amended from Tuesday to Thursday.

4. Major Projects Update

Adam Wyatt provided a verbal update on current major projects:

- a) Rubyanna Wastewater Treatment Plant: Project is anticipated to be completed 6 June 2018 based on the latest Downer program (February 2018).

It was agreed that the information contained in the report, be noted by the Committee.

The Mayor left the meeting at 10:20am.

Dwayne Honor provided a verbal update on CBD Revitalisation:

- b) CBD Revitalisation: Project to date has been updated as per report.

It was agreed that the information contained in the report, be noted by the Committee.

5. Internal Quality Audit Reports

John McMullen informed the Committee on the status of corrective action requests (CARs) from the previous audit report.

It was agreed that the information contained in the update, be noted by the Committee.

6. External Audit Update

Representatives from Pitcher Partners and Queensland Audit Office provided an overview of the external audit briefing note, 2017/2018 Interim Management Report and QAO Insights newsletter – autumn 2018, and addressed any queries raised.

It was agreed that the information contained in the update, be noted by the Committee.

7. Assessment of Financial Information

Anthony Keleher provided information on the following:

- a) Review of Financial Summary and 3rd Quarter Budget Reviews

It was agreed that the information contained in the report, be noted and accepted.

- b) Asset Revaluation Report

The CFO verbally updated the committee on the intention to amend the revaluation schedule as presented in the papers, to bring forward the comprehensive revaluations for water and wastewater from FY2020 to FY2019.

It was agreed that the Asset Revaluation Plan for 2018/2019, inclusive of the above amendment, be endorsed by the Committee.

- c) Draft Shell Statement

It was agreed that the information contained in the report, be noted by the Committee.

- d) Stormwater Drainage Report

It was agreed that the information contained in the report, be noted by the Committee.

- e) Council Budget FY2019

It was agreed that the information contained in the report, be noted by the Committee.

- f) QTC Credit Review Outcomes

It was agreed that the letter be noted, by the Committee.
The Mayor rejoined the meeting at 11:00am

8. Assessment of Risks

Elda Fortune provided an update on the below:

- a) Enterprise Risk Management Software;
- b) Fraud & Corruption/Crime Corruption Commission Update;
- c) Gift Policy Register.
- d) Update of Risk Management Program

It was agreed that the information contained in the report, be noted by the Committee.

Jason McCulloch provided an update on the below:

- e) Update of Finance Risk Register (Internal and External Audit Issues)

It was agreed that the information contained in the report, be noted by the Committee.

9. Internal Audit Reporting

Jason McCulloch presented an update on the below reports:

- a) Audit & Risk Committee Report – Annual Audit Plan & Strategic Audit Plan.

The Mayor and the Chief Executive Officer left the meeting at 11:25am.

It was agreed that the Annual Internal Audit Plan and Strategic Audit Plan be endorsed by the Committee and the committee recommends approval of the Annual Internal Audit plan and Strategic Audit Plan by the Chief Executive Officer.

- b) Audit & Risk Committee Report – Cash Handling, Receipting and Banking Audit at Moncrieff Entertainment Centre

It was agreed that the information contained in the report, be noted by the Committee.

10. Other Reports/Business

Nil

11. Next Meeting – Tuesday 11 September 2018, 10.00 am

Meeting closed at 11.40 am

BSV. 
Bradley Grogan
Committee Chair

**Item****16 October 2018****Item Number:**

G1

File Number:

.

Part:

INFRASTRUCTURE

Portfolio:

Infrastructure Services

Subject:

Ordering of Garbage Trucks prior to Adoption of Budget

Report Author:

Andrew Railz, Branch Manager Fleet & Trade Services

Authorised by:

Stuart Randle, General Manager Infrastructure Services

Link to Corporate Plan:

Our Environment - 2.1 Infrastructure that meets our current and future needs - 2.1.4 Manage and maintain Council owned buildings, facilities and assets that support and facilitate social connectedness and community life.

Background:

Bundaberg Regional Council Fleet and Trade Services Branch is seeking to order three replacement garbage trucks prior to the adoption of the budget. Due to the specialised nature of the garbage trucks, lead times for delivery often exceed twelve months.

Associated Person/Organization:

At the Fleet Management Advisory Committee meeting held on the 22 August 2018, the committee agreed in principal that the ordering of the three replacement garbage trucks commence prior to the adoption of the next budget.

Consultation:

Portfolio Spokesperson: Cr Bill Trevor

Divisional Councillor: N/A

Chair of Fleet Management Advisory Committee: Cr Wayne Honor

Chief Legal Officer's Comments:

Procurement will need to be undertaken in accordance with Council's procurement and contract manual. There appear to be no legal implications.

Policy Implications:

There appear to be no policy implications.

Financial and Resource Implications:

Council has agreed to procure goods prior to the adoption of the budget. Purchase price of each garbage truck is estimated to be \$430,000.00, with a total combined value of \$1,290,000.00

Risk Management Implications:

There appears to be no risk management implications.

Communications Strategy:

Communications Team consulted.

- Yes
- No

Attachments:

Nil

Recommendation:

That Council approve the commencement of the procurement process prior to the adoption of the next budget.



Item

16 October 2018

Item Number:	File Number:	Part:
K1	522.2018.75.1	DEVELOPMENT ASSESSMENT

Portfolio:

Planning & Development Services

Subject:

5 Mandi Court, Kalkie - Material Change of Use - Dual Occupancy

Report Author:

Sarah Watts, Senior Planning Officer - Major Projects

Authorised by:

Michael Ellery, Group Manager Development

Link to Corporate Plan:

Our Environment - 2.3 Sustainable built and natural environment - 2.3.3 Review and consistently enforce local laws, the planning scheme, and other associated environment and public health legislation to ensure they meet community standards.

Summary:

APPLICATION NO	522.2018.75.1
PROPOSAL	Material Change of Use for Dual Occupancy
APPLICANT	K Lalis
OWNER	K Lalis
PROPERTY DESCRIPTION	Lot 51 on SP279722
ADDRESS	5 Mandi Court, Kalkie
PLANNING SCHEME	Bundaberg Regional Council Planning Scheme 2015
ZONING	Low Density Residential Zone
OVERLAYS	Acid Sulfate Soils Overlay
LEVEL OF ASSESSMENT	Code
SITE AREA	757 m ²
CURRENT USE	Dual Occupancy (unapproved)
PROPERLY MADE DATE	14 September 2018
STATUS	The 35 business day decision period ends on 7 November 2018
REFERRAL AGENCIES	Not Applicable
NO OF SUBMITTERS	Not Applicable
PREVIOUS APPROVALS	Development Approval for Building Works – Detached Dwelling and Secondary Dwelling with conditions
SITE INSPECTION CONDUCTED	2 October 2018
LEVEL OF DELEGATION	Level 3

1. INTRODUCTION

1.1 Background

On 5 July a Development Permit for Building Works for a dwelling and secondary dwelling was issued subject to conditions by a private building certifier (application ref 301.2016.00076577.001). The conditions imposed by the building works approval included that the dwelling comply with the definitions and requirements for a dwelling house and that compliance with the *Building Act 1975* and the relevant planning scheme is the responsibility of the owner.

On 6 July 2017 Council issued the owner of the property a Show Cause Notice in accordance with section 167 of the *Planning Act 2016*. The Show Cause Notice was issued in response to public complaint received about the dwelling being used as a dual occupancy, as opposed to a single dwelling and secondary dwelling.

On 20 October 2017 Council issued an Enforcement Notice under section 168 of the *Planning Act 2016*. The Enforcement Notice was issued alleging the applicant was carrying out assessable development (for a dual occupancy) without a permit, rather than the approved dwelling house and secondary dwelling.

On 14 November 2017 the owner lodged an appeal with the Planning and Environment Court disputing the Enforcement Notice. The applicant had a position that there had been no material change of use and the use was not a dual occupancy.

On 15 May 2018 the Planning and Environment Court found that there had in fact been a material change of use as the subject dwelling did not meet the definition of a dwelling house and secondary dwelling as one dwelling was not subordinate to the other and they did not operate in conjunction with each other. The Court ruled that the use occurring on site was an unlawful dual occupancy (appeal number 4349/17).

The subject application has been lodged as a result of Council's Enforcement Notice and the outcome of the Planning and Environment Court Appeal outcome.

The current Court Order requires that the unlawful use cease by December 2018.

1.2 Proposal

The application seeks approval for a Development Permit for a Material Change of Use for a Dual Occupancy. Proposed dwelling 1 consists of three bedrooms, has a gross floor area of 136 m² and a single garage and additional tandem space behind the garage. Proposed dwelling 2 consists of two bedrooms, has a gross floor area of 80 m² (excluding the single garage and covered outdoor areas) and includes a single garage and additional tandem parking behind the garage.

1.3 Site Description

The subject site has an area of 757 m² and a street frontage of 20.9 metres to Mandi Court. The subject site is generally flat and does not include any significant vegetation. The proposed dual occupancy has been constructed on the subject site. Mandi Court is classified as an "access place" with Council's road hierarchy and has a 5 metre wide pavement.

The surrounding area has been developed predominantly with detached dwellings incorporating a secondary dwelling, some of which have also been the subject of Council compliance investigations due to their alleged use as a dual occupancy. Of the eight lots in Mandi Court, only one dwelling (no 8) is constructed as a conventional

dwelling house, without a secondary dwelling component. Within the surrounding estate 70-80% of all dwellings have been constructed as dwellings with secondary dwellings or as dual occupancies.

2. ASSESSMENT PROVISIONS

2.1. Assessment Benchmarks

The following are the benchmarks applying for this development:

Benchmarks applying for the development	Benchmark reference
Overlay Code <ul style="list-style-type: none"> Acid sulfate soils overlay code 	Bundaberg Regional Council Planning Scheme 2015
Use Code <ul style="list-style-type: none"> Dual occupancy code 	Bundaberg Regional Council Planning Scheme 2015

3. ISSUES RELEVANT TO THE APPLICATION

The following significant issues have been identified in the assessment of the application:

Overall outcomes sought by the Dual Occupancy Code

The purpose that the Dual Occupancy Code seeks to achieve is:

To ensure that development involving a dual occupancy achieves a high level of comfort and amenity for occupants, maintains the amenity and enjoyment of neighbouring premises and is compatible with the character of the streetscape and surrounding area.

The subject site is located within the Low Density Residential Zone. Within the Low Density Zone development is required to be designed and located in a manner which makes a positive contribution to the streetscape, is sympathetic to its local setting, maintains the low intensity character of the zone and maintains a high level of residential amenity. A maximum density of 15 dwellings per hectare is envisaged for this area, which for the subject site regularly equates to one single dwelling per lot.

Noting the development that has occurred on adjoining and nearby lots, it is considered that the current residential context of the site (and street) may be closer aligned with that of a medium density residential area with two dwellings being constructed on 70 - 80% of the lots (being either dwelling and secondary dwelling, dual occupancies or unlawful dual occupancies). This equates to a density of 30 dwelling per hectare. It is also noted that part of the public complaint base to Council is from residents of single dwellings raising concerns that the low density nature and scale of the locality has been compromised. Furthermore, given each of the dwellings have only one garage space, proliferation of cars and higher than anticipated traffic volumes has been an experienced consequence.

This current use and character of the allotments in Mandi Court is important as the intended character and amenity of this low density area has to be considered.

The overall outcomes of the code further require that:

- (a) *a dual occupancy makes a positive contribution to the streetscape character of the area in which it is located; and*

(c) a dual occupancy provides a high level of amenity and safety for residents of the dual occupancy;

As discussed above, the proposed dual occupancy development's ability to demonstrate that it is in keeping with the intended low density streetscape character is not assisted by the existence of multiple dwellings with secondary dwellings. Given that the majority of the second dwellings/dual occupancies within the street and wider area do not have a visible front door to both units, there is a proliferation of garage doors in terms of built form. It is considered that this also further impacts on the proposed development's ability to make a positive contribution to the streetscape character.

As discussed at item 1.1 of this report, this proposal comes to Council on the back of Council's regulatory enforcement action and an unsuccessful appeal by the landowner to the Planning Environment Court. The constructed dwelling at 5 Mandi Court was not designed or approved to operate as a dual occupancy development on the subject land. As such, the retrofitting exercise now being proposed, identifies inconsistencies with code provisions that cannot be easily remedied in a retrospective assessment activity.

Inconsistencies include the lot area being less than 800 m² and the building design not enabling the entry to unit 2 to be visible from the street.

In context of the development surrounding the site and the building constructed onsite it is considered that the purpose and overall outcomes sought by the code are not and cannot be met.

Site Suitability

Acceptable Outcome AO1 of the Dual Occupancy Code requires that a dual occupancy is located on a lot with a minimum lot size of 800 m². The subject site has a site area of 757 m².

The associated performance outcome stipulates that a dual occupancy is sited on a site that has sufficient area to accommodate the use. It is considered for a site to be suitable, a proposed dual occupancy should be able to meet all other acceptable outcomes including requirements relating to the design and siting of the building and the requirements for safety and security.

Although an acceptable outcome of the code, the minimum lot size of 800 m² for dual occupancy development details a policy intent that a general unit per m² land area rate be applied to new dual occupancy development in the region. As a starting point, the policy suggests that one unit per 400 m² represents 'sufficient area' to accommodate the dual occupancy.

Although Council is permitted to utilise its discretion to support a lesser land area than 800 m², the basis for doing so could only be supported in circumstances where the variation in base m² land area was considered minor. It follows that the less available land area per unit the likely increase in intensity of aspects of the development on the site and the greater risk of offsite amenity impacts. Council's complaint information indicates that the impacts of overflow parking from alleged dual occupancies has already negatively impacted on Mandi Court with presumably insufficient parking for the demands of occupants. Inadequate building design can also generate offsite impacts with smaller buildings/units on smaller lots providing insufficient domestic storage leading to, for example, garage areas being utilised for regular storage. It is

noted that the applicant's proposal does not vary any aspect of the units building design or car parking and manoeuvring areas to assist the development more readily transition from a dwelling to a dual occupancy and better respond to some of the impacts currently being experienced on or proximate to the subject site.

In further consideration of minimum lot areas, and although perhaps a less than definitive approach, it is also reasonable to suggest that residents in low density areas utilise the 800 m² minimum area requirement (within the Dual Occupancy Code), as a means to determine whether individual allotments within their street or locality have the capability to easily locate a future dual occupancy. This approach could be particularly relevant in the immediate vicinity of Mandi Court (Mandi Court and Alison Drive) where 70-80% of lots are developed with a dwelling/secondary dwelling or dual occupancy product.

A consequence of increased density is increased amenity impacts which are not anticipated within a low density area. These include; increased traffic impacts and a higher demand for parking both on site and on street, increased traffic movements (8-10 movements per day on average per dwelling), increased frequency of service vehicles, increased noise and increased number of garbage bins having to be located along the road frontage on bin collection day.

It should be noted that Mandi Court only has a road pavement width of five metres. A 5 m carriageway only allows for staggered on street car parking in select locations to not interfere with driveways and to allow traffic to zig-zag through parked cars. If cars are parked both sides of the street, there is not sufficient room for a vehicle to pass in between. In an emergency situation, this could have catastrophic impacts if an emergency vehicle is not able to pass through the street. From officers observations on numerous site visits this has led to vehicles unlawfully parking on Council street verge. Furthermore, this also has impacts to infrastructure located within the verge, which could be damaged and Council and other service providers may not be able to access these in the event they needed repair (burst water pipe, phone/internet outage). Many of these services such as telecommunication pits are not constructed to a drivable standard so are at further risk of being damaged.

Given the proposed duplex has already (unlawfully) been constructed and the limitations of the size of the subject site, officers cannot condition further parking and or storage be provided on the site as there are not sufficient setbacks for cars to access the rear of the site and any further parking on the site would take away from areas that would be required for landscaping and private open space

It is considered that the proposal does not comply with Performance Outcome PO1 and cannot be conditioned to comply.

Safety and Security

Acceptable AO7.1 and AO7.2 require that

Each dwelling has an entrance which is clearly identifiable from the street and driveway; and

The internal pathway network has clear sightlines to the dwelling entrance and street access points.

Proposed unit 2 does not have an entrance that is clearly identifiable from the street. The door to obtain access is located down the side of the property, approximately

halfway down the side boundary. There is no pathway leading to this door. The door is not viewable from the driveway. Furthermore, this unit does not have any rooms that overlook the street, with the proposed unit being entirely located behind the garage.

The associated performance outcome requires that:

The dual occupancy including buildings and outdoor spaces is designed to protect the personal safety and security of residents by allowing for natural surveillance.

Unit 2 does not have any natural surveillance from the front of the premises or from the street. Given there is no clear front door and the entry to the property is not clearly visible to the street safety of residents and visitors is a concern.

It is considered that given the unit has been constructed, there is no design outcome that can be conditioned that can rectify the lack of surveillance and the entry not being visible. The proposal is therefore considered to not comply with this performance outcome, nor can it be conditioned to comply.

4. REFERRALS

4.1 Internal Referrals

Advice was received from the following internal departments:

Internal department	Referral Comments Received
Water and Wastewater	20 September 2018

Any significant issues raised in the referrals have been included in section 3 of this report.

4.2 Referral Agency/ies

Not Applicable

5. PUBLIC NOTIFICATION

Not Applicable.

6. DRAFT CONDITIONS

Not Applicable

7. REASONS FOR DECISION

The reasons for this decision are:

- The proposed dual occupancy does not comply with the purpose and overall outcomes of the Dual Occupancy Code and cannot be conditioned to comply.
- The proposed dual occupancy does not comply with performance outcome PO 1 of the Dual Occupancy Code and cannot be conditioned to comply.
- The proposed dual occupancy does not comply with performance outcome PO7 of the Dual Occupancy Code and cannot reasonably be conditioned to comply.

- The dual occupancy does not make a positive contribution to the streetscape area in which it is located.
- The dual occupancy is not sited and designed to protect the amenity of adjoining and nearby premises
- The dual occupancy would result in unacceptable traffic and car parking impacts on Mandi Court and the surrounding road network.
- The dual occupancy would result in a dwelling density incompatible with the intended character of the surrounding area.

Communication Strategy:

Communications Team consulted. A Communication Strategy is:

- Not required
- Required

Attachments:

- [↓1](#) Locality Plan
- [↓2](#) Site Plan
- [↓3](#) Proposal Plan

Recommendation:

That the Development Application 522.2018.75.1 detailed below be decided as follows:

1. Location details

Street address: 5 Mandi Court, Kalkie
 Real property description: Lot 51 on SP279722
 Local government area: Bundaberg Regional Council

2. Details of the proposed development

Development Permit for Material Change of Use (Dual Occupancy)

3. Decision

Decision details: Refused

4. Referral agencies for the application

Nil

5. Details of refusal

Bundaberg Regional Council was not directed to refuse the application by a referral agency.

6. Reasons for refusal

Under section 63(2)(f)(ii) of the *Planning Act 2016*, the Bundaberg Regional Council must set out reasons for the decision to refuse the application.

The reasons for this refusal are:

- The proposed dual occupancy does not comply with the purpose and overall outcomes of the Dual Occupancy Code and cannot be conditioned to comply.
- The proposed dual occupancy does not comply with performance outcome PO 1 of the Dual Occupancy Code and cannot be conditioned to comply.
- The proposed dual occupancy does not comply with performance outcome PO7 of the Dual Occupancy Code and cannot reasonably be conditioned to comply.
- The dual occupancy does not make a positive contribution to the streetscape area in which it is located.
- The dual occupancy is not sited and designed to protect the amenity of adjoining and nearby premises
- The dual occupancy would result in unacceptable traffic and car parking impacts on Mandi Court.
- The dual occupancy would result in a dwelling density incompatible with the intended character of the surrounding area.

7. Properly made submissions

Not applicable — No part of the application required public notification.

8. Rights of appeal

The rights of applicants to appeal to a tribunal or the Planning and Environment Court against decisions about a development application are set out in Chapter 6, Part 1 of the *Planning Act 2016*. For particular applications, there may also be a right to make an application for a declaration by a tribunal (see Chapter 6, Part 2 of the *Planning Act 2016*).

Appeal by an applicant

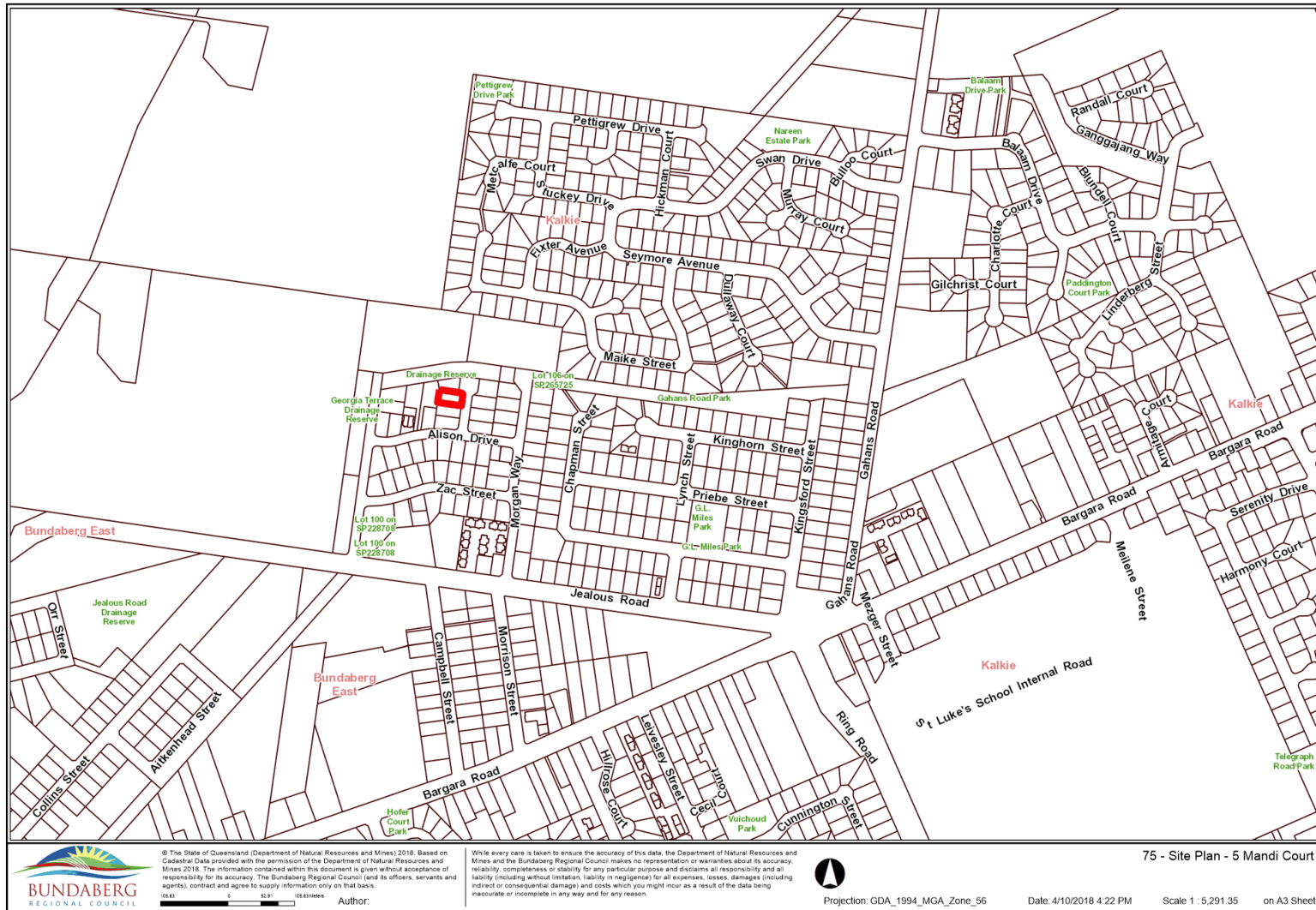
An applicant for a development application may appeal to the Planning and Environment Court against the following:

- the refusal of all or part of the development application
- a provision of the development approval

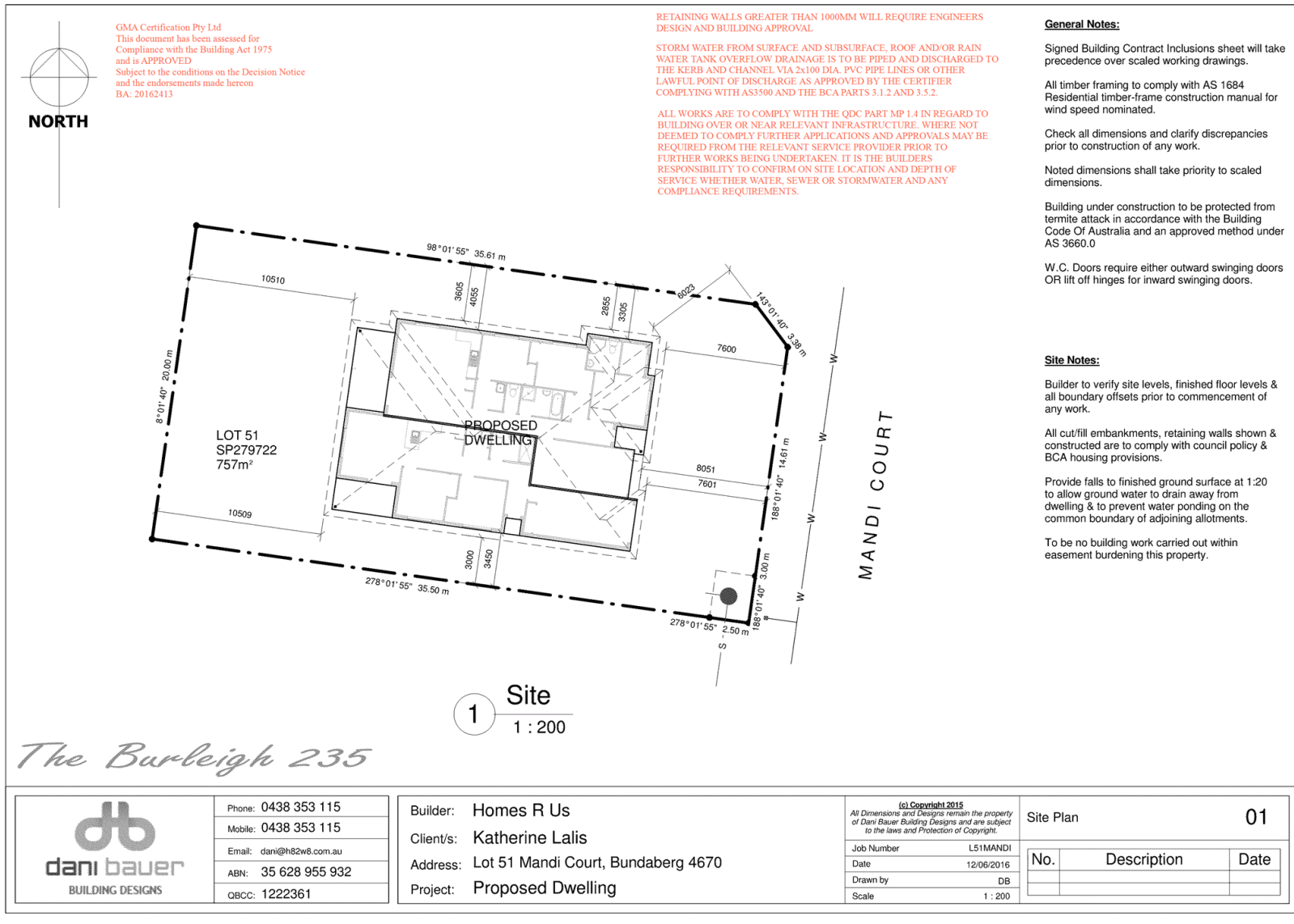
- the decision to give a preliminary approval when a development permit was applied for
- a deemed refusal of the development application.

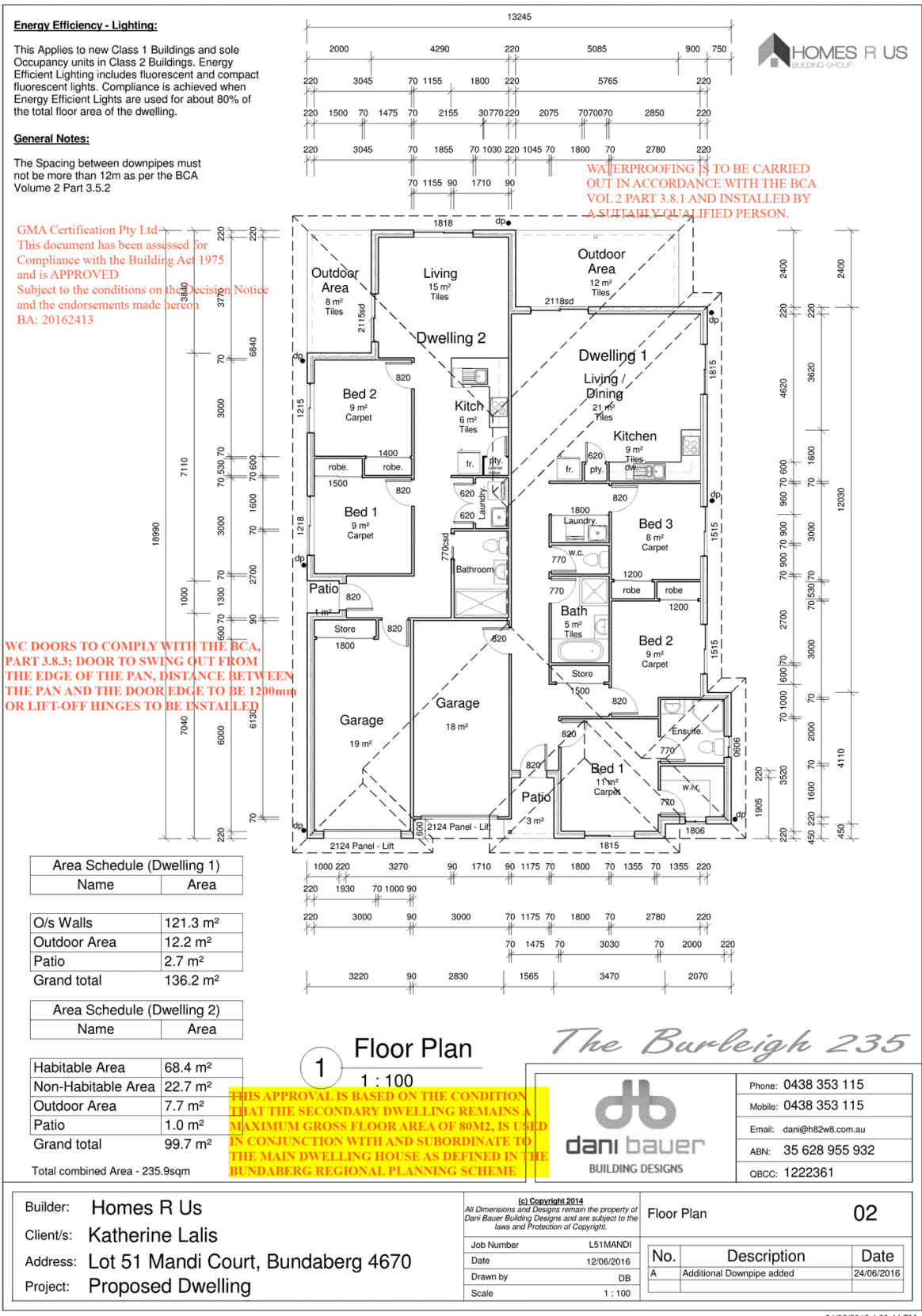
The timeframes for starting an appeal in the Planning and Environment Court are set out in Section 229 of the *Planning Act 2016*.

Schedule 1 is an extract from the *Planning Act 2016* that sets down the applicant's appeal rights.









1 Elevation A
1 : 100

2 Elevation B
1 : 100

3 Elevation C
1 : 100

4 Elevation D
1 : 100

Colorbond roof sheeting fixed to manufactures specifications.

22.5deg roof pitch

2400min. ceiling ht.
2100min. Joinery ht.
f.f.l. 300 a.g.l.
Ground Level

WHERE A DOOR THRESHOLD IS MORE THAN 230MM ABOVE THE ADJOINING SURFACE, IT MUST INCORPORATE STEPS HAVING RISER AND GOING DIMENSIONS IN ACCORDANCE WITH BCA PART 3.9.1.2 (as applicable)

HOMES R US BUILDING GROUP

GMA Certification Pty Ltd
This document has been assessed for Compliance with the Building Act 1975 and is APPROVED
Subject to the conditions on the Decision Notice and the endorsements made hereon
BA: 20162413

Colorbond roof sheeting fixed to manufactures specifications.

22.5deg roof pitch

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2100min. Joinery ht.
f.f.l. 300 a.g.l.
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2100min. Joinery ht.
f.f.l. 300 a.g.l.
Ground Level

Brick Veneer External walls

THE SPACING OF DOWNPIPES MUST BE INSTALLED SO THAT THEY DO NOT SERVE MORE THAN 12m OF GUTTER, AS PER THE BCA VOLUME 2 PART 3.5.2.

GARAGE AND OTHER LARGE ACCESS DOORS IN WIND REGIONS C AND D, UP TO 3.0M IN HEIGHT IN EXTERNAL WALLS ARE TO COMPLY WITH BCA PART 3.31.6 (d) AND AS/NZS 4505:2012. CERTIFICATION WILL BE REQUIRED WHERE APPLICABLE.

The Burleigh 235

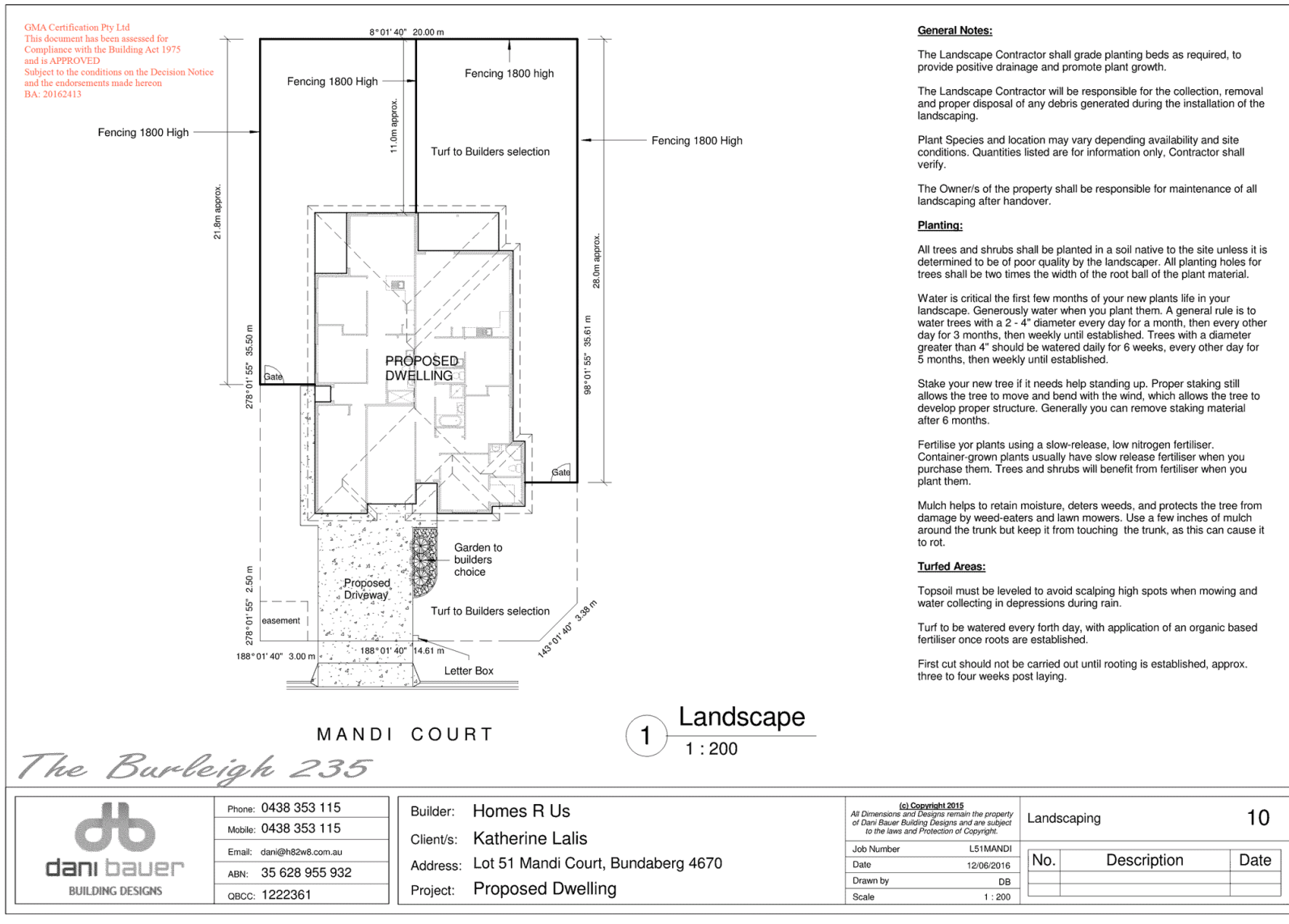
Phone: 0438 353 115
Mobile: 0438 353 115
Email: dani@h82w8.com.au
ABN: 35 628 955 932
QBCC: 1222361

Builder: Homes R Us
Client/s: Katherine Lalís
Address: Lot 51 Mandi Court, Bundaberg 4670
Project: Proposed Dwelling

(c) Copyright 2015
All Dimensions and Designs remain the property of Dani Bauer Building Designs and are subject to the laws and Protection of Copyright.
Job Number: L51MANDI
Date: 12/06/2016
Drawn by: DB
Scale: 1 : 100

Elevations		03
No.	Description	Date

12/06/2016 2:49:41 PM



12/06/2016 2:52:46 PM

**Item****16 October 2018****Item Number:**

O1

File Number:

.

Part:

WASTE & RECYCLING

Portfolio:

Community & Environment

Subject:

Booyal Transfer Station Operating Hours

Report Author:

Gavin Steele, General Manager Community & Environment

Authorised by:

Gavin Steele, General Manager Community & Environment

Link to Corporate Plan:

Our Environment - 2.2 Sustainable and affordable essential services - 2.2.3 Provide safe and efficient waste services to protect our community and environment.

Background:

Booyal Transfer Station presently opens once per week for three hours on a Sunday from 12 noon until 3.00 pm to provide a waste disposal facility for the local community.

The facility is isolated and not presently serviced by network power which significantly limits the operations and services that can be provided to patrons and staff who operate the site. As the transfer station is only open for three hours per week a single staff member is utilised to operate it.

Due to the lack of network power the staff and office facilities at the site are basic. The topography of the area, with an exposed rocky surface, limited shading and surrounding hills reduces the opportunity for any cooling breezes and means that in summer months the ambient on-ground temperature can reach mid to high 40 degree Celsius level.

Last summer a staff member operating the facility suffered heat stress and the on-ground temperature recorded that day reached 47C. The fact that the facility is presently open during the hottest part of the day, 12 noon – 3 pm, further perpetuates this issue and whilst measures have been put in place operationally to provide cooling and shade for staff who have to work during these periods, these periods also affect visiting members of the public who are unloading their waste in these conditions.

The annual customer visitation to Booyal Waste Management Facility is in the table below and shows an average of just under eight customers per week.

Hour	Client Count	Per hr / week
Site: Booyal Transfer Station		
Day: 7 - Sunday		
12:00	161	3.1
13:00	143	2.8
14:00	94	1.8
Day: 7 - Sunday	398	7.7

It is proposed that in order to reduce the exposure to excessive heat for staff and customers that Booyal Transfer Station hours of operation be changed and the facility open from 8 am – 11 am thus avoiding the hottest part of the day.

If approved, it is proposed that this change to opening hours be effective from Sunday 28 October 2018 and that Council undertake communications to advise the local Booyal community.

Associated Person/Organization:

Nil

Consultation:

Cr Scott Rowleson – Waste & Recycling Portfolio Spokesperson

Chief Legal Officer's Comments:

There appear to be no legal implications.

Policy Implications:

There appear to be no policy implications.

Financial and Resource Implications:

There appear to be no financial or resource implications.

Risk Management Implications:

This proposal if adopted will reduce the Work Health and Safety risk to staff and patrons of Booyal Transfer Station by reducing the opportunity for heat stress whilst at the facility.

Communications Strategy:

Communications Team consulted.

Yes

No

Attachments:

Nil

Recommendation:

That:

- 1. the opening hours of Booyal Transfer Station be changed from 12 pm - 3 pm Sundays to 8 am - 11 am Sundays – effective from Sunday 28 October 2018;**
- 2. a community awareness program be undertaken to inform the Booyal and surrounding community prior to the change.**

**Item****16 October 2018****Item Number:**

R1

File Number:

A3800055

Part:

TOURISM

Portfolio:

Community & Environment

Subject:

Maintenance contract for airport security screening equipment (Sole or Specialised Supplier Arrangements)

Report Author:

Cameron Bisley, Branch Manager - Airports & Tourism

Authorised by:

Gavin Steele, General Manager Community & Environment

Link to Corporate Plan:

Our People, Our Business - 3.1 A sustainable financial position - 3.1.2 Apply responsible fiscal principles for sustainable financial management.

Background:

The airport owns and operates a number of pieces of baggage and passenger security screening equipment supplied by Smiths Detection (Australia) Pty Ltd, the local affiliate of the equipment manufacturer. From the time of its commissioning, the equipment has been serviced and repaired under a maintenance contract with the company. That contract has come to the end of its term.

The Procurement Board has authorised Airport Operations to negotiate a new contract with the company without seeking competitive quotations or tenders in accordance with Council's Procurement and Contract Manual, pursuant to Section 235 of the *Local Government Regulation 2012* (Sole or Specialised Supplier arrangements). The Procurement Board has recommended that adequate consideration be given to the useful life of the equipment in the maintenance contract.

A contract draft has been prepared that will provide for the support of the airport's security equipment for a three year term and permits the addition and removal of items of equipment to the contract as may be required.

The value of the contract over the three year term is \$199,953.65 (excl GST).

Associated Person/Organization:

Greg Barrington, Manager – Airport Operations

Consultation:

Consultation with the Procurement Board

Chief Legal Officer's Comments:

There appear to be no legal implications.

Policy Implications:

There appear to be no policy implications.

Financial and Resource Implications:

The value of the contract over the three year term is \$199,953.65 (excl GST). Proposed contract value is lower than the budget allocation.

Risk Management Implications:

There appears to be no risk management implications.

Communications Strategy:

Communications Team consulted.

- Yes
- No

Attachments:

Nil

Recommendation:

That the Chief Executive Officer be authorised to execute the new maintenance contract for airport security screening equipment, pursuant to Section 235 of the *Local Government Regulations 2012* (Sole or Specialised Supplier Arrangements), with Smiths Detection (Australia) Pty Ltd.

**Item****16 October 2018****Item Number:**

S1

File Number:

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Part:STRATEGIC PROJECTS &
ECONOMIC DEVELOPMENT**Portfolio:**

Executive Services

Subject:

Specialised Supplier Arrangement for whole of Council future infrastructure requirements modelling tool

Report Author:

Chris Sampson, Manager Strategic Projects

Authorised by:

Ben Artup, Executive Director Strategic Projects & Economic Development Co-ordination

Link to Corporate Plan:

Our Environment - 2.1 Infrastructure that meets our current and future needs - 2.1.2 Plan and implement Council's long-term and annual capital works improvement program that reflects community needs and expectations.

Background:

Council previously engaged Integran to assist in the development of its Local Government Infrastructure Plan (LGIP). Subsequently, Integran identified that there is no system which offers a coordinated and integrated platform to manage the capital works planning across functions of Council, including both trunk and non-trunk infrastructure. A platform that is able to rapidly re-price, model scenarios and prioritise the capital planning in accordance with changing growth pressures and demand would be a significant benefit to Council. Integran have developed software, identified at Outvye that undertakes this function. They also identified that the State Government's Maturing Infrastructure Pipeline Program (MIPP) could be used to fund Council populating and developing the new system.

The works proposed within this engagement builds on the work and knowledge that Integran has of Council's LGIP. This engagement will incorporate both Council's existing LGIP and planning for non-trunk infrastructure into a single source.

Council applied for and was successful in securing funding through the State Government's MIPP to assemble whole of Council asset information including a strategic assessment of new and renewal capital projects. Council are now seeking to undertake a sole supplier arrangement with Integran to utilise their Outvye system. Council has no funding liability with this engagement, with all funds being provided through MIPP. Council has no ongoing obligation for the continued use or subscription to Integran's Outvye program.

If at the completion of assembling the whole of asset information, Council identifies that there would be benefit in the continued use of the system, then there would be an annual fee for on-going subscription and technical support.

Associated Person/Organization:

Integran Pty Ltd ABN 39 107 256 959

Consultation:

All Councillors and Council's Procurement Board

Chief Legal Officer's Comments:

Section 235(b) of the *Local Government Regulation 2012* provides an exception to entering into a medium or large sized contractual arrangement with first inviting written quotes or tenders if the local government resolves that, because of the specialised nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders.

It is assessed that the services offered by Integran and their Outvye program are of a specific nature and that the requirements of the funding agreement would not be able to be met by alternate suppliers. Other systems do not perform the functions identified in the grant application or insufficient time exists within the funding agreement to develop a bespoke system.

Policy Implications:

There appear to be no policy implications.

Financial and Resource Implications:

Queensland Government's Department of State Development, Manufacturing, Infrastructure and Planning have granted funding through the Maturing the Infrastructure Pipeline Program to fund these works. Funding is for \$120,000 (inclusive of GST).

Risk Management Implications:

The dominant risks that have been identified as potentially affecting this proposal are that:

- staff resources are committed to assist in the population and development of the system and it does not perform as has been advised;
- on completion of populating the system it is identified as providing a substantial benefit to Council and ongoing subscription and technical support are offered at an inflated cost.

Communications Strategy:

Communications Team consulted.

- Yes
 No

Attachments:

Nil

Recommendation:

That Council enter into an arrangement with Integran Pty Ltd (ABN 39 107 256 959) for the supply of infrastructure requirements modelling tool, Outvye, without first inviting written quotes pursuant to Section 235(b) of the *Local Government Regulation 2012*.