



**AGENDA FOR ORDINARY MEETING  
TO BE HELD IN COUNCIL CHAMBERS, BUNDABERG  
ON TUESDAY 21 NOVEMBER 2017, COMMENCING AT 10.00 AM**

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**Item****21 November 2017****Item Number:**

E1

**File Number:**

.

**Part:**

FINANCE

**Portfolio:**

Organisational Services

**Subject:**

Final Management Report for 2016/2017 Financial Audit

**Report Author:**

Anthony Keleher, Chief Financial Officer

**Authorised by:**

Stuart Randle, General Manager Organisational Services

**Link to Corporate Plan:**

Our People, Our Business - 3.1 A sustainable financial position.

**Background:**

As part of the annual financial audit, Council's external auditors provide a Final Management Letter summarising the findings of the Audit. Council again received unmodified audit opinions. There were no high risk matters raised. The matters raised will be added to the Finance Risk Register for action and monitored through reports to the Audit & Risk Committee.

**Associated Person/Organization:**

Pitcher Partners

**Consultation:**

Audit &amp; Risk Committee

**Legal Implications:**

Report required to be presented to Council in accordance with Section 213 of the *Local Government Regulation 2012*.

**Policy Implications:**

There appear to be no policy implications.

**Financial and Resource Implications:**

Audit costs are provided in the 2017/2018 Budget.

**Risk Management Implications:**

The items identified in the final management letter will added to the Finance Risk Register for action.

**Communications Strategy:**

Communications Team consulted.

Yes

No

**Attachments:**

[↓](#)1 Final Management Letter

**Recommendation:**

**That the Final Management Letter for the 2016/17 Financial Audit, be noted by Council.**





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26 October 2017

The Mayor  
Bundaberg Regional Council  
PO Box 3130  
BUNDABERG QLD 4670

Dear Councillor Dempsey

### Final Management Report for Bundaberg Regional Council

The 2016-17 audit for Bundaberg Regional Council has now been completed.

QAO issued unmodified audit opinions on both your financial statements and your current year financial sustainability statement. Consistent with prior years and all other councils, we included an emphasis of matter paragraph in our audit report on your current year financial sustainability statement to highlight the use of the special purpose basis of accounting. These reports were returned to you by letter dated 19 October 2017.

The purpose of this letter is to provide the council with details of significant audit matters and other important information related to the audited financial statements. Our closing report was presented to the audit committee on 24 October 2017. All significant matters related to the audit were included in the closing report.

For your information, Appendix A provides you with details of all audit issues we have raised with management.

### Report to parliament

Each year we report the results of all financial audits and significant issues to parliament. In this report, we will comment on the results of the audit of your financial report, financial performance and position and sustainability matters, and any significant control issues we identified, together with our audit recommendations.

You and the chief executive officer will be given an opportunity to comment and those comments will be reflected in the report.

### Audit fees

The final audit fee for this year is \$155,000 (prior year \$155,000).

We would like to thank you and your staff for the assistance provided to us during the audit.

If you would like to discuss these issues or any matters regarding the audit process, please feel free to contact me on (07) 3222 8440.

Yours sincerely

Jason Evans  
As Delegate of the Auditor-General

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## Appendix A

### Issues formally reported to management

This table provides you with a summary of issues that we have formally reported to management related to internal control deficiencies and financial reporting issues we identified through our audit process. Refer to Appendix B for further information on our rating categories.

#### Internal control deficiencies

Component	Issue	Rating	Our recommendation	Management Response and Status
All	<p><b>Control Type:</b> Control Environment  <b>Financial year first raised:</b> 2016  <b>Issue:</b>            Council's disaster recovery plan was noted as having not been tested within the last two years.  <b>Implication:</b>            Council plan may not be appropriately addressing its system recovery and business continuity requirements in the event of unforeseeable disaster events occurring. This may result in an extended period of downtime for Council and could limit the ability to continue necessary operations.</p>	Deficiency	It was recommended that Council implement a policy for testing the disaster recovery plan on a regular basis, and that testing be carried out in accordance with the policy. This should ensure that Council is satisfied as to the ability of the plan and those charged with its implementation to operate effectively in the event of a disaster occurring.	<p><b>Status:</b> Work in Progress  <b>Response:</b>            Updated management response to be provided for FY18 interim management letter where this issue remains unresolved.</p>

#### Financial reporting issues

Component	Issue	Rating	Our recommendation	Management Response and Status
Property, Plant and Equipment	<p><b>Issue:</b>            Council's asset valuations for water and wastewater infrastructure (passive assets) have historically been determined on a "Greenfields" basis, which is inconsistent with Council's asset capitalisation policy which provides for recognition of assets on a "Brownfields" basis.            In the current (FY17) audit we observed that the comprehensive valuation for active water and wastewater assets was also prepared using Greenfields rates.</p>	Medium	It is recommended that Council review the rates adopted across all asset classes to confirm these are consistent, both across asset classes and with the internal capitalisation policy.	<p><b>Status:</b> Work in Progress  <b>Response:</b></p>

Component	Issue	Rating	Our recommendation	Management Response and Status
	<p><b>Implication:</b> There is a risk that asset values may be misstated due to the inconsistency.</p>			Management will consider revising the valuation methodology for all asset classes presently valued using greenfield rates at this time of the next scheduled comprehensive valuation. For passive water and wastewater assets, this will be 30 June 2019.
Landfill Restoration Provision	<p><b>Issue:</b> Our review of the landfill restoration provision indicated that there is prevailing uncertainty as to how provisions relating to landfills on Council owned land should be accounted for. No exercise has been undertaken to determine the fair value of the restoration asset recognised.</p> <p><b>Implication:</b> There is a risk that land assets impacted by rehabilitation provisions may be incorrectly valued, and (noting that the revaluation reserve for land has been exhausted) that net result in any given period may be materially misstated.</p>	Medium	<p>It is recommended that management review the fair value of the land asset/s used as landfill sites (incorporating the fair value of the landfill restoration asset), to evaluate whether these differ materially from their fair value.</p> <p>We understand from review of the current year land valuation that landfill sites are valued on a net basis that is, taking into account the negative impact of the sites' current status as waste management locations.</p> <p>In our view, the assets should rather be valued on an "as if" fully restored basis, with the difference effectively being the fair value of the restoration asset.</p> <p>We consider that the maximum value of the restoration asset would be equal to the current value of the restoration provision, which for landfills on Council owned land is \$3.312m. After factoring in the current period impact of revaluation adjustments made by Council to the landfill restoration assets (decrement of \$1.6m), and the WDV of landfill restoration assets (\$0.403m), the maximum potential error in the current year is therefore considered to be \$1.310m, which is not material.</p>	<p><b>Status:</b> Work in Progress</p> <p><b>Response:</b> Management will consult with external audit during FY18 in order to ensure that the accounting for landfill provisions on Council owned land is consistent with the requirement of applicable accounting standards and interpretations.</p>

Component	Issue	Rating	Our recommendation	Management Response and Status
Property, Plant & Equipment	<p><b>Issue:</b> When completing partial disposals of infrastructure assets (i.e. where a portion of a segment is renewed), the disposal amount is determined by reference to the apparent condition of the portion replaced, rather than the actual recorded condition of the segment as a whole). As a result of this practice, the disposal recorded is inconsistent with the written-down value of the asset that has been replaced.</p> <p>Further, we identified a lack of documentation regarding the write-off condition assessment and calculation for assets accounted for on this basis.</p> <p><b>Implication:</b> The above treatment is not strictly compliant with the accounting standards, which require that the carrying amount of the asset disposed be written off. As a result, losses on disposal may be misstated in any given period. In the current year we have estimated the potential misstatement to be \$0.352m, which is not material.</p>	Medium	<p>In view of the value of the estimated current period error, and the resegmentation exercises conducted on major asset classes during the year, we do not consider it necessary for Council to implement a change to the currently adopted policy.</p> <p>The resegmentation of major asset classes should result in condition data maintained within the asset management system being more representative of the actual condition across an entire segment, rather than an average condition.</p> <p>Notwithstanding this, it is recommended that management monitor the difference arising from maintaining the current policy and, in periods where the impact is significant, consider the need to revise the methodology applied in order to align with the accounting standard requirements.</p> <p>It is further recommended that where judgement is applied in determining the amount of asset write-offs, as is typically the case under the policy applied by Council, such judgement be appropriately documented and maintained as part of the asset capitalisation process.</p>	<p><b>Status:</b> Work in Progress</p> <p><b>Response:</b> Management confirmed that the current policy will be maintained, but acknowledges the need to ensure that judgements and other considerations made in determining the write-off amount for partial disposals are adequately documented and available for audit in future periods.</p>

## Appendix B

### B1 Our rating of internal control deficiencies

We have assessed all internal control deficiencies in this report based on their potential to cause a material misstatement in the financial statements. The risk assessment categories are as follows:

Assessed category	Definition	Prioritisation of remedial action
Deficiency	A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.	We expect management action will be taken in a timely manner to resolve deficiencies.
Significant deficiency	A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action. Also, we increase the rating from a deficiency to a significant deficiency based on: <ul style="list-style-type: none"> <li>the risk of material misstatement in the financial statements</li> <li>the risk to reputation</li> <li>the significance of non-compliance with policies and applicable laws and regulations</li> <li>the potential to cause financial loss including fraud</li> <li>where management has not taken appropriate timely action to resolve the deficiency.</li> </ul>	This requires immediate management action to resolve.
Other matter	Another matter is expected to improve the efficiency and / or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If another matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.	Our recommendation may be implemented at management's discretion.

## B2 Our rating of financial reporting issues

We have assessed all financial reporting issues in this report based on their potential to cause a material misstatement in the financial statements. The assessed risk ratings are as follows:

Risk rating	Potential effect on the financial statements	Prioritisation of remedial action
High	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
Medium	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements.	We expect management action will be taken in a timely manner.
Low	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	We recommend management action to resolve; however, a decision on whether any action is taken is at management's discretion.

**Item****21 November 2017****Item Number:**

E2

**File Number:**

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**Part:**

FINANCE

**Portfolio:**

Organisational Services

**Subject:**

Financial Summary as at 1 November 2017

**Report Author:**

Anthony Keleher, Chief Financial Officer

**Authorised by:**

Stuart Randle, General Manager Organisational Services

**Link to Corporate Plan:**

Our People, Our Business - 3.1 A sustainable financial position.

**Background:**

In accordance with Section 204 of the *Local Government Regulation 2012* a Financial Report must be presented to Council on a monthly basis. The attached Financial Report contains the Financial Summary and associated commentary as at 1 November 2017.

**Consultation:**

Financial Services Team

**Legal Implications:**

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:**

There appears to be no risk management implications.

**Communications Strategy:**

Communications Team consulted. A Communication Strategy is:

 Not required Required

**Attachments:**

[↓](#) 1 Financial Summary as at 1 November 2017

**Recommendation:**

**That the Financial Summary as at 1 November 2017** (as detailed on the 13 pages appended to this report) – **be noted by Council.**



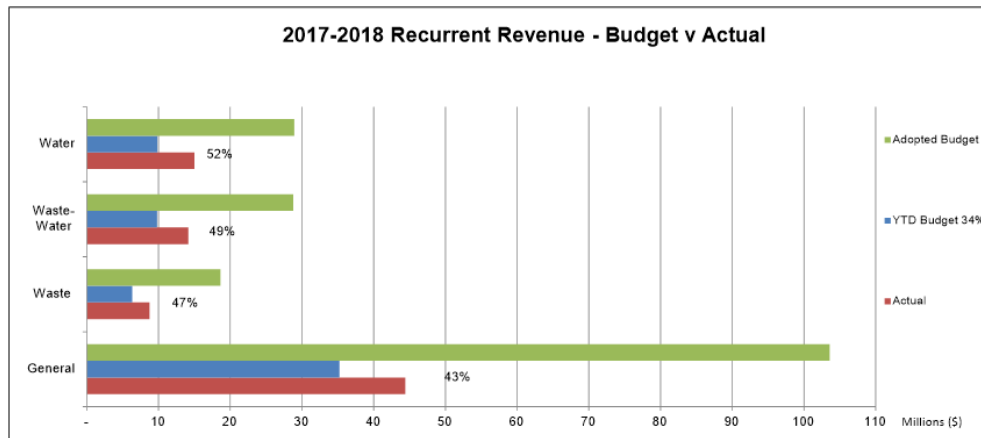
Financial Summary  
as at 01 Nov 2017

Progress check - 34%	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
<b>Recurrent Activities</b>															
<i>Revenue</i>															
General Rates and Utility Charges	74,167,953	152,294,430	49%	39,047,657	83,517,400	47%	7,236,487	14,369,000	50%	13,714,015	27,435,750	50%	14,169,794	26,972,280	53%
Less: Discounts and pensioner remissions	(4,143,571)	(8,327,900)	50%	(3,866,649)	(7,739,900)	50%	(94,570)	(200,000)	47%	(103,192)	(218,500)	47%	(79,160)	(169,500)	47%
	<b>70,024,382</b>	<b>143,966,530</b>	<b>49%</b>	<b>35,181,008</b>	<b>75,777,500</b>	<b>46%</b>	<b>7,141,917</b>	<b>14,169,000</b>	<b>50%</b>	<b>13,610,823</b>	<b>27,217,250</b>	<b>50%</b>	<b>14,090,634</b>	<b>26,802,780</b>	<b>53%</b>
Fees and Charges	8,675,056	24,500,418	35%	6,243,935	18,147,870	34%	1,490,299	4,308,348	35%	410,289	1,027,500	40%	530,533	1,016,700	52%
Interest Revenue	739,105	3,939,129	19%	132,439	2,123,529	6%	100,485	153,000	66%	120,138	551,600	22%	386,043	1,111,000	35%
Grants, Subsidies & Donations	2,769,780	7,531,291	37%	2,760,145	7,530,791	37%	4,487	500	897%	5,148	-	-	-	-	-
Sale of Developed Land Inventory	91,120	-	-	91,120	-	-	-	-	-	-	-	-	-	-	-
<b>Total Recurrent Revenue</b>	<b>82,299,443</b>	<b>179,937,368</b>	<b>46%</b>	<b>44,408,647</b>	<b>103,579,690</b>	<b>43%</b>	<b>8,737,188</b>	<b>18,630,848</b>	<b>47%</b>	<b>14,146,398</b>	<b>28,796,350</b>	<b>49%</b>	<b>15,007,210</b>	<b>28,930,480</b>	<b>52%</b>
<i>Expenses</i>															
Employee Costs	19,085,809	67,676,867	28%	15,018,873	53,873,536	28%	1,537,748	5,046,201	30%	1,413,110	4,858,050	29%	1,116,078	3,899,080	29%
Materials and Services	18,396,407	56,675,878	32%	11,818,737	31,142,752	38%	2,649,420	10,834,833	24%	1,623,828	7,060,539	23%	2,304,422	7,637,754	30%
Finance Costs	845,868	4,027,933	21%	402,845	2,086,043	19%	152,251	342,430	44%	246,145	1,287,860	19%	44,627	311,600	14%
Depreciation	16,804,503	44,079,053	38%	12,805,869	32,313,529	40%	392,631	947,516	41%	1,862,460	5,587,379	33%	1,743,543	5,230,629	33%
<b>Total Recurrent Expenditure</b>	<b>55,132,587</b>	<b>172,459,731</b>	<b>32%</b>	<b>40,046,324</b>	<b>119,415,860</b>	<b>34%</b>	<b>4,732,050</b>	<b>17,170,980</b>	<b>28%</b>	<b>5,145,543</b>	<b>18,793,828</b>	<b>27%</b>	<b>5,208,670</b>	<b>17,079,063</b>	<b>30%</b>
<b>Operating Surplus</b>	<b>27,166,856</b>	<b>7,477,637</b>		<b>4,362,323</b>	<b>(15,836,170)</b>		<b>4,005,138</b>	<b>1,459,868</b>		<b>9,000,855</b>	<b>10,002,522</b>		<b>9,798,540</b>	<b>11,851,417</b>	
<i>Transfers to</i>															
Restricted Capital Cash	-	3,363,693	0%	-	-	-	-	-	-	-	3,363,693	0%	-	-	-
NCP Transfers	-	-	-	(4,404,197)	(13,212,591)	33%	(660,753)	(1,982,258)	33%	2,212,944	6,638,829	33%	2,852,006	8,556,020	33%
<b>Total Transfers</b>	<b>-</b>	<b>3,363,693</b>	<b>0%</b>	<b>(4,404,197)</b>	<b>(13,212,591)</b>	<b>33%</b>	<b>(660,753)</b>	<b>(1,982,258)</b>	<b>33%</b>	<b>2,212,944</b>	<b>10,002,522</b>	<b>22%</b>	<b>2,852,006</b>	<b>8,556,020</b>	<b>33%</b>
<b>Movement in Unallocated Surplus</b>	<b>27,166,856</b>	<b>4,113,944</b>		<b>8,766,520</b>	<b>(2,623,579)</b>		<b>4,665,891</b>	<b>3,442,126</b>		<b>6,787,911</b>	<b>-</b>		<b>6,946,534</b>	<b>3,295,397</b>	
Unallocated Surplus (Deficit) brought forward from prior year(s)	15,525,263	15,525,263	100%	(4,379,923)	(4,379,923)	100%	5,652,178	5,652,178	100%	-	-	-	14,253,008	14,253,008	100%
<b>Unallocated Surplus (Deficit)</b>	<b>42,692,119</b>	<b>19,639,207</b>		<b>4,386,597</b>	<b>(7,003,502)</b>		<b>10,318,069</b>	<b>9,094,304</b>		<b>6,787,911</b>	<b>-</b>		<b>21,199,542</b>	<b>17,548,405</b>	
<b>Capital Activities</b>															
<i>Council's Capital Expenditure (Excludes Donated Assets)</i>															
Council Expenditure on Non-Current Assets	27,937,866	131,542,636	21%	15,358,968	86,160,735	18%	1,051,893	5,013,550	21%	10,783,078	33,135,778	33%	743,927	7,232,573	10%
Loan Redemption	1,477,498	5,978,420	25%	930,952	3,881,024	24%	124,445	479,522	26%	344,110	1,333,219	26%	77,991	284,655	27%
<b>Total Capital Expenditure</b>	<b>29,415,364</b>	<b>137,521,056</b>	<b>21%</b>	<b>16,289,920</b>	<b>90,041,759</b>	<b>18%</b>	<b>1,176,338</b>	<b>5,493,072</b>	<b>21%</b>	<b>11,127,188</b>	<b>34,468,997</b>	<b>32%</b>	<b>821,918</b>	<b>7,517,228</b>	<b>11%</b>
Cash opening balance (incl. investments)	106,021,236	106,021,236													
Cash closing balance (incl. investments)	124,448,941	80,226,859													

Further to the Financial Summary Report as at 1 November 2017, the following key features are highlighted. The following figures are based on the 1<sup>st</sup> Quarter Amended Budget.

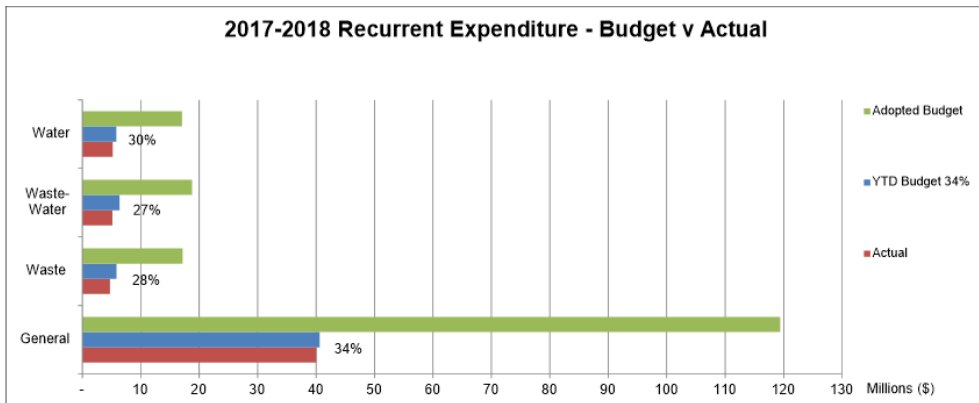
### **Recurrent Revenue**

- Rates have been levied for the 1<sup>st</sup> half of the year and revenue is around 48% of budget. This will increase to 50% as prepaid rates are received in the lead up to the 2<sup>nd</sup> half year levy.
- Interest Revenue – The significant investments made when rates revenue was received, were for longer terms. Therefore, these will mature in the coming months and the revenue will be recognised at this time.
- After the adoption of the 1<sup>st</sup> Quarter Amended Budget, all other recurrent revenue is tracking as expected.



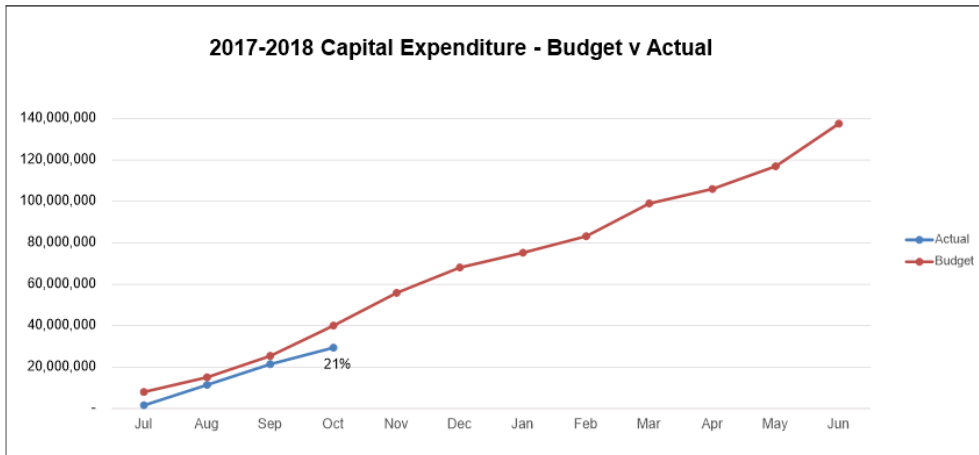
**Recurrent Expenditure**

- Employee costs are tracking slightly lower than budget when compared to the number of pay periods processed to date (31%). The 1<sup>st</sup> Quarter Amended Budget shows an increase in employee costs driven largely by an anticipated rise in staffing levels. This will be monitored with the continued appointment of officers in vacant positions, with further analysis being performed in early December.
- Overall, finance costs are tracking below budget. However, once the 2<sup>nd</sup> quarter loan repayment is made in December, these figures will normalise.
- The budgeted depreciation expenditure is apportioned evenly across the 12 months of the year and is processed every month. The actual depreciation amount is based on the original budget. The 1<sup>st</sup> Quarter Amended Budget has decreased significantly from the original budget due to revaluations performed at end of the 2017 financial year.



**Capital Expenditure**

- Capital Expenditure is tracking lower than the budget forecast due to the rescheduling of work associated with the Rubyanna Wastewater Treatment Plant and various street revitalisation projects.
- Council is yet to take delivery of a number of fleet replacement items where orders have been placed. Therefore, there are no actual costs at this stage.
- The 1<sup>st</sup> Quarter Amended Budget shows an increase of \$13 million for capital expenditure. This is primarily due to previously approved projects being carried over from the previous financial year.

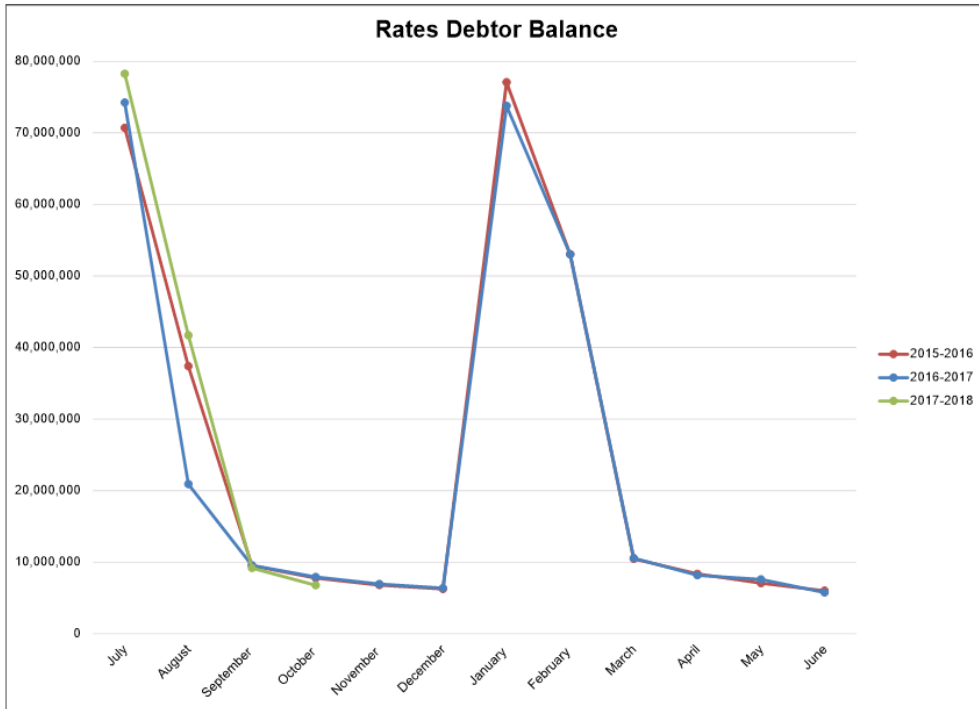


For more details regarding Capital Expenditure projects please refer to the summary of capital projects below.

**Revenue Statistics**

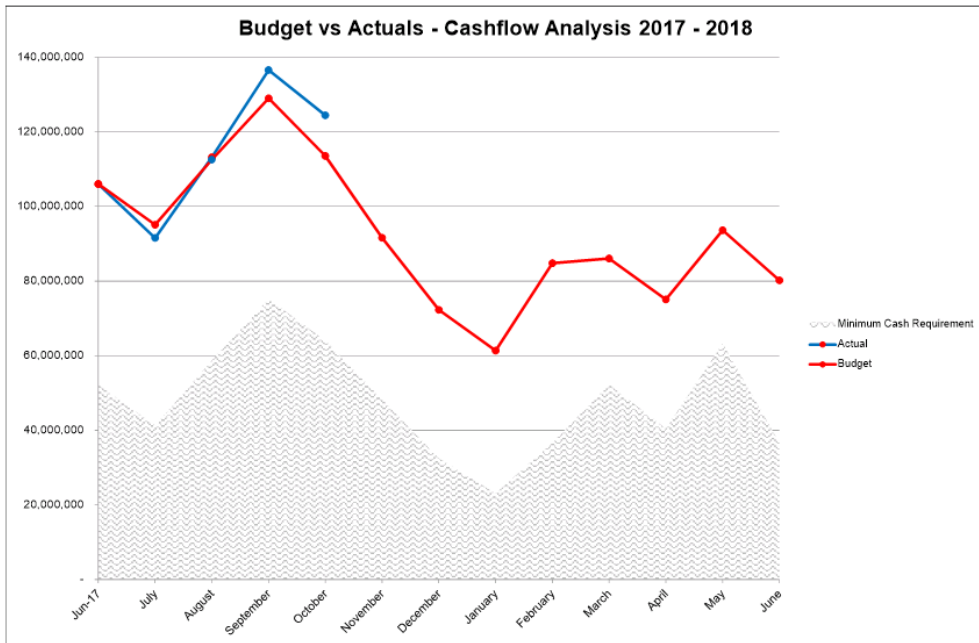
**Rates Debtor**

- The current rates levy totalling \$82.5 million was raised in July. At 31 October 2017, the rates debtor balance was \$6.8 million, compared to \$7.9 million at 31 October 2016. Due to improved debt collection processes, the rates outstanding have reduced from 10.3% last year to 8.2% this year.



**Cash Flow**

- The cash balance as at 31 October 2017 was \$124.4 million, a decrease of \$12.2 million from 30 September 2017.
- Overall, the current cash balance is \$10.9 million more than forecasted, as the financial year to date capital expenditure is not as much as anticipated.
- No short-term liquidity issues are foreseeable.



**Moderate + High Governance Projects as at 2 November 2017**

Projects with a budget exceeding \$500,000 over the life of the works

Project Description	Status *	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2018					
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2018 Budget (\$)	FY 2018 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2018 (\$)	Budget Variance (\$)
<b>Major Projects</b>													
Multi-Use Sport and Community Centre (Multiplex) Stage 1 Finalisation Costs	✓	95%	Costs associated with the finalisation of Stage 1 Contractor's Contract Sum.		374,611	100,205	374,611	350,000	75,595	-	22%	350,000	-
Multi-Use Sport and Community Centre (Multiplex) Stage 2	✓	85%	Project currently under construction. Main structural frame work and roof are complete. Internal fit out is underway. Project due to be completed in mid November.	12,500,000	12,609,162	8,495,799	12,609,162	9,400,000	5,286,638	790	56%	9,400,000	-
Demolition of Skating Rink and Lessee Compensation	✓	0%	Demolition to occur 2017/2018	250,000	250,000	2,349	250,000	250,000	2,349	-	1%	250,000	-
Internal Roads and Intersections	★	100%	Costs have been finalised	3,115,118	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	15,622,817	15,622,817	15,622,817	-	-	-	0%	-	-
<i>Cost to Council</i>				25,365,118	31,971,707	27,336,289	31,971,707	10,000,000	5,364,582	790	79%	10,000,000	-
Bundaberg CBD Revitalisation	●	5%	Hassell Ltd is progressing with the design and documentation. Design is currently 15% complete. 30% hold point due 6 December 2017.		16,064,181	135,819	15,941,370	8,000,000	71,638	-	1%	7,877,189	(122,811)
Bundaberg CBD Streetscape Revitalisation - Non-Capital Costs	●		Work is ongoing. Revised Budget Revision to be submitted to increase current financial year budget. To be funded from project work order.	16,000,000	279,254	288,893	302,066	100,000	209,638	13,173	210%	222,811	122,811
<i>Cost to Council</i>				16,000,000	16,343,435	424,712	16,243,435	8,100,000	281,277	13,173	211%	8,100,000	0
Mount Perry Flood Evacuation Route Upgrade	✘	100%	Costs have been finalised. Revised Budget Request to be submitted to increase current budget.	8,758,570	4,663,944	4,688,260	4,688,260	-	24,316	-	0%	24,316	24,316
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%	-	-
<i>Cost to Council</i>				8,758,570	5,937,528	5,961,844	5,961,844	-	24,316	-	0%	24,316	24,316
Burnett Heads CBD Revitalisation	✓	5%	Contract has been awarded to Devcon. Construction to commence in mid November. Design of additional Stage 2 works in progress.	3,259,707	4,962,003	366,566	4,962,003	4,800,000	204,563	38,545	4%	4,800,000	-
Burnett Heads CBD Sewerage Infrastructure	✓	5%	Contract has been awarded to Devcon. Construction to commence in mid November.	2,100,000	2,100,099	591	2,100,099	2,100,000	493	-	0%	2,100,000	-
<i>Cost to Council</i>				5,359,707	7,062,102	367,157	7,062,102	6,900,000	205,055	38,545	4%	6,900,000	-
Staff Accommodation Strategy	✓	2%	Contract for Design is going out for Tender in November 2017.	6,200,000	200,000	1,179	6,200,000	200,000	1,179	-	1%	200,000	-
East Bundaberg Tourism Precinct	✓	2%	Concept design is complete. Final design and scope is contingent upon the outcome of grant applications.	457,000	1,005,652	21,642	1,005,652	1,000,000	15,990	-	2%	1,000,000	-

**Moderate + High Governance Projects as at 2 November 2017**

Projects with a budget exceeding \$500,000 over the life of the works

Project Description	Status *	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2018					
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2018 Budget (\$)	FY 2018 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2018 (\$)	Budget Variance (\$)
<b>Corporate Applications</b>													
Core System Replacement Program - Initial Product Scope and Product Selection	✓	15%	Focus is now on redeveloping the original Core Systems Program Business Case with key stakeholders to confirm the investment and expected outcomes to support the future change program		1,286,033	1,068,642	1,286,033	277,588	60,197	60,227	22%	277,588	-
Core System Replacement Program	✓			4,500,000	-	-	-	-	-	-	-	-	-
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%	-	-
			<i>Cost to Council</i>	4,500,000	1,318,310	1,100,919	1,318,310	277,588	60,197	60,227	22%	277,588	-
<b>Airports and Tourism</b>													
Aviation Precinct - Construction of Stage 3	✓	2%	Project is currently being designed	1,000,000	1,438,675	-	1,438,675	1,438,675	-	-	0%	1,438,675	-
Aviation Precinct - Construct Taxiway Alpha & Adjacent Aircraft Aprons	✓	2%	Project is currently being designed	420,000	2,270,300	-	2,270,300	2,270,300	-	-	0%	2,270,300	-
			<i>Cost to Council</i>	1,420,000	3,708,975	-	3,708,975	3,708,975	-	-	0%	3,708,975	-
<b>Waste Disposal Facilities</b>													
Bundaberg Regional Landfill - (Cedars Road) - Cell 3	✓	20%	Currently under construction, minor delays in sourcing some materials, project expected to be completed by end of January 2018.	4,294,000	4,366,808	1,099,937	4,366,808	4,294,000	1,027,129	158,626	24%	4,294,000	-
Qunaba Landfill Phytocapping Stage 1, Southern and Western Batters	✓	5%	Project Manager is developing a Business Case in line with the Project Decision Framework.	802,500	802,500	277	802,500	802,500	277	-	0%	802,500	-
<b>Roads and Drainage</b>													
Baldwin Swamp Multi Modal Pathways - Que Hee Street to Bundaberg Ring Road	✓	2%	Currently negotiating final land resumptions. Project is currently being designed.	1,000,000	1,016,641	25,781	1,468,641	1,000,000	9,140	-	1%	1,000,000	-
Sprayed Bitumen Resurfacing Program	✓	5%	Construction will commence in November 2017 and is due to be completed in December.	1,470,000	1,470,000	21,713	1,470,000	1,470,000	21,713	-	1%	1,470,000	-
Willis Street, Sharon - Burnett Downs Estate - Upgrade Drainage Work	✓	2%	Project is currently being designed.	650,000	650,000	7,805	650,000	650,000	7,805	-	1%	650,000	-
Pine Creek Road - Roads Rehabilitation Program	✓	20%	Project is being delivered as part of the Roads Rehabilitation Program. Program is currently being delivered, to be completed by December.	591,000	591,000	10,987	591,000	591,000	10,987	-	2%	591,000	-
Scotland Street and Eastgate Street - Intersection Safety Improvements (BLACKSPOT)	✓	90%	Construction activities are complete. Third party service relocations (NBN) still to be undertaken.	360,000	621,348	467,872	621,348	580,000	426,524	152,206	74%	580,000	-
Avoca Street/Branyan Drive - Provision and Upgrade of On-Road Cycle Facilities - Stage 2A	●	100%	Project is Practically Complete awaiting financial completion. Revised Budget Request to be submitted to reprovision funds from program work order to project work order.	700,000	700,000	281,482	311,866	558,740	140,222	30,385	25%	170,607	(388,133)



**Moderate + High Governance Projects as at 2 November 2017**

Projects with a budget exceeding \$500,000 over the life of the works

Project Description	Status *	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2018					
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2018 Budget (\$)	FY 2018 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2018 (\$)	Budget Variance (\$)
Avoca Street/Branyan Drive - Provision and Upgrade of On-Road Cycle Facilities - Stage 2B	●	5%	Project will be constructed by day labour which is currently scheduled for December. Revised Budget Request to be submitted to re-provision funds from program work order to project work order.	-	-	-	388,133	-	-	-	0%	388,133	388,133
<i>Cost to Council</i>				700,000	700,000	281,482	700,000	558,740	140,222	30,385	25%	558,740	-
Asphalt Rejuvenation Program	✓	5%	Contract for construction is going out for tender in November 2017.	500,000	515,000	1,211	515,000	515,000	1,211	-	0%	515,000	-
Eggmolesse Street - Upgrade to Sealed Standard (Johanna Boulevard End)	✓	80%	Project is currently under construction. Due to be completed December 2017.	4,200,000	2,965,249	2,442,604	2,965,249	789,141	266,496	-	34%	789,141	-
Fitzgerald Street/ Eggmolesse Street, Norville - Construction of Roundabout - Works for Queensland Round 1	✓	60%	Construction is underway due to be completed mid January 2017. Schedule delays due to wet weather events and third party service relocations (NBN).	1,400,000	1,400,000	800,171	1,400,000	1,292,868	693,039	345,188	54%	1,292,868	-
Johnston Street, Avoca - Upgrade	✓	2%	Project is currently being designed. Drainage easement negotiations are continuing.	995,015	650,000	16,326	650,000	650,000	16,326	8,980	3%	650,000	-
Thabeban Stormwater Drainage Scheme - Stage 3	✓	2%	Project is currently being designed	1,308,000	3,700,000	64,660	3,700,000	3,648,123	12,783	57,450	0%	3,648,123	-
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	-	574,896	574,896	574,896	-	-	-	0%	-	-
<i>Cost to Council</i>				1,308,000	4,721,593	1,086,253	4,721,593	3,648,123	12,783	57,450	0%	3,648,123	-
Monduran Bridge	✓	95%	Project is Practically Complete awaiting financial completion	3,300,000	2,210,159	2,210,061	2,210,159	3,000	2,902	1,400	97%	3,000	-
Monduran Road Approach Road on East Side of Kolan River	✓	95%	Project is Practically Complete awaiting financial completion	-	611,012	601,225	611,012	150,000	140,214	13,322	93%	150,000	-
<i>Cost to Council</i>				3,300,000	2,821,171	2,811,287	2,821,171	153,000	143,116	14,722	190%	153,000	-
Ten Mile Road, Sharon - Upgrade and Widen	✓	2%	Detailed design is being undertaken. Project will be delivered under Roads Rehabilitation Program 2. Contract for tender to be advertised in November.	2,650,000	2,650,000	10,287	2,650,000	2,650,000	10,287	3,377	0%	2,650,000	-

**Moderate + High Governance Projects as at 2 November 2017**

Projects with a budget exceeding \$500,000 over the life of the works

Project Description	Status *	% Complete	Monitor (Descriptor)	Life to Date				Financial Year 2018					
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2018 Budget (\$)	FY 2018 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2018 (\$)	Budget Variance (\$)
<b>Strategic Projects Co-ordination</b>													
East Bundaberg Bio Hub Pipeline	✓	2%	Currently assessing the Head Agreement for the Project.	500,000	500,000	1,433	500,000	500,000	1,433	-	0%	500,000	-
<b>Community Development</b>													
Norville Pool Wet Edge - Works for Queensland	✓	95%	Project Practically Complete awaiting financial completion	1,027,500	1,177,501	993,963	1,177,501	1,032,707	849,169	-	82%	1,032,707	-
<b>Parks, Sport and Natural Areas</b>													
Natural Themed Playground Botanic Gardens	✓	0%	Contract for construction is going out for tender in December 2017.	350,000	500,000	-	500,000	500,000	-	-	0%	500,000	-
Nanning Garden Upgrade	✓	70%	Construction commenced in February 2017. Project completion date is now end of December. Project has been delayed due to rain event in April and some material shipment delays.	1,189,098	1,189,098	914,580	1,189,098	824,118	549,600	3,000	67%	824,118	-
<b>Water and Wastewater</b>													
Smart Meter Trial	✓	5%	Council has endorsed the Project Plan. Tender for installation of the Pilot will be advertised in December.	8,000,000	8,000,000	49,253	8,000,000	1,299,544	48,797	-	4%	1,299,544	-
Heaps Street New Roof Structure	✓	10%	Project is currently being constructed. Due to be completed in December 2017.	800,000	800,000	-	800,000	800,000	4,874	3,120	1%	800,000	-
Gregory Water Treatment Plant Upgrade	✓	5%	Design is 30% complete.	16,200,000	7,682,847	234,273	7,682,847	572,608	124,034	505,103	22%	572,608	-
Kalkie Water Treatment Plant Quality Upgrade	✓	5%	Design is 30% complete.	3,100,000	8,000,000	153,462	8,000,000	572,699	126,161	495,683	22%	572,699	-
Innes Park Dry Sewers	✓	50%	Phase one has been completed. Phase two commenced with rectification of defects, to be completed by December.	600,000	601,387	86,740	601,387	600,000	85,353	19,110	14%	600,000	-
Branyan WTP Clear Water Storage - New Roof Structure	✓	5%	Design has been completed. Project to go out to tender January 2018.	500,000	500,000	812	500,000	500,000	812	16,570	0%	500,000	-
Woodgate Vacuum Sewer Extension	✓	15%	Design has been completed. Procurement of equipment currently underway. Contract for construction of pump station building is currently out to tender.	1,500,000	2,100,000	236,013	2,100,000	2,064,797	200,810	202,371	10%	2,064,797	-
Belle Eden Gravity Main Construction	x	0%	Timelines are contingent upon Developer. Council Officers have received no further information at this time.	1,000,000	1,000,000	-	1,000,000	1,000,000	-	-	0%	1,000,000	-
Port Sewerage Infrastructure - Installation of Gravity Reticulation System	✓	70%	Equipment has been procured and will be installed after consultation with property owners.	780,000	506,378	256,319	506,378	280,000	29,941	-	11%	280,000	-
Coral Cove Sewer - Pebble Beach Drive New Pump Station, Rising Main and Gravity Main	✓	90%	Pump testing is outstanding.	950,000	866,333	845,266	866,333	142,592	121,525	14,611	85%	142,592	-
Coral Cove Sewer - Easement Negotiations and Compensation	★		Project is complete.	-	17,251	17,251	17,251	-	-	-	0%	-	-
Coral Cove Sewer - Pebble Beach Drive New Pump Station, Rising Main and Gravity Main Non Capital Costs	★		Project is complete.	-	43,667	43,667	43,667	-	-	-	0%	-	-
			<i>Cost to Council</i>	950,000	927,251	906,184	927,251	142,592	121,525	14,611	85%	142,592	-

**Moderate + High Governance Projects as at 2 November 2017**

Projects with a budget exceeding \$500,000 over the life of the works

Project Description	Status *	% Complete	Monitor (Descriptor)	Life to Date			Financial Year 2018						
				Original Project Estimate (\$)	Adopted Budget (\$)	LTD Actuals (\$)	Est Final Cost (\$)	Adopted 2018 Budget (\$)	FY 2018 YTD Actuals (\$)	Committed (\$)	% Spend	Est Final Cost 2018 (\$)	Budget Variance (\$)
Rubyanna STP - Design and Construction of Plant	✓	80%	The water retaining structures are complete. Regional Pump Station structures are 50% complete. The installation of mechanical equipment is 70% complete. Electrical installation is 70% complete.		52,927,378	39,424,394	52,927,198	22,835,778	9,827,892	11,204	43%	22,835,778	-
Project Administration and Control (All Stages)	✓		Work is ongoing		1,005,000	842,176	1,005,000	109,593	11,826	44,778	11%	109,593	-
Non Capital Costs for Design and Construction of Plant	○		Work is ongoing		234,373	234,554	234,554	-	181	-	0%	181	181
Decommissioning of Bundaberg East WWTP	✓	5%	Initial decommissioning works will commence in November to seed Rubyanna WWTP. Further activities will be undertaken to decontaminate East WWTP once Rubyanna WWTP comes online.		1,800,000	12,991	1,800,000	500,000	4,574	-	1%	500,000	-
				92,726,237									
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%	-	-
<i>Cost to Council</i>				92,726,237	71,050,028	55,597,391	71,050,028	23,445,371	9,844,473	55,983	55%	23,445,552	181

Status	Indicator Meaning
On track	✓ Initiative is proceeding to plan with no indication of future impediments
Completed	★ Initiative has been completed
Monitor	○ Progress is not as expected but action is being/taken and is expected to be on track within the next quarter or financial year
Action Required	✘ Progress is significantly behind schedule or is rated 'closely monitor'. Decisive action is required to get back on track

Please note that completed projects may still have outstanding costs

**Capital Grants - Life to Date as at 2 November 2017**

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
<b>Community Development</b>											
Bundaberg Recreation Precinct - Construction of New Amenities	Queensland Governments 2016-17 Grants and Subsidies Program	144,000	43,200	30%	240,000	340,095	142%	96,000	296,895	21/10/2017	Final Milestone has been submitted and is currently being assessed. Payment due in November 2017.
<b>Disaster Management</b>											
Childers SES Shed for Flood Boat	National Disaster Resilience Program	12,000	10,800	90%	20,000	18,400	92%	8,000	7,600	24/11/2017	Final Milestone has been submitted and is currently being assessed. Payment due in November 2017.
Bundaberg SES Installations of Solar Panels	National Disaster Resilience Program	15,000	13,500	90%	25,000	19,545	78%	10,000	6,045	24/11/2017	Final Milestone has been submitted and is currently being assessed. Payment due in November 2017.
<b>Major Projects</b>											
Multi-Use Sports and Community Centre - Stage 2	Building Our Regions	5,000,000	2,000,000	40%	12,260,000	8,495,799	69%	2,260,000	3,995,799	14/02/2018	Milestone 3 will be submitted in November 2017. Payment due in December 2017.
	Community Development Grant	5,000,000	2,500,000	50%							Milestone 3 will be submitted in December 2017. Payment due in January 2018.
<b>Wastewater</b>											
Rubyanna Sewerage Treatment Plant	Building Our Regions	5,000,000	4,250,000	85%	62,050,000	39,424,394	64%	57,050,000	35,174,394	30/07/2018	Final claim will be submitted for payment on completion of the project. Please note that total approved expenditure refers to the minimum expenditure required by the Grant funding.
<b>Roads and Drainage</b>											
Kay McDuff Drive Extension	Heavy Vehicle Safety and Productivity Programme Round Five	1,407,166	985,016	70%	2,766,657	2,481,699	90%	-	516,275	31/07/2017	Heavy Vehicle Safety and Productivity Programme Round Five final claim to be submitted and paid in December 2017.
	TIDS	1,359,491	980,408	72%							Further TIDS funding approved for 18/19 Financial Year.
New Monduran Bridge over Kolan River	Bridges Renewal Programme	1,590,000	1,200,000	75%	3,253,471	2,811,287	86%	-	207,950	31/08/2017	Bridges Renewal Programme final claim to be submitted in December 2017. Payment due in January 2018.
	TIDS	1,663,471	1,403,337	84%							Project savings have resulted in a reduction in revenue. Further TIDS funding approved for 18/19 and 19/20 Financial Year.
Eggmolesse Street - Upgrade to Sealed Standard (Johanna Boulevard End)	TIDS	258,407	258,407	100%	3,516,814	2,442,604	69%	258,407	(626,037)	30/06/2018	Next Milestone payment due in January 2018.
	Roads to Recovery	3,000,000	2,810,234	94%							Further TIDS funding approved for 18/19 and 19/20 Financial Year.
On-Road Cycle Facilities (PCNP) on Avoca Street/Branyan Drive	Cycle Network Local Government Grants Program	392,500	294,375	75%	884,500	281,482	32%	492,000	(12,893)	28/02/2018	50% funding received at execution of agreement. Milestone 1 has been received and the final claim will be submitted for payment on completion of the project.

**Capital Grants - Life to Date as at 2 November 2017**

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
Branyan Drive Culvert	National Disaster Resilience Program	181,560	163,404	90%	302,600	442,179	146%	121,040	278,775	24/11/2017	Final Milestone has been submitted and is currently being assessed. Payment due in November 2017.
Windermere Road Culvert	National Disaster Resilience Program	327,600	276,296	84%	546,000	698,436	128%	218,400	422,140	24/11/2017	Milestone 4 has been submitted and is currently being assessed. Council will receive the funds when this process is complete. Final Milestone to be submitted in November 2017.
Scotland Street/Eastgate Street - Intersection Safety Improvements	BLACKSPOT	630,000	205,000	33%	630,000	467,872	74%	-	262,872	30/06/2017	50% funding received at execution of agreement. The final 50% will be received on completion of the project. Total Approved Funding has been increased from \$410,000.
Pathway Que Hee Street to Ring Road	Get Playing Plus	739,900	-	0%	1,479,800	25,781	2%	739,900	25,781	30/09/2018	Funding is received progressively during construction. First Milestone payment due December 2017.
Quay Street East/Scotland Street - Pathway Principal Cycle Network Plan	Cycle Network Local Government Grants Program	151,374	75,687	50%	302,748	1,059	0%	151,374	(74,628)	30/06/2018	50% funding received at execution of agreement. A further 25% will be received upon commencement of the project. The final 25% will be received at project completion.
Woondooma Street/Tantitha Street - Intersection Safety Improvements	BLACKSPOT	334,000	167,000	50%	334,000	5,818	2%	-	(161,182)	30/06/2018	50% funding received at execution of agreement. The final 50% will be received on completion of the project.
Woondooma Street/Targo Street - Intersection Safety Improvements	BLACKSPOT	291,500	145,750	50%	291,500	5,105	2%	-	(140,645)	30/06/2018	50% funding received at execution of agreement. The final 50% will be received on completion of the project.
Payne Street/Warrell Street - Intersection Safety Improvements	BLACKSPOT	142,500	71,250	50%	142,500	4,373	3%	-	(66,877)	30/06/2018	50% funding received at execution of agreement. The final 50% will be received on completion of the project.
<b>Works for Queensland</b>											
Works for Queensland - Round 1	Works for Queensland	10,676,000	9,608,400	90%	10,676,000	8,638,357	81%	-	(970,043)	31/12/2017	Final Milestone to be submitted and paid in December 2017. Variation Request for Extension of Time has been submitted for Fitzgerald/Eggmolesse Street Roundabout due to wet weather events and third party service relocations (NBN).
Works for Queensland - Round 2	Works for Queensland	10,573,000	5,286,500	50%	10,573,000	5,656	0%	-	(5,280,844)	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****21 November 2017****Item Number:**

F1

**File Number:**

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**Part:**GOVERNANCE &  
COMMUNICATIONS**Portfolio:**

Organisational Services

**Subject:**

2016-2017 Annual Report

**Report Author:**

Kresha Hodges, Coordinator Corporate Planning &amp; Performance Management

**Authorised by:**

Stuart Randle, General Manager Organisational Services

**Link to Corporate Plan:**

Our People, Our Business - 3.6 Responsible and ethical leadership and governance.

**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 26 October 2017 and has provided Council with an unmodified audit opinion.

Attached for Council's consideration is the 2016-2017 Annual Report that also contains the 2016-2017 Financial Statements.

**Associated Person/Organization:**

External Auditors.

**Consultation:**

General Managers, Councillors, Audit &amp; 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. A Communication Strategy is:

- Not required
- Required

**Attachments:**

[↓](#)1 Annual Report 2016-2017

**Recommendation:**

**That:**

- 1. the 2016-2017 Annual Report be adopted; and**
- 2. a copy of the 2016-2017 Annual Report be provided to the Minister for Local Government.**



*live, work, play, invest*  
● Building a better future

2016 - 17

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# Annual Report



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# 1. Chief Executive Officer's Report

Our region is showing the green shoots of emerging prosperity.

Strategic alignment and partnerships between Council, State and Federal Governments, our community and business sectors remain the drivers for the stimulation of the regional economy.

These arrangements provide Council with the planning, support and the momentum to produce outcomes ensuring the region is on track to fulfil its potential.

To achieve these outcomes, Council continues to operate within the parameters of its core documents including the Corporate Plan, Economic Development Strategy and annual Budget.

The financial year July 1 2016 to June 30 2017 has resulted in notable outcomes and announcements for the Bundaberg Region.

A \$89 million Capital Works program allowed Council to target its stated aim of providing infrastructure to meet current and future community needs while sustaining the local business economy and creating jobs.

Council remains committed to providing its ratepayers with a team focussed on efficient and cost-effective delivery of services, transparent interaction with the community and a vision that is both achievable and affordable.

The community can take pride in the commitment Council has made through proactive engagement in environmentally sustainable programs. Council has, through its own resources and in partnerships with organisations like Greenfleet, undertaken to plant tens of thousands of trees across the region. That environmental commitment is supported by Council's engagement with renewable energy and the continuing rollout of solar energy and other energy efficiency measures across many Council assets.

Our focus in ensuring we have a prepared and resilient community continues to be achieved through our development of in-house designed technology as demonstrated through Council's nationally recognised and awarded Burnett River Flood Action Plan. The annual Get Ready program also heightens awareness for our community during storm season.

Major investment in projects like the Rubyanna Wastewater Treatment Plant and the Multiplex facility means Council is delivering on a vision for the future of the region while financing projects that impact positively on our construction and business sectors.

Right across the Bundaberg Region programs continue to be supported that offer assistance to the disadvantaged or the remote, notably through our Neighbourhood Centres. Council's progress and achievement are carefully benchmarked through a required Performance Report spanning all areas of Council's operational capability.

Council will continue to engage with its community in an open, respectful and transparent manner. The social and service obligations that are pivotal to the enjoyment of a lifestyle evident within the Bundaberg Region will continue to be delivered by a Council team committed to best practice.

**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 2016-17 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 2016-17. 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 2017.
- 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

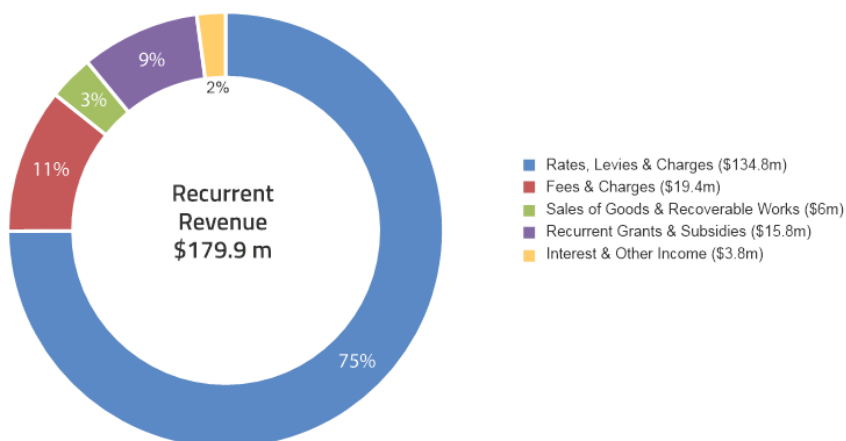
The Operating Surplus is calculated by subtracting the Recurrent Expenses of \$161.8 million from the Recurrent Revenue of \$179.9 million. This shows Council has made a surplus from recurrent activities of \$18.1 million. This surplus is consistent with Council's objective of financial sustainability and affords Council the ability to invest in the outcomes of the Community Plan *Bundaberg Region 2031*.

#### Total Income \$213 million - where did this revenue come from?

##### Recurrent Revenue

Bundaberg Regional Council has an estimated resident population of 94,453 (Queensland Government Statisticians Office, 2016) and 44,570 rateable properties. Ratepayers contribute 75% of Council's recurrent revenue through rates and charges. Other major sources of recurrent revenue include fees and charges (11%) and grants, subsidies, contributions and donations (9%).

##### Recurrent Revenue Sources



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

Recurrent revenue is essential for improving 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 actively pursues capital revenue (\$33.8 million) through infrastructure charges and applying for available grants and subsidies offered by the State and Federal government. This income is utilised on capital projects during the year or is held as restricted cash for future capital projects.

### Total Expenses \$189 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 \$3.7 million in wages capitalised on asset construction).

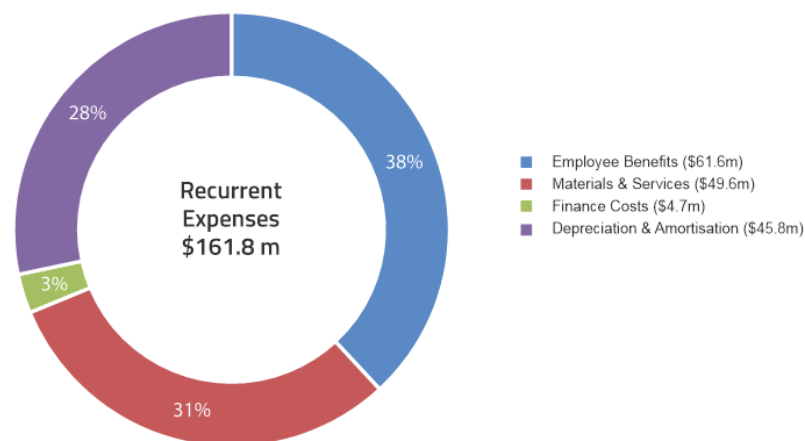
Materials and services account for a large portion of Council's recurrent expenses, representing 31%. These costs include repairs and maintenance on Council assets; electricity; fleet operating costs; external plant hire; insurance premiums; consultants; raw water acquisitions, and licences.

Council's depreciation expense is in excess of \$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 \$27.2 million are not reflected in the operating surplus. However, they do represent a decrease in the asset base, through loss on disposal and a decrease through revaluations. They do not represent the expenditure on our assets for the year.

#### Recurrent Expense Categories



## 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 \$2.1 billion - what Council owned at 30 June 2017

The major investment for Council is in assets which provide essential services for a growing community, namely property, plant and equipment, which has net value of over \$2 billion. Cash represents 5% of net assets and consists predominantly of restricted cash for future capital expenditure.

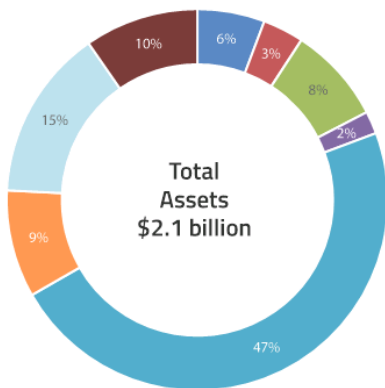
The bulk of Council's net assets are in the form of roads, footpaths and bridges, totalling \$1 billion or 47%, while Water and Sewerage Infrastructure account for 24% of Council's assets.

### Liabilities \$111 million - what Council owed at 30 June 2017

The majority of Council's liabilities consist of borrowings (52%), provisions (26%) and trade and other payables (21%). Provisions consist of long service leave payable to employees at 30 June 2017 (\$12.7 million), and costs that are expected to be incurred in restoring and monitoring of landfill sites administered by Council (\$16.3 million).

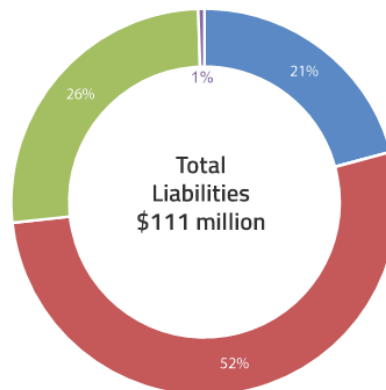
Trade and other payables are made up of day-to-day Creditors (\$17.8 million), for the purchase of items ranging from bitumen to stationery, and Employee Entitlements (\$5.3 million). Employee entitlements consist of annual leave, wages, superannuation and other leave amounts (excluding long service leave) payable to employees at 30 June 2017.

Assets



- Cash & Other Current Assets (\$122.1m)
- Land & Improvements (\$74.3m)
- Buildings & Structures (\$175.4m)
- Plant & Equipment (\$40.9m)
- Roads, Footpaths & Bridges (\$1b)
- Stormwater Drainage (\$194.4m)
- Sewerage Infrastructure (\$310.4m)
- Water Infrastructure (\$206.5m)

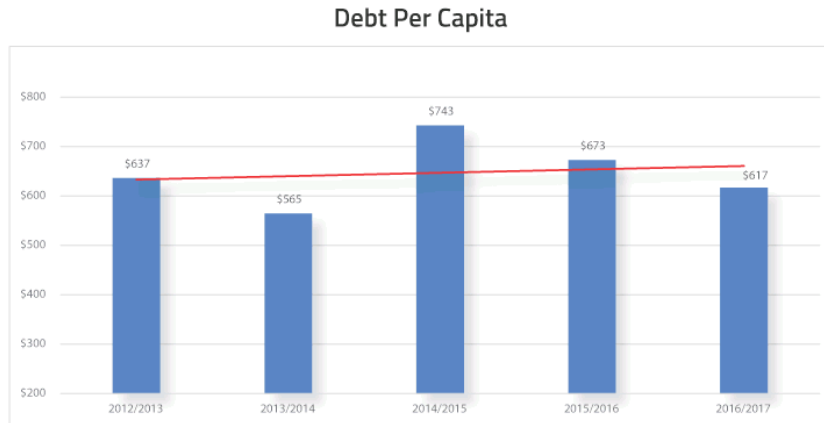
Liabilities



- Trade and Other payables (\$23.1m)
- Borrowings (\$58.3m)
- Provisions (\$29.1m)
- Unearned Revenue (\$0.6m)

### Why are borrowings so high?

Borrowings enable Council to provide timely essential services, whilst sharing the costs over the generations that benefit. Examples include the construction of the new Rubyanna Wastewater Treatment Plant and the Multi-Use Sport and Community Centre. Debt per capita has remained fairly constant, as indicated by the trend line in the graph below:



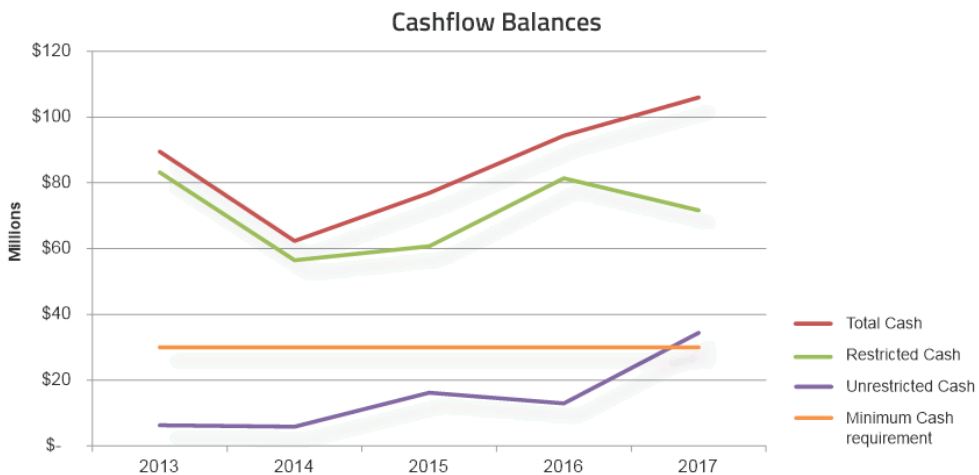
### 2.3 Statement of Cashflows

This statement records the movement in cash holdings during the year. In 2017 the cash balance increased by \$11.7 million from \$94.3 million to a closing balance of \$106 million at year end.

Council's cash is represented by Internally Restricted Cash (Reserves) of \$47.9 million, Externally Restricted Capital Cash (unspent grants and infrastructure charges) of \$23.8 million and Unrestricted Cash of \$34.4 million.

Council's cashflow from operating activities remains positive, with surplus operating cash of \$73 million available for investing in assets and for the repayment of loans. Council invested \$85 million in assets this financial year, which was funded by capital revenue and cash from operating activities forementioned.

Council's minimum cash requirement at 30 June 2017 was estimated to be \$30 million. By maintaining this balance, possible shocks in the areas of Accounts Receivable and Accounts Payable can be accommodated and significant capital expenditure outlays covered, which allows sufficient cash to be available between rating periods.





## 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 \$461 million in asset revaluation increases.

Retained Surplus of \$87.1 million represents restricted cash and the unallocated surplus/(deficit). At 30 June 2017 there was an unallocated surplus of \$15.5 million. An unallocated surplus represents the accumulative amount available to Council, that may be used to offset against expenditure in the following year.

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

## 2.5 Financial Sustainability Ratios

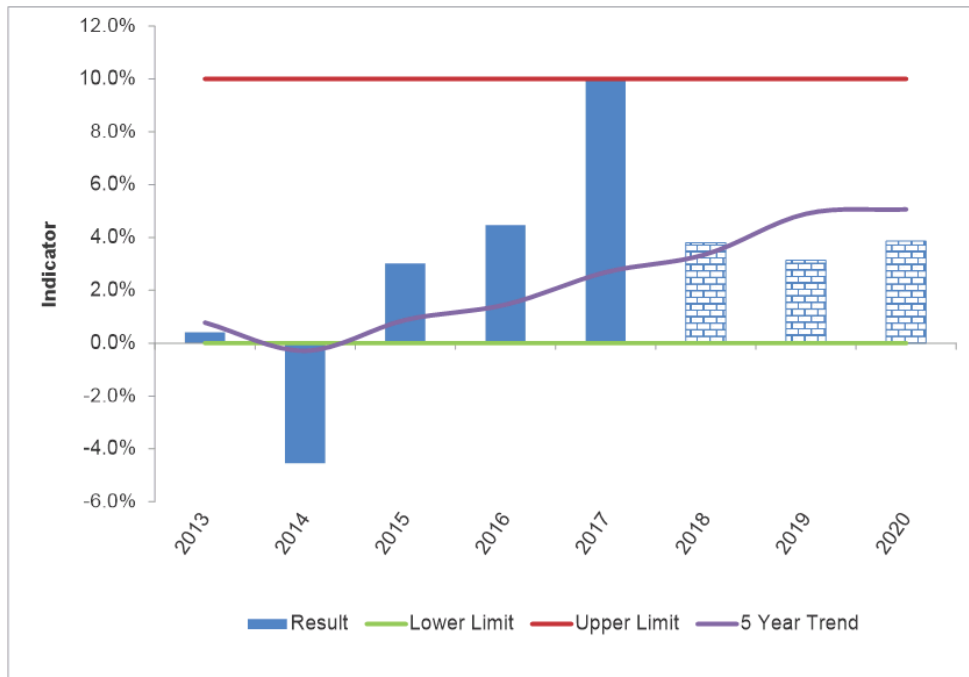
The Financial Sustainability of Council is now a cornerstone of the *Local Government Act 2009* and a core responsibility of Councils across Queensland.

A financially sustainable Local Government is able to maintain its financial capital by achieving an operating surplus, ensuring it has sufficient working capital and providing the funding required for asset renewals over the long term.

The *Local Government Regulation 2012* requires Council to publish Financial Sustainability measures.

The Department of Infrastructure, Local Government and Planning has set Targets for each measure in the *Financial Management Sustainability Guideline 2013*. Council does not use these measures of sustainability as targets that must be met 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. This feedback enables Council to adjust its respective strategies to produce the desired outcomes over the long-term. This may involve amendments to adopted policies, and/or changes to the desired service levels or proposed capital expenditure programs, which in turn, inform revisions to the budget and long-term financial forecast.

(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), to 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%

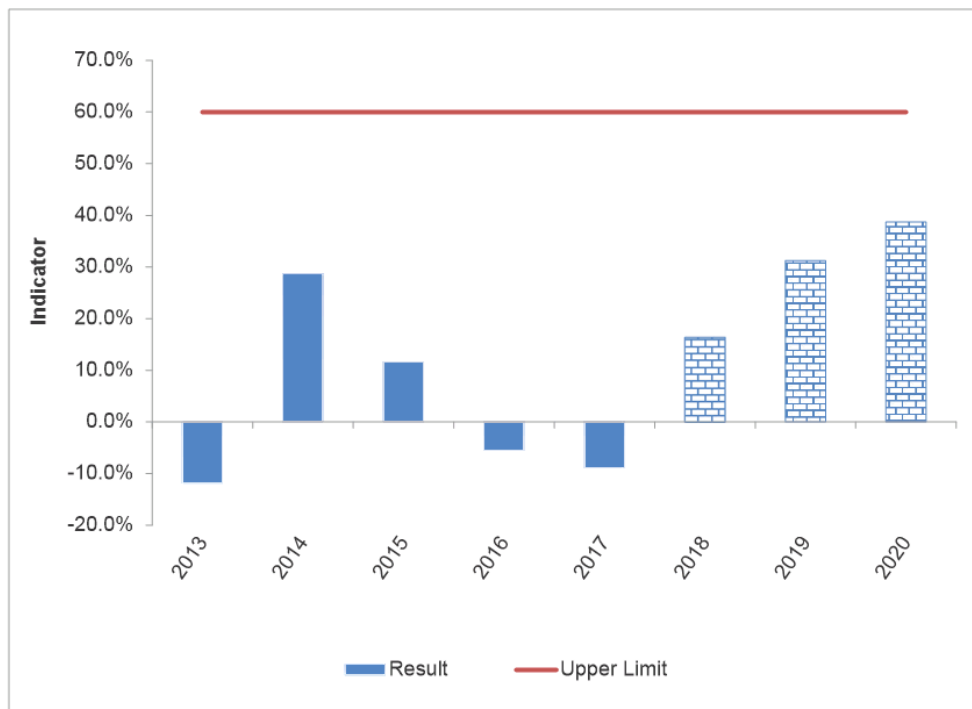
**Commentary**

Council has consistently achieved an operating surplus result for all but the 2014 financial year. In 2014 the operating deficit occurred due to changes in the timing of the Federal Assistance Grants and revised methodology for calculating depreciation.

Two quarterly Federal Assistance Grant payments were received in advance for the 2018 financial year, totalling \$3.96 million. This contributed to the higher surplus achieved in 2017.

A positive ratio is essential for a growing community to assist in the funding of the proposed capital expenditure. Council aims to maintain its long term sustainability through a positive operating surplus over the 10 year budget forecast.

**(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

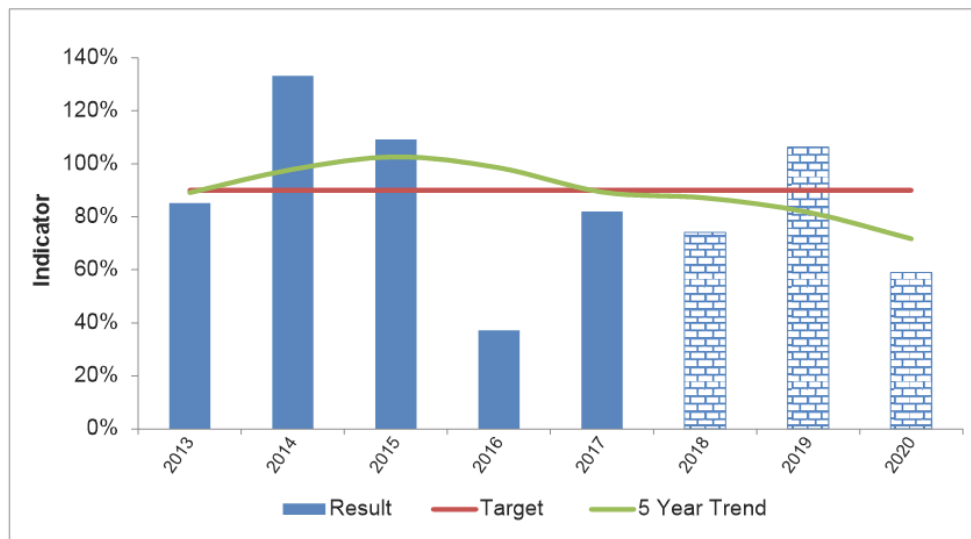
**TARGET**

Not greater than 60%

**Commentary**

Council has consistently had a ratio well below the upper threshold. The ratio is expected to increase with borrowings planned during the next three financial years, as Council undertakes significant capital projects in the budget forecast period. These include the Bundaberg and Burnett Heads CBD upgrades, Regional Aquatic Centre and the completion of the Rubyanna Wastewater Treatment Plant.

(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**

The Asset Sustainability ratio for the 2017 financial year has increased to 82%, compared with 37% in 2016. The significant increase is partially due to the deferral of planned expenditure from the 2016 to the 2017 financial year for the Rubyanna Wastewater Treatment Plant. Council has identified a portion of the total budget expenditure as renewals, due to the increased capacity over the East Wastewater Treatment Plant that it replaces.

This ratio will fluctuate year to year depending on the projected renewal programs outlined in Council's asset management plans. When assessing asset sustainability, Council looks at long term trends. The current 5 year average and the life-to-date average sits at the target rate of 90%. However, it is predicted to trend downwards slightly over the budget forecast years. Council will monitor this trend for future planning.

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## Annual Financial Statements

For the year ended 30 June 2017

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### 3.1 Statement of COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent Revenue</b>			
Rates, levies and charges	3(a)	134,793,580	128,542,564
Fees and charges	3(b)	19,360,242	19,253,907
Interest received	3(c)	3,747,774	3,661,865
Contract and recoverable works		5,039,489	3,969,102
Sale of goods		986,862	981,336
Grants, subsidies, contributions and donations	4(a)	15,864,226	11,762,203
Profit on sale of developed land held for resale		74,444	-
Total recurrent revenue		179,866,617	168,170,977
<b>Capital Revenue</b>			
Grants, subsidies, contributions and donations	4(b)	30,351,394	37,225,775
Total Revenue		210,218,011	205,396,752
Capital Income	5	3,491,816	1,030,618
<b>TOTAL INCOME</b>		213,709,827	206,427,370
<b>Expenses</b>			
<b>Recurrent Expenses</b>			
Employee benefits	6	(61,648,407)	(63,078,339)
Materials and services	7	(49,625,255)	(47,520,127)
Finance costs	8	(4,712,963)	(4,509,694)
Depreciation of property plant and equipment	15	(45,292,826)	(45,115,212)
Amortisation of intangible assets	17	(495,763)	(437,175)
Total recurrent expenses		(161,775,214)	(160,660,547)
<b>Capital Expenses</b>	9	(27,223,625)	(5,969,014)
<b>TOTAL EXPENSES</b>		(188,998,839)	(166,629,561)
<b>NET RESULT</b>		24,710,988	39,797,809
Net Result Attributable To:			
Operating surplus		18,091,403	7,510,430
Capital surplus		6,619,585	32,287,379
		24,710,988	39,797,809
<b>Other Comprehensive Income</b>			
<b>Items That Will Not Be Classified To Net Result</b>			
Increase/(decrease) in asset revaluation surplus	21	94,096,227	32,198,771
<b>Total Other Comprehensive Income</b>		94,096,227	32,198,771
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		118,807,215	71,996,580

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 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10	106,021,236	94,357,604
Trade and other receivables	11	16,099,627	16,917,951
Inventories	12	4,090,453	4,137,946
Non-current assets held for sale	13	798,233	325,681
<b>Total Current Assets</b>		<b>127,009,549</b>	<b>115,739,182</b>
<b>Non-Current Assets</b>			
Investment property	14	8,347,178	5,693,418
Property, plant and equipment	15	1,994,932,761	1,799,000,742
Intangible assets	17	6,560,269	7,105,787
<b>Total Non-Current Assets</b>		<b>2,009,840,208</b>	<b>1,811,799,947</b>
<b>TOTAL ASSETS</b>		<b>2,136,849,757</b>	<b>1,927,539,129</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	18	23,117,219	14,117,403
Borrowings	19	5,638,483	5,382,267
Provisions	20	12,089,836	11,986,424
Unearned revenue		570,928	457,158
<b>Total Current Liabilities</b>		<b>41,416,466</b>	<b>31,943,252</b>
<b>Non-Current Liabilities</b>			
Borrowings	19	52,638,535	58,151,171
Provisions	20	17,005,728	16,330,258
<b>Total Non-Current Liabilities</b>		<b>69,644,263</b>	<b>74,481,429</b>
<b>TOTAL LIABILITIES</b>		<b>111,060,729</b>	<b>106,424,681</b>
<b>NET COMMUNITY ASSETS</b>		<b>2,025,789,028</b>	<b>1,821,114,448</b>
<b>Community Equity</b>			
Asset revaluation surplus	21	461,030,782	366,960,096
Retained surplus	22	87,144,143	76,730,862
Capital		1,477,614,103	1,377,423,490
<b>TOTAL COMMUNITY EQUITY</b>		<b>2,025,789,028</b>	<b>1,821,114,448</b>

*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 2017

	Total	Asset Revaluation Surplus Note 21	Retained Surplus Note 22	Capital
	\$	\$	\$	\$
<b>Balances as at 1 July 2016</b>	<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	-	-
<b>Total comprehensive income for the year</b>	<u>118,807,215</u>	<u>94,096,227</u>	<u>24,710,988</u>	<u>-</u>
<b>Transfers</b>				
Transfers to/from capital	-	(25,541)	(14,297,707)	14,323,248
<b>Total transfers</b>	<u>-</u>	<u>(25,541)</u>	<u>(14,297,707)</u>	<u>14,323,248</u>
<b>Balance at 30 June 2017</b>	<u>2,025,789,028</u>	<u>461,030,782</u>	<u>87,144,143</u>	<u>1,477,614,103</u>
<b>Balances as at 1 July 2015</b>	<u>1,716,907,314</u>	<u>334,761,325</u>	<u>51,717,681</u>	<u>1,330,428,308</u>
Assets not previously recognised/(derecognised)	32,210,554	-	-	32,210,554
Net result	39,797,809	-	39,797,809	-
Total other comprehensive income				
Increase/(decrease) in asset revaluation surplus	32,198,771	32,198,771	-	-
<b>Total comprehensive income for the year</b>	<u>71,996,580</u>	<u>32,198,771</u>	<u>39,797,809</u>	<u>-</u>
<b>Transfers</b>				
Transfers to/from capital	-	-	(14,784,628)	14,784,628
<b>Total transfers</b>	<u>-</u>	<u>-</u>	<u>(14,784,628)</u>	<u>14,784,628</u>
<b>Balance at 30 June 2016</b>	<u>1,821,114,448</u>	<u>366,960,096</u>	<u>76,730,862</u>	<u>1,377,423,490</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 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>Cash Flows from Operating Activities :</b>			
Receipts from customers		169,875,858	158,873,662
Payments to suppliers and employees		(112,326,066)	(118,572,520)
		<u>57,549,792</u>	<u>40,301,142</u>
Recurrent grants, subsidies, contributions and donations		15,376,615	11,799,470
Interest received		3,608,077	3,697,681
Proceeds from sale of developed land held for resale		96,100	-
Costs incurred on developed land held for resale		(5,552)	(26,557)
Borrowing costs		(3,111,804)	(3,437,995)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	28	<u>73,513,228</u>	<u>52,333,741</u>
<b>Cash Flow from Investing Activities :</b>			
Proceeds from sale of non-current assets held for sale		61,487	823,727
Proceeds from sale of property, plant and equipment		693,119	3,082,892
Capital grants, subsidies, contributions and donations		28,102,217	14,656,242
Payments for property, plant and equipment		(85,324,153)	(46,174,499)
Payments for intangible assets		-	(490,938)
Payments for investment property		-	(135,788)
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<u>(56,467,330)</u>	<u>(28,238,364)</u>
<b>Cash Flow from Financing Activities :</b>			
Repayment of borrowings		(5,382,266)	(6,671,925)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		<u>(5,382,266)</u>	<u>(6,671,925)</u>
<b>Net Increase/(Decrease) in Cash Held</b>		11,663,632	17,423,452
Cash at beginning of reporting period		94,357,604	76,934,152
<b>Cash at End of Reporting Period</b>	10	<u>106,021,236</u>	<u>94,357,604</u>

*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 2017

### 1 Significant accounting policies

#### 1.01 Basis of preparation

These general purpose financial statements are for the period 1 July 2016 to 30 June 2017 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

These financial statements have been prepared under the historical cost convention except for certain assets which are measured at fair value.

#### 1.02 Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the AASB that are relevant to Bundaberg Regional Council's ('Council') operations and effective for the current reporting period. Because 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), to the extent these inconsistencies are applied this report does not comply with IFRS.

#### 1.03 Constitution

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

#### 1.04 Currency

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

#### 1.05 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.

#### 1.06 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 Critical accounting judgements and key sources of estimation uncertainty

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 16) including:
  - \* valuation of infrastructure assets using the depreciated replacement cost method
  - \* useful lives; and
  - \* residual values.
- 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)

#### 1.08 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.

#### 1.09 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
- revaluations of investment property

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

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 1 Significant accounting policies (Cont'd)

#### 1.10 Adoption of new and revised accounting standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting period. This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed information about related parties and transactions with those related parties. This information is presented in Note 31.

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 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 Non-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. AASB 1058 will replace AASB 1004 Contributions. Together they come into effect from the 1 July 2019 and contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contract with customers.

Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards. To date the following impact has been identified:  
At 30 June 2017 Council had received pre-paid rates totalling \$6,553,892. 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 decrease Council's net result.

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

##### *AASB 16 - Leases*

Council has some leases that are not on its Statement of Financial Position. These will need to be included on the Statement of Financial Position when this standard comes into effect from the 1 July 2019. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term with a corresponding right-of-use asset to be recognised over the lease term.

Council is still reviewing the full impact of AASB 16.

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.

#### 1.11 Revenue

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

- (i) Rates, levies and 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.

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 1 Significant accounting policies (Cont'd)

#### 1.11 Revenue (Cont'd)

(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. Consequently, the infrastructure charges are recognised as income when received.

(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.

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 approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received.

#### 1.12 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.

The collectability of receivables is assessed monthly and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs.

Because Council has the power 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.

#### 1.13 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.

Profit arising upon sale of land is recognised at the date a signed contract becomes unconditional.

#### 1.14 Non-Current assets held for sale

Non-current assets held for sale are available for immediate sale in their present condition and management believe the sale is highly probable. The assets are not depreciated. On the eventual sale of these assets a gain or loss is recognised.

The assets are valued at the lower of carrying value and fair value less cost to sell. Further information about the valuation techniques used to derive fair value are included in Note 16.

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.



## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 1 Significant accounting policies (Cont'd)

#### 1.15 Investment property

Investment property is measured using the fair value model. This means all investment property is initially recognised at cost (including transaction costs) and then subsequently revalued annually at the balance date by a registered valuer. Where investment property is acquired at no or nominal cost it is recognised at fair value.

All investment property was valued at fair value at 30 June 2017. Further information about the valuation techniques used to derive fair value are included in Note 16.

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.

#### 1.16 Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. 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 the road network within Council's area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised as an asset in these financial statements. Purchases are disclosed in Note 7 as a recurrent expense.

##### (i) Acquisition of assets

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

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.

#### 1.16 Property, plant and equipment (Cont'd)

##### (ii) 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. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

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 sampling 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 indice.

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.

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 1 Significant accounting policies (Cont'd)

#### 1.16 Property, plant and equipment (Cont'd)

##### (ii) 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.

##### (iii) Depreciation

Depreciation on 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.

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

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is practically complete.

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.

#### 1.16 Property, plant and equipment (Cont'd)

##### (iii) Depreciation (Cont'd)

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.

#### 1.17 Intangible assets

Only intangible assets which have a cost exceeding \$10,000 are recognised as intangible assets in the financial statements, with items of 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.

#### 1.18 Impairment of non-current assets

Property plant and equipment and intangible assets are assessed for indicators of impairment on an annual basis. Investment property is not tested for impairment.

#### 1.19 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 2017

### 1 Significant accounting policies (Cont'd)

#### 1.20 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.

#### 1.21 Liabilities - employee benefits

##### (i) Wages and other employee entitlements

A liability for wages, superannuation 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. A liability for rostered days off are calculated on current wage and salary levels indexed for 50% of the annual increase in the Enterprise Bargaining Agreement (EBA). 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.

#### 1.21 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. The interest rates attaching to Commonwealth Bond Yields at the reporting date are used to discount the estimated future cash outflows to their present value. 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.

#### 1.22 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.

#### 1.23 Restoration provisions

The provision is measured at the expected 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 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 2017

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### 1 Significant accounting policies (Cont'd)

#### 1.23 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 2017

### 2 Analysis of results by function

#### (a) Component functions of Council

The activities relating to Council's functions reported on in Note 2(b) - Analysis of results by function are as follows:

##### Council departments

###### Executive Support

###### Objectives:

- Engagement with all levels of government in the development of strategy and policy.
- Responsible ethical leadership and governance.
- Vibrant and positive profile for Council and our region within our state, nation and internationally.
- Well-informed, up-to-date and connected community and staff, inspired by our vision, leadership and teamwork, actively engaged in community life and Council work.
- Delivery of cost-effective and efficient essential services to support our growing population.
- Dynamic and vibrant region that attracts and supports innovation, creative enterprise and economic development.

###### Departments:

Chief Executive Officer  
Elected Representatives  
Communications and Media  
Commercial Business and Economic Development

###### Organisational Services

###### Objectives:

- Sustainable financial position.
- Strategic and coordinated asset investment and management.
- Safe working environments and a skilled workforce committed to delivering quality services.
- Responsive customer service that meets the needs of our community and supports Council's delivery of services.
- Organisational structure, processes and systems that innovatively support effective governance and service delivery.

###### Departments:

Financial Services  
Customer Service  
Human Resource Management  
Information Technology and Services  
Insurance and Legal Services

###### Infrastructure and Planning

###### Objectives:

- Connected, accessible and reliable roads and drainage infrastructure and networks.
- Quality and future-focused roads and drainage infrastructure that meets our community's current and future needs.

###### Departments:

Development  
Major Projects  
Roads, Infrastructure and Pathways  
Stormwater Drainage  
Support Services

###### Community and Environment

###### Objectives:

- Community that values arts and culture.
- Sustainable built environments and local projects that support our growing population and promote economic investment and development.
- Supportive business environment that facilitates collaboration and promotes positive economic growth and investment.
- Community places, spaces and facilities that promote and support safe, active and healthy community life.
- Community programs, projects and events that facilitate and encourage social connectedness and community wellbeing.
- Community actively engaged in creative industries, digital technologies and life-long learning.
- Our regional culture, identity and heritage, valued, celebrated, developed and preserved.
- Lifestyle and environments protected and maintained through environmental health programs and administration of regulatory responsibilities.
- Community safety and resilience in disaster events.
- Well-maintained foreshore, natural areas and facilities that enhance community and visitor enjoyment and stimulate economic and population growth.

###### Departments:

Airport  
Community Care  
Community and Youth Development  
Community Events  
Health and Regulatory Services  
Library, Arts and Theatre  
Parks and Natural Areas  
Tourism Activities  
Venues and Facilities

The following functions constitute Type 1 business activities under the National Competition Policy guidelines as outlined in the Local Government Act 2009 and Local Government Regulation 2012.

###### Waste Management

###### Objectives:

- Connected, accessible and reliable waste infrastructure and networks.
- Quality and future-focused waste infrastructure that meets our community's current and future needs.

###### Wastewater Services

###### Objectives:

- Connected, accessible and reliable wastewater infrastructure and networks.
- Quality and future-focused wastewater infrastructure that meets our community's current and future needs.

###### Water Services

###### Objectives:

- Connected, accessible and reliable water infrastructure and networks.
- Quality and future-focused water infrastructure that meets our community's current and future needs.

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 2 Analysis of results by function

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

Functions	Grant Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Net Result \$	Assets \$
Council departments	34,182,002	94,333,934	128,515,936	118,550,958	9,964,978	1,565,425,800
Waste services	-	22,114,176	22,114,176	20,164,649	1,949,527	13,278,002
Wastewater services	1,740,898	31,434,805	33,175,703	24,984,353	8,191,350	334,860,991
Water services	-	29,904,012	29,904,012	25,298,879	4,605,133	223,284,964
<b>Total</b>	<b>35,922,900</b>	<b>177,786,927</b>	<b>213,709,827</b>	<b>188,998,839</b>	<b>24,710,988</b>	<b>2,136,849,757</b>

For the year ended 30 June 2016

Functions	Grant Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Net Result \$	Assets \$
Council departments	22,931,422	99,461,211	122,392,633	98,627,433	23,765,200	1,406,808,669
Waste services	-	22,378,047	22,378,047	18,664,998	3,713,049	15,726,903
Wastewater services	3,037,176	29,619,759	32,656,935	23,896,260	8,760,675	299,446,754
Water services	-	28,999,755	28,999,755	25,440,870	3,558,885	205,556,803
<b>Total</b>	<b>25,968,598</b>	<b>180,458,772</b>	<b>206,427,370</b>	<b>166,629,561</b>	<b>39,797,809</b>	<b>1,927,539,129</b>

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>3 Revenue analysis</b>			
<b>(a) Rates, levies and charges</b>			
General rates		75,762,186	72,217,910
Waste collection		14,061,670	13,499,384
Water		25,948,163	24,792,200
Wastewater		26,481,226	25,180,884
Special rates and charges		384,210	383,291
Total rates and utility charge revenue		142,637,455	136,073,669
Less: Discounts		(6,451,137)	(6,146,053)
Less: Pensioner remissions		(1,392,738)	(1,385,052)
Net rates and utility charges		134,793,580	128,542,564
<b>(b) Fees and charges</b>			
Tourism and events		349,561	363,051
Community care and aged care fees		235,020	250,894
Cemetery fees		341,294	398,958
Hire of facilities and rental income		2,315,702	2,212,639
Airport fees		5,035,184	4,457,533
Fines, penalties and infringements		391,624	442,338
Health, licenses and registrations		883,674	916,788
Waste and recycling fees		3,764,984	4,004,312
Building, planning and plumbing fees		2,602,696	3,105,101
Holiday park income		2,342,505	2,151,298
Rate search fees		595,550	553,696
Commissions		229,976	212,432
Other fees and charges		272,472	184,867
		19,360,242	19,253,907
<b>(c) Interest received</b>			
Interest received from cash and cash equivalents		3,080,451	2,985,559
Interest from overdue rates, levies and charges		667,323	676,306
		3,747,774	3,661,865
<b>4 Grants, subsidies, contributions and donations</b>			
<b>(a) Recurrent</b>			
Recurrent grants, subsidies, contributions and donations are analysed as follows:			
Grants and subsidies		15,477,907	11,347,397
Contributions and donations		386,319	414,806
		15,864,226	11,762,203

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>4 Grants, subsidies, contributions and donations (Cont'd)</b>			
<b>(b) Capital</b>			
Capital grants, subsidies, contributions and donations are analysed as follows:			
(i) Monetary revenue received:			
Grants and subsidies		20,444,993	14,621,201
Infrastructure charges		4,069,070	3,298,419
Other capital contributions		1,291,539	1,125,291
		<u>25,805,602</u>	<u>19,044,911</u>
(ii) Non-Monetary revenue received:			
Infrastructure assets contributed by developers at fair value	*	4,485,292	17,565,548
Non-Infrastructure assets donated		60,500	615,316
		<u>4,545,792</u>	<u>18,180,864</u>
*Physical assets contributed to Council by developers in the form of roads, stormwater drainage, water and wastewater infrastructure, park equipment and plant.			
		<u>30,351,394</u>	<u>37,225,775</u>
<b>(c) Conditions over contributions</b>			
Restricted contributions recognised as income during the reporting period that were unspent at period end:			
Capital grants and subsidies		3,900,152	784,544
Infrastructure charges		3,243,516	2,577,384
Other capital contributions		824,118	111,214
		<u>7,967,786</u>	<u>3,473,142</u>
Restricted contributions recognised as income during a previous reporting period that were spent in the current period:			
Capital grants and subsidies		620,892	307,176
Infrastructure charges		1,022,176	2,468,549
Other capital contributions		154,991	-
		<u>1,798,059</u>	<u>2,775,725</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.			
<b>5 Capital income</b>			
Decrease in provision for land restoration		571,516	786,401
Revaluation of investment property	14	2,917,860	73,114
Gain on sale of non-current assets held for sale		2,440	171,103
Total capital income		<u>3,491,816</u>	<u>1,030,618</u>

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>6 Employee benefits</b>			
Staff wages and salaries		48,388,475	48,729,520
Councillors' remuneration		1,000,203	1,020,445
Annual, sick and long service leave entitlements		8,069,355	8,352,984
Superannuation	26	6,356,680	6,316,968
Other employee related expenses		2,021,176	2,403,552
Total employee benefits		65,835,889	66,823,469
Less: Capitalised employee expenses		(4,187,482)	(3,745,130)
Net employee benefits		61,648,407	63,078,339

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

<b>7 Materials and services</b>			
Audit services	(i)	155,000	155,000
Rentals and investment property		793,807	631,192
Grants, contributions and donations		1,634,384	1,653,438
Valuation fees		450,453	353,899
Public safety and security		1,624,530	1,758,090
Communications		1,182,733	1,230,478
Licences and subscriptions		1,489,268	1,147,527
Information technology hardware and software		1,267,924	390,344
Consumables		13,282,356	13,001,971
Insurance premiums		1,648,165	1,691,579
External plant hire		3,825,683	3,756,156
Professional services		1,628,418	1,763,700
External labour hire		833,289	1,220,362
Repairs and maintenance		4,267,354	6,225,799
Land acquisitions and resumptions		177,689	350,122
Election costs		-	276,957
Literature for libraries		482,336	488,579
HMAS Tobruk Dive Experience project		1,125,000	-
Non-capital projects		2,250,212	725,068
Other material and services		11,506,654	10,699,866
		49,625,255	47,520,127

(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.

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>8 Finance costs</b>			
Interest payable		3,237,651	3,584,001
Impairment of debts		767,809	144,748
Bank charges		287,283	282,513
Landfill restoration - change in provision over time	20	420,220	498,432
		<u>4,712,963</u>	<u>4,509,694</u>
<b>9 Capital Expenses</b>			
Loss on impairment of non-current assets held for sale	13	12,401	3,860
Increase in provision for landfill restoration		1,323,585	1,258,727
Revaluation decrement of land and improvements	(i)	21,305,959	-
Loss on disposal of property, plant and equipment		4,531,925	4,477,304
Loss on disposal of intangibles		49,755	229,123
		<u>27,223,625</u>	<u>5,969,014</u>

(i) The land and improvements asset class was comprehensively revalued during the 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. This decrease was greater than the amount available in the Asset Revaluation Surplus.

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>10 Cash and cash equivalents</b>			
Cash at bank and on hand		721,236	3,157,604
Deposits at call		37,400,000	43,050,000
Term deposits		67,900,000	48,150,000
Balance per statement of cash flows		<u>106,021,236</u>	<u>94,357,604</u>
<p>Cash and cash equivalents include cash on hand, all cash and cheques received 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	47,865,618	58,268,247
<p>Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:</p>			
Unspent capital grants, subsidies and contributions	22	4,901,144	952,756
Unspent infrastructure charges	22	18,852,111	16,630,771
Unspent loan monies		-	5,559,729
		<u>23,753,255</u>	<u>23,143,256</u>
Total unspent restricted cash for capital projects		<u>71,618,873</u>	<u>81,411,503</u>
<b>11 Trade and other receivables</b>			
Rateable revenue and utility charges		5,751,868	6,011,426
Accounts receivable		7,021,885	9,134,473
Less impairment		(116,847)	(34,902)
GST recoverable		2,376,684	777,830
Prepayments		1,066,037	1,029,124
		<u>16,099,627</u>	<u>16,917,951</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 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>12 Inventories</b>			
<b>(a) Stores inventories</b>		699,153	730,542

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 \$2,676,773 (2016 \$2,984,451).

### (b) Land purchased for development and resale

Opening balance		3,407,404	3,380,847
Additions		5,552	26,557
Less: Cost of developed land sold		(21,656)	-
Closing balance at end of financial year		3,391,300	3,407,404
<b>Total inventories</b>		<b>4,090,453</b>	<b>4,137,946</b>

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		325,681	982,166
Internal transfer from land and improvements	15	544,000	-
Assets sold during financial year		(59,047)	(652,625)
Impairment adjustment in period		(12,401)	(3,860)
Closing balance at end of financial year		798,233	325,681

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		5,693,418	-
Internal transfer from buildings and structures	15	-	167,216
Internal transfer from/(to) land and improvements	15	(264,100)	5,317,300
Investment property acquired at cost		-	135,788
Revaluation adjustment to the income account	5	2,917,860	73,114
Fair value at end of financial year		8,347,178	5,693,418

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 2017

### 15 Property, plant and equipment

#### 30 June 2017

Basis of measurement

#### Asset values

Opening gross value as at 1 July 2016  
 Assets not previously recognised/(derecognised)  
 Additions at cost  
 Contributed assets  
 Internal transfers from work in progress  
 Disposals  
 Revaluation adjustment  
 Assets transferred from/(to) other asset classes  
 Prior year work in progress expensed  
 Other internal transfers  
 Closing gross value as at 30 June 2017

	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	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Cost	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	118,590,394	247,975,054	50,372,688	489,769	1,181,005,038	243,470,450	387,650,182	333,105,948	25,068,304	2,587,927,827
	-	(208,951)	-	-	63,976,627	25,871,259	1,377,907	6,523	-	91,025,365
	-	17,641,944	4,571,413	-	16,242,579	1,758,260	6,270,522	2,289,006	35,440,644	84,214,468
	-	50,000	10,500	-	838,770	2,163,749	1,185,675	297,088	-	4,545,792
	-	6,270,290	177,522	-	1,619,252	314,112	2,263,835	1,485,965	(12,130,976)	-
	(1,000)	(2,067,439)	(2,295,429)	(489,769)	(6,162,678)	(265,549)	(1,224,355)	(1,226,737)	-	(15,732,956)
	(50,690,474)	9,394,162	-	-	118,905,556	10,511,839	(1,660,343)	10,542,293	-	97,003,033
	(279,900)	-	-	-	-	-	-	-	-	(279,900)
	124,287	(3,414,570)	(8,882)	-	2,967,647	34,346	98,634	196,538	(570,499)	-
	67,743,307	275,642,490	52,627,812	-	1,377,392,791	263,858,466	396,162,157	346,698,634	47,807,473	2,948,133,130

#### Accumulated depreciation

Opening balance as at 1 July 2016  
 Assets not previously recognised/(derecognised)  
 Depreciation provided in period  
 Contributed assets  
 Depreciation on disposals  
 Revaluation adjustment  
 Assets transferred from/(to) other asset classes  
 Other internal transfers  
 Closing accumulated depreciation as at 30 June 2017  
 Total written down value at 30 June 2017  
 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	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Cost	\$
	2,831,242	97,602,239	19,979,697	-	307,538,936	87,614,742	125,608,110	147,752,119	-	788,927,085
	-	(149,276)	-	-	4,979,917	169,274	210,884	(63,799)	-	5,168,000
	109,711	6,768,643	4,556,575	-	21,489,086	2,953,531	4,555,204	4,860,076	-	45,292,826
	-	(1,802,408)	(1,523,903)	-	(5,213,271)	(121,798)	(892,201)	(836,726)	-	-
	(374,193)	3,569,366	-	-	43,127,545	(500,767)	(11,351,490)	(10,257,696)	-	(10,390,307)
	-	(454,506)	-	-	430,505	24,001	-	-	-	-
	2,566,760	105,535,058	23,012,369	-	372,352,718	90,138,983	118,130,507	141,463,974	-	853,200,369
	65,176,547	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
	5-7	5-150	3-100	Not depreciated	10-100	80	7-90	10-100	-	10,089,811

(i) Further information is provided on page 23.

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

**Notes to the FINANCIAL STATEMENTS**

For the year ended 30 June 2017

**15 Property, plant and equipment**

**30 June 2016**

	Land and improvements	Buildings and structures	Plant and equipment	Cultural assets	Roads, footpaths and bridges	Stormwater drainage	Wastewater infrastructure	Water infrastructure	Work in progress	Total
	Revaluation	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Cost	\$
<b>Basis of measurement</b>										
<b>Asset values</b>										
Opening gross value as at 1 July 2015	124,303,563	241,619,978	53,441,915	477,369	1,089,420,218	226,161,140	370,644,414	324,185,165	30,806,288	2,461,062,050
(i) Assets not previously recognised/(derecognised)	(37,100)	(202,414)	-	-	38,657,609	2,379,210	129,398	583,525	-	41,510,228
Additions at cost	129,526	2,121,149	4,140,021	12,400	14,592,202	2,032,835	3,692,858	1,881,914	18,617,723	47,230,628
Contributed assets	-	907,390	-	-	11,761,830	3,673,046	1,728,419	931,780	-	19,002,465
Internal transfers from work in progress	33,578	1,472,356	933,631	-	10,178,275	3,791,475	6,770,000	351,566	(23,530,901)	-
Disposals	(747,743)	(2,303,657)	(7,271,477)	-	(12,407,818)	(544,482)	(396,326)	(486,934)	-	(24,158,437)
Revaluation adjustment to the asset revaluation surplus	225,870	7,975,418	-	-	25,749,577	5,677,559	5,974,613	4,999,093	-	50,602,130
Assets transferred from/(to) other asset classes	(5,317,300)	(295,740)	(881,391)	-	-	-	-	-	-	(6,494,431)
Prior year work in progress expensed	-	(3,319,426)	9,989	-	3,053,145	299,667	(693,194)	649,819	(826,806)	-
Other internal transfers	-	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2016	118,590,394	247,975,054	50,372,688	489,769	1,181,005,038	243,470,450	387,850,182	333,105,948	25,068,304	2,667,927,827

**Accumulated depreciation**

Opening balance as at 1 July 2015	2,336,751	90,056,004	20,744,181	-	276,311,273	82,138,706	119,061,418	141,382,293	-	732,032,626
(i) Assets not previously recognised/(derecognised)	-	(190,821)	87	-	9,101,639	719,657	8,543	(336,431)	-	9,096,674
Depreciation provided in period	484,491	6,528,211	4,500,482	-	21,555,860	2,915,813	4,357,987	4,762,968	-	45,115,212
Contributed assets	-	292,074	-	-	524,984	4,543	-	-	-	821,601
Depreciation on disposals	-	(2,017,100)	(5,265,053)	-	(8,533,262)	(213,179)	(257,492)	(310,583)	-	(16,596,669)
Revaluation adjustment to the asset revaluation surplus	-	3,618,304	-	-	8,020,533	2,049,202	2,438,254	2,256,872	-	18,383,165
Assets transferred from/(to) other asset classes	-	(128,524)	-	-	-	-	-	-	-	(128,524)
Other internal transfers	-	(657,909)	-	-	557,909	-	-	-	-	-
Closing accumulated depreciation as at 30 June 2016	2,831,242	97,602,239	19,979,697	-	307,538,936	87,614,742	125,608,110	147,752,119	-	788,927,085
Total written down value at 30 June 2016	115,759,152	150,372,815	30,392,991	489,769	873,466,102	155,855,708	262,242,072	185,353,829	25,068,304	1,799,000,742
Residual value	-	-	9,346,477	-	-	-	-	-	-	9,346,477
Range of estimated useful life in years	5-6	5-150	3-100	Not depreciated	10-100	60-80	20-90	10-100	-	9,346,477

(i) Further information is provided on page 23.

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 15 Property, plant and equipment (cont'd)

#### (ii) 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:

- 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.

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

- Footpaths with a carrying value of \$14,779,463 were identified by data matching of assets in GIS to Council's asset register.
- The review of footpaths also identified inconsistencies in the measurements of the footpaths. This resulted in an increase in the carrying amount of assets by \$14,776,503.
- Other minor changes in values arising from the initial recognition/derecognition of assets in the comparative period amounted to \$2,654,584

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 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 1.16(ii) and Note 1.15 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 30 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 2017

### 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.

At 30 June 2017 Recurring fair value measurements	Note	Level 2		Level 3		Total	
		Significant other observable inputs 2017	2016	Significant unobservable inputs 2017	2016	2017	2016
Investment property	14						
- Land		\$	\$	\$	\$		\$
- Rental property		2,233,000	-	5,926,300	5,509,950	8,159,300	5,509,950
Land and improvements	15	73,213	73,213	114,665	110,255	187,878	183,468
Cultural assets	15	8,118,500	-	57,058,047	115,759,152	65,176,547	115,759,152
Buildings and structures	15	-	-	-	489,769	-	489,769
- Market Value		1,979,154	1,972,175	-	-	1,979,154	1,972,175
- Specialised		-	-	168,128,278	148,400,640	168,128,278	148,400,640
Roads, footpaths and bridges	15	-	-	1,005,040,073	873,466,102	1,005,040,073	873,466,102
Stormwater drainage	15	-	-	193,719,483	155,855,708	193,719,483	155,855,708
Wastewater infrastructure	15	-	-	278,031,650	262,242,072	278,031,650	262,242,072
Water infrastructure	15	-	-	205,234,660	185,353,829	205,234,660	185,353,829
		12,403,867	2,045,388	1,913,253,156	1,747,187,477	1,925,657,023	1,749,232,865
<i>Non-recurring fair value measurements</i>							
Land held for sale	13	-	-	798,233	325,681	798,233	325,681
		-	-	798,233	325,681	798,233	325,681

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 \$7,778,200 for land and improvements and \$2,223,000 for investment property - land.



## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 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.

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.

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.

##### Buildings and structures (Level 2 and 3)

Building and structures fair values were determined by independent valuer, AssetVal, effective 30 June 2017, 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 has regard to the movement of costs of specified asset categories during the period 1 July 2016 to 30 June 2017.

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 4% increase and structures category adopted a 2% 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 2016 to 30 June 2017. For the buildings - Level 2 category no change was recorded.

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 2% 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 2017

### 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 the 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 and 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.

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 with 0 being the lowest and 10 being the highest. 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 2017

### 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.

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 with 0 being the lowest and 10 being the highest. 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.

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. For the passive water and wastewater category a 2% increase has been adopted.

Australis conducted a physical condition survey of the physically accessible assets. Australis has utilised a 0 to 10 point scoring system with 0 being the lowest and 10 being the highest. 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 2017

### 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, non specialised buildings and investment rental 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	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
<b>Asset values</b>						
Opening gross value	245,931,943	239,437,178	5,620,205	-	118,590,394	124,303,563
Transfers to Level 2	-	-	(2,233,000)	-	(7,778,200)	-
Assets not previously recognised/(derecognised)	(206,951)	(202,414)	-	-	-	(37,100)
Additions	23,869,399	3,593,505	-	121,000	-	129,526
Contributed assets	50,000	907,390	-	-	-	-
Disposals	(2,060,957)	(2,227,157)	-	-	(1,000)	(747,743)
Revaluation adjustment	9,394,163	8,038,607	2,917,860	90,166	(50,690,474)	225,870
Transfers	(3,414,570)	(3,615,166)	(264,100)	5,409,039	(495,913)	(5,283,722)
Closing gross value	273,563,027	245,931,943	6,040,965	5,620,205	59,624,807	118,590,394
<b>Accumulated depreciation</b>						
Opening balance	97,531,303	90,020,416	-	-	2,831,242	2,336,751
Assets not previously recognised/(derecognised)	(148,276)	(190,821)	-	-	-	-
Depreciation provided in period	6,732,788	6,491,643	-	-	109,711	494,491
Contributed assets	-	292,074	-	-	-	-
Depreciation on disposals	(1,795,926)	(2,016,074)	-	-	-	-
Revaluation adjustment	3,569,366	3,620,498	-	-	(374,193)	-
Transfers	(454,506)	(686,433)	-	-	-	-
Closing accumulated depreciation	105,434,749	97,531,303	-	-	2,566,760	2,831,242
Written down value	<b>168,128,278</b>	<b>148,400,640</b>	<b>6,040,965</b>	<b>5,620,205</b>	<b>57,058,047</b>	<b>115,759,152</b>

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 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							

	Computer Software		Easements		Land Lease		Water Rights		Work in progress		Total
	Cost	\$	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

#### 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						

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

Easements were no longer recognised as intangibles in the prior financial year.

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 2017

### 17 Intangible assets

#### 30 June 2016

Basis of measurement

#### Asset values

Opening gross carrying value as at 1 July 2015  
 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 2016

	Computer Software		Easements		Land Lease		Water Rights		Work in progress		Total
	Cost	\$	Cost	\$	Cost	\$	Cost	\$	Cost	\$	
	2,456,159		190,598		311,000		4,346,253		589,435		7,893,445
	490,938		-		-		-		-		490,938
	99,729		-		-		-		(99,729)		-
	(138,450)		(190,598)		-		-		-		(329,048)
	-		-		-		-		(489,706)		(489,706)
	881,391		-		-		-		-		881,391
	3,789,767		-		311,000		4,346,253		-		8,447,020
	1,003,983		-		-		-		-		1,003,983
	437,175		-		-		-		-		437,175
	(99,925)		-		-		-		-		(99,925)
	1,341,233		-		-		-		-		1,341,233
	2,448,534		-		311,000		4,346,253		-		7,105,787

#### Accumulated amortisation

Opening balance as at 1 July 2015  
 Amortisation provided in period  
 Amortisation on disposals  
 Closing accumulated amortisation as at 30 June 2016  
 Total intangible assets at 30 June 2016

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>18 Trade and other payables</b>			
Creditors and accruals		17,810,693	9,223,063
Annual leave		4,451,703	4,330,385
Wages and other employee entitlements		854,823	563,955
		<u>23,117,219</u>	<u>14,117,403</u>
<b>19 Borrowings</b>			
<b>Current</b>			
Loans - Queensland Treasury Corporation		<u>5,638,483</u>	<u>5,382,267</u>
<b>Non-Current</b>			
Loans - Queensland Treasury Corporation		<u>52,638,535</u>	<u>58,151,171</u>
<b>Loans - Queensland Treasury Corporation</b>			
Opening balance		63,533,438	70,059,356
Principal repayments		(5,256,420)	(6,525,918)
Balance at end of financial year		<u>58,277,018</u>	<u>63,533,438</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 21 July 2032 .

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

Principal and interest repayments are made quarterly in arrears.

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>20 Provisions</b>			
<b>Current</b>			
Landfill restoration		139,050	-
Long service leave		11,950,786	11,986,424
		<u>12,089,836</u>	<u>11,986,424</u>
<b>Non-Current</b>			
Landfill restoration		16,223,452	15,466,609
Long service leave		782,276	863,649
		<u>17,005,728</u>	<u>16,330,258</u>

### Details of movements in provisions:

#### (a) Landfill restoration provision

Opening balance		15,466,609	14,493,577
Increase in provision - finance cost due to change in time	8	420,220	498,432
Increase/(decrease) in provision - change in discount rate		5,823	1,388,651
Decrease in provision for actual restoration expenditure		(276,396)	(17,920)
Increase/(decrease) in estimate of future cost		746,246	(896,131)
Balance at end of financial year		<u>16,362,502</u>	<u>15,466,609</u>

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.

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.

#### (b) Long service leave provision

Opening balance		12,850,073	12,589,481
Additional provision made during the period		1,538,295	1,471,304
Amounts used during the period		(1,409,618)	(1,346,928)
Unused amounts reversed during the period		(47,200)	(91,439)
Change in discount and time		(198,488)	227,655
Balance at end of financial year		<u>12,733,062</u>	<u>12,850,073</u>

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>21 Asset revaluation surplus</b>			
<b>(a) Movements in the asset revaluation surplus were as follows:</b>			
Opening balance		366,960,096	334,761,325
Movement in property plant and equipment		94,096,227	32,198,771
Decrecognition of cultural assets		(25,541)	-
Balance at end of financial year		<u>461,030,782</u>	<u>366,960,096</u>
<b>(b) Asset revaluation surplus analysis</b>			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Land and improvements		-	29,010,322
Buildings and structures		34,619,296	28,794,500
Cultural assets		-	25,541
Roads, footpaths and bridges		199,251,521	123,473,510
Stormwater drainage		54,166,681	43,154,075
Wastewater infrastructure		95,384,431	85,693,284
Water infrastructure		77,608,853	56,808,864
		<u>461,030,782</u>	<u>366,960,096</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	47,865,618	58,268,247
Unspent capital grants, subsidies and contributions	10	4,901,144	952,756
Unspent infrastructure charges	10	18,852,111	16,630,771
Unallocated surplus		15,525,270	879,088
		<u>87,144,143</u>	<u>76,730,862</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 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>23 Commitments for expenditure</b>			
<b>(a) Operating leases</b>			
Minimum lease payments in relation to non-cancellable operating leases are as follows:			
Not later than one year		470,243	520,836
Later than one year but not later than five years		1,064,567	1,276,903
Later than five years		252,485	368,290
		<u>1,787,295</u>	<u>2,166,029</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 significant leases.			
<b>(b) Recurrent commitments</b>			
Significant recurrent contractual commitments at the reporting date but not recognised as liabilities		<u>4,019,525</u>	<u>2,442,375</u>
<b>(c) Capital commitments</b>			
Significant capital contractual commitments at the reporting date but not recognised as liabilities are as follows:			
Buildings and structures		11,551,490	10,232,463
Plant and equipment		-	419,538
Roads, footpaths and bridges		2,148,942	2,138,769
Wastewater infrastructure		18,205,916	38,578,681
Water infrastructure		1,126,570	-
		<u>33,032,918</u>	<u>51,369,451</u>
<b>24 Expected operating lease income</b>			
<b>(a) Lease receipts</b>			
Future minimum lease payments are expected to be received in relation to non-cancellable operating leases as follows:			
Not later than one year		393,908	235,529
Later than one year but not later than five years		1,162,396	591,380
Later than five years		1,619,727	453,087
		<u>3,176,031</u>	<u>1,279,996</u>
<b>(b) Sub-lease receipts</b>			
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		192,496	218,249
Later than one year but not later than five years		694,178	716,306
Later than five years		520,670	709,063
		<u>1,407,344</u>	<u>1,643,618</u>
<b>(c) Contingent rent for the period</b>			
		<u>154,881</u>	<u>108,671</u>
Council only discloses expected lease income associated with significant leases.			



## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	30-Jun-17	30-Jun-16
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 2017 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:	2,102,687	2,418,007
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## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	30-Jun-17	30-Jun-16
Note	\$	\$
<b>26 Superannuation</b>		
<p>The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 <i>Employee Benefits</i>.</p> <p>The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.</p> <p>The scheme has three elements referred to as:</p> <p>The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund.</p> <p>The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and</p> <p>The Accumulation Benefits Fund (ABF)</p> <p>The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the <i>Local Government Act 2009</i>. Council does not have any employees who are members of the CDBF and, therefore, is not exposed to the obligations, assets or costs associated with this fund.</p> <p>The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.</p> <p>To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee salaries and there are no known requirements to change the rate of contributions.</p> <p>Any amount by which the fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.</p> <p>As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.</p> <p>The most recent 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".</p> <p>In the 2015 actuarial report the actuary has recommended no change to the employer contributions levels at this time.</p> <p>Under the <i>Local Government Act 2009</i> the trustee of the scheme has the power to levy additional contributions on Councils' which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits. There are currently 65 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 65 entities. Bundaberg Regional Council made 4.42% of the total contributions to the plan for the 2016-17 financial year.</p> <p>The next actuarial investigation will be conducted as at 1 July 2018.</p>		
The amount of superannuation contributions paid by Council to the Superannuation Fund in this period for the benefit of employees was:	6,236,654	6,194,513
Council also contributes to the scheme for the benefit of Councillors'. The amount of contributions paid during the reporting period was:	120,026	122,455
Total superannuation paid	6 6,356,680	6,316,968

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
<b>27 Trust funds</b>			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities:		3,218,366	2,767,952
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.			
<b>28 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities</b>			
Net result		24,710,988	39,797,809
Non-cash operating items:			
Depreciation of property plant and equipment	15	45,292,826	45,115,212
Amortisation of intangible assets	17	495,763	437,175
Change in restoration provision to finance costs	8	420,220	498,432
Current cost of developed land sold	12(b)	21,656	-
Prior year work in progress expensed	15	570,499	1,316,512
		46,800,964	47,367,331
Investing and financing activities:			
Change in restoration provision		475,673	454,406
Capital grants, subsidies, other contributions and donations	4(b)	(30,351,394)	(37,225,775)
Loss on disposal of non-current assets	9	4,581,680	4,706,427
Loss on impairment of non-current assets held for sale	9	12,401	3,860
Revaluation decrement of land and improvements	9	21,305,959	-
Revaluation of investment property	5	(2,917,860)	(73,114)
Gain on disposal of non-current assets held for sale	5	(2,440)	(171,103)
		(6,895,981)	(32,305,299)
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		(1,360,688)	344,971
(Increase)/decrease in inventories		25,837	9,822
Increase/(decrease) in payables		10,235,349	(3,162,679)
Increase/(decrease) in long service leave provision		(117,011)	260,592
Increase/(decrease) in unearned revenue		113,770	21,194
		8,897,257	(2,526,100)
<b>Net cash inflow from operating activities</b>		<b>73,513,228</b>	<b>52,333,741</b>

### 29 Events after the reporting period

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

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 30 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.

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

Council 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	2017	2016
Cash and cash equivalents	10	106,021,236	94,357,604
Receivables - rates	11	5,751,868	6,011,426
Receivables - other	11	9,281,722	9,877,401
Other credit exposures - Guarantee	25	2,102,687	2,418,007
Total		<u>123,157,513</u>	<u>112,664,438</u>

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.

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 30 Financial instruments (Cont'd)

#### (a) Credit risk (Cont'd)

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

	2017	2016
Not past due	6,239,285	8,210,059
Past due less than 30 days	1,630,725	373,936
Past due 31-60 days	711,212	453,886
Past due 61-90 days	51,896	214,061
Past due more than 90 days	6,517,319	6,671,787
Impairment	(116,847)	(34,902)
Total	<u>15,033,590</u>	<u>15,888,827</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 to cater for unexpected volatility in cash flows.

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
	\$	\$	\$	\$	\$
<b>2017</b>					
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>
<b>2016</b>					
Trade and other payables	14,117,403	-	-	14,117,403	14,117,403
Loans - QTC	8,494,053	33,534,864	42,664,360	84,693,277	63,533,438
	<u>22,611,456</u>	<u>33,534,864</u>	<u>42,664,360</u>	<u>98,810,680</u>	<u>77,650,841</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 2017

### 30 Financial instruments (Cont'd)

#### (c) Market risk

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

##### *Interest rate risk*

Council is exposed to interest rate risk through 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	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Deposits - Call	37,400,000	43,050,000	374,000	430,500	374,000	430,500
Term Deposits	67,900,000	48,150,000	679,000	481,500	679,000	481,500
	<u>105,300,000</u>	<u>91,200,000</u>	<u>1,053,000</u>	<u>912,000</u>	<u>1,053,000</u>	<u>912,000</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	2017		2016	
		Carrying amount	Fair Value	Carrying amount	Fair Value
		\$	\$	\$	\$
Loans - QTC	19	<u>58,277,018</u>	<u>64,528,961</u>	<u>63,533,438</u>	<u>72,884,775</u>

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$
<b>31 Related parties</b>		
<b>(a) Joint controlled entities</b>		
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		78,510
WBBROC is dependent on contributions from member Councils.		
<b>(b) Key management personnel (KMP) compensation</b>		
KMP include the Mayor, Councillors, Chief Executive Officer and three General Managers.		
The compensation paid to KMP comprises:		
Short-term benefits		2,292,114
Long-term benefits		13,133
Post-employment benefits		221,469
		2,526,716
Additional remuneration disclosures are provided in the Annual Report.		
<b>(c) Transactions with other related parties</b>		
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 an entity controlled by KMP	(ii)	64,829



## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	30-Jun-17 \$
<b>31 Related parties (Cont'd)</b>		
<b>(c) Transactions with other related parties (Cont'd)</b>		
(i) Council has historically supported the Bundaberg Police Citizens Youth Club (PCYC) in providing a broad range of recreational, youth and sporting programs, catering for all sections of the community. Council has a trustee lease agreement with PCYC over the new Bundaberg Multiplex facility. This allows the PCYC to deliver their services whilst also maximising the use of the Council facility. The lease agreement provides that the PCYC will collect all hire fees associated with the Multiplex and pay Council 30% of said fees. The PCYC will retain the remaining fee income for maintenance and operational costs associated with the Multiplex. Council provided temporary accommodation for the PCYC during construction of the Multiplex as well as reimbursing the relocation expenses. Councillor David Batt is currently the Deputy Chairman of the PCYC.		
(ii) 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. The application to the panel and the engagement of Impact services were at arm's length and in accordance with Council's Purchasing Policy and associated procedures. Councillor David Batt is currently the Chairperson of Impact.		
Council employs 779 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.		
Council has 99 community service lease agreements where Council owned facilities are leased at a nominal value. 4% 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.		
<b>(d) Outstanding balances</b>		
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:		
Contribution to Eggmolesse Street drainage works	(iv)	<u>80,000</u>
(iii) Council has an infrastructure deed with Across The Waves (ATW) in relation to drainage works in Eggmolesse Street associated with an adjoining development. 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. Councillor David Batt is currently a Committee Member of ATW.		
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.		
<b>(e) Loans and guarantees to/from related parties</b>		
Council does not make loans to or receive loans from related parties. No guarantees have been provided.		
<b>(f) Commitments to/from other related parties</b>		
Council has no outstanding commitments to/from other related parties.		



## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 32 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;  
Caravan Parks; and  
Airport Operations.

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 CSO's 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	Caravan Parks	Airport Operations
	2017	2017	2017	2017	2017
	\$	\$	\$	\$	\$
Revenue for services provided to Council	1,305,278	446,341	232,174	-	-
Revenue for services provided to external clients	25,794,822	26,769,689	17,919,242	2,648,665	5,437,514
Community service obligations	972,244	981,619	3,201,597	-	164,375
	<u>28,072,344</u>	<u>28,197,649</u>	<u>21,353,013</u>	<u>2,648,665</u>	<u>5,601,889</u>
Less: Expenditure	(16,498,256)	(14,885,153)	(15,084,937)	(2,242,130)	(3,800,523)
Surplus/(deficiency)	<u>11,574,088</u>	<u>13,312,496</u>	<u>6,268,076</u>	<u>406,535</u>	<u>1,801,366</u>

## Notes to the FINANCIAL STATEMENTS

For the year ended 30 June 2017

### 32 National competition policy (Cont'd)

#### Description of CSO's provided to business activities

Activities	CSO description	Amount
		\$
Water	Provision of water allocations to unlicensed sporting clubs free of charge	\$148,775
	Pension remissions	\$165,165
	Water leak relief	\$94,120
	Infrastructure charges incentives	\$516,012
	Internal bulk water provisions	\$48,172
Wastewater	Providing pedestal discount for community and aged care facilities	\$299,484
	Clearance of private sanitary drains	\$5,982
	Infrastructure charges incentives	\$463,600
	Pension remissions	\$212,553
Waste Management	Provision of bins and waste disposal for community events	\$31,746
	Provision of free disposal days for residents	\$68,395
	In-kind assistance - for charities	\$110,205
	Provision of wheelie bins and waste disposal for public spaces	\$112,008
	Unrecovered costs incurred in operating rural transfer stations	\$504,612
	Internal waste collection	\$2,179,409
	Pension remissions	\$195,222
Airport Operations	Access agreement	\$164,375

### 3.6 Management Certificate

For the year ended 30 June 2017

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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 the Council's transactions for the financial year and financial position at the end of the year.

  
\_\_\_\_\_  
Mayor

Date: 21 / 9 / 17

  
\_\_\_\_\_  
Chief Executive Officer

Date: 21 / 9 / 17

### 3.7 Independent Auditor's Report

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To the Councillors of Bundaberg Regional Council

#### Report on the Audit of the Financial Report

##### Opinion

I have audited the financial report of Bundaberg Regional Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2017, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

##### Basis for opinion

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

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

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

##### Other information

Other information comprises the information included in Bundaberg Regional Council's annual report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

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

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

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

## Independent Auditor's Report cont'd

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

## Independent Auditor's Report cont'd

**Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

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

  
D A STOLIZ  
as delegate of the Auditor-General



Queensland Audit Office  
Brisbane

### 3.8.1 Current Year Financial Sustainability Statement

For the year ended 30 June 2017

#### Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2017.

#### Measures of Financial Sustainability

Council's performance at 30 June 2017 against key financial ratios and targets:

	How the measure is calculated	2017	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.	82%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-9%	not greater than 60%


### 3.8.2 Current Year Financial Sustainability Statement - Certificate of Accuracy

For the year ended 30 June 2017

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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: 21/9/17

  
\_\_\_\_\_  
Chief Executive Officer  
Date: 21/9/17



### 3.8.3 Independent Auditor's Report

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To the Councillors of Bundaberg Regional Council

#### **Report on the Current-Year Financial Sustainability Statement**

##### **Opinion**

I have audited the accompanying current year financial sustainability statement of Bundaberg Regional Council for the year ended 30 June 2017, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Bundaberg Regional Council for the year ended 30 June 2017 has been accurately calculated.

##### **Basis of opinion**

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

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

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

##### **Emphasis of matter – basis of accounting**

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

##### **Other information**

Other information comprises the information included in Bundaberg Regional Council's annual report for the year ended 30 June 2017, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and long-term financial sustainability statement.

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

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

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

**Responsibilities of the council for the current year financial sustainability statement**

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

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


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

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

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

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

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

  
D A STOLZ  
as delegate of the Auditor-General



Queensland Audit Office  
Brisbane

### 3.8.4 Long Term Financial Sustainability Statement

For the year ended 30 June 2017

#### Measures of Financial Sustainability

	How the measure is calculated	Target	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items).	Between 0% and 10%	4%	3%	4%	5%	6%	7%	7%	8%	8%
Asset sustainability ratio*	Capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense for infrastructure assets.	greater than 90%	74%	106%	59%	53%	41%	56%	55%	42%	54%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items).	not greater than 60%	30%	45%	52%	45%	37%	30%	20%	6%	11%

\* The Asset sustainability Ratio is based on Council's Asset Management Plans adopted by Council during the financial year. Subsequently, there has been significant work undertaken on infrastructure asset resegmentation and underlying assumptions. It's expected that this will impact on Council's future renewal programs and long-term Asset Sustainability Ratio. The Asset Management Plans and Asset Sustainability Ratios will be updated during the 2017/2018 financial year to reflect this.

#### Financial Management Strategy

Financial management within Bundaberg Regional Council supports the delivery of the objectives identified within Council's Community Plan *Bundaberg Region 2031* and Council's Corporate Plan. This ensures that financial resources are allocated according to the annual priorities set by Council in achieving that vision, within the parameters determined through the long-term financial planning, particularly asset management planning.

All financial decisions are made in the context of long term financial sustainability with funding decisions having due regard to intergenerational equity, so that those who enjoy the benefits of assets and services provided by Council, contribute to the funding of those assets and services. Conversely, assets and services that are consumed in the short term do not place a financial burden on future generations.

Council regularly models financial performance, financial position and cash flow forecasts to monitor the long term sustainability of financial decisions.


### 3.8.5 Long Term Financial Sustainability Statement - Certificate of Accuracy

For the year ended 30 June 2017

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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: 21 / 9 / 17

  
\_\_\_\_\_  
Chief Executive Officer  
Date: 21 / 9 / 17

## 4. Statutory Information

### Mayor and Councillors

#### 4.1 Remuneration, Superannuation and Provision of Facilities

In accordance with the Local Government Regulation 2012, Sections 186(a) and (b), the total remuneration, superannuation and expenses incurred by each one of our Councillors during the financial year are as follows.

Table 3.1

Councillor	Remuneration	Superannuation	Provision of Facilities
Mayor Jack Dempsey	\$145,623.92	\$17,474.87	\$26,510.54
Cr Jason Bartels	\$84,308.12	\$10,116.97	\$13,167.41
Cr Bill Trevor (Deputy Mayor)	\$95,806.10	\$11,496.73	\$15,278.07
Cr Wayne Honor	\$84,308.12	\$10,116.97	\$16,433.43
Cr Helen Blackburn	\$84,308.12	\$10,116.97	\$13,890.92
Cr Greg Barnes	\$84,308.12	\$10,116.97	\$12,088.77
Cr Scott Rowleson	\$84,308.12	\$10,116.97	\$13,491.91
Cr Ross Sommerfeld	\$84,308.12	\$10,116.97	\$14,622.56
Cr David Batt	\$84,308.12	\$10,116.97	\$16,960.89
Cr Judy Peters	\$84,308.12	\$10,116.97	\$16,244.81
Cr Peter Heuser	\$84,308.12	\$10,116.97	\$12,249.47
	<b>\$1,000,203.10</b>	<b>\$120,024.37</b>	<b>\$170,938.78</b>

A full copy of Council's *Reimbursement of Expenses and Provision of Facilities for Councillors–Policy* is available at Council's website (reference no. GP-3-047). This policy was reviewed and amendments were made and adopted by Council on 27 September 2016.

#### Overseas travel

As required by the Local Government Regulation 2012 (s 188) the following international travel expenses were incurred by the Mayor and Councillors and a local government employee, in an official capacity, during the financial year.

Table 3.2

Councillor / Position	From	To	Destination	Purpose	Total
Mayor Jack Dempsey	9/09/16	18/09/16	Nanning, China	Sister City Conference and China ASEAN Trade Expo - China	<b>\$20,439.90</b>
Cr Ross Sommerfeld					
Cr David Batt					
Cr Peter Heuser					
Haiyi Wu Senior Development Officer - International Relations					
Mayor Jack Dempsey	1/11/16	6/11/16	Settsu, Japan	50th Anniversary of Municipal Organisation Enforcements at Settsu	<b>\$3,190.96</b>

## 4.2 Attendance at Council meetings

The attendance of Councillors to Ordinary, Special and Budgetary meetings is detailed below in accordance with Section 186(c) of the Regulation.

Table 3.3

Councillor	Ordinary	Special & Budgetary	Total
Mayor Jack Dempsey	15	3	18
Cr Jason Bartels	16	3	19
Cr Bill Trevor (Deputy Mayor)	15	3	18
Cr Wayne Honor	15	3	18
Cr Helen Blackburn	14	3	17
Cr Greg Barnes	13	3	16
Cr Scott Rowleson	13	3	16
Cr Ross Sommerfeld	15	3	18
Cr David Batt	15	3	18
Cr Judy Peters	12	2	14
Cr Peter Heuser	13	3	16

## 4.3 Councillors Conduct

### Orders and Recommendations

Section 186(d) requires Council to disclose the number of orders and recommendations made during the financial year in relation to allegations of misconduct or inappropriate conduct by Councillors. There were no orders or recommendations to disclose for 2016-17.

Section 186(e) requires Council to disclose the detail of orders and recommendations made during the financial year in relation to allegations of misconduct or inappropriate conduct by Councillors. There were no orders or recommendations to disclose for 2016-17.

### Councillor Complaints

Section 186(f) requires Council to disclose the number of complaints in relation to alleged misconduct or inappropriate conduct by Councillors. There was one complaint referred to the Mayor under section 176C (3) (a) (ii) of the Act.

## Corporate Governance

### 4.4 Remuneration of Senior Management

As required by the Local Government Act 2009 (s 201) the details of remuneration for senior management during the financial year were as follows.

Table 3.4

Number of Executives	Salary Range
3	\$200,000 - \$300,000
1	\$300,000 - \$400,000



#### 4.5 Administrative Action Complaints

Council is committed to ensuring that complaints are addressed in a responsive, responsible and fair manner. We have established a comprehensive and flexible framework to achieve this, and this framework includes the position of Internal Ombudsman. Our Internal Ombudsman oversees the process by which complaints are investigated and through proactive management also seeks to identify trends to minimise the likelihood of future complaints. Council's *Administrative Action Complaints Policy and Administrative Action Complaints Management Procedure* also forms part of this framework.

Section 187 of the Local Government Regulation 2012 requires Council to report annually on the performance of the organisation in dealing with Administrative Action Complaints (AAC). In 2016-17 a total of 15 Administrative Action Complaints were processed and resolved. Reviews tested processes and departmental systems and some recommendations were made to review certain practices or processes.

The table below provides a summary of AAC outcomes for 2016-17.

Table 3.5

Outcome of administrative action complaints	2015-16	2016-17
Number of complaints made under the AAC process	22	15
Number of AAC resolved	22	15
Number of unresolved complaints under the AAC process	0	0
Number of unresolved complaints under the AAC process from previous financial year	0	0

#### 4.6 Code of Competitive Conduct for Business Activities

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 Bundaberg Regional 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(a) of the Local Government Act 2009, Council conducts the following business activities: Water and Wastewater; Waste and Recycling; Caravan Parks and Bundaberg Airport.

##### Significant Business Activities and the Competitive Neutrality Principle

In accordance with Section 45(b) the following business activities have been identified as being financially significant:

- Water and Wastewater; and
- Waste and Recycling.

Both activities were conducted in the previous year and the competitive neutrality principle has been applied in accordance with Section 45(c) of the Local Government Act.

Council has elected to apply the Code of Competitive Conduct, involving the application of the competitive neutrality principle, to the following business activities:

- Caravan Parks; and
- Bundaberg Airport.

##### Competitive Neutrality Complaints

No competitive neutrality complaints were received during the reporting period.

#### 4.7 Assets Recognition Policy

Pursuant to the Local Government Regulation 2012 (s206 (2)), a resolution was made on 26 April 2017 to adopt a revised *Non-current Asset Recognition Policy*. The reference to cultural assets was amended, as the category is no longer relevant to Council's policy or legislative requirements.

#### 4.8 Summary of Concessions for Rates and Charges

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

##### 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 Repatriation Health Card are eligible to claim a State Government Pensioner Rate Subsidy and a Council pensioner remission. The Council pensioner rate remission during 2016-17 was \$140 per annum for rates and charges.

##### Discount on general rates

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, which is at least 30 clear days from the issue date of the rate notice. This 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.

##### Community concessions

Council recognises the following not-for-profit organisations as providing a service to the community by encouraging community and cultural development. During 2016-17 Council contributed up to a maximum \$1,700 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
- Avondale Football Club
- 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 Bargara
- 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
- Pine Creek Hall
- Sandy Hook Ski Club
- Sharon Hall
- South Kolan Kindergarten
- Tegege Hall
- Wallaville Kindergarten

Council also 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



### Other concessions

Council has a *Water Leak Relief Policy* which provides relief for ratepayers who experience a large and undetectable water leak that results in a large unbudgeted water bill. If ratepayers have the water leak repaired within ten days of its discovery and apply for relief within thirty days after having the leak repaired, Council charges the water consumption at the first step in the water tariff, which in 2016-17 was \$1.15 instead of the second tier tariff, which was \$1.88. Ratepayers were assisted in 2016-17, to a value of \$94,120.

### Concessions to ratepayers for 2016-17

Table 3.6

Type of organisation	Assistance Provided
Council Pensioner Rates Concessions	\$1,392,737.75
Rates Concessions to Community Organisations	\$501,689.51
Water Leak Relief	\$94,120.05
<b>Total</b>	<b>\$1,988,547.31</b>

### Analysis of Concessions provided to Community Organisations in 2016-17

Table 3.7

Type of organisation	Assistance Provided
Reduced Rates and Charges to Community Organisations	\$53,430.36
Free Water Consumption Allocation to Unlicensed Sporting Bodies	\$105,620.15
Benefit only charging Water Access Charges to Unlicensed Sporting Bodies for largest meter	\$43,155.00
60% reduction in Sewerage Charges to Community Organisations	\$299,484.00
<b>Total</b>	<b>\$501,689.51</b>

### Total of Community Organisations

Table 3.8

No.	Type of organisation	Annual Rates Levied	Assistance Provided	Average assist per organisation
19	Halls	\$43,601.76	\$28,956.80	\$1,524.04
7	Kindergartens	\$22,771.29	\$10,368.60	\$1,481.23
7	Surf Lifesaving Clubs	\$10,376.54	\$8,893.98	\$1,270.57
4	Community Organisations	\$5,954.66	\$5,210.98	\$1,302.74
<b>37</b>	<b>Total</b>	<b>\$82,704.25</b>	<b>\$53,430.36</b>	<b>\$1,444.06</b>

#### 4.9 Expenditure on Grants to Community Organisations

As required by Section 195 of the Local Government Regulation 2012, Council has an established a *Community Financial Assistance Governance Policy*. This policy is available on request (reference No. GP-3-067).

Pursuant to Section 189(a) of the Regulation, Council's expenditure on grants to community organisations for the 2016-17 financial year totalled \$290,922, as shown in table 3.9.

#### Summary of Expenditure on Grants to Community Organisations

Table 3.9

Community Organisation	Expenditure on Grants
Community Grants Program	\$61,671.63
Life Education Contribution	\$10,000.00
Lifeflight Rescue Helicopter	\$50,000.00
Mayors Christmas Appeal	\$2,500.00
Micro Grants program	\$14,783.78
Operation Wanted	\$10,000.00
Police Citizen Youth Club	\$23,259.09
Regional Arts Development Fund (RADF)	\$24,661.45
Special Event Grant	\$13,946.70
Sponsorship/ Donation	\$21,800.00
Sport Championship Funding Program	\$23,750.00
Toy Library Contribution	\$10,000.00
Young People In Sport Funding Program	\$24,550.00
<b>Total</b>	<b>\$290,922.65</b>

Pursuant to Section 189(b) there were no discretionary fund expenditure by Councillors for community organisations in the reporting period.

#### 4.10 Council Registers

The following list of Council Registers is provided in accordance with Section 190(f) of the Local Government Regulation 2012.

- Register of Business Activities
- 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

#### 4.11 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 aim to effectively manage and limit risk exposures but also identify opportunities through best practice risk management strategies and continuous improvement established in accordance with Risk Management Standards AS/NZS IS 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 Integrated Risk Management Policy
  - Bundaberg Regional Council Risk Management Framework, and risk assessment tools.
- Training for staff at induction
- Biennial review of risk registers
- Operational risk analyses of departmental business plans.

#### 4.12 Report on the Internal Audit

##### Audit and Risk Committee

The Audit and Risk Committee is established in accordance with the Local Government Act 2009 (s 106(4)). The Committee acts as an advisory committee to Council. It provides independent comment, advice and counsel on audit and risk management issues, covering all Council operations and projects reported and considered by the Committee at its regular meetings. 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 (appointed June 2017 following the resignation of Emma Habermann in May 2017).

The Committee is also attended by the External Auditors, Chief Executive Officer, General Managers, Chief Financial Officer, Internal Auditor, Quality Auditor, Governance Manager and other key staff. The 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
- Accounting Policies.

## Internal Audits

The internal audit function is established under the Local Government Act 2009 (s 105(1)) and is an integral component of Council's corporate governance framework. Pursuant to Section 190 (1)(h) of the Local Government Regulations 2012, audits and other activities undertaken in 2016-17 included:

- Internal audit reviews involving:
  - Corporate Purchase Cards
  - Cash Handling, Receipting and Banking Audits of holiday parks and waste facilities
  - Commercial Invoicing
  - Purchase Order Processing
  - Penetration Testing of ICT Infrastructure.
- Quality audit reviews involving:
  - Road Maintenance Performance Contract
  - Evaluation of Technical Competence
  - Contractor Management
  - East Treatment Plant Biogas Facility Safety Management Plan
  - Calibration and Measurement Traceability.
- Assisting with development of Fraud Risk Assessments
- Assisting with updating of Corporate Risk Registers
- Assisting with 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
<b>Local Government Act 2009</b>			
Section 41	Identifying beneficial enterprises	4.7 Code of competitive conduct for business activities	69
Section 45 (a)-(d)	Identifying significant business activities	4.7 Code of competitive conduct for business activities	69
Section 201- 1(a) & (b)	Remuneration senior management	4.5 Remuneration of senior management	67
<b>Local Government Regulation 2012</b>			
Section 183 (a)	Financial Statements	3 Financial Statements	10
Section 183 (b-d)	Financial Statements	3 Financial Statements	10
Section 184	Community Financial Report	2 Community Financial Report	2
Section 185	Particular Resolutions	4.7 Assets Recognition Policy	69
Section 186 (a)	Councillors	4.1 Remuneration of the Mayor and Councillors	66
Section 186 (b)	Councillors	4.1 Expenses Reimbursement Policy	66
Section 186 (c)	Councillors	4.2 Attendance at Council meetings	67
Section 186 (d)	Councillors	4 n/a	-
Section 186 (e) – (g)	Councillors	4 n/a	-
Section 187	Administration Action Complaints	4.5 Administrative Action Complaints	68
Section 188	Overseas Travel	4.1	66
Section 189	Expenditure on grants to community organisations	4.9 Expenditure on grants to community organisations	71
Section 190 -1 (a) & (b)	Assessment of operations and performance	1. Chief Executive Officer's Report	1
Section 190- 1 (c) & (d)	Annual operations- Commercial business & Expenditure on a service, facility or activity supplied or levied	4.6	68
Section 190- 1 (e)	Tenders	n/a - No invitations to changes to tenders were made.	-
Section 190- 1 (f)	Registers	4.10 Council registers	71
Section 190- 1 (g)	Concessions for rates and charges	4.8 Summary of concessions for rates and charges	69
Section 190- 1 (h)	Report on the Internal Audit	4.12 Report on the Internal Audit	72
Section 190- 1 (j) & (k)	Competitive Neutrality Complaints	4.6 Code of competitive conduct for business activities	68
Section 190- 2	Annual operations report for commercial business unit	4.1 n/a	-

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**Item****21 November 2017****Item Number:**

F2

**File Number:**

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**Part:**GOVERNANCE &  
COMMUNICATIONS**Portfolio:**

Organisational Services

**Subject:**

Audit and Risk Committee Minutes

**Report Author:**

Amy Crouch, Executive Assistant

**Authorised by:**

Stuart Randle, General Manager Organisational Services

**Link to Corporate Plan:**

Our People, Our Business - 3.6 Responsible and ethical leadership and governance.

**Background:**

The Audit and Risk Committee met on 24 October 2017, and the minutes are attached for Council's information.

**Consultation:**

Representatives of Audit and Risk Committee.

**Legal Implications:**Complies with various sections of the *Local Government Regulation 2012*.**Policy Implications:**

The recommendations within this report comply with Council's governance framework.

**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 audit issues identified within the Pitcher Partners report will be addressed by Council.

**Communications Strategy:**

Communications Team consulted. A Communication Strategy is:

- Not required
- Required



**Attachments:**

[↓](#) 1 Audit & Risk Committe Minutes - 24 October 2017

**Recommendation:**

**That the minutes of the Audit and Risk Committee meeting held on 24 October 2017 (as detailed on the 5 pages appended to this report); be received and noted.**



## **AUDIT & RISK COMMITTEE**

### **MINUTES**

Tuesday, 24 October, 2017 – 10.00 am

#### **ATTENDANCE**

Council Representatives – Cr JM Dempsey and Cr HL Blackburn.

External Representatives – Mr B Grogan (Chairman) and Ms D Rayner.

By Invitation –

- Council Staff – Mr SD Johnston (Chief Executive Officer), Mr SJ Randle (General Manager Organisational Services/Acting General Manager Infrastructure & Planning Services), Mr AJ Keleher (Chief Financial Officer), Mr C Joosen (Manager Governance/Acting General Manager Organisational Services), Mr J McCulloch (Internal Auditor), Ms E Fortune (Risk & Insurance Officer), Mr J McMullen (IMS); Mr T McLaughlin (Group Manager Water & Wastewater) Mr A Wyatt (Group Manager Projects).
- External Auditors (Pitcher Partners) – Mr J Evans and Mr C Russell (by teleconference).
- Queensland Audit Office - Mr D Byram (by teleconference).

#### **BUSINESS OF MEETING**

1. **WELCOME** – Mr Grogan welcomed all present.
2. **MINUTES** – It was agreed that the Minutes of the Meeting held on 20 September, 2017, be taken as read and confirmed.

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Audit & Risk Committee Minutes  
24 October, 2017

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3. **BUSINESS ARISING FROM MINUTES** - Nil.

4. **YEARLY MANAGEMENT / CHIEF EXECUTIVE OFFICER UPDATE** - Mr Johnston provided a verbal overview of matters undertaken since his commencement in April, including independent reviews of the financial position and key performance indicators, a cultural survey of the organisation; and structural changes. Other areas currently being reviewed include upgrades to the IT systems, Capital Works Funding, and the Operational Plan.

4. **MAJOR PROJECTS UPDATES** -

- (a) Multi-Use Sport and Community Centre - Mr Wyatt advised that Stage 2 is on target for completion by mid-November 2017. No significant issues are reported with the project.

- It was agreed that the Report be noted.

- (b) Rubyanna Wastewater Treatment Plant - Mr Wyatt advised that there have been some delays with this project, with an anticipated completion date now of May 2018.

- It was agreed that the Report be noted.

- (c) Smart Water Meters - Pilot Projects - Mr McLaughlin gave a brief overview of the investigation work, stakeholder/customer engagement process and the internal project control group to look into a possible smart water meter trial in the Bundaberg Region. It is noted that a Report will be presented to the next Meeting of Council scheduled for 31 October, 2017, recommending that:-

1. the *Smart Water Meters - Pilot Project Plan*, dated September 2017 be endorsed by Council and be used as the basis to implement the pilot project;
2. in accordance with the *Local Government Regulation 2012, Chapter 6, Part 3, Clause 228*, because of the complexity and risks associated with this project - Expressions of Interest be called for the supply and installation of the Smart Water Meter Pilot Project.

- It was agreed that the Report be noted.

5. **EXTERNAL AUDIT UPDATE** -

- (a) Pitcher Partners - Mr Russell provided an overview of the Briefing Note as a status update on the progress of the Audit, noting that it is expected an unmodified audit will be granted.

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- (b) Queensland Audit Office - Mr Byram addressed aspects of the Closing Report, and adverted to matters currently the focus of the Queensland Audit Office. An invitation was extended to Council to participate in the various audits currently open.

- It was agreed that the Briefing Note and Closing Report be noted.

(The teleconference was terminated at this point in the Meeting.)

6. **PRESENTATION OF THE 2016/2017 ANNUAL REPORT & FINANCIAL STATEMENTS**

- Mr Keleher provided an overview of the:-

- (a) Annual Report;
- (b) Community Finance Report;
- (c) Audited Financial Statements and Financial Sustainability Statement;  
and
- (d) Changes in Statements after submission.

- It was agreed that the Reports be endorsed by the Audit & Risk Committee; and submitted to Council for approval.

7. **INTERNAL QUALITY AUDIT REPORTS** -

- (a) Workplace Health & Safety Consultation - Mr McMullen addressed the Meeting on the conduct of the Audit, and the recommendations contained therein. The queries raised were addressed.

- It was agreed that the recommendations contained within the Audit be implemented as required.

- (b) Internal Quality Audit Report (Corrective Action Status) - Mr McMullen addressed the Meeting on the status of the corrective actions arising from audits.

- It was agreed that the information contained in this Report be noted.

*Cr JM Dempsey left the Meeting at this stage of the proceedings.*

8. **INTERNAL AUDIT REPORTING** -

- (a) Electronic Payment Systems at Waste Management Facilities - Mr McCulloch addressed the Meeting on the Report. A further report on the trial implementation of EFTPOS facilities at the Childers Waste Management Facility will be provided in due course.

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Audit & Risk Committee Minutes  
24 October, 2017

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- (b) Waste Vouchers - Mr McCulloch addressed the Meeting on the Report. It is noted that further options for tracking of waste vouchers is being investigated and a report will be prepared for consideration by this Committee in due course.
  - (c) Name and Address Register Audit - Mr McCulloch addressed the Meeting on the Report. It is noted that further control options for the Name and Address Register are being implemented.

8. **ASSESSMENT OF FINANCIAL INFORMATION** -

- (a) Financial Position as at 31 August, 2017 - Mr Keleher addressed the Meeting on the Report that was presented to Council at its Meeting of 10 October, 2017.
  - It was agreed that the Report be noted.

9. **ASSESSMENT OF RISKS** -

- (a) Update of Risk Management Programme - Ms Fortune provided an update on the Risk Management Programme and the current status of projects and the Risk Profile Report.
  - It was agreed that the Report be noted.
- (b) Update of Finance Risk Register - Mr Keleher addressed the Meeting on the status of the Financial Risk Register.
  - It was agreed that the Report be noted.

10. **GENERAL BUSINESS** -

- (a) Major Projects - Noted that a Major Projects Committee will be established to monitor Major Projects across Council (eg., CBD Revitalisation, and Government Grant funded projects); and reports on this Projects will be submitted to this Committee.
- (b) Debt Recovery Process - Mr Johnston gave a brief overview of (i) the Rates recovery processes since the engagement of R&R; and (ii) referral of other debt recovery by SPER.

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11. **NEXT MEETING** - Tuesday, 13 February, 2018 - 10.00 am

12. **PROPOSED FUTURE MEETINGS** -

Thursday, 3 May, 2018 - 10.00 am

Tuesday, 11 September, 2018 - 10.00 am

Thursday, 18 October, 2018 - 10.00 am

There being no further business, the Meeting was closed at 12.20 pm.

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CHAIRMAN.



## Item

21 November 2017

Item Number:	File Number:	Part:
J1	321.2007.21009.2	PLANNING

### Portfolio:

Infrastructure & Planning Services

### Subject:

Frizzells Road, Woodgate - Infrastructure Agreement for Development Application - Reconfiguring a Lot - Request to Change and Extend Period of Existing Approval (Edamgrove)

### Report Author:

Adam Johnston, Senior Development Engineer

### Authorised by:

Andrew Fulton, General Manager Infrastructure & Planning

### Link to Corporate Plan:

Our Environment - 2.2 Sustainable built environments and local projects that support our growing population and promote economic investment and development.

### Background:

In June 2008, the Council granted a Development Approval to subdivide land located on Frizzells Road, Woodgate into 198 residential lots in stages (Council ref: 321.2007.21009.1). The applicant made a request to change the approval and also extend the approval's relevant period (which will be subject to a separate report to be considered under delegated authority by officers) on 2 March 2012, with a subsequent change to the request received on 31 March 2017. To allow Council to agree to the extension of the relevant period and meet the tests of s388 of the *Sustainable Planning Act 2009*, the applicant is required to enter into an infrastructure agreement to update the infrastructure charges to current levels as per the Council's Adopted Charges Resolution No 1 of 2015. In addition, it was noted that a number of conditions require the provision of trunk infrastructure and that the infrastructure agreement should consider these matters.

Condition 14 of the development approval requires the surrender of approved Lot 401 (7.52ha) to the State for coastal protection, open space and buffer purposes with the first stage of development. The State has given a direction to Council that this type of lot should now be provided by a developer to local governments as freehold land on trust. The IA provides greater clarity in this regard as it requires the provision of park by 21 December 2018 (with the first stage) as freehold on trust for park purposes and that the park must be provided with equipment before the release of 65<sup>th</sup> allotment. The IA also provides certainty for the value of proposed Lot 401 (park) and its improvements.

It was agreed that the value of the park would be calculated applying the park portion (20%) of the discounted infrastructure charges for the 192 lots (plus allowance for registration and preparation of plan) or more precisely \$809,687.50 including improvements. It is noted the developer initially request that the land be valued at \$1,084,940.00 without improvements. As a further check, the value of the land calculated in accordance with the planning scheme resolution for cost of land is \$794,318.50 without improvements. The value should be viewed against the draft Local Government Infrastructure Plan (LGIP) that includes the provision of a local recreational park at a value of \$146,539.

In relation to the provision of reticulated sewerage infrastructure, it was identified in reports by GHD in 2011 and subsequently in 2014 that there was insufficient capacity in the existing vacuum sewerage network in Woodgate to service the subject land. Moreover, Council had identified issues with the existing sewerage network/ system north of Woodgate Road. To resolve these sewerage issues and provide sewerage infrastructure to the subject land, it is necessary to provide a second vacuum sewerage pump station (VSPS) in the locality. The reports recommend that this VSPS is best located in Frizzells Road north of existing residential land on the balance area of the site. With this in mind the developer created an additional lot (Lot 501 on SP293971) as part of the development application.

To facilitate the construction of VSPS, Council officers and the applicant seek to enter into an infrastructure agreement to provide certainty for both parties in terms of infrastructure provision, delivery times and costs, please refer to the attached agreement for further information. In summary, the Infrastructure Agreement seeks to:

1. Detail the trunk infrastructure to be provided by the Developer, being the open space dedication, a lot for sewerage pump station and providing infrastructure charges up front to allow funding of the sewerage infrastructure;
2. Update the infrastructure charges payable to the current rates and provide offsets for the trunk infrastructure provided by the Developer;
3. Document the trunk infrastructure to be provided by Council, being the sewerage pump station and associated connecting infrastructure back to Woodgate Road; and
4. Give the quantum and timing of payments required from the Developer.

The benefits of the Infrastructure Agreement to Council are:

- It will provide land and infrastructure that will reduce the load on the existing vacuum sewerage system;
- Upon completion, the new vacuum sewerage network will have the ability to resolve issues with the existing vacuum sewerage system bounded by the area of Eagle Road to Osprey Drive, Woodgate. Therefore, an improvement in the level of service for sewerage infrastructure for the locality;
- The additional trunk infrastructure will service the whole of the declared PIA and additional residential lots north of the subject land for future development;



- It manages the up-front cash contribution towards the infrastructure, through the provision of land together with staged cash payments of \$1,000,000 by the developer, noting such payments will be offset against future infrastructure charges;
- The provision of a greater level of certainty for the developer increasing the viability and likelihood of the development proceeding; and
- Provision of a 7.52 hectare of open space for community purposes as part of the development approval as identified in the draft Local Government Infrastructure Plan (LGIP) and adjoining the existing open space in the locality (east of the development area).

The risks or disadvantages of the agreement to Council are:

- The Council will commit to provide a VSPS at a cost of \$2.1 million by a set timeframe (in the 2017/2018 financial year), which restricts future funding options; and
- The Council will need to offset the value of land for the pump station, open space and cash payments, which equates to the amount of \$2,028,000, from the total infrastructure charges calculated in accordance with the current resolution, which is in the vicinity of \$4,838,400. This commitment may have otherwise been able to spread over a number of years.

On balance, it is considered that the proposed agreement strikes an appropriate levelling of risk between the Council and the developer, and satisfies Council's public interest requirements. Accordingly, it is recommended that the Council authorize the Chief Executive Officer to enter into the Agreement.

It should be noted that the Infrastructure Agreement has been reviewed by legal representatives of Council, and the developer, and may be subject to minor changes in regard to timing of cash payments and some wording in the agreement. If this does occur, any changes will be highlighted as part of the brief to Council.

**Associated Person/Organization:**

The Infrastructure Agreement was drafted through negotiation with the Applicant, Edamgrove Pty Ltd, and their advisors.

**Consultation:**

Not Applicable

**Legal Implications:**

The proposed agreement is proposed to be an Infrastructure Agreement pursuant to section 150 of the *Planning Act 2016*. Once executed, the Infrastructure Agreement will be binding on the owner of the development land and any successors in title, subject to the terms of the Agreement.

The agreement has been reviewed for Council by Connor O'Meara solicitors.

**Policy Implications:**

Not Applicable

### **Financial and Resource Implications:**

The exact financial impacts are not known given uncertainties about the exact cost of the infrastructure to be provided and the future possible changes to infrastructure charging. The general potential impacts are outlined in the report above, however it is noted that should Council enter into the agreement, the financial impacts (both positive and negative) will be:

- Council will offset the value of trunk infrastructure in the amount of \$2,028,000 against a total infrastructure charge of \$4,838,400; and
- Council will be required to expend \$2.1 million to provide the VSPS infrastructure in the 2017/2018 financial year against an incoming of \$600,000 from the developer in that financial year and \$400,000 in the following financial year.

### **Risk Management Implications:**

There appears to be no risk management implications.

### **Communications Strategy:**

Communications Team consulted.

Yes

No

### **Attachments:**

[↓](#) 1 Infrastructure Agreement

### **Recommendation:**

**That Council agree to enter into the Frizzells Road Infrastructure Agreement pursuant to the provisions of the *Planning Act 2016* with Edamgrove Pty Ltd (ACN 010398106) associated with Development Application 321.2007.21009.2, being request to change and extend relevant period of an existing development approval for Reconfiguring a Lot (Staged Subdivision of 198 residential lots, park and balance lot).**

**Further, that the Chief Executive Officer be authorized to execute the agreement on Council's behalf.**

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## Infrastructure Agreement

*Planning Act 2016*

Frizzells Road Infrastructure Agreement 2017

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**Bundaberg Regional Council**  
Council

**Edamgrove Pty Ltd (ACN 010 398 106)**  
Developer

Infrastructure Agreement – Vacuum Sewer

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**SCHEDULE 3** 

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**EXECUTION** 

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Dated this                      day of                      2017

**PARTIES**

**Council:**                      **BUNDABERG REGIONAL COUNCIL** of 190 Bourbong Street,  
Bundaberg in the State of Queensland ("the Council")

**Owner:**                      **EDAMGROVE PTY LTD (ACN 010398106)** of 58-62 Mary Street  
Gympie in the State of Queensland ("the Developer")

**RECITALS**

- A. By decision notice dated 5 June 2008, the Council granted a development permit for reconfiguring a lot for 192 residential lots, park and balance lot, in 10 stages ("the Development Approval") in respect of land previously described as Lot 100 on SP201484, situated at Frizzells Road, Woodgate ("the Land").
- B. The Council's existing trunk sewerage infrastructure in Frizzells Road requires augmentation to service the development of the Land in accordance with the Development Approval.
- C. On 2 March 2012, the Developer lodged the following requests with the Council:
- (i) a request for a permissible change to the Development Approval ("the Permissible Change Request") to:
    - a. amend the staging of the reconfiguration; and
    - b. reflect presently applicable infrastructure charges; and
  - (ii) a request to extend the relevant period for the Development Approval to 4 June 2016 ("the Relevant Period Extension Request").
- D. The Permissible Change Request and Relevant Period Extension Request have not yet been decided as a result of negotiations between the Council and the Developer

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regarding the augmentation of the trunk sewerage infrastructure in Frizzells Road to accommodate the development of the Land in accordance with the Development Approval.

- E. The Council and the Developer have agreed upon a trunk sewerage strategy to replace and augment the existing Frizzells Road trunk sewerage infrastructure sufficient to allow the proposed development of the Land to proceed, as well as to service other existing and future development in the locality.
- F. In exchange for the Council carrying out the works necessary for the trunk sewerage strategy on an expedited basis, the Developer has agreed to provide early infrastructure contributions.
- G. Part of the agreed trunk sewerage strategy requires the construction of a new vacuum pump station on part of Land. To facilitate this, the Developer, on or about 28 March 2017, reconfigured the Land into two lots, to create the lot on which the new vacuum pump station is to be constructed (Lot 501 on SP293971) and a balance lot on which the residential subdivision is to occur (Lot 502 on SP293 971).
- H. On 31 March 2017, the Developer:
  - a. modified the Permissible Change Request to (inter alia):
    - i. amend the subdivision layout plan for the Development Approval, resulting in an additional eight residential lots;
    - ii. seek additional changes to the conditions of the Development Approval;
  - b. modified the Relevant Period Extension Request to request that the relevant period be extended to a date four years from the date the Relevant Period Extension Request is decided by the Council.
- I. The Developer agrees that if the modified Relevant Period Extension Request is approved, the Developer should make trunk infrastructure contributions consistent with the contributions required under the infrastructure charging regime currently in force.
- J. The parties enter into the Agreement for the purposes of establishing, in the event that the modified Permissible Change Request and modified Relevant Period Extension Request are approved:
  - a. the Council's and the Developer's respective obligations with respect to the funding and construction of the agreed trunk sewerage strategy for Frizzells Road; and
  - b. the financial contributions towards the funding of trunk infrastructure to be paid by the Developer.



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**AGREED TERMS****1 Definitions and interpretation**

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**1.1 Definitions**

In this document, unless the context or subject matter otherwise indicates or requires, a word which is capitalised has the following meaning:

<b>Term</b>	<b>Definition</b>
<b>AICR</b>	means the "Bundaberg Regional Council Adopted Infrastructure Charges Resolution (No. 1) 2015", or such future resolution of the Council adopted after 19 October 2015 pursuant to: <ul style="list-style-type: none"> <li>(a) section 113 of the Act; or</li> <li>(b) any future equivalent to section 113 of the Act.</li> </ul>
<b>Adjustment Note</b>	has the meaning given to that term in the GST Act.
<b>Act</b>	means the <i>Planning Act 2016</i> .
<b>Address for Notices</b>	means, for each party to the Agreement: <ul style="list-style-type: none"> <li>(a) its address or facsimile number shown in schedule 1;</li> <li>(b) such other address or facsimile number as it has notified to the party giving it a Notice as its address or facsimile number for Notices under this Agreement; or</li> <li>(c) if it is not at the address or facsimile number the subject of paragraph (a) or paragraph (b) of this definition, its last principal place of business or</li> </ul>

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<b>Term</b>	<b>Definition</b>
	facsimile number in Queensland known to the party giving it a Notice.
<b>Agreement</b>	means this infrastructure agreement.
<b>Approval</b>	means a consent, permit, licence, certificate, authorisation, registration, membership, allocation, clearance, exemption or approval under a law and includes a development approval.
<b>Business Day</b>	means a day, other than a Saturday, Sunday or public holiday, in the locality to which a Notice is to be sent.
<b>Chief Executive Officer</b>	means the Council's Chief Executive Officer, including any person to whom the Chief Executive Officer lawfully delegates his authority.
<b>Commencement Date</b>	means the date stated in item 1 of schedule 1.
<b>Confirmation Report</b>	means, in relation to a facsimile transmission, a transmission confirmation report produced by the sender's facsimile machine, which: <ul style="list-style-type: none"> <li>(a) contains the identification code of the intended recipient's facsimile machine; and</li> <li>(b) indicates that the transmission was received without error.</li> </ul>
<b>Council</b>	means the Bundaberg Regional Council and its predecessors, successors, transferees and assigns.
<b>Creditable Value</b>	means the creditable value identified in column 6 of schedule 2 for an Infrastructure Contribution.
<b>Default Notice</b>	has the meaning given in clause 6.2.

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Term	Definition
<b>Developable Lot</b>	<p>Means:</p> <ul style="list-style-type: none"> <li>(a) the lot comprising the Land at the Commencement Date; or</li> <li>(b) a lot forming part of the Land which is not a Developed Lot.</li> </ul>
<b>Developed Lot</b>	<p>means a lot forming part of the Land that:</p> <ul style="list-style-type: none"> <li>(a) has been created by registration of a survey plan in accordance with the <i>Land Title Act 1994</i> by the Department of Natural Resources and Mines pursuant to and generally in accordance with the terms and conditions of the Development Approval; and</li> <li>(b) is not approved for further subdivision by the Development Approval.</li> </ul>
<b>Developer</b>	<p>means the person described in and having its address at the place described in item 4 of schedule 1 and includes:</p> <ul style="list-style-type: none"> <li>(a) successors and permitted assigns in the case of a corporation, association or other body;</li> <li>(b) executors, administrators and permitted assigns in the case of a natural person; and</li> <li>(c) any person who enters into a deed of novation with the Council in respect of this Agreement.</li> </ul>
<b>Development Approval</b>	<p>means the development approval specified in item 6 of schedule 1.</p>

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<b>Term</b>	<b>Definition</b>
<b>Development Responsibility</b>	means a responsibility under this Agreement to be performed and fulfilled by a party
<b>Dispute</b>	means a dispute between Council, the Developer and the Owner, arising from this Agreement.
<b>Dispute Notice</b>	means a Notice of a Dispute: <ul style="list-style-type: none"> <li>(a) stating in reasonable detail the basis of the Dispute;</li> <li>(b) to which copies of all documents specified in those details are attached or bound;</li> <li>(c) identifying the provisions of this Agreement applicable to the Dispute; and</li> <li>(d) specifying the facts upon which the party giving the Notice relies, and its position upon the issue in the Dispute.</li> </ul>
<b>Financial Contribution</b>	means the payment of a monetary sum for infrastructure.
<b>Frizzells Road Pressure Mains Works (FRPMW)</b>	means the construction of pressure (or rising) mains, generally located in Frizzells Road, to direct effluent from the vacuum pump station provided as part of the FRVPSW to the existing pressure main in Woodgate Road (and thence to the sewage treatment plant).
<b>Frizzells Road Trunk Vacuum Mains Works (FRTVMW)</b>	means the construction of vacuum trunk mains, generally located in Frizzells Road, to intercept effluent flows from existing and future sewerage infrastructure located in Pelican Way, Rosella Way, Kookaburra Way, Eagle Road, the Land, residential land north of the Land and other such areas as Council may see fit and direct those flows to the vacuum pump station provided as part of the RFVPSW.

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Term	Definition
<b>Frizzells Road Vacuum Pump Station Works (FRVPSW)</b>	means the construction of the vacuum pump station building, driveway and access, water supply, mechanical fit out (pumps, valves, internal pipework) and electrical fit out to be located in VPS2 Land.
<b>Force Majeure</b>	<p>means an event:</p> <ul style="list-style-type: none"> <li>(a) being a decree of the Commonwealth Government or the State Government, an act of God, industrial disturbance, act of public enemy, war, international blockade, public riot, lightning, flood, earthquake, fire, storm or other event whether of a kind herein specified or otherwise; and;</li> <li>(b) which is not within the control of the party claiming Force Majeure; and</li> <li>(c) which could not have been prevented by the exercise by that person of a standard of foresight, care and diligence consistent with that of a prudent and competent person under the circumstances.</li> </ul>
<b>GST</b>	has the meaning given to that term in the GST Act.
<b>GST Act</b>	means <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>Infrastructure Contribution</b>	means a Financial Contribution, Land Contribution or Works Contribution.
<b>Input Credit</b>	has the meaning given to that term in the GST Act.
<b>Land</b>	<p>means the land described in item 5 of schedule 1 and includes:</p> <ul style="list-style-type: none"> <li>(a) any interest in, on, over or under the land; and</li> </ul>

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<b>Term</b>	<b>Definition</b>
	<ul style="list-style-type: none"> <li>(b) the airspace above the surface of the land and any interest in the airspace above the surface of the land; and</li> <li>(c) the subsoil of the land and any interest in the subsoil; and</li> <li>(d) any part or parts of the land; and</li> <li>(e) any interest created in respect of any of the above matters.</li> </ul>
<b>Land Contribution</b>	means the provision of land, including any interest in land, for infrastructure.
<b>Notice</b>	means a certificate, demand, or notice to be made, given or served by a party under this Agreement.
<b>Owner</b>	<p>means for the Land the following:</p> <ul style="list-style-type: none"> <li>(a) the person for the time being entitled to receive the rent for the Land;</li> <li>(b) the person who would be entitled to receive the rent for the Land if the Land were let to a tenant for rent</li> </ul>
<b>Planning Scheme</b>	means the planning scheme adopted by the Council under the <i>Sustainable Planning Act 2009</i> , which commenced on 19 October 2015 entitled

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<b>Term</b>	<b>Definition</b>
	<i>"Bundaberg Regional Council Planning Scheme 2015".</i>
<b>Proposed Development</b>	means the proposed development the subject of the Development Approval
<b>Public Office</b>	has the meaning given in the <i>Local Government Act 2009</i> .
<b>Referee</b>	means the person independent of Council and the Developer and appointed: <ul style="list-style-type: none"> <li>(a) by Council, the Developer and the State or the President of the Queensland Law Society pursuant to clause 8.5, and</li> <li>(b) to resolve a Dispute as an expert pursuant to clause 8.6.</li> </ul>
<b>Referral Notice</b>	means a Notice of intention: <ul style="list-style-type: none"> <li>(a) to refer a Dispute for determination by an independent person qualified to make the determination; and</li> <li>(b) to request the President of the Queensland Law Society to appoint the qualified person.</li> </ul>
<b>ROL</b>	means reconfiguring a lot and has the meaning given in the Act.
<b>Sell</b>	includes transfer, dispose of, and alienate and Sale has the corresponding meaning.
<b>Supply</b>	has the meaning given to that term in the GST Act.

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<b>Term</b>	<b>Definition</b>
<b>Tax Invoice</b>	has the meaning given to that term in the GST Act.
<b>Taxable Supply</b>	has the meaning given to that term in the GST Act.
<b>Transferee</b>	means a person to whom the Developer proposes to sell a Developable Lot.
<b>Trunk Infrastructure</b>	has the meaning given in the Act and is recognised as Infrastructure Contributions.
<b>VPS2 Associated Costs</b>	means those ancillary costs necessarily associated with the creation of the VPS2 Land.
<b>VPS2 Land</b>	means Lot 501 on SP 293971 as shown on drawing 1 in Schedule 3.
<b>VPS2 Works</b>	means the following: <ul style="list-style-type: none"> <li>(a) the Frizzells Road Trunk Vacuum Mains Works (FRTVMW);</li> <li>(b) the Frizzells Road Vacuum Pump Station Works (FRVPSW); and</li> <li>(c) the Frizzells Road Pressure Mains Works (FRPMW).</li> </ul>
<b>Works Contribution</b>	means the undertaking of works for infrastructure, including any materials or services required for that infrastructure.

## 1.2 Interpretation

- (a) This Agreement begins on the Commencement Date.
- (b) In this Agreement, unless a contrary intention appears, reference to:
  - (i) a section, clause, or paragraph is to a section, clause, or paragraph in this Agreement; and
  - (ii) the singular includes the plural and vice versa; and
  - (iii) any gender includes all other genders; and



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- (iv) a person includes a firm, a corporation, an association and a body, whether incorporated or not and a government or statutory body or authority; and
  - (v) legislation (including subordinate legislation) includes:
    - (A) statutory instruments made under the legislation; and
    - (B) consolidations, amendments, re-enactments or replacements of the legislation; and
  - (vi) writing includes any mode of representing or reproducing words in tangible and permanently visible form and includes facsimile transmission; and
  - (vii) this Agreement or any other document includes the document as varied or replaced and is not affected by any change in the identity of the parties.
- (c) The clause headings appearing in this Agreement are inserted for convenience of reference and do not affect the construction of this document.
  - (d) If any words are italicised or otherwise printed differently, this has been done for convenience only and does not affect the construction of this Agreement.
  - (e) Whenever more persons than one constitute a party all the covenants, agreements, conditions, restrictions and provisos on the part of that party contained or implied in this Agreement bind those persons jointly and each of them severally.
  - (f) This Agreement is in all respects to be interpreted in accordance with the laws of the State of Queensland and the parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of that state and any courts that have jurisdiction to hear appeals from them, and waive any right to object to proceedings being brought in those courts.
  - (g) An inclusive definition or an example or particularisation of a provision, does not limit but may extend that definition or provision.
  - (h) Where a word or expression is defined, other parts of speech and grammatical forms of that word or expression have a corresponding definition.
  - (i) Reference to the period between two specified dates, times or periods includes each of those two dates, times or periods.
  - (j) Reference to the numbers, provisions or items, in this or another document, between two numbers, numbered provisions or numbered items, includes each of those two numbers, numbered provisions or items.
  - (k) All schedules to this Agreement form part of this Agreement.

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- (l) If a term is not defined in this Agreement, unless the context otherwise requires, it has the meaning given to it by:
  - (i) the Act; or
  - (ii) the Macquarie Dictionary in the absence of a definition in the Act.

## **2 Infrastructure Agreement**

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### **2.1 Application of the Act**

This Agreement is an infrastructure agreement under the Act.

### **2.2 Agreement to bind successors in title**

- (a) The Developer warrants that it is the Owner of the Land at the Commencement Date.
- (b) A Development Responsibility of the Developer attaches to the Land and is binding on the Owner of the Land and the Owner's successors in title of the Land in accordance with section 155 of the Act.

### **2.3 Development Responsibilities not affected by change of ownership**

The Development Responsibilities are not affected by a change in the ownership of the Land or a part of the Land.

### **2.4 Responsibilities not affected by planning change**

The fulfilment of the Development Responsibilities does not depend on development entitlements that may be affected by a planning change.

### **2.5 Agreement prevails if inconsistent**

- (a) To the extent that any term of this Agreement is inconsistent with the Development Approval, this Agreement prevails.
- (b) To the extent that any term of this Agreement is inconsistent with an adopted infrastructure charges notice or a negotiated adopted infrastructure charges notice, this Agreement prevails.

### **2.6 Termination of this Agreement**

This Agreement terminates and each party is released from all obligations under this Agreement if the Development Approval lapses.

## **3 Deed**

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### **3.1 Continuing effect as a deed if not an infrastructure agreement**

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In the event that this Agreement is declared not to be an infrastructure agreement, as defined by the Act, or not to be enforceable as an agreement for any reason the parties agree to be bound by the terms of this document as though it were a Deed.

#### **4 Responsibilities of the Parties**

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##### **4.1 Council's Responsibilities**

- (a) The Council must carry out and perform or provide Infrastructure Contributions in accordance with Schedule 2; and
- (b) Any Land Contributions provided to the Council under this Agreement are to be held by the Council on trust for the charitable purpose for which the Land Contribution is provided.

##### **4.2 Developer's Responsibilities**

- (a) The Developer must carry out and perform, pay or provide Infrastructure Contributions in accordance with Schedule 2.
- (b) The Development Responsibilities of the Developer, other than the Land and Works Contribution in item 1.1.4 of Schedule 2, are provided in lieu of the requirements of conditions 5 (Headworks) of the Development Approval.
- (c) The Development Responsibilities of the Developer that comprise the Land and Works Contribution in item 1.1.4 of Schedule 2, is provided in lieu of the requirements of conditions 14 (Park/Land Surrender) of the Development Approval.
- (d) The Developer must obtain all necessary approvals to enable all relevant works for the Development Responsibilities of the Developer, to be lawfully undertaken.
- (e) The Developer must at its own cost comply with the Development Responsibilities of the Developer, unless otherwise specified in this Agreement.
- (f) Where providing Works Contributions, the Developer must carry out the Works Contributions:
  - (i) in a proper, safe and workmanlike manner; and
  - (ii) in accordance with principles of good building and engineering practices and standards; and

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- (iii) using only new materials, goods, plant or other things that are of merchantable quality and fit for the purpose for which they are provided or used; and
- (iv) in accordance with the requirements of any relevant development approval for the Works Contribution.
- (g) Where providing a Financial Contribution, the Developer must provide the contribution in full and without deduction.
- (h) Where providing a Land Contribution, the Land Contribution is to be provided in fee simple.
- (i) The Developer must do all things reasonably necessary to commence construction of the residential allotments the subject of stage 1 of the Development Approval by 2 July 2018.
- (j) The Developer must do all things reasonably necessary to create the proposed lots the subject of stage 1 of the Development Approval by 21 December 2018.

## **5 GST**

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### **5.1 Definitions**

Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST law (as defined in the GST Act) shall have the same meaning in this clause.

### **5.2 Character of payments**

- (a) Except under this clause, the consideration for a supply made under or in connection with this Agreement does not include GST.
- (b) Irrespective of clause 5.2(a), the Developer, the Owner and the Council acknowledge that to the extent Division 82 of the GST Act applies to supplies made in return for a right to develop that such supplies do not attract GST.

### **5.3 Responsibility for payment**

If a supply made under or in connection with this Agreement is a taxable supply, then at or before the time the consideration for the supply is payable:

- (a) the recipient must pay the supplier an amount equal to the GST for the supply (in addition to the consideration otherwise payable under this document for that supply); and
- (b) the supplier must give the recipient a tax invoice for the supply.

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#### 5.4 Adjustment for input tax credits (reimbursement of expenses)

If any party has the right under this Agreement to be reimbursed or indemnified by another party for a cost incurred in connection with this Agreement, that reimbursement or indemnity excludes any GST component of that cost for which an input tax credit may be claimed by the party being reimbursed or indemnified, or by its representative member, joint venture operator or other similar person entitled to the input tax credit (if any).

#### 5.5 Adjustments by taxation authority

If the GST paid by the supplier differs from the amount of GST borne by the recipient because the Commissioner of Taxation has lawfully adjusted the value of a taxable supply:

- (a) the recipient must pay the shortfall to the supplier; or
- (b) the supplier must refund the overpayment to the recipient,

as the case requires.

#### 5.6 Tax invoices and adjustment notes

- (a) The supplier need not give the recipient a tax invoice or adjustment note for a taxable supply under this Agreement if the Commissioner of Taxation has issued a written determination permitting the recipient to issue its own tax invoice or adjustment note for the supply.
- (b) Otherwise, however, the supplier must give the recipient, in exchange for the consideration, a tax invoice or adjustment note for the taxable supply.

### 6 Default

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#### 6.1 Events of default

A party defaults under this Agreement if it fails to discharge within the time specified (if any) a Development Responsibility of the party.

#### 6.2 Default Notice

In this clause 6, a Default Notice is a Notice from one party to another:

- (a) specifying in reasonable detail the default under this Agreement; and
- (b) requesting the defaulting party to rectify the default within the period specified in the notice, which period must be reasonable.

#### 6.3 Entitlements upon default

- (a) For a default of the Developer that is rectifiable, if the Developer fails to comply with a Default Notice, Council may, as the case requires:
  - (i) rectify the default (if the default is a failure to perform work, properly or at all); and

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- (ii) recover the cost of carrying out any works or taking any actions directly from the Developer as a liquidated debt.
- (b) The Council's entitlements under this clause 6.3 are additional to its entitlements under legislation (including, to prevent doubt, the Planning Scheme), the general law and other clauses of this Agreement.

**6.4 Suspension of time – dispute**

If a Default Notice precipitates a Dispute, the period between the date upon which the Dispute Notice is given and the date upon which the Dispute is resolved in accordance with clause 8 is not to form part of the period limited for compliance with the Default Notice.

**6.5 Council may act in public interest**

- (a) Regardless of the existence of a Dispute, Council may undertake the work the subject of a Default Notice if it considers (acting reasonably) that delaying the work will or is likely to compromise public safety or will or is likely to inconvenience the public unreasonably.
- (b) If the Dispute is resolved by an agreement or a determination that the Developer is in default, the Developer is to comply with the Default Notice:
  - (i) within the period specified in the Default Notice, adjusted in accordance with clause 6.4; or
  - (ii) by the date otherwise agreed or determined upon resolution of the Dispute.
- (c) If the Council has undertaken the relevant work pursuant to clause 6.5(a), the Council may exercise its entitlements under clause 6.3 subject to a contrary agreement or determination upon resolution of the Dispute.
- (d) To prevent doubt, if the Dispute is resolved by an agreement or a determination that the Developer is not in default:
  - (i) the Developer may ignore the Default Notice; and
  - (ii) the Council must bear the cost of the work undertaken pursuant to clause 6.5(a) to the extent that the cost is not otherwise payable by the Developer, or recoverable from it, under this Agreement.

**6.6 Council's right to enter land**

Without limiting its entitlements under legislation or at general law, Council officers, agents, and contractors (including their sub-contractors) authorised by the Council to do so may enter the Land, with all necessary vehicles, plant, and equipment, to exercise the Council's rectification entitlements under this clause 6.

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**7 Force majeure**

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**7.1 Notice of occurrence**

A party unable to discharge a Development Responsibility of the party under this Agreement because of Force Majeure is to give the other prompt Notice of the occurrence.

**7.2 Content of notice**

The Notice is to:

- (a) give full particulars of the Force Majeure event;
- (b) detail the likely impact of the event upon the discharge of its Development Responsibilities under this Agreement; and
- (c) claim the benefit of this clause 7.

**7.3 Mitigation of effect**

The claimant is to take all reasonable steps to stem or mitigate the impact of Force Majeure upon it.

**7.4 Suspension of obligations**

- (a) If the claimant has complied with clauses 7.2, the Development Responsibility impacted by the Force Majeure is to be suspended until the impact ceases.
- (b) Clause 7.4(a) is not to be interpreted to prevent Force Majeure discharging this Agreement by frustration.

**7.5 Absorption of losses**

Subject to a contrary provision:

- (a) in this Agreement; or
- (b) in any relevant policy of insurance obtained pursuant to this Agreement,

the party that incurs or sustains them must bear the expenses or losses resulting from the Force Majeure.

**8 Disputes**

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**8.1 Statement of intent**

The intent of this clause 8 is to provide a mechanism for resolving, in a speedy and cost-effective manner, any dispute between the parties in relation to the meaning of any provision hereof or the scope, content or extent of their respective obligations hereunder, including disputes as to matters which of necessity cannot be agreed or specified at the present time and must be left to be agreed between the parties at a later time.



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## 8.2 Exclusion of debt disputes

This clause 8:

- (a) does not apply to disputes over debts; and
- (b) does not apply to prevent the Council or the Developer applying to a court for urgent injunctive relief.

## 8.3 Notice of dispute

If a Dispute arises between the Council and the Developer, either party may give a Dispute Notice to the other.

## 8.4 Negotiation

- (a) The parties must seek in good faith to resolve a Dispute first by negotiation.
- (b) Within 14 days after a Dispute Notice is given, the parties are to meet, in person or by telephone, to conduct the negotiation.
- (c) If they cannot agree the time and place for a meeting, the following provisions apply:
  - (i) the venue for the meeting is to be at 190 Bourbong Street, Bundaberg; and
  - (ii) the meeting is to begin at 10.00am on the next Bundaberg Business Day after the 14-day period expires.

## 8.5 Appointment of Referee

- (a) If:
  - (i) a party fails to attend the meeting, or withdraws from it; or
  - (ii) the meeting otherwise fails to achieve resolution of the Dispute,the parties may:
  - (iii) apply or appeal to the Planning and Environment Court of Queensland, if the issue in dispute is justiciable by that court under the Act; or
  - (iv) (otherwise) give a Referral Notice to each other, to precipitate determination of the issue in the Dispute by an independent, appropriately qualified referee.
- (b) If, within seven days after a Referral Notice is given, the parties do not agree who is to be the referee, the party who gave the notice is to:
  - (i) request the President of the Queensland Law Society to make the appointment; and
  - (ii) for that purpose, send the President a copy of the Dispute Notice.



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- (c) The referring party is to request the President:
  - (i) to appoint a referee who possesses the qualifications, experience and standing necessary and appropriate to ensure the Dispute is resolved justly and efficiently; and
  - (ii) to inform the parties of the appointee's estimated fee for acting upon the determination.
- (d) To prevent doubt, if the issue in the Dispute requires the application of expertise in more than one discipline, the President may:
  - (i) appoint as Referee a person appropriately qualified in one of those disciplines; and
  - (ii) appoint another person or other persons, appropriately qualified in the other discipline or disciplines, to give the Referee the expert assistance the Referee might require to facilitate expeditious and effective resolution of all issues in the Dispute.

#### 8.6 **Determination by Referee**

- (a) In determining an issue in the Dispute, the Referee is to:
  - (i) act as an expert, not an arbitrator;
  - (ii) act as quickly as the interests of a fair and proper resolution of the Dispute permit;
  - (iii) act bona fide, without bias and without reference to irrelevant considerations; and
  - (iv) endeavour to make the determination that serves best the nature and intent of this Agreement as an instrument that complements and effectuates the intent of the Development Approval.
- (b) Though bound to observe the rules of procedural fairness in resolving the Dispute, the Referee is not to be bound by the rules of evidence.
- (c) Generally, the Referee may investigate the Dispute in the manner the Referee considers appropriate and consistent with the Referee obligations under this clause 8.
- (d) In particular, the Referee may:
  - (i) receive submissions (verbal or written) from the parties;
  - (ii) interview persons the Referee considers might assist in resolving the issue in the Dispute;
  - (iii) seek information and documents the Referee considers are or might be relevant to an issue in the Dispute; and
  - (iv) inspect documents and consider information obtained.

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- (e) The Referee must deliver the Referee's determination in writing, addressed to Council and the Developer jointly.
- (f) The determination is to contain a full statement of the reasons for the Referee's decision, including:
  - (i) each fact considered relevant;
  - (ii) the weight given to each such fact;
  - (iii) the facts disregarded; and
  - (iv) the reasons for disregarding each such fact.
- (g) Unless, within 14 days after the Referee delivers the Referee's determination, a party applies to a court of competent jurisdiction to overturn or vary the determination, the determination is to be final and binding on the parties.

#### **8.7 Costs of resolving dispute**

- (a) The parties are to share equally:
  - (i) the President of the Queensland Law Society's fee; and
  - (ii) the Referee's fee for acting to resolve a Dispute; and
  - (iii) the fee of each expert appointed to assist the Referee.
- (b) However, each party must bear its own costs in connection with resolving the Dispute, including the cost of:
  - (i) preparing and delivering the Dispute Notice;
  - (ii) seeking to resolve the Dispute by negotiation;
  - (iii) referring the Dispute for resolution by a Referee; and
  - (iv) participating in the resolution process before the Referee.

#### **8.8 Ouster of jurisdiction**

- (a) To prevent doubt, no party may seek to invoke this clause 8 to oust the jurisdiction of a court competent to adjudicate a Dispute.
- (b) If any party applies to a court for the determination of an issue in a Dispute, after a Referral Notice has been given but before a Referee's determination is delivered, the proceeding for Referee determination is to cease pending the decision of the court.

### **9 Service**

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#### **9.1 Notices (general)**

- (a) This clause 9 governs a Notice unless a provision of this Agreement specifically provides otherwise.

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- (b) A Notice must be in writing.
- (c) The party giving a Notice, or one of its officers, is to sign the Notice.
- (d) The recipient need not seek to establish the authority of a signatory to the Notice.
- (e) If a party is comprised of more than one person:
  - (i) a Notice by that party need not be signed by all of those persons if it expressly states that the signatory is, or signatories are, authorised by all of those persons to sign the Notice; and
  - (ii) the recipient need not enquire into the validity of the authorisation.

#### 9.2 Service of Notices

A Notice may be:

- (a) delivered;
- (b) posted; or
- (c) transmitted by facsimile,

to the intended recipient at its Address for Notices.

#### 9.3 Receipt of Notices

- (a) A Notice that is delivered personally or posted will be deemed received:
  - (i) if personally delivered, at the moment of delivery;
  - (ii) if posted to an address in Australia, two Business Days after posting;
  - (iii) if posted to an address outside Australia, five Business Days after posting.
- (b) A Notice sent by facsimile transmission will be deemed received at the time of receipt specified in a Confirmation Report, if the report discloses that the transmission was received at or before 5.00pm.
- (c) If the Confirmation Report discloses that the transmission was received after 5.00pm, the Notice will be deemed received at 8.30am on the Business Day following the date of receipt disclosed in the Confirmation Report.

### 10 Assignment by Developer

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#### 10.1 Assignment

The Developer must not, either absolutely or by way of security, assign their interests, rights or obligations under this Agreement:

- (a) without obtaining the prior written consent of the Council, which is not to be unreasonably withheld; and

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- (b) in a manner which is inconsistent with the provisions of this Agreement.

## **11 Novation of document upon sale**

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### **11.1 Reconfiguring of the Land**

- (a) If the Land is subject to a reconfiguring of a lot that creates a Developed Lot, then a Development Responsibility of the Developer:
  - (i) no longer remains attached to the Developed Lot;
  - (ii) no longer binds the Owner or the Owner's successors in title of the Developed Lot;
  - (iii) but remains binding on the Developer.
- (b) If the Land is subject to a reconfiguring of a lot that creates a Developable Lot, then a Development Responsibility of the Developer:
  - (i) remains attached to the Developable Lot; and
  - (ii) binds the Owner of a Developable Lot and the Owner's successor in title of the Developable Lot.

### **11.2 Sale of the Land**

- (a) The Developer is not to Sell a Developable Lot to a Transferee unless the Owner and the Transferee have executed one of the following documents, to be nominated by the Council in its absolute discretion:
  - (i) a document in which the Transferee covenants and agrees to the following:
    - (A) that the Developable Lot is subject to this Agreement;
    - (B) that a Development Responsibility in respect of the Developable Lot (Prescribed Development Obligation) may be unperformed and unfulfilled;
    - (C) that a Prescribed Development Obligation attaches to the Developable Lot and binds a future Owner;
    - (D) that the Owner of the Developable Lot is liable to the Council to perform and fulfil a Prescribed Development Obligation which remains unperformed and unfulfilled;
  - (ii) a deed in which the Transferee becomes contractually bound to the Council to perform and fulfil the Prescribed Development Obligation.
- (b) However, clause 11.2(a) does not prevent the Owner from entering into an agreement for the sale of a Developable Lot which is conditional upon compliance with the matters stated in 11.2(a).

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**11.3 The Developer remains liable until Transferee signs**

In the event of a Sale of a Developable Lot being made otherwise than in compliance with clause 11.2, the Developer remains liable for performance of the responsibilities under this Agreement.

**12 Release of liability**

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In the event of a Sale of a Developable Lot being made in compliance with clause 11.2, the Developer is to be forever released from the responsibilities under this Agreement.

**13 General provisions**

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**13.1 No merger**

The covenants, conditions, provisions and warranties contained in this Agreement do not merge or terminate upon completion of the transactions contemplated in this Agreement but to the extent that they have not been fulfilled and satisfied or are capable of having effect, remain in full force and effect.

**13.2 Entire agreement**

This Agreement constitutes the entire agreement of the parties as to its subject matter, and supersedes and cancels all prior arrangements, understandings, and negotiations in connection with it.

**13.3 Further assurances**

Each party agrees at its cost to do everything necessary to give effect to this Agreement.

**13.4 Warranty of authority**

Any person signing this Agreement:

- (a) as attorney of any party warrants to the other parties that at the date of execution that person has not received any notice or information of the revocation of the power of attorney appointing that person; and
- (b) as an authorised officer, agent or trustee of any party warrants to the other parties that at the date of execution that person has full authority to execute this Agreement in that capacity.

**13.5 Amendment of Agreement**

- (a) Despite any provision of this Agreement, Council, the Developer and the Owner may at any time vary the terms of this Agreement if:

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- (i) the Owner is the registered owner of the Land or part of the Land to which the variation relates; or
  - (ii) the registered owner has given written consent to the amendment.
- (b) No variation of this Agreement is of any force or effect unless:
- (i) it is in the form of a variation agreement and has been signed by the parties (or their successors in title); and
  - (ii) where relevant, the variation agreement complies with the requirements of the Act.

**13.6 No waiver**

- (a) The failure of a party at any time to require full or partial performance of any provision of this Agreement does not affect in any way the full right of that party to require that performance subsequently.
- (b) The waiver by any party of a breach of a provision of this Agreement is not deemed a waiver of all or part of that provision or of any other provision or of the right of that party to avail itself of its rights subsequently.
- (c) Any waiver of a breach of this Agreement is to be in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

**13.7 Payment of costs**

Each party will bear its own costs of and incidental to the negotiation and preparation of this Agreement.

**13.8 Place for payment of money**

All money payable to a party under this Agreement is payable free from all deductions at the party's Address for Notices.

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**SCHEDULE 1**  
**Agreement Details**

- ITEM 1 **Commencement Date**                      The day the last party signs this Agreement.
- ITEM 2 **Council**
- |                 |   |
|-----------------|---|
| Name of Council | Bundaberg Regional Council                                      |
| Address         | 190 Bourbong Street, Bundaberg, 4670 in the State of Queensland |
| Facsimile No.   | (07) 4150 5410  |
| Email address:  | ceo@bundaberg.qld.gov.au  |
- ITEM 3 **Owner**
- |   |                                |
|---|--------------------------------|
| Name  | Edamgrove Pty Ltd              |
| Address (or registered office if a corporation) | 62 Mary Street Gympie QLD 4570 |
| Facsimile No.                                   | 07 5482 2495                   |
| Email address:                                  | david.schuh@schuhgroup.com.au  |
- ITEM 5 **Land**
- Lot 502 on SP 293971, situated on Frizzells Road, WOODGATE.
- ITEM 6 **Development Approval**
- Development Permit for Reconfiguring a Lot for 192 residential lots, park and balance lot approved by the Council by decision notice dated 5 June 2008. Council reference no. 321.2007.21009.1.

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**SCHEDULE 2**

**Infrastructure Contributions**



## FRIZZELLS ROAD – SCHEDULE 2

## 1.0 Owner

Column 1 Item	Column 2 Infrastructure Contribution		Column 3 Description of Infrastructure Contribution	Column 4 Timing of Infrastructure Contribution	Column 5 Provider of Infrastructure Contribution	Column 6 Creditable Value
1.1.1	<b>Land contribution for VPS2 Land</b>		Provision of a Land Contribution to the Council comprising the VPS2 Land:  (a) in fee simple;  (b) for the purposes of a sewerage facility; and  (c) at no cost to the Council	On or before 8 November 2017.	Developer	The Land Contribution is creditable in the amount of \$202,900
1.1.2	<b>Financial Contribution for VSP2 Works.</b>		Provision of a Financial Contribution of \$1,000,000, to be paid to the Council in three instalments as follows:  (a) \$200,000 ("Instalment 1");  (b) \$400,000 ("Instalment 2"); and  (c) \$400,000 ("Instalment 3");	Each instalment is to be paid as follows:  (a) Instalment 1: on or before 30 March 2018; (b) Instalment 2: on or before 29 June 2018; (c) Instalment 3: on or before 21 December 2018.	Developer	The Financial Contribution is creditable as follows:  (a) Instalment 1: \$200,000; (b) Instalment 2: \$400,000; (c) Instalment 3: \$400,000

## FRIZZELLS ROAD – SCHEDULE 2

Column 1 Item	Column 2 Infrastructure Contribution		Column 3 Description of Infrastructure Contribution	Column 4 Timing of Infrastructure Contribution	Column 5 Provider of Infrastructure Contribution	Column 6 Creditable Value
1.1.3			<i>Deleted</i>			
1.1.4	<b>Land Contribution and Works Contribution for Park and Drainage</b>		<p>Provision of a Land Contribution to the Council comprising proposed Lot 401 as shown on drawing 1 in Schedule 3:</p> <ul style="list-style-type: none"> <li>(a) of an area of 7.52 hectares;</li> <li>(b) in fee simple;</li> <li>(c) for the purposes of a park and drainage reserve; and</li> <li>(d) at no cost to the Council.</li> </ul> <p>Provision of a Works Contribution comprising improvements to proposed Lot 401 as agreed to in writing by the Council, to be provided at no cost to the Council.</p>	<p>Land contribution to be provided on or before 21 December 2018.</p> <p>Works Contribution to be provided prior to the approval of the plan of subdivision containing the 65<sup>th</sup> allotment.</p>	Developer	The Land Contribution and Works Contribution have a combined creditable value of \$809,687.50
1.1.5	<b>Financial Contribution for trunk infrastructure</b>		Provision of a Financial Contribution to be paid to the Council of an amount equivalent to the amount of the levied charge that would be applicable to the Proposed Development under the AICR as at the Commencement Date, if the AICR applied to	That part of the Financial Contribution that is referable to each stage of the Proposed Development is to be	Developer	Not Applicable

## FRIZZELLS ROAD – SCHEDULE 2

Column 1 Item	Column 2 Infrastructure Contribution		Column 3 Description of Infrastructure Contribution	Column 4 Timing of Infrastructure Contribution	Column 5 Provider of Infrastructure Contribution	Column 6 Creditable Value
			<p>the Proposed Development, less the Creditable Value of any Infrastructure Contributions that have been provided by the Owner in accordance with this Schedule 2.</p> <p>For the avoidance of doubt, the amount of the financial contribution is to be automatically increased in accordance with section 11 of the AICR.</p>	paid prior to the approval by the Council of the plan of subdivision for that stage of the Proposed Development		

## 2.0 Council

2.1	VPS2 Works					
2.1.1	Works Contribution for the VPS2 Works.		Provision of a Works Contribution comprising the VPS2 Works to be carried out generally in accordance with drawings 2 to 4 in Schedule 3.	(a) Award tender for VPS2 Works by 15 November 2017 (b) Commission VPS2 Works by 30 June 2018	Council	Not applicable

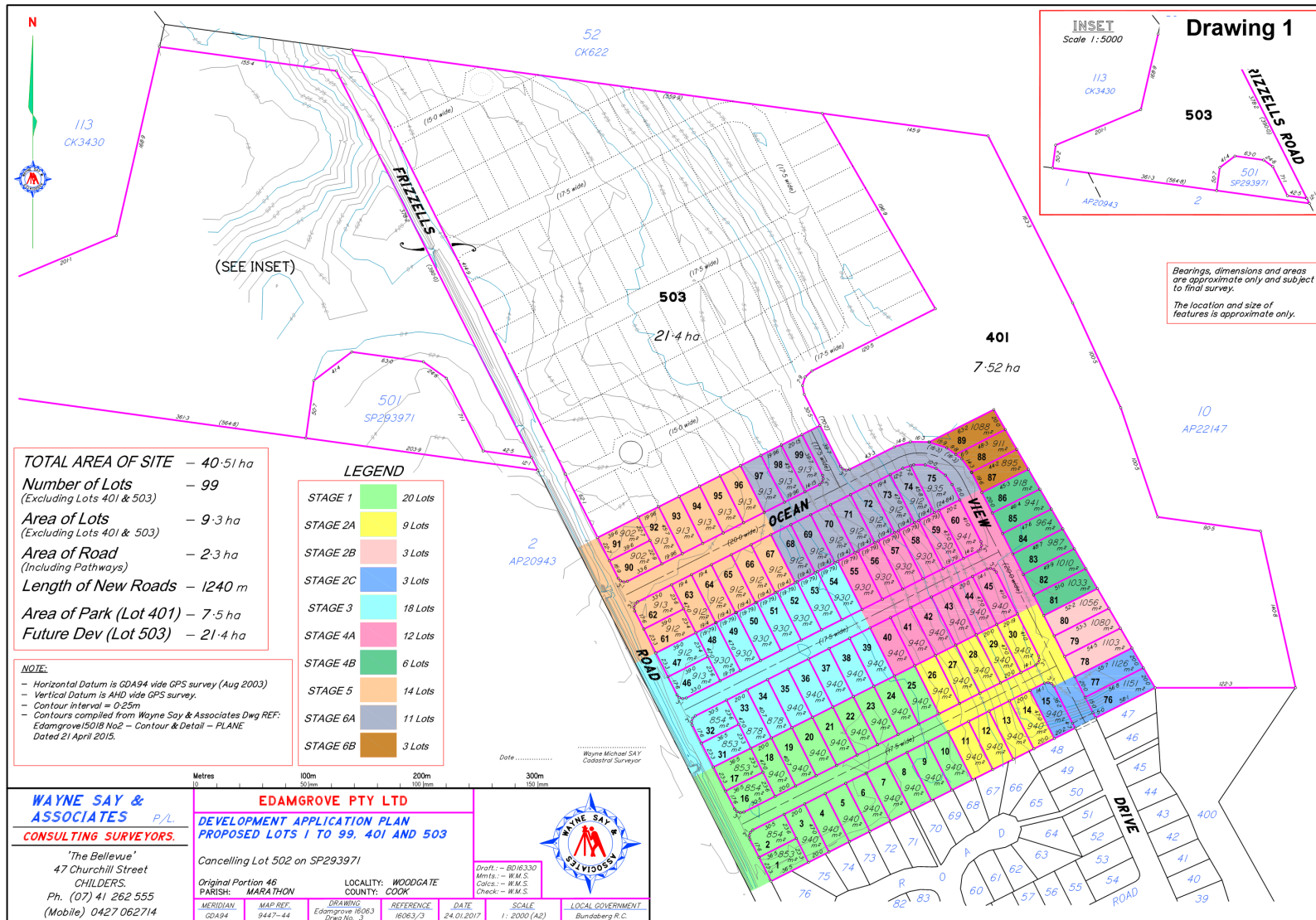
FRIZZELLS ROAD – SCHEDULE 2

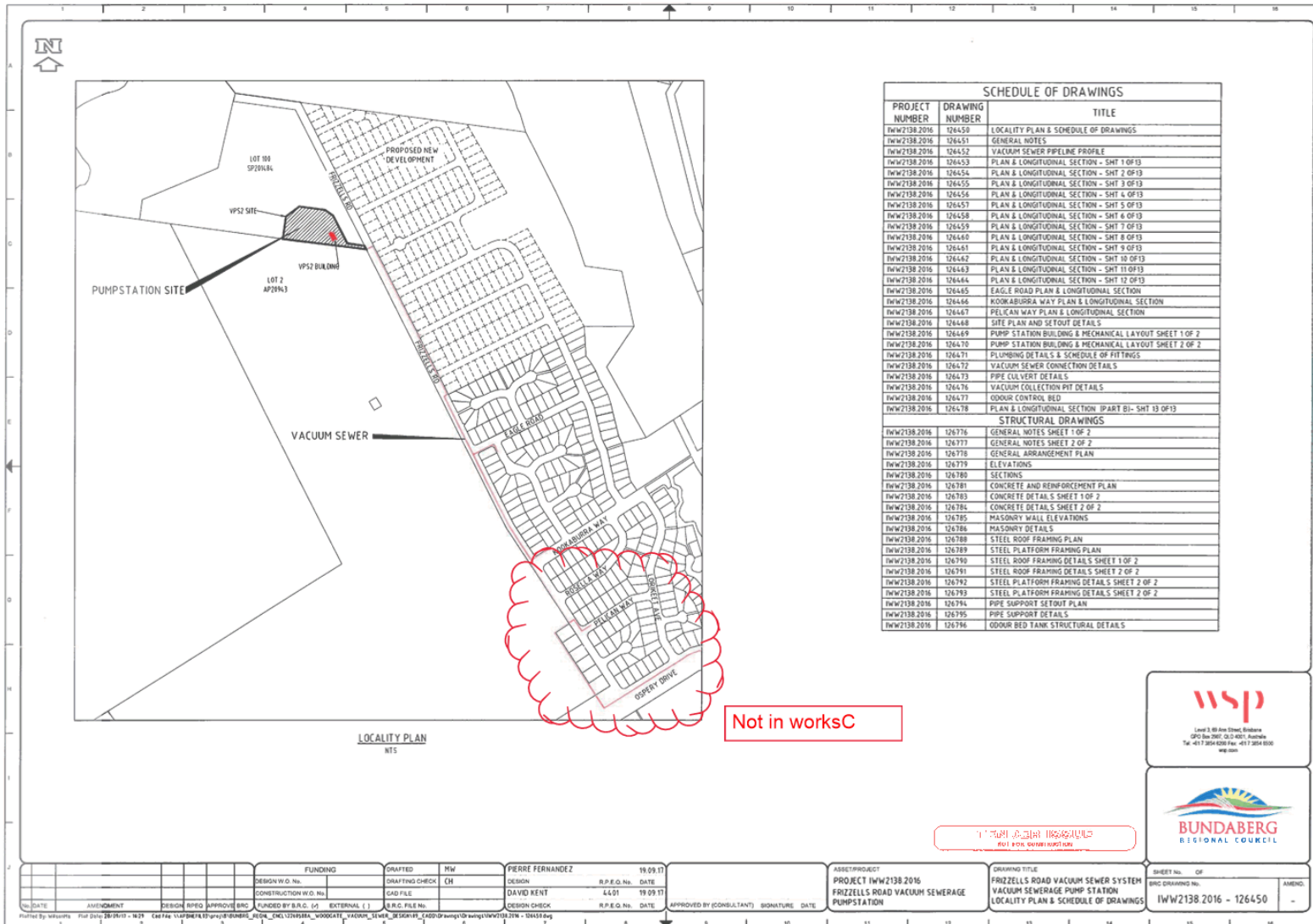
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**SCHEDULE 3**




**Drawings**



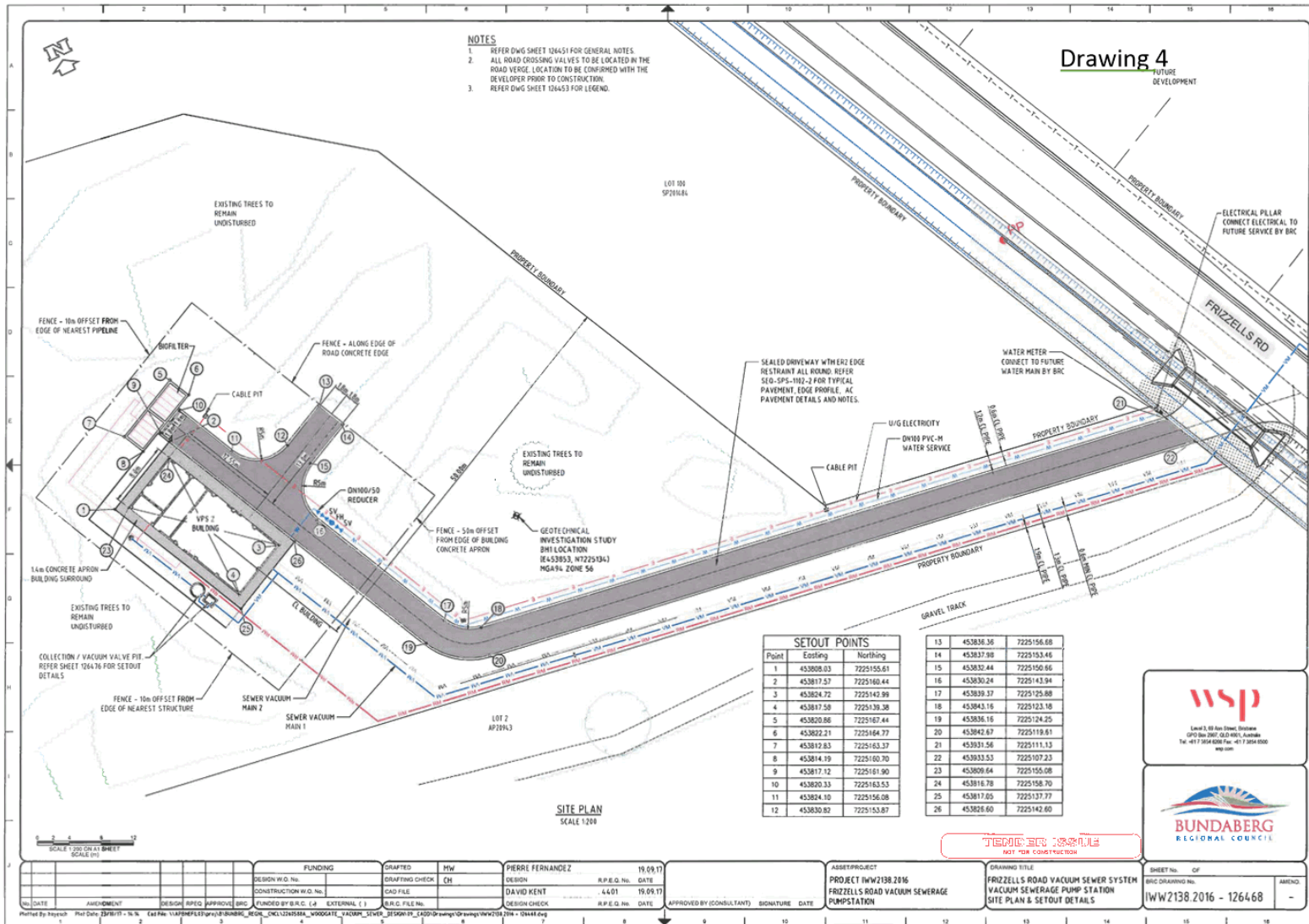






		 150 mm PVCo pressure main	<h2 style="margin: 0;">Drawing 3</h2>
<p style="font-size: small; margin: 0;">© The State of Queensland (Department of Natural Resources and Mines) 2017. Based on Cadastral Data provided with the permission of the Department of Natural Resources and Mines 2017. The information contained within this document is given without acceptance of responsibility for its accuracy. The Bundaberg Regional Council (and its officers, servants and agents), contract and agree to supply information only on that basis.</p>		<p style="font-size: small; margin: 0;">While every care is taken to ensure the accuracy of this data, the Department of Natural Resources and Mines and the Bundaberg Regional Council makes no representation or warranties about its accuracy, reliability, completeness or stability for any particular purpose and disclaims all liability (including without limitation, liability in negligence) for all expenses, losses, damages (including indirect or consequential damage) and costs which you might incur as a result of the data being inaccurate or incomplete in any way and for any reason.</p>	
<p style="font-size: x-small; margin: 0;">Projection: GDA_1994_MGA_Zone_56      Date: 18/9/2017 8:09 AM      Scale 1 : 6.832.51      on A4 Sheet</p>		<p style="font-size: x-small; margin: 0;">Author:</p>	





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**Execution**

EXECUTED as a deed.

Signed by Stephen Johnston, Chief Executive Officer on behalf of the **BUNDABERG REGIONAL COUNCIL** in accordance with the the *Local Government Act 2009* on the day of \_\_\_\_\_ 2017

^ \_\_\_\_\_  
Signature of

^ \_\_\_\_\_  
Signature of witness

^ \_\_\_\_\_  
Name of witness (print)

SIGNED SEALED AND DELIVERED )  
for and on behalf of )  
**EDAMGROVE PTY LTD (ACN )**  
**010398106)**  
by authority of the directors in the )  
presence of on the day of )  
2017:

^ \_\_\_\_\_  
Director

^ \_\_\_\_\_  
Director/Secretary

^ \_\_\_\_\_  
Full name of director

^ \_\_\_\_\_  
Full name of director/secretary

**Item****21 November 2017****Item Number:**

J2

**File Number:**

Nil

**Part:**

PLANNING

**Portfolio:**

Infrastructure &amp; Planning Services

**Subject:**

Bundaberg 4670 - Bundaberg CBD Master Plan

**Report Author:**

Evan Fritz, Manager Strategic Planning

**Authorised by:**

Andrew Fulton, General Manager Infrastructure &amp; Planning

**Link to Corporate Plan:**

Our Environment - 2.2 Sustainable built environments and local projects that support our growing population and promote economic investment and development.

**Background:**

The Bundaberg 4670 – Bundaberg CBD Master Plan is a long term plan to guide growth and change in Bundaberg’s principal centre over the next 20 years. The master plan draws together the outcomes of existing work within the Bundaberg CBD including the Bundaberg Riverside Master Plan (2015), Bundaberg Mainstreet Revitalisation Draft Concepts (2014) and the Bundaberg CBD Traffic Planning Study (2014).

The master plan sets a long term vision for the Bundaberg CBD. The plan seeks to provide a platform to guide future investment and decision making by Council in the Bundaberg CBD, with a view to ensure that future work by Council is coordinated and contributes towards this overall vision, rather than being piecemeal or ad hoc. Implementation of the plan cuts across various work areas of Council, including but not limited to planning and construction of works, on-going maintenance, economic development, community and cultural programs, and regulatory activities. Implementation of some aspects of the plan will also require support from others, including State Government agencies such as the Department of Transport and Main Roads.

The study area for the master plan is defined by key landmarks, as well as the Principal Centre zoning within the Bundaberg Regional Council Planning Scheme. The CBD is bound by the Burnett River to the north, Bundaberg Creek to the east, Saltwater Creek to the south, and the North Coast Rail Line to the west. Areas of influence outside the study area, such as key tourism attractions, open space and transport networks, and accommodation options have also been considered in developing the master plan.

The executive summary of the Bundaberg CBD Master Plan is included at Attachment 1 and the Implementation Plan is included at Attachment 2. The full study will be tabled at the meeting and will be made available on Council's website subject to its acceptance by Council (note: the full document is approximately 160 pages long).

The master plan outlines objectives, strategies and actions under key theme headings and includes a supporting implementation plan that outlines actions that can be implemented progressively by Council (and others) over time. The implementation plan, which is included at Attachment 2, nominates indicative timing, responsibilities and key stakeholders for each item. While the plan identifies some items that could be implemented quickly, many actions will require further detailed planning and funding, and will need a longer lead time. The recommendations for implementation have been divided into immediate, short-term (1-3 years), medium-term (3-5 years) and long-term (6+ years) projects. These include:-

- temporary interventions, including interim and/or lower-cost items that could be implemented relatively quickly;
- governance interventions, including regulatory measures (eg planning scheme, local laws, regulated parking, land tenure, road corridor management, etc) and the need for coordinated management, marketing and promotion; and
- physical interventions, including road and streetscape works (including possible redirection of traffic from Quay Street), and parks and open space improvements (eg Anzac Park, pool and water play) – many of these items are moderate to higher cost items requiring budgetary/financial commitment and that will involve design and tender processes, etc.

The key priority projects identified for the Bundaberg CBD in the short term include –

1. development of streetscape design guidelines to guide streetscape and public realm improvements within the Bundaberg CBD;
2. streetscape improvements to revitalise the 'mainstreet' (ie Bourbong Street and adjacent sections of Barolin and Targo Streets);
3. parks and open space improvements within Anzac Park, including the potential redevelopment of Anzac Pool into a water play facility; and
4. further planning into the future function and form of Quay Street (to improve pedestrian connectivity between the CBD and the riverside) and associated traffic network issues.

In terms of Items 1 and 2 above, it is noted that Council has recently engaged consultants to assist in the preparation of streetscape design guidelines and detailed design for streetscape improvements.

While the master plan and supporting implementation plan outline a range of actions, it is expected that these actions and priorities will change over time to respond to changing circumstances, including issues arising from further detailed planning and investigations, community opinion, availability of funding and budget considerations.

**Associated Person/Organization:**

Dwayne Honor – Project Manager – CBD Streetscape Project; Ben Artup – Executive Director, Strategic Projects and Economic Development Co-ordination

**Consultation:**

It is noted that no external stakeholder engagement has been undertaken specifically in relation to the master plan. Preparation of the master plan has been informed by consultation undertaken on previous projects within the CBD. Specifically, Council consulted with the community in the preparation of the Bundaberg Mainstreet Revitalisation Draft Concepts (2014), and with the Department of Transport and Main Roads in relation to the Bundaberg CBD Traffic Planning Study (2014). The community, stakeholders and State Government agencies were also consulted in the preparation of the Bundaberg Riverside Master Plan. A summary of consultation undertaken on the Mainstreet Revitalisation and Riverside Master Plan projects is outlined in these respective reports and within the Bundaberg CBD Master Plan report. This includes details on the consultation activities undertaken, as well as the feedback received through such consultation.

**Legal Implications:**

There are no legal implications regarding this project.

**Policy Implications:**

The Bundaberg CBD Master Plan identifies some changes that could be considered to the Bundaberg Regional Council Planning Scheme, as well as local laws and policies relating to the regulation of footpath dining, car parking and event/activity management. Such changes would be intended to ensure the regulatory environment complements rather than impedes outcomes sought for the CBD.

**Financial and Resource Implications:**

The Bundaberg CBD Master Plan includes recommendations for implementation and interventions to deliver key aspects of the master plan. Council has allocated money in the 2017/18 budget to start the process of implementing the Master Plan, specifically in relation to the commencement of streetscape design and works within the main street.

**Risk Management Implications:**

The Bundaberg CBD Master Plan report has been prepared to coordinate previous separate reports and investigations undertaken within the CBD, including mainstreet revitalisation, Riverside Master Plan, and CBD traffic planning. While aspects of the plan have been subject to previous community consultation, there are other parts of the plan that have not been consulted on. In particular, no public consultation has been undertaken on proposed changes to the function of Quay Street and redirection of through traffic from Quay Street to alternative routes. The Riverside Master Plan highlighted the need to improve connectivity between the CBD and the riverside, but did not explore the potential implications of this on traffic movement through the CBD.

For this reason, it is recommended that in adopting or endorsing the Bundaberg CBD Master Plan, Council highlight that the report is adopted for the purposes of guiding and coordinating future planning.

This will include further community consultation on individual aspects of the plan, such as the community consultation that is currently ongoing for the detailed design for the Bundaberg CBD revitalisation project.

### **Communications Strategy:**

Communications Team consulted.

- Yes  
 No

Given current communication with community and affected stakeholders in relation to the Bundaberg CBD revitalisation project, communications relating to the overall master plan should be managed so as to avoid confusion and to limit any impacts on the Bundaberg CBD revitalisation project.

### **Attachments:**

- [↓1](#) Bundaberg CBD Master Plan - Executive Summary  
[↓2](#) Bundaberg CBD Master Plan - Implementation Plan

### **Recommendation:**

**That:-**

- 1. the “Bundaberg 4670 – Bundaberg CBD Master Plan” be received by Council for the purposes of guiding and co-ordinating future planning, decision making and investment by Council within the Bundaberg CBD;**
- 2. the master plan be referred to Council’s Executive Director, Strategic Projects and Economic Development Co-ordination for further investigation and implementation of actions and outcomes identified;**
- 3. further investigation be undertaken in relation to the following priority items identified in the Implementation Plan (noting that detailed design for Stages 1 and 2 of the CBD Streetscape Revitalisation works and Streetscape Design Guidelines have already commenced):-**
  - i. Stage 2 of the Bundaberg CBD Traffic Planning Study, including preliminary design and engagement in relation to Quay Street and any alternative route/s required to accommodate increased through traffic and freight arising from proposed changes to Quay Street;**
  - ii. Concept (reference) design and subsequent detailed design for the redevelopment of Anzac Park and Anzac Pool for improved public parkland, pedestrian access to and along the riverside, Anzac remembrance, and water play facility.**
  - iii. Amendments to the Bundaberg Regional Council Planning Scheme be investigated to facilitate development within the CBD and to support implementation of the Master Plan, including but not limited to building height provisions.**





*Live, work, play, invest*

● Building a better future



● Bundaberg 4670 – Bundaberg CBD Master Plan  
Executive Summary  
A Project of Bundaberg Regional Council

[www.bundaberg.qld.gov.au](http://www.bundaberg.qld.gov.au)





## Overview

**Bundaberg Regional Council is seeking to revitalise the Bundaberg CBD and enhance its image as the most vibrant retail and recreation destination for the Wide Bay Burnett Region.**

**The main aims of the project are to:**

- Integrate and coordinate planning for land use, development and infrastructure delivery across the CBD, and identify infrastructure (including roads and pathways, car parking, streetscape works, improvements to parks and public spaces, and planning for services) required to support the function and economic environment of the Bundaberg CBD as a successful and vibrant CBD;
- Improve traffic flow within and around the CBD while also enhancing pedestrian walkability of the CBD;
- Improve connectivity between the Bourbong Street and the riverside;
- Provide car parking solutions that maximise the retention of on street parking, but not at the expense of other project objectives;
- Improve vehicle movements to/from the CBD and facilitate an increase in pedestrian and cycle trips to the CBD.
- Develop an implementation plan to prioritise investment in infrastructure improvements in the Bundaberg CBD, including catalyst projects to reinforce the role of the Bundaberg CBD as the region's principal activity centre for commerce, government services, community interaction and community and cultural facilities;
- Broaden the appeal of Bundaberg as a tourist destination;
- Offer a city-based culture and lifestyle within the CBD, creating a hub for not only business and commercial activity, but also for recreation, leisure, community services and activity, and for residential living; and stimulate private sector development and investment;
- Revitalise the public realm and retail environment to support local businesses and the community;
- Create a safe and equitable access to key features in the Bundaberg CBD that caters to the Bundaberg community and wider region; and
- Improve the streetscape for pedestrians including more shade, landscaping, improved wayfinding, better links between key destinations and use of interesting urban elements and materials.

### At a glance

The Bundaberg CBD Masterplan is the **long-term vision for the principal activity centre** of the Bundaberg Region.

Seeks to enhance the **Bundaberg CBD** as a destination for people to live, work and play.

Proposes **improvements to the amenity and walkability** of the CBD through streetscape works, upgrades to Riverside Parklands and other public realm improvements.

**Maintains car parking** numbers and improves access to car parking – both for short term customers and visitors and long term staff car parking.

**Identifies key development sites**, including sites suitable for medium to high density permanent housing and short term accommodation in the CBD.



## Issues considered in the Development of the CBD Master Plan

To establish a renewed and active Bundaberg CBD, the following key issues were considered in the development of the plan:

- Perceived lack of car parking
- Traffic congestion and the future road network hierarchy through the CBD;
- Heavy traffic along Quay Street preventing a meaningful connection between the Bundaberg CBD and the Burnett River;
- Car focused transport network
- Economic development initiatives focusing on improved investment in the maintenance and development of CBD properties, increasing competitiveness with other centres such as Hinkler Central and Stockland Bundaberg; and
- The need for an improved governance structure to ensure regular maintenance of CBD infrastructure, promotion of businesses and encouragement of development within the CBD.

In order to respond to these issues, and others, the Bundaberg CBD Masterplan aims to revitalize the Bundaberg CBD through a number of key future actions including a revitalization of the public realm, encouraging mixed use development, including residential development, implementation of a car parking strategy, extensive public domain

upgrades, improvement of the centre's connection to the Burnett River, encouragement of retail competitiveness and enhancement of the City Centre's character, increasing the walkability through the CBD and highlighting the cultural and historical significance of the Bundaberg CBD.

Therefore the vision for the future Bundaberg CBD is outlined below:

### *The Bundaberg CBD . . .*

*. . . is the most vibrant CBD in regional Queensland and the premier shopping and commercial hub for the Wide Bay Burnett region*

*. . . celebrates its riverside setting and maintains a sub-tropical character and atmosphere enriched by a blend of historical and contemporary buildings and spaces*

*. . . provides an increasingly diverse range of services for residents and visitors, including leisure and hospitality services, attractive public spaces, and a range of accommodation and residential living options*

## ● Strategies proposed

### Create a high quality public realm

This strategy aims to strengthen the streetscape by creating a high quality public realm that is attractive and functional, with infrastructure to support a principal activity centre and enhance the features of the Bundaberg CBD as a destination for people to live, work and play into the future. There is a need to improve the streetscape of most if not all streets in the CBD, to ensure these streets serve Bundaberg visitors and residents, as well as attract potential investors and/ or developers.

Streetscape and other public realm works can improve how streets and public spaces look and feel, especially for pedestrians, but can also increase activity – increasing the number of people visiting the CBD and/or encouraging people to stay longer. Streetscape and other public realm improvements can also serve to unify the various parts of the CBD and help complement adjacent business activities and uses and heritage buildings.

Trees and other landscaping treatments can provide multiple benefits including providing shade and protection from the sun (and to some extent rain and wind), a more visually appealing streetscape, focal points for resting or pedestrian movement and creating micro-climate improvements (e.g. reducing heat from hard surfaced areas).

Measures to guide development of the streetscape, open space and public realm improvements have been developed under the following concepts:

- Streetscape improvements to ensure streets cater for their desired function;
- Creating great civic spaces for community activity and events;
- Creating great open spaces that connect the Bundaberg CBD to the Burnett River;
- Creating a pleasant, interesting, easy and safe walking environment along the CBD streets; and

- Inspiring the community with temporary activities and installations.

### Actions proposed

1. Developing a Streetscape Guideline – Giving guidance to the streetscape improvements for all streets in the Bundaberg CBD, to improve the walkability and overall amenity of CBD streets, and to ensure they will meet their future function;
  2. Reconstructing the CBD streetscape in accordance with the Streetscape Guidelines. Initial reconstruction will be focused around the CBD core – Bourbong Street, from Maryborough Street to Tantitha Street, upgrading current dated infrastructure including the CBD pavilion, seating, andscaping, pavers and public toilets – with works proposed to commence in 2018;
  3. Reconnect the Bundaberg CBD with the Burnett River riverside parklands through the staged transformation of Quay Street from a priority route servicing through traffic and freight, to a pedestrian friendly street that provides for improved streetscape amenity, walkability and local traffic movement;
  4. Undertake improvements to parkland along the Burnett River riverside, including improvements to ANZAC Park as a civic space for ceremonies, events and entertainment, Riverwalk along the edge of the Burnett River and the proposed redevelopment of ANZAC Pool as a water play area; and
- “ Creating great open spaces that connect the Bundaberg CBD to the Burnett River ”
5. Improve the CBD with allowing temporary activities such as markets and festivals to improve the cultural offering in the Bundaberg CBD. This may also include the temporary installation of public art.
  6. Implement a program of streetscape works across the CBD which seeks to improve walkability (including equitable access, safety, shade and weather protection).



Bourbong and Maryborough Street intersection



Woongarra Street Bus Stop

## Traffic movement, public transport and pedestrian accessibility

Building on the strategies for a high quality public realm, the Bundaberg CBD is identified as a pedestrian friendly street network. Principal open space is Buss Park and Anzac Park and adjoining Riverside Parklands. Social spaces are also within the street and the pathways and arcades cross the CBD to create key connections that lead to shopping, cafes and restaurants.

The Bundaberg CBD was designed based on a grid pattern. The wide streets and regular blocks assist in clearly defining the pedestrian connectivity across the Bundaberg CBD. The CBD has an existing network for vehicular and pedestrian circulation and a broad spatial grid for land use development. The on-going growth of the Bundaberg Region is expected to generate significant growth in visitor trips to the CBD and there will be a demand for a broader diversity of travel modes. There is a need to focus on increasing the proportion of walking/cycling trips into and around the CBD, which can reduce the number of short trips being made by car, improving the efficiency of the road network.

Measures used to guide the improvement of pedestrian access in the CBD are based on the following concepts:

- Reinforcing the role of Bourbong Street as the as the CBD’s main street, key pedestrian spine and people place;
- Improve pedestrian and cyclist access into and within the Bundaberg CBD and to key destinations to promote non-vehicular movements; and
- To improve the level of service and frequency of public transport both within and connecting to the Bundaberg CBD.

Measures used to guide the improvement of traffic movement in the CBD is based on the following concepts:

- Change the function of Quay Street from a primary through traffic route and designated Main Road, to a green and pedestrian friendly street, with improved connectivity to the Riverside;
- Introduce changes to Maryborough Street to improve efficiency for through traffic and freight; and
- Pursue investigations into a longer-term bypass along Electra Street and George Street to divert heavy through traffic from Quay Street to an alternative route.

## Actions proposed

### Pedestrian Accessibility and Public Transport

1. Bourbong Street, between Maryborough Street and Tantitha Street, to be revitalised to enhance its function and attractiveness as the city’s main community, shopping, dining



and pedestrian spine. The character and treatments will vary for different sections of Bourbong Street, but key initiatives to be investigated include:

- reducing vehicle speeds whilst retaining convenient vehicle access and on-street parking;
  - widening pedestrian pavements and introducing raised or pedestrian priority crossings at key intersections and crossings;
  - improving opportunities for outdoor dining, particularly near the Moncrieff Entertainment Centre, Earls Court, Targo Street and near Indulge;
  - incorporating new pavement treatments, landscaping, lighting, street furniture and weather protection as required improving pedestrian amenity, safety and staying opportunities;
  - facilitating the upgrade of key laneways and mid-block pedestrian connections, including arcades to improve linkages between Bourbong Street and surrounding shopping and community destinations and parking facilities.
2. Council continues to invest in pathways consistent with Council's Multi Modal Pathway Strategy (GHD, February 2012), which will only serve to support improved pedestrian and cycle access (active transport) to the CBD over time.
- Enhance existing laneways and arcades to provide new connections as required to establish a fine grain and convenient pedestrian network linking key streets, public spaces, parking areas and planned retail and community destinations; and

- Introduce end of trip facilities in a key central location, including bike storage facilities. This could be co-located with another facility (e.g. public swimming pool, toilets, etc.).

3. Review and provide upgrades as required to improve the safety, legibility and amenity of key entry points into the City Centre and Bourbong Street.
4. Undertake a review and upgrade existing public transport services and facilities within the Bundaberg CBD.

**Traffic movement**

1. Pursue discussions and detailed design with the Department of Transport and Main Roads for a balanced function of Quay Street, to improve streetscape amenity, walkability and localised traffic movements in the short-medium term. This will have some impacts on through traffic and freight efficiency in the short term. Efficiency for through traffic and freight will further worsen over time as traffic volumes increase, requiring an alternative CBD bypass route.
2. Introduce changes along Maryborough Street to improve its efficiency for through traffic and freight.
3. Introduce changes along Woondooma Street to improve its safety and efficiency for through traffic. This will include associated changes and improvements to intersections.
4. Pursue investigations into a longer-term bypass along Electra Street and George Street, including the feasibility of either a new link between Electra Street and George Street, or a new road which would bypass George Street.

Quay Street



## Car parking management and supply

Bundaberg is currently a very car dominated city for most trips. Whilst the master plan identifies potential for improvements in active transport (walking and cycling) and public passenger transport (bus) for trips to and from the Bundaberg CBD, reliance on the private motor vehicle is unlikely to change significantly over life of this master plan. In this context, effective, safe and attractive car parking provision is a critical consideration in the long-term planning and management of the Bundaberg CBD.

The supply and convenience of free car parking supports commercial activity, and could arguably be a key factor to the resilience and vibrancy of Bundaberg CBD to date. Data from previous parking studies and the recently installed smart parking sensors have highlighted satisfactory parking arrangements in most of the CBD, apart from the City Core (between Barolin Street and Targo Street). That being said, car parking in parts of the City Frame, but within easy walking distance to the City Core, are generally underutilised. As such, measures to increase utilisation of car parking outside of the City Core should be considered, especially for long term staff parking. This may in turn help alleviate parking pressures in the City Core.

The car parking strategy within the CBD Masterplan will incorporate some key changes across the Bundaberg CBD to allow for the best utilisation of existing car parking infrastructure, as well as supply additional parking in key strategic locations.

## Actions proposed

1. Implement consistent time limits within the City Core to facilitate increased turnover and reduce overstays by staff working in the CBD;
2. Encourage long term parking for staff away from the CBD core, improved facilities such as covered parking;
3. Improved walking conditions between the CBD and parking areas including lighting and CCTV;
4. Provide more all day parking along Quay Street to the north of the CBD core;
5. Roll out smart parking technology across the CBD;
6. Install variable message directional signage to indicate parking areas and availability, connected directly to the smart parking system;
7. Investigate all options regarding on street and off street car parking solutions before constructing a multi-storey car park. Should one need to be provided, initial thoughts should be given to providing a multi-storey car park on Council land for Council staff and other CBD staff on Woongarra Street, with retail spaces at ground level along the street frontage.

“ Ensure adequate levels of car parking to meet projected needs ”

Smart parking sensors





## Key redevelopment sites

The Riverside Master Plan identified sites suitable for redevelopment, due to their high amenity location along the Burnett River, and the current physical condition of infrastructure on the identified sites.

Key redevelopment sites included areas of government control (either Federal, State or Local Government) on Bourbong Street and Quay Street. These sites present a legitimate opportunity to lead development activity within the Riverside through the renewal of ageing commercial stock and underutilised land in order to provide mixed use development activity, including the potential for a centralised State Government services precinct. Car yards and the former Mid-Town Marina site also offer opportunity for redevelopment, in particular short term accommodation. Bourbong Street redevelopment opportunities include the Whale Wall building, which is aging office and retail stock in the centre of the Bundaberg CBD. This building provides an opportunity for mixed use development in the centre of the CBD.

### Government Land

1. Old Port Curtis Dairy (PCD) site and surrounds
2. Civic Precinct
3. Anzac Park
4. Riverside Parkland
5. Rowers Club
6. Fire Station
7. Central State School
8. Railyards

### Private Landholdings

9. City Centre Arcade and Whale Wall building
10. Midtown Marinas and Marina Quays
11. Bundaberg Motor Group



## Actions proposed

Under the Advancing our Cities and Regions Strategy, Council has explored its surplus land as well as underutilised State assets to develop a set of key redevelopment sites that will build on the streetscape and open space works proposed within the Bundaberg CBD.

1. **PCD Site and DTMR**  
This is a combined site on the Burnett River that adjoins the railway line. It has been identified as an ideal location for a hotel or mixed use development, due to its large flood free site and its views over the river.
2. **Civic Precinct**  
BRC Council offices, Civic Centre and Civic Arcade, Claude Wharton, Courthouse, BRAG, Library and surrounds. Council has identified the need for a civic/cultural precinct masterplan to coordinate future renewal and investment in civic, cultural and community infrastructure within the CBD. Investment by government can also help stimulate investment by other property owners.
3. **Anzac Park and the Bundaberg Bowls Club**  
The Bundaberg Bowls Club has been identified for possible relocation in the long term to create a larger, more functional Anzac Park, creating waterplay and family parkland areas along the river for all of the community to access.
4. **Riverside Parklands**  
A large portion of this site is currently occupied by car parking. It is considered that some of this car parking could be opened up to more green space, especially along its river edge.
5. **Rowers Club**  
The current rowing club facilities are too small in their current location. There is potential to move them to the former Lady Musgrave site and create a shared water sport facility, to be used by the rowing, sailing and dragon boating clubs.



Anzac Park - Quay Street

6. **CBD Fire Station**  
With the construction of the new fire station at Thabeban, there is potential for this site to play a large cultural role for the CBD into the future.
7. **Central State School**  
This large school site is located in a prime position on Woondooma Street. Whilst the school currently only has 100 students, a large portion of the school oval could be redeveloped for a car parking structure or other development.
8. **Railyards**  
Land owned by Queensland Rail along the western side of McLean Street (between Electra Street and Woondooma Street) consists of underutilised rail yards and the Bundaberg Freight Terminal. The property is over 1.3 hectares and has over 300 metres frontage to McLean Street. There may be an opportunity for some of this land to be utilised for commercial purposes linking the City Core and Riverside to Hinkler Central and the Old Showgrounds site.

## Private landholdings

In addition to the State Government owned land, there are also some key redevelopment sites in private land ownership.

9. **City Centre Arcade and Whale Wall Building**  
This aging building is largely unoccupied and is in need of renovation or redevelopment. The arcade provides an important mid-block connection which would ideally be retained into the future. The property would be ideally suited to ongoing commercial use, including ground floor retail and food premises, with office space above. Alternatively, land above ground floor could be redeveloped for residential accommodation, particularly short-term accommodation.
10. **Marina Quay and Mid-Town Marina**  
These aging premises have previously been approved for redevelopment for short-term accommodation. Given their location and river views, these properties still represent ideal sites for this type of development. Such development could also incorporate commercial activities at ground level.
11. **Eastern expansion of the CBD**  
Large lots of land in the eastern part of Bourbong Street present an ideal opportunity for redevelopment and may be developed into the future.





## Governance and Implementation

**Council's governance structure is critical to ensuring a smooth transition from construction of streetscape and infrastructure improvements to the long term management of Bundaberg's principal activity centre.**

There are three key components of the CBD Master plan that will help guide from the vision to reality.

1. **Implementation Plan**  
A staged implementation plan, mapping out the way to reach the end outcome in a sustainable and logical pattern of development over a 10 year timeframe.
2. **Governance Structure**  
Ensuring a governance structure within Bundaberg Regional Council that has buy in from a community reference group to oversee the implementation of each stage of the CBD Master plan.
3. **Ongoing Policy Review**  
Ongoing review with the Executive and Council about the future vision for the Bundaberg CBD.

## Actions proposed

1. Develop a staged implementation plan to incorporate all elements outlined in the CBD Masterplan to be delivered in the next 10 years;
2. Consider the employment of a dedicated Project Manager to implement the hard infrastructure upgrades and construction projects within the Bundaberg CBD;
3. Consider the employment of a dedicated Place Manager to partner with the Project Manager to guide implementation initiatives to improve business in the Bundaberg CBD to undertake a range of activities including but not limited to:
  - Co-ordination of key centre activities and events;
  - Co-ordination of master plan implementation;
  - Investment promotion and attraction;
  - Advocate for centre funding and grants;
  - Co-ordination of marketing and promotion activities;
  - Foster public / private partnerships;
  - Liaison with state and commonwealth bodies on centre issues;
  - Key site identification and opportunities for redevelopment; and
  - Monitor centre achievements, opportunities and threats.
4. Regularly engage with the community and stakeholders in the planning and implementation of projects across the CBD;
5. Implement an Incentives Strategy for the Bundaberg CBD – To encourage development consistent with the Bundaberg Regional Council Planning Scheme and Streetscape guidelines as well as encourage the refurbishment of heritage facades;
6. Review Local Law Policies and Procedures for footpath dining, Activity Permitting and Programming to ensure Local Laws are permitting uses Council wish to see and encourage in the CBD.



## Bundaberg CBD Precincts

The Bundaberg CBD is divided into three precincts for land use purposes under the Bundaberg Regional Council Planning Scheme.

The boundaries of these precincts have been defined through undertaking an analysis of each area's strategic planning opportunities. It is not proposed that each precinct is developed in isolation; collectively they create the wider Bundaberg CBD and should be viewed in that context.

The precincts are defined as follows:

- 1 Riverfront**  
 Provides for a range of uses that take advantage of the riverfront setting and is configured in a manner that increases activity levels in the area and enhances public accessibility to and appreciation of the Burnett River.
- 2 City Centre Core**  
 Provides for the highest intensity and diversity of business activity and other uses to be accommodated in the precinct in a configuration that enforces the role and function of the city centre core as a pedestrian friendly space.
- 3 City Frame**  
 Provides for a range of lower intensity activities that complement and support the higher order activities in the City Centre Core and Riverfront. The City Frame has two (2) sub precincts:
  - a. Mixed Use Precinct
  - b. Commercial/Industrial





## 1 Riverfront

### Enhance connection between the Burnett River and the Bundaberg City Centre

Quay Street is a high use, moderate speed State Controlled Road that currently represents the barrier threshold between the civic and business uses within the City Centre and the Riverside. The banks of the Burnett River provide open spaces, community facilities and pockets of private freehold land. With a visit to the riverside today it is apparent that there is limited integration between these areas.

Significant works will be required within Quay Street over time to cater for its desired shift from a route for through traffic and freight, to a more balanced function that provides a high amenity, calms traffic to create a more pedestrian friendly environment, and better caters for localised traffic movement.

Standard improvements should include improved pavement and street furniture, corner kerb extensions and kerb build outs to improve pedestrian crossing points and landscaping treatments, including large shade trees to create

Quay Street



a boulevard look and feel. These works should encompass both Quay Street and the Quay Street Service Road, and integrate with public open space improvements along the Riverside.

Redevelopment of the riverside would also include the redevelopment of significant tracts of recreation and open space. These spaces include Anzac Park, including the Anzac Pool and Water Play area; Riverside Parklands, 4BU Park and Targo Street, the Riverwalk, Rowing Club and Bundaberg Creek and Saltwater Creek.

### Actions proposed

1. Upgrade Anzac Park and Anzac Pool to provide an integrated open space with new embellishments and a water play facility. The refurbishment also provides floor space for subordinate supporting business premises (i.e. food and beverage outlet, outdoor activity and equipment hire, etc). This could entail the relocation of the Bundaberg Bowls Club;
2. Improve parking along Quay Street to service the Riverside and the Bundaberg City Centre;
3. Create a green Quay Street, with improved pedestrian connectivity;
4. Improve the amenities of the Riverside Parklands in the Rowers Precinct;
5. Create connections between 4BU Park and the new Riverside Park from Targo Street;
6. Create a new Rowing Club and water sport precinct on the river;
7. Attract new hotel development within the Riverfront precinct;
8. Create a connected "Riverwalk" path along the river, incorporating boardwalks and viewing platforms to allow for passive observation of water activities;
9. Create nodes of retail activity in the Riverside Precinct, co locating with recreational facilities; and
10. Attract higher density residential development into Quay Street to allow for residents in the City Centre.





Earls Court, Bourbong Street

## 2 City Centre Core Bundaberg's 'Main Street'

The City Centre Core is the Bundaberg CBD's most significant retail precinct and is the principal location of retail shop front trade in Bundaberg. It is a linear street-based precinct characterised by a consistent low scale environment, based on the historic development of the CBD. Victorian facades along Bourbong Street are punctuated by a range of signature buildings, such as the School of Arts, Bundaberg Post Office and old bank buildings, as well as arcades and laneways. This creates a unique and distinct built environment.

Aside from retail and office space, the City Centre Core contains a high concentration of cafes and restaurants as well as a range of entertainment and cultural activities. These include the Moncrieff Entertainment Centre and the Bundaberg Regional Art Gallery (BRAG).

City Core streets include those streets that have benefited from previous streetscape works, including Bourbong Street (between Maryborough and Tantitha Streets), and the intersecting sections of Barolin and Targo Streets (between Woongarra Street and Quay Street). Tantitha Street, Post Office Lane and Flinders Way have also been included in this category, due to their proximity to the City Core and increased pedestrian movements in these localities. The core block of Bourbong Street between Barolin Street and Targo Street is the most

active (for both pedestrian and car movements) and currently functions as Bundaberg's 'Main Street'.

These streets handle high pedestrian volumes and high levels of activity. Given the intensity of commercial use and high levels of pedestrian activity, these streets require generous footpaths, high levels of pedestrian amenity, and distinctive, formal design treatments. Standard improvements should include marked pedestrian crossings with kerb ramps, shared zones, footpath plantings, stormwater control measures, corner kerb extensions, pedestrian scale lighting, way finding signage, street trees and special paving to delineate street furnishing areas and street furnishings.

Measures used to guide the improvement of Bundaberg's 'Main Street' is based on the following concepts:

- Create a CBD Core that is more compact, lively and diverse and has the potential to accommodate future commercial land use needs and encourage new business investment.
- Consolidate the CBD core as Bundaberg's key community meeting place and hub for civic and cultural uses.
- Reinforce the role of the Bundaberg CBD as a key entertainment and tourism destination within the region.

- To provide opportunities for urban consolidation and the efficient and highest use of land whilst continuing to protect and enhance the unique character, heritage buildings and streetscape elements of the Bundaberg CBD.

### Actions proposed

- Utilise the Streetscape Guidelines to guide the redevelopment of the streetscape;
- Shared zones – Improve the amenity of the shared zones so the street is shared between all modes of transport;
- Themed streets create an opportunity for placemaking to occur in the CBD and strengthen people’s connection to the CBD and Riverside– Create themed connections to Quay Street via Barolin Street (Remembrance theme from the historic Cenotaph into Anzac Park), Targo Street (Water fountain and its connection to the River) and Tantitha Street (Industrial and entry point into the CBD core);
- Kerb build outs – connect existing kerbside garden beds with the footpath and redesign these areas to allow furniture such as bench seats and rubbish bins to be relocated off the footpath;
- CBD pavilion – Upgrade the shared space in the vicinity of the CBD pavilion. Relocate the police beat out of this shared space and possibly replace with leasable space;
- Improved shelter for pedestrians – Create awnings between the crossing points and the buildings, creating shaded spaces that are comfortable for pedestrians;
- CBD toilet facilities – CBD toilet facilities are in ideal locations currently, but need to be designed for modern standards. Raising them above ground, providing parent room facilities and keeping them open past 6pm, will provide a must needed service in the Bundaberg CBD. Adding additional facilities in Barolin Street and Targo Street will also improve access to toilet facilities across the whole CBD.
- Regular programming of events and activities in the CBD, improving economic outcomes for local businesses.
- Develop a night time economy strategy, to increase the diversity of trade occurring after 5pm in the Bundaberg CBD.



Barolin Street



Bourbon Street

“ regular programming of events and activities in the CBD ”



### 3 CBD Frame – Connections to and from the CBD Core

#### Mixed Use Transition Streets

Mixed-use streets in the City Frame serve a variety of commercial uses including outdoor car sales, showrooms and low-impact and service industry uses. Aside from localised traffic movement, these streets provide a significant role in providing on-street car parking for adjacent premises, as well as commercial activity in the City Core. These streets also currently provide for some through traffic and while there is reasonably high pedestrian activity within these streets, vehicular traffic is still given priority.

It is envisaged that these streets will continue to transition to more intensive commercial and mixed use, potentially including residential activities. It is expected that these streets will maintain significant local traffic movements and on-street car parking, but will cater for reduced levels of through traffic. To support the transition of land use and activity along these streets, these streets should have improved levels of amenity for pedestrians and should begin to incorporate measures (e.g. zebra crossings, shared zones), that enhance and prioritise pedestrian movement.

Streetscape treatments should include improved footpath/pavement surfacing, landscaping, pedestrian safety elements, and other amenities to complement current and future land uses. Standard improvements should include marked pedestrian crossings with kerb ramps, mid-block crossings, street trees, footpath landscaping, kerb extensions (particularly at pedestrian crossings), pedestrian refuge islands and street furniture. While works would seek to perform a function similar to the main street, the treatments and finish would not be as advanced or extensive as those in the City Core.

#### Commercial/Service Industry

This category includes streets within the City Frame that are located at the edge of the CBD and/or further from the City Core. These streets typically accommodate less intensive commercial premises and/or industrial uses (service and low-impact industries) that have less active street frontages due to uses requiring driveways, off-street car parking and loading docks. There is usually greater separation between buildings, and buildings are typically setback from the street with only some providing awnings over the footpath.

Footpaths and streetscape amenities are often minimal. In most (but not all) cases this reflects the reduced pedestrian traffic in these areas. Standard improvements should include ribbon footpaths, kerb ramps, street trees and line marked angle or parallel parking. Whilst these areas are not known for high pedestrian traffic, they should include (as a minimum) ribbon footpaths that connect to the rest of the pedestrian network across the CBD. Other standard improvements should include kerb build outs and pedestrian refuge islands at crossing points. Pedestrian refuge islands are particularly helpful as resting areas for seniors, persons with disabilities, children, and others who may be less able to cross the street in one stage.

“ improved pavement surfacing, landscaping, pedestrian safety ”

#### Actions proposed

1. Utilise the Streetscape Guidelines to create cohesive connections between the CBD Core and the surrounding uses in the CBD frame;
2. Protect the amenity of established residential properties whilst providing opportunities for new and more diverse housing within the CBD Frame, in locations with high amenity and high connectivity and ideally flood free;
3. Additional tree plantings to improve amenity and shade across the CBD frame, creating a green spine system linking open space areas across the CBD and Riverside;
4. Kerb build outs to improve amenity by including seating and rubbish bins, as well as landscaping along key routes into the CBD; and
5. Creating improved shelter for pedestrians along key routes into the CBD core. This will improve walkability with additional shade trees, as well as constructed shelter for improved all weather protection, including pathways that connect into the CBD from the commercial/service industry fringe.

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## BUNDABERG CBD MASTERPLAN - IMPLEMENTATION PLAN

Indicative Timing:	
Immediate:	6 months to 12 months;
Short Term:	12 months to 3 years;
Medium Term:	3 to 5 years;
Long Term:	6+ years;
On-going:	throughout life of the strategy

ITEM	TYPE	INTERVENTION	DETAILS/ DISCUSSION	JUSTIFICATION	PERFORMANCE INDICATOR	TIMING	LEAD AGENCY	OTHER STAKEHOLDERS
<b>STAGE 1</b>								
1	Streetscape works	Streetscape design guidelines and staging plan for the Bundaberg CBD Master Plan	Prepare streetscape design guidelines for the Bundaberg CBD. These guidelines should incorporate a supporting staging plan that identifies how works will be sequenced over time. The design guidelines should provide sufficient guidance for each street typology (identified in the master plan) to inform subsequent detailed design for streetscape works, but should also provide guidance for minor works, particularly in parts of the City Frame that could benefit from modest improvements but do not warrant more extensive streetscape works. This would ensure minor works in these areas ultimately complement other streetscape works carried out in the CBD. The design guidelines should include a palette of preferred materials and colours for pavements and street furniture, and preferred species for landscaping works.	The streetscape design guidelines and staging plan will help ensure future streetscape works are coordinated and are consistent with or contribute towards an overall adopted theme.	Tender for and complete the Streetscape design guidelines, including staging plan for all works within the Bundaberg CBD.	Immediate	Major Projects/ Strategic Planning, external design consultant	Roads & Drainage Parks & Open Space Department of Transport and Main Roads
2	Streetscape works	Mainstreet Revitalisation - Detailed design and construction of road and streetscape works in the City Core including Bourbong Street, from Maryborough St to Tanitha Street and Barolin Street between Quay St and Woongarra St	Design and construction of road and streetscape works in the City Core.  Initial reconstruction will be focused within the CBD core, upgrading current dated infrastructure including the CBD pavilion, seating, landscaping, pavers and public toilets.	Streetscape works in the City Core are aging and maintenance costs are increasing as pavements, street furniture and landscaping require repair and/or replacement.  Additionally the need to respect the role that Barolin Street plays in remembrance ceremonies is important and this should be reflected in the urban environment.	Detailed design completed for the City Core.  Construction works completed.	Immediate to Short Term	Major Projects	Roads & Drainage Parks & Open Space Strategic Planning  Department of Transport and Main Roads
3	Road network improvements	Transport network strategy	Undertake Stage 2 investigations on the Bundaberg CBD Traffic Planning Study and subsequently progress concept design work for Quay Street.  Liaise with the Department of Transport and Main Roads in relation to the proposed transformation of Quay Street, including discussion on de-maining and/or transfer of State-controlled road to alternative route.	The rationalisation of Quay Street as a CBD street, rather than a through route is an important element of the overall Bundaberg CBD Master Plan. Streetscape and traffic management works in Quay Street will improve walkability across and along Quay Street, enhance connectivity between the City Core and the Riverside, and support improved local traffic movements. It will, however, be necessary to improve the function of any alternative route/s for through traffic and freight while maintaining walkability and local access/ traffic movements.	Stage 2 Traffic Planning Study completed (with recommendation/s adopted by Council as appropriate).  Concept design of Quay Street to inform discussions with DTMR and other stakeholders.	Immediate to Short Term	Roads & Drainage	Strategic Planning  Department of Transport and Main Roads
4	Road Network Improvements	Transport network strategy/ CBD Bypass	Following on from (or as part of) the Stage 2 Traffic network investigations (refer Item 3 above), undertake detailed design of the ultimate 'CBD Bypass'.	There is a need for transparency and clarity with the end outcome of the 'CBD Bypass' – essentially diverting freight and through traffic currently coming north to east via Quay Street to take an alternative route around the CBD.	Detailed design and costings completed for the CBD Bypass.	Short to Medium Term	Roads & Drainage	Strategic Planning  Department of Transport and Main Roads
5	Road Network Improvements	Detailed design and construction of road and streetscape works along Maryborough Street, Woondooma Street and Toonburra Street to improve efficiency and safety for through traffic (as per the road network and informed by Stage 2 of the Bundaberg CBD Traffic Planning Study)	Design and construction of road and streetscape works along Maryborough Street, Woondooma Street and Toonburra Street to improve efficiency and safety for through traffic (as per road network) given the changes proposed for Quay Street.	Works will provide improved performance of an alternative route for through traffic and freight, away from Quay Street in the short to medium term.	Detailed design of road and streetscape works.  Construction of works as per detailed design.	Short to Medium Term	Roads & Drainage Parks & Open Space	Strategic Planning  Department of Transport and Main Roads
6	Streetscape works	Detailed design and construction of Quay Street Streetscape works (including Quay Street Service Road), focusing initially on Stage 1 from Maryborough Street to the RSL (indicative only).	Design and construction of road and streetscape works to start the transformation of Quay Street consistent with the transport network strategy and streetscape design guidelines.  Design should seek to enhance the amenity and walkability of Quay Street, including pedestrian connectivity between the main street and the Riverside, and improving local traffic.	Works will improve connectivity/ walkability between the main street and the riverside, will enhance the amenity of Quay Street and will support redevelopment of adjacent properties (e.g. short-term accommodation) and	Detailed design for Quay Street completed.  Construction of first stages completed	Detailed design Short term  Construction Medium Term	Major Projects	Roads & Drainage Strategic Planning Parks & Open Space  Department of Transport and Main Roads

ITEM	TYPE	INTERVENTION	DETAILS/ DISCUSSION	JUSTIFICATION	PERFORMANCE INDICATOR	TIMING	LEAD AGENCY	OTHER STAKEHOLDERS
			movements. These works will cause further worsening in the performance of Quay Street for through traffic and freight. Works should be designed to integrate with public open space improvements, existing land uses and new development (where known).	public open space improvements (e.g. Anzac Park and water play area).				
7	Parks & Open Space	Anzac Park and Waterplay  Anzac Park and Anzac Pool is refurbished to provide an integrated open space with new embellishments, creating a water play facility.	Develop staged concept plan for Anzac Park from the Burnett Traffic Bridge to the RSL, with the ultimate concept plan to include the land currently occupied by the Bundaberg Bowls Club and Anzac Pool.  Design should acknowledge and continue to reinforce elements of the parks role in the remembrance of Anzac. In particular, attention should be given to the relationship to the RSL and cenotaph memorial at the intersection of Bourbong and Barolin Streets. This may also include a stage area and terracing to create amphitheatre for ceremonies and outdoor performances.  The design should provide for the redevelopment/ refurbishment of Anzac Pool as a water play facility. Where possible, the design should provide for a suitable area of commercial floor space in order to generate revenue stream from the leasing and operation of supporting food, drink and retail outlets or a gymnasium.  Continue to carry out minor works within the CBD independent of planned streetscape works. These works should either complement the existing streetscape, or be consistent with a base-level treatment identified in the streetscape design guidelines referred to above. Minor works within the City Core should ideally be confined to maintenance of the existing streetscape, such as repairing damage to pavements caused by tree roots and maintaining street furniture. This may also include linemarking for additional car parking.	Aquatic leisure centres play an important role in providing health benefits to people from infancy right through to the older years.  Retaining a swimming pool and/or water play facility will help continue to attract activity into the riverside and the CBD.	Tender for Design to a qualified external consultant (funding has been received for this stage from Maturing the Infrastructure Pipeline Program 2016/2017)  Public consultation for detailed design elements of Anzac Park and Waterplay with the nominated consultants and any key stakeholders specifically identified by the project team.  Construction of Anzac Park and Waterplay (subject to funding).	Detailed design Short Term  Construction Short to Medium Term	Major Projects	Parks & Open Space Strategic Planning  State Government  Bundaberg Services Club and RSL Bundaberg Bowls Club
8	Streetscape works	Minor Streetscape Works	Continue to carry out minor works within the CBD independent of planned streetscape works. These works should either complement the existing streetscape, or be consistent with a base-level treatment identified in the streetscape design guidelines referred to above. Minor works within the City Core should ideally be confined to maintenance of the existing streetscape, such as repairing damage to pavements caused by tree roots and maintaining street furniture. This may also include linemarking for additional car parking.	Minor works including line marking allow for additional on street car parking with limited cost/ expense (see Item 9).	Minor works are consistent with the streetscape design guidelines.	Ongoing	Roads & Drainage Parks & Open Space	Strategic Planning Regulatory Services  Department of Transport and Main Roads
9	Car Parking	Car parking improvements	Council should assess areas where additional on-street public car parking could be secured with only limited cost/works. For example - <ul style="list-style-type: none"> <li>closing or rationalising turning areas in Woongarra Street, Barolin Street, Targo Street, Tantitha Street and Maryborough Street;</li> <li>minor works on Bourbong Street between Tantitha and Walla Streets - reducing Bourbong Street between Tantitha and Walla Streets to two lanes, increasing the number of centre car parks (these minor works should align with future streetscape works proposed in Stage 4, where possible).</li> </ul>	Additional on-street parking in close proximity to the main street would directly address immediate public concerns over a lack of car parking.  Landscaping of these car parks do not necessarily need to occur in the immediate term, this could be incorporated in Stage 4	Increase on-street car parking numbers.	Short Term	Roads & Drainage	Regulatory Services Parks & Open Space  Department of Transport and Main Roads
10	Car Parking	Public Car Parking Management	A parking study should be undertaken to review existing parking across the CBD.  In particular, this study should look at measures to maximise the use of existing public car parking, both on and off street, including - <ul style="list-style-type: none"> <li>ensuring time limits appropriately respond to needs, based on an understanding of occupancy rates and length of stays, etc. (the additional rollout of smart parking sensors will assist in data collection in this regard) - this will allow time limits to be adjusted to better suit customer needs and maximise the use existing car parking, especially in areas of high demand (parking sensors may also assist in future policing of overstays, etc.);</li> <li>improving the desirability of existing car parking in non-high demand areas for customers/visitors and CBD workers by improving accessibility and walkability to these parking areas, as well as improving the parking facilities, e.g. shade/ weather protection, security, etc.</li> <li>encourage workers to use all-day parking, not shorter term (2 hour) parking - this could involve liaising with businesses to determine what measures could be implemented to improve use of all-day parking areas.</li> </ul>	The effective management and maximising usage of existing parking may limit the need for additional car parking facilities.	Improved usage of available car parking.	Short Term	Regulatory Services	Strategic Planning Roads & Drainage Parks & Open Space  Department of Transport and Main Roads

ITEM	TYPE	INTERVENTION	DETAILS/ DISCUSSION	JUSTIFICATION	PERFORMANCE INDICATOR	TIMING	LEAD AGENCY	OTHER STAKEHOLDERS
11	Car Parking	Car parking improvements - including all day car parking for day visitors and CBD employees	<p>Some off-street car parking facilities do not appear to be fully utilised. This could be attributed to a combination of factors including –</p> <ul style="list-style-type: none"> <li>walking distance (approx. 400 metres to Bourbong Street);</li> <li>walkability (shade, slope, amenity and safety/lighting);</li> <li>availability of other more desirable parking, including on-street parking, or a lack of demand.</li> </ul> <p>Measures to improve the desirability of non-high demand parking areas to employees and others (especially all day off-street car parking) include –</p> <ul style="list-style-type: none"> <li>improving walkability between all day car parking areas and the main street. This includes ensuring good footpath treatment, improved amenity through shade trees, improved lighting, and safe and convenient road crossings. Other measures include additional CCTV surveillance, emergency buttons linked to security or police, and consideration of shade structures/refuges in suitable locations for all weather protection;</li> <li>making car parking more desirable by improving shade, including shade structures that would provide protection from sun/heat, rain, hail, security (e.g. surveillance), etc.</li> </ul>	<p>Improving the desirability of parking in other parts of the CBD, including all day parking areas, may take pressure off high demand areas (and associated concerns over a lack of car parking).</p> <p>Traffic studies in other regional centres suggest that all day off street car parking must have high amenity (shade cover and/or security) for people to consider using the car park due to the increased walking distance (&gt; 300 metres).</p>	Improved usage of available car parking	Short to Medium Term	Regulatory Services	<p>Strategic Planning Roads &amp; Drainage Parks &amp; Open Space</p> <p>Department of Transport and Main Roads</p>
12	Car Parking	Timing and Regulation	<p>Review time limits for car parking within the CBD</p> <p>Previous Parking Study undertaken in 2005 recommended a rationalisation and reduction to parking time limits within the CBD core (currently a mix of 2 hour, 1 hour, 30mins and 10mins).</p>	<p>The simplification of parking regulatory hours would improve legibility of parking across the CBD, allow for a reduction in signage and may improve use of longer-term parking outside of the CBD.</p>	Time limits for car parking have been reviewed and changed where appropriate.	Short Term	Regulatory Services	Roads & Drainage
13	Wayfinding Signage	<p>Co-ordinated Signage Strategy</p> <p>Active movement and access throughout the CBD is rationalised through the development and implementation of a coordinated strategy.</p> <p>The aim is to develop a cost effective and continuous active movement network with way finding signage providing residents and visitors ample information to be aware of key activity nodes and movement corridors throughout the Bundaberg CBD.</p>	<p>Access and movement within the Bundaberg CBD is rationalised through the development of a coordinated signage strategy. Initial priority projects may include:</p> <ul style="list-style-type: none"> <li>Riverside pathway - complete the extension of the riverside pathway west from Alexandra Park under the Tallon Bridge and to Queens Park and carry out general improvements between Alexandra Park east to Targo Street);</li> <li>Quay Street north and service road pathway;</li> <li>Quay Street south and adjacent path;</li> <li>Extension of boardwalk from River Cruz Cafe to new visitor information centre (subject to relocation of the visitor information centre).</li> </ul> <p>Signage should be consistent with themes and concepts of branding for the Bundaberg CBD.</p>	<p>Council's Sport and Recreation team is currently undertaking a Way finding Signage Strategy with funding from the Primary Health Network.</p> <p>This signage strategy should be used to develop a sign family for the Bundaberg CBD.</p>	Installation of wayfinding signage in accordance with the sign family established and adopted for the Bundaberg CBD.	Immediate to Short Term	Parks and Open Space	<p>Roads &amp; Drainage</p> <p>Department of Transport and Main Roads</p>
14	Wayfinding Signage/ Car Parking	Parking Signage	<p>Provide additional or improved road signage to help inform motorists and visitors to the CBD of available car parking areas and time limits. This is to include improved site identification signage for off-street car parks. This signage should, where appropriate, complement other Council signage including pedestrian 'way finding' signage.</p> <p>Install 'way finding' signage highlighting walking routes to Bourbong Street and other attractors (e.g. library, art gallery, post office) from car parking areas outside of the City Core to educate and assist residents and visitors navigating the CBD. This signage should include walking time and distance.</p>	<p>All day car parking in the Bundaberg CBD is not currently well signed.</p> <p>Improved clarity around car parking locations with additional site and directional signage should improve parking availability in the CBD.</p>	Way finding, directional and facility signs are installed consistent with a broader signage strategy (including connectivity to parking smart sensors where possible).	Short Term	<p>Regulatory Services</p> <p>Roads &amp; Drainage</p>	Strategic Planning
15	Wayfinding Signage/ Governance	<p>Heritage Trail</p> <p>Heritage trails and plaques are an increasingly popular means of promoting an area's heritage.</p> <p>Heritage trails are established routes linking significant items of an area's heritage. They are usually promoted in tourist pamphlets and are often supplemented by interpretive pamphlets or cassette tapes.</p>	<p>Heritage has been identified by both the businesses and the general community as an important feature of the Bundaberg CBD.</p> <p>Council's Economic Development Department and Development Group have collaborated on a Heritage Signage Strategy, which includes a proposed trail for the Bundaberg CBD.</p> <p>The proposed trail includes both audio signs and stationary signs. The CBD trail would likely include up to 10 signs.</p>	<p>A heritage trail can:</p> <ul style="list-style-type: none"> <li>increase awareness of the local heritage and stimulate an</li> <li>interest in conservation;</li> <li>promote the area's history to visitors;</li> <li>publicly acknowledge significant conservation activity; and</li> <li>provide a ready-made recreational or educational excursion.</li> </ul>	Installation of up to 10 heritage signs and the development of a trail brochure and website.	Immediate to Short Term	<p>Economic Development</p> <p>Strategic Planning</p>	Bundaberg North Burnett Tourism

ITEM	TYPE	INTERVENTION	DETAILS/ DISCUSSION	JUSTIFICATION	PERFORMANCE INDICATOR	TIMING	LEAD AGENCY	OTHER STAKEHOLDERS
		<i>Some trails incorporate plaques or signs on particular structures to provide additional information</i>	There is the potential for elements of this heritage trail to become digital as part of Council's Smart Cities initiatives.					
16	Governance	<i>Place Management and Leadership</i>	<p>The management of the Bundaberg CBD calls for clear leadership and vision in improving and managing central public and commercial spaces. Council is a clear stakeholder in this process and has an opportunity to provide management and leadership in the revitalisation of the Bundaberg CBD.</p> <ul style="list-style-type: none"> <li>Establish a leadership structure to implement the CBD Master Plan.</li> <li>Employ a 'Place Manager' and/or designated resource with clear authority to lead implementation of projects outlined in the master plan.</li> </ul> <p>Previously, a CBD trader organisation was part of the local chamber of commerce. However, more modern models have been proven to be successful when local government and business partner to achieve common goals. Place management will include but is not limited to:</p> <ul style="list-style-type: none"> <li>Coordination of activities and events within the CBD;</li> <li>Coordination of master plan implementation;</li> <li>Investment promotion and attraction;</li> <li>Advocate for centre funding and grants;</li> <li>Coordination of marketing and promotion activities.</li> </ul> <p>Consideration should be given to funding mechanisms to support the establishment of a place manager and CBD trader group.</p>	<p>There is a need to ensure strong community and government leadership for the CBD Master Plan. This plan will be implemented over several Council terms.</p> <p>The Bundaberg CBD will need more than just Initial works and interventions. Resourcing will be required to manage non-infrastructure items to help activate CBD.</p>	<ul style="list-style-type: none"> <li>Establish a leadership structure to implement the CBD Master Plan, both within Council and the business community – a public/private partnership.</li> <li>Employ a 'Place Manager' and/or designated resource with clear authority to lead implementation of projects outlined in the Master Plan</li> <li>Establish a public/private partnership (or an alternative model/arrangements) to manage the CBD.</li> </ul>	Immediate to Short Term (and ongoing)	Economic Development	Economic Development Strategic Planning Parks & Gardens Roads & Drainage
17	Governance	<i>Development Incentives</i>  <i>To create an incentive for the private sector to develop within the Bundaberg CBD and contribute to the realisation of the Bundaberg CBD Master Plan.</i>  <i>In the current financial climate, any steps Council can implement to de-risk development will be attractive to developers and lenders. Economic activity and new forms of development within the precinct is encouraged and supported by an efficient regulatory framework and processes.</i>	<p>A Bundaberg CBD incentives package will build on the success of Bundaberg Open For Development and will serve as a catalyst for development across a broad range of uses, including:</p> <ul style="list-style-type: none"> <li>apartment buildings, hotels and tourist accommodation (including where part of mixed-use development)</li> <li>shops, offices and food and drink outlets;</li> <li>community facilities, education and health care</li> <li>entertainment venues including hotels, clubs and theatre, etc.</li> </ul>	<p>The Bundaberg Regional Council Planning Scheme, in particular permitted uses and levels of assessment, have been developed to encourage development in the Bundaberg CBD.</p> <p>There is an opportunity to further incentivise development in priority locations, such as the Riverside. In particular this may involve a reduction in infrastructure charges for certain types of development or in lieu of delivering a recommendation item within the Master Plan.</p> <p>Similar incentives have been introduced for CBDs across Queensland including Townsville, Rockhampton and Fraser Coast.</p>	<p>Increased development interest in investing in the CBD.</p> <p>Increased development applications in the Bundaberg CBD.</p> <p>Increased construction activity in the CBD.</p>	Immediate to Short Term	Strategic Planning  Economic Development	Development Industry  Relevant State Government Departments
18	Governance	<i>Events and Activity Permitting and Programming</i>  <i>The Bundaberg CBD streetscape, open space areas and parkland are activated by introducing new uses and activities for all ages. This includes the hosting of activities and events within the street and open space areas such as Anzac Park.</i>	<p>Council has an active program of major events and festivals, many of which activate the CBD. While this should be strengthened over time, additional day to day events and activity programming can help create life on the street and interest in the Bundaberg CBD.</p> <p>Expanded booking/permit system to allow public space to be used for temporary events and activities such as food stalls, markets, busking and group fitness classes, etc. This should allow for a safe trial of new enterprises, without prohibitive fees and charges.</p> <p>Promotion of booking/permit system and potential curated activity program are supported where they do not detract from the underlying recreational function of the space or nearby businesses.</p>	<p>Additional resourcing of activity permitting and programming would help generate activity within the CBD, with flow-on benefits to businesses.</p> <p>Activities and events can attract large numbers of people to the streets who become potential customers for local businesses.</p> <p>Larger events and festivals also serve as a tourist attractor and promote Bundaberg more broadly.</p>	Increased programming of events and activities in CBD.	Ongoing	Community Events Strategic Events Regulatory Services	Economic Development
19	Streetscape / Place Activation	<i>Temporary and low cost interventions to improve park/ footpath amenity and encourage activity, including –</i> <ul style="list-style-type: none"><li>Mobile greening installations/ large planters</li></ul>	<p>Temporary interventions can be undertaken by Council, or Council can facilitate and encourage the community or businesses to trial different or innovative ways to add interest and increase activity within the CBD.</p> <p>These installations could be undertaken as part of events in the CBD. Additional opportunities to maximise the promotion of the</p>	<p>Temporary installations can provide an instant and important change. Their movable nature also allows for them to be tested in multiple locations before Council commits to more expensive permanent works or landscaping solutions.</p>	Installation of temporary interventions to improve streetscape amenity and encourage activity, initially as a trial.	Short to Medium Term	Community Events Parks & Open Space	Roads & Drainage Strategic Planning Regulatory Services  Department of Transport and Main Roads

ITEM	TYPE	INTERVENTION	DETAILS/ DISCUSSION	JUSTIFICATION	PERFORMANCE INDICATOR	TIMING	LEAD AGENCY	OTHER STAKEHOLDERS
		(which may also incorporate seating) <ul style="list-style-type: none"> <li>• Parklets</li> <li>• Chairs to Share (i.e. making movable tables and chairs available in some open space areas)</li> </ul>	initiative and the CBD precinct should also be considered (i.e. a social media competition, tagging in the location and Council).					
20	Place Activation	<b>Public Art Program</b>  The Bundaberg CBD has some great examples of public art that are valued by the community. These include, but are not limited to the Whaling Wall, the "Seven Artists in 7 days" wall on Electra Street) and the driveway art at Indulge Cafe on Bourbong Street.  A regular program for installation of public art is to be developed for the Bundaberg CBD, developing local themes and ideas to create a sense of place.	Develop a list of walls or infrastructure that could be painted, starting with Council properties and assets.  Hold public art forums on the benefits of public art.  Develop a brief, identifying key local themes or icons to be painted, ensuring some consistent theming of art within the CBD.  A "First Coat" festival (or similar) to be undertaken in the Bundaberg CBD. This could be an annual/ long term event, including 'reinvention' of key sites.	A key element of the CBD master plan is to improve the walkability of the Bundaberg CBD. Public street art is a way to introduce dynamic spaces for people to enjoy and explore.  The incorporation of public art into the public realm is one way of activating the street level experience and creating a sense of place.	Increased public art, including but not limited to themed murals, temporary and permanent public art installations and art walks.	Immediate and ongoing	Bundaberg Regional Art Gallery (BRAG)	Venues & Facilities; Creative Regions; Local Businesses; Arts Queensland - Regional Arts Development Fund (RADF)
<b>STAGE 2</b>								
21	Streetscape Works	Targo Street, between Bourbong Street and Woongarra Street	Streetscape works along Targo Street, between Bourbong and Woongarra Streets following on from the streetscape works undertaken in Stage 1.	These sections of Targo Street are in need of improvement, especially seating and landscaping. Targo Street is a hub for food businesses and entertainment uses and there is a need to improve the amenity of this precinct to foster more pedestrian activity.	Improved streetscape, including seating and landscaping, in sections of Targo Street, between Bourbong Street and Woongarra Street.	Immediate to Short Term	Major Projects	Roads & Drainage Parks & Open Space Strategic Planning
22	Streetscape Works	Streetscape works on Quay Street from RSL to Tantitha Street.	Continuation of streetscape works in Quay Street started in Stage 1.  Design should seek to enhance the amenity and walkability of Quay Street, including pedestrian connectivity between the main street and the Riverside, and improving local traffic movements. These works will cause further worsening in the performance of Quay Street for through traffic and freight.  Works should be designed to integrate with public open space improvements, existing land uses and new development (where known).	Works will improve connectivity/ walkability between the main street and the riverside, will enhance the amenity of Quay Street and will support redevelopment of adjacent properties (e.g. short-term accommodation) and public open space improvements (e.g. 4BU Park, Riverwalk/ Riverside Park).	Detailed design for Quay Street completed.  Construction completed.	Medium Term	Major Projects	Roads & Drainage Strategic Planning Parks & Open Space  Department of Transport and Main Roads
23	Streetscape Works/ Parks & Open Space	4BU Park and Targo Street link to Riverwalk	4BU Park upgrade and adjacent Riverwalk improvements, including – <ul style="list-style-type: none"> <li>• improved connection between the park and river, including possible 'shared zone' treatment along Targo Street stub and review RSL car park access arrangements; and</li> <li>• liaise with the landowner of Midtown Marina land to secure tenure over land covered by easement Streetscape works linking from Quay Street to the Riverwalk.</li> </ul>	This site has the potential to be a key connection to the Burnett River, both as a vista and physical connection.	Improved access to the Burnett River for social and recreational experiences.	Medium Term	Major Projects Parks & Open Space	Strategic Planning Roads & Drainage
24	Streetscape Works/ Parks & Open Space	<b>Active Transport</b>  Council needs to consider incorporating infrastructure for active transport that can allow local people to choose bikes over cars, mainly for short trips. They can also help create communities of people that see biking as more convenient, easy and sociable, and that they can bike anywhere, anytime.	- Develop a network of CBD cycle routes through the CBD, in partnership with the Department of Transport and Main Roads. - Improve cyclist amenities, to encourage cycle commuting. Facilities are to include end of trip facilities (secure bicycle storage and change/shower facilities). - Provide more bicycle parking racks throughout the CBD, including undercover facilities. - Provide drinking fountains, seating and shade in appropriate locations.	Bundaberg has the perfect climate to encourage commuter cycling.  Additionally, cycling is a healthy, low-impact exercise that can be enjoyed by people of all ages, from young children to older adults. It is also fun, cheap and good for the environment.	Provide services to support increased uptake of Active Transport across the Bundaberg CBD, such as end of trip facilities like showers and lockers.	Short term to Medium term	Roads & Drainage Sport & Recreation	Parks & Gardens  State Government (Department of Transport and Main Roads)
25	Streetscape Works	<b>CBD Entrances</b>  Ensure signage at north, south, east and west entrances	Enhance all key CBD entrance points with site appropriate uses, buildings, landscaping and/or signage.	Creating clear entrance points clearly demarcates to both the pedestrian and driver that they are entering the 'City	Entrance statements are provided at the entrances into the Bundaberg CBD.	Medium Term	Parks & Open Space	Roads & Drainage Strategic Planning Regulatory Services



ITEM	TYPE	INTERVENTION	DETAILS/ DISCUSSION	JUSTIFICATION	PERFORMANCE INDICATOR	TIMING	LEAD AGENCY	OTHER STAKEHOLDERS
		<i>welcomes visitors and encourages tourists to visit the Bundaberg CBD</i>	Improve the southern CBD entrances along Walla Street, Barolin Street and Maryborough Street through new streetscape elements. Investigate options to improve the Railway Station as a CBD entrance (vehicular and Station users) through signage.	Heart' and therefore a slower speed environment.  These entrance treatments are to include signage, streetscape beautification, landscaping and transport improvements.				
26	Car Parking	<i>Additional Off-Street Car Parking at Targo/ Crofton Street Public Car Park</i>	Consider reconfiguring and/or expanding existing all-day car parking areas to provide additional car parking, e.g. Woondooma Street Car Park (off Targo and Crofton Streets).  Subject to demand, additional off-street car parking could also be provided on Council owned land at the corner of Woondooma Street and Tantitha Street, as well as drainage affected land between Woongarra Street and Woondooma Street east of Centrelink.  Any additional car parking areas should be provided with clear pedestrian paths and signage, and could incorporate other improvements to support use (e.g. security cameras, shade/ weather protection, etc).	Improving the desirability of parking in other parts of the CBD, including all day parking areas, may take pressure off high demand areas (and associated concerns over a lack of car parking). Traffic studies in other regional centres such as Gympie have identified that all day off street car parking must have high amenity (shade cover and/or security) for people to consider using the car park due to the increased walking distance (> 300 metres).	Provision of additional off street parking in accessible locations.	Medium Term	Regulatory Services Roads & Drainage	Parks & Open Space Department of Transport and Main Roads
27	Streetscape Works/ Car Parking	<i>Improve pedestrian paths and road crossings to enhance walkability between the City Core and off street car parking areas.</i>	Minor works to improve pedestrian paths and road crossings to enhance walkability between the City Core and Council owned off street car parking areas. For example – (a) Upgrade pedestrian crossing treatments at intersections (e.g. Woongarra- Targo and Woongarra- Tantitha and Woondooma- Targo roundabouts). (b) Improve existing substandard sections of footpath. (c) Construct missing sections of footpath along Woondooma Street, particularly between Barolin and Targo Streets. (d) Install awnings/ shelters to improve shade and weather protection for pedestrians (e.g. Bourbong-Maryborough Street intersection)	These improvements are required to improve the overall walkability of the CBD and to improve access to and from the CBD core and parking areas.	Provision of improved pedestrian paths.	Medium Term	Roads & Drainage	Parks & Open Space Department of Transport and Main Roads
28	Car Parking	<i>On-going review of loading zones, disabled parking and taxi ranks in the CBD</i>	Continue to review the location of loading zones, disabled parking and taxi ranks in the CBD, particularly within the City Core to ensure appropriate provision and that they are located in the most appropriate locations.  Changes should involve liaison with business owners and relevant affected stakeholders (disability sector, couriers/delivery drivers, taxi industry). Such areas should be designed to provide level access onto a footpath or multiple kerb ramps, to assist deliveries and for disabled access.	There is a need to ensure all parking areas are managed appropriately.	Loading zones, disabled parking and taxi ranks are reviewed and changes made where appropriate to meet community needs.	Immediate to Short Term (City Core)  Medium Term (balance of CBD)	Regulatory Services  Roads & Drainage	Parks & Open Space Strategic Planning Department of Transport and Main Roads
29	Governance	<i>Heritage</i>  <i>Ensure landmark heritage buildings remain as the dominant features in the streetscape / vistas throughout the Bundaberg CBD.</i>	Encourage the reinstatement of heritage façades and verandahs on heritage buildings within the CBD, with initial priority to high profile buildings on Bourbong Street. This may include consideration of incentives or other mechanisms to assist property owners with restoration of heritage buildings.	The Bundaberg Region has a diverse cultural heritage. Improvements to heritage buildings will support investment in adjacent streetscape works.	Development of a heritage incentives scheme to improve heritage façades and remove excessive signage.	Medium Term and Ongoing	Economic Development/ Strategic Planning	State Government Department of Environment and Heritage Protection
30	Governance	<i>Strategic Redevelopment Sites – Private and State and Federal Government land in the Bundaberg CBD</i>	Under the Advancing our Cities and Regions Strategy, Council has explored its surplus land as well as under-utilised State assets to develop a set of key redevelopment sites that will build on the streetscape and open space works proposed within the Bundaberg CBD. Sites include – • Civic Precinct • PCD site and DTMR Offices • Bundaberg Bowls Club • Riverside Parklands • Rowing Club • CBD Fire Station • Central State School.	Development needs large blocks to create viable new developments. New developments on these large strategic sites would ideally be mixed use with active ground level uses such as cafes or retail.	Development of key sites within the Bundaberg CBD.	Medium Term and Ongoing	Economic Development  Individual property owners/ developers	State Government Development Group
31	Governance	<i>Visitor Information Centre</i>  <i>There is a need to supply the visiting public with a readily accessible tourist information services</i>	A Visitor Information Centre is re-established within the CBD as a hub for visitors to the region. This centre can provide visitor services for the CBD but also provide tourist and visitor information for the broader region.	There is a need to ensure visitor information is in an accessible location in the CBD.	A visitor services and information centre is established within the CBD.	Short to Medium Term	Economic Development  Venues & Facilities	Bundaberg North Burnett Tourism

ITEM	TYPE	INTERVENTION	DETAILS/ DISCUSSION	JUSTIFICATION	PERFORMANCE INDICATOR	TIMING	LEAD AGENCY	OTHER STAKEHOLDERS
32	Governance	<i>Night time Economy</i>  <i>The Bundaberg CBD is an active commercial precinct which is in need of an overarching strategy which addresses the management of its night time economy.</i>  <i>This will help address problems like anti-social behaviour and policing services and also highlight opportunities to expand the night time economy offer, which will diversify and provide more resilience to the local economy whilst also improving visitor experience.</i>	Develop a night time economy strategy to identify opportunities to - - Increase activity and the range of dining and entertainment options in the CBD at night and on weekends, and accessible night-time transport, to improve resident amenity and safety. - Encourage retailers to review their operating hours to create consistent and longer opening hours (later at night and longer on the weekends). This may be accompanied by a review of weekend and evening parking restrictions. - Enhance the liveability of the CBD and encourage residential development around existing activity areas and retail hubs such as Bourbong Street. - Encourage 24 hour operations such as convenience stores, medical centre and pharmacies in the retail core.	Night time activities have the ability to provide a reasonable contribution to the overall local economy, through employment and retail & hospitality sales, as well as provide a more interesting place to live and visit.	Development of a night time economy strategy and improved activity within the CBD after hours.	Medium Term	Economic Development	CBD traders  Bundaberg CBD 'Safe Night Precinct' Committee
<b>STAGE 3</b>								
33	Streetscape Works	<i>Streetscape Works on Tantiitha Street</i>	Streetscape works along Tantiitha Street to complement revitalisation works undertaken in the City Core (Stages 1 and 2).	These improvements are required to improve the overall business environment and walkability of Tantiitha Street.	Improved streetscape works in Tantiitha Street.	Medium Term	Major Projects	Roads & Drainage Parks & Open Space Strategic Planning
34	Streetscape Works	<i>Streetscape works on Woongarra Street</i>	Streetscape works along Woongarra Street. Works could incorporate - • safer pedestrian crossings at Targo and Tantiitha Street roundabouts (e.g. zebra crossings); • replacing the signalised intersection at Barolin Street with a roundabout (and zebra crossings); • mid-block shared zones; • reconfiguration of car parking to provide for improved landscaping and street trees.	These improvements are required to improve the overall walkability of the CBD and to improve access to and from the CBD core and parking areas.	Improved streetscape works in Woongarra Street.	Medium to Long Term	Major Projects	Roads & Drainage Parks & Open Space Strategic Planning
35	Streetscape Works	<i>Streetscape works on Quay Street from Tantiitha Street to Kennedy Bridge</i>	Continuation of streetscape works in Quay Street. Works should consider possible widening of public open space in the Riverside Parklands through the reconfiguration of Quay Street and car parking.  Design should seek to enhance the amenity and walkability of Quay Street, including pedestrian connectivity between the main street and the Riverside, and improving local traffic movements. These works will cause further worsening in the performance of Quay Street for through traffic and freight.  Works should be designed to integrate with public open space improvements, existing land uses and new development (where known).	Works will improve connectivity/ walkability between the CBD and the riverside, will enhance the amenity of Quay Street and will support redevelopment of adjacent properties (e.g. short-term accommodation) and public open space improvements (e.g. Riverwalk/ Riverside Park).	Detailed design for Quay Street completed.  Construction completed.	Medium to Long Term	Major Projects	Roads & Drainage Parks & Open Space Strategic Planning  Department of Transport and Main Roads
36	Parks & Open Space	<i>Improvements to Riverside Parklands and Riverwalk</i>	Improvements Riverside Parklands to support adjacent streetscape works in Quay Street, and Riverwalk including improved connections west to Alexandra Park and Queens Park consistent with previous works.	These improvements are required to ensure a safe and efficient use of the Riverwalk and its connections to open space corridors, such as Alexandra Park.	Improved amenity along the Riverwalk, including lighting, seating and landscaping. Optional extras include public art.	Medium to Long Term	Major Projects Parks & Open Space	Roads & Drainage Strategic Planning  Department of Transport and Main Roads
<b>STAGE 4</b>								
37	Streetscape Works	<i>Design and construct improvements to Barolin and Targo Streets south to Woondooma Street</i>	Improvements to Barolin and Targo Streets south to Woondooma Street, including - - improved pedestrian crossing facilities at Woondooma/Targo Street intersection; - street trees, furniture and street lighting.	These improvements are required to improve the overall amenity and walkability of Barolin and Targo Streets south to Woondooma Street. These streets are gateways to the CBD from the south and also provide important pedestrian links to all day parking areas.	Improved streetscape along Barolin and Targo Streets south to Woondooma Street.	Medium to Long Term	Major Projects  Roads & Drainage  Parks & Open Space	Strategic Planning
38	Streetscape Works	<i>Design and construct improvements to Bourbong Street between Tantiitha and Walla Streets</i>	Streetscape works along the Bourbong Street east of Tantiitha Street to complement revitalisation works undertaken in the City Core (Stages 1 and 2).	These improvements are required to improve the overall business environment and walkability of Bourbong Street.	Improved streetscape works in Bourbong Street.	Medium to Long Term	Major Projects	Roads & Drainage Parks & Open Space Strategic Planning
39	Parks	<i>Improvements to Riverside Parklands and Riverwalk extension to Bundaberg Creek</i>	Improvements and extension of Riverside Parklands and Riverwalk (e.g. boardwalk) to the east towards Bundaberg Creek, providing for - • reuse of old Lady Musgrave Tours building • liaison with Bundaberg Rowing Club re: relocation to the old slipway.	These improvements will improve pedestrian connectivity to the Burnett River.	Improved pedestrian connections to the Burnett River through the installation of boardwalks and lookouts.	Medium to Long Term	Major Projects	Economic Development Parks & Open Space Sport & Recreation Roads & Drainage



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40	Road Network Improvements	CBD Bypass	Construct the ultimate planned CBD Bypass to Bundaberg East.	There is a need for transparency and clarity with the end outcome of the 'CBD Bypass' – essentially diverting freight and through traffic currently coming north to east via Quay Street to take an alternative direct route around the CBD.	Construction of works as per detailed design.	Long Term	Major Projects	Roads & Drainage  Department of Transport and Main Roads
41	Parks & Open Space	Exercise and Activity Trail  <i>The Bundaberg CBD, and especially the Riverside Precinct provides an environment and supporting infrastructure that supports and promotes an active and healthy lifestyle, maintain continuous running/walking trail along the pathway network and serviced with fitness equipment within park areas as regular intervals along the running trail. This may also include hiring kiosks for bikes and kayaks.</i>	There is an opportunity to develop an exercise trail utilising the open space and pathway network to promote health and fitness. This should include outdoor exercise equipment, facilities to provide for fitness classes and signposting at regular intervals to provide users details of distances to and from key nodes along the network.	Promoting physical activity among the community is a priority national health objective. Regular physical activity lowers the risk of chronic diseases and is an important strategy for reversing the obesity epidemic.  A growing body of evidence shows that the built environment can positively influence physical activity for both recreational and transportation purposes.	Design and construct an exercise and activity trail to create activity with a particular focus on the Riverside.	Medium term (Planning)  Medium to Long Term (Construction)	Major Projects Sport & Recreation Parks & Gardens	Roads & Drainage Strategic Planning
<b>STAGE 5</b>								
42	Parks & Open Space	Open Space along Bundaberg Creek/ Saltwater Creek	Improvements to open space network along Bundaberg Creek and Saltwater Creek south of the CBD, including: • improved pedestrian and cycle accessibility into the CBD • encourage active transport from surrounding medium density residential areas	Improvements in this locality will increase the likelihood for people to ride or walk from neighbouring suburbs into the CBD, reducing traffic on the road.	Detailed design of improved green spaces along Bundaberg Creek/Saltwater Creek.	Long Term	Parks & Gardens Natural Resource Management	Roads & Drainage
43	Car Parking	Assessment of the need of alternative off site car parking arrangements.	Assess the all-day car parking situation based on need/demand once all the previous interventions have been completed. This may include a multi-storey car parking structure.	Assess the need for further investment in off-street car parking.	Planning and design of additional off street car parking to cater for increased demands (if applicable). This may include an option for a multi-storey parking structure.	Long Term	Regulatory services Major Projects Roads & Drainage	Strategic Planning
44	Streetscape Works	Continue to make improvements outside of the CBD core, to improve walkability into and around the CBD.	Follow the Streetscape Design Guidelines and undertake works and improvements to the remaining CBD streets, especially entry streets into the CBD.	Improve the amenity and function of streets into and around the CBD for all users, with a particular focus on improving walkability.	Detailed design of remaining streets and localities around the CBD to ensure they are consistent with the Streetscape Design Guidelines.	Long Term	Major Projects Roads & Drainage	
45	Parks & Open Space	Redevelopment of Bowls Club Site	The relocation of the bowls club opens up opportunities to redevelop the current site on Quay Street to further enhance Anzac Park as a high quality public park and water play facility.	Improve the overall amenity of Anzac Park with the eventual relocation of the bowls club to create more open space for the general public to access and enjoy.	Conceptual design to be considered as part of design work undertaken in Stage 1  Once lease has ceased on the site, detailed design and construction should take place to finalise the Riverside Precinct.	Long Term	Major Projects Parks & Open Space	Economic Development/ Property Leasing Sport & Recreation  Department of Natural Resources and Mines
46	Governance	Redevelopment of Rowers Club site	- The Riverside Master Plan identifies the redevelopment of the Rowers Club site for higher and better use, such as accommodation or resort use on the river. - Additionally, the Rowing Club is looking to construct a new site on Lot 5 on SP172458 creating better access to the river with more storage for boats.	The redevelopment allows for the construction of short-term accommodation or mixed use development the river.	Detailed design to be undertaken.  Construction of new rowing club facilities will be dependent on government funding.	Long Term	Economic Development	Development Group  Department of Natural Resources and Mines
47	Parks & Open Space	Equitable Access to the River  <i>The Burnett River is an accessible and popular recreational asset for community and visitors to enjoy and engage with.</i>	Opportunities for additional water based activities are explored, including – • kayaking and boat hire to co-locate with the rowing club, enabling residents and visitors to interact and engage with the river. • piered build-outs over the riverbank are maintained and constructed in new locations in order to provide opportunities for informal passive recreation, such as fishing. • moorings within the river are made available where practical (having regard to flooding concerns) for boats to moor and come ashore to visit the Riverside for entertainment, food, drink and shopping.	The community has a strong connection to the Burnett River. There is a need to improve opportunities for the community to use and interact with the river.	Improve access to the river with walkways and ramps to ensure all members of the public can access the waterfront.	Long Term	Parks & Gardens Major Projects	Economic Development Community Development

