



BUNDABERG
REGIONAL COUNCIL

2012/2013 ANNUAL REPORT



vibrant

progressive

connected

sustainable



“Welcome to the Bundaberg Regional Council’s fifth Annual Report, updating our community on Council’s financial and operational performance over the past twelve months.”

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Photograph courtesy of Queensland Holidays.

MAYOR'S REPORT



It is with a strong sense of satisfaction that I commend to you the activities and accomplishments of the Bundaberg Regional Council during the 12 months detailed in this document.

Everyone across our regional community is aware of the challenges we have confronted over the final six months of the 2012/13 financial year.

It is not my intent to dwell on the hardship faced except to say that the residents and business community of the Bundaberg Region have responded in an incredibly positive manner. It is in the context of this positive attitude that Council will take the community forward with its identified vision, goals and plans for a strong, economically stable and sustainable region.

An Athletics facility, Recreational Precinct and a second airline are some of the major initiatives to come to fruition over the past 12 months and planning is well advanced to deliver on essential infrastructure for our region.

I must commend our general staff for the manner in which they have responded to community need, not only in times of emergency but as a cohesive unit seeking to do its best for this community. I acknowledge the fine leadership example shown by Chief Executive Officer Peter Byrne and our General Managers who have planned a strategic and organised rollout of Council projects during the year.

Your Council team will continue to meet the challenges of tough fiscal constraints in maintaining and delivering the infrastructure and services demanded by our residents. Be assured we remain committed to making the Bundaberg Region a showpiece in the State of Queensland.

Cr. Mal Forman

Mayor

Bundaberg Regional Council



Photograph courtesy of Queensland Holidays.

CEO'S REPORT

The chain of disaster events that struck the Bundaberg Region in January 2013 involved a series of tornadoes, the worst flooding ever experienced in our recorded history and the largest mandatory evacuation ever conducted in Australia. This complex disaster directly impacted over 4,000 properties and 620 businesses, severely affecting over 7,000 residents. The initial response to these devastating events was decisive and very effective and is testament to Council's strong ongoing commitment to disaster management planning and the excellent working relationship with the District Disaster Group and Emergency Services.

A comprehensive recovery plan was formulated based on four key elements (human and social, economic, environment, infrastructure and planning) and Council moved swiftly to implement the plan. Working in close collaboration with State and Federal Governments and a variety of community groups, Council commenced the long journey to rebuild the affected communities. Significant progress has been made with most essential infrastructure re-established, however extensive damage to the road networks estimated at \$100 million will take at least twelve months to repair. The disposal of 65,000 tonnes of additional waste was a significant challenge for Council and I am proud to report that Council's recycling of an estimated 30,000 tonnes was recognised by the Environment Minister with an Award for Leadership in Sustainability at the Premier's Awards.

The economic impact to our region was severe. Council moved quickly to engage with all sectors of the business community, setting up a business recovery centre to



assist in the economic resilience process. Further aiding recovery, the community received a significant boost with the announcement of the NBN rollout in areas of the Bundaberg Region. This will enable the growth of the digital economy with businesses and the community as a whole receiving either direct or indirect benefits. Council developed a Digital Economy Strategy and was successful in securing \$250,000 in Federal funding to inform and assist regional businesses in transforming their digital capability so as to improve productivity and profitability. It will also assist businesses to innovate, develop new products and services and expand their markets to compete on a national or global marketplace. Another positive for the Region was the commencement of operations by a second major airline at Bundaberg Airport.

From an operational perspective, Council continued to implement a process of transformational change to further improve efficiencies and ensure long-term financial sustainability. Organisationally, a key feature for the year was the finalisation of the restructure of the Planning & Development Section and the Community & Environment Department. A review of Council's Technology Strategy identified a range of opportunities to support this change process including the increased use of mobile technology for field operations.

In spite of the ongoing challenges of the complex disaster recovery process, Council continued to deliver on the projects and services detailed in Council's Operational Plan. Achievements for the year included completion of the following:

- new \$3.5 million Athletics Complex;
- \$6 million upgrade of the Bundaberg Recreational Precinct;
- \$2.5 million Hummock Water Reservoir;
- \$30 million of road rehabilitation;
- \$2.8 million Landfill Cell and gas flaring facility at Cedars Road complex.

This year Council reached a critical phase in the long-term process of developing the new Regional Planning Scheme. The key issue of flooding was addressed by the undertaking of extensive flood modelling for the catchments of the Burnett, Kolan and Baffle Creek river systems. Council also continued to engage with its community reference group established for the planning scheme project. The Plan is now finalised to a stage where it is ready for submission to the State Government for review and comment and it is envisaged the new Planning Scheme will be released for public comment later this year.

During the year Council also implemented a new Information & Communication Strategy. As a result, Council's communication options have been enhanced with information now available through a wider range of communication channels including Facebook, Twitter and YouTube, facilitating increased dialogue with the community.

In the year ahead, Council will remain focused on the implementation of the strategies outlined in its Disaster Recovery Plan. Contracts have recently been let for Road Rehabilitation projects for the 2013 event totalling \$60 million; and two Community Development staff have been engaged to implement initiatives that support the recovery, rebuilding and renewal of the human and social fabric of our affected communities across the Region. Council will commence construction of the \$15 million expansion of Thabeban Waste Water Treatment Plant and also Stage I of the new Multiplex Facility at the former Bundaberg Showgrounds site. From a strategic perspective, Council will commence a review of both its Corporate and Social Development Plans to ensure the changing needs of the community are identified and addressed.

The achievements of the past year are the result of the professional and collaborative efforts of the Mayor, Councillors, Management and Staff. I acknowledge and thank each and every one for their exceptional dedication and commitment to serving the community, especially through this recent time of need. It has been inspiring to witness the community spirit and the partnerships that have worked so powerfully in building a strong and resilient Bundaberg Region.

Peter Byrne
Chief Executive Officer

HIGHLIGHTS

The information provided below displays statistical evidence and trends on the volume of work undertaken by Council in specific service delivery areas that contribute to our vision of a Vibrant, Progressive, Connected and Sustainable region

Indicators	2008/09	2009/10	2010/11
Library Membership	39,227	43,349	29,908
Library items borrowed	1,074,002	1,091,716	952,460
Art Centre visits	26,206	22,487	22,697
Development applications received	Planning – 512 Operational Works – 124 Building – 2725 Plumbing – 945	Planning – 519 Operational Works – 161 Building – 2728 Plumbing - 1022	Planning <ul style="list-style-type: none"> • 459 received • 378 approved Op Works <ul style="list-style-type: none"> • 143 received • 127 approved Building <ul style="list-style-type: none"> • 1715 received • 2089 approved Plumbing <ul style="list-style-type: none"> • 783 received • 793 approved
Employment rate of total Region population	92.2%	92.9%	92.7%
Total kerb side waste placed into landfill	21,753t	22,500t	23,000t
Total kerb side waste recycled	4,682t	4,918t	4,751t
Client Requests recorded in Council's Customer Request Management System	79,477	52,288	42,015
Internal Call Centre - Calls Offered	127,853	95,493	104,995
Registering of records into Council's Electronic Document Records Management System	52,865	35,606	41,927
Staff turn over	6.6%	9.01%	10.47%



Photograph courtesy of Queensland Holidays.

2011/12	2012-13	Analysis
34,291	35,124	Total visitors to Bundaberg Library was 255,927.
957,701	802,390	
43,535, comprising: BRAG - 27,128 (Figure includes outreach of 10,177) ChArts - 16,407	42,107, comprising BRAG - 26,165 (figure includes outreach of 9,508) ChArts - 15,942.	Visitation to the Galleries remains steady. This period included an 11 day closure to the public due to lighting upgrades and closure due to the 2013 flood event.
Planning <ul style="list-style-type: none"> • 401 received • 591 approved Op Works <ul style="list-style-type: none"> • 108 received • 107 approved Building <ul style="list-style-type: none"> • 364 approved (Building Services Bundaberg ceased to operate in the City & Coastal areas in March 2011) Plumbing <ul style="list-style-type: none"> • 851 received • 804 approved 	Planning <ul style="list-style-type: none"> • 416 received • 363 approved Op Works <ul style="list-style-type: none"> • 106 received • 76 approved Building <ul style="list-style-type: none"> • 300 received • 249 approved Plumbing <ul style="list-style-type: none"> • 586 received • 574 approved Compliance <ul style="list-style-type: none"> • 189 received 	Development application activity has remained relatively constant over the last year, except for plumbing approvals which reflect the ongoing downturn in the construction sector.
91.9%	91.7%	Labour Market The estimated number of employed persons in the Bundaberg Region was 42,242 in the March Quarter 2013, which represented annual growth of 2,215 persons, or 5.5% from the level recorded in the March Quarter 2012. The unemployment rate in the Bundaberg Region remained steady at 8.3% in the March Quarter 2013, whilst also representing an annual decrease of 0.4 percentage points from the level recorded in the March Quarter 2012 (8.7%).
28,666t	27,977t	
7,382t	7,262t	
35,063	35,782	Increased communication to both the community and within Council as a whole, combined with up to date reference data has enhanced service delivery by ensuring our community is fully informed and customer enquiries can be answered at the first point of contact with Council.
98,458	127,768	A significant increase of calls were due to the 2013 flood event.
56,783	58,850	Inhouse Training & Record keeping awareness programs have contributed to greater use of Council's Electronic Document and Record Management System.
10.8%	6.3%	



PERFORMANCE SNAPSHOT

Here are just a few of Bundaberg Regional Council's achievements during 2012/13:

1,165 COMMERCIAL REGULAR
PUBLIC TRANSPORT (RPT)
AIR SERVICES

MOVE IT CAMPAIGN
LAUNCHED ACROSS
THE REGION

42,107 PEOPLE VISITED
OUR GALLERIES AND
CULTURAL FACILITIES

24,436 PEOPLE ATTENDED
THE CRUSH FESTIVAL

85 CULTURE CLINICS HELD
ACROSS THE REGION

802,390 ITEMS LOANED
ACROSS OUR
LIBRARY NETWORK

18,913 NEW RESOURCES
WERE ADDED TO THE
LIBRARY COLLECTION

17 LAND PROTECTION
PUBLIC AWARENESS AND
EDUCATION PROGRAMS
HELD ACROSS THE REGION

523 PUBLIC ENQUIRIES
REGARDING NATURAL
RESOURCE MANAGEMENT
MATTERS HANDLED

621 WASTE AND RECYCLING
REQUESTS RECEIVED AND
ATTENDED TO

420 PLANNING
APPLICATIONS RECEIVED

9,633 ML OF WATER
PRODUCED ACROSS ALL
WATER SERVICE AREAS.



Photograph courtesy of Queensland Holidays.

300 BUILDING APPLICATIONS RECEIVED

127 EXISTING BUSINESSES ASSISTED VIA EFFECTIVE PROVISION OF INFORMATION AND/OR APPROPRIATE REFERRALS

27 RIGHT TO INFORMATION (RTI) REQUESTS RECEIVED

38 LEADERS WERE TRAINED IN RECRUITMENT AND SELECTION PROCESSES AND TECHNIQUES

2,015 IMAGES PROCESSED AND CATALOGUED FOR PICTURE BUNDABERG

12 PetPEP PUBLIC EDUCATION PROGRAMS CONDUCTED

255,927 VISITORS TO THE BUNDABERG LIBRARY

COMPLETION OF BUNDABERG REGION ATHLETICS FACILITY

4,973 INTERNAL WORK REQUESTS UNDERTAKEN (IN-HOUSE WORKS) – TRADES/ DEPOTS, FLEET & DESIGN

6,223 ML OF SEWAGE TREATED ACROSS ALL SEWER SERVICE AREAS.

\$6,406,833 OF CAPITAL PURCHASES THROUGH THE PLANT REPLACEMENT PROGRAM

WATER CAPITAL EXPENDITURE OF \$4,625,000 & WASTEWATER CAPITAL EXPENDITURE OF \$4,417,000



COMMUNITY SNAPSHOT

The Bundaberg Region, strategically situated at the southern end of the Great Barrier Reef and stretching from the Burrum River to Baffle Creek, is comprised of 6,451 sq km and is home to almost 100,000 people, with our population expected to grow to over 150,000 people within twenty years. Collectively, we are renowned for the friendliness of our residents, superb sub-tropical climate, affordable cost of living, quality facilities and relaxed lifestyle.

Abundant potential exists for a new wave of investment opportunities, given our close proximity to South East Queensland, and the excellent water, transport and other infrastructure, including a progressive sea port and regional airport and aerospace precinct, to facilitate the attraction of jet services to link the Bundaberg region direct to southern capitals. The Bundaberg region is rapidly progressing to be a destination of choice – for residents, visitors and investors.

Vision for the future

“Bundaberg Region – Vibrant, Progressive, Connected and Sustainable”

During this reporting period Bundaberg Regional Council has referenced its long-term Community Plan ‘Bundaberg Region 2031’ to understand the desired vision for the Bundaberg region.

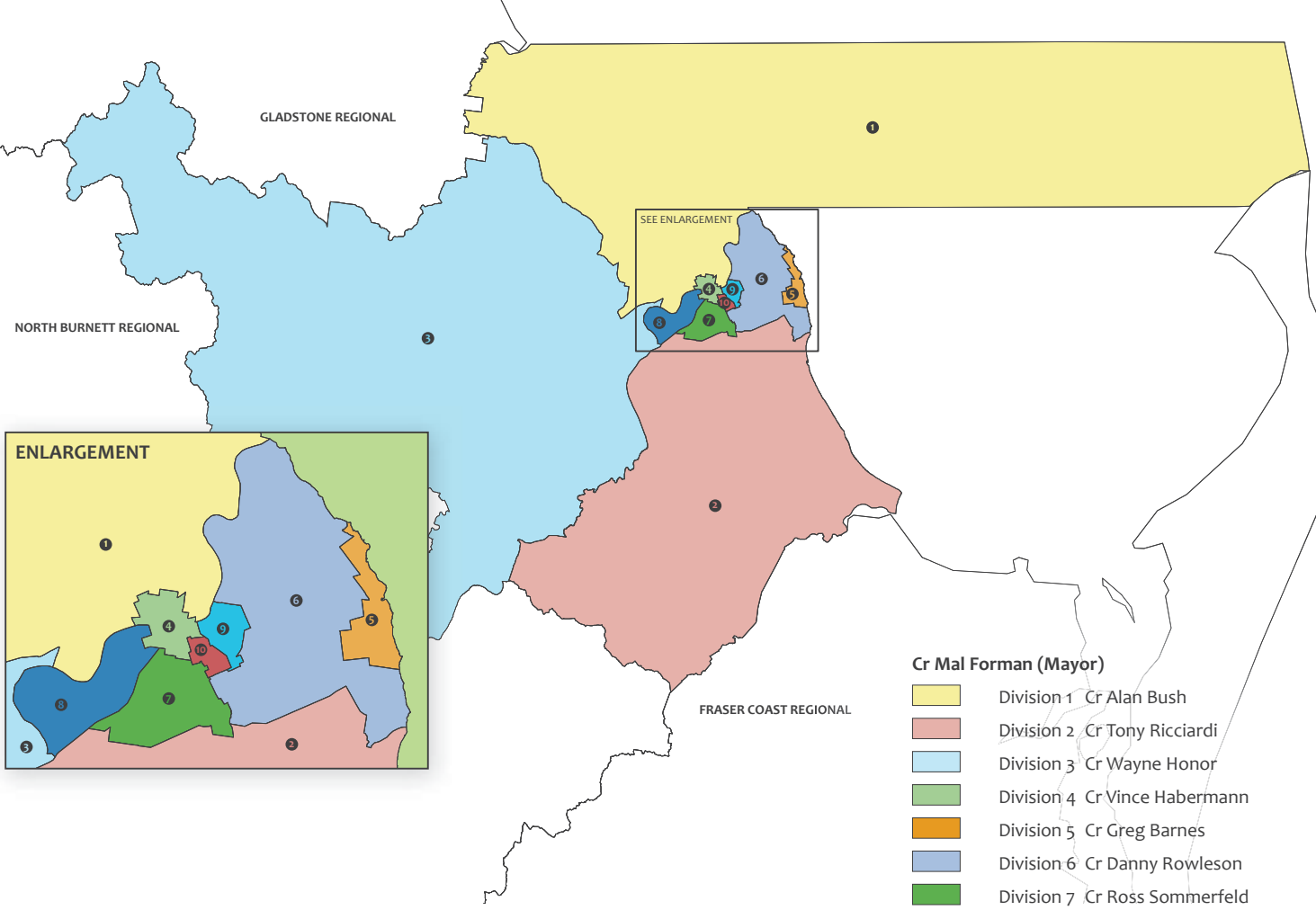
Council’s clear goal is to have a vibrant, inclusive and caring community that has a sustainable, managed and healthy environment. With this there is a need to have a strong and sustainable regional economy and a responsive, cohesive, sustainable, ethical and accountable Council.





Photograph courtesy of Queensland Holidays.

Electoral Divisions



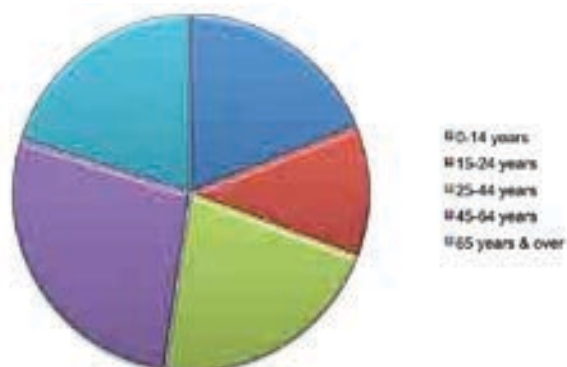
- Cr Mal Forman (Mayor)**
- Division 1 Cr Alan Bush
 - Division 2 Cr Tony Ricciardi
 - Division 3 Cr Wayne Honor
 - Division 4 Cr Vince Habermann
 - Division 5 Cr Greg Barnes
 - Division 6 Cr Danny Rowleson
 - Division 7 Cr Ross Sommerfeld
 - Division 8 Cr David Batt
 - Deputy Mayor
 - Division 9 Cr Judy Peters
 - Division 10 Cr Lynne Forgan

Vital Region Statistics of the Local Government Area

Estimated resident population by age, by local government area Bundaberg Regional Council (at 30 June 2012, released 30 August 2013)

Age Groups	Bundaberg Region	% of total persons in Region
0-14 years	17,728	19
15-24 years	10,989	12
25-44 years	20,081	22
45-64 years	25,758	28
65 years and over	18,792	20

Source: Australian Bureau of Statistics, Population Estimates by Age and Sex, Regions of Australia (Cat no. 3235.0)



Estimated resident population of Bundaberg Regional Council (at 30 June 2012, released 30 August 2013)

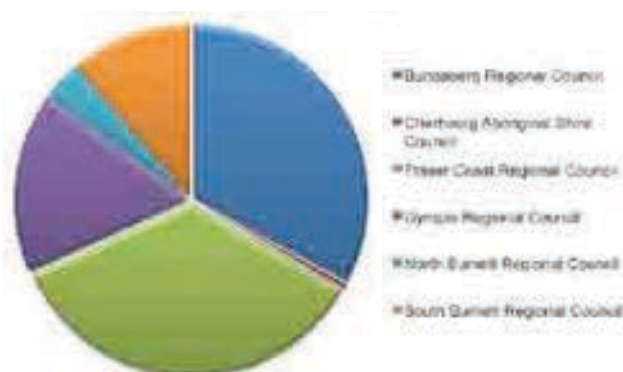
Statistical Area	Estimated resident population	Growth (2007-12)	Area (km ²)	Population density persons/km ²
Bundaberg Regional Council	93,348	7.9%	6,435.60	14.5
Wide Bay Burnett	283,834	6.83%	48,502.70	5.85
Queensland	4,565,529	11.1%	1,729,958.00	2.6

Source: Australian Bureau of Statistics, Regional Population Growth, Australia (Cat no. 3218.0)

Estimated resident population of Wide Bay Burnett Regional Councils (at 30 June 2012, released 30 August 2013)

Statistical Area	Estimated resident population	Area (km ²)
Bundaberg Regional Council	93,348	6,435.60
Cherbourg Aboriginal Shire Council	1,255	31.60
Fraser Coast Regional Council	99,059	7,102.50
Gympie Regional Council	47,548	6,884.50
North Burnett Regional Council	10,339	19,666.80
South Burnett Regional Council	32,285	8,381.70
Total - Wide Bay Burnett	283,864	48,502.70

Source: Australian Bureau of Statistics, Regional Population Growth, Australia (Cat no. 3218.0)





Great Sandy Marine Park
Burkitt's Reef MNP1

COMMUNITY UPDATE (OUR PERFORMANCE)



towards
2031

vibrant
progressive
connected
sustainable

During 2010/11, Bundaberg Regional Council adopted its first ever Community Plan, Bundaberg Region 2031, which identified that in 2031 the spirit of the Bundaberg region will be measured by its

- Community – *which is vibrant, inclusive and caring*
- Environment – *which is sustainable, managed and healthy*
- Economy – *which is strong and sustainable*
- Governance – *which is responsive, cohesive, sustainable, ethical and accountable*

Expanding on this long term overarching vision, Bundaberg Region 2031 details seven community outcome areas that are considered vital for the future of the region. For each of these outcome areas, *Bundaberg Region 2031* outlines various priorities, goals and catalysts from Council and the community, designed to achieve the community's preferred vision for our future – *Bundaberg region: vibrant, progressive, connected and sustainable*.



In accordance with the *Local Government Act 2009*, Bundaberg Regional Council committed, as part of its Community Plan, to report back its collective progress on achieving these desired community outcomes on an annual basis.

The following pages of this Community Update provide a snapshot of our performance for the year 2012/13.



Photograph courtesy of Queensland Holidays.

A CONNECTED COMMUNITY, FULL OF LIFE

Our community described their desired future for the Bundaberg region as:

In 2031 the diverse group of people who call the Bundaberg region home will be appreciated as our greatest asset, not just by Council but also by governments and various agencies. Our community members will be encouraged to actively participate in positive and fulfilled community life, and are assured that they enjoy health care, safety, connectivity and social development services at least equitable to similar regions in Queensland.

Bundaberg Region 2031 articulated Council’s response to this vision by outlining our future priorities and goals as:

Community Outcome	Community Priorities	Goals
<p>In 2031, the Bundaberg region will be a connected community, full of life.</p>	It’s important to our community that we are:	In working to these priorities, we strive to achieve be a connected:
	Safeguarding our wellbeing.	<p>A safe, active and healthy community</p> <p>We will link and promote the benefits of leisure and physical activity, and together we’ll explore better preventative health and community safety initiatives.</p>
	Connecting our community.	<p>Equitable access to adequate services and well maintained facilities</p> <p>We will provide services and facilities to ensure equitable access, and advocate for continuous improvement in services to people with individual requirements.</p>
	Enhancing our quality lifestyle.	<p>An affordable, quality lifestyle</p> <p>We will build on our local strengths, including the planning and provision of community services and facilities, and collectively integrate community, environmental, economy and governance considerations in every decision we make together.</p>

OUR PERFORMANCE		Our work undertaken during 2012/13 towards achieving: A connected community, full of life	
Council Branch	Outcome Area	Performance Indicator	Performance achieved during 2012/13
Towards 2031	<i>Strategy: Provide a range of leisure, physical activity and recreation programs to help meet basic community needs</i>		
Parks & Open Spaces	Play systems as listed in budget installed or upgraded.	Install or upgrade play systems as listed in budget	Listed upgrades completed
	Register of play equipment	Complete an up to date asset and embellishment register of play equipment and park embellishments to component level	Play equipment details are registered however requires asset management software database to continue.
Towards 2031	<i>Strategy: Support preventative public health programs to minimise the exposure of the community to health risks</i>		
Environment & Public Health	Attend to complaints regarding health licenced premises within service delivery standards	Completion rate of complaints and enquiries received	An average of 91.5% of customer requests were attended to within service delivery standards
	Conduct inspection programs of all health licenced premises	Percentage of premises that have received an annual inspection	645 licenced premises were inspected during the reporting period.
	Conduct public education programs on the safe handling, preparation and storage of food	Number of free Food Handler training sessions held	No food courses were completed for this period due to lack of numbers of enrolments. The I/M Alert online food training course through Bundaberg Regional Council's website continues to grow in usage with 434 people accessing this training.
	Timely process applications for licences for new and existing premises	Number of applications processed	236 applications processed for the reporting period.
Towards 2031	<i>Strategy: Support a safe living environment for the community through public safety initiatives and measures</i>		
Environment & Public Health	Attend to dog attack reports as a matter of priority	Number of dog attacks received	353 dog incident notifications were received during the reporting period.
	Conduct public education programs on keeping of animals	Number of PetPEP or similar education programs provided	PetPEP education programs were provided to 10 local schools.
	Deliver Immunisation Programs as directed by Queensland Health	Number of immunisations provided to children and adults outside of school based programs (excluding flu program)	Council's public immunisation clinics have now ceased.
	Deliver Immunisation Programs as directed by Queensland Health	Number of eligible persons vaccinated for influenza and swine flu	Council's public immunisation clinics have now ceased.
	Deliver Immunisation Programs as directed by Queensland Health	Percentage of expected cohort of school students vaccinated	83% of the expected cohort of school students have been vaccinated in 2012. Council concluded its school based immunisation program for the remainder of the reporting period.
	Ensure that all consenting Council staff are fully vaccinated	Percentage of staff with up to date immunisation schedules	91% of staff who are eligible for vaccinations have been fully immunised
	Manage biting midgets through treatment or public education	Number of complaints received	A total of 134 complaints/requests were received for the reporting period. The increase can be attributed to the January flood event and associated house-to-house inspection program.

	Number of animal complaints received	Number of animal complaints received	A total of 2,438 complaints/requests were received regarding a number of issues including dogs, cats, birds and livestock
Towards 2031	Strategy : Build resilience and capacity in our communities to manage natural or man-made adversity		
Disaster Management	Local Disaster Management Meetings	Hold a minimum of 4 Local Disaster Management Meetings per year	<p>There were 3 Local Disaster Management and 1 Extraordinary Meetings were held for the reporting period. Numerous Local Disaster Management Group executive and/or core group meets were held as a result of the January flood event.</p> <p>In January 2013 Ex Tropical Cyclone Oswald caused storm surge, torrential rain, tornados and the greatest flooding of the Burnett River on record. Major Flooding also occurred across the Kolan River and Baffle Creek catchments.</p> <p>The Local Disaster Management Group moved to ALERT status as the weather situation became increasingly threatening, then went into full operations immediately following the first tornado on 26th January.</p> <p>Evacuations on a scale never before seen in Bundaberg or indeed Queensland occurred, beginning the 26 January and included a Mandatory Evacuation issued on 27 January 2013.</p> <p>The Burnett River peaked at 9.52 metres mid afternoon Tuesday 29 January 2013; the Bureau of Meteorology considered this an Extreme Major Flood.</p>
Towards 2031	Strategy : Engage the Community and develop key partnerships that support social planning, community programs and information to enable active participation in all aspects of community life and activity		
Environment & Public Health	Ensure compliance with Local Laws and State Legislation	Number of penalty infringement notices issued	A total of 54 penalty infringement notices were issued for the reporting period.
	Improve turnover of available parking assets to maximise availability	Number of parking infringement notices forwarded to SPER	726 parking infringement notices were forwarded to SPER for the reporting period.
	Improve turnover of available parking assets to maximise availability	Percentage of parking infringement notices paid in full	An average of 67% of parking infringement notices were paid in full.
	Improve turnover of available parking assets to maximise availability	Number of parking infringement notices sent to Citec for registration search & registered post notice	A total of 1,286 parking infringement notices were forwarded to Citec for registration search for the reporting period.
	Improve turnover of available parking assets to maximise availability by issuing infringements where necessary	Number of parking infringement notices issued	5,633 parking infringement notices were issued for the reporting period.
Towards 2031	Strategy : Plan, provide and maintain or facilitate a range of leisure, physical activity and recreation services and facilities to help meet basic community needs		
Community Care	Community Health Programs through District Neighbourhood Centres	Conduct periodic health and awareness initiatives and activities	Centres are actively participating in community development and networking. Initiatives and activities include Seniors' Expo, Community Health Expo, Walk it Off Support Group, Tai Chi for Arthritis, Lifetec Independent Living in Gin Gin, Primary Health Care Nurse visiting Centres weekly.
	Home and Community Care Awareness Programs and Initiatives	Contribute to and support Seniors, Carers and Access Forums and Networks	Community Care staff attend network meetings, carers support, interagency meetings, service specific networks and community forums in Bundaberg and regional areas and participate in local programs.
	Home and Community Care - Performance Reporting and Care Standards	Statutory Service Outputs and Client Hours meet Funding Targets; and Services demonstrate compliance with HAC, MOW, DSQ and Aged Care Standards	All MDS data set are reported on time and within the outputs required.

Home and Community Care Service - Client Independence	Promote HACC Client Independence	Developing client independence is an ongoing objective for Care workers. Clients are regularly assessed for dependent needs and to increase capacity across various life needs to increase independence. Individual clients are assessed as part of care plan reviews and with the aim of reducing reliance on HACC Services and personal carers where possible.
Maintain Community Care Facilities	Essential maintenance requests completed each quarter for housing, aged care and community care facilities.	Works have been carried out on a variety of facilities. The Childers Neighbourhood Centre has been painted inside and out with an upgrade to the kitchen and bathroom. Gin Gin Neighbourhood Centre has had the roof repaired; Seniors Units have been painted and units have been upgraded when they become vacant.
Bundaberg Airport - Air Services	Number of commercial RPT air services	The Regular Passenger Transport (RPT) services into Bundaberg Regional Airport totalled 1,165 for the reporting period. The last quarter result of 419 RPT services was a record bought about with the new daily service being provided by Virgin Australia.
Bundaberg Airport - Number of reported major incidents	Number of reported major incidents including damage to property and personal injury	There were no major reportable incidents at Bundaberg Regional Airport for this reporting period.
Bundaberg Airport - Response time to reported incidents	Response time taken to attend to reported incidents	While there were no major incidents, the target of a 30 minute response time remains, given we do not have staff at the airport 24/7 and staff will, on some occasions, have to travel to the airport.
Bundaberg Region Social Action Plan	Number of actions being addressed	The 2010 Social Development Plan has been reviewed and an outcomes report produced. The consultation and development of the 2014-2017 Social Development Action Plan is currently in process.
Community Development - Community Directory	Maintain Bundaberg Region Community Directory & keep Community Group information up to date	There were 110 new listing and updates promoted through Council's online Community Directory for the reporting period.
Community Development - Community Service Provider Networks	Support and/or facilitate Community Service Provider Networks	Sector Support through attending and supporting the delivery of network meetings and working groups.
Community Development - Implementation of Access Audit Recommendations	Number of Access Audit recommendations implemented	A number of recommendations were implemented including safety rails installed at the Moncrieff Entertainment Centre, tactile and nosing installations at Moore Park Community Hall, Gin Gin RSL Hall, Bargara Service Centre, Bargara Culture Centre, Woodgate Community Hall, Childers Cultural Centre and Showgrounds Hall and disabled level shelving at Bargara Service Centre.
Community Training Calendar	Bundaberg Region Training Initiatives added to Resource Calendar	553 new training/learning opportunities promoted through Bundy Region Connect online learning calendar.
Implementation of Strategies within the Bundaberg Region Sport and Recreation Strategy	Number of strategies implemented	Healthy Communities Initiatives implemented including Gin Gin Recreational Precinct Joint Clubhouse Facility, Move It (Health Promotion) Program and Heartmoves/Walking Groups.
Sport and Recreation - Community Grant Rounds	Coordinate assessment of Community Funding Applications	Rounds 1 and 2 of Community Grants completed.
Sport and Recreation - Healthy & Active Sport Initiatives	Facilitate and support community Sport and Recreation initiatives and information	Be Active Be Alive, Move It Campaign Launch/Expo and Jamie's Ministry of Food were implemented in this reporting period.
Sport and Recreation - Newsletters	Number of newsletter editions issued	Various issues of Recreate Now newsletters were distributed.
Youth skill development and capacity building	Facilitate youth participation and learning activities	A total of 53 youth participation and learning activities were held and included Childers Expo, Boost & Bass Meetings, Bundy High Peer Education Session, Youth Stress Tools building, Cybersafety presentation, Child Protection Week Fun Day, RU OK Day?, Mental Health Week, Kepnock High Health Expo, Youth month activities.

Airport

Community Development

Parks, Sport & Natural Areas

Community Development

Community Care	Child and Family Support and Outside School Hours Care	Emergency Relief Program	Community and Planning Surveys and Program Evaluation conducted	Regular information newsletters, child and family surveys and family support education sessions provided to the Childers community.
		Statutory Service Performance reporting against Funding Targets	Funding has increased and this service is well utilised.	
Parks & Open Spaces	Community needs as identified by the Regional Access Advisory Committee are addressed	Community needs as identified by the Regional Access Advisory Committee are addressed	Community needs have been identified and addressed during the reporting period.	
	Develop a public toilet strategy	Develop a public toilet strategy or other specific strategic planning document dealing with the provision of public toilets	Audits have been completed and information is currently being input into the system. Awaiting asset database system.	
	Playground maintenance and safety inspections undertaken in accordance with relevant standards	Conduct inspections of all playground equipment twice per year	Various inspections of playgrounds were conducted for the reporting period.	
Venues & Facilities	Maintain Venues & Facilities	Completion of corrective maintenance requests in a timely manner	An average of 91% of defect maintenance requests attended to in a timely manner.	
		Strategy : Plan, provide and advocate for a better quality of life for the community through relevant, affordable services, programs and facilities		
Towards 2031	Occupancy Rates at Bundaberg Holiday Parks	Occupancy rates at Bundaberg Holiday Parks	An average 61% occupancy for Bundaberg Holiday Parks for the reporting period.	January 2013 natural disaster adversely affected park operations.
Bundaberg Holiday Parks				



AN EMPOWERED AND CREATIVE PLACE

Our community described their desired future for the Bundaberg region as:

In 2031, the Bundaberg region will recognise, cultivate and celebrate people with talent, knowledge and creativity, and our landscape, through its broad history and rich heritage, provides inspiration for people to enjoy living and visiting here, and enriching others.

Bundaberg Region 2031 articulated Council’s response to this vision by outlining our future priorities and goals as:

Community Outcome	Community Priorities	Goals
<p>In 2031, the Bundaberg region will be an empowered and creative place.</p>	<p>It’s important to our community that we are:</p>	<p>In working to these priorities, we strive to achieve:</p>
	<p>Empowering creativity.</p>	<p>A community that values the arts and culture. We will encourage our community to enjoy engagement and proactive partnerships to celebrate our creativity, and showcase our talent through local events.</p>
	<p>Celebrating our diversity.</p>	<p>Our culture, identity and heritage being valued, documented and preserved. We promote cultural development, recognise the significance of unique local built and natural landmarks, and advocate for more of our unique local history to be recorded and retold.</p>
	<p>Encouraging lifelong learning.</p>	<p>A culture of learning. We recognise the importance of continual learning, and provide and promote learning opportunities and a support structure for lifelong learning. We enjoy our libraries, museums and cultural facilities, and see them as a central component of an educated and connected community</p>

OUR PERFORMANCE		Our work undertaken during 2012/13 towards achieving: An empowered and creative place	
Council Branch	Outcome Area	Performance achieved during 2012/13	
Towards 2031	<i>Strategy: Support and facilitate opportunities for community engagement and connectedness through partnerships and networking</i>		
Cultural Activities	Childers Art Space	Number of exhibitions hosted at the Childers Art Space	A total of 7 exhibitions were hosted at the Childers Art Space.
	Community Arts	Individuals and community groups met with across the Bundaberg Region to deliver advice and support on the art and cultural projects.	Target exceeded. Meetings held with CQU, ASSI, Pilotlight Productions, Creative Regions and for RADF.
	Visitation	Visitors to the Bundaberg Regional Art Gallery and Childers Art Space	A total of 42,107 people visited the galleries during the reporting period, with consistent growth as a result of the quality of the exhibitions and the quality of marketing of these exhibitions
Towards 2031	<i>Strategy: Work with key stakeholders towards improving knowledge and understanding of the arts and culture and create opportunities for greater involvement with and exposure to them</i>		
Cultural Activities	Public Programs	Number of public programs held on and off site for children and adults across the region	Target exceeded for last quarter. School and community group requests for guided tours of the Wunderkammer exhibition by Road McCrae at BRAG surpassed expectations
Towards 2031	<i>Strategy: Support arts and cultural agencies and festival organisers in developing and improving arts and cultural events that have the capacity to enrich lives</i>		
Community Services	CRUSH Festival	Number of people attending the CRUSH Festival	24,436 people attending the CRUSH Festival
	Culture Clinics	Number of Culture Clinics held during the year	85 Culture Clinics held for this reporting period.
Cultural Activities	Exhibition Programs	Number of exhibitions hosted	A total of 22 exhibitions were hosted during the reporting period.
Community Care	Hinterland Neighbourhood Centre Multicultural Activities	Demonstrated support for Multicultural events and activities	Neighbourhood Centres providing ongoing support to the Multicultural Groups with meeting venues, administration advice and information.
Towards 2031	<i>Strategy: Promote cultural development through understanding, recognising, recording and preserving the region's heritage, diversity, arts and culture</i>		
Cultural Activities	Collections	Ensure the Regions permanent collection is displayed and rotated throughout the region in Council's facilities	The target exceeded for the reporting period, with 57% of materials on display and rotated.
	Marketing	A strategic marketing campaign will be undertaken to promote Bundaberg Regional Art Gallery programs and services.	A total of 8 campaigns were conducted for this reporting period.
Library Services	Picture Bundaberg	Number of images processed and catalogued	The Picture Bundaberg Collection had 2,015 new images scanned from negatives, slides or photos and processed for this reporting period.

Towards 2031	Strategy : Advocate for and support activities, programs, services and projects that demonstrate our heritage and culture and which help create a positive identity for our region		
Community Development	Community Events - Community & Strategic Events Held	Number of community and strategic events held	A total of 25 community and strategic events were held this reporting period and included ANZAC Day, Local Shows, Agrotrend and the Teddy Bears Picnic.
	Community Events - Financial and In-kind Assistance	Complete assessment of Quarterly Financial and In-Kind Assistance applications	A total assessment of 134 requests for Community Financial Assistance Donations and In-Kind Assistance completed for this reporting period.
	Development of Events Calendar	Maintain Events website and calendar	Events website and calendar maintained on a daily basis.
	Strategy : Facilitate innovative support structures and programs for learning providers to help develop our region as a learning community		
Library Services	Children & Youth Programs	To encourage the younger members of the community to utilise the Library for life by providing interesting and relevant activities	3,708 children at Early Childhood Programmes, Holiday Activities, Outreach Programmes booked visits to the libraries over the reporting period.
Community Development	Youth Development, Social Media & Communication Initiatives	Number of updates that link Council with the youth sector (Forums, Ynet, Facebook and web page)	Activities undertaken included YNET, Facebook, webpage updates, meetings including youth forum, MHW alliance, Homelessness forum and also attended awards ceremony, Youth Re-commissioning sector and government meetings.
	Strategy : Use our libraries as key resource centres and agents for promoting the value of life-long learning for our community		
Library Services	Branch Usage	Number of items loaned	802,390 items loaned for the reporting period. This figure comprises people using the Bundaberg Library and library stock circulated through all branches.
	Collection Development	Number of new resources added to the branch collection each quarter (books, CDs, magazines, e-books etc)	A total of 18,913 new resources were added to the branch collection for this reporting period.
	Lib News	Produce Online Library Magazine - Measured by number of readers online	100,745 hits for our digital Library magazine LibNews.
	Library Website	Maintain and update the Library Website to increase number of hits	2,568,864 hits to the Library Website for this reporting period.



Photograph courtesy of Queensland Holidays.

A HEALTHY NATURAL ENVIRONMENT

Our community described their desired future for the Bundaberg region as :

In 2031, our local environment remains unique and valued by Council and our community. Council encourages local environmental leadership, and participates in a number of partnerships to ensure that proactive environmental management is undertaken in a holistic mode, shared between all levels of government, industry and the community.

Bundaberg Region 2031 articulated Council’s response to this vision by outlining our future priorities and goals as:

Community Outcome	Community Priorities	Goals
	It’s important to our community that we are:	In working to these priorities, we strive to achieve:
In 2031, the Bundaberg region will have a healthy natural environment.	Caring for our surroundings.	<p>A natural environment that is valued and sustainable.</p> <p><i>We will ensure a thriving local natural habitat, and we welcome the rehabilitation and preservation of our unique local environment. Our community is aware and educated about our local environment, and actively involved in its care and protection.</i></p>
	People sustaining the environment.	<p>An environmentally educated and empowered community.</p> <p><i>We are aware of best practice environmental management and pollution control and our role in preserving our environment through ongoing education and awareness. Our community accepts responsibility for what they can do, and are proactive and empowered and seek out opportunities to reduce our ecological footprint</i></p>

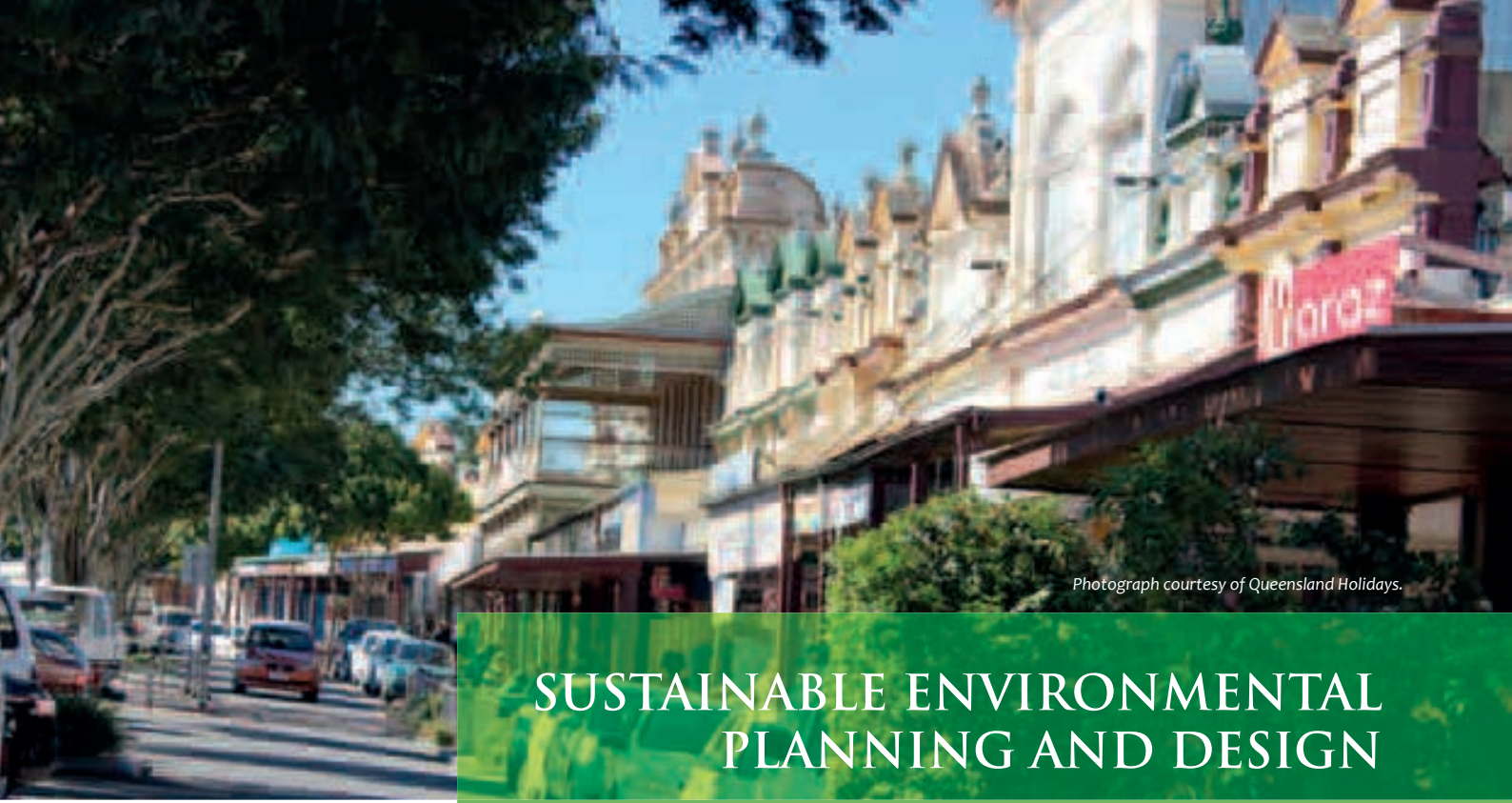
OUR PERFORMANCE		Our work undertaken during 2012/13 towards achieving: A healthy natural environment	
Council Branch	Outcome Area	Performance Indicator	
Natural Resources	Towards 2031	<i>Strategy : Provide a range of community awareness and education activities and programs that support the preservation of the region's natural environment</i>	
		Participate in and support for community environmental Programs	Number of events participated in by Council A total of 26 events were undertaken for this reporting period.
Waste & Recycling	Towards 2031	<i>Strategy : Encourage community involvement in such activities and programs</i>	
		Promote community awareness and education programs	Promote community awareness and education programs that support the preservation of the region's natural environment 54 Community Awareness and Education Programs have been undertaken in this reporting period further enabling Council's goal of an environmentally educated and empowered community.
Natural Resources	Towards 2031	<i>Strategy : Within resources and in partnerships with key stakeholders, effectively and efficiently manage, rehabilitate and preserve the environmental amenity of the region</i>	
		Attend to complaints and enquiries regarding Natural Resource Management matters	Number of complaints and enquiries attended to A total of 523 CRMs for NRM have been closed for this reporting period.
Natural Resources		Conduct Annual review of Mangrove Management Study.	Council's Marine Plant Management Strategy has been reviewed with all relevant State agencies and is currently undergoing some updates including a provision for offsets. This will ensure our strategy is as up to date as possible and further strengthen Council's commitment to a natural environment that is valued and managed sustainably.
		Conduct Land Protection inspection programs on properties	760 properties were inspected for declared weed infestations during this reporting period.
Natural Resources		Conduct Land Protection public awareness and education programs	17 Land Protection public awareness and education programs were held in this reporting period exceeding the target and further strengthening Council's aim to have an environmentally empowered community.
		Conduct vegetation rehabilitation projects	Council has undertaken 5.6ha of rehabilitation projects in this reporting period, exceeding our target and further enabling our natural environment to be managed sustainably and valued accordingly.
Natural Resources		Develop management plans for natural areas	Council's Natural Areas are currently undertaking an operation planning exercise that will provide the information necessary to develop suitable management plans.
		Develop operational plans for Mangrove Management Strategy	25 Operational Plans have been developed and finalised for the BRC Marine Plant Management Strategy in this reporting period, further ensuring our natural resources are managed sustainably.
Waste & Recycling		Rehabilitate waterways (riparian re-vegetation or erosion control)	2.52km of Waterway Rehabilitation Projects have been completed in this reporting period further strengthening Council's commitment to a natural environment that is valued and managed sustainably.
		Develop waste strategy	The draft waste strategy was presented to Council by LGI on 20 May 2013.
Waste & Recycling		Identify closed landfills - Compile detailed information on each closed landfill and perform thorough risk assessment on each	An Environmental Health Officer University Student was engaged part time in 2012 to assess a number of sites and complete a risk assessment matrix for these sites. Five sites were assessed and risk assessment matrixes completed. No further assessments have been undertaken due to lack of resources.

Implement new Resource Recovery Options as they become Available	Number of new options available/ investigated e.g. Fluoro Bulb, paint, battery	A mattress and soft furnishing recycling process has been established where these items are stockpiled and then metal springs are recovered through the scrap metal recovery process. A refrigerant gas recovery program has been established to recover all refrigerant gas from fridges, freezers and AC units prior to being scrapped, so that legislative requirements of non-release of refrigerant gas into the atmosphere are being met.
Manage a well maintained wheelee bin asset and provide a quick and efficient bin repair and replacement system	Percentage of CRM complaints/requests attended to within 7 days	2,914 customer requests were attended to for the reporting period with 99% attended to within 7 days.
Manage an effective and well maintained street tidy asset and provide a regular and dependable street tidy collection system	Percentage of CRM complaints/requests attended to within 7 days	100% of requests were attended to within service delivery standards.
Provide a regular and dependable dead animal collection system from Veterinary surgeries and other collection points and provide a quick and effective road kill collection system	Percentage of CRM complaints/requests attended to within 7 days	212 customer requests were attended to for the reporting period.
Provide an efficient, thorough and well regarded waste and recycling collection service	Number of CRM complaints/requests received	617 customer requests were attended to within the reporting period.
Strategy: Provide a range of community awareness activities and programs that enable the community to support the preservation of the region's natural environment		
Develop information package for environmentally relevant activities	Develop an information package for environmentally relevant activities to encourage adoption of "Eco-Biz" operational business model	A letter sent to the Department of Environment and Heritage Protection for them to manage the remaining ¹¹ Environmentally Relevant Activities.
Develop waste/resource awareness education program	Develop a school based program	Insufficient resources provided in the budget to enable development of a satisfactory and detailed program.

Towards 2031

Health & Regulatory Services

Waste & Recycling



Photograph courtesy of Queensland Holidays.

SUSTAINABLE ENVIRONMENTAL PLANNING AND DESIGN

Our community described their desired future for the Bundaberg region as :

In 2031, the Bundaberg region will feature a broad range of community facilities, shared spaces and attractive streetscapes, supporting a safe, active and engaged lifestyle for the people who live here. Our residents will be proud of and extensively use their local spaces and facilities, as well as functional open space in the city, coast and hinterland.

Bundaberg Region 2031 articulated Council’s response to this vision by outlining our future priorities and goals as:

Community Outcome	Community Priorities	Goals
In 2031, the Bundaberg region will feature sustainable environmental planning and design.	It’s important to our community that we are:	In working to these priorities, we strive to achieve:
	Recognising local character.	A quality, aesthetically pleasing built environment that meets basic community needs. <i>A sensible, meaningful and practical regional land use plan is critical to enhance our unique local identity and livability.</i>
	Prioritising regional infrastructure.	The provision of infrastructure fit for purpose that meets the region’s current and future needs. <i>We plan for tomorrow’s infrastructure requirements today, and we ensure best practice infrastructure management through good asset management and financial sustainability.</i>

OUR PERFORMANCE		Our work undertaken during 2012/13 towards achieving: Sustainable environmental planning and design	
Council Branch	Outcome Area	Performance Indicator	Performance achieved during 2012/13
Towards 2031	<i>Strategy: Develop principles and guidelines within the regional land use plan and building and development guidelines that support built environments that our community members feel proud to live in</i>		
Development Group	Applications Received - Planning	The number of applications received for the reporting period	A total of 416 applications were received during the reporting period.
	Compliance - Planning	Investigation into, and reporting of, issues relating to Planning Compliance, where required	Planning compliance activities continue to be in excess of nominated rates.
	Applications Received - Sustainable Development	The number of applications received for the reporting period	A total of 106 applications were received for the reporting period.
Towards 2031	Applications Received - Building	The number of applications received for the reporting period	A total of 300 applications were received for the reporting period. Building certification services was significantly impacted by 2013 flood event across the region.
	<i>Strategy: To enable, support and manage our built environment so that it enhances the identity and liveability of individual communities and reflects the special character of our coastal and hinterland</i>		
Parks & Open Spaces	Implement the street tree program	Implement the street tree program	Resources allocated for this have been diverted to other operational responsibilities. May need to be carried over.
	<i>Strategy: Ensure a coordinated and integrated approach to regional infrastructure planning, implementation and maintenance</i>		
Airport	Aerodrome Inspection - Economic Development	Undertake regular inspection of Aerodrome	All mandatory CASA inspections have been completed at Bundaberg Regional Airport.
	Capital Expenditure measured as a % of revised Sewerage Capital Budget	Capital expenditure for Sewerage shown as a percentage against Revised Capital Sewerage Budget	86% of budgeted capital expenditure was expended during the reporting period. The main area under spent was in Sewer Main Replacements. The progression of this program was significantly impacted by the flood.
Water & Wastewater	Capital Expenditure measured as a % of revised Water Capital Budget	Capital expenditure for Water shown as a percentage against Revised Capital Water Budget	72% of budgeted capital expenditure was expended during the reporting period. The progression of this program was significantly impacted by the flood.
	Recurrent Expenditure measured as a % of Revised Sewerage Budget	Recurrent Expenditure for Sewerage shown as a % against Revised Sewerage Budget	95% of budgeted operational expenditure for Sewerage was expended during the reporting period.
	Recurrent Expenditure measured as a % of revised Water Budget	Recurrent Expenditure for Water shown as a % against Revised Water Budget	98% of budgeted operational expenditure for Water was expended during the reporting period.
Roads & Drainage Planning	Capital Works Prioritisation	Review new capital works projects and prioritise	Road project prioritisation is up to date. Council's Roads and Drainage Planning Engineer is progressing a backlog of drainage planning projects.
Water & Wastewater Process Operations	Water Usage per Population Ratio for Bundaberg City	Total Water Usage for Bore and Surface Water divided by Population divided by number of days in a month for Bundaberg City	An average of 373 litres was used per person during the reporting period.
	Water Usage vs. Allocation for Bundaberg and Coastal Areas	Water Usage vs. Allocation for Bundaberg and Coastal Areas	Water production is still conservatively under the available allocations, averaging at 59%.

Towards 2031	<i>Strategy: Support the rehabilitation and/or the preservation of the environmental amenity of the region</i>		
Natural Resources	Support for non-Council environmental programs	Number of Non-Council rehabilitation projects supported	A total of 24 non-Council environmental programs have been supported in the reporting period.
Towards 2031	<i>Strategy: Establish and maintain integrated asset management systems that enable adequate recording, maintenance and replacement of community assets</i>		
Assets	Asset Condition Assessment Processes	Document and review asset condition assessment processes	Review of condition assessment processes was not undertaken in this year.
	Asset Data Correction Exercises	Undertake Asset data correction exercises in several asset categories (unnamed roads - public, building transport assets, bridge, road segments; internal roads, traffic counts) and graphical and textual data validation across several asset categories (e.g. roads, water and wastewater).	Data correction and graphical validation has been undertaken in kerbs and footpaths.
	Development of Asset Management Plans	Continued development of Asset Management Plans including the incorporation of more detailed and accurate service levels, renewal programs & maintenance planning	Asset Management Plans development was delayed.
Financial Services	Assets with RUL < 2 years	To have minimal assets with a remaining useful life of less than 2 years	Approximately 300 additional assets have remaining useful lives less than 2 years. This significant increase is largely due to the road assets condition following the 2013 flood event. Council is working with the Queensland Recovery Authority over the next two years to restore these assets back to pre-flood condition.
	Assets with zero WDV	To have minimal assets with zero WDV, resulting from amalgamation where prior Councils had zero WDV on items which are valued at cost	These items of plant and equipment are from when the four Council's amalgamated and will be removed in the coming years.
	Measure assets in an unsatisfactory condition	To have minimal assets with an overall condition index of 5	Approximately 350 additional assets have a condition less than unsatisfactory. The significant increase is largely due to the road assets condition following the 2013 flood event. Council is working with the Queensland Recovery Authority over the next two years to restore these assets back to a pre-flood condition.



Photograph courtesy of Queensland Holidays.

A VIBRANT ECONOMY

Our community described their desired future for the Bundaberg region as :

In 2031, our region will boast a smart economy, characterised by a diverse, contemporary and adaptable range of industries that are advanced and compatible with our lifestyle. The private and public sector, seeing thriving best-practice amongst successful local business, will choose to locate in the Bundaberg region for our location, ease of access, connectivity, skilled workforce, resources and reputation as a place to do business.

Bundaberg Region 2031 articulated Council’s response to this vision by outlining our future priorities and goals as:

Community Outcome	Community Priorities	Goals
<p>In 2031, the Bundaberg region will have a vibrant economy.</p>	<p>It’s important to our community that we are:</p>	<p>In working to these priorities, we strive to achieve:</p>
	<p>Creating self-sufficient industry.</p>	<p>Diversified, prosperous and innovative industry sectors. Our approach to regional economic development in partnership with industry and the community means we promote a successful region, with thriving and continually expanding industry sectors, and encourage ethical entrepreneurs.</p>
	<p>Developing diversity in our economy.</p>	<p>Foster a flexible, supportive and inclusive business environment. We welcome new businesses, advocate for enhanced business infrastructure and economic investment, and provide a real lifestyle incentive for people to relocate here.</p>
	<p>Growing local jobs.</p>	<p>Support and facilitate employment opportunities for the community Our economy is enhanced through increased employment and training, and the benefits derived from bringing new businesses to the region and encouraging local business to expand.</p>

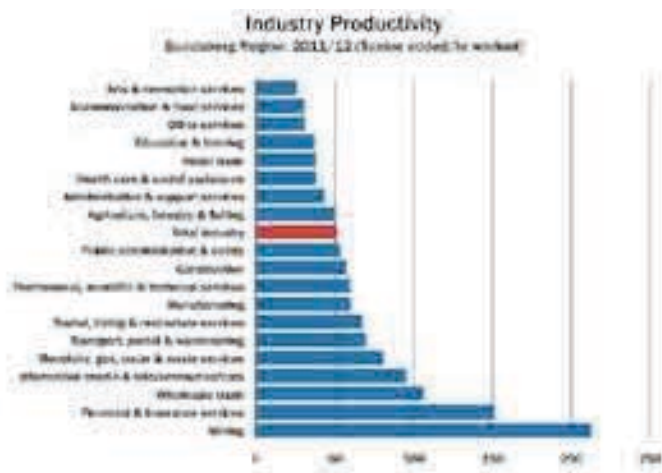
PRODUCTIVITY

Productivity is a key component of economic growth and is a measure of the efficiency of production within a region. Dividing the GRP of a region by total hours worked will measure the labour productivity within that region, i.e. the average amount of output produced by an hour worked by a person within that region.

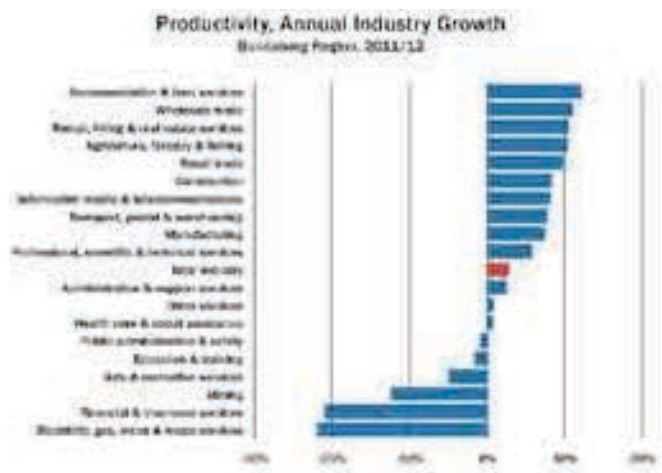
The Bundaberg Region recorded total industry productivity (or industry value added per hour worked) of \$51.65 in 2011/12, which was lower than the average for Queensland (\$58.95). The Bundaberg Region recorded annual growth of 2.8% in industry productivity in 2011/12, which was slightly below the average increase across Queensland of 3.4%.

(\$150.96), Wholesale Trade (\$106.30) and Information Media & Telecommunications (\$95.33).

The Bundaberg Region recorded higher industry productivity in the Agriculture, Forestry & Fishing; Mining; Electricity, Gas, Water & Waste Services; Construction; Wholesale Trade; Transport, Postal & Warehousing; Information Media & Telecommunications; Financial & Insurance Services; Rental, Hiring & Real Estate Services; Professional, Scientific & Technical Services; Administrative & Support Services; Public Administration & Safety; Arts & Recreation Services; and Other Services sectors than Queensland in 2011/12.



SOURCE: LAWRENCE CONSULTING



SOURCE: LAWRENCE CONSULTING

The Mining sector recorded the highest industry productivity level (\$212.47) in the Bundaberg Region in 2011/12, followed by Financial & Insurance Services

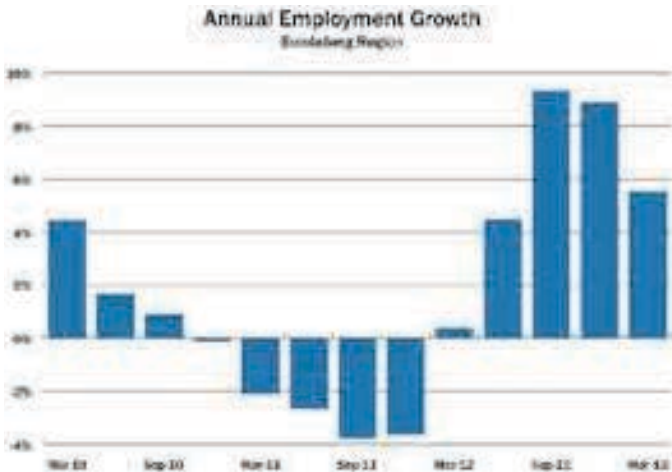
Industry	Bundaberg Region		Wide Bay-Gannett		Queensland	
	Level (\$GRP/hr worked)	Annual % change	Level (\$GRP/hr worked)	Annual % change	Level (\$GRP/hr worked)	Annual % change
	2011/12		2011/12		2011/12	
Agriculture, forestry & fishing	50.54	10.4	27.00	9.9	48.07	10.7
Mining	212.47	12.4	105.90	14.2	102.17	13.5
Manufacturing	10.71	7.5	54.37	6.4	50.07	7.8
Electricity, gas, water & waste services	60.74	-21.9	77.74	-22.4	70.11	-22.5
Construction	57.00	9.3	52.92	6.9	53.11	7.9
Wholesale trade	106.30	12.0	107.88	11.2	101.90	11.0
Retail trade	37.53	9.9	30.33	10.5	30.17	10.1
Accommodation & food services	30.40	12.1	30.87	12.9	30.94	13.3
Transport, postal & warehousing	69.30	7.7	75.21	8.0	67.20	8.0
Information media & telecommunications	95.33	8.1	97.20	7.9	93.21	8.2
Financial & insurance services	150.96	20.8	169.07	15.8	139.73	21.4
Rental, hiring & real estate services	67.59	10.5	70.10	10.9	66.87	10.9
Professional, scientific & technical services	56.21	5.8	64.11	6.9	57.03	5.6
Administrative & support services	43.29	2.4	41.51	1.3	40.63	1.1
Public administration & safety	93.32	0.9	93.11	-1.1	92.87	-0.8
Education & training	36.85	-1.7	37.29	-1.4	36.96	1.6
Health care & social assistance	27.60	0.7	20.88	1.4	38.66	1.1
Arts & recreation services	25.91	5.0	24.10	-8.0	24.22	-4.7
Other services	30.60	0.1	30.52	0.3	30.00	0.0
Total industry	61.65	2.8	61.74	2.2	68.32	3.4

Note: All values are in current prices, whilst annual changes are in chain volume indexes.
Source: Lawrence Consulting

EMPLOYMENT

Labour Market

The estimated number of employed persons in the Bundaberg Region was 42,242 in the March Quarter 2013, which represented annual growth of 2,215 persons, or 5.5% from the level recorded in the March Quarter 2012.



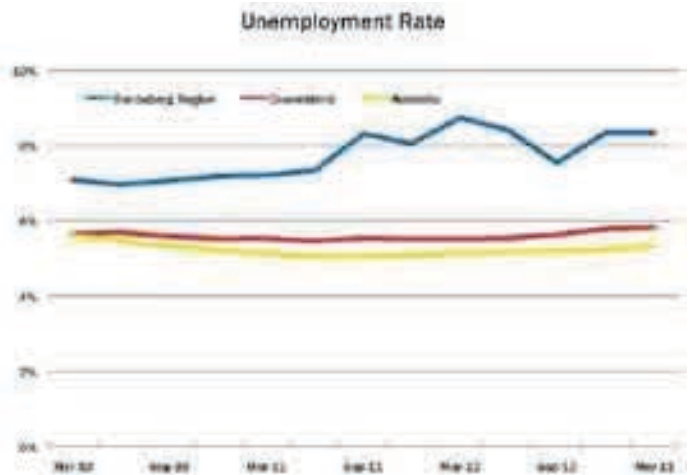
SOURCE: LAWRENCE CONSULTING

The unemployment rate in the Bundaberg Region remained steady at 8.3% in the March Quarter 2013, whilst also representing an annual decrease of 0.4 percentage points from the level recorded in the March Quarter 2012 (8.7%).

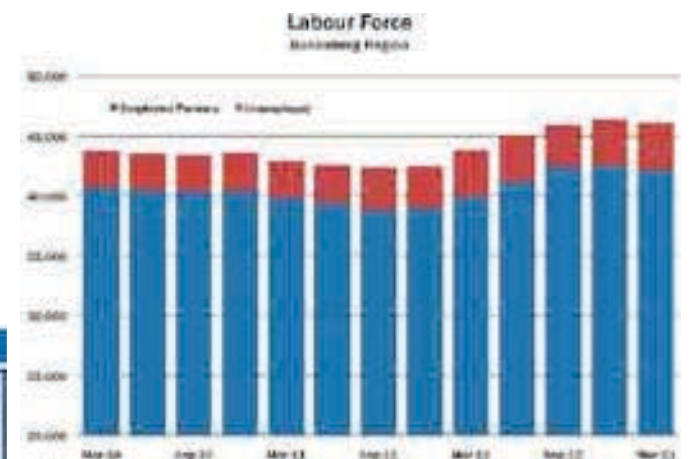
	Level	Qtrly % chg	Ann % chg
	Mar Qtr 2013		
Employed persons	42,242	0.8	5.5
Unemployed	3,844	-0.8	0.2
Unemployment rate (%)**	8.3	0.0	-0.4
Labour force	46,088	-0.6	5.1

Note: no unemployment rate changes are percentage point changes
Source: DEEWR

The unemployment rate in the Bundaberg Region is higher than the averages for Queensland (5.8%) and Australia (5.3%).



SOURCE: DEEWR



SOURCE: DEEWR

The size of the labour force in the Bundaberg Region increased annually by 5.1% to a level of 46,088 persons in the March Quarter 2013. The number of unemployed persons increased annually by 0.2%.

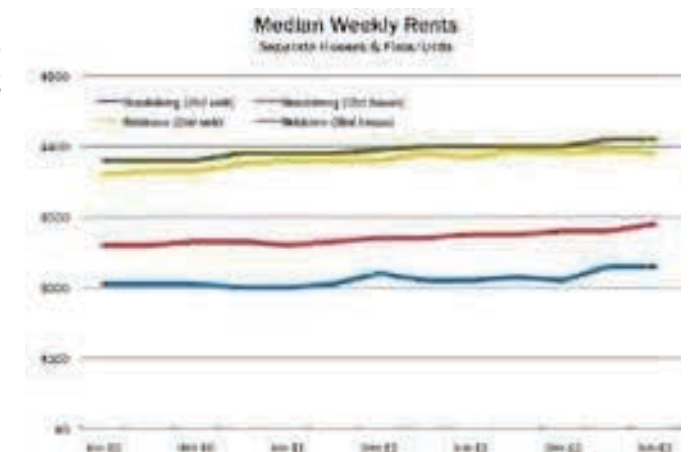
HOUSING & CONSTRUCTION

Median Weekly Rents

Median weekly rents for three bedroom houses and two bedroom units in the Bundaberg Region increased by 5.5% and 9.5%, respectively, over the year to the June Quarter 2013.

	Bundaberg		Brisbane	
	Level (\$) Jun Qtr 2013	Ann % chg	Level (\$) Jun Qtr 2013	Ann % chg
One bedroom flats	180	0.0	300	0.0
Two bedroom flats	230	0.0	330	1.3
Three bedroom flats	288	5.4	300	4.3
Two bedroom townhouses	250	4.2	320	2.8
Three bedroom townhouses	290	5.5	410	2.5
Four bedroom townhouses	350	6.1	400	2.3
Two bedroom terraced houses	280	1.8	380	2.7
Three bedroom terraced houses	380	1.8	400	2.3

Source: Residential Tenancies Authority

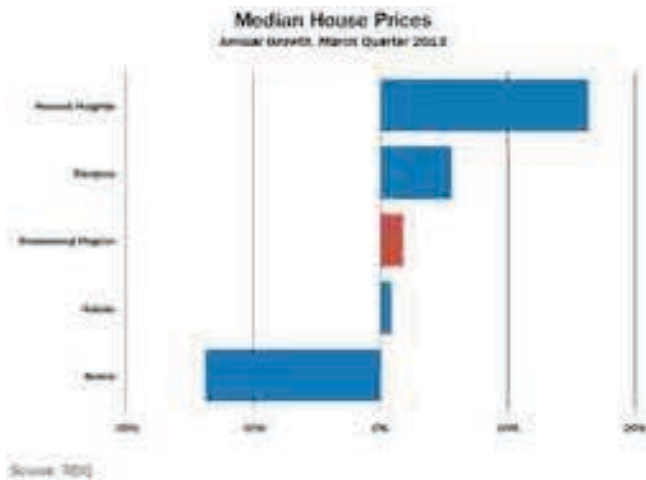


SOURCE: RESIDENTIAL TENANCIES AUTHORITY

PROPERTY MARKET

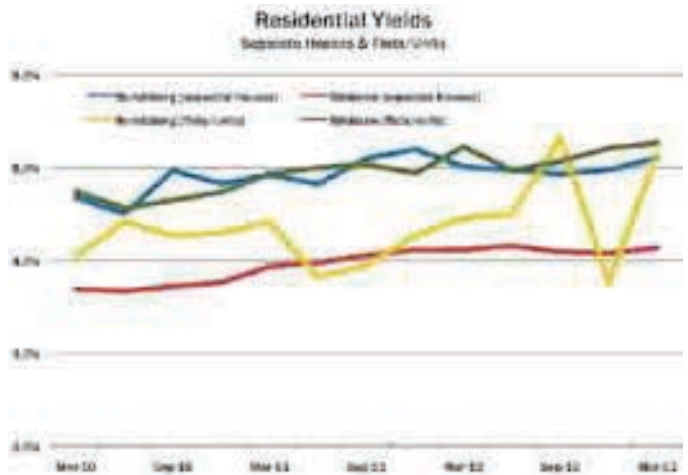
House Sales

The median house price in the Bundaberg Region was \$285,000 in the March Quarter 2013, which represented an annual increase of 1.8% from the level recorded in the March Quarter 2012 (\$280,000).



Rental Yields

The average gross housing rental yield in the Bundaberg Region was 5.1% in the March Quarter 2013, whilst the average yield for flats / units was also 5.1%. By comparison, the average yields for separate houses and flats / units in Brisbane were 4.1% and 5.3%, respectively.



SOURCE: REIQ

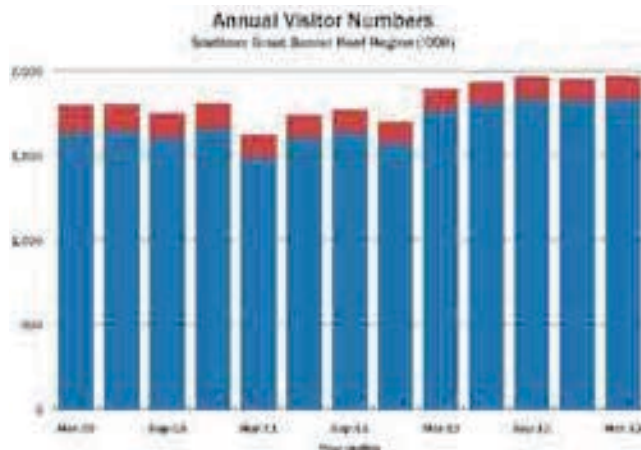
	Bundaberg		Brisbane	
	Houses	Units	Houses	Units
Level (%) Mar Qtr 2013	5.1	5.1	4.1	5.3
Ann % chg ¹	0.1	0.7	0.0	0.0
Since Mar Qtr 2010:				
% chg ²	0.4	1.1	0.4	0.5
Minimum	4.9	3.8	3.7	4.8
Maximum	5.2	5.3	4.2	5.3
Average	4.9	4.4	4.0	5.0
Variance	0.7	1.6	0.5	0.7

Note: 1st Change in percentage point change.
Source: Residential Tenancy Authority, QGO, Lawrence Consulting

TOURISM

Visitor Numbers

There were approximately 1,835,000 domestic overnight visitors to the Southern Great Barrier Reef (SGBR) Tourism Region – in which the Bundaberg Region is included – in the year to March 2013, which represented an annual increase of 71,000 visitors, or 4.0% from the level recorded in the year to March 2012 (1,764,000).



Source: Tourism Research Australia

	Level Yr to Mar 2013	Annual % change
Domestic visitors: Numbers ('000s)	1,835	4.0
International visitors: Numbers ('000s)	2.38	4.8
Visitor nights ('000s)	2,230	15.1
Average length of stay (days)	18.4	10.3

Source: Tourism Research Australia

Tourist Accommodation

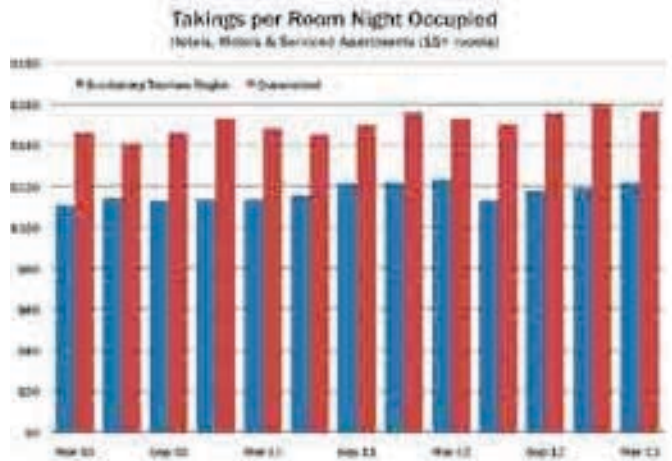
The room occupancy rate for all establishments with 15 or more rooms in the Bundaberg Region increased by 10.5 percentage points to 69.9% in the March Quarter 2013, which also represented a significant annual rise of 15.9 percentage point.



Source: ABS Survey of Tourist Accommodation

The average length of stay in accommodation establishments in the Bundaberg Region was 2.4 days in the March Quarter 2013, whilst total takings from hotels,

motels & serviced apartments with 15 or more rooms were \$6.3 million, which represented a significant annual increase of 22.4%.

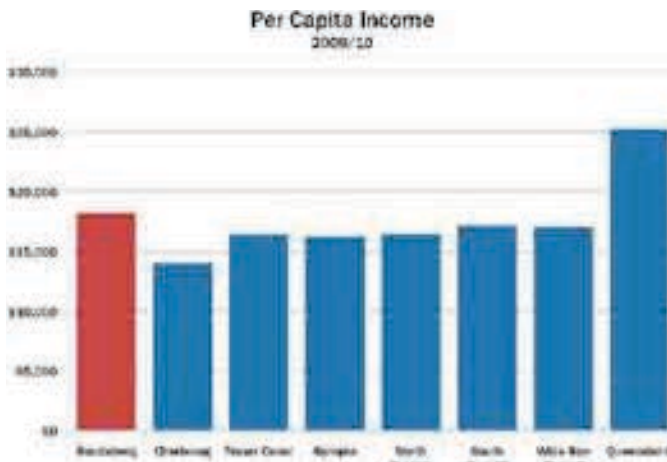


Source: ABS Survey of Tourist Accommodation

INCOME & LIFESTYLE

Personal Income

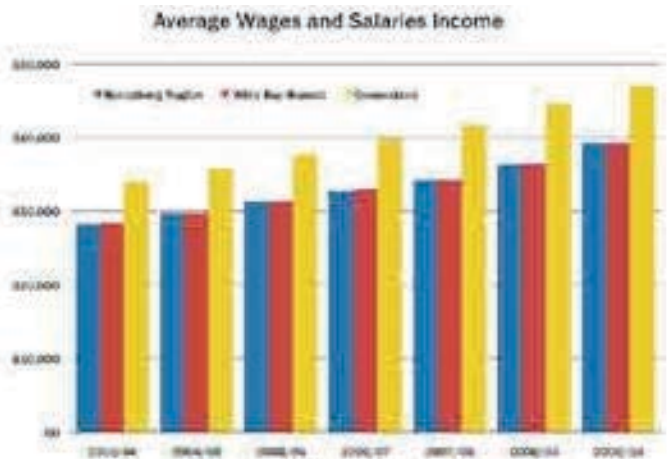
Per capita income for the Bundaberg Region was estimated at \$18,219 in 2009/10, representing a strong annual increase of 6.3% from the level recorded in 2008/09 (\$17,132). The average wage and salary income for the Bundaberg Region increased annually by 7.8% to \$39,173 in 2009/10.



Source: ABS 6524.0

	Level 2008/10	Annual % change	Average annual % change Last 5 years
Total income (\$ million)			
Bundaberg Region	1,079.2	6.0	7.4
Wide Bay-Burnett SD	4,117.0	1.2	0.0
Queensland	111,582.3	3.0	7.8
Per capita income (\$)			
Bundaberg Region	18,219	6.3	6.6
Wide Bay-Burnett SD	17,025	4.4	0.6
Queensland	25,224	2.1	6.6
Average wage & salary income (\$)			
Bundaberg Region	39,173	7.8	6.7
Wide Bay-Burnett SD	30,182	2.3	5.7
Queensland	47,054	5.7	6.7

Source: ABS 6524.0



Source: ABS 6524.0



Photograph courtesy of Queensland Holidays.

INNOVATIVE PEOPLE

Our community described their desired future for the Bundaberg region as :

In 2031, our economy is supported by a labour force with the skills, education, experience and entrepreneurial talent to sustain a highly advanced and specialised market. Our residents have the education and skills to fill local employment opportunities across a broad spectrum of industries, trades, business and professional occupations.

Bundaberg Region 2031 articulated Council’s response to this vision by outlining our future priorities and goals as:

Community Outcome	Community Priorities	Goals
	It’s important to our community that we are:	In working to these priorities, we strive to achieve:
In 2031, the Bundaberg region will be home to innovative people.	Enhancing local skills.	<p>Attract and support the enhancement, retention, education and employment opportunities for key demographic groups.</p> <p><i>We support a culture of innovation in a region full of industry entrepreneurs, where environmentally sustainable development occurs, and we provide education and training providers with the opportunity to enhance local skills</i></p>

OUR PERFORMANCE		Our work undertaken during 2012/13 towards achieving: A vibrant economy - and - Innovative people	
Council Branch	Outcome Area	Performance Indicator	Performance achieved during 2012/13
Economic Development	Towards 2031 <i>Strategy: Develop and implement a regional economic development strategy</i> Economic Development Strategy Review	Revision of Economic Development Strategy	The Economic Development Strategy is the key guiding document within the Economic Development Section and is reviewed on a regular basis. As the document is due to expire in 2014, the planning for a full review is underway and will be discussed with Council in the next quarter.
Economic Development	Towards 2031 <i>Strategy: Support, market and promote the region</i> Support to Existing Businesses	Number of existing businesses (direct contact) assisted via the effective provision of information and/or appropriate referrals	127 direct existing businesses were assisted over the reporting period.
Economic Development	Towards 2031 <i>Strategy: Support business enterprise relocating to, expanding within, or establishing in the region</i> Investment & Business Attraction	Number of meetings held in partnership with the Department of Employment, Economic Development and Innovation and the Bundaberg Regional Futures Program to assist businesses considering relocating to the Bundaberg Region	48 meetings have been held with Department of State Development, Infrastructure & Planning over the reporting period
Community Services	Towards 2031 <i>Strategy: Support and encourage appropriate levels of regional economic investment with the capacity to diversify and expand the economic base and secure sustainable new business investment</i> Budget Performance for Strategic Events	Budget performance for strategic events measured as a percentage of expenditure against budget	Expenditure was on target for the total year's budget.
Economic Development	Council Liaison - Economic Development	Liaison with Council across a broad range of Economic Development issues	Economic development held 34 meetings for this reporting period.



EFFECTIVE AND ETHICAL GOVERNANCE

Our community described their desired future for the Bundaberg region as:

In 2031, Bundaberg Regional Council is recognised as a local leader in our community, harnessing quality human talent and modern, best-practice management systems and expertise to provide effective and efficient services to our people.

Bundaberg Region 2031 articulated Council’s response to this vision by outlining our future priorities and goals as:

Community Outcome	Community Priorities	Goals
<p>In 2031, the Bundaberg region will have effective and ethical governance.</p>	<p>It’s important to our community that we are:</p>	<p>In working to these priorities, we strive to achieve:</p>
	<p>Leading our community.</p>	<p>Open and transparent leadership. <i>The public have access to meetings, and our governance framework allows free speech and full representation for our residents, regardless of where they live.</i></p> <p>Strong regional advocacy. <i>We welcome input by the community, and recognise the value of involving our key regional stakeholders.</i></p>
	<p>Providing involvement in decision making.</p>	<p>Listening and communicating. <i>Our communication strategy and framework facilitates real and proactive engagement amongst our community.</i></p> <p>A common sense approach to planning, coordination and consultation. <i>We welcome community involvement in local government, and Council leads through ongoing communication.</i></p>
<p>Being a responsive and responsible Council.</p>	<p>Responsible financial management and efficient operations. <i>Our long term strategy delivers prudential financial management, where decisions are made responsibly, based on consistent and correct information.</i></p> <p>A committed and responsive customer service focus. <i>Customer service is critical, and Council shares relevant information and rewards innovation and commitment to provide quality services to our community.</i></p> <p>A valued work force committed to the region delivering quality services. <i>Council is recognised as an employer of choice, with an innovative and dynamic team of trained professionals delivering real outcomes to and on behalf of the community.</i></p>	

OUR PERFORMANCE		Our work undertaken during 2012/13 towards achieving: A healthy natural environment	
Council Branch	Outcome Area	Performance Indicator	Performance achieved during 2012/13
Towards 2031			
Chief Executive Office	Advice of Resolutions to Staff	Advise of Resolutions assigned to staff within 5 working days	Staff were informed of Council resolutions within 5 working days of meeting conclusion via InfoCouncil Action Sheets during the reporting period.
	Regional Council Meetings	Conduct 3 Regional Council Meetings per year in venues outside of Bundaberg	Council has determined not to hold any meetings outside of the city for the reporting period.
Towards 2031			
Financial Services	Strategy : Establish a Governance Framework which supports open and accountable governance		
	Annual Audited Roads to Recovery Report	Prepare and have audited Annual Roads to Recovery return by 31 October each year	The Roads to Recovery Financial Statements for the year ending 30 June 2012 were audited by the Queensland Audit Office without qualification. The Costing Team is currently compiling the Annual Audited Statements for the 2012/2013 Financial Year.
	Asset Notes for Financials	Complete the whole asset process and have the notes to the financials prepared by mid August	The Asset Note was audited without qualification for the year ending 30 June 2012. Preparation for the 2013 audit is now underway.
	Audited Annual Financial Statements	Work with the External Audits to ensure the audit is completed within the legislative timeframe	Council's Annual Financial Statements were audited without qualification for the year ending 30 June 2012. Preparation for the 2013 audit is now underway.
	Conduct Audit and Risk Committee meetings	Conduct a minimum of two (2) committee meetings during the year	4 Audit and Risk Committee Meetings have been conducted for this period.
	Establish Audit & Risk Annual Plan	Undertake a minimum of five (5) internal and risk audit items	A total of 3 Internal Audits were completed during the reporting period.
Sustainable Finance	Investment Register Audit	Ensure Council investments are in accordance with Council Investment Policy on a monthly basis	Investments during the reporting period were placed in accordance with the Investment Policy.
	Monthly Audit Reports	Complete an Audit Report on a monthly basis that highlights issues regarding risk, internal controls, module reconciliations and any other issues that require attention	Internal audits of financial modules and procedures have been performed on a monthly basis.
Towards 2031			
Chief Executive Office	Strategy : Facilitate the active participation and input by the community into significant issues impacting on them		
	Meeting Statutory Requirements on Council Meetings	Timely advertising of all Council Meetings	Statutory meetings advertised as per requirements.
Stakeholder Engagement	Surveys and written submissions	Ensure the community has active participation and involvement in significant issues impacting on them	Communications Team regularly engages with the community via surveys and written submissions.
	Strategy : Represent and promote the interests of the community through key regional stakeholders		
Chief Executive Office	Strong Regional Advocacy	Maintain membership of region/state organisations	Membership maintained of LGAQ and WBBROC

	Strategy : Establish and implement an effective communication strategy	
Towards 2031	Develop a comprehensive Corporate Marketing and Communications Plan to support achievements of Council's Corporate Plan	Council continues to implement and operate according to the Information and Communication Strategy.
Stakeholder Engagement	Media and event based promotion	Council actively promotes its activities via media and social media and regularly consults with the community.
Internal Ombudsman	Right to Information (RTI)	All applications received were completed on time within statutory requirements.
	Strategy : Proactively seek community engagement	
Towards 2031	Implement a Community Engagement Plan	Council regularly engages with the community and other external stakeholders via numerous mediums including media releases, marketing plans and social media.
Stakeholder Engagement	Strategy : Provide strong governance and leadership that includes open, timely and transparent communication and responsible decision making	
Administration	Call Centre calls	Call operations are within acceptable tolerances
Record Management	Records incoming correspondence	An average of 65% of incoming 'reply required mail' were answered within determined timeframes during this reporting period.
Chief Executive Office	Publishing of Agendas and Minutes	Agenda and minutes were published as per statutory requirements.
	Strategy : Create a long-term financial sustainability strategy	
Towards 2031	QTC 10 year forecast for Loan funding application	10 Year Plan completed. This was adopted by Council at the Special Budget Meeting.
Sustainable Finance	Budget reviews - Sustainable Finance	The third quarter budget review was prepared and adopted by Council.
Development Assessment	Capital project reports	Managers have reviewed capital projects and provided projections for end of financial year and anticipated carryovers.
Water & Wastewater Infrastructure Planning	Achievement of Budgeted Revenues across the Building Certification Unit (Building Services Bundaberg)	Budgeted revenues for certification services achieved and supported by budget revision.
Development Assessment	Achievement of Budgeted Revenues within the Building Certification Unit (Building Services Bundaberg)	Actual revenues are in line with annual revised budget.
Water & Wastewater Infrastructure Planning	Adherence to Budgeted Operating Expenses within the Building Certification Unit (Building Services Bundaberg)	Higher expenditures than budgeted due to cost impacts associated with corporate restructures in the Building Team.
Water & Wastewater Infrastructure Planning	Adherence to Budgeted Operating Expenses within the Plumbing Services Section	Expenditures are in line with the revised budget.

Development Assessment	Achievement of Budgeted Revenues across the Planning Services Section	The percentages of budgeted revenues achieved across the Planning Services Section	Budgeted revenues for Planning Services are on target.
	Adherence to Budgeted Operating Expenses within Planning Services Section	The percentage of budgeted operating expenses incurred across the Planning Section	Planning operating expenditure within tolerance variation of KPI.
	Achievement of Budgeted Revenues across the Sustainable Development Section (excluding Infrastructure Charges)	The percentage of budgeted revenues achieved across the Sustainable Development Section (excluding Infrastructure Charges)	Sustainable Development (now Development Assessment Team) revenues under budgeted amounts reflect a depressed development industry across the region and lower number of development proposals proceeding to construction.
	Achievement of Budgeted Revenues for Infrastructure Charges (Sustainable Development)	The percentage of budgeted revenues achieved for Infrastructure Charges	Significantly lower infrastructure charges revenues as a result of the 2013 flood event and general slowing of the development market in the region.
Visitor Information Centres	Adherence to Budgeted Operating Expenses within Sustainable Development	The percentage of budgeted operating expenses incurred across the Sustainable Development	Lower actual expenditures than budgeted.
	Achievement of budgeted revenues across the Visitor Information Centres	An indicator of the percentage of budgeted revenues achieved across the Visitor Information Centres	Achieved 95% of budget revenues. Indicative of the national trend in declining number of tourists/visitors utilising the services of Visitor Information Centre's coupled with the future uncertainty of the facility in relation to recommendations delivered in the Tourism Services Review.
	Adherence to Budgeted Operating Expenses within the Visitor Information Centres	The percentage of budgeted operating expenses incurred across the Visitor Information Centres	91% adherence to Budgeted Operating Expenses. Only critical repairs and maintenance undertaken pending Tourism Services Review recommendations decisions.
Associated Botanic Gardens Tourism Facilities	Achievement of Budgeted Revenues for Associated Botanic Gardens Tourism Facilities	An indicator of the percentage of budgeted revenues achieved within associated botanic gardens tourism facilities	Achieved 97% of Budgeted Revenues. Coming out of a strong Christmas season, the Botanic Gardens Facilities (Hinkler Hall of Aviation and Fairymead) suffered an approximate three month closure post natural disaster recommencing operations 3 June 2013.
	Adherence to Budgeted Operating Expenses for Associated Botanic Gardens Tourism Facilities	An indicator of the percentage of budgeted operating expenses incurred within Associated Botanic Gardens Tourism Facilities	83% adherence to Budget Operating Expenses. Facility experienced an approximate 3 month closure post natural disaster. Primarily only repairs/maintenance work identified as negatively affecting guest/staff safety or revenue was carried out.
Bundaberg Holiday Parks	Achievement of Budgeted Revenues within Bundaberg Holiday Parks	An indicator of the percentage of budgeted revenues achieved within Bundaberg Holiday Parks	106% of Budgeted Revenue achieved for Bundaberg Holiday Parks. A solid financial position gained in the first six months of the financial year coupled with a strategic marketing campaign post natural disaster and an increase to tariffs as of 1 February 2013 has attributed to an increase in revenue. With Finemore Holiday Park ceasing operations at 28 January 2013, Council's remaining holiday parks have performed well to achieve this result.
	Adherence to Budgeted Operating Expenses within Bundaberg Holiday Parks	An indicator of the percentage of budgeted operating expenses incurred within Bundaberg Holiday Parks	90% adherence to Budgeted Operating Expenses. Adversely affected by the closure of Finemore Holiday Park and its subsequent decommission. Park Managers and Tourism Operations Coordinator worked together to develop a work schedule and prescriptive audit of essential repairs and maintenance to be carried out at the Parks post natural disaster. Primarily only work identified as possibly affecting guest and staff safety or revenue was carried out. Park Managers successfully managed to work within the financial constraints of their operating budgets for the last quarter.

Caravan Parks & Campgrounds (excluding 'Holiday Parks')	Achievement of Budgeted Revenues within Caravan Parks & Campgrounds (excluding Holiday Parks)	An indicator of the percentage of budgeted revenues achieved within Caravan Parks & Campgrounds (excluding Holiday Parks)	Achieved 85% of Budgeted Revenues for Council leased parks. Fixed lease payments and commission income. Final year lease payment for Bargara Beach Caravan Park not recorded in the 2012/2013 FY.
	Adherence to Budgeted Operating Expenses within Caravan Parks & Campgrounds (excluding Holiday Parks)	An indicator of the percentage of budgeted operating expenses incurred within Caravan Parks & Campgrounds (excluding Holiday Parks)	80% adherence to Budgeted Operating Expenses.
Organisational Services Administration	Quarterly budget review - Governance	Undertake a quarterly review of Governance Directorate budget	Budget review completed with Budget for Department within Target
Strategic Planning	Adherence to Budgeted Operating Expenses within the Strategic Planning Section	The percentage of budgeted operating expenses incurred within the Strategic Planning Section	Operating expenses align with the revised annual budget, following third quarter review.
Tourism	Adherence to Budgeted Operating Expenses within Tourism Section	The percentage of budgeted operating expenses incurred across the Tourism Section	83% adherence to Budgeted Operating Expenses. Pending Tourism Services Review recommendations outcoms any previously proposed initiatives/projects were put on hold.
People & Culture	Budget Performance - Human Resources	Human Resources expenditure within budget parameters	The Branch came in under budget at 97.4% of expenditure.
Administration	Budget Performance	Expenditure within budget parameters	Operating within acceptable tolerances.
Financial Services	Manage Bank Accounts	Managing Council investments and ensuring various bank accounts do not go into overdrawn	Council's Bank Account was overdrawn 2 instances for this reporting period
	Monthly Financial Report	Prepare Monthly Financial Report for Council in accordance with legislation by 5th working day of Month	All Council Finance Reports were prepared within 5 working days after the end of the month.
	Unaudited Annual Financial Statement	Prepare unaudited Annual Financial Statements in accordance with the applicable accounting standards and forward to the External Auditors within the legislative timeframe	Council's unaudited Annual Financial Statements for the year ending 30 June 2012 were prepared within the required timeframe and submitted to the Audit & Risk Committee for review. Preparation for the 2013 audit is now underway.
Strategy - Drive the region's strategic direction on behalf of the community through effective and responsible policy, planning and decision making			
Financial Services	Annual Payroll Tax Return	Lodge the Annual Payroll Tax return by 21 July each year	Annual Payroll Tax Return was lodged on time for this reporting period.
	Asset Capitalisation Run	Conduct a sufficient number of Asset Capitalisation Runs per year	The Asset Team has completed all capitalisation runs as required during the year to 30 June 2013. This was a great effort considering the flood event and the implementation of a new version of the MyData Asset Management System.
	FBT Return	Prepare Fringe Benefits Tax Return by 21 May	Fringe Benefits Tax Return was lodged in accordance with legislative timeframe
	Monthly BAS	Prepare Business Activity Statement within 21 days from EOM	All Business Activity Statements were lodged within the legislative timeframes.
	Monthly Payroll Tax Return	Prepare Payroll Tax Returns within 7 days after EOM	Payroll tax returns were lodged in accordance with legislative timeframes

Towards 2031

Sustainable Finance	<p>Return on Investment</p> <p>NCP Actuals</p> <p>NCP Budget</p>	<p>Comparing the averages of Council's return on investments to the overnight monetary market interest rate</p> <p>NCP completion for Actuals for the current year</p> <p>NCP Budget for Next Year</p>	<p>The Treasury Section has worked with the strict constraints of the Investment Policy due to the global financial situation and has managed to achieve higher than target outcomes.</p> <p>NCP was completed and passed the QAO Audit.</p> <p>INCP budget has been completed and adopted by Council along with the Budget.</p>
Towards 2031			
Corporate Applications	<p>Ensure current software infrastructure</p>	<p>Corporate software within supported versions matrix to maximise compatibility and inter-operability of Corporate systems</p>	<p>Software patches were applied as required during the reporting period.</p>
Information Services	<p>Information Management System up to date</p>	<p>Ensure Councils' Information Management System is updated with the latest version software with suitable reports being generated to ensure all internal and external customers needs are satisfied and accurate accounting records being maintained</p>	<p>Some updating of systems did take place such as Authority Upgrade 6.7 in May 2013 over this reporting period, however there is evidence of system issues from an internal perspective being addressed by our main IMS provider Civica.</p>
IT Infrastructure	<p>IT Projects Completed on Time and Budget</p> <p>Internal support call closures</p> <p>Phone & network system availability</p> <p>Performance Manager Maintenance</p>	<p>IT projects completed on time and on or under budget by review date</p> <p>Responsiveness in relation to helpdesk incidents finalised within timeframe</p> <p>Availability of core data, voice network and corporate applications during business hours</p> <p>Performance Manager routine training and maintenance</p>	<p>A number of action items were completed during the last quarter. The phone replacement rollout is continuing and should be completed in September 2013.</p> <p>An average of 82.5% responsiveness to helpdesk incidents for this reporting period.</p> <p>There have been a number of outages of phones and networks. Information Systems does not have a system to report on actual up and down time.</p> <p>Maintenance to PM and associated KPIs has been performed as and when required.</p>
Towards 2031			
Administration	<p>Annual Customer Satisfaction Survey</p> <p>Customer Request Management</p>	<p>Undertake Annual Customer Satisfaction Survey and prepare a report to Council</p> <p>Monitor the number of Customer Requests overdue in relation to the timeframe assigned</p>	<p>No customer satisfaction surveys were undertaken this reporting period.</p> <p>Operating within acceptable tolerances.</p>
Towards 2031			
Roads & Drainage Services	<p>Community Request Response - Roads & Drainage</p>	<p>Percentage of CRM's responded to within Agreed Timeframe</p>	<p>Average of 66%. CRM response times within the Customer Service Charter targets have been affected by the intense response to the flood in January. Key staff have been involved with emergent works and data collection involved with identification of flood damaged infrastructure. The CRM response process for Roads and Drainage has been amended and additional resources applied to provide an improved CRM response time.</p>

Towards 2031

Strategy : Promote the organisation as an employer of choice

People & Culture	Contribution to open, transparent and effective leadership through leaders who participate in mandatory training	Participation rates of leaders in corporate leadership training	349 employees participated in various corporate leadership training including Induction, Recruitment & Selection, Performance Appraisals, Code of Conduct, Employment at Council
	Contribution to open, transparent and effective leadership through the quality of mandatory training	Satisfaction amongst participants in training provided.	The average satisfaction rating from staff who attended a mandatory training course was 76% for the reporting period.
	Creation of a vibrant, progressive, connected and sustainable workplace through the implementation of the Certified Agreement	Level of education and support provided to leaders to implement potential productivity improvements.	The Branch provided reporting to enable a review of vacant positions which Council used to reduce the number of vacant positions and reduce future spend, coordinated an external counselling program to support staff, introduced an engineering scholarship program with CQU and sourced funding to provide employees with licences for earth moving equipment.
	Implementation of Workforce Performance Metrics	Implementation within Performance Manager and education and communication with leaders	Workforce metrics on aspects such as absenteeism and turnover were made available to all staff and in May were presented to Supervisors and Managers.
	Review of Existing Workplace Policies	Review of existing workplace policies to identify potential improvement.	Council introduced an Alcohol & Drug Policy to reduce the likelihood of accident and lost productivity, updated our Parental Leave Policy to reflect new 'Dad & Partner Pay' legislation and funding by the Federal Government and in response to the Local Government and Other Legislation Amendment Bill 2012, we rationalised our Equal Employment Opportunity management plan and processes.
	WHS Training	Provide quality WHS training to employees	125 staff attended WHS Training for the reporting period.

Towards 2031

Strategy : Facilitate the development and maintenance of a workforce that embraces innovation and improved service delivery

Integrated Management Systems	Quality Assurance	Quality assured organisation guaranteeing a service level and eligibility to undertake certain projects MRD certification	IMS Quality team has conducted audits as required
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Towards 2031

Strategy : Ensure our workforce is adequately trained, developed and supported to competently manage themselves and their work

Economic Development	Hazard Inspection - Economic Development	Undertake regular hazard inspections of relevant sites	All hazard inspections for the Commercial Business & Economic Development Branch have been carried out for the past quarter.
Commercial Business & Economic Development	Performance Appraisals Completed - Commercial Business & Economic Development	Performance appraisals completed on time within the Commercial Business & Economic Development Section	All Performance Appraisals due for the reporting period have been completed.
Tourism	Hazard Inspection - Tourism	Undertake regular hazard inspections of accommodation and tourism properties	100% of site inspections required under the EPA licence for Bundaberg Holiday Park sewerage systems were completed.
	Performance Appraisals Completed - Tourism	The level of performance appraisals completed on time within the Tourism Section	100% performance appraisals completed for this reporting period.
People & Culture	Organisational safety performance	Lost time due to injury across the organisation	Organisational safety performance is ahead of target.



OUR COUNCIL



towards
2031

vibrant
progressive
connected
sustainable



The Elected members of the Regional Council consist of one Mayor and 10 Councillors who were elected on 28 April 2012 for a four year term.

Council holds an Ordinary Meeting every three weeks at which the Mayor is Chairman and a Planning Committee which meets every two weeks where the Portfolio Councillor is the Chairman. Meeting times and dates can be found on Council's web site.

Meetings are held at Council's Chambers situated at 190 Bourbong Street, Bundaberg.

Council's role as a local authority is to make local laws and policies that ensure good rule and governance.

Your Council also has the responsibility to provide direct services to the community through the supply of services such as water, wastewater, cleansing, recreational facilities and community services.

Council's main source of revenue comes from rates, charges and fees which go towards carrying out works that are required by the community. Council obtains other sources of funds from Financial Assistance Grants from the Federal Government, the raising of loans for capital work such as water treatment and waste water treatment plants.

Cr Mal Forman

Mayor / Portfolio: Finance & Disaster Management

Cr Mal Forman became Mayor of Bundaberg Regional Council in May 2012. Cr Forman served on the former Bundaberg City Council, including 8 years as Deputy Mayor; and holds a Diploma in Local Government Management.

Mal has been involved in numerous rural industries and has served as Director on a number of Companies. He enjoys business planning and development; is a strong advocate for economic development and has owned and managed many successful businesses, including the McDonalds franchise in Bundaberg for over 22 years.

Mal has also served on many community organisations including Bundaberg District Crime Stoppers, Bundaberg District PCYC, Bundaberg Region Tourism, Bundaberg District Groundwater Area Advisory Committee and many local government committees. He was Chairman of the Board of Bundaberg Christian College since its commencement in 1995 until May 2013.

Mal is passionate about his role as Mayor and his responsibilities and commitment to the residents of the Bundaberg Region. He has a clear vision for Council and is striving for a Council that will deliver positive outcomes for every resident, no matter where they reside in our Region.

Mal is the Patron of the Bundaberg Football Association and Bundaberg PCYC, joint Patron of VMR, Vice Patron of Qld Surf Life Saving and is the Rural Fire Warden for Ashfield/Windermere Rural Fire District. He is married to Joy and has 3 sons and 5 grandchildren.



Cr Alan Bush

Representative for Division 1 / Portfolio: Water and Wastewater

Cr Bush represents Division 1 covering Moore Park, North Bundaberg, Avondale, Yandaran, Winfield, Sharon and Burnett Downs.

Prior to being elected to Council in 2008, Alan was a past Councillor with the Gooburrum Shire Council between 1988 and 1994 and the Burnett Shire Council between 1994 and 2000. He has held many committee positions in the community and now represents Council on a number of community committees.

Alan is also the portfolio spokesman for Water and Wastewater and is currently a member of the Moore Park Lions Club, Tegege Hall Committee, Avondale Football Club, Group Leader of the Yandaran SES and Officer of the Avondale Rural Fire Brigade



Cr Tony Ricciardi

Representative for Division 2 / Portfolio: Roads and Drainage

Cr Ricciardi has been in Local Government since 1992 and was Deputy Mayor of Isis Shire Council, before becoming Deputy Mayor of Bundaberg Regional Council when amalgamation occurred in March 2008.

Tony has served on the Committee of the Childers Apex Club as President in 1986 and 1987 and remains a senior active member in the Childers Club. He also is Life Member of the Forest View Aged Care facility in Childers and patron of Bundaberg Rugby League. Tony is the representative for Council on the Burnett Mary Regional Group for Natural Resource Management and is a third generation farmer and was born and educated in Childers and is married to Kath and has 3 sons. They currently reside at beautiful Woodgate Beach.

Tony was awarded a 'Paul Harris Fellow' by the Sunrise Rotary Club for his efforts in steering the 'Response and Recovery' to the devastating floods in December 2010/January 2011.



Cr Wayne Honor

Representative for Division 3 / Portfolio: Health & Regulatory Services

Cr Honor is Councillor for Division 3, covering an area of 3,749 square kilometers in the hinterland of the Bundaberg Regional Council. Wayne holds the portfolio of Health and Regulatory Services (including Parks and Gardens), and originally held the portfolio of Roads and Drainage from 2008-12. Wayne spent 4 years as a Councillor in the previous Kolan Shire Council working in the area of Community Services and Finance.

Wayne is actively involved in the community taking on many active rolls on committees, some being Chair of Lake Monduran Advisory Committee, Gin Gin Subgroup of Local Disaster Management Group and Council Representative on the Cycle and Pathways Committee, Roads Safety Committee and Regional Road Group. Before becoming a Councillor he was involved in a number of community committees including schools and agriculture.

His interests include community, art, sustainable farming practices as well as developing a Droughtmaster Stud cattle herd with his wife. He enjoys Clay Target and Small Bore rifle shooting. Wayne is keen to build on the achievements of Council to date and looks forward to contributing to the further development and prosperity of our culturally and geographically diverse region.



Cr Vince Habermann

Representative for Division 4 / Portfolio: Waste & Recycling

Cr Habermann is a first-term Councillor and admits his first year in the position has been very demanding and a big learning curve, with lots of tough decisions having to be made. All of Council has found it very challenging especially in the wake of the devastating floods and mini-tornadoes which struck the region in the last week of January. Vince is a fifth generation Bundaberg resident and has lived in the city all his life but has never experienced anything like the natural disasters which crippled our community as a result of ex-Tropical Cyclone Oswald. . Vince has had a varied career, including previously as an accountant for 10 years, sports reporter/editor for the NewsMail for 16 years and Electorate Officer for State Member for Bundaberg Jack Dempsey for 4 years.

Vince has been heavily involved in many sporting, community, church and school organisations throughout his life. He received an Order of Australia Medal in 2008 “For service to sport, particularly cricket, and to the Community of Bundaberg”. He won the Queensland Cricket Volunteer of the Year Award in 2007 and amongst many other honors, has been awarded two Bundaberg City Council Australia Day Sports Administration Awards but describes being on the Bundaberg Regional Council as the “ultimate honour”. In his spare time, Vince is still heavily involved in sport as a participant and an administrator.

Division 4 covers a large area of Bundaberg being bounded by Walker, Avoca and Duffy Sts, crossing the Burnett River and taking in large parts of North Bundaberg along Mt Perry Road, Batchlers Road, Fairymead Road, Queen Street, Fagg Street, Agnes Street, Gavin Street, McRae Street crossing back over the river, running down Walla Street as far as Burnett Street then along to Targo Street and back to Walker Street including all of the CBD, our three Bundaberg hospitals, retirement villages and nursing homes, several major shopping centres and countless other businesses, the traditional working class inner city suburbs, two high schools, a number of primary schools and many sporting and community organisations and excellent sporting facilities, large parts of which were ravaged by the floods.

Vince will continue to devote himself 100% to the role of Councillor, be always accessible and work very hard for the benefit of all people and the community at large. He will continue to work towards what he believes are the best possible outcome for all, do everything possible for the Council to foster Bundaberg businesses and bolster the local economy, and provide strong support and assistance for sporting and community organisations.

Vince is 52 years old, is married to Donna and has two step-daughters.



Cr Greg Barnes

Representative for Division 5 / Portfolio: Economic Development

Cr Barnes was first elected to the former Burnett Shire Council in March 2000 and re-elected in 2004. In 2008 he was elected to the newly amalgamated Bundaberg Regional Council and subsequently re-elected in 2012. He has been assigned the Economic Development portfolio (encompassing the conceptualisation and delivery of major projects), tourism operations and airport operations.

Greg has considerable experience in the regional tourism industry having worked as a SCUBA instructor on Great Barrier Reef operations before establishing and opening his own dive shop and charter boat business prior to entering local government. He was instrumental in triggering the Bargara Streetscape Project and establishing the Bargara ANZAC Day Dawn Service commemorations in 1997 and has also served as the President of the Coral Coast Chamber of Commerce and Tourism for 16 years, the Chair of Bundaberg North Burnett Tourism for 4 years and on a number of other local Boards and Committees.

He has a strong affinity with the wide range of issues affecting the region and especially those within his divisional townships of Bargara, Innes Park North, Innes Park and Coral Cove with whom he consults and updates on a regular basis through his personal website, social media, attendances at community meetings and by hosting and supporting local events.

Through his portfolio, he is focusing on opportunities to attract sustainable commercial and industrial development together with related employment opportunities for both the skilled and unskilled workforces. At the same time, he is committed to protecting the iconic and relaxed lifestyle enjoyed by local residents and believes that our region would benefit from more iconic attractions and by securing further airline services beyond the existing Bundaberg-Brisbane route.

Greg is always prepared to oppose negativity, procrastination, cronyism and unnecessary red tape in his support of projects which promise to provide tangible and realistic benefits for the wider community



Cr Danny Rowleson

Representative for Division 6 / Portfolio: Environment and Natural Resources

Cr Rowleson lives at Burnett Heads with wife Rhonda and both share an ambition to improve the quality of life across the Bundaberg Region. Danny believes his Natural Resources Portfolio provides an opportunity of a lifetime to increase environmental awareness and contribute towards a more sustainable regional future. Recent natural disasters have, in many instances, caused considerable damage to infrastructure, homes and businesses which will take many years to complete the recovery process however, Danny believes the Bundaberg Regional Council has responded compassionately and with distinction as we plan the rebuilding of our communities.



Cr Ross Sommerfeld

Representative for Division 7 / Portfolio: Planning and Development

Cr Sommerfeld was born and raised in Bundaberg. He has more than 25 years experience as a Consulting Surveyor with 21 of those years being Principal of his own business based in Bundaberg, before selling the whole business in 2004. Ross and his wife Linda have also owned the West Bundaberg News Mail delivery run for the past 12 years. Ross and Linda have three adult sons and one grandson.

Ross has been actively involved in a number of community and sporting groups over the years and is a life member of Across the Waves Cricket Club and a member of the Norville State School P & C.



Ross represents Division 7 which broadly covers the airport, Svensson Heights, Norville and Thabeban. Ross is Chairman of Planning and Development, a portfolio he finds most rewarding and closely aligned with his previous role as a Consulting Surveyor. He says that although he represents Division 7, he is committed to whole region along with his fellow Councillors.

Cr David Batt

Deputy Mayor, Representative for Division 8 / Portfolio: Governance

David is a third generation Bundaberg resident and is married with two daughters. He was previously employed as a Police Officer for over 23 years rising to the rank of Sergeant before being elected to the Bundaberg Regional Council in 2008. David holds a 'Diploma of Local Government – Administration', along with a "Diploma in Policing" and an "Advanced Diploma in Investigative Practices". He was the Manager of the Bundaberg PCYC for several years before his successful election as the Division 8 Representative for Bundaberg Regional Council.

David has a passion for Sport and Recreation in the local community and is involved in many local community organisations including Impact Make your Mark, Bundaberg PCYC, Bundaberg Netball Association and Across the Waves Sports Club.

Division Eight covers a large area of the former Bundaberg City Council, including the areas of Avoca and Branyan within the boundaries of the Isis Highway and the Burnett River.

As well as holding the Deputy Mayor's role, David has the portfolio of 'Governance' and sits on several Council committees including the Bundaberg Region Futures Committee, Audit & Risk Committee, Social Media & Communication Advisory Group and the Information Technology Steering Committee. David is also the Deputy Chair of the Local Disaster Management Group. David was awarded a 'Paul Harris Fellow' by the Sunrise Rotary Club for his efforts in steering the 'Response and Recovery' to the devastating floods in December 2010/January 2011.

David enjoys golf, camping, fishing and watching all types of sport and when he gets the time he loves to socialise with family and friends.



Cr Judy Peters

Representative for Division 9 / Portfolio: Community Services

Division 9 covers parts of East and South Bundaberg, Kepnock and the City area with schools, commercial activities, sporting fields and nature reserves enhancing the urban growth.

Cr Judy Peters was first elected as a Councillor on Bundaberg City Council in 1994 holding the Community and Cultural Services portfolio until 2008. Elected in March 2008 as a Councillor for Bundaberg Regional Council representing Division 9 with the Community and Arts Portfolio and re-elected un-opposed in 2012 and currently holds the Community Services Portfolio.

Judy is Patron of Australian Navy Cadets TS Bundaberg, Bingera Football Club Inc, Bundaberg Woodworkers Guild and Bundaberg Little Athletics Centre and Thabeban Athletics as well as a member of a number of other community organizations. Currently a member of the LGAQ Arts Reference Group and at the local level is Chair of Council's Regional Arts Development Fund. Judy has held an Executive position with the Australian Local Government Women's Association Queensland since 1995 having served as Zone 4 Representative, State President, delegate to the ALGWA National Executive and currently the Public Relations Officer for ALGWA Qld. Judy is also an Associate Member of the National Rural Women Coalition.

Judy holds a Diploma in Local Government (Administration), a Diploma of Business (Frontline Management), undertaken a Certificate IV in Training and Assessment and is a Justice of the Peace (Qualified).

Judy was invited to be profiled in the Who's Who 2009 Edition 'Lessons we Learn' and the 2010 edition, 'Reflections of Happiness'.

Judy owned and operated Bundaberg Shipping Services for 11 years dealing with domestic and foreign going cargo vessels from the Port of Bundaberg and held the position as a Director and then Deputy Chairman Bundaberg Port Authority for 14 years.

Creating opportunities for the community through networks and knowledge underpins her role on Council.



Cr Lynne Forgan

Representative for Division 10 / Portfolio: Sport, Recreation & Venues

Cr Forgan is the representative for Division 10, covering the areas of South Bundaberg, Walkervale, Avenell Heights and Thabeban.

With the diversity of our region, it enables Lynne to work with a variety of organisations in her Portfolio of Sport, Recreation and Venues; this includes Sport and Recreation, Libraries, Halls and Facilities, Moncrieff Theatre, Showgrounds, Swimming Pools and Museums.

Lynne is a qualified hairdresser, mother of 2 and grandmother of 5, and married to Gilbert who is happy and proud to support her. From operating her own business, she brings to Council her 29 years of business knowledge and experience, understanding all facets of business operation, and also holds a Diploma of Local Government Administration and a Certificate IV in Governance.

Lynne is actively involved in the community having served on many and varied organisations and taken many active rolls on committees, some being - Board member on the Bundaberg Health Services Foundation, Past District Governor for Lions district 201 Q4 and current member of the Bundaberg North Lions Club, PCYC committee member since its inception, Patron of the Rum City Silver Band, board member YMCA, along with being Council's appointed representative on several committees.



EXECUTIVE LEADERSHIP

Peter Byrne

Chief Executive Officer

Peter was Chief Executive Officer of the previous Bundaberg City Council since 1995. He has an extensive career in local government having commenced with Bundaberg City Council in 1972 as a Cost Clerk. On qualifying as a Public Health Inspector Peter worked for the next 20 years in the environmental health field and managed the Health and Environmental Services Department for several years prior to his appointment as Chief Executive Officer.

Peter has a Diploma Public Health Inspectors Qld and a Graduate Diploma Management - Public (CQU). He is a member of Local Government Managers Australia, a Fellow of Environmental Health Australia and a Fellow of the Australian Institute of Management.



Andrew Fulton

General Manager Infrastructure & Planning

MBA (Tech. Mgmt.), B.E. (Civil), FIE Aust, CPEng, MIPWEA, NPER, RPEQ

Andrew has over 20 years Local Government experience including more than 15 years in senior management. Andrew's extensive experience includes private sector roles in the construction industry together with engineering roles with the Federal Government.

Andrew focuses on facilitating efficient and cost effective delivery of utility services and infrastructure together with land use planning outcomes that foster a prosperous and sustainable community.



Glenn Hart

General Manager Organisational Services

B. Bus (Local Government and Human Resources); MPA; ASA; AIMM; MLGMA

Glenn commenced in Queensland Local Government in 1982 and in that time has gained a wide range of skills and experience vital for the role. Glenn has held senior positions in the Ipswich City Council and Moreton Shire Council before moving to the Bundaberg Region as a Director in the former Burnett Shire Council and Bundaberg Regional and now as a General Manager focusing on providing the best value-added internal services to create a strong, accountable and sustainable organisation.



Gavin Steele

General Manager Community & Environment

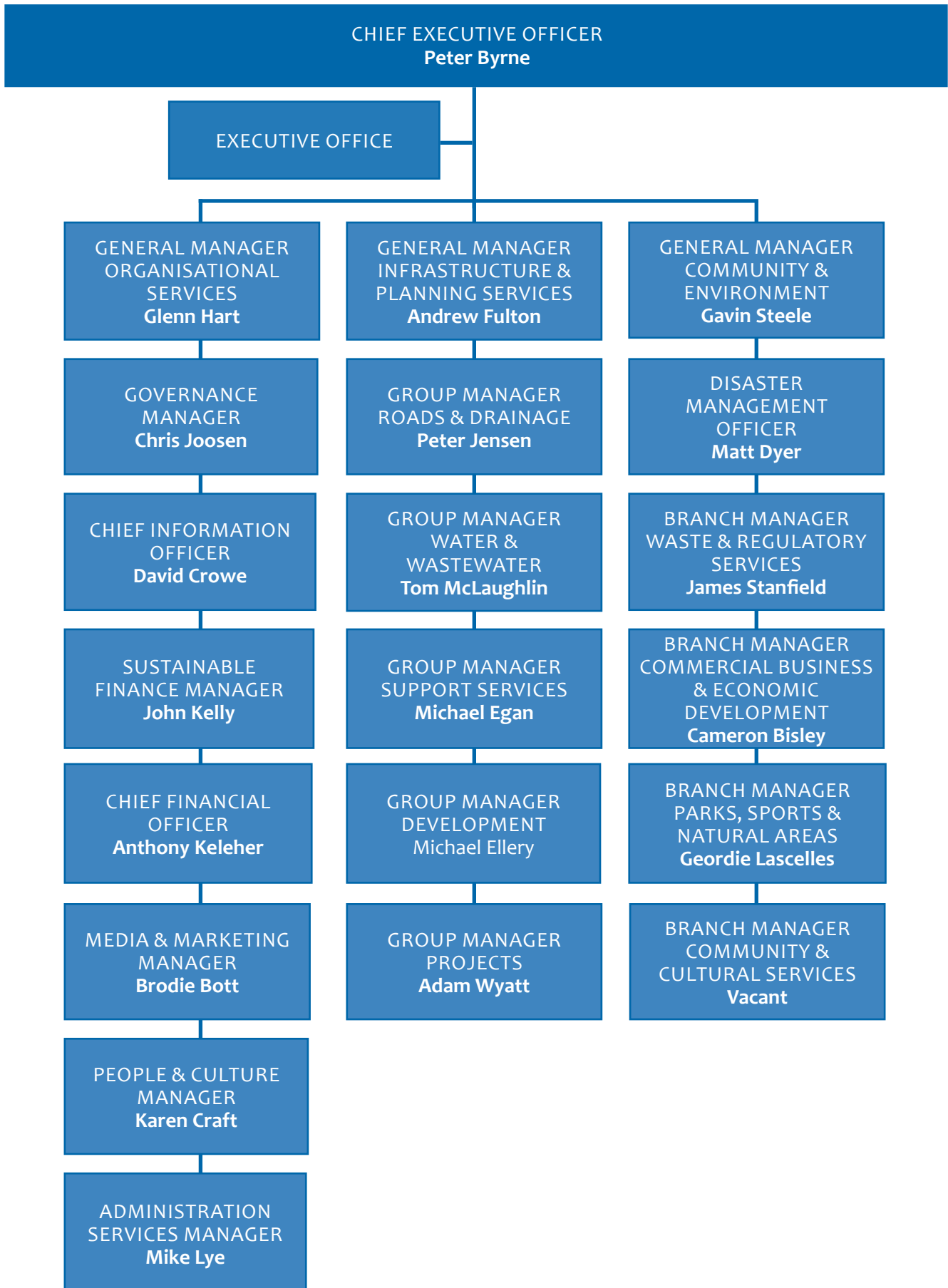
BAppSc (Env. Health), Grad Dip (Management), Diploma (AICD)

Gavin has 18 years experience in State and Local Governments in Queensland working with the Brisbane City Council, Queensland Government Department of Public Works, Rockhampton City Council and the Rockhampton Regional Council.

He has held numerous Director and General Manager positions since 2005 across a wide range of portfolios. Gavin commenced work with Bundaberg Regional Council in June 2012.



BUNDABERG REGIONAL COUNCIL MANAGEMENT STRUCTURE



DISCLOSURES



towards
2031

vibrant
progressive
connected
sustainable

Local Government legislation and related regulations require the following disclosures:

Community & Stakeholder Engagement

Council continued to focus its energies on consolidating an already strong Community and Stakeholder Engagement program during the 2012/13 reporting year, with the introduction of new social media platforms and a greater integration of information across all Council communications channels.

The Bundaberg Regional Council Facebook page grew dramatically over the past year, reaching thousands of local residents. Ratepayers were able to post their views on Council's numerous Facebook pages, including the overarching Bundaberg Regional Council account, Moncrieff Entertainment Centre, Disaster Management, BRAG and Bundaberg Region Libraries. Ratepayers also took advantage of the "Your Say" functionality on Council's website, which allowed them to have their input via an online survey/complaint form which is forwarded to Council staff.

Council also extended its social media presence with the introduction of the Bundaberg Regional Council YouTube and Twitter pages. Council launched the YouTube channel in June, complete with the first episode of Council TV, which has become a regular feature of the channel. Council has also been utilising the BRC YouTube Channel to distribute unedited TV/radio interviews with Councillors in an effort to show the full story. Council has also launched its own Twitter account, where we've been Tweeting media releases and keeping ratepayers regularly updated on what's happening around the Region.

Council has also undertaken a number of community engagement activities throughout the year including the Community Reference Group (CRG) involved with the Burnett River Floodplain Management Action Plan. Council has also sought public consultation regarding a proposed dog off-leash area at Mary Kinross Park as well as inviting members of the public to tour Council's Waste Water Treatment Plants.

Businesses around the region have also had regular consultation with Councillors and Economic Development staff, through the Chambers of Commerce in Bundaberg, Coral Coast, Childers and Gin Gin and with specific interest groups.

Council staff and Councillors also attended a number of major events around the region to showcase Council's many services and gauge community views, with Council Displays at Seniors, Health, Sports, Career and Lifestyle Expos, Agro Trend and the Bundaberg Show. These were so successful that the programme will be expanded in the next financial year.

Internal Audit Report

Council's Audit and Risk Committee is an advisory committee established in accordance with its charter, under Council's Audit and Risk Management Policy and in accordance with the Local Governance Act 2009. It complements the relationship between internal audit and the wider organisation, safeguarding internal audit's independence and further increasing the internal audit function's effectiveness and value to Council.

The committee provides a review and monitoring function over Council's corporate assurance, audit, risk management and corporate governance activities and arrangements. The committee reports to Council through the General Committee, on issues within its charter.

The Audit Committee was comprised of councillors and independent external representatives as follows:

- Chairman – Mayor Cr M Forman
- Cr D Batt, Governance Portfolio spokesperson
- Ms L Rudd, External Community Representative
- Ms S Barletta, External Community Representative

The Audit and Risk Committee is also attended by the External Auditors, Chief Executive Officer, General Manager Organisational Services, Internal Auditors and other key staff.

Council contracted an Internal Audit firm, Ulton Group who are responsible for carrying out the internal audit function of Council. The internal auditors have conducted three (3) audits during the financial year with the reports being presented to the committee.

The committee has also reviewed and confirmed a three (3) year audit plan and a number of Internal Quality Audit teams with the aim of enhancing current work processes. The teams have completed their second round of audits and the findings have been presented to the Committee.

The Audit and Risk Committee has held four (4) meetings for the year. At these meetings the Committee reviewed the external audit management letter. The external audit was conducted by the Queensland Audit Office who made 25 audit recommendations during the year of which 9 have been finalised. The outstanding recommendations relate to the interim audit in May 2013 and are under review with target completion dates being established.

Overseas Travel

The following details information about overseas travel made by a councillor or local government employee in an official capacity during the 2012/13 financial year:

Councillor / Staff Name	Destination of overseas travel	Purpose of overseas travel	Cost of the overseas travel
Mayor Cr M Forman	Nanning, China	Nanning International Folk Song Arts Festival and 9th China-ASEAN Expo (September 2012)	Council incurred no cost for overseas travel.
Deputy Mayor Cr D Batt	Nanning, China	Conference for the Guangxi International Sister Cities Exchange (July 2012)	Council incurred no cost for overseas travel.
Cr C Sommerfeld	Nanning, China	Conference for the Guangxi International Sister Cities Exchange (July 2012)	Council incurred no cost for overseas travel.
Cr L Forgan	Nanning, China	Conference for the Guangxi International Sister Cities Exchange (July 2012)	Council incurred no cost for overseas travel.
Mr C Bisley, Branch Manager Commercial Business & Economic Development	Nanning, China	International Sister Cities Program (September 2012)	\$2,031.70

Expenditure on grants to community organisations

Grants to community organisations totalled \$250,600.

Executive Remuneration

Executive's remuneration (including superannuation, motor vehicle and communications equipment) for the period 1 July 2012 to 30 June 2013:

Total Remuneration	Number
\$230,000 - \$330,000	4

Equal Employment Opportunity

Council is committed to providing equal employment opportunity to its employees and prospective employees. To help ensure equal employment opportunity in the recruitment, promotion and transfer of employees, Council trained 38 leaders in recruitment and selection processes and techniques.

Council recognises and encourages employees on the basis of their individual skills, experience and qualifications at all stages of their career. Council engaged 68 work experience students and employed 16 new trainees and 4 new apprentices.

Employment status and staff age and groups are:

Employment status

Gender	Full-time	Part-time	Casual	Total
Female	178	42	47	267
Male	642	14	32	688
Total	820	56	79	955

Employee Age Group

Gender	<24	25-34	35-44	45-54	55-65	>65
Male	44	76	139	231	179	19
Female	26	60	59	72	44	6

Registers open for inspection by members of the public

- Annual Budget
- Annual Report
- Land Record of Rateable Land
- Corporate and Operational Plans
- Council minutes
- Councillors' register of interests
- Council policies
- Delegations of authority
- Fees and charges (regulatory fees and other charges)
- Local law and subordinate local laws
- NCP business activities
- Internet: www.bundaberg.qld.gov.au

Code of competitive conduct for business activities

In accordance with section 45 of the Local Government Act 2009, Council has elected to apply the Code of Competitive Conduct (CCC) involving the application of full cost principles to its identified business activities. All significant business activities were conducted in the preceding financial year.

The financially significant Type 2 business activities of Bundaberg Regional Council are:

- Water and Wastewater; and
- Waste and Recycling.

Type 3 (competitive) business activities are:

- Caravan Parks; and
- Bundaberg Airport.

Non-Type 3 business activity is:

- Building Certification.

A full review of the appropriate application of NCP reforms across Bundaberg Regional Council has determined that the adoption of full cost pricing is the appropriate structural reform to apply.

Whilst a full cost pricing model has been utilised for the annual determination of cost recovery levels for Council's business activities, an appropriate long-term financial sustainability model will be developed, identifying ongoing investment requirements, informing capital funding decisions and borrowing programs and assisting in the development of longer-term price paths and revenues strategies for these businesses, consistent with full cost pricing principles.

Competitive neutrality complaints

As defined by Section 48 of the Local Government Regulation 2012, no competitive neutrality complaints were received.

Tenders

There were no invitations to change tenders pursuant to section 228(7) of the Local Government Regulation 2012.

Administrative Action Complaints

Council is committed to dealing with complaints fairly, confidentially, promptly and in a respectful manner. It is also committed to providing a quality level of service to its customers. Council aspires to provide a level of service and conduct its operations in a way that does not attract complaints. However, where a customer is not satisfied, Council is equally committed to the prompt and efficient resolution of complaints.

In establishing a management framework, Council has adopted a Corporate Structure that establishes the position of Internal Ombudsman. Policies and practices have been established to enhance Council's ability to review and report upon complaints to Council. This provides Council with a mechanism to resolve complaints, identify trends and eliminate future complaints.

In the 2012/13 financial year, Council received ten (10) Administrative Action Complaints that were reviewed by the Office of the Internal Ombudsman; one (1) related to the activities of the Department of Community & Environment, eight (8) to the Department of Infrastructure & Planning, and one (1) to the Department of Organisational Services. In reviewing the administrative actions inherent in these complaints a total of 22 recommendations were made. As at 30 June 2013, 16 of these recommendations had been implemented in full and six (6) were under review by the relevant department. Some of these matters under review were the subject of reports in the later part of the financial year and related to substantial matters that would require some detailed consideration by departments and possibly Council.

The preceding year, 2011/12 saw three (3) complaints processed under the formal Administrative Actions Complaints process, one (1) relating to the Department of Community & Environment, and two (2) relating to the actions of the Department of Infrastructure & Planning. A total of 19 recommendations were made as part of these internal reviews and ultimately 14 of these were progressed. Five (5) recommendations were made on a matter that related to the application of State Government legislation and these matters are the subject of a wider statutory review.

Special Rates or Charges Levied

The following special rates and charges were levied for the 2012/13 year:

Description	Levied
Sewerage Extension - Gin Gin	\$200.00
Moore Park Drainage	\$1,208.17
Rural Fire Levy	\$375,163.98
TOTAL	\$376,572.15

Further information about these special rates and charges can be found in Council's Rates & Charges document, which was adopted at a Special Budget Meeting held 24 July 2012, and is available on Council's website: <http://bundaberg.qld.gov.au/council/budget/budget2012-2013>

Summary of all Concessions for Rates and Charges

The following concessions for rates and charges were granted for the 2012/13 year:

Item	Amount
Natural Disaster Rate Relief	\$172,218.82
Water Leak Relief	\$71,492.64
Pension Rebates - Council	\$1,330,047.52
Community Service Obligations - Sewerage	\$229,104.00
Community Service Obligations - Community Groups	\$40,408.08
Community Service Obligations - Water allowances	\$116,119.20
TOTAL	\$1,959,390.26

Councillors remuneration

Councillors' remuneration table for the period 1 July 2012 to 30 June 2013:

Councillor	Gross salary	Superannuation contributions	Training, conferences and travel	Home Internet Mobile Phone	Mileage	Total
Cr M Forman ***	\$131,920.49	\$15,830.49	\$13,885.94	\$1,495.33	\$8,199.49	\$171,331.74
Cr AG Bush***	\$76,375.00	\$9,165.00	\$3,499.98	\$3,012.47	\$8,099.01	\$100,151.46
Cr AL Ricciardi ***	\$76,375.00	\$9,165.00	\$3,026.98	\$2,652.21	\$8,739.96	\$99,959.15
Cr WA Honor ***	\$76,375.00	\$9,165.00	\$1,979.91	\$2,420.15	\$8,763.21	\$98,703.27
Cr VJ Habermann***	\$76,375.00	\$9,165.00	\$2,923.59	\$1,383.78	\$10,208.10	\$97,756.05
Cr GR Barnes	\$76,375.00	\$9,165.00	\$2,462.95	\$2,130.04	\$9,840.83	\$99,973.82
Cr DE Rowleson ***	\$76,375.00	\$9,165.00	\$477.27	\$1,375.84	\$10,362.94	\$97,756.05
Cr CR Sommerfeld***	\$76,375.00	\$9,165.00	\$3,240.38	\$2,419.65	\$11,736.64	\$102,936.67
Cr DJ Batt***	\$86,789.56	\$10,414.69	\$7,311.62	\$2,841.79	\$10,214.12	\$117,571.78
Cr JA Peters ***	\$76,375.00	\$9,165.00	\$6,940.32	\$1,603.90	\$8,815.46	\$102,899.68
Cr LG Forgan***	\$76,375.00	\$9,165.00	\$3,743.88	\$3,362.06	\$9,157.32	\$101,803.26
Total	\$906,085.05	\$108,730.18	\$49,492.82	\$24,697.22	\$104,137.08	\$1,193,142.35

*** Reflects the optioned provision of a fully maintained Council motor vehicle in lieu of mileage paid less contributions made by Councillors in accordance with the Reimbursement of Expenses and Provision of Facilities for Councillors Governance Policy.

Mayor and Councillors' remuneration paid in accordance with Remuneration & Discipline Tribunal - www.dlg.qld.gov.au

Total of Meetings attended

Councillors' attendance at meetings for the period 1 July 2012 to 30 June 2013:

Meeting Type	Cr M Forman	Cr AG Bush	Cr AL Ricciardi	Cr WA Honor	Cr VJ Habermann	Cr GR Barnes	Cr DE Rowleson	Cr CR Sommerfeld	Cr DJ Batt	Cr JA Peters	Cr LG Forgan
Ordinary Meetings	13	14	13	14	15	15	13	14	15	13	14
Planning Committee Meetings	17	19	19	21	22	20	18	21	19	19	21
Special Meetings	7	7	7	7	7	7	5	6	6	7	6
Total Meetings	37	40	39	42	44	42	36	41	40	39	41

Code of Conduct for Councillors

While there is no requirement under the Local Government Act 2009, elected members have adopted a Code of Conduct for Councillors which can be found on Council's website: <http://bundaberg.qld.gov.au/council/councildocuments/policies>.

A register listing Councillors' material personal interests is also maintained. The Local Government Act 2009 requires elected members to declare any material personal interest in matters before Council and to remove themselves from any discussions or decision making on that matter. For a Councillor to have a material personal interest, there must be a personal benefit or gain received by the Councillor or a related person.

There have been no disciplinary actions undertaken pursuant to Section 180 and 181 of the Local Government Act. Accordingly, there are no particulars to record pursuant to Section 186 of the Local Government Regulation 2012.

Reimbursement of Expenses and Provision of Facilities for Councillors Policy and Resolution

Council passed, as item F1 at its Ordinary Meeting held 10 July 2012, that:

The amended Reimbursement of Expenses and Provision of Facilities for Councillors Policy document number GP-3-047 Revision 4 (as detailed on the 11 pages appended to this report) - be adopted by Council.

A copy of the Policy is shown on the following pages.

1.0 INTENT

To ensure compliance with statutory requirements and community expectations relating to the payment or reimbursement of legitimate expenses and the provision of facilities for the Bundaberg Regional Council Councillors while carrying out their duties and responsibilities.

To ensure that Councillors have the facilities and support necessary to perform their civic duties as elected representatives of their local communities.

2.0 SCOPE

The policy applies to Bundaberg Regional Council Councillors and Mayor.

3.0 POLICY OBJECTIVES

The purpose of the policy is to ensure that the Mayor, Deputy Mayor and Councillors can receive reimbursement of reasonable expenses and be provided with necessary facilities in performance of their role.

4.0 POLICY

BACKGROUND

The payment and/or reimbursement of expenses and the provision of facilities for Councillors must only be for the actual cost of legitimate business use and in accordance with the *Local Government Act 2009 (the Act)*, *Local Government Regulations 2012 and the Guidelines for Councils: Reimbursement of Expenses and Provision of Facilities for Mayors and Councillors (the Guidelines)* as issued by the Queensland Department of Local Government and Planning (the Department).

Councillors should not be financially disadvantaged when carrying out the requirements of the role of Councillor and should be fairly and reasonably compensated in accordance with statutory requirements and community expectations.

The payment and/or reimbursement of expenses and provision of facilities for Councillors:

- is to be open and transparent, prudent, responsible, acceptable to the community and in accordance with statutory requirements;
- based on ensuring economy and efficiency; and
- subject to budget provisions.

Council must give public notice of the expenses reimbursement policy by publishing a public notice about the policy after it has been adopted. The public notice must be published in a newspaper circulating in the local government area as soon as practicable after adopting the expenses reimbursement policy.

Council's annual report must contain a copy of the policy and a copy of any resolution made during the year authorising payment of expenses or provision of facilities to Councillors. Council's annual report must also contain particulars about the expenses that were reimbursed, and the facilities that were provided to Councillors.

Councillors incurring expenses should not gain personal funds as a result of their role serving the community. All reimbursement of expenses or provision of facilities must be for legitimate business use only, that is, to enable Councillors to effectively and efficiently carry out their civic duties. Facilities and resources provided to Councillors by Council are for the sole use of Councillors in undertaking their duties and must be used responsibly and appropriately. Spouses, partners and family members of Councillors are not entitled to reimbursement of expenses or to have access to facilities allocated to Councillors.

Failure to comply with this policy or misappropriation of expenses or facilities may be a breach of the Councillor Code of Conduct and/or an offence under the *Criminal Code 1899*.

DEFINITIONS

Council Business means official business conducted on behalf of, and/or approved by Council or Mayor or Chief Executive Officer, where a Councillor is required to undertake certain tasks to satisfy legislative requirements or achieve business continuity for the Council. Council Business should result in a benefit being achieved either for Council, the local government area or the community.

Council business includes functions that are a statutory requirement of the Councillor's role or are officially recorded in minutes or other public records. This might also include, attending an event or function to perform official duties or as an official Council representative, such as -

- ceremonial openings of buildings or facilities;
- fetes and carnivals;
- annual or presentation dinners;
- public meetings;
- private meetings arranged through official Council channels (i.e. documented in official records or diary) for the purpose of conducting bona fide discussions of business of Council; and
 - At the meetings of the local government or its committees that the Councillor is entitled to or asked to attend, or at which the Councillor has business for a resident of the local government's area; and
 - At inspections or deputations, conferences and meetings at which the Councillor's attendance is permitted by the local government; and
 - At official functions organised for the local government; and
 - On residents of the area for the purpose of local government business.
- Gathering of information by a Councillor necessary to inform him or her of an incident of interest to Council or which properly falls within the responsibility of Council.

Councillors include Councillors, the Mayor and Deputy Mayor.

Civic duties means Council business.

Discretionary training is any training that is not determined by Mayor or Chief Executive Officer as "mandatory".

Expenses refers to expenses described in the Guidelines.

Facilities refer to the facilities deemed necessary to assist Councillors in their role as shown in the Guidelines.

Mandatory training is any training that Mayor or Chief Executive Officer determines that **Councillors** must attend.

Meal allowance is the daily amount allowed for meals while travelling on Council business.

Official capacity refers to activities undertaken while on Council business.

Public record is any record created, received or kept in an official capacity.

Representing Council - A Councillor is representing Council when Mayor or Chief Executive Officer determines that the Councillor is to attend an event or function as a representative of Council.

Travel advance is a cash payment paid in advance for anticipated expenses associated with travelling on Council business. A travel advance may include expenses for meals, accommodation and incidentals. All expenses must be reconciled at the return of the travel.

EXPENSES

The following expenses refer to actual expenses deemed necessary for Council business. Councillors are only entitled to payment/reimbursement for the expenses contained in the categories listed below.

4.1 Council Business

Where Councillors are attending to Council business such as meetings, functions or other activities in an official capacity, Council will pay for the approved expenses associated with that activity.

4.1.1 Representing Council at Events and Conferences

Councillors may be required to attend a range of events and functions as part of their role in attending to Council business. Councillors may, for example, be required to attend significant sporting and other community events in an official capacity.

Where the Mayor has approved that a Councillor is required to attend an event or conference either regionally or nationally as a delegate of Council, Council will pay for expenses associated with attending that event.

In the case of the Mayor, the Chief Executive Officer can approve the attendance to an event or conference either regionally or nationally as a delegate of Council and Council will pay for expenses associated with attending that event.

Attendance at international conferences must be approved by Council.

4.1.2 Professional Development

The payment of expenses for professional development requires Council approval.

4.1.2.1 Mandatory Training

Councillors must attend training where the Mayor approves and where the Mayor is attending, the Chief Executive Officer approves, that all Councillors or a class of Councillors (e.g. newly elected Councillors) are to attend training courses, workshops, seminars or conferences for skill development related to a Councillor's role. Council will meet all costs.

Examples of this type of training include Councillor induction, code of conduct, meeting procedures and legislative obligations.

Attendance at conferences includes major industry events eg Australian Local Government Association (ALGA), Local Government Association of Queensland (LGAQ), Australian Local Government Women's Association (ALGWA) and Company Directorship training or specific events that are relevant to all Councillors or Committee members.

4.1.2.2 Discretionary Training

A Councillor can attend a conference, workshop or training that has been identified as relevant to their role (other than mandatory training as outlined above). The Mayor can approve and where the Mayor is attending, the Chief Executive Officer may approve such training.

The funding limit for discretionary training is \$5,000 for each Councillor during their four (4) year term in office.

4.1.3 Travel costs

Councillors may incur travel costs for a number of reasons including attendance at conferences, training or workshops.

In general, the most cost effective form of travel must be used. Councillors may request to travel using their own private vehicle for business purposes and claim a kilometre allowance based on log book details to substantiate their claim.

4.1.4 Accommodation

When attending conferences, Councillors must take advantage of any package provided by conference organisers and therefore, stay in the recommended accommodation unless prior approval has been granted by the Mayor, and where the Mayor is attending the Chief Executive Officer has approved. In all other cases, the Mayor must decide, and where the Mayor is attending the Chief Executive Officer must decide what are legitimate accommodation costs for the purpose of reimbursement.

Councillors may receive up to \$20.00 per day to cover incidental costs incurred while travelling and staying away from home overnight.

4.1.5 Meals

Councillors may claim for the reimbursement of each actual cost per meal when travelling outside of the region for business related purposes.

4.1.6 Hospitality Expenses

Where Councillors incur hospitality expenses while conducting Council business, apart from official civic receptions organised by the Council, the maximum amount that may be reimbursed is:

- \$500.00 per annum for each Councillor; and
- \$6,000.00 per annum for the Mayor.

Where the Mayor has delegated the attendance at a function on the Mayor's behalf to another Councillor, any costs incurred by the Councillor for that function are to be charged against the Mayor's hospitality expense account.

Hospitality expenses related to official receptions and other functions organised by Council officers are met from relevant approved budgets.

4.1.7 Cab Charge and Public Transport

Councillors may claim for cab charge facilities or reimbursement for public transport tickets (rail, bus, ferry) to attend on official Council business only.

4.2 FACILITIES

Facilities provided for Councillors must be deemed necessary and required to assist Councillors in their official capacity. In accordance with statutory provisions, Council may only provide Councillors with the facilities listed below.

All facilities provided to Councillors remain the property of Council and must be accounted for during annual equipment audits. The facilities must be returned to Council when the Councillor's term expires, unless Council agrees to dispose of the facility in some other manner.

4.2.1 Administrative Tools and Council Office Amenities

4.2.1.1 Office Space and Access to Meeting Rooms

Council provides office accommodation and access to meeting rooms for Councillors.

The standard of Councillor office accommodation is as approved by the Chief Executive Officer. Furniture and fittings for Councillor offices will be of a standard to allow Councillors to adequately undertake their roles as a Councillor. In general, rooms provided for Councillor use will be located at Council owned or controlled premises such as libraries, community centres or branch offices.

4.2.1.2 Secretarial/Administrative Support

Council will provide administrative support for Councillors with Councillor Support Staff employed under Council's usual terms and conditions of employment. Relief staff will be provided where practical and shall be subject to budgetary and operational constraints.

The Mayor is entitled to a full time Executive Assistant under Council's usual terms of employment.

4.2.1.3 Computer for Business Use

Councillors are provided with a desktop or a laptop computer for Council business use at the Councillor's office.

Where a Councillor is provided with a desktop computer at the Councillor's office, Council will approve a desktop computer for the Councillor's home office if required.

Where a Councillor is provided with a laptop computer, Council will provide a docking station, monitor and other computer equipment that is associated with a computer for the Councillor's office and the Councillor's home office if required.

Councillors will also be provided with an ipad or similar device for business use.

The standard of computer, laptop, ipad and equipment shall be similar to that available to Council's General Managers, including provision of wireless/remote access to Council's information technology system.

4.2.1.4 Landline (Councillor Offices)

Councillors are provided with a Council landline telephone and internet access for business use.

4.2.1.5 Fax and/or Scanner (Councillor Offices)

Councillors are provided with a shared facsimile and scanner for business use at the Councillor's office.

4.2.1.6 Printer, Photocopier, Paper Shredder (Councillor Offices)

Councillors are entitled to a printer, paper shredder and shared photocopier for business use at the Councillor's office.

Councillors will be entitled to a printer at the Councillor's home office if required. The standard of printer will be similar to that available to Council managers.

4.2.1.7 Stationery

Councillors are provided with Council stationery for official purposes only. Council stationery (such as letterhead) is not to be converted or modified in any way and may only be used for carrying out the functions of the role of Councillor. Stationery does not include any form of advertising or promotional material produced by Council.

Stationery will be provided similar to that available to Council managers.

4.2.1.8 Publications and Memberships Fees

Councillors are provided with copies of relevant legislation, books and journals considered necessary for undertaking their duties. Where possible, these items will be provided in electronic format.

Councillors who hold membership of professional bodies such as Australian Institute of Company Directors and are related to Council business or functions will be eligible for reimbursement of membership fees by Council to a maximum amount of \$1000 per annum,

Publications and Membership fees for Councillors that are approved by the Mayor and where the Mayor is requesting a publication and membership fees will be approved by the Chief Executive Officer, Council will meet the costs of such publications and membership fees.

4.2.1.9 Other Administrative Necessities

Subject to Council approval, Councillors may be provided with any other administrative necessities to meet the business of Council.

4.2.1.10 Advertising

Council will not reimburse or provide funds, services or facilities for the purposes of advertising for Councillors.

4.2.1.11 Community Consultation

Councillors may use facilities provided to correspond with community representatives for the purpose of clarifying issues that are relevant to their portfolio, division or the Region in general.

Where a Councillor chooses to undertake further community consultation on a particular matter, in addition to that approved by Council, the Councillor is responsible for those costs.

4.2.2 Home Office

Councillors may be provided with home office equipment comprising a computer, or laptop docking station, facsimile machine, printer and internet access for business use only.

Where Council does not provide an internet and/or telephone connection at the Councillor's residence the Council will reimburse 50% of the monthly internet and/or telephone rental costs to the Councillor.

4.2.3 Maintenance Costs of any Council Owned Equipment

Council will cover all ongoing maintenance costs associated with Council owned equipment to ensure it is operating for optimal professional use.

4.2.4 Name Badge, Uniform and Safety Equipment

Councillors may be provided with council corporate uniform (including a jacket) to a value of \$700 for the term of Council and name badge as well as being provided with any safety equipment such as overalls, safety helmets or glasses, as required, in their role.

4.2.5 Vehicles, Fuel and Parking

4.2.5.1 Council Owned Vehicle

Councillors may be provided with a Council owned vehicle for official business, with access to private use of that vehicle being subject to reimbursement to Council for expenses associated with the private use of the vehicle.

(1) The Councillor may contribute \$1600 per annum for private use and this will be deducted automatically in equal portions, from the Councillors fortnightly salary; or

A Councillor may choose to forgo private use contribution and pay a kilometre rate for private usage in accordance with the Australian Tax Office, cents per kilometre method calculation.

The Councillor is required to advise the Chief Executive Officer of their choice in writing.

(2) Vehicles provided will be in accordance with Council's fleet management practices and Use of Council Vehicle policy and will be purchased or leased ensuring a low carbon footprint.

All vehicles are to be approved by the Chief Executive Officer or their delegate.

(3) All fuel and maintenance costs will be paid by Council.

(4) Council will provide parking facilities for Councillors at their base office locations. Council will provide parking facilities for all Councillors at Council buildings for the purpose of Committee and Ordinary Council meetings.

(5) Council will provide a GPS device (e.g. Navman) to each vehicle. (6) Where a Council motor vehicle is provided to a Councillor, the Use of Council Vehicles Policy is applicable to the use of the vehicle.

4.2.5.2 Mileage on Private Vehicle

A Councillor who uses their private motor vehicle for official Council Business will be paid a monthly mileage allowance in accordance with the Australian Tax Office business use of motor vehicle cents per kilometre method and kilometre rate applicable at time of travel.

A Councillor who uses their private vehicle for Council Business will undertake a monthly reconciliation of Council business mileage for the private vehicle and seek reimbursement from Council for the actual mileage amount incurred for the month.

The Mileage allowance reimbursement will be paid up to a maximum of \$12,614 (6 cylinder vehicle), \$11,357 (4 cylinder SUV vehicle) and \$10,157 (4 cylinder vehicle) per annum. Should the Councillor exceed the maximum amount they may elect to be supplied with a Council provided vehicle.

Council will provide a GPS device (e.g. Navman) for use by the Councillor.

4.2.6 Telecommunication Needs

Councillors will be provided with a mobile telephone or a hand held PDA palm pilot device (e.g. Blackberry).

Where a Councillor is provided with a mobile telephone by Council, all costs attributed to Council business use shall be paid by Council (including total plan costs). Unless otherwise determined by Council, the private use component will be deemed to be \$120 per annum and this will be deducted automatically, in equal portions, from the Councillors fortnightly salary.

Alternatively, a Councillor may elect to undertake a detailed review of each monthly telephone account and provide reimbursement to Council for the actual amount incurred for private use.

4.2.7 Legal Costs and Insurance Cover

Council may decide, pursuant to s107 of the Local Government Act 2009, to cover costs incurred through any inquiry, investigation, hearing or legal proceedings into the conduct of a Councillor, or arising out of, or in connection with the Councillor's performance of his/her civic functions.

Councillors will be covered under Council insurance policies while discharging civic duties. Specifically, insurance cover will be provided for public liability, professional indemnity, Councillor's liability, personal accident and/or workers compensation, international and domestic travel insurance.

4.2.8 Credit Card

A credit card may be made available to the Mayor and Deputy Mayor and will be issued with the approval of the Chief Executive Officer. The credit card should only be used for extraordinary business expenses directly related to the Mayor or Deputy Mayor attending to Councils business.

Personal expenses not related to the business of Council must not be charged to the Credit Card.

A statement of expenses including all receipts must be used to reconcile all credit card expenditure and must be submitted to the Chief Executive Officer within seven (7) days of receiving the credit card statement.

4.2.9 Provision of Meals

Councillors will be provided with light meals and morning and afternoon teas if they are required to attend statutory or other prescribed Council meetings that extend over these meal periods.

4.2.10 Non Allowable Expenses

Requests for payment/reimbursement of expenses associated with the following will not be paid or reimbursed:

- unreasonable alcohol expenses (a glass of alcoholic beverage with a meal is not considered unreasonable).
- unreasonable personal telephone expenses (a short daily telephone call to home would not be considered unreasonable).
- toiletries
- mini bar purchases
- traffic infringements
- laundering or dry cleaning
- airline membership
- in flight and in house movies
- expenses incurred by or on behalf of others such as partners, family members and associates

5.0 CONTROLS

This policy is in compliance with the Local Government Act 2009 and Local Government Regulation 2012.

6.0 EFFECTIVE FROM

The Councillors Expenses Reimbursement and Provision of Facilities Policy was adopted on and is effective from 05 June 2012.

7.0 REFERENCES / ASSOCIATED DOCUMENTS

Local Government Act 2009

Local Government Regulation 2012

Criminal Code 1899

GP-3-031 Employee Code of Conduct Governance Policy GP-3-005

Use of Council Vehicles Governance Policy



Photograph courtesy of Queensland Holidays.

COMMUNITY FINANCIAL REPORT



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2031

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COMMUNITY FINANCE REPORT

The *Local Government Regulation 2012* (s.179) requires Council to prepare a Community Finance Report to accompany the Financial Statements in the Annual Report. The four key financial statements of the annual report are often difficult for the user to interpret. The aim of this Community Financial Report is to summarise Council's financial performance and position for the financial year, in a form easily understood by the community.

Particular areas of importance have been highlighted and expanded on where necessary to allow interested stakeholders the opportunity to make their own informed assessment. The four key financial statements for 2013 and key performance indicators are described as follows:

1. Statement of Comprehensive Income - revenue and expenses in the past 12 months
2. Statement of Financial Position - assets owned and liabilities owed at 30 June 2013
3. Statement of Cash Flows - shows the affect of revenue and expenses, assets and liabilities on cash and cash equivalents
4. Statement of Changes in Equity - movement in the community's net wealth during the year
5. Financial Sustainability Ratios - for reviewing Council performance and sustainability

Bundaberg Regional Council was formed on 15 March 2008 as a consequence of the amalgamation of the shires of Burnett, Isis and Kolan and the city of Bundaberg. In accordance with the reform implementation legislation the financial statements for 2008-09 were prepared for the period 15 March 2008 to 30 June 2009 (15.5 months).

In order to create operating surplus ratios for 2009, Council restructured information from the former and the Regional Council's financial statements for the 15.5 months ending 30 June 2009, respectively. These figures are indicative only and have not been subjected to audit.

1. Statement of Comprehensive Income

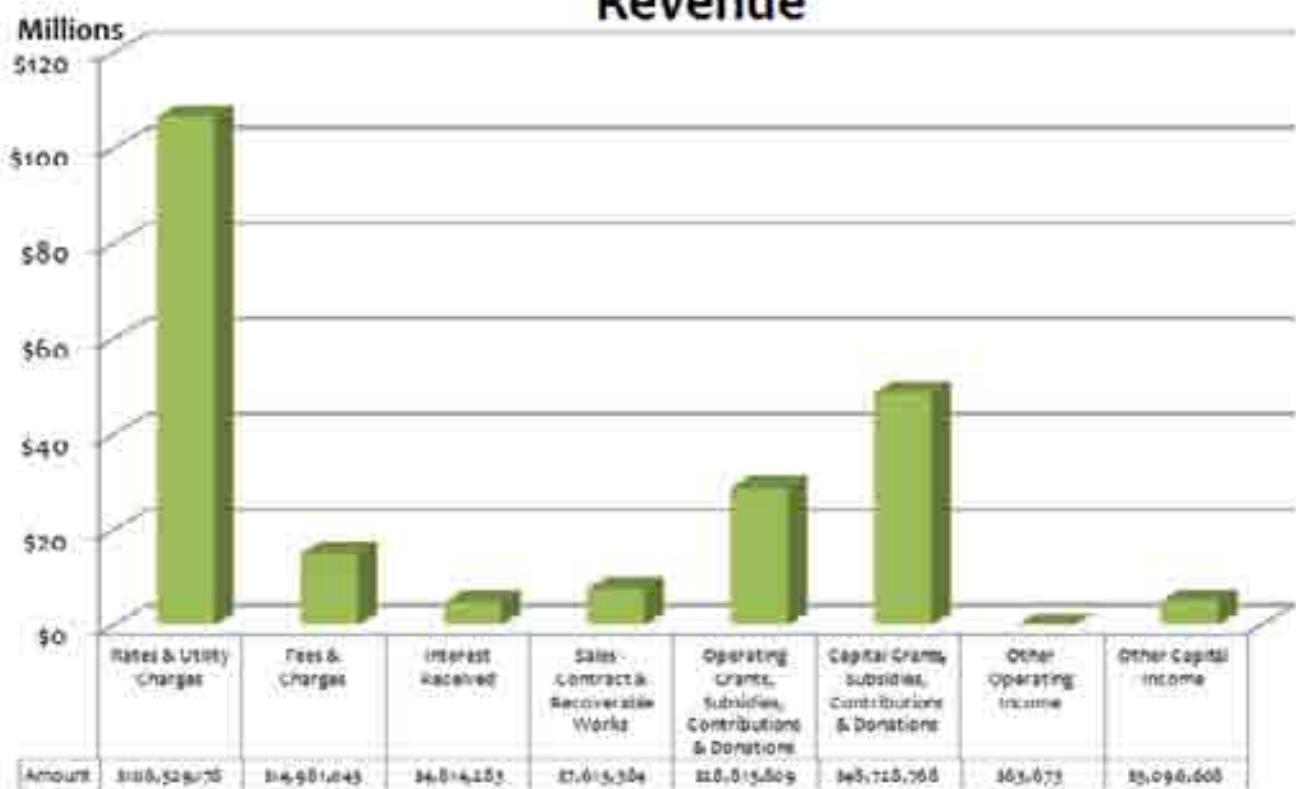
The Total Comprehensive Income for the period was \$42.4m. This increase in community equity includes several items which Council has little control over and/or has little impact on Council's operations. When reviewing the Statement of Comprehensive Income or preparing budgets, Council focuses on the Operating Surplus from recurrent activities rather than the Total Comprehensive Income or Net Result Attributed to Council. This provides a better indication of Council's ability to renew or upgrade existing assets, purchase new assets, repay debt and adjust working capital.

The Operating Surplus is calculated by subtracting the Recurrent Expenses of \$162.15m from the Recurrent Revenue of \$162.82m. This shows Council has made a surplus from recurrent activities (Operating Surplus) of \$670,000. This is the third Operating Surplus of the Regional Council and reflects the significant changes in rating methodologies, and the focus on recoverable works from the major flood event experienced during the year.

Revenue \$216m - where did this revenue come from?

Bundaberg Regional Council has a population of approximately 93,348 (Estimated resident population by local government area (LGA), Queensland Treasury and Trade Report 2013) and 44,146 rateable properties. The ratepayers contribute 49.1% of Council's total revenue through Rates and charges. Other major sources of income including Fees and charges, and Grants, subsidies, contributions and donations, provided Council with 42.7% of its total revenue.

Revenue

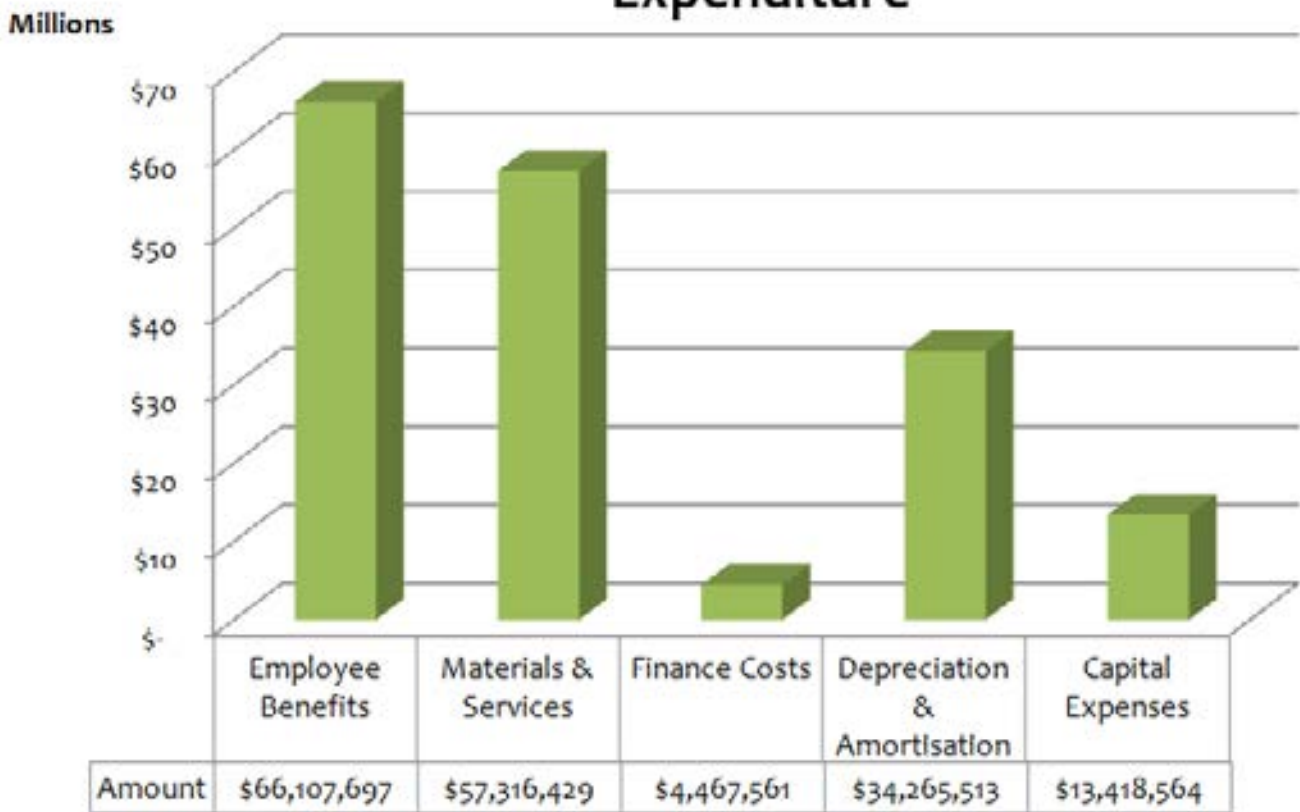


Expenses \$175m - what was this spent on?

A major component of Council's expenditure is Employee benefits, representing approximately 38% of Council's outlay. Employee Benefits include employee salaries and wages, councillors remuneration and superannuation. It excludes approximately \$4.5m in wages spent on asset construction which will be expensed via depreciation over the life of the assets. Materials and services account for a large portion of Council's expenditure, representing 33% of expenses. This includes costs such as plant hire, contractors, chemicals for the operation of treatment plants, electricity, telephone and other operational costs.

Council's depreciation expense is in excess of \$34m. Assets wear out, are consumed and / or become obsolete over their lifetime and depreciation is used to record this by allocating a portion of the asset value as an expense each year.

Expenditure



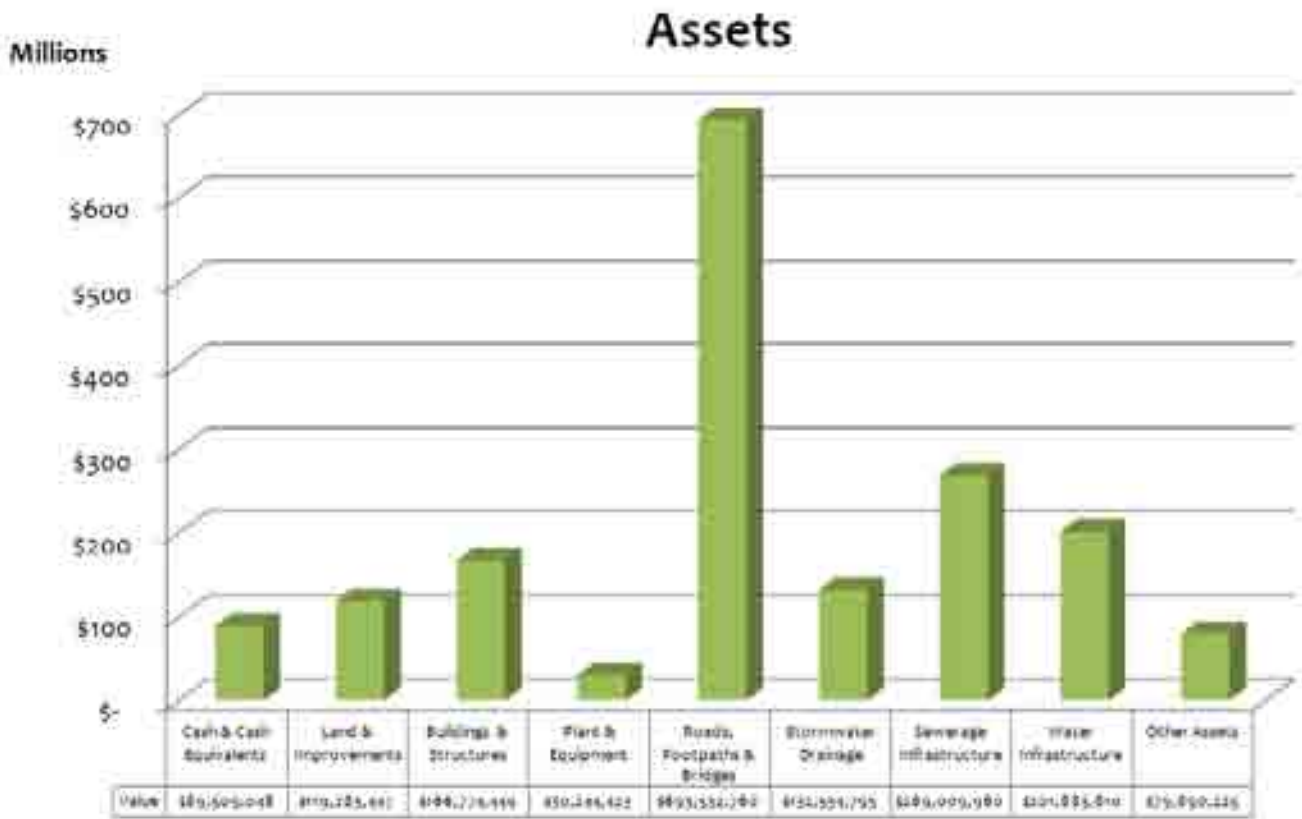
2. Statement of Financial Position

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 \$1.78b - what Council owned at 30 June 2013

The major investment for Council is in assets which provide essential services for a growing community, namely property, plant & equipment totalling \$1.65b. Cash represents 5.02% of net assets and consists mainly of restricted cash for future capital expenditure.

The bulk of Council's net assets are in the form of roads, footpaths and bridges, totalling \$693m or 38.9%, while Water and Sewerage Infrastructure account for approximately 26% of Council's assets. Council requires over \$34m p.a. to maintain the value in these assets.



Liabilities \$98.9m - what Council owed at 30 June 2013

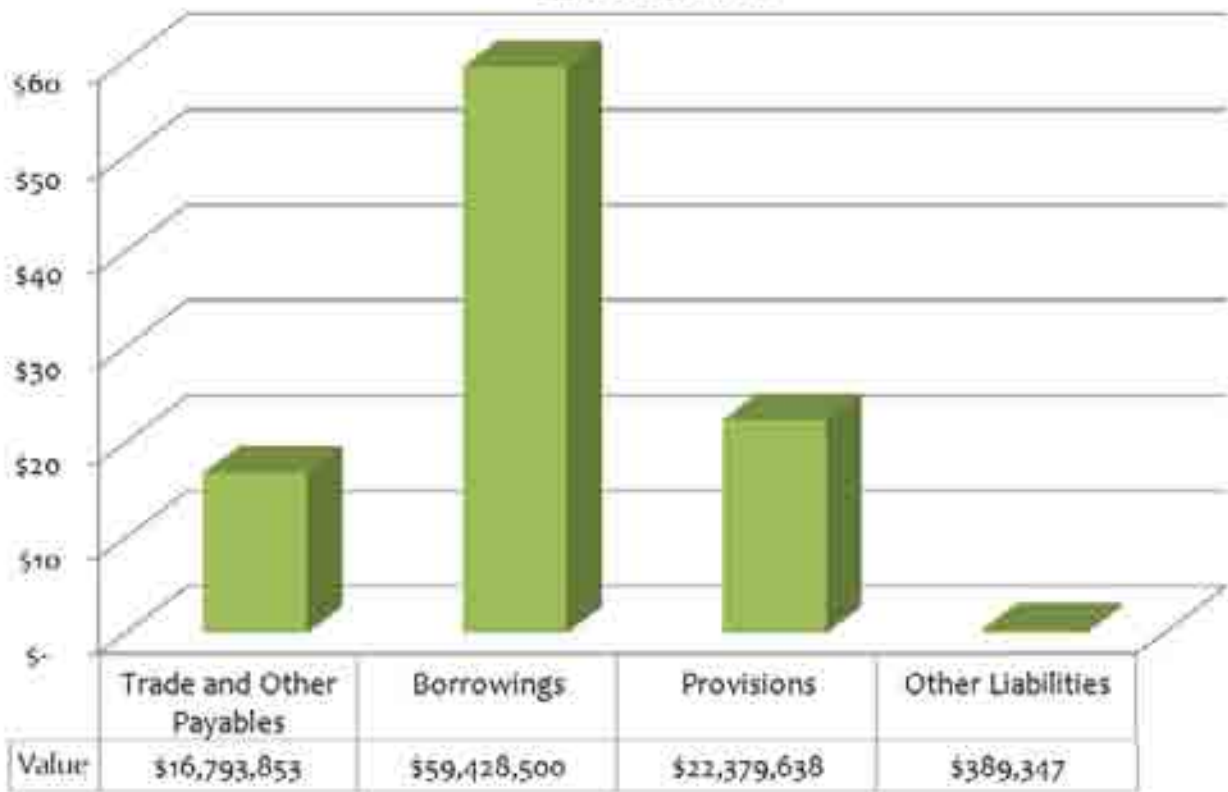
The majority of Council's liabilities consist of borrowings (60%) and trade and other payables (17%). Borrowings enable Council to provide timely essential services, such as the construction of the new Rubyanna Waste Water Treatment Plant and the repair of flood damage to Thabeban Wastewater Treatment Plant, whilst assisting to share the costs over the generations that benefit.

Trade and other payables are made up of day-to-day Creditors (\$11.87m), for the purchase of items ranging from bitumen to stationery, and Employee Entitlements (\$4.92m). Employee entitlements consist of annual leave amounts payable to employees at 30 June 2013.

Provisions consist of long service leave payable to employees at 30 June 2013 (\$12.6m) and costs that are expected to be incurred in restoring landfill sites administered by Council (\$9.8m). Provisions represent 22.6% of the total liabilities.

Millions

Liabilities



3. Statement of Cash Flows

This statement records the change in cash during the year. Council commenced the year with a cash balance of \$92.5m, which included externally restricted capital cash (Developer Contributions, Unspent Loans and Capital Grants and Subsidies) of \$36.4m. At year end the closing balance was \$89.5m, with externally restricted capital cash of \$39.1m.

Council's cash flow from operating activities remains positive with surplus operating cash of \$27.3m available for investing in assets and repayment of loans.

Council utilised \$80.3m on asset renewals, upgrades, new purchases and loan redemption. This was funded from operating surplus, existing borrowings, asset sales, capital grants and contributions and council reserves.

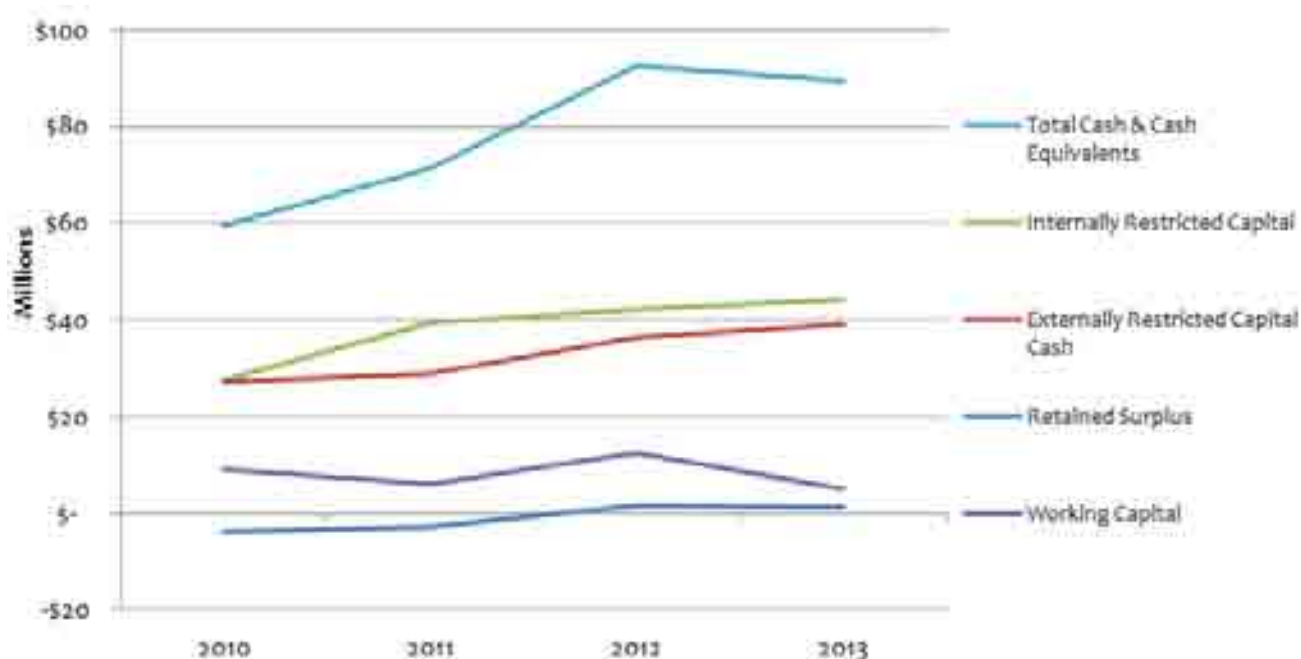
Council's Cash and Cash Equivalents are represented by Internally Restricted Capital Cash (Future Capital Works Reserve and other Reserves), Externally Restricted Capital Cash (Unspent Loans, Constrained Works Reserve and Developer Contributions), Working Capital and Retained Surplus.

Internally Restricted Capital Cash represent funds that are accumulated within Council to meet anticipated future needs. These consist of future capital works, asset acquisition, transport improvement, fleet renewal, sewerage improvement and water improvement.

Unspent Loan Funds is the cash available for utilisation on capital projects. This balance fell in 2013 due to the utilisation of loan money on waste, sewerage, fleet and general projects that Council drew the loans for in the previous year.

Working Capital corresponds to the amount of cash set aside to cover operational expenditure for the period leading to the next rate levy. This has fluctuated slightly over the years due to operational needs, including changes in receivables and payables.

Retained Surplus comprises that part of Council's net funds that are not required to meet specific future funding needs, and this amount is available to offset expenditure in the following year. In 2013 the retained surplus remained as a positive result.



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/deficiency, capital and other reserves. The statement explains the change in the community's retained earnings over the reporting period.

The Asset Revaluation Surplus consists of \$387m in asset revaluation increases since amalgamation. Internally and externally restricted funds are set aside by Council and shown as part of Capital - they include constrained works, future capital works, asset acquisition, transport improvement, sewerage improvement and water improvement, totalling \$83m.

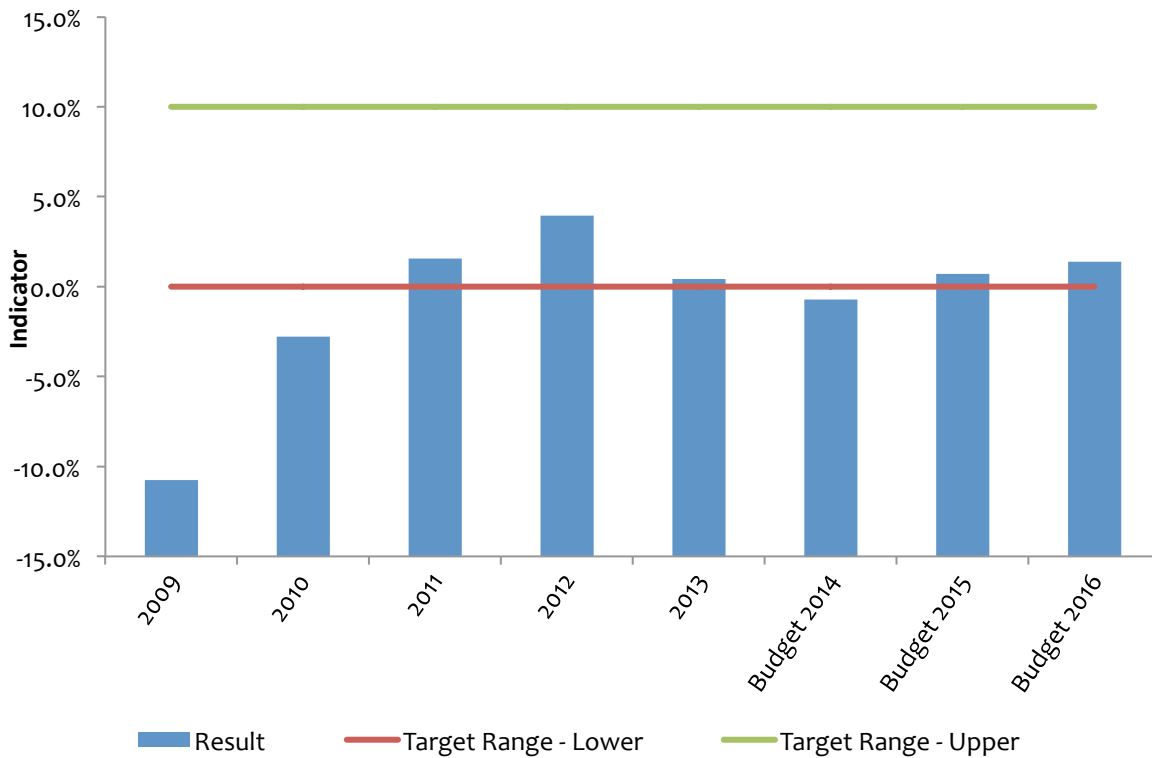
5. Financial Sustainability Ratios

The Financial Sustainability of Council is now a cornerstone of the *Local Government Act* 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 Local Government, Community Recovery and Resilience 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, feed into revisions to the budget and long-term financial forecast. These sustainability measures are as follows:

Operating Surplus Ratio



INDICATOR

Operating Surplus Ratio (Financial)

DESCRIPTION

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

MEASURE

Net Operating Surplus divided by Total Operating Revenue

TARGET

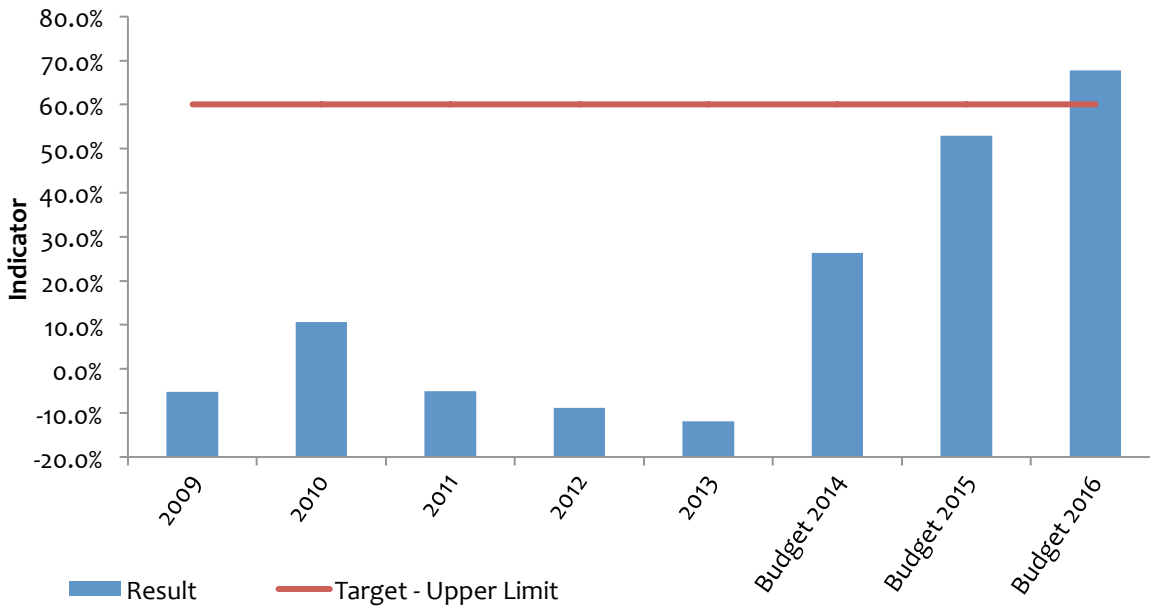
Between 0% and 10%

Commentary

A significant fall to -11% in 2009 was largely due to the cost associated with amalgamation. Council has implemented new rating methodologies and work practices in a continuing effort to bring Council back to a Surplus in 2011 and the current term. In 2013 Council achieved an operating surplus, however this was partially due to the focus on recoverable and subsidised work relating to the emergent restoration of essential public assets following this year's significant flood event, rather than the normal Council works program. Additionally, Council has had to make difficult rating decisions and an increase in fees and charges and interest revenue.

A positive ratio is essential for a growing community to assist in the funding of the proposed capital expenditure. This results in less reliance on borrowed funds for capital expenditure on social infrastructure and thus manages Council debt. Council aims to maintain its long term sustainability through a positive operating surplus over the forecast budget.

Net Financial Liabilities Ratio



Commentary

Council reported a negative ratio of -11.9% in the 2013 financial year. A negative ratio indicates that the current assets exceed the total liabilities and therefore Council appears to have significant capacity and ability to increase its loan borrowings if necessary. The ratio is expected to increase as Council undertakes the significant loan funded capital projects in Wastewater over the budget forecast period. This will limit Council ability to increase its loan borrowings in following years.

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 and appears to have capacity to increase borrowings. A value greater than 60% indicates limited capacity to increase borrowings.

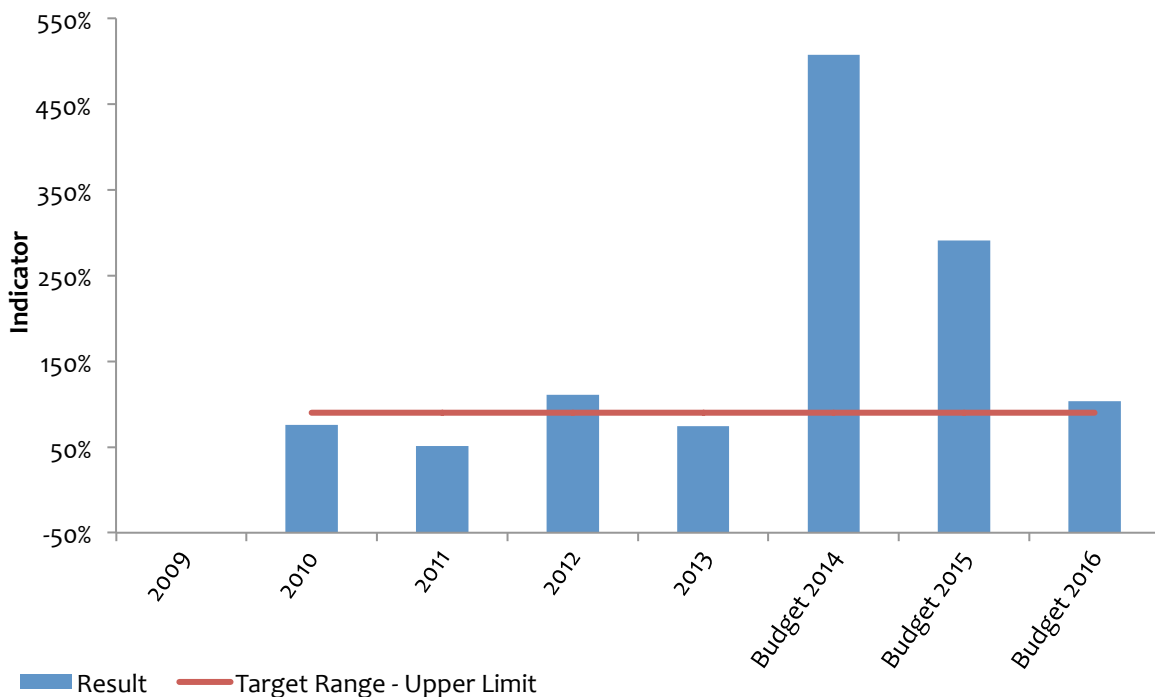
MEASURE

Total Liabilities less Current Assets divided by Operating Revenue

TARGET

Not greater than 60%

Asset Sustainability Ratio



INDICATOR
Asset Sustainability Ratio (Infrastructure)

DESCRIPTION
Indicates whether a council is renewing or replacing existing non-current assets at the same rate that its assets are being consumed.

MEASURE
Capital Expenditure on Renewals divided by Depreciation Expense.

TARGET
Less than 90%

Commentary

The Asset Sustainability ratio for the 2013 financial year is 75%. The higher figure of 111% in 2012 reflected the continuing focus on Council's capital expenditure program since the 2011 flood events. The low ratio in 2011 was a direct result of the major flood event as Council was unable to complete its planned capital program. The ratio is expected to increase in future forecast years as a result of significant infrastructure capital projects undertaken by Council, including significant Flood related capital works.

The 2009 comparatives have not been included for this indicator as accounting and asset management systems were not set up to record this information.



AUDITED ANNUAL FINANCIAL STATEMENTS



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Audited Annual Financial Statements

BUNDABERG REGIONAL COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2013

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BUNDABERG REGIONAL COUNCIL

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
Income			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3(a)	106,529,178	101,910,183
Fees and charges	3(b)	14,981,045	14,223,829
Interest received	3(c)	4,814,283	5,291,874
Sales - Contract and recoverable works	3(d)	7,615,384	5,554,934
Grants, subsidies, contributions and donations	4(a)	28,815,809	16,415,565
Profit on sale of developed land held for sale	5	63,673	-
Total recurrent revenue		<u>162,819,372</u>	<u>143,396,385</u>
Capital Revenue			
Grants, subsidies, contributions and donations	4(b)	48,728,768	24,055,889
Total Revenue		<u>211,548,140</u>	<u>167,452,274</u>
Capital Income	6	5,096,608	16,710,142
TOTAL INCOME		<u>216,644,748</u>	<u>184,162,416</u>
Expenses			
Recurrent Expenses			
Employee benefits	7	(66,107,697)	(60,218,927)
Materials and services	8	(57,316,429)	(44,365,963)
Finance costs	9	(4,467,561)	(3,844,109)
Depreciation and amortisation	10	(34,265,513)	(29,322,689)
Total recurrent expenses		<u>(162,157,200)</u>	<u>(137,751,688)</u>
Loss on disposal of Non-Current Assets	12	(9,753,779)	(12,637,074)
Increase in Provision for Land Restoration	11	(3,664,785)	(476,829)
TOTAL EXPENSES		<u>(175,575,764)</u>	<u>(150,865,591)</u>
NET RESULT		<u>41,068,984</u>	<u>33,296,825</u>
Other Comprehensive Income			
Items That Will Not Be Classified To Net Result			
Increase/(decrease) in asset revaluation surplus	27	1,283,895	30,848,034
Total Other Comprehensive Income		<u>1,283,895</u>	<u>30,848,034</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>42,352,879</u>	<u>64,144,859</u>

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

BUNDABERG REGIONAL COUNCIL

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
ASSETS			
Current Assets			
Cash and cash equivalents	13	89,509,048	92,543,467
Trade and other receivables	14	23,893,511	13,196,241
Inventories	15	4,615,006	4,740,313
Non-current assets held for sale	17	398,223	-
Total Current Assets		118,415,788	110,480,021
Non-Current Assets			
Investment property	18	-	-
Property, plant and equipment	19	1,658,063,862	1,622,485,613
Intangible assets	20	6,581,490	6,659,353
Total Non-Current Assets		1,664,645,352	1,629,144,966
TOTAL ASSETS		1,783,061,140	1,739,624,987
LIABILITIES			
Current Liabilities			
Trade and other payables	21	15,868,409	14,393,647
Borrowings	22	6,156,498	5,865,231
Provisions	24	1,657,000	804,000
Other liabilities	25	389,347	431,119
Total Current Liabilities		24,071,254	21,493,997
Non-Current Liabilities			
Trade and other payables	21	925,444	569,347
Borrowings	22	53,272,002	59,425,889
Provisions	24	20,722,638	16,418,831
Total Non-Current Liabilities		74,920,084	76,414,067
TOTAL LIABILITIES		98,991,338	97,908,064
NET COMMUNITY ASSETS		1,684,069,802	1,641,716,923
Community Equity			
Capital	26	1,295,713,919	1,191,064,573
Asset revaluation surplus	27	387,215,850	385,931,955
Retained surplus/(deficiency)	28	1,140,033	1,691,130
Other reserves	29	-	63,029,265
TOTAL COMMUNITY EQUITY		1,684,069,802	1,641,716,923

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

BUNDABERG REGIONAL COUNCIL

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

	Total	Capital	Asset Revaluation Surplus	Retained Surplus/ (Deficiency)	Other Reserves
		Note 26	Note 27	Note 28	Note 29
	\$	\$	\$	\$	\$
Balances as at 1 July 2012	1,641,716,923	1,191,064,573	385,931,955	1,691,130	63,029,265
Net result attributable to Council	41,068,984	-	-	41,068,984	-
Total other comprehensive income					
Increase/(decrease) in asset revaluation surplus	1,283,895	-	1,283,895	-	-
Total comprehensive income for the year	42,352,879	-	1,283,895	41,068,984	-
Transfers					
Transfer to capital due to closure of the reserve	-	63,029,265	-	-	(63,029,265)
Transfers to/from capital	-	41,620,081	-	(41,620,081)	
Total transfers	-	104,649,346	-	(41,620,081)	(63,029,265)
Balance at 30 June 2013	1,684,069,802	1,295,713,919	387,215,850	1,140,033	-
Balances as at 1 July 2011	1,577,572,064	1,159,979,067	355,083,921	(2,979,846)	65,488,922
Net result attributable to Council	33,296,825	-	-	33,296,825	-
Total other comprehensive income					
Increase/(decrease) in asset revaluation surplus	30,848,034	-	30,848,034	-	-
Total comprehensive income for the year	64,144,859	-	30,848,034	33,296,825	-
Transfers					
Transfers to/from capital	-	10,447,939	-	(10,447,939)	-
Transfers to other reserves	-	-	-	(18,177,910)	18,177,910
Transfers from other reserves	-	20,637,567	-	-	(20,637,567)
Total transfers	-	31,085,506	-	(28,625,849)	(2,459,657)
Balance at 30 June 2012	1,641,716,923	1,191,064,573	385,931,955	1,691,130	63,029,265

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

BUNDABERG REGIONAL COUNCIL

STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
Cash Flows from Operating Activities :			
Receipts from customers		122,882,949	122,301,811
Payments to suppliers and employees		(125,882,364)	(101,037,025)
		(2,999,415)	21,264,786
Interest received		5,140,179	5,438,972
Proceeds from sale of developed land held for resale	5	84,091	-
Non-capital grants, subsidies, contributions and donations		28,742,125	18,036,456
Finance costs		(3,644,534)	(3,304,172)
Costs incurred on inventory land held for sale	17	(34,524)	(624,177)
Net Cash Inflow/(Outflow) from Operating Activities	35	27,287,922	40,811,865
Cash Flow from Investing Activities :			
Payments for property, plant and equipment		(73,189,358)	(47,760,775)
Payments for intangible assets		(170,886)	(328,843)
Proceeds from sale of property plant and equipment	12	4,040,224	437,384
Capital grants, subsidies, contributions and donations		44,860,299	17,438,515
Net Cash Inflow/(Outflow) from Investing Activities		(24,459,721)	(30,213,719)
Cash Flow from Financing Activities :			
Proceeds from borrowings	23	-	15,000,000
Repayment of borrowings	23	(5,862,620)	(4,388,737)
Net Cash Inflow/(Outflow) from Financing Activities		(5,862,620)	10,611,263
Net Increase/(Decrease) in Cash Held		(3,034,419)	21,209,409
Cash at beginning of reporting period		92,543,467	71,334,058
Cash at End of Reporting Period	13	89,509,048	92,543,467

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

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies

1.01 Basis of Preparation

These general purpose financial statements are for the period 1 July 2012 to 30 June 2013 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 the revaluation of certain non-current assets.

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 Date of Authorisation

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

1.05 Currency

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

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.06 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. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies and has had a minimal impact on Council's financial statements as outlined below.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

	Effective for annual report periods beginning on or after:
AASB 9 Financial Instruments	1 January 2015
AASB 13 Fair Value Measurement	1 January 2013
AASB 119 Employee benefits	1 January 2013
AASB 1053 Application of Tiers of Australian Accounting Standards	1 July 2013
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2015
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	1 January 2013
AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8]	1 January 2013
AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	1 January 2013
AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	1 January 2013
AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	1 January 2013

AASB 9 Financial Instruments and related amending Standards AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures)

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2015 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

It is not anticipated that this change will have an impact on the financial statements of Council.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.06 Adoption of New and Revised Accounting Standards (Cont'd)

AASB 13 Fair Value Measurement and related amending Standard (AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13)

AASB 13 applies to reporting periods beginning on or after 1 January 2013 and is not required to be applied retrospectively. The standard sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of Council's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used, and financial statement disclosures made in respect of, such assets and liabilities.

Council has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While Council is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, and at this stage, no consequential material impacts are expected for Council's property, plant and equipment in 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. The recognised fair values will be classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

Level 1 - Fair values that reflect the unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair values that are based on inputs other than quoted prices that are directly or indirectly observable for the asset or liability.

Level 3 - Fair values that are derived from data not observable in the market.

To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside Council, the amount of information to be disclosed will be relatively greater.

Amendments to AASB 119 Employee Benefits and related amending Standard (AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011))

A revised version of AASB 119 *Employee Benefits* applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively.

The revised AASB 119 includes changed criteria for accounting for employee benefits as "short-term employee benefits". Under the revised AASB 119 "short-term benefits" will only include benefits that are expected to be wholly settled before 12 months after the end of the reporting period in which the employees provide the associated service. If that criterion is not met, such benefits will need to be categorised and accounted for as "other long-term employee benefits", which may comprise both current and non-current components. Based on current estimates and assumptions, changed disclosure requirements for annual leave entitlements will apply to Council once the revised AASB 119 becomes effective, however no consequential material impacts to Council's annual leave liability are expected as Council already discounts the annual leave liability to present value in respect of amounts not expected to be settled within 12 months (refer Note 1.23).

The concept of "termination benefits" is clarified and the recognition criteria for liabilities for terminations benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. Council contributes to the Local Government Superannuation Scheme (Qld) as disclosed in Note 33. The revised standard will require Council to make additional disclosures regarding the Defined Benefits Fund element of the scheme.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.06 Adoption of New and Revised Accounting Standards (Cont'd)

AASB 1053 Application of Tiers of Australian Accounting Standards

AASB 1053 *Application of Tiers of Australian Accounting Standards* applies from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as “tier 1”), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as “tier 2”). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1. Pursuant to AASB 1053, tier 1 requirements must be applied by Local Government. Therefore the introduction of this Standard will have no impact on Council.

All other Australian Accounting Standards and Interpretations with future commencement dates are either not applicable to Council's activities or are not expected to have a material impact on Council. Council does not intend to adopt any of these pronouncements before their effective dates.

1.07 Critical accounting judgements and key sources of estimation uncertainty

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

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following accounting policies and subsequent notes relating to:

* Valuation of Property, Plant and Equipment (Note 1.17 and 19) including:

- valuation of infrastructure assets using the depreciated replacement cost method which includes assessment of asset replacement cost and asset condition,
- useful lives; and
- residual values.

* Impairment of Property, Plant and Equipment (Note 1.17 and 19)

* Impairment of Receivables (Note 1.11)

* Contingent Liabilities (Note 31)

* Employee Provisions (Note 1.23 and 24)

* Restoration Provisions (Note 1.25 and 24)

1.08 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Rates, Grants and Other Revenue are recognised as revenue on receipt of funds or earlier unconditional entitlements to the funds.

(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 or has a right to receive it. In the financial year ended 30 June 2012, and previous years, an equivalent amount was transferred from retained earnings to the relevant reserve until the funds were expended. Unspent non-reciprocal capital grants were placed in the constrained works reserve. A change in accounting policy has resulted in external restrictions that have been placed on council's cash and cash equivalents being disclosed in Note 13.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.08 Revenue (Cont'd)

(iii) Non-Cash contributions

Non-cash contributions with a value in excess of the asset recognition thresholds are recognised as revenue and as non-current assets. Non-cash contributions below the asset thresholds are recorded as revenue and expenses. Non-cash contributions are disclosed under grants, subsidies, contributions and donations.

Physical assets contributed to Council by developers in the form of road works, stormwater, water, wastewater infrastructure and park equipment 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 on the date of acquisition.

(iv) Cash Contributions

Developers also pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as income when received. Cash contributions are disclosed under grants, subsidies, contributions and donations.

(v) Interest

Interest received from term deposits is accrued over the term of the investment.

(vi) Sales - Contract and Recoverable Works

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

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 other liabilities and is recognised as revenue in the period when the service is performed.

(vii) 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.

1.09 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 1.10)

Receivables - measured at amortised cost (note 1.11)

Financial liabilities

Payables - measured at amortised cost (note 1.22)

Borrowings - measured at amortised cost (note 1.24)

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

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.09 Financial Assets and Financial Liabilities (Cont'd)

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents, receivables and payables approximated their carrying amounts largely due to the short-term maturities of these instruments and are not disclosed separately.

The fair value of borrowings, as disclosed in Note 23 to the accounts, is notified by Queensland Treasury Corporation and calculated using discounted cash flow analysis and the effective interest rate. It reflects the value of the debt if Council repaid it in full at balance date. As it is the intention of Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.

Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

1.10 Cash and Cash Equivalents

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

1.11 Receivables

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

The collectability of receivables is assessed periodically 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. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

Because Council has the power under the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

Loans and advances are recognised in the same way as other receivables. Terms are usually a maximum of five years with interest charged at commercial rates. Security is not normally obtained.

1.12 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

- goods to be supplied at no, or nominal, charge, and
- goods to be used for the provision of services at no, or nominal, charges.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

Land purchased for development and sale is detailed in note 1.13.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.13 Land Purchased for Development and Sale

Land acquired with the intention of reselling it (with or without further development) and land transferred from Property, Plant and Equipment and Investment Property for development and sale is classified as inventory. As inventory this land is valued at the lower of cost or net realisable value. Inventory items are always treated as current assets.

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

1.14 Investments

Financial institution deposits at call and term deposits are treated as cash equivalents.

1.15 Investment Property

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

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

Property that is being constructed or developed for future use as investment property is classified as investment property. Investment property under construction is measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case the property concerned is measured at cost until fair value can be reliably determined).

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

1.16 Non-Current Assets Held for Sale

Items of property, plant and equipment are reclassified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets held for sale are available for immediate sale in their present condition and management believe the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated. On the eventual sale of these assets a gain or loss is recognised.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.17 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.

The classes of property, plant and equipment recognised by Council are:

Land and Improvements

Buildings and Structures

Plant and Equipment

Cultural Assets

Infrastructure assets:

Road, Footpaths and Bridges

Stormwater Drainage

Wastewater Infrastructure

Water Infrastructure

(i) Capital and Operating Expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current assets are expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

(ii) 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 freight in, architect's fees, engineering design fees and all other 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. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

(iii) Valuation

Land and improvements, buildings and structures, infrastructure and cultural assets are measured on the revaluation basis, at fair value, in accordance with AASB116 *Property, Plant and Equipment*. All other non-current assets, principally plant and equipment and intangibles are 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 apply indexation if a revaluation is necessary. Council will consider the movement in internal unit rates, relevant indices and industry standard publications. Where the indices indicate a material movement of 5% or greater 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.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.17 Property, Plant and Equipment (Cont'd)

(iii) Valuation (Cont'd)

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

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

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 19(b).

(iv) Major Plant

Council has determined that plant which has an individual cost in excess of \$1,000,000 is of high value to Council. Plant which meets this criteria is classified as major plant if it is prone to a high degree of price fluctuations or in danger of becoming obsolete. Currently Council doesn't hold any plant of this nature.

(v) Capital Work in Progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

Investment property under construction is classified as investment property. Refer to Note 1.15 for further information.

(vi) Depreciation

Land and improvements and cultural assets are not depreciated as they have unlimited useful lives. Depreciation on roads, footpaths and bridges, stormwater drainage, wastewater and water passive assets and plant and equipment is calculated on a straight-line basis. In 2012, buildings, wastewater and water active assets were calculated using a straight-line consumption based depreciation method which is calculated on a straight line basis between condition points. This year Council has reverted to straight line method in alignment with other non-current assets. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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.

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 19(a).

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

(vii) Land Under Roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where Council holds title or a financial lease over the asset. Council does not have any such land holdings.

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 in these financial statements.

1.18 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.

Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate. Details of the estimated useful lives assigned to each class of intangible assets are shown in Note 20.

1.19 Biological Assets

Council operates a nursery to produce bedding plants and trees for its own use. In view of the immaterial nature of this operation the accounting procedures related to biological assets have not been applied. The costs incurred in this operation are included in Council's general operations as they are incurred.

1.20 Impairment of Non-current Assets

Each non-current physical and intangible asset is assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.21 Leases

Leases of plant and equipment under which Council as lessee assumes substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

(i) Finance Leases

Where Council enters into a finance lease, Council recognises an asset equal to the lower of fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged as finance costs. The asset is accounted for on the same basis as other assets of the same class. Contingent rentals are written off as an expense in the accounting period in which they are incurred. Currently Council does not have any finance leases.

(ii) Operating Leases

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.22 Payables

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

1.23 Liabilities - Employee Benefits

Employee benefits are accrued for such items as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee entitlements are assessed at each reporting date. Where it is expected that the leave will be taken in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

(i) Salaries and Wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 21.

(ii) Annual Leave

A liability for annual leave is recognised. The current portion (based on expected payment date) is calculated on current wage and salary levels and includes related employee on-costs. The non-current portion is based on projected future wage and salary levels and related employee on-costs discounted to present values. This liability is reported in Note 21.

(iii) Superannuation

The superannuation expense for the reporting period is the amount of the contribution Council makes to the superannuation plan which provides benefits to its employees.

Details of those arrangements are set out in Note 33.

(iv) Long Service Leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 24.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.24 Borrowings and Borrowing Costs

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 no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1.25 Restoration Provisions

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 refuse dumps. Details can be found in Note 24.

The provision is measured at the expected cost of the work required and discounted to current day values using an appropriate rate. A weighted average of Queensland Treasury Corporation's lending rates is considered an appropriate rate.

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. 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. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the sites will progressively close from 2014 to 2032 and that the restoration will occur during these years. In addition to this, ongoing water monitoring after closure of the sites will be undertaken. The provision includes those estimated costs.

(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 has to be 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 an expense or income.

(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 amortised over the expected useful life. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land. 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.

1.26 Capital

Capital is the carrying value of Council's capital assets less the amount of capital debt at the reporting date. It represents the net investment of Council funds in assets purchased to deliver future services to the community.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.27 Asset Revaluation Surplus

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

Increases and decreases upon revaluation are offset within a class of assets.

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

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

1.28 Retained Surplus

This represents that part of Council's net funds that are not required to meet specific future funding needs. The balance of this account at the end of each financial year represents the accumulative amount available to Council that may be used to offset against expenditure in the following year.

1.29 Reserves

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 future use. In prior years Council accounted for these restrictions using a system of reserves.

A change in accounting policy has resulted in these reserves being separately identified within Council's cash and cash equivalents Note 13 as restricted cash and has transferred the equity balance to Capital.

The former reserves operated as follows:

(i) Constrained Works Reserve

Council resolved to establish a constrained works reserve at 15 March 2008. The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) which has been received in respect of capital works where the required capital works have not yet been carried out. Where non-reciprocal grants, subsidies and contributions are received for specific capital projects, amounts equivalent to the capital grants received are transferred from retained surplus to the constrained works reserve. When the grant monies are expended on the respective projects, an equivalent amount is transferred out of the constrained works reserve to retained surplus. Council does not reallocate amounts in this reserve to any other reserve or for any other purpose. The amounts formally reported in this reserve at balance date are now disclosed as an external restriction on cash in Note 13.

(ii) Transport Improvement Reserve

Council resolved to establish a transport improvement reserve at 15 March 2008. The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) set aside to carry out works on Council's Roads, Pathways and Bikeways Infrastructure. Capital funds are transferred from retained surplus to the transport improvement reserve as required. When the capital funds are expended on the respective projects, an equivalent amount is transferred out of the transport improvement reserve to retained surplus. Council does not reallocate amounts in this reserve to any other reserve or for any other purpose. The amounts formally reported in this reserve at balance date are now disclosed as an internal restriction on cash in Note 13.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.29 Reserves (Cont'd)

(iii) Asset Acquisition Reserve

Council resolved to establish an asset acquisition reserve at 15 March 2008. The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) set aside to provide funds for the future acquisition and replacement of Council's assets. This reserve is used to even out capital expenditure fluctuations year by year with capital funds being transferred from retained surplus to the asset acquisition reserve as required at the end of the financial year. When the capital funds are expended on the respective projects, an equivalent amount is transferred out of the asset acquisition reserve to retained surplus. Council does not reallocate amounts in this reserve to any other reserve or for any other purpose. The amounts formally reported in this reserve at balance date are now disclosed as an internal restriction on cash in Note 13.

(iv) Fleet Renewal Reserve

Council resolved to establish a fleet renewal reserve at 15 March 2008. The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) set aside from surplus funds generated by fleet operations to fund future fleet acquisitions and replacement. Surplus funds are transferred from retained surplus to the fleet renewal reserve at the end of the financial year. When the capital funds are expended on the respective projects, an equivalent amount is transferred out of the fleet renewal reserve to retained surplus. Council does not reallocate amounts in this reserve to any other reserve or for any other purpose. The amounts formally reported in this reserve at balance date are now disclosed as an internal restriction on cash in Note 13.

(v) Wastewater Improvement Reserve

Council resolved to establish a wastewater improvement reserve at 15 March 2008. The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) set aside to provide funds for the future construction and replacement of Council's Wastewater infrastructure. Funds are transferred from retained surplus to the wastewater improvement reserve as determined by the budget. When the funds are expended on the respective projects, an equivalent amount is transferred out of the wastewater improvement reserve to retained surplus. Council does not reallocate amounts in this reserve to any other reserve or for any other purpose. The amounts formally reported in this reserve at balance date are now disclosed as an internal restriction on cash in Note 13.

(vi) Water Improvement Reserve

Council resolved to establish a water improvement reserve at 15 March 2008. The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) set aside to provide funds for the future construction and replacement of Council's Water infrastructure. Funds are transferred from retained surplus to the water improvement reserve as determined by the budget. When the funds are expended on the respective projects, an equivalent amount is transferred out of the water improvement reserve to retained surplus. Council does not reallocate amounts in this reserve to any other reserve or for any other purpose. The amounts formally reported in this reserve at balance date are now disclosed as an internal restriction on cash in Note 13.

(vii) Future Capital Works Reserve

Council resolved to establish a future capital works at 30 June 2011. The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) set aside from operating funds for future renewal and upgrades of Council's infrastructure assets. The amount transferred from retained surplus to the future capital works reserve will be assessed at the end of the year depending on the operating surplus available and capital funding sources utilised. When the funds are expended on the respective projects, an equivalent amount is transferred out of the future capital works reserve to retained surplus. Council does not reallocate amounts in this reserve to any other reserve or for any other purpose. The amounts formally reported in this reserve at balance date are now disclosed as an internal restriction on cash in Note 13.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 Summary of Significant Accounting Policies (Cont'd)

1.30 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.

1.31 Trust Funds Held for Outside Parties

Funds held in the Trust Account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies paid into the Trust Account by Council. Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements. The monies are disclosed in the notes to the financial statements for information purposes only in Note 34.

1.32 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.

1.33 National Competition Policy

Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 38.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

2 Analysis of results by function

(a) Component functions of Council

The activities relating to Council's Functions reported on in Note 2(a) - Analysis of Results by Function are as follows:

Council departments

Comprised of the following departments incorporating the various service delivery programs within Council which are primarily funded from general rate operations:

Department	Service delivery programs
Organisational Services	Stakeholder Engagement; Internal Ombudsman; Financial Services; Sustainable Finance; People & Culture; Information Systems; and Administration
Executive support	Chief Executive Officer; Mayor; and Councillors
Community and environment	Libraries; Cinema & Theatre; Cultural Activities; Community Development; Disaster Management; Commercial Business & Economic Development; Parks, Sport & Natural Areas; Regulatory Services; and Community Care (Waste Management reported as a separate function)
Infrastructure and planning services	Roads & Drainage; Projects; Development; and Support Services (Water and Wastewater Services reported as separate functions)

Waste Management

Council's waste operations are primarily funded from waste collection charges. The focus of this function is to provide a high standard service for both waste and recycling collection and waste disposal through the use of the latest waste collection vehicles, the operation of the materials recycling facility, the implementation of environmental monitoring programs and the development of landfill facilities.

Wastewater services

Council's wastewater operations are primarily funded from wastewater utility charges. The focus of this function is to provide and maintain a reliable, efficient and cost effective wastewater system which recognises environmental values in the region.

Water services

Council's water operations are primarily funded from water utility charges under a user-pays system. The focus of this function is to provide a safe, reliable and adequately treated water supply to consumers based on high standards of treatment, efficient maintenance of infrastructure and sound planning techniques.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

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	70,819,546	80,448,156	151,267,702	107,398,465	43,869,237	1,227,196,339
Waste services	26,500	16,585,844	16,612,344	20,121,424	(3,509,080)	14,754,535
Wastewater services	2,300,685	22,409,819	24,710,504	23,779,492	931,012	302,160,926
Water services	423,915	23,630,283	24,054,198	24,276,383	(222,185)	238,949,340
Total	73,570,646	143,074,102	216,644,748	175,575,764	41,068,984	1,783,061,140

For the year ended 30 June 2012

Functions	Grant Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Net Result \$	Assets \$
Council departments	31,230,131	88,214,164	119,444,295	103,343,902	16,100,393	1,213,824,415
Waste services	27,000	17,137,960	17,164,960	14,490,136	2,674,824	12,367,159
Wastewater services	13,327	23,868,186	23,881,513	16,940,323	6,941,190	289,969,681
Water services	-	23,671,648	23,671,648	16,091,230	7,580,418	223,463,732
Total	31,270,458	152,891,958	184,162,416	150,865,591	33,296,825	1,739,624,987

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
3 Revenue analysis			
(a) Rates, levies and charges			
General rates		60,354,695	57,913,152
Waste collection		11,289,637	10,771,926
Water		21,210,063	19,800,426
Wastewater		19,790,635	18,983,374
Special rates and charges		370,094	371,613
Total rates and utility charge revenue		113,015,124	107,840,491
Less: Discounts		(5,155,898)	(4,901,521)
Less: Pensioner remissions		(1,330,048)	(1,028,787)
Net rates and utility charges		106,529,178	101,910,183
(b) Fees and charges			
Hire of facilities		295,876	367,086
Airport fees		2,814,458	1,736,249
Infringements		284,885	157,144
Health licenses and registrations		714,232	769,461
Waste fees		2,854,498	3,019,172
Building and planning fees		1,907,975	2,487,064
Rental income		1,404,192	1,232,771
Holiday park income		2,066,283	2,116,478
Other fees and charges		2,638,646	2,338,404
		14,981,045	14,223,829
(c) Interest received			
Interest received from investments		4,221,551	4,598,345
Interest from overdue rates and utility charges		577,205	682,278
Other sources		15,527	11,251
		4,814,283	5,291,874
(d) Sales - Contract and recoverable works			
Sales - Contract and recoverable works		7,615,384	5,554,934
		7,615,384	5,554,934

The amount recognised as revenue for contract revenue during the period is the amount receivable in respect of invoices issued during the period. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
4 Grants, subsidies, contributions and donations			
(a) Recurrent			
Recurrent grants, subsidies, contributions and donations are analysed as follows:			
Grants and subsidies*		28,488,663	16,073,489
Contributions		227,255	204,625
Donations		99,891	137,451
		<u>28,815,809</u>	<u>16,415,565</u>

(b) Capital

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

(i) Monetary revenue received:

Grants and subsidies**	45,081,983	15,196,969
Infrastructure charges	410,850	1,925,485
Other capital contributions	194,482	313,351

(ii) Non-Monetary revenue received:

Non-Infrastructure assets donated	74,423	1,143,056
Donated assets contributed by developers at fair value	2,967,030	5,477,028
	<u>48,728,768</u>	<u>24,055,889</u>

* Includes \$17,178,104 (2012 - \$2,008,748) of NDRRA funding relating to emergent work for flood recovery.

** Includes \$37,849,018 (2012 - \$8,517,068) of NDRRA funding relating to restoration of flood affected assets.

(c) Conditions over contributions

Contributions and grants which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

Capital grants and subsidies	13,925,758	2,171,306
Infrastructure charges	410,850	1,925,486
Other capital contributions	33,729	-
	<u>14,370,337</u>	<u>4,096,792</u>

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
4 Grants, subsidies, contributions and donations (Cont'd)			
(c) Conditions over contributions (Cont'd)			
Contributions and grants which were recognised as revenues in a previous reporting period and were expended during the current reporting period in accordance with Council's obligations:			
Capital grants and subsidies		2,189,342	3,166,511
Infrastructure charges		165,000	5,660,083
Other capital contributions		-	170,033
		<u>2,354,342</u>	<u>8,996,627</u>
Capital grants and subsidies received in the current year but not yet expended are to be spent under the terms of the funding agreements entered into with the State or Federal Government.			
Infrastructure charges received in the current year but not yet expended are to be spent in accordance with the <i>Sustainable Planning (Housing Affordability and Infrastructure Charges Reform) Amendment Act 2011</i> .			
Capital grants and subsidies received in a prior year but expended in the current year were spent under the terms of the funding agreements entered into with the State or Federal Government.			
Infrastructure charges received in a prior year but expended in the current year were spent in accordance with the <i>Sustainable Planning (Housing Affordability and Infrastructure Charges Reform) Amendment Act 2011</i> .			
Other capital contributions received in a prior year but expended in the current year were spent in accordance with the individual agreements entered into with the parties			
5 Profit on sale of developed land held for resale			
Proceeds from sales of developed land held for resale		84,091	-
Current cost of developed land sold		(20,418)	-
		<u>63,673</u>	<u>-</u>
6 Capital income			
Decrease in provision for land restoration		<u>567,845</u>	<u>1,038,725</u>
		567,845	1,038,725
Gain arising from recognising assets that were not previously recognised		<u>4,528,763</u>	<u>15,671,417</u>
		4,528,763	15,671,417
Total capital income		<u>5,096,608</u>	<u>16,710,142</u>

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
7 Employee benefits			
Staff wages and salaries		52,406,467	46,759,835
Councillors' remuneration		906,085	935,123
Annual, sick and long service leave entitlements		8,801,467	8,449,600
Superannuation	33	6,260,016	5,944,329
		<u>68,374,035</u>	<u>62,088,887</u>
Other employee related expenses		2,220,513	2,191,142
		<u>70,594,548</u>	<u>64,280,029</u>
Less: Capitalised employee expenses		<u>(4,486,851)</u>	<u>(4,061,102)</u>
		<u><u>66,107,697</u></u>	<u><u>60,218,927</u></u>

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

Total Council employees at the reporting date:

Elected members	11	11
Administration staff	359	346
Depot and outdoor staff	515	483
Total full time equivalent employees	<u>885</u>	<u>840</u>

8 Materials and services

Audit services	(i)	226,815	477,081
Donations paid		585,536	740,911
Rentals - operating leases		255,398	261,592
Telephone Expenses		696,736	637,967
Postage, printing and stationery		336,452	404,113
Electricity expenses		4,804,608	4,999,659
Raw water		1,248,269	1,210,467
Insurance premiums		1,340,209	1,234,361
External plant hire		10,014,506	4,665,216
Consultants		1,695,427	3,556,041
External labour hire		1,011,001	1,145,788
Chemicals		695,424	689,492
Legal expenses		309,261	607,960
Plant consumables		5,918,941	5,285,587
Waste levy		295,555	870,917
Subscriptions		240,928	222,636
Repairs and maintenance		9,942,033	7,212,589
Other material and services		<u>17,699,330</u>	<u>10,143,586</u>
		<u><u>57,316,429</u></u>	<u><u>44,365,963</u></u>

(i) The audit services amount recorded in this note includes audit costs associated with the audit of Bundaberg Regional Council. The Auditors remuneration for the audit of the financial statements for the year ended 30 June 2013 is \$177,000 (2012 \$208,040) and remuneration for other audit services for the year ended 30 June 2013 is \$3,000 (2012 \$5,200). Other audit services comprises the audit of certificates required under various Commonwealth Government programs. Comparative information has been updated for actual audit costs incurred.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
9 Finance costs			
Finance costs charged by the Queensland Treasury Corporation		3,643,600	3,302,046
Impairment of debts		307,276	80,160
Bank charges		253,493	232,296
Landfill restoration - change in provision over time		262,258	227,481
Interest payable on bond refunds		934	2,126
		<u>4,467,561</u>	<u>3,844,109</u>
10 Depreciation and amortisation			
(a) Depreciation of non-current assets			
Buildings and structures		2,677,141	1,768,533
Plant and equipment		4,278,809	3,783,722
Roads, footpaths and bridges		17,689,907	14,729,945
Stormwater drainage		2,496,908	2,127,249
Water infrastructure		3,865,113	2,883,989
Wastewater infrastructure		3,009,134	3,828,271
Total depreciation of non current assets		<u>34,017,012</u>	<u>29,121,709</u>
(b) Amortisation of non-current assets			
Land and improvements		12,489	-
Intangible assets		236,012	200,980
Total amortisation of non current assets		<u>248,501</u>	<u>200,980</u>
Total depreciation and amortisation		<u>34,265,513</u>	<u>29,322,689</u>
11 Increase in provision for land restoration			
Due to change in discount rate		-	476,829
Due to estimate of future cost		3,664,785	-
		<u>3,664,785</u>	<u>476,829</u>
12 Loss on disposal of non-current assets			
Proceeds from disposal of property, plant and equipment		4,040,224	489,203
Book value of property, plant and equipment disposed		<u>(13,756,062)</u>	<u>(13,069,277)</u>
Gain/(Loss) on disposal of property, plant and equipment		<u>(9,715,838)</u>	<u>(12,580,074)</u>
Proceeds from disposal of land		-	-
Book value of land disposed		-	<u>(57,000)</u>
Gain/(Loss) on disposal of land		-	<u>(57,000)</u>
Proceeds from disposal of intangibles		-	-
Book value of intangibles disposed		<u>(37,941)</u>	-
Gain/(Loss) on disposal of intangibles		<u>(37,941)</u>	-
Gain/(Loss) on disposal of non-current assets		<u>(9,753,779)</u>	<u>(12,637,074)</u>

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
13 Cash and cash equivalents			
Cash at bank and on hand		1,609,048	493,467
Deposits at call		20,100,000	19,150,000
Short term money market instruments		67,800,000	72,900,000
Balance per statement of cash flows		<u>89,509,048</u>	<u>92,543,467</u>

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. In prior years Council accounted for these restrictions using a system of reserves, disclosed in note 29. A change in accounting policy has resulted in the internal and external restrictions being separately identified in Council's cash and cash equivalents. These restrictions are managed using internal management accounting functions.

Internally imposed expenditure restrictions at the reporting date		44,165,985	41,914,823
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent capital grants, subsidies and contributions		14,015,877	2,245,731
Unspent infrastructure charges		19,114,560	18,868,711
Unspent loan monies		5,937,970	15,303,546
		<u>39,068,407</u>	<u>36,417,988</u>
Total unspent restricted cash for capital projects		<u>83,234,392</u>	<u>78,332,811</u>

Cash and deposits at call are held at the Commonwealth Bank, Westpac Banking Corporation and in a QTC Capital Guaranteed Cash Fund account, with credit ratings of A1+ for all institutions.

14 Trade and other receivables

Current

Rateable revenue and utility charges		8,289,559	7,236,516
Less impairment		(40,869)	-
Accounts receivable		15,057,672	5,280,661
Less impairment		(14,861)	(35,578)
GST recoverable		60,839	228,295
Prepayments		541,171	486,347
		<u>23,893,511</u>	<u>13,196,241</u>

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on accounts receivable. There is no concentration of credit risk for rates and utility charges, fees and accounts receivable.

Movement in accumulated impairment losses is as follows:

Opening balance		35,578	161,634
Impairment debts written off during the year		-	(10,978)
Additional impairments recognised		40,869	-
Impairments reversed		(20,717)	(115,078)
Closing balance at end of financial year		<u>55,730</u>	<u>35,578</u>

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
15 Inventories			
Current			
Inventories held for sale:			
Miscellaneous saleable items		-	56,587
		-	56,587
Valued at the lower of cost and net realisable value.			
Inventories held for distribution:			
Stores inventories		1,072,867	1,155,693
		1,072,867	1,155,693
Valued at cost, adjusted, when applicable, for any loss of service potential.			
The value of inventory recognised as an expense during the period was \$3,843,528 (2012 \$3,663,333), which includes \$2,491 (2012 \$3,527) in stock write-offs.			
Land purchased for development and sale	16	3,542,139	3,528,033
		3,542,139	3,528,033
Total inventories		4,615,006	4,740,313
16 Land purchased for development and sale			
Opening balance		3,528,033	1,617,696
Additions		34,524	624,177
Transfer from investment property	18	-	1,286,160
Less: Cost of developed land sold		(20,418)	-
Closing balance at end of financial year		3,542,139	3,528,033

Land purchased for development and sale is valued at the lower of cost and net realisable value.

17 Non-current assets held for sale

Council has decided to sell land and buildings no longer required. These were previously used as a employee residence and vacant land acquired due to rate arrears.

They have been placed with real estate agents or will go to public auction and are expected to be sold within one year.

Internal transfer from buildings	19	183,223	-
Internal transfer from land and improvements	19	215,000	-
		398,223	-

The assets are valued at the lower of carrying value and fair value less cost to sell.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
18 Investment property			
Fair value at the beginning of financial year		-	1,286,160
Transfer to land purchased for development and sale	16	-	(1,286,160)
Fair value at the end of financial year		-	-

Investment property comprised land which was held for future development or unascertained future purposes. At 1 July 2011 it was transferred to inventories (land held for development and sale) due to a change in use evidenced by construction of the property with a view to sale.

The land was valued at fair value. It was valued at market value by Australia Pacific Valuers Pty Ltd as at 30 April 2011 using an appropriate indexation.

At the balance sheet date, no income was generated from the investment property. Expenses (if applicable) in respect of investment property are shown in Note 8. At reporting date there was no property being constructed or developed for future use as investment property.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2013

19 (a) Property, plant and equipment

30 June 2013

Basis of measurement

Asset values

	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 30-Jun-13 \$	Revaluation 30-Jun-13 \$	Cost 30-Jun-13 \$	Revaluation 30-Jun-13 \$	Revaluation 30-Jun-13 \$	Revaluation 30-Jun-13 \$	Revaluation 30-Jun-13 \$	Revaluation 30-Jun-13 \$	Cost 30-Jun-13 \$	
Opening gross value as at 1 July 2012	116,028,501	193,133,807	47,263,850	444,737	955,557,638	199,994,862	338,929,313	305,175,954	45,988,282	2,203,516,944
Assets not previously recognised	-	19,080	-	18,100	3,518,121	89,6704	229,249	141,273	-	4,822,527
Additions at cost	42,625	9,825,279	6,658,558	3,300	3,324,983	215,661	265,884	619,962	53,767,375	74,721,627
Contributed assets	-	69,723	-	4,700	1,462,408	657,418	514,439	333,766	-	3,041,454
Internal transfers from work in progress	1,212,878	6,223,213	698,509	-	34,323,940	1,281,848	6,397,165	4,795,311	(55,416,779)	(484,915)
New land restoration provision	1,035,012	-	-	-	-	-	-	-	-	1,035,012
Disposals	-	(3,151,500)	(5,466,424)	-	(13,585,590)	(39,587)	(1,243,892)	(919,493)	-	(24,406,486)
Revaluation adjustment to the asset revaluation surplus	1,155,448	-	-	(9,497)	17,658,260	2	-	-	-	18,804,213
Assets transferred from/(to) intangible assets	-	-	-	-	-	-	(25,205)	-	-	(25,205)
Assets transferred from/(to) NCA Held for Sale	(215,000)	(185,000)	-	-	-	-	-	-	-	(400,000)
Other internal transfers	36,472	(1,634,137)	189,424	-	(500,766)	2,095,499	(51,182)	(135,310)	-	-
Closing gross value as at 30 June 2013	119,295,936	204,300,465	49,343,917	461,340	1,002,757,994	205,100,407	345,095,771	310,010,463	44,338,878	2,280,625,171

Accumulated depreciation

Opening balance as at 1 July 2012	-	35,244,168	18,205,482	-	279,335,309	70,063,411	73,471,698	104,711,263	-	581,031,331
Assets not previously recognised	-	3,696	-	-	222,935	8,367	43,605	15,160	-	293,763
Depreciation provided in period	12,489	2,677,141	4,278,809	-	17,689,907	2,496,908	3,009,134	3,865,113	-	34,029,501
Depreciation on disposals	-	(397,212)	(3,384,797)	-	(5,881,827)	(3,074)	(518,626)	(464,883)	-	(10,650,419)
Revaluation adjustment to the asset revaluation surplus	-	-	-	-	17,858,910	-	-	-	-	17,858,910
Assets transferred from/(to) NCA Held for Sale	-	(1,777)	-	-	-	-	-	-	-	(1,777)
Other internal transfers	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at 30 June 2013	12,489	37,626,016	19,099,494	-	309,222,334	72,665,612	76,005,811	108,126,553	-	622,561,909
Total written down value at 30 June 2013	110,283,447	166,774,449	30,244,423	461,340	693,535,760	132,534,795	269,009,960	201,883,910	44,338,878	1,658,063,862
Range of estimated useful life in years	Not depreciated	8-150	5-100	Not depreciated	10-150	60-80	20-90	15-100		

Council has plant and equipment with an original cost of \$399,733 and a written down value of zero still being used in the provision of services. 11% of these assets are expected to be replaced in 2013-2014 year.

Council has plant and equipment with an original cost of \$5,617,861 that has been written down to a residual value of \$865,398 still being used in the provision of services. 25% of these assets are expected to be replaced in the 2013-2014 year.

As at 30 June 2013, after stocktake of plant and equipment, Council had no plant and equipment which had not been used for over three years.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

19 (b) **Property, plant and equipment valuations were determined by reference to the following :**

(i) **Land and improvements**

The fair value of land and improvements is measured at current market value as at 30 June 2013 as independently determined by APV Valuers and Asset Management. Fair value was derived by reference to market based evidence including observable historical sales data for properties of similar nature and specification within the Bundaberg Regional Council and surrounding areas.

Land under infrastructure and reserve land does not have a value for the purpose of a Local Government's financial statements.

(ii) **Buildings and structures**

Building assets were comprehensively revalued as at 30 June 2012 by APV Valuers and Asset Management. Bundaberg Regional Council engaged APV Valuers and Asset Management to provide desktop market indexations of gross current values as at 30 June 2013. This review found no material movement in values, and as a result no valuation adjustment was undertaken.

Buildings are assessed for condition to determine the written down value. Condition is measured on a scale from 0 - 10 and written down value is calculated as a percentage of the Gross Current Replacement Value using this scale to reflect the remaining service potential in the building.

All assets' condition was assessed using the following table.

Condition Rating System		
Description of Asset Condition	Condition Rating	Remaining Useful Life
A near new asset or an asset recently rehabilitated back to new condition	0	100%
A near new asset with no visible signs of deterioration often moved to condition 1 based upon the time since construction rather than observed condition decline	1	90%
An asset in excellent overall condition. There would be only very slight condition decline but it would be obvious that the asset was no longer in new condition	2	80%
An asset in very good overall condition but with some early stages of deterioration evident, but the deterioration still minor in nature and causing no serviceability problems	3	70%
An asset in good overall condition but with some obvious deterioration evident, serviceability would be impaired very slightly.	4	60%
An asset in fair overall condition deterioration in condition would be obvious and there would be some serviceability loss.	5	50%
An asset in fair to poor overall condition. The condition deterioration would be quite obvious. Asset serviceability would now be affected and maintenance cost would be rising	6	40%
An asset in poor overall condition deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance cost would be high	7	30%
An asset in very poor overall condition with serviceability now being heavily impacted upon by the poor condition. Maintenance cost would be very high and the asset would at a point where it needed to be rehabilitated.	8	20%
An asset in extremely poor condition with severe serviceability problems and needing rehabilitation immediately. Could also be a risk to remain in service	9	10%
An asset that has failed is no longer serviceable and should not remain in service. There would be an extreme risk in leaving the asset in service.	10	0%

19 (b) Property, plant and equipment valuations were determined by reference to the following (Cont'd):

(iii) Plant and equipment

Plant and equipment is measured at original cost less accumulated depreciation in accordance with *Local Government (Finance, Plans and Reporting) Regulations 2010* and *AASB 116 Property, Plant and Equipment*.

(iv) Cultural assets

Cultural assets were comprehensively revalued this financial year. This independent revaluation was undertaken by APV Valuers and Asset Management.

(v) Roads, footpaths and bridges

Roads, footpaths and bridges were initially revalued by a desktop indexation by APV Valuers and Asset Management as at 30 June 2013. After Council reviewed the data, a decision was made to use a weighted average index for revaluation. Accordingly, roads, footpaths and bridges are measured at their gross current replacement value and written down replacement cost.

Roads, footpaths and bridges are assessed for condition to determine the written down value. Condition is measured on a scale from 0 - 10 and written down value is calculated as a percentage of the replacement cost using this scale to reflect the remaining service potential in the asset.

(vi) Stormwater drainage

Stormwater drainage assets were comprehensively revalued as at 30 June 2012 by APV Valuers and Asset Management. Bundaberg Regional Council engaged APV Valuers and Asset Management to provide an industry appropriate indice review of unit rates as at 30 June 2013. This review found no material movement in values, and as a result no valuation adjustment was undertaken. Stormwater drainage assets are measured at their gross current replacement value and written down current replacement cost.

Stormwater drainage assets are assessed for condition to determine the written down value. Condition is measured on a scale from 0 - 10 and written down value is calculated as a percentage of the replacement cost using this scale to reflect the remaining service potential in the asset.

(vii) Wastewater infrastructure

Wastewater Infrastructure assets were comprehensively revalued as at 30 June 2012 by APV Valuers and Asset Management. Bundaberg Regional Council engaged APV Valuers and Asset Management to provide an industry appropriate indice review of unit rates as at 30 June 2013. This review found no material movement in values, and as a result no valuation adjustment was undertaken. Wastewater Infrastructure assets are measured at their gross current replacement value and written down current replacement cost.

Wastewater Infrastructure assets are assessed for condition to determine the written down value. Condition is measured on a scale from 0 - 10 and written down value is calculated as a percentage of the replacement cost using this scale to reflect the remaining service potential in the asset.

(viii) Water infrastructure

Water Infrastructure assets were comprehensively revalued as at 30 June 2012 by APV Valuers and Asset Management. Bundaberg Regional Council engaged APV Valuers and Asset Management to provide an industry appropriate indice review of unit rates as at 30 June 2013. This review found no material movement in values, and as a result no valuation adjustment was undertaken. Water Infrastructure assets are measured at their gross current replacement value and written down current replacement cost.

Water Infrastructure assets are assessed for condition to determine the written down value. Condition is measured on a scale from 0 - 10 and written down value is calculated as a percentage of the replacement cost using this scale to reflect the remaining service potential in the asset.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2013

20 Intangible assets

30 June 2013

Basis of measurement

Asset values

Opening gross carrying value as at 1 July 2012
 Additions at cost
 Internal transfers from work in progress
 Disposals
 Assets transferred from/(to) property plant and equipment
 Closing gross carrying value as at 30 June 2013

Computer Software	Easements		Land Lease		Water Rights		Work in progress		Total
	Cost	30-Jun-13	Cost	30-Jun-13	Cost	30-Jun-13	Cost	30-Jun-13	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	2,157,256	67,555	311,000	4,346,253	636,369	7,518,433			
	27,432	-	-	-	153,735	181,167			
	230,339	-	-	-	(240,620)	(10,281)			
	(61,405)	-	-	-	-	(61,405)			
	-	25,205	-	-	-	25,205			
	2,353,622	92,760	311,000	4,346,253	549,484	7,653,119			

Accumulated amortisation

Opening balance as at 1 July 2012
 Amortisation provided in period
 Amortisation on disposals
 Closing accumulated amortisation as at 30 June 2013
 Total intangible assets at 30 June 2013

	859,080	-	-	-	-	859,080
	236,012	-	-	-	-	236,012
	(23,463)	-	-	-	-	(23,463)
	1,071,629	-	-	-	-	1,071,629
	1,281,993	92,760	311,000	4,346,253	549,484	6,581,490

The software items have finite estimated useful lives of 5-50 years. Straight line amortisation has been used with no residual value.

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

BUNDABERG REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

20 Intangible assets

30 June 2012

Basis of measurement

Asset values

Opening gross carrying value as at 1 July 2011
 Additions at cost
 Internal transfers from work in progress
 Disposals
 Assets transferred from/(to) property plant and equipment
 Closing gross carrying value as at 30 June 2012

Computer Software	Easements	Land Lease	Water Rights	Work in progress	Total
Cost	Cost	Cost	Cost	Cost	
30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12	
\$	\$	\$	\$	\$	\$
1,852,159	43,809	311,000	4,346,253	485,909	7,039,130
48,369	23,746	-	-	407,188	479,303
256,728	-	-	-	(256,728)	-
-	-	-	-	-	-
-	-	-	-	-	-
2,157,256	67,555	311,000	4,346,253	636,369	7,518,433

Accumulated amortisation

Opening balance as at 1 July 2011
 Amortisation provided in period
 Amortisation on disposals
 Closing accumulated amortisation as at 30 June 2012
 Total intangible assets at 30 June 2012

658,100	-	-	-	-	658,100
200,980	-	-	-	-	200,980
-	-	-	-	-	-
859,080	-	-	-	-	859,080
1,298,176	67,555	311,000	4,346,253	636,369	6,659,353

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
21 Trade and other payables			
Current			
Creditors and accruals		11,876,257	10,156,921
Annual leave		3,992,152	4,236,726
		<u>15,868,409</u>	<u>14,393,647</u>
Non-Current			
Annual leave		925,444	569,347
		<u>925,444</u>	<u>569,347</u>

The average credit period on purchases is one month. No interest is charged on the trade payables for the first 30 days from the date of invoice. Thereafter, interest is charged at a pre-approved rate per annum on the outstanding balance. Council has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Employee benefit entitlements are calculated at current pay levels, adjusted for likely future changes in salary level based on increases in the enterprise agreement, and averaged CPI for years beyond the enterprise agreement.

These estimates are then adjusted for the probability of the employee remaining in employment with Council or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value using Commonwealth Bond Yields.

22 Borrowings

Current

Loans - Queensland Treasury Corporation	23	<u>6,156,498</u>	<u>5,865,231</u>
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Non-Current

Loans - Queensland Treasury Corporation	23	<u>53,272,002</u>	<u>59,425,889</u>
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Financing facilities are limited by the requirement to obtain State Government approval for all loan applications. All loans are unsecured.

All borrowings are in \$A denominated amounts are carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 4 June 2017 to 29 April 2030.

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

Principal and interest repayments are made quarterly in arrears.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
23 Loans			
Queensland Treasury Corporation			
Opening balance		65,291,120	54,679,860
Loans raised		-	15,000,000
Principal repayments		(5,862,620)	(4,388,740)
Book value at end of financial year		<u>59,428,500</u>	<u>65,291,120</u>
Classified as :			
Current	22	6,156,498	5,865,231
Non-Current	22	<u>53,272,002</u>	<u>59,425,889</u>
		<u>59,428,500</u>	<u>65,291,120</u>
24 Provisions			
Current			
Landfill restoration		328,000	75,000
Long service leave		<u>1,329,000</u>	<u>729,000</u>
		<u>1,657,000</u>	<u>804,000</u>
Non-Current			
Landfill restoration		9,471,515	5,668,896
Long service leave		<u>11,251,123</u>	<u>10,749,935</u>
		<u>20,722,638</u>	<u>16,418,831</u>
Details of movements in provisions:			
Landfill restoration provision			
Opening balance		5,743,896	4,951,842
New landfill restoration provision		1,035,012	1,315,427
Increase in provision - finance cost due to change in time		262,258	227,481
Increase/(decrease) in provision - change in discount rate		61,020	476,829
Increase/(decrease) in provision - change in restoration date		(530,339)	(62,454)
Decrease in provision for actual restoration expenditure		-	(188,958)
Increase/(decrease) in estimate of future cost		<u>3,227,668</u>	<u>(976,271)</u>
Balance at the end of financial year		<u>9,799,515</u>	<u>5,743,896</u>
This is the present value of the estimated cost of restoring the landfill site to a useable state at the end of its useful life.			
Long service leave provision			
Opening balance		11,478,935	10,288,319
Additional provision made during the period		1,643,353	1,173,078
Amounts used during the period		(914,113)	(707,119)
Unused amounts reversed during the period		(43,852)	(91,613)
Change in discount and time		<u>415,800</u>	<u>816,270</u>
Balance at the end of financial year		<u>12,580,123</u>	<u>11,478,935</u>
25 Other liabilities			
Monies received in advance		<u>389,347</u>	<u>431,119</u>
		<u>389,347</u>	<u>431,119</u>

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
26 Capital			
Retained surplus/(deficiency)			
Cash and cash equivalents	13	89,509,048	92,543,467
Less restricted cash:			
Internal Restrictions	13	(44,165,985)	(41,914,823)
External Restrictions	13	(39,068,407)	(36,417,988)
Unearned revenue	25	(389,347)	(431,119)
Cash funds allocated for future rehabilitation costs	24	(328,000)	(75,000)
Working cash requirement		(4,417,276)	(12,013,407)
Retained surplus/(deficit)		1,140,033	1,691,130
Capital		1,295,713,919	1,191,064,573
Total capital and retained surplus at end of financial year		1,296,853,952	1,192,755,703
Movement in capital account			
Balance at beginning of financial year:		1,191,064,573	1,159,979,067
Transfers from/(to) retained surplus	28	41,620,081	10,447,939
Transfers from/(to) reserves	29	-	20,637,567
Transfer due to closure of reserves	29	63,029,265	-
Balance at end of financial year		1,295,713,919	1,191,064,573
27 Asset revaluation surplus			
(a) Movements in the asset revaluation surplus were as follows:			
Balance at beginning of financial year		385,931,955	355,083,921
Net adjustment to non-current assets at end of financial year to reflect a change in fair value:			
Land and improvements		1,494,039	(405,295)
Buildings and structures		-	(20,009,571)
Cultural assets		(9,497)	-
Roads, footpaths and bridges		(200,650)	(24,864,322)
Stormwater drainage	3		10,444,276
Wastewater infrastructure		-	49,468,543
Water infrastructure		-	16,214,403
Balance at end of the year		387,215,850	385,931,955
(b) Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Land and improvements		27,305,279	25,811,240
Buildings and structures		48,001,259	48,001,259
Cultural assets		25,541	35,038
Roads, footpaths and bridges		88,560,645	88,761,295
Stormwater drainage		35,811,439	35,811,436
Wastewater infrastructure		115,747,802	115,747,803
Water infrastructure		71,763,885	71,763,884
		387,215,850	385,931,955

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
28 Retained surplus/(deficiency)			
Movements in the retained surplus were as follows:			
Retained surplus/(deficit) at the beginning of financial year		1,691,130	(2,979,846)
Net result attributable to Council		41,068,984	33,296,825
Transfer (to)/from reserves	29	-	(18,177,910)
Transfers (to)/from capital account for:			
Loss on disposal of NCA	12	9,753,779	12,637,074
Land restoration provision	11	3,664,785	476,829
Operating funds used for capital purposes		(532,135)	(231,616)
Capital income	6	(5,096,608)	(16,710,142)
Capital interest		(681,134)	-
Capital grants, subsidies and contributions	4	(45,687,315)	-
Donated assets	4	(3,041,453)	(6,620,084)
Retained surplus/(deficiency) at end of financial year		<u>1,140,033</u>	<u>1,691,130</u>

29 Other reserves

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. In prior years Council accounted for these restrictions using a system of reserves.

A change in accounting policy has resulted in the internal and external restrictions that have been placed on Council's cash and cash equivalents now being disclosed in note 13. These restrictions are managed using internal management accounting functions.

(a) Summary of reserves held for funding future capital expenditure:

(i) Future capital works reserve	-	30,027,797
(ii) Constrained works reserve	-	21,114,442
(iii) Asset acquisition reserve	-	3,577,838
(iv) Transport improvement reserve	-	251,256
(v) Fleet renewal reserve	-	-
(vi) Wastewater improvement reserve	-	4,924,837
(vii) Water improvement reserve	-	3,133,095
	-	<u>63,029,265</u>

(b) Movements in capital reserves are analysed as follows:

(i) Future capital works reserve		
Balance at beginning of financial year		30,027,797
Transfer from the capital account funds expended in the financial year		-
Transfer to capital account due to closure of the reserve		(30,027,797)
Balance at the end of financial year		<u>30,027,797</u>

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
29 Other reserves (Cont'd)			
(b) Movements in capital reserves are analysed as follows:			
(ii) Constrained works reserve			
Balance at beginning of financial year		21,114,442	26,014,280
Transfer from retained surplus for future expenditure		-	17,435,806
Transfer to the capital account funds expended in the financial year		-	(22,335,644)
Transfer to capital account due to closure of the reserve		(21,114,442)	-
Balance at the end of financial year		-	21,114,442
(iii) Asset acquisition reserve			
Balance at beginning of financial year		3,577,838	3,383,888
Transfer from retained surplus for future expenditure		-	193,950
Transfer to capital account due to closure of the reserve		(3,577,838)	-
Balance at the end of financial year		-	3,577,838
(iv) Transport improvement reserve			
Balance at beginning of financial year		251,256	233,979
Transfer from retained surplus for future expenditure		-	17,277
Transfer to capital account due to closure of the reserve		(251,256)	-
Balance at the end of financial year		-	251,256
(v) Fleet renewal reserve			
Balance at beginning of financial year		-	-
Transfer to capital account due to closure of the reserve		-	-
Balance at the end of financial year		-	-
(vi) Wastewater improvement reserve			
Balance at beginning of financial year		4,924,837	6,009,642
Transfer from retained surplus for future expenditure		-	333,878
Transfer to the capital account funds expended in the financial year		-	(1,418,683)
Transfer to capital account due to closure of the reserve		(4,924,837)	-
Balance at the end of financial year		-	4,924,837
(vii) Water improvement reserve			
Balance at beginning of financial year		3,133,095	2,936,096
Transfer from retained surplus for future expenditure		-	196,999
Transfer to capital account due to closure of the reserve		(3,133,095)	-
Balance at the end of financial year		-	3,133,095

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
30 Commitments for expenditure			
(a) Operating leases			
Minimum lease payments (GST exclusive) in relation to non-cancellable operating leases are as follows:			
Payable:			
Within one year		128,671	208,705
One to five years		464,398	637,620
Later than five years		732,231	838,563
		<u>1,325,300</u>	<u>1,684,888</u>

Significant operating leases are held with the Department of Natural Resources and Mines over land for the Bargara Beach Caravan Park. Lease payments are contingent on the average rental value over a three year period, as determined annually by the State.

There are no options under the current significant operating leases to renew, purchase or escalate the leases.

The lease for the Bargara Caravan Park must be used for the purpose of a caravan park. There are a maximum of thirty five relocatable units allowed in designated areas and patrons are not permitted to stay longer than four months in any six month period in designated areas under the lease.

All other operating leases are not considered significant leases.

(b) Contractual commitments

Contractual commitments (GST exclusive) at balance date but not recognised in the financial statements are as follows:

Garbage collection contract. Expired 30 June 2013		-	79,304
		<u>-</u>	<u>79,304</u>

(c) Capital commitments

Commitments (GST exclusive) for the construction of the following assets contracted for at the reporting date but not recognised as liabilities are as follows:

Property, plant and equipment		87,698,874	6,303,546
		<u>87,698,874</u>	<u>6,303,546</u>

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
31 Contingent liabilities			
Details and estimates of maximum amounts of contingent liabilities are as follows:			
<p>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 <i>Provisions, Contingent Liabilities and Contingent Assets</i> on the basis that council considers such disclosures would seriously prejudice the outcome of the claims.</p>			
<u>Local Government Mutual</u>			
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 2012 the financial statements reported an accumulated surplus and it is not anticipated that any liability will arise.			
<u>Local Government Workcare</u>			
Bundaberg Regional 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:		2,846,583	2,393,028
32 Expected operating lease income			
(a) Lease receipts			
Future minimum lease payments (GST exclusive) are expected to be received in relation to non-cancellable operating leases			
Not later than one year		459,805	474,329
Later than one year but not later than five years		1,343,661	1,550,221
Later than five years		3,052,350	3,267,629
		<u>4,855,816</u>	<u>5,292,179</u>
Council leases land, buildings, airport hangars, airport terminal spaces, advertising spaces, office spaces, water tower spaces, swimming pools and the Lake Monduran Holiday Park.			
(b) Sub-Lease receipts			
Future minimum lease payments (GST exclusive) are expected to be received in relation to non-cancellable sub-leases of operating leases			
Not later than one year		202,670	198,900
Later than one year but not later than five years		790,216	823,528
Later than five years		1,266,632	1,667,915
		<u>2,259,518</u>	<u>2,690,343</u>

Council subleases the Bargara Beach Caravan Park and Riverside Café.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
33 Superannuation			
<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> .</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.</p>			
<p>Any amount by which either 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>The audited general purpose financial report of the scheme as at 30 June 2012 (the most recent available) which was not subject to any audit qualification, indicates that 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 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."</p>			
<p>Following the previous actuarial assessment in 2009, councils were advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of Regional DBF members. In the 2012 actuarial report the actuary has recommended no change to the employer contribution 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.</p>			
<p>The next actuarial investigation will be made as at 1 July 2015.</p>			
<p>The amount of superannuation contributions paid by Council to the Superannuation Fund in this period for the benefit of employees was:</p>			
		6,151,286	5,832,120
<p>Council also contributes to the scheme for the benefit of elected members. The amount of contributions paid for this benefit during the reporting period was:</p>			
		108,730	112,209

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
34 Trust funds			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities:		<u>3,654,380</u>	<u>4,058,825</u>
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.			
35 Reconciliation of net result attributable to council to net cash flow from operating activities			
Net result attributable to Council		<u>41,068,984</u>	<u>33,296,825</u>
Non-cash operating items:			
Depreciation and amortisation	10	34,265,513	29,322,689
Change in restoration provision to finance costs	24	262,258	227,481
Current cost of developed land sold	16	20,418	-
		<u>34,548,189</u>	<u>29,550,170</u>
Investing and financing activities:			
Change in restoration provision		3,096,940	(750,854)
Gain arising from recognition of assets not previously recognised	6	(4,528,763)	(15,671,417)
Capital grants, subsidies, other contributions and donations	4	(48,728,768)	(24,055,889)
Loss on disposal of non-current assets	12	9,753,779	12,637,074
		<u>(40,406,812)</u>	<u>(27,841,086)</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		(9,908,155)	2,478,503
(Increase)/decrease in inventories		104,889	(722,037)
Increase/(decrease) in payables		821,411	2,878,760
Increase/(decrease) in other provisions		1,101,188	1,190,616
Increase/(decrease) in other liabilities		(41,772)	(19,886)
		<u>(7,922,439)</u>	<u>5,805,956</u>
Net cash inflow from operating activities		<u><u>27,287,922</u></u>	<u><u>40,811,865</u></u>

36 Events after the reporting period

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

Council has considered the impact of the possible repeal of the carbon pricing scheme under the new Federal Government and does not believe that there will be any material effect on the 2012/2013 year.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

37 Financial instruments

Bundaberg Regional Council's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk.

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

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.

(i) 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.

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	2013	2012
Cash and cash equivalents	13	89,509,048	92,543,467
Receivables - rates	14	8,248,690	7,236,516
Receivables - other	14	15,103,650	5,473,378
Other credit exposures - Guarantee	31	2,846,583	2,393,028
Total		<u>115,707,971</u>	<u>107,646,389</u>

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

37 Financial instruments (Cont'd)

(i) Credit risk (Cont'd)

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

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

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

	2013	2012
Not past due	14,348,758	3,727,269
Past due less than 30 days	197,756	672,940
Past due 31-60 days	8,386,147	715,780
Past due 61-90 days	57,887	34,942
Past due more than 90 days	417,522	7,594,541
Impairment	- 55,730 -	35,578
Total	<u>23,352,340</u>	<u>12,709,894</u>

(ii) 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
	\$	\$	\$	\$	\$
2013					
Trade and other payables	11,876,257	-	-	11,876,257	11,876,257
Loans - QTC	9,436,460	33,641,162	36,417,763	79,495,385	59,428,500
	<u>21,312,717</u>	<u>33,641,162</u>	<u>36,417,763</u>	<u>91,371,642</u>	<u>71,304,757</u>
2012					
Trade and other payables	10,156,921	-	-	10,156,921	10,156,921
Loans - QTC	9,505,557	37,737,069	41,723,830	88,966,456	65,291,120
	<u>19,662,478</u>	<u>37,737,069</u>	<u>41,723,830</u>	<u>99,123,377</u>	<u>75,448,041</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.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

37 Financial instruments (Cont'd)

(iii) 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 borrowings QTC and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing only from QTC and having access to a mix of floating and fixed funding sources such that the desired interest rate risk exposure can be constructed. Interest rate risk in other areas is minimal.

Council does not undertake any hedging of interest rate risk.

Sensitivity

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

The following interest rate sensitivity analysis 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	
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
Deposits at Call	20,100,000	19,150,000	201,000	191,500	201,000	191,500
Other investments	67,800,000	72,900,000	678,000	729,000	678,000	729,000
Loans - QTC	(59,428,500)	(65,291,120)	(594,285)	(652,911)	(594,285)	(652,911)
Net total	28,471,500	26,758,880	284,715	267,589	284,715	267,589

In relation to the QTC loans held by the Council, the following has been applied:

QTC Generic Debt Pool - the general debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

37 Financial instruments (Cont'd)

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

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

Financial liabilities

	Note	2013		2012	
		Carrying amount	Fair Value	Carrying amount	Fair Value
Loans - QTC	21	59,428,500	64,135,715	65,291,120	70,672,504
		<u>59,428,500</u>	<u>64,135,715</u>	<u>65,291,120</u>	<u>70,672,504</u>

Fair value - hierarchy

Council does not recognise financial assets or liabilities at fair value in its Statement of Financial Position.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

38 National competition policy

Significant Business Activities to which the Full Cost Pricing Model is applied

Section 43(4) of the *Local Government Act 2009* defines a significant business activity as a business activity of a local government that:

- (a) Is conducted in competition, or potential competition, with the private sector (including off-street parking, quarries, sporting facilities, for example); and
- (b) Meets the threshold prescribed under a regulation.

Bundaberg Regional Council has identified two business activities as having reached the expenditure threshold for recognition as financially significant Type 2 Business Activities. In accordance with section 19 of the *Local Government Regulation 2012* this threshold is \$12.77 million for Water and Wastewater activities and \$8.55 million for other activities.

Council's significant Type 2 Business Activities are:

- (a) Council's combined Water and Wastewater activities; and
- (b) Waste Management activities.

A review of the appropriate application of National Competition Policy (NCP) has determined that the adoption of full cost pricing was the most appropriate business model to be applied to these activities.

Activities to which the code of competitive conduct is applied

A 'business activity' of a local government is any activity that involves trading in goods and services.

Section 47 of the *Local Government Act 2009* requires that the code of competitive conduct (CCC) be applied to competitive roads business activities and building certification business activities.

A roads activity, other than a roads activity for which business is conducted through a sole supplier arrangement, is a business activity that involves:

- (a) The construction or maintenance of state controlled roads for which the local government submits an offer to carry out work in response to a tender invitation; or
- (b) Construction or maintenance on another local government's roads which the local government has put out to tender.

A building certifying activity is a business activity that:

- (a) Involves performing building certifying functions (within the meaning of the *Building Act*, section 8); and
- (b) Is prescribed under a regulation.

Council may also apply the CCC to any other business activity, referred to as type three activities, which may be defined as:

- (a) Trading in goods or services to clients in competition with the private sector; or
- (b) The submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself. Excluded activities are library services and any activity (or part thereof) prescribed by legislation.

Council has adopted CCC and the competitive neutrality principle by applying full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

It is no longer proposed that the Other Roads activity be considered a 'competitive' business for the purposes of formally applying NCP reforms, given that it essentially provides an internal service to Council operations and meets the requirements of Main Roads under sole supplier arrangements. Furthermore, no competitive road works activity is deemed to exist given that Council does not competitively tender nor actively seek out private road works.

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 the cost of providing non-commercial community services or costs deemed to be CSO's by Council.

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

38 National competition policy (Cont'd)

Bundaberg Regional Council has applied the CCC to the following activities:

Water and Wastewater Operations;
Waste Management;
Caravan Parks;
Airport Operations; and
Building Certification

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

Financial performance of activities subject to competition reforms:

	Water Supply	Wastewater	Waste Management
	2013	2013	2013
	\$	\$	\$
Revenue for services provided to Council	1,033,861	356,255	239,498
Revenue for services provided to external clients	22,533,876	23,132,280	13,889,083
Community service obligations	287,885	438,274	1,915,917
	23,855,622	23,926,809	16,044,498
Less: Expenditure	(15,887,845)	(15,304,712)	(13,747,889)
Surplus/(deficiency)	7,967,777	8,622,097	2,296,609

	Caravan Parks	Bundaberg Airport	Building Certification
	2013	2013	2013
	\$	\$	\$
Revenue for services provided to Council	-	-	-
Revenue for services provided to external clients	2,428,545	3,000,026	153,512
Community service obligations	-	-	-
	2,428,545	3,000,026	153,512
Less: Expenditure	(2,255,671)	(2,810,200)	(462,977)
Surplus/(deficiency)	172,874	189,826	(309,465)

Description of CSO's provided to business activities

Activities	CSO description	Actual
		\$
Water	Provision of water allocations to unlicensed sporting clubs free of charge	\$116,119
	Pension remissions	\$171,766
Wastewater	Providing pedestal discount for community and aged care facilities	\$229,104
	Clearance of private sanitary drains	\$8,727
	Pension remissions	\$200,443
Waste Management	Provision of wheelie bins and waste disposal for Community Events	\$26,708
	Provision of wheelie bins and waste disposal for public spaces	\$141,810
	Unrecovered costs incurred in operating Rural Transfer Stations	\$393,130
	Waste disposal - internal liability of other Council departments	\$1,058,219
	Free waste disposal days	\$58,074
	Waste levy - internal liability of other Council departments	\$49,429
	Pension remissions	\$188,547

BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

**Management Certificate
For the year ended 30 June 2013**

These general purpose financial statements have been prepared pursuant to Section 176 & 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, as set out on pages 1 to 52, 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: 18 / 10 / 13



Chief Executive Officer

Date: 18 / 10 / 13

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Bundaberg Regional Council

Report on the Financial Report

I have audited the accompanying financial report of Bundaberg Regional Council, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility 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 prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Bundaberg Regional Council for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



M R HYMAN CA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane



FINANCIAL SUSTAINABILITY STATEMENT



towards
2031

vibrant
progressive
connected
sustainable

BUNDABERG REGIONAL COUNCIL

CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

For the year ended 30 June 2013

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 2013.

Measures of Financial Sustainability

	How the measure is calculated	2013	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0%	Between 0% and 10%
Asset sustainability ratio*	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	75%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-12%	not greater than 60%

Council's performance at 30 June 2013 against key financial ratios and targets:

Council borrows to fund capital projects that are considered by Council to be of the highest priority and which cannot be fully funded by revenue, grants and subsidies.

A significant part of total liabilities included in the net financial liabilities ratio represents debt funding of the Bundaberg Regional Airport development and Sewerage Infrastructure.

In determining the Asset Sustainability Ratio:

1. Capital expenditure on the replacement of assets (renewals) refers to all assets renewals, which include non-infrastructure assets. Examples of renewals include:

- Water Main Replacement
- Road Reconstruction
- Sewer Relining
- Kerb and Channel Replacement
- Footpath Replacement

2. Depreciation expense relates to all assets, which include non-infrastructure assets.

* Due to the January floods, Council was unable to fulfil its renewal program as resources were diverted to flood recovery works. This resulted in the asset sustainability percentage falling below the target.

BUNDABERG REGIONAL COUNCIL

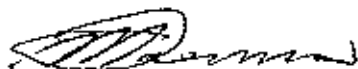
CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

For the year ended 30 June 2013

**Certificate of Accuracy
For the year ended 30 June 2013**

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: 18 / 10 / 13



Chief Executive Officer

Date: 18 / 10 / 13

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Bundaberg Regional Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Bundaberg Regional Council for the year ended 30 June 2013, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility 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 Responsibility

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. 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.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

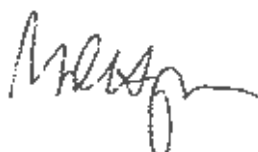
In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Bundaberg Regional Council, for the year ended 30 June 2013, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn 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.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



M R HYMAN CA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Explanation of Council's Financial Management Strategy

Our Long-term Financial Outlook

Council regularly models financial performance, financial position and cash flow forecasts to monitor the long term sustainability of financial decisions. Projected financial statements for the ten year period through to 30 June 2023 are included in the 10 year long term financial forecast.

The long term financial forecast is set amidst the competing backdrops of increased demands for the provision of Council services and infrastructure to keep pace with the current ageing population growth within the region, but also significant capital revenue constraints as a result of a series of State Government decisions over several years that has seen the removal of the 40% capital grants and subsidies, as well as the capping of infrastructure charges from new development.

The yearly budget and this long term financial forecast continue to apply the principles endorsed by Council, particularly with respect to:

- The continued implementation of the planned price paths for utility charges. To this end the long term financial plan is based on pricing decisions in the respective utility schemes that aim to achieve a postage stamp price for those services across the region. This is expected to be achieved within waste charges by 2015/16, water charges by 2018/19 and within sewerage charges by 2019/20. The price paths for water access charges, water consumption charges and waste disposal fees are developed and implemented over the period of this plan.
- Continual review of operations to ensure that the operating position is optimised by one or more of the following means:
 1. Reducing costs through operational savings or reduced service delivery;
 2. Ensuring that overheads are appropriately recovered;
 3. Increasing charges; and/or
 4. The restructuring of operations which may include the involvement of the private sector or investigating the divestment of all or parts of some activities.

Financial Indicators

Council uses a series of financial indicators to assist in monitoring its financial sustainability, which also serve to identify future year ramifications of decisions that are made in the present period. Notwithstanding these indicators, events outside the Council's control or community expectations or a perceived benefit to the community may force Council to temporarily move outside the optimum range. A strategy would then be put in place to ensure Council reverts to its planned parameters.

The long-term measures of financial sustainability are shown on the following page.

Measures of Financial Sustainability
Projected for the years ended from the adopted Budget

Long-Term Financial Sustainability Ratios	Target	Actuals 2012/13	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23
Asset Sustainability Ratio <i>Capital expenditure on replacement assets divided by depreciation expense</i>	> 90%	75%	290.9%	96.1%	116.8%	115.5%	120.5%	149.5%	129.5%	160.1%	106.1%
Net Financial Liabilities Ratio <i>Total liabilities less current assets divided by operating revenue</i>	< 60%	-12%	52.9%	67.8%	80.2%	80.7%	77.2%	77.8%	72.3%	73.6%	67.1%
Operating Surplus Ratio <i>Net operating surplus divided by total operating revenue</i>	0-15%	0%	0.7%	1.4%	1.6%	1.8%	2.5%	3.2%	4.0%	4.7%	4.1%

BUNDABERG REGIONAL COUNCIL


LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT

For the year ended 30 June 2013

**Certificate of Accuracy
For the year ended 30 June 2013**

This long-term 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 long-term financial sustainability statement has been accurately calculated.



Mayor

Date: 18 / 10 / 2013



Chief Executive Officer

Date: 18 / 10 / 2013



Phone 1300 883 699

ceo@bundaberg.qld.gov.au

PO Box 3130, Bundaberg, Qld, 4670

www.bundaberg.qld.gov.au